



ISSUE 6. 2014

WHAT IS ENTREPRENEURSHIP?

Good question and INEOS
thinks it might just have
found the answer

CHANGING THE FACE OF SOCIETY

Entrepreneurs who have changed the way we think and feel

THE INEOS DIFFERENCE

And why we are proud of it

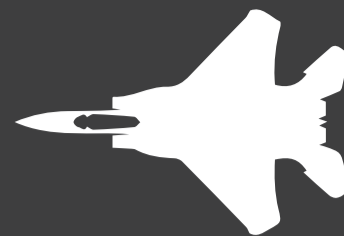
COLDER AND BOLDER

Scientists' cool discovery opens the door to a
whole new world of adventures for polar explorers

www.inchnews.com

INEOS
THE WORD FOR CHEMICALS

FACTS + FIGURES



The F-22 Raptor jet fighter cockpit is made from a piece of high optical quality polycarbonate, which is produced by using both phenol and acetone



The INEOS Enterprises brine cavities are so old, the Cheshire salt layer dates to when dinosaurs walked the land

250
million years ago



30 PAIRS

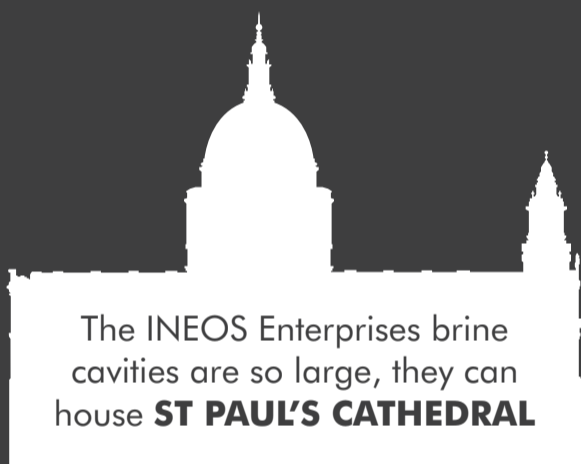
INEOS Nitriles supplies enough acrylonitrile each year to provide every physician in the USA with more than 30 pairs of surgical gloves every day



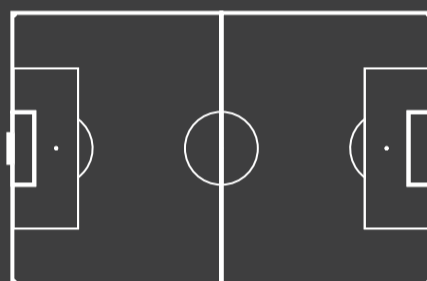
PVC shrink wraps help to protect food. The PVC we make for shrink wrap films each year is enough to cover France 5 times



INEOS Nitriles makes enough acrylonitrile to produce one acrylic blanket for every baby born on the planet, every year



The INEOS Enterprises brine cavities are so large, they can house **ST PAUL'S CATHEDRAL**



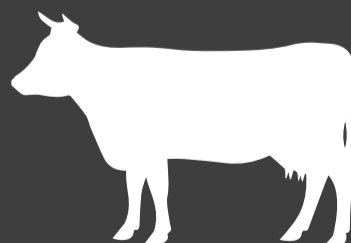
50,000

Each year INEOS ChlorVinyls sells enough PVC to produce PVC floor coverings for 50,000 football pitches



3 BILLION

syringes deliver life-saving drugs, produced from our super-clean medical grade polymers every year



450,000 COWS

INEOS Olefins & Polymers Europe every day manufactures enough polymer (HDPE) to package 10% of Europe's milk production; the daily lactation of over 450,000 cows



3.4 MILLION

car fuel tanks are produced from our polymer, thanks to a combination of its strength, light weight and mouldability. This light-weighting of cars makes them more fuel efficient, helping to save 140,000 tons of CO₂ emissions/a



INEOS ChlorVinyls makes medical tubes that would go to the **MOON AND BACK** again each year

INTRODUCTION



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TO VISIT
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COMPLACENCY and stifling bureaucracy can kill a business.

Pointless committees, rules and regulations – far from keeping everything running smoothly – can often have the opposite effect.

People lose heart. Work becomes a chore and there’s no accountability.

It can happen to the best of companies as they age and grow. Things change. That entrepreneurial spirit – the one thing that kept them focused in the very early days – gets lost in the passage of time.

INEOS, which was founded in 1998, is acutely aware of that and it is why, as a company, it works hard to retain that entrepreneurial spirit – 16 years on.

That entrepreneurial spirit is as fundamental to INEOS as the chemicals it makes.

It is also a selling point, as INCH discovered when it went knocking on employees’ doors to find out how they felt about working for INEOS.

They love the freedom to use their knowledge and creativity.

They feel motivated and empowered to seek out innovative solutions, spot opportunities and make things happen.

And they have the tools to succeed.

It’s inspiring stuff.

This edition is all about entrepreneurship. The difficulty has been where to start in a company such as INEOS where there is evidence of entrepreneurship hard at work in almost all its businesses and sites.

This edition tries to do justice to at least some of it.

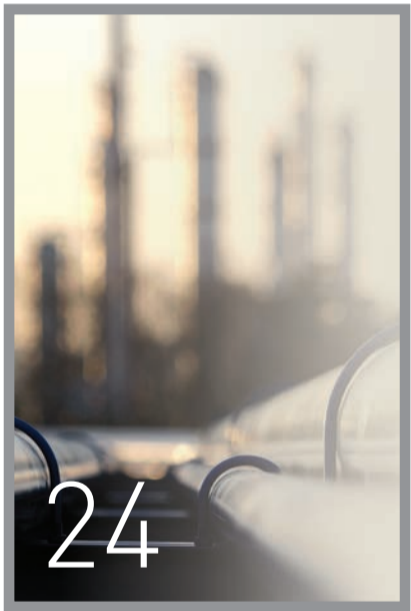
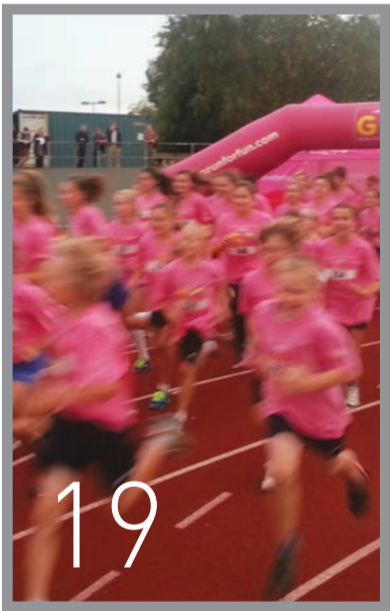
Outside of work, INCH takes a look at the INEOS Go Run For Fun campaign, which – if it all goes to plan – will one day become the biggest kids’ running initiative in the world with over 100,000 children involved.

We also take a look too at the coldest place on Earth. A bone-chilling – 93.2 °C spot which was discovered by scientists as they analysed data from satellites that have been orbiting the planet for 32 years.

Life is all about pushing boundaries and finding new and creative ways to achieve challenging goals.

Some of which we have tried to reflect in this sixth edition of INCH.

JIM RATCLIFFE



INCH ONLINE:

Due to the popularity of INCH it is now available to everyone, inside and outside INEOS. To make access easier you can view the magazine and the embedded videos online, on your phone, on your iPad or on your desktop.

WHAT IS THIS?

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CONTENTS

Facts and figures	02
What is entrepreneurship?	04
The INEOS difference	08
Entrepreneurial spirit	10
A spirited workforce	12
Changing the face of society	14
Colder and bolder	16
Is entrepreneurship contagious?	18
Little feet make big strides	19
INEOS sends open letter to EU	20
Experts explore options	22
INEOS refines its goals	24
Safely on track	26
Business profile: BaleyCourt, France	28
In the Headlines	30

It's a question academics have been asking themselves for years. But, as yet, no one has really agreed on a definitive answer. But it's an important one because true entrepreneurs are, according to The Economist, those who find worth in the worthless and possibility in the impossible. INEOS is a company which prides itself on being entrepreneurial, but what does that *really* mean?



ENTREPRENEURSHIP runs through the heart of INEOS.

With it comes passion, determination, innovation, a vision and a desire to act swiftly.

In today's world, when companies must be able to move quickly to be the first to take advantage of opportunities, those qualities matter more than ever.

"Entrepreneurship, at least within INEOS, can be summed up in four words: speed, risk, drive and fun," said Bill Reid, business director for INEOS O&P Europe (North). **"Speed of response to the opportunity, a willingness to take risks, a strong drive to continuously push the company forward, but also to have fun in an environment where INEOS Capital entrusts us with a great deal of responsibility at a very early stage."**

Hans Casier, CEO of INEOS Oxide, said INEOS Chairman Jim Ratcliffe laid the foundations for an entrepreneurial mindset to flourish when he co-founded Inspec, a high-margin speciality chemicals business which owned a former BP petrochemical plant in Antwerp. It is that plant in Belgium which Jim bought and renamed INEOS in 1998.

"On that very first day at Inspec we were asked whether we could produce more glycol," said Hans. **"We had an idea which had been hanging around for years but BP had never implemented it and had no interest in the site. Jim told us to just go and do it, but make sure it was done quickly. It was a completely different view of running the business. He had a vision and ideas. He didn't want to stand still. He wanted to make it better and was prepared to consider the risk and to move the business forwards. That is the spirit which came into the company from day one. Building on the site's ideas allowed us to produce 22 kt more glycol very quickly. It was just the start. The Antwerp site, which had been on the way to closure under BP, is now three times as big as it was back then, and it is flourishing."**

Calum Maclean, CEO of INEOS O&P Europe (UK), says that entrepreneurial spirit has always been with INEOS and believes nurture is more important than nature in harnessing people's talents.

"I think true entrepreneurs are born not made," he said. **"But they can develop an entrepreneurial spirit by encouraging people around them to approach business**

differently, to think about solutions not problems, thinking 'outside the box', setting an example through their behaviour."

He believes entrepreneurial employees exist in every company but often their potential is crushed by rules and bureaucracy.

That's something you won't find at INEOS.

"We don't have a big head office of people who manage from a distance," said Calum. **"The armies of people or committees that you would find in other big head offices just don't exist in INEOS."**

Jim Ratcliffe, who last year became the first Briton to win the Petrochemical Heritage Award for his visionary approach to the global petrochemical industry, believes bureaucracy is the biggest passion killer of all.

"It suffocates businesses," he said.

Instead Jim's own entrepreneurial approach to running a business has helped to foster a culture where innovative solutions are sought every day.





BEFORE: BP's petrochemical plant in Antwerp, Belgium, before INEOS bought the site



AFTER: INEOS' entrepreneurial thinking led to massive investment in the Antwerp site, which is now three times as big as it was when it was owned by BP. But the plant is not unique. That spirit, that drive, that vision can be found hard at work in all INEOS' sites around the world

“ Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion”

Jack Welch, former chairman of General Electric

In short, INEOS is a team of doers, not dreamers.

Peter Williams, CEO of INEOS Technologies, said having the courage to take risks was part of being an entrepreneur. Without that willingness, opportunities could easily be missed. The important bit is understanding the risk, he said, to ensure your ideas are well thought out, well supported and then well executed.

First, though, you need to hire the right people. People who share INEOS' ethos.

When INEOS bought BP's Innovene business in December 2005, it inherited an executive team of 12.

“Within a year only one of them was left,” said Calum. **“The rest either left because they didn't like INEOS' entrepreneurial spirit or the focus of accountability they experienced, as committees and layers of management were stripped away. People have to fit with INEOS and they either love it or hate it.”**

At INEOS, the entrepreneurial spirit starts at the very top. Jim Ratcliffe is very clear about what it means to him.

“Firstly it is about courage,” he said. **“You must have the courage of your convictions. It is easy to keep your head down and not be noticed, but if you are going to make a difference you need to stand up for what you believe in, put your head above the parapet and be prepared to be shot at once in a while. It is about being proactive and actively seeking out change, rather than becoming a victim of circumstances.”**

One often hears it said that with 'no risk there's no reward', but successful entrepreneurs know that it is very easy to lose money. Acquisitions are a classic example – almost 90% of them fail.

“That's not been the case with INEOS,” said Jim. **“But it is critical that entrepreneurs have real rigour in their analysis. It quickly becomes clear where this has not been applied and I often see new ideas or proposals for deals**



quickly unravel when we put them under the microscope and test them hard. Lack of rigorous analysis translates into higher risk. The name of the game is to think of all the 'what ifs' early on and to test them as far as you are able with the information available. You cannot think of everything and you cannot eliminate the risk entirely, but you can certainly reduce it."

He also believes that picking the right team is critical to any organisation's success.

"Like all things in life, success depends on having the right people involved and they need an organisation that supports them and an entrepreneurial approach, with accountability, a lack of committees, and the freedom to make key decisions," he said. **"It suits some people but not all. People in INEOS do behave more like owners than employees and I think that has helped to generate that spirit of entrepreneurship. We want them to think beyond their job description."**

The CEOs who manage INEOS businesses understand what's at stake and why they too must lead by example.

"We need people who are prepared to find creative ways to take advantage of opportunities, implement ideas and change businesses for the better," said Ashley Reed, CEO of INEOS Enterprises. **"This is not meant to be incremental progress, but big, bold game-changing moves that can really make a difference."**

He said to the small and medium-sized businesses, which fell under the INEOS Enterprises' umbrella, such improvements could double EBITDA.

Nick Williamson, business development manager at INEOS Phenol, said the culture at INEOS allowed him the freedom to breathe life into innovative ideas.

"They may sometimes go against the perceived wisdom of the day but INEOS gives you that freedom," he said. **"You then, of course, must deliver that step-change. This isn't just dreaming."**

The late Peter Drucker, hailed by BusinessWeek as 'the man who invented management', spent a good deal of his life studying people. **"Whenever you see a successful business, someone once made a courageous decision,"** he said.

INEOS is a case in point. In 1998 everything was risked to acquire the former BP petrochemical site in Antwerp from Inspec and in 2005 a deal was done that ultimately transformed INEOS into a major chemical player.

Calum said the takeover of BP's massive chemicals business Innovene for \$9 billion was completed without even visiting many of the sites.

"This was a little company taking on the big guys," he said. **"BP's chemical business was then three times as big as INEOS. It takes a lot of nerve and ability to pitch in like that."**

BP had planned to float the business on the New York Stock Market. Instead INEOS convinced the management team to sell it to them.

That visionary approach – together with a lean management team who can, and do, make important decisions incredibly quickly – are what set INEOS apart.

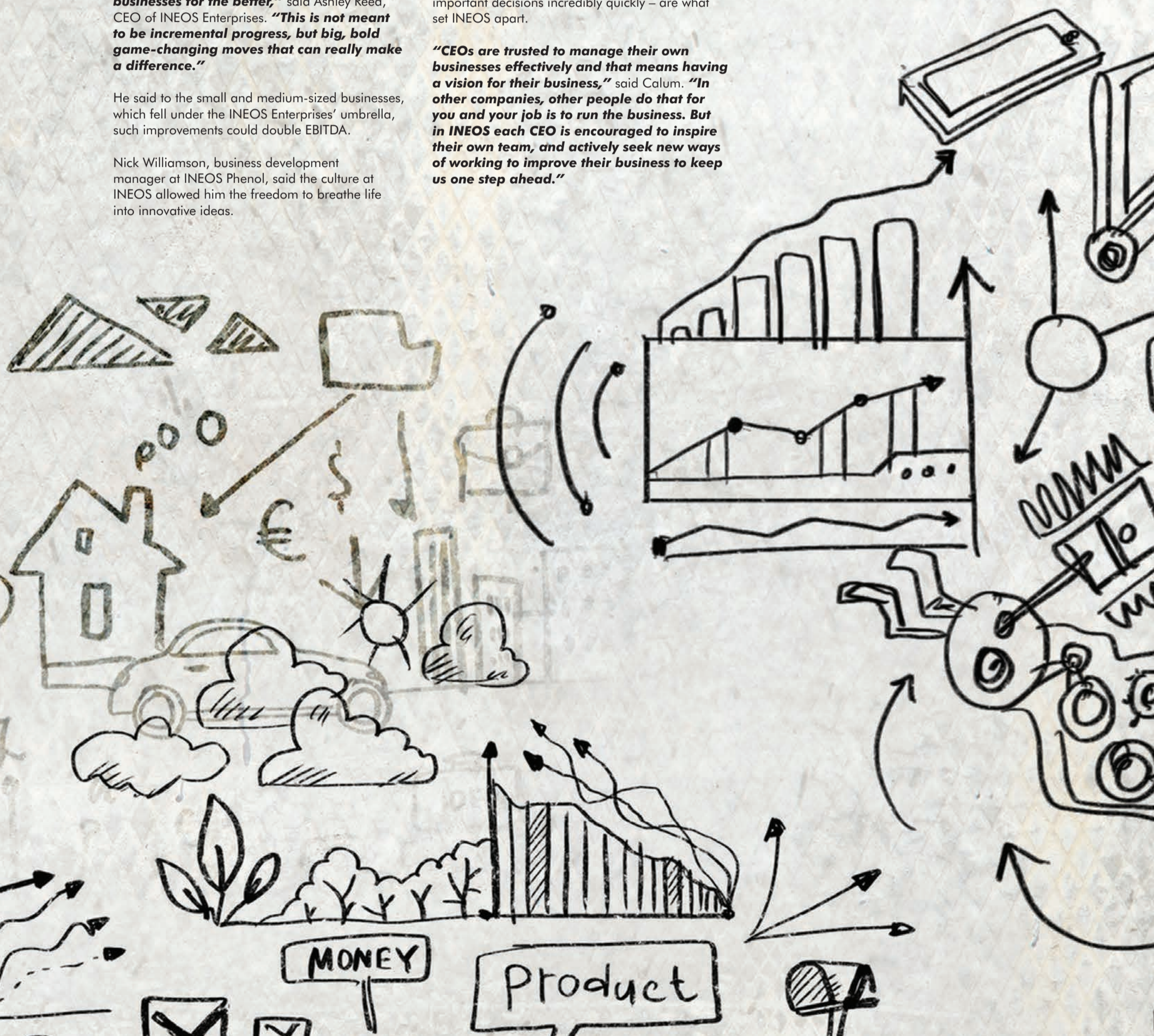
"CEOs are trusted to manage their own businesses effectively and that means having a vision for their business," said Calum. **"In other companies, other people do that for you and your job is to run the business. But in INEOS each CEO is encouraged to inspire their own team, and actively seek new ways of working to improve their business to keep us one step ahead."**

Larry Farrell, chairman of a world-leading US firm which researches the high-growth business practices of the world's great entrepreneurs, said companies should fight to keep their entrepreneurial spirit alive.

"Of America's 100 biggest and richest companies 100 years ago, only 16 are still in business today, and there's a reason," he said. **"As a company grows, it gets bogged down in managing the business rather than developing the business. Meetings, reports, and self-perpetuating bureaucracy usually erupt on every front. Growth slows down, high-priced consultants are called in, decline sets in and, unchecked, you are on your way to demise."**

Thankfully the world seems to be waking up to the fact that the global economy needs entrepreneurs to create jobs and wealth.

The late Steve Jobs, founder of Apple, once said: **"A lot of companies choose to downsize and maybe that is the right thing for them. We chose a different path. Our belief was that if we keep putting great products in front of customers, they will continue to open their wallets."**



Working for INEOS promotes independent thinking. But what's good to know is that there is a team behind you to help, if necessary. To me, entrepreneurship means seizing the initiative, inspiring others and driving results.

Stijn Dekeukeleire
RTD engineer
INEOS Oxide, Belgium

Having worked for a more traditional 'blue chip' chemical company in the past where life was safe and 'cosy', the INEOS environment is much more challenging and demanding. But, because of that, I feel more involved and able to make a difference and, as a result, I enjoy the job a lot more. INEOS constantly looks to maximise business opportunities through innovative solutions whether these are technical, commercial or financial.

Dave Hart
INEOS Nitriles, Seal Sands, UK

INEOS doesn't accept that things need to be done in a certain way, just because that's how they've always been done. The company likes to challenge convention and is constantly striving to achieve the same results while driving down costs. I like the fact that I work for a company that challenges you to seek your own solutions but it can be challenging, at times frustrating and sometimes uncomfortable.

Paul McNulty
INEOS Nitriles, Seal Sands, UK

INEOS is an inspiring environment that allows you to go as far as your mind lets you. So often people believe working long hours is the way to go, but working on the right things is probably more important than sitting at a desk for hours on end. The secret is to get focused and stay focused and trust your own instincts. Because our business is constantly changing, we must adapt to the changing circumstances and set new goals and implement smarter solutions. Believing in yourself makes it so much easier to win over others to achieve the same goals. You can sit around and analyze forever if you want, but while you are doing that the competition has moved on.

Peggy Gerits
Planning & logistics manager
INEOS Oxide, Belgium

AT INEOS we are encouraged to think 'outside the box' to find solutions to problems and develop the business. You can see new possibilities every day at work. Although we are all different and have different features and characteristics, innovation is one we all share.

Carita Johansson
HR specialist/communications officer
INEOS ChlorVinyls, Stenungsund, Sweden

THE I N E

**INNOVATIVE. INDEPENDENT. DIFFERENT.
EXCITING. ENTREPRENEURIAL. COURAGEOUS.**

INEOS is different. You can see it in the faces of those who work for the company and feel it in the air. There is a buzz about the place. Over the years INEOS may have grown into the world's third largest chemical company, but it has not lost its spirit

Encouraging employees to seek solutions to their own problems means we feel involved in our own destiny. Such a spirit also creates an environment which allows us to easily build solid networks with people within INEOS and outside the company.

Johan Loots
Sr. production engineer utilities
+ energy & carbon
INEOS Oxide, Belgium

INEOS is definitely an entrepreneurial company in how it develops its businesses, products and people. It is both stimulating and rewarding to be given the freedom to think differently and see new possibilities opening up. And there is evidence of it at work, be it in how we safely run the business or constantly try to reduce our impact on the environment.

Kjell Andersson
Constructor
INEOS ChlorVinyls, Stenungsund, Sweden

INEOS has the feeling of a new born company, full of spirit and drive. It gives clear accountability. It cuts through the nonsense and encourages people to find solutions, to get the job done. I have worked for other companies where I got bogged down in bureaucracy and hit so many brick walls that I lost enthusiasm to work for them. Not INEOS.

Debbie Clark
PA/ office manager
INEOS Group, Hampshire UK

As a recent graduate, INEOS makes me a 'go-get-it' type of engineer. I am being trained to get out there and figure things out for myself while having the backing and support of well-trained and highly experienced individuals to help me out when needed. At INEOS you are given real responsibility, real accountability, and real exposure to the business world. If you have the right attitude and mindset, you can go far because the opportunity is there. Every day we deal with real issues, real problems and we work together so that by the end of the day most problems are solved.

Amadou Tounkara
I&E reliability engineer
INEOS O&P USA

INEOS operates very differently compared to other companies, especially in the chemical industry. People who like hierarchies will be lost here. INEOS forces you to think differently, to be flexible and straightforward and work beyond conventions. If you're someone who feels comfortable with that, who enjoys an immense amount of freedom and wants to make a difference, then this is the company for you. It is great to have no limits apart from the ones you set yourself. Here we are encouraged to try new paths, to explore fresh ideas, and to see the bigger picture. INEOS is about the passion – and a will – to drive things forward.

Dr. Anne-Gret Iturriaga Abarzua
Head of corporate communications
INEOS Olefins & Polymers Europe North

At INEOS we are given the freedom to use our knowledge and resources to develop innovative and high-value ideas in a proactive and non-fearful manner. That approach means we are not left 'fighting fires' or getting by on traditional, prescribed or "status quo" ways of doing business.

Mark Gessner
Engineering advisor
INEOS O&P USA

INEOS

DIFFERENCE

I certainly view INEOS as an entrepreneurial chemical company because of its willingness to challenge existing working practices and attitudes in society. Working for the company is incredibly rewarding because it does encourage you to look for, find and implement solutions to your own problems.

David Sopher
INEOS Nitriles, Seal Sands, UK

It is interesting and exciting to work for an organisation that challenges you to seek solutions to your own problems. At INEOS you are encouraged to be resourceful, find new ways of working, and develop your own role.

Annika Petrusson
Assistant to Managing Director
INEOS ChlorVinyls, Stenungsund, Sweden

INEOS' management is very courageous and successful. My job is so enjoyable that it doesn't feel like work. To me entrepreneurship is taking personal responsibility for the business, and over the years I have seen it hard at work within the company especially during the 2008/2009 crisis and more recently during the dispute at Grangemouth.

Manfred Hartung
Asset manager energy department
INEOS Olefins & Polymers
Europe North

Nothing is spoon-fed at INEOS which means you develop and learn so much faster than you would otherwise. The lack of an enforced hierarchy really allows people to flourish and it is a real credit to the company that every member of the organisation takes a personal investment in its success. I see evidence of entrepreneurship at work on a daily basis because I am surrounded by people who are not limited to their job description and constantly seeking opportunities for business development, improvement and efficiency. This is of their own accord with no pushing needed from anyone else. There is a real degree of self-discipline at work coupled with sheer drive and determination which permeates throughout the organisation.

Gabriella Isidro
Polymer Product Officer, INEOS Olefins & Polymers Europe North

ENTREPRENEURIAL SPIRIT

DESPERATE TIMES CALL FOR RADICAL THINKING

When great minds think alike, unbelievable things can happen, as INCH discovered when it looked for evidence of entrepreneurship at work in INEOS

ELEANOR Roosevelt said the future belonged to those who believed in the beauty of their dreams.

It also belongs to those who are prepared to challenge the present.

At INEOS, that is an approach which is actively encouraged, celebrated and rewarded. It wants to empower its people so that they see opportunities to run the business better – from wherever they are sitting – and have the drive to make the change happen.

In 2009, during the worst global recession in decades, INEOS did exactly that. It saw an opportunity, moved fast with a clear strategic vision and wrote a new chapter in the history of European petrochemicals.

“It was a game-changer,” said Bill Reid, business director for Olefins & Polymers Europe (North).

Demand in Europe had been shrinking fast, profits were plummeting, Europe’s crackers were closing, and INEOS’ main competitor went bust. To make matters worse, the gulf between energy and feedstock prices in Europe and America was beginning to widen as the US found a way to unlock vast reserves of previously untapped gas, from shale.

“They were arguably the darkest of days for our business, as they were for manufacturing generally,” said Bill.

Desperate times, though, call for radical thinking.

INEOS decided if it could not do anything to drive down Europe’s crippling energy costs, it would ship America’s cheap shale-derived ethane gas to Europe to help reduce its operating costs and maintain a competitive, global olefins and polymers business.

The plan worked. In 2012 INEOS managed to complete a seemingly impossible sequence of deals to finally secure, 15-year contracts with

the three companies that would be responsible for the drilling, distributing, liquefying and delivering hundreds of thousands of tons of ethane every year from America to Norway and Scotland. It also began building a gas storage tank and terminal at its Olefins & Polymers plant in Rafnes.

When the shipments start arriving at Rafnes next year, INEOS will be the first petrochemical company in Europe to import cheap gas from the US and receive the competitive advantage of ‘shale economics’.

“No one had thought to do this,” said Gerd Franken, CEO of Olefins & Polymers Europe (North).

INEOS’ Grangemouth site in Scotland in the UK will also see the benefits of such entrepreneurial thinking when Britain starts to take delivery of US shale-derived gas from 2016 to supplement declining North Sea feedstocks. The £300 million investment in a new import terminal incorporating a 40-metre high ethane tank, capable of holding 33,000 tons of ethane, will help to turn a loss-making site into a profitable site.

Such entrepreneurial thinking is embedded in INEOS’ culture. Employees don’t just want to make a living; they want to make a difference. And, more importantly, they believe they can.

Overcoming obstacles, seeing new ways of working, thinking laterally, and regularly challenging the status quo are all in a day’s work at INEOS.

The company’s entrepreneurial spirit is there too in its approach to acquisitions, its strategic vision and its ability to make critical decisions quickly.

From the top down, INEOS encourages everyone to not just see problems, solutions and opportunities, but to come up with ideas to do something about them, as INCH discovered.





On May 7, 2014 INEOS extended its contract with Evergas to build even more ships to bring cheaper ethane from the US to its European plants, from 2015



Novel approach

A NOVEL approach by INEOS Oxide enabled the business to not only make money from waste, but also helped to create a successful business for two other companies, and remove the equivalent of 60,000 cars from the road.

The ball started rolling when INEOS initiated a search for companies with a possible interest in CO₂ being created by its ethylene oxide plant in Belgium.

"We make quite a lot of CO₂, we knew that there must be good use that this could be put to but it was not our market," said Hans Casier, CEO of INEOS Oxide, which already operated the most energy-efficient ethylene oxide unit in Europe.

Rather than release this CO₂ directly into the atmosphere, INEOS Oxide set out to find two companies which, together, could run a successful business, using the CO₂ to make such things as soft, fizzy drinks and dry ice, which keeps food and drink fresh when it is transported from warehouses to shops.

INEOS introduced Messer to Strombeek IJsfabriek, who went on to form a joint venture, running their new business, BECO₂, from INEOS' Zwijndrecht site in Antwerp.

"We convinced them to build their own company instead of buying their CO₂ from someone else," said Hans.

"They now take about 150,000 tons of CO₂ and we share our costs and infrastructure."

At the press launch of the CO₂ liquefaction unit, CO₂ was taken straight from the ethylene oxide unit and made into sparkling water. ***"Everybody from the plant, who was there, stepped forward and grabbed a glass,"*** said Hans. ***"We offered it to the press and they all took a step backwards. It was a typical example of the wider community not knowing what chemicals are all about."***

A spirited *workforce*

ENTREPRENEURSHIP AT WORK IN INEOS

Pinpointing niche markets

YOU would not necessarily think that the Turkish construction industry would be the most obvious market to look to when developing a new, high performance insulation material, but it was for INEOS Styrenics.

"The Turkish economy has been growing strongly in recent years and government building regulations have tightened following disastrous earthquakes in 1999 and 2011 in which many buildings collapsed," said Rob Ingram, Chief Operating Officer at INEOS Styrenics. ***"There was a lot of building work going on and insulation became increasingly important as standards increased."***

Expandable Polystyrene (EPS) in the form of white foam blocks is a leading material used for building insulation in Europe and was already widely used in Turkey. What was new for the Turkish market was a grey version of this material in which the thermal insulation properties are improved by 20%.

INEOS had three options: battle for a bigger share of the developing grey EPS market in Germany, where people already recognised the benefits and where there is a strong local producer; wait for the

rest of Europe to catch-on and follow the German lead; or look for alternative markets and try to capture a first mover advantage.

INEOS Styrenics chose the third option.

It worked with one of its key customers in Turkey and sold the benefits of its EPS Silver product to them. Together they saw an opportunity to be the first to introduce Turkey to this new material. They launched a joint promotion at a major national construction exhibition, spoke to architects and construction companies about the product's benefits, hosted industry seminars, and wrote a series of articles for the national trade press.

"It was not an overnight success but in five years we have grown sales from nothing to become the market leader," said Rob. ***"And that is all because we saw the opportunity and got into the market early to establish our product as the standard for high quality."***

Living what you believe.

HAVING faith in a plan is as critical as the plan itself.

At INEOS Europe AG that belief saved its Sarralbe PP plant, a small polypropylene production site in France which had been losing about four million Euros every year.

In 2012, Xavier Cros, Polymers Business Manager at INEOS O&P South, took over the site and implemented a detailed plan that, in the past, had failed miserably.

"None of the actions were really new or breakthrough," he said. ***"The difference was that this time the people on site believed the changes would work."***

He addressed the entire workforce and each was given a target.

"Every person at the site became part of the plan, so it was down to everyone whether it succeeded or failed," said Xavier.

The plan worked. Within a year, the site was back in profit. ***"That success has breathed new life into the site,"*** he said. ***"Everyone now believes we can do even better this year."***

Product information

METHOXPOLYETHYLEENGLYCOL (MPEG) had been used for almost half a century when INEOS was founded in 1998.

It was a tried and tested molecule, but it had very few uses.

Shortly after INEOS bought the former BP petrochemical site in Antwerp, it began looking at changing the make-up of many chemicals to make them work harder for the company, add value and give customers better products.

MPEG was one of them. But before INEOS changed it, a team went into

the market place to find out what construction companies wanted and needed.

“By changing the specification and working with the core companies, we introduced a whole new technology in that sector,” said Hans Casier, CEO of INEOS Oxide. **“A good example is for fast-setting concrete. We provided the solution by changing the way we produced the molecule to meet the needs of this application and we saw a huge increase in sales and contribution.”**

BOLD DECISIONS

LEADERSHIP demands courage.

Two years ago INEOS was buying catalysts and selling them on to their customers. Today they make their own and sell about 500 tons a year thanks to a bold decision to build a catalyst manufacturing plant in India.

“If we had built this plant in Europe or America, it would have cost us four times as much,” said Peter Williams, CEO at INEOS Technologies.

Working in partnership with a local company, INEOS now makes catalysts at its own plant and then ships them to customers around the world.

“We did take a calculated risk, but it’s a very competitive business, it’s important to us and we could not have afforded to build a plant at one of INEOS’ existing sites,” he said.

The catalyst manufacturing plant has been so successful that a second one is currently being built.

A WILLINGNESS TO TAKE RISKS

A WILLINGNESS to take calculated risks also shows true entrepreneurship at work.

CEO Peter Williams said his team at INEOS Technologies showed that in trying to win over a customer in Mexico.

INEOS was on the verge of licensing its technology for a polymer plant to a company in Mexico but the customer was concerned that this was the first time INEOS had made one of the products it had planned to manufacture on a commercial scale.

“We knew it was possible from the work we had done in our laboratory, and we were

confident in our capabilities,” said Peter.

To convince the customer, INEOS used a pilot plant to manufacture the product and then shipped it to Japan where it was converted into what the customer wanted – packaging.

INEOS then sent a team to Mexico to test the packaging on the market.

“We made only two batches of the product and it hit the spot,” said Peter. **“We won the business and the relationship with the customer goes from strength to strength.”**

Thinking outside the box

THINKING outside the box can save millions, as INEOS Phenol discovered when it planned to make available land it was not using and offer use of its jetty to a neighbouring company in Antwerp, Belgium.

The deal is a great example of a win-win situation with both parties gaining from the overall project. ADPO will be able to use the INEOS jetty, (a critical facility for a logistics and chemical storage company based in a major port), and INEOS will now benefit from the use of new railway sidings, pipelines and loading facilities which ADPO plan to build right next door to INEOS’ site.

“The main line railway runs right past our site and they are going to be building sidings off that, which will mean our phenol and acetone can be loaded on to trains instead of going by road,” said Nick Williamson, business development manager for INEOS Phenol. **“Just putting in a kilometre or so of sidings is costing millions of Euros. We would never have been able to justify the investment on our**



own but in approaching this issue with ADPO we have both gained from the project. By looking at what we have differently, we have been able to deliver value for our business.”

In addition ADPO also plans to extend the jetty

substantially which will mean INEOS can bring in larger shipments of raw materials and export more. **“This is an important development for the business which will open up further opportunities in the future,”** said Nick.



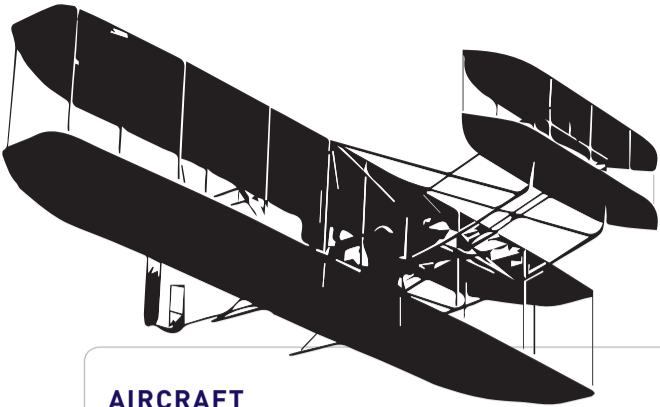
APPLE

Steve Jobs (1955 – 2011) was the co-founder of Apple. He and school friend Steve Wozniak sold their first Apple computer in 1976. He later left Apple amid disputes in 1985 but returned in 1996 and became its CEO in 1997. He went on to tackle Apple’s poor profitability and oversaw the development of the iPod, the iPhone and iPad. His greatest gift, said many, was his ability to second guess the market and design an innovative product that everyone wanted.



AMAZON

Jeff Bezos (1964 -) left a well-paid job with a New York City hedge fund to set up e-commerce site Amazon in his garage in 1994. Initially the site sold only books but he wasn’t content with being a bookseller. He wanted more for Amazon. He went on to make online shopping so easy that today customers can find and buy almost everything they want at the touch of a button. It is now the largest retailer on the Internet.



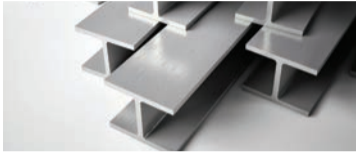
AIRCRAFT

The first airplane was invented by **Wilbur Wright** (1867 – 1912) and his brother **Orville** (1871 – 1948). After spending a great deal of time watching birds in flight, they finally showed the world that man could fly when they flew their plane for 12 seconds for a distance of 120 feet on December 17, 1903, astounding everyone.



FACEBOOK

Mark Zuckerberg (1984 –) started writing computer programmes at school. Several companies – including AOL and Microsoft – expressed an interest in hiring him before he graduated from Harvard University. He turned them down and went on to create Facebook. Today his social networking site has more than one billion users and market capitalisation of more than \$150 billion.



STEEL INDUSTRY

Andrew Carnegie (1835 – 1919) is best known for his gifts of free public library buildings but he was also an industrialist who led the enormous expansion of the American steel industry in the late 19th century. When he sold his company to JP Morgan in 1901, it was valued at more than \$400 million. He was driven by a desire to help others. When he died in 1919, he had given away about \$350 million of his fortune. He once wrote: ‘The man who dies thus rich, dies disgraced.’



IKEA

Swedish-born **Ingvar Kamprad** (1926 -) started selling matches, which he bought in bulk from Stockholm, to his neighbours when he was 14. Amazed that he could buy a product and resell it for a profit fuelled his ambitions. He went on to sell fish, Christmas decorations, pens, pencils and seeds. At 17 he named his new venture IKEA and added further goods. By 21 he was also selling furniture and by 27 – in 1953 – he opened his first IKEA showroom. Today IKEA has stores in 25 countries with annual sales of more than 21 billion Euros.

CHANGING THE FACE OF SOCIETY

If you had to name the greatest entrepreneur in the history of mankind, who would you choose? The man who created the iPhone, the ‘difficult’ pupil who went on to invent the electric light bulb or the woman who believed every woman could be beautiful. It’s an easy question but it’s not an easy one to answer, as INCH discovered



THE CAR

Henry Ford (1863-1947) brought the car to the masses. His Model T was everything he thought a car should be – reasonably priced and reliable – but only a few could be made in a day which wasn’t enough to satisfy demand. In the end he opened a large factory with an assembly line and went on to become the biggest car manufacturer in the world with a car that was simple to drive and cheap to repair



COSMETICS

Estée Lauder (1906 – 2004) was the daughter of a Hungarian immigrant. She founded her cosmetics company in 1946 armed with just four products and an unshakeable belief: that every woman can be beautiful. She began by selling skin care products to beauty salons and hotels, and believed that to make a sale, you needed to touch the customer. ‘I didn’t get there by wishing for it or hoping for it, but by working for it,’ she often reminded her sales team. Today her cosmetics are one of the leading brands in the world.



JEANS

Levi Strauss (1829–1902) was born in Germany, but moved to America in 1847 to work for his brothers. Six years later he started his own company, importing clothing, underwear, umbrellas and fabric which he sold to small stores all over the west coast of America. But it was a customer, a tailor, who gave Levi the idea of making heavy-duty ‘waist overalls’, which we now know as jeans. Initially it is believed the jeans were made by individual seamstresses but by the 1880s, as jeans grew in popularity, he opened his own factory. The rest is history.



THE COMPASS

The **Chinese** invented the first compass during the Han Dynasty. It was made of lodestone, a naturally magnetized iron ore. The compass enabled mariners to navigate safely far from land, increasing sea trade and contributing to the Age of Discovery.

EXPLORER

Portugese **Ferdinand Magellan** (1480 – 1521) organised the expedition that resulted in the first circumnavigation of the Earth. He assembled a fleet of five ships and despite huge setbacks, including the master of one of the ships sailing back home and Magellan’s own death (he was killed during the Battle of Mactan), he proved the world was round.



THE PRINTING PRESS

Johannes Gutenberg (1395 – 1468), a German goldsmith and businessman, invented a printing press with replaceable/ moveable wooden or metal letters in 1436. His invention, for which he needed to borrow money, is credited for revolutionising the production of books.

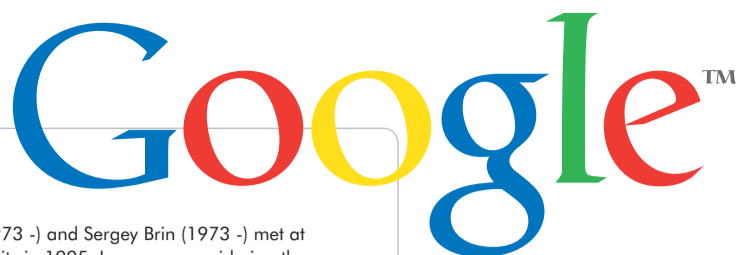
THE LIGHT BULB

Thomas Edison (1847 – 1931) was the youngest of seven children. His mother decided to teach him at home after his teacher described him as difficult. He didn't learn to talk until he was four after which he never stopped asking 'why?' At 12 he started selling newspapers and later published his own small newspaper. During his lifetime he filed more than 1,000 patents, including the electric light bulb, the first practical dictaphone, the phonograph and the storage battery. He obtained his last patent at 83. To many he will always be the greatest inventor who ever lived.



GOOGLE

Larry Page (1973 -) and **Sergey Brin** (1973 -) met at Stanford University in 1995. Larry was considering the school; Sergey was assigned to show him around. Two years later the two students co-founded Google, which went on to become one of the fastest growing businesses of all time. Today Google is the most popular search engine. Their philosophy is simple: Great just isn't good enough.



TATA GROUP

J R D Tata (1904 – 1993) became India's first licensed pilot in 1929 and went on to found India's first commercial airline, Tata Airlines, in 1932, which later became Air India. He joined his uncle's company, Tata & Sons, as an unpaid apprentice in 1925. In 1938 – at the age of 34 – he was elected chairman. Under his chairmanship the group's assets grew from \$100 million US dollars to \$5 billion US dollars. He started with 14 enterprises and, when he retired, there were 95 enterprises in the Tata Group.



ANIMATED FILMS

Walt Disney, creator of such magical figures as Mickey Mouse and Snow White, pioneered the fields of animation. During his 43-year career in Hollywood, he became known for taking the dreams of America and making them come true. His drive to perfect the art of animation was endless. When Technicolor was introduced to animation, he held the patent for two years, which meant he was the only person to make colour cartoons.



THE INTERNET

Computer scientist **Sir Timothy Berners-Lee** (1955 -) invented the World Wide Web, an internet-based hypermedia initiative for global information sharing while at CERN, the European Particle Physics Laboratory, in 1989. The proposal was meant for a more effective CERN communication system but he realised the concept could be implemented throughout the world. The first website was built at CERN and finally went online on August 6, 1991.



CHINA YOUTHOLOGY

Zafka Zhang co-founded market research company China Youthology in 2008. He believes today's generation in China has the power to change society. Companies such as Audi, Nokia, L'Oreal, and Daimler have all used his online business to tap into China's youth culture and understand how to market their own brands better.



COCA COLA

In 1886 Atlanta pharmacist **John Pemberton** (1831 – 1888) concocted a fragrant, caramel-coloured liquid. Keen to know what would happen if it were mixed with carbonated water, he took it to Jacobs' Pharmacy where fizzy water was added and customers had a sip or two. When they all said they liked it, Jacobs' Pharmacy started selling it for five cents (about 3p) a glass. Pemberton's bookkeeper, Frank Robinson, named the mixture Coca Cola. In the first year, Pemberton sold just nine glasses a day. Soon after it hit the market, though, he became ill and Asa Candler, a natural born salesman, secured the rights to Coca-Cola, and went on to transform it from an invention into a business. Today, the Coca Cola Company's turnover exceeds \$35 billion.



MICROSOFT

Bill Gates (1955 -) began programming computers at 13. He dropped out of Harvard to devote his energy to Microsoft, driven by the belief that the computer would be a valuable tool on every office desktop and in every home. He began developing software for personal computers and led the personal computer revolution. Having already given away \$28bn to his Foundation, Bill Gates now intends to eradicate polio, with the same drive he brought to Microsoft.



MOBILE PHONE

Martin Cooper (1928 -) came up with the concept of the hand-held mobile phone while working at Motorola in 1973. The prototype, which weighed two kilos, is believed to have cost Motorola about \$1 million in today's money. The battery last 20 minutes but it didn't matter because you couldn't hold the phone for that long.



THE TELEPHONE

Alexander Graham Bell (1847 – 1922) was the first to be awarded a patent for the electric telephone in 1876. He improved on the design and by 1886 more than 150,000 people owned telephones in the United States. He later said: 'The day will come when the man at the telephone will be able to see the distant person to whom he is speaking.'



FEDEX

Fred Smith (1944 -) took money left to him by his late father and founded Federal Express, a global overnight delivery service that a professor had warned him was unworkable. His company, now known as FedEx, is now believed to be the largest transportation business in the world, processing more than eight billion pieces of freight every day, and operating in at least 220 countries.

PAPAYAMOBILE

Si Shen was inspired after reading The Road Ahead by Microsoft founder Bill Gates. He wanted to change the world; so did she. After working for Google for several years, she left and returned to Beijing where she and a friend launched Papaya in 2008. Today she turns mobile phones into social networks. The software lets people share pictures, send messages and play games with others and it is believed to have more than 35 million users.

VIRGIN GROUP

Sir Richard Branson (1950 -) dropped out of school at 16 and started out by selling records to his friends at the lowest price possible in 1970. He later opened a record shop in Oxford Street, London, and built a recording studio, signing artists such as The Rolling Stones. Today Virgin Group, which he founded, comprises of more than 400 companies.



STARBUCKS

It all started with a cup of coffee. **Howard Schultz** (1953 -) was so inspired after speaking to the staff at Starbucks in Seattle in 1981 that he joined the company as director of marketing the following year. At the time Starbucks had only four stores. In 1983, during a trip to Italy, he had a vision to bring the Italian coffeehouse tradition to America. He left Starbucks for a while, hoping to strike out on his own, but returned in 1987 and bought the company. Today Starbucks has more than 17,000 stores in 60 countries.



COLDER AND BOLDER

**SCIENTISTS' COOL DISCOVERY OPENS THE DOOR TO A WHOLE
NEW WORLD OF ADVENTURES FOR POLAR EXPLORERS**

It's not everybody's idea of heaven but some, like Doug Stoup, will always be drawn to places where no man has ever dared to set foot

NO MAN has ever set foot on the highest section of the East Antarctic Plateau.

Scientists say this 620-mile, frozen mountain ridge, where temperatures can plummet below - 92 °C (- 133.6 °F), is an inhospitable place where nothing really thrives or survives.

It's so cold that a human's eyes, nose and lungs could freeze within minutes.

"It is sort of otherworldly up there and it is what, I imagine, being on another planet is like," says Ted Scambos, lead scientist from the US National Snow and Ice Data Center in Boulder, Colorado. ***"It is extremely difficult to breathe. In fact, breathing can be painful. Nasal passages can feel a burning sensation and inhaling too quickly can nip parts of the throat and lungs."***

Polar explorer Doug Stoup knows more than most about hostile places, having explored the Antarctic more times than any other man alive.

"The Antarctic is my office," he said as he spoke to INCH magazine while skiing in the backcountry of Lake Tahoe, California. ***"It is an inhospitable place but I don't have a death wish. I want to come back safe."***

At 49, he's considered something of a veteran, having travelled, climbed, skied and snowboarded in some of the remotest places on the planet.

So would he be tempted to climb this remote ice plateau which, in December, scientists revealed was home to the coldest place on Earth?

"Absolutely," he said. ***"I have already been to so many places where no other human being has been, so the answer is 'Yes. For sure. I love pushing myself to the limit and I have so many goals and dreams."***

At a mind-numbing - 93.2 °C (- 136 °F), it is almost twice as cold as the coldest place Doug has ever been. And he knows what that is like.

"You cannot stop," he said. ***"It's bitterly cold. You have to keep moving. When you are standing still, you burn calories just generating heat***

to stay alive. If you leave any skin exposed, frostbite sets in instantly."

Scientists discovered the coldest spot on Earth as they analysed data from satellites that have been orbiting the planet for 32 years. The latest satellite, Landsat 8, was launched in February last year and has been taking about 550 pictures of the Earth from 438 miles (705km) every day.



"What we've got orbiting Earth right now is a very accurate and consistent sensor that can tell us all kinds of things about how the land surface of Earth is changing, how climate change is impacting on the surface of Earth, the Earth's oceans and the icy areas," said Ted. ***"Finding the coldest place on Earth is just the beginning."***

Doug would agree with that.

"If you are mentally and physically prepared and have the right equipment, I believe anything is possible," he said.

Doug has been guiding teams across the frozen Arctic Ocean to the North Pole and to the South Pole in Antarctica for more than 10 years.

"The journey to the North Pole is the hardest journey in the world," he said. ***"As the ice moves, it opens up, and when you are sleeping in your tent, you can feel and hear the ice creaking, breaking up and moving beneath you. Sometimes it sounds like a whistle. Other times like a train. And, then of course, there's always the danger of encountering polar bears."***

Being mentally and physically prepared for what lies

ahead is critical but, that alone, is not enough. Without the right clothing, many expeditions would fail.

"The chemical industry has played a huge part in helping to create the stuff that keeps people, like me, alive," he said. ***"It makes performance fabrics and clothing possible, to help me to stay warm and dry in some pretty inhospitable places, when I'm not active, whilst at the same time helping control perspiration when I'm on the move."***

Doug, who has helped to design some of the high-performance clothing for polar explorers, will soon be drawing on his experiences to help NASA in their quest to put a man on Mars.

He is due to travel to Devon Island in Canada, which is home to the largest uninhabited, desert island on Earth. It is cold, dry, desolate and home to a 15-mile wide impact crater that is 23 million years old. All of that means it is a very good environment for scientists studying what it would take to conduct a manned mission on Mars.

Experts are predicting that NASA could put a team of astronauts on Mars by the 2030s. Like Earth, Mars has polar ice caps, seasons, volcanoes, canyons and deserts. But with temperatures falling to - 128 °C (- 198 °F) at night, it a good degree colder.

"Mars is no place for the faint-hearted," said a spokesman for the space agency.

That's a word no one would ever use to describe Doug, who, in 2008, almost lost his life trying to cross a crevasse field during a 47-day, 738-mile trek to the South Pole via a route first attempted by polar explorer Ernest Shackleton.

Was he worried? 'No,' he says.

Has he ever been scared? ***"Yes,"*** he says. ***"I caught a cab once from Heathrow into the city of London. That was crazy."***

IS ENTREPRENEURSHIP CONTAGIOUS?



It's an age-old question. Are entrepreneurs wired in a different way to the rest of us? Or can we all be taught to think differently? In other words, is entrepreneurship contagious? The debate about whether entrepreneurs are born or made is a hot one

Entrepreneurship is most definitely in vogue – with swathes of people wanting to be an entrepreneur, to be involved in entrepreneurial initiatives or to partner with an entrepreneur. Never before has the word had such kudos. Whether it's nature or nurture – and a lot of entrepreneurship comes from a natural innate drive that can't easily be taught – once you've had a taste of it, and even small success, there's no looking back. I've definitely caught the entrepreneurial 'bug', and undoubtedly those creative start-ups, which are trying to change the world and solve issues, are great for communities and the economy.

Michelle Wright, Chief Executive for Cause 4

This human propensity for imitative behaviour has been seen and studied repeatedly, from childhood development, to learning languages, to product and service purchases, to the decision in a crowd to check e-mail on one's phone. In all of these cases, humans are heavily influenced by what they observe (literally or virtually) others doing. We recently carried out a survey to establish whether entrepreneurship was contagious and discovered that an individual who had been exposed to entrepreneurs – and to growth entrepreneurs in particular – was more likely to become one. The implication? Entrepreneurship can be viral, but must be introduced early and often in environments where it is least often seen. In particular, growth entrepreneurship is a narrow phenomenon, one that requires much more effort to introduce it to susceptible populations and drive overall economic growth.

Paul Kedrosky, Ewing Marion Kauffman Foundation, a non-profit foundation based in Kansas City, Missouri

Entrepreneurship is absolutely contagious. Once you are surrounded by motivating and innovative entrepreneurs, and get the taste for life outside of big corporate America jobs, where your efforts can have a direct impact on the company's success and see the real-time fruits of your labour, there is no turning back. That is why many universities are scrambling to launch Masters of Entrepreneurship programmes, as the appeal of MBAs are starting to lose their luster for the next generation of workers.

George Deeb, managing partner of Chicago-based Red Rocket Ventures

Is entrepreneurship contagious? Think about it, and consider this: Obesity is contagious, so is quitting smoking, and so is divorce. So why not entrepreneurship? Think of how people infect (or so it seems) each other with ideas, fashion, eating habits, and customs. Doing something, even something hard, is easier to do when it feels like a lot of other people are doing it. And isn't entrepreneurship a combination of ideas, fashion, customs, and like that? So if I start a business and make it, aren't my friends more likely to do the same? They have a changed risk perception.

Tim Berry, American founder and chairman of Palo Alto Software, Eugene, Oregon

Entrepreneurship has nothing to do with genes. It has everything to do with the political, economic, educational and social environment people find themselves in. And that's why it's contagious. All the economic evidence today points to one simple truth: the entrepreneurial spirit is the best tool ever invented for creating growth and prosperity for individuals, companies and entire countries. Companies that gave us the pin-striped 'organisation man' are today promoting a culture of 'corporate entrepreneurship' as the best way to compete and survive in the global economy. And government leaders of all political stripes have also discovered that developing a more entrepreneurial economy is the best way to create jobs and achieve sustainable economic development. Entrepreneurship has become a global phenomenon because it works better for more people, for more companies and for more countries than any other business or economic model around. Of course, none of this could be happening if the age-old myth 'entrepreneurs are born not made,' were true. In fact it's never been true. The reality today is that millions of new businesses are being started each year by all kinds of people from all walks of life. Entrepreneurship happens because of circumstances – a circumstance of opportunity like coming up with a great product/service idea – or a circumstance of necessity like being poor, or full of frustration, or getting fired. Ninety-nine per cent of the 3,000 entrepreneurs I've met and researched are indeed, ordinary people who simply found themselves in extraordinary situations.

Larry C. Farrell, founder and chairman of The Farrell Company, a worldwide organisation that researches and teaches entrepreneurship to university students, corporations and governments. www.TheSpiritOfEnterprise.com

When an entrepreneurial spirit permeates every corner of an organisation, the entrepreneur lurking in each of us awakens. Think about what characterizes successful entrepreneurs. They have tremendous belief in their abilities and in their vision for their business. Now, imagine that every person in that organisation shares that same belief. How powerful would that be? Anyone who has worked in a business that embraces the entrepreneurial spirit knows how exhilarating it is. You can feel a buzz in the air. The action on the shop floor and in the hallways is so intense that coming out of your office is like merging into rush-hour traffic. Decisions are made on the fly without the need for formal meetings or approvals. The esprit de corps is palpable. The whole team pitches in to do what it takes to succeed.

Martin O'Neill, author of The Power of an Internal Franchise: How Your Business Will Prosper When Your Employees Act Like Owners



INEOS GO RUN FOR FUN



LITTLE FEET MAKE BIG STRIDES

INEOS' Go Run For Fun campaign wins children's hearts and minds

CALENDAR OF EVENTS

Some of the events have yet to be confirmed

May

Lymington, Manchester, Leicester, Wolverhampton, Newcastle Gateshead

June

Rolle (Switzerland), Koln (Germany), Zwijndrecht (Belgium), Waltham Forest, Epping

July

Belfast, Einiskillen, Portrush, Runcorn, Widnes, Isle Of Man, Leeds, Norwich

August

Stockport, Dundee, West Dunbartonshire, Dumfries

September

Doncaster, Rotherham, York, Suffolk, Newcastle, Yorkshire



THE BOLD, new initiative launched by INEOS last year to get Britain's children off the sofa has become a runaway success.

So many children – far from running away – have been queuing up to take part in INEOS' Go Run For Fun events throughout the UK. The calendar is full for 2014/2015 with more than 30,000 children due to take part this year.

"These events have been extremely successful in the UK," said Leen Heemskerk, who is leading the Go Run For Fun campaign. **"We have been approached by councils, athletics clubs and schools, all wanting us to stage events. It's wonderful but if we are to extend the programme we need more resources. We have taken it as far as we can and we want to take it further, to even more kids but we can only do that with third party support from commercial organisations and Government."**

Since August last year, more than 15,000 children have already taken part in the INEOS-inspired mile-long runs for fun.

Melton Primary School in Suffolk hosted one of the events.

"Not only was it well organised, well run and very inclusive, but it has had such a positive impact on our pupils and has shown them that running, and being active, can be both fun and exciting," said school sports coach Andrew Northcote.

Jim Ratcliffe, is passionate about running and this campaign.

"The idea for Go Run For Fun was born from a passion to get as many children running as possible, as early as possible," he said. **"But the campaign is a real team effort and we couldn't have done it without the team's hard work and dedication. To reach the 15,000th runner milestone so soon is a sterling effort from all."**

By the end of this year, INEOS hopes to have staged 100 events in the UK. Some will be linked to major sporting events such as the Sheffield Half Marathon and the Bristol 10k, others to schools and athletic clubs.

Colin Jackson, an Olympic silver medallist, is an ambassador for Go Run For Fun.

"This has been a magical opportunity for children to try a little bit of running," he said. **"These kids may never have tried running in their life but it may be the beginning of a sporting career because running is the basis of all sports."**

To ensure Go Run For Fun's long-term future, INEOS is working with Nova International, which hosts the iconic Great Runs across the UK.

The ultimate aim for Go Run For Fun is for it to become the biggest kids' running initiative in the world. **"The aim is to attract 100,000 children by 2016 and we are well on target. If we can get additional support for what is already a successful campaign then there is no reason why we cannot increase this many times over,"** said Leen.

Brendan Foster, a former British Olympic long-distance runner who founded the BUPA Great North Run, said

he had no doubt INEOS would reach its goal.

In June, the first Go Run For Fun events will be held across the Channel near INEOS' sites in Belgium, Germany and Switzerland.

"The circus is coming to town," said Leen, the chief financial officer at Olefins & Polymers Europe (North).

INEOS is also extending an open invitation to its other sites around the world, including Norway, France, Italy and America, to get in touch with Go Run For Fun marketing co-ordinator Sophie Dyer at sophie.dyer@ineos.com

For the latest information on Go Run For Fun, visit the website at: www.gorunforfun.com

500 kids from around London came together to run 2km to celebrate the national launch of GO Run For Fun at Queen Elizabeth Olympic Park. Founder of the GO Run For Fun Foundation, Jim Ratcliffe, was joined by Olympians Lord Seb Coe, Brendan Foster and Sharron Davies, plus Jamie Laing and Ashley James from Made in Chelsea, Ricky Rayment from The Only Way Is Essex, Charlie Webster from Sky Sports and celebrity fitness guru Hayley Newton.



SCAN HERE TO
WATCH THE FILM



EUROPE'S CHEMICAL INDUSTRY FACES EXTINCTION IN 10 YEARS



INEOS SENDS OPEN LETTER TO EUROPEAN COMMISSION PRESIDENT JOSÉ MANUEL BARROSO

Last year INEOS began warning that Europe's petrochemical industry was facing huge challenges from outside and within. Since then, little has changed to help Europe compete with America, the Middle East and China. As it stands Europe is now one of the most expensive places in the world to make petrochemicals. That has to change, Europe's politicians must wake up to this competitive onslaught before it's too late, says INEOS chairman Jim Ratcliffe



EUROPE is dithering. But it cannot afford to, not if it wants to retain a competitive chemical industry, says INEOS chairman Jim Ratcliffe.

"It's not looking good for Europe but Europe seems agnostic about the fate of European chemicals," he says. "I can see green taxes, I can see no shale gas, I can see closure of nuclear, I can see manufacturing being driven away. I can see the competition authorities in Brussels blissfully unaware of the tsunami of imported product heading this way and standing blindly in the way of sensible restructuring."

In an open letter to EU Commission President José Manuel Barroso, Jim calls on him to take urgent steps to protect Europe's chemical industry.

"Strategically, and economically, no large economy should abandon its chemical industry," he says.

INEOS' profits in Europe have halved in the past three years while its profits in the USA have tripled. And BASF, the world's largest chemical company, has announced – for the first time

ever – a strategic cutback in European investment, citing stagnant markets, expensive energy and expensive labour.

"Energy, in the form of gas, in Europe is three times higher than the USA today, whilst electricity is 50% higher," says Jim. "There are no cheap feedstocks in Europe. USA and Middle East feedstocks costs are in another league."

He said shale gas in America had transformed its competitiveness and its confidence.

"There are \$71 billion worth of announced petrochemical expansions on the back of shale gas flowing into chemicals," he said. "And that is predicted to grow to over \$100 billion. In contrast Europe announces closure after closure."

In the UK alone, 22 chemical plants have closed since 2009.

Chemicals depend upon competitive energy and feedstock costs. Whilst intensely technical as an industry, and one of the reasons historically that Europe has been so successful, Jim says technology alone will not save it,

and warns that the industry could be wiped out within a decade.

"The European textile industry was wiped out because it could not compete with Asian labour rates," he said. "Chemicals could go the same way. It could well be another European dinosaur."

The chemical industry in Europe currently employs one million people directly and five million others indirectly.

"In Europe, chemicals and automotives share top billing with \$1 trillion revenues each," he said. "Economically speaking, the chemical industry is one of Europe's jewels in the crown."

In his letter, Jim also highlighted the very real threat from China, which is set to become the world's largest economy by 2020.

"The Chinese are building relentlessly," he said. "Whilst in recent history, they have soaked up all the world's surplus chemicals, they will soon be self-sufficient. And beyond that they will start to reverse the flow."



“ It’s not looking good for Europe but Europe seems agnostic about the fate of European chemicals”

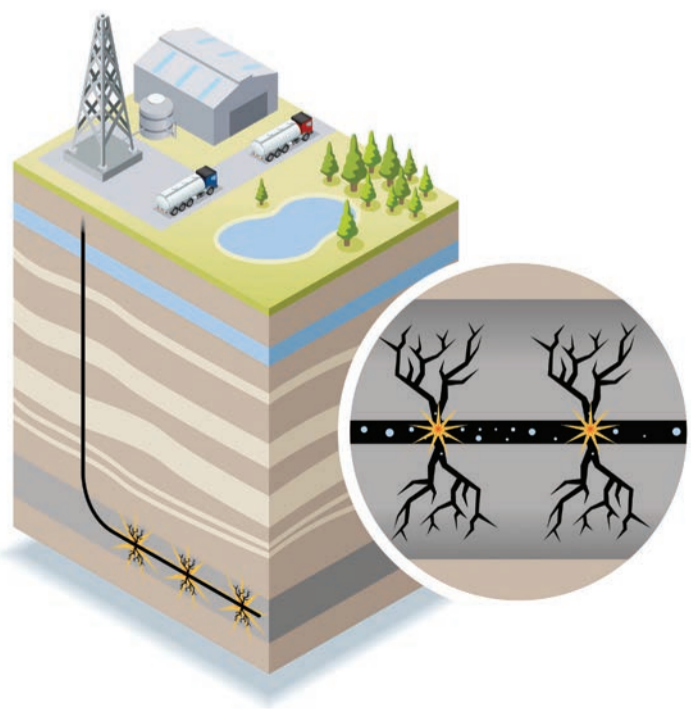
Jim Ratcliffe, INEOS chairman



EXPERTS EXPLORE OPTIONS

**INEOS TEAM WEIGHS UP PROS AND
CONS OF SHALE GAS PRODUCTION**

Radical thinking on INEOS' part in 2009 will start to pay dividends next year when the first shipments of low-cost ethane from the US begin arriving at Rafnes in Norway to help reduce operating costs at INEOS' gas crackers in Europe. But why stop there? That's the question INEOS is now asking itself



INEOS hates waste. And that includes squandering opportunities to run its businesses more efficiently.

Having already clinched game-changing, 15-year deals with two American companies to import low-cost, shale-derived ethane gas from the US to Europe to help reduce the operating costs at its European plants, INEOS is now looking to the UK.

A new team, led by Gary Haywood, is now weighing up the pros and cons of pursuing shale gas exploration and production starting in the UK, currently one of the few countries in the EU to accept the importance of hydraulic fracturing, or 'fracking' – the process by which gas and liquids can be extracted from shale formations.

Gary said the British Government's support for shale gas exploration had been an important factor in INEOS' decision to invest in its own project team, which was set up in February.

"Without Government support, the development of shale gas production would be virtually impossible," he said.

The British Government has now created an Office of Unconventional Gas and Oil to promote the safe, responsible and environmentally-sound recovery of the UK's shale gas and oil resources, and has promised tax incentives to encourage investment.

"The Government has recognised that shale gas has the potential to provide the UK with greater energy security, growth and jobs, and help the UK's chemical and energy-intensive UK manufacturing industry to succeed," said Gary.

There are currently 176 Petroleum Exploration and Development Licences (PEDLs) for onshore oil and gas in the UK. More licences are due to be awarded this year.



The US shale gas revolution has transformed America's petrochemical industry.

Gas prices in the US are now about a third to a half of those in Europe (and a quarter of Asian prices), and cracker feedstocks have also benefitted. Dennis Seith, CEO of Olefins & Polymers (USA), said the effect of reduced energy costs for American industry had been nothing short of phenomenal.

US chemical companies are set to spend more than \$70 billion before 2020 on new manufacturing facilities – fuelled by these cost advantages. The factors impacting gas prices in the UK are complex, and in some ways different to the US. It is unlikely that the impact of significant shale gas production on gas pricing will directly mirror the US situation, but there is no doubt that the development of this national resource will only improve the competitiveness of the UK gas market, as well as boost energy security, the balance of payments – and jobs.

In January UK Prime Minister David Cameron, buoyed by what has happened in America, urged the European Union not to impose premature regulatory burdens on shale exploration because investors would look elsewhere. ***"Oil and gas will still be plentifully produced but Europe will be dry,"*** he told the World Economic Forum.

Instead he urged the EU to embrace the opportunity.

"I understand the concerns some people have," he said. ***"We need the right regulations and governments need to reassure people that nothing would go ahead if environmental dangers were present. But if this is done properly, shale gas can actually have lower emissions than imported gas."***

Gary's team have already started work.



“We need to keep driving home the message that the chemical and energy-intensive industries in Europe need to be competitive, or they face a very bleak future”

Gary Haywood, head of INEOS Upstream Project

The UK is estimated to contain vast and untapped reserves of shale gas. The question is whether the gas can be extracted economically. Part of the INEOS team brief is to study UK geology to identify the most prospective areas for economic production. Of course, economic production of shale gas will also require the right surface conditions, including available land, and the required infrastructure.

The team has also been working with other chemical companies, energy-intensive users, and shale gas production companies to decide how best to communicate to a now sceptical public that shale gas can be extracted in a safe and environmentally-sound way.

“The environment at the moment is difficult,” said Gary. ***“People are concerned but what we need to do is to get our message out to people, to balance those messages of concern, which can sometimes be emotional and not necessarily based on sound science or indeed knowledge of the facts.”***

INEOS has already adopted a strategy to help persuade the public about the very real need for shale gas exploration – by its involvement in discussions in Parliament, in the media and through INCH, and highlighting the benefits to its own employees in the hope they too will share the facts.

“We need to keep driving home the message that the chemical and energy-intensive industries in the UK need to be competitive, or they face a very bleak future,” said Gary. ***“At the moment Europe is seeing increasing competition from America and the Middle East where energy and feedstocks are very low cost. We need to explain that the development of our shale gas resource is one way that we can help here.”***



INEOS can use shale gas as a feedstock or energy source for its ethylene crackers but it also owns land, pipelines and storage in some of the key areas being explored in the UK.

“All that, coupled with INEOS’ clear manufacturing excellence, strong safety focus and good relationships with the communities in which it operates, means that INEOS may bring something unique to this emerging industry,” said Gary. ***“So INEOS may ultimately opt to drill for shale gas itself.”***

INEOS has brought substantial external experience into the team to help with the evaluation of this exciting opportunity. Tom Pickering has 10 years’ experience in on-shore gas exploration and production in Europe, and has also applied for – and successfully obtained – the largest number of UK onshore licences of any applicant. Gareth Beamish has 30 years’ experience as a geoscientist with major companies such as ExxonMobil and BG Group, including five years’ experience in shale gas exploration globally.

“We are looking at what makes sense for us,” said Gary. ***“We are certainly big supporters of shale gas production. Whether we are merely cheerleaders, or directly involved in exploration and production, or something in between, will depend on our assessment of the benefits and risks across our options, and then ultimately on how INEOS Capital assess those benefits and risks, and how they want to deploy the resources of the company.”***

If the UK does manage to tap into its vast reserves of shale gas, Gary believes it could have a knock-on effect across Europe.

“We can’t be sure, but we do believe that positive progress in any European country will set the tone for the rest of Europe,” he said. ***“People want secure, competitive and environmentally-friendly energy options, and we believe that if they had all the facts around shale gas production, then they would be supportive.”***



INEOS REFINES ITS GOALS

INVESTMENT WILL GIVE LAVÉRA SITE THE TOOLS TO COMPETE WITH THE BEST

WITH Europe now one of the most expensive places in the world to make chemicals, energy-intensive companies like INEOS need to think creatively if they are to stay in business. At the French site in Lavéra, changes are afoot

MARSEILLE is the oldest – and second largest – city in France. It enjoys miles of sandy beaches and is peppered with picturesque buildings.

As such, you wouldn't expect it to have anything in common with a neighbouring crude oil refinery, which produces thousands of tons of gasoline, jet fuel, diesel, and heating oil every day. But it does.

For INEOS' Lavéra petrochemicals site and Petroineos' crude oil refinery – just 30 miles west of Marseille – use as much energy as the city itself.

And therein lies the problem.

"We have got to continually maximise our energy efficiency," said Jean-Noël Large, who now has the job of improving the energy efficiency of the 81-year-old refinery. ***"It is one of INEOS' top priorities, and not just in France. The high cost of energy is a problem for the whole of Europe. Our energy costs are now incredibly high compared to America and Asia. Compared to other similar-sized petrochemical companies and refineries on other continents, we are currently in a difficult position, and people on site generally understand the situation well."***

In his role, Jean-Noël works closely with on-site technicians, manufacturing, process and maintenance engineers across the site, experts from INEOS Technologies and also external partners.

"The INEOS Technologies modelling team has the ability to carry out simulations to explore ways to improve the efficiency of the site," he said.

The 650-hectare Lavéra site as a whole is one of the biggest petrochemical sites in Europe. It was owned by BP when Jean-Noël joined the company in 1989. INEOS acquired it when it bought BP's Innovene business for \$9 billion nine years ago, in December 2005.

"When BP owned the site, the cost of energy in Europe was competitive," he said. ***"But the price of energy in Europe has continued to rise whilst the shale gas boom has dramatically reduced the price of energy for our competitors in the US, creating a huge difference between these markets. Energy is now a top priority for us and it is up there with the reliability of the site."***

Tom Crotty, INEOS Group Director, said spiralling energy costs in Europe meant it now cost INEOS' Olefins & Polymers business in France twice as much as it does in America to produce a ton of ethylene. ***"If we want to be around in years to come to compete then it is incredibly important to cut our energy bills,"*** said Jean-Noël.

He is currently working on many projects. Smaller ones, including a steam balance tool to analyse steam consumption across the refinery, have already been implemented, others are ongoing – and so far investments and careful monitoring have led to a 20% reduction in the number of steam leaks – and more are in the pipeline.

This year he will also oversee a major change to one of the furnaces in the refinery. The crude oil distillation unit currently runs on a mixture of liquid and gas but, from May, it will run on gas only.

"At the moment the combustion of liquid fuel generates deposits in the furnace that limit its global efficiency," said Jean-Noël.

By improving the efficiency of the unit, less fuel will be burned, money will be saved and air emissions will be reduced.

Petroineos Manufacturing France is also investing in a €70 million project to two install new state-of-the-art steam boilers by mid-2015. Once in place, they too will improve the efficiency of the refinery, and lead to a further reduction in emissions.

In 2002, 13,000 tons a year of sulphur dioxide were being emitted into the atmosphere from the site. By 2013 INEOS had cut that figure by 70% a year thanks to a series of improvements and investment. ***"With the changes we are going to make, we will be able to cut further these emissions by more than 90% by 2016,"*** said Jean-Noël.

He said all the projects would have a huge impact on the efficiency of the refinery and help the site to regain its competitiveness. ***"We are looking at saving up to €25 million a year,"*** he said.

Jean-Noël is excited by what lies ahead for Lavéra, and also the difference he can make. ***"I have been given the freedom to explore any path judged as potentially interesting, that helps our performance and reduces cost to the business,"*** he said. ***"My field of investigation covers any unit of the refinery and any source of energy improvement. And hopefully my experience and my knowledge of the site and of the people will help me to implement this action plan."***



SAFELY ON TRACK

INEOS FARES WELL AGAINST ITS BIGGEST RIVALS

Safety is paramount at INEOS. But it has to be, because it operates in a hazardous environment. The year may have changed, but INEOS' approach to personal and process safety won't. If anything, it will become even more important and robust, as Stephen Yee explains

SAFETY doesn't just happen by accident. It takes a lot of hard work, and needs everyone – employees, employers and contractors – to understand what's at stake when a company like INEOS gets it wrong.

"Our commitment to safety starts at the top as a core value of our company," said Stephen Yee, Business Safety Health and Environment Manager based at INEOS ChlorVinyls in Runcorn, UK. ***"We all know that the sustainable long-term future of our businesses rests on our track record on safety, health and the environment."***

Last year was a good year for INEOS despite its decision to switch to OSHA, (Occupational Health and Safety Administration) a stricter, US-based system of recording workplace accidents, injuries and illnesses so that others could judge its performance against the very best.

"We can now see that INEOS compares well against the likes of Shell and Dow Chemical," said Stephen, who collates the Group's safety reports. ***"But the data also shows that lower injury rates are achievable. Based on our own analysis, if we look back five years, we are approximately 50% better than we were in 2008. And in 2013 there were 70 fewer injuries reported."***

Last year was a particularly good year for INEOS O&P Europe North, which won the INEOS SHE award for the second time for its safety performance and for setting a good standard in process safety management.

Hans Niederberger, chief operations officer, said clear communication was one of the reasons for the business' success last year, with SHE line managers tasked with the vital job of keeping everyone informed of what was expected.

"In addition every single site has its own score card regarding SHE improvements during the year and those cards are reviewed every month," he said.

INEOS O&P Europe North reported four injuries during 2013.

"That led to a frequency of 0.12 injuries per every 200,000 hours worked," he said. ***"A world-class frequency is deemed to be 0.20 to 0.25."***

Stephen said INEOS would be looking to the best sites to help the worst-performing sites in terms of safety.

"We can – and will – learn from how the best sites approach safety to improve the performance of all businesses," he said.

At INEOS in Köln, a hard-hitting poster campaign, 'Accidents cast long shadows', was launched to encourage all staff to think of the potential consequences of their actions at work.

Juergen Schmitz, head of the occupational safety and health department whose job is also to deliver key messages about safety to almost 2,000 employees and 1,000 contractors on site, said the campaign had been well received but it was difficult to establish a link between that and the fact that the site's safety record had improved.

"Many occupational safety-related components will have contributed to that improvement," he said.

In addition to the campaign, he said, all trainees and managerial staff – from the shift managers to the Managing Director – had attended a mandatory training safety programme in 2013.

Looking back over a successful year, Stephen said there were some 'outstanding milestones'.

No one, he said, had been injured at the INEOS ChlorVinyls plant in Sweden since December 30, 2010.

"To go 1,000 days without a recordable injury is something of which the plant should be very proud," he said.

Helen Axelsson, who is in charge of safety, health, environment and quality assurance, attributed the plant's impressive safety record to 10 years of focusing on employees' behaviour.

"We have an open safety climate, where everyone could tell anyone if they think someone is working in an unsafe manner," she said. ***"The last three to four years we have used the expression: 'We always have time to work in a safe manner' and I really think that everyone, both employees and contractors, feel that it is true."***

Last year each INEOS business also implemented – despite a challenging timescale set by themselves – the 20 key safety principles devised by INEOS' process safety management team and based on actual incidents or 'near misses'.

"We not only implemented them but each business has been independently audited," said Stephen.

"The lead auditors were site and production management from other sites which encourages sites to share best practice."

He said, though, that people should not worry unduly about statistics.

"Our focus is simple," he said. ***"It's one step at a time and to focus on what we can all do to prevent injuries to those who work on our sites. The good results will follow."***

But, as with most things, there is always room for improvement.

"I do find it frustrating that there are still injuries which happen that can be prevented if people stop and think before they act," he said.

As a group, INEOS also wants each business to further improve its safety record by 10%.

"They are challenging SHE controls," said Stephen. ***"But they are achievable."***



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TO VIEW VIDEO:
BUSINESS PROFILE.
BALEYCOURT

BUSINESS GETS TASTE FOR NEW ADVENTURE

ENTERPRISING IDEA WINS INVESTMENT IN BALEYCOURT SITE



Baleycourt is one of the 12 businesses that come under INEOS Enterprises' umbrella. It is a small site, about the size of 20 football pitches, but its contribution to INEOS' success should not be underestimated

INEOS Enterprises will be fielding another new product this year – food grade rapeseed oil.

It will be the first time that INEOS has ever ventured into the food ingredients market, but by the end of 2014 it will be producing 15,000 tons of rapeseed oil at its site at Baleycourt, France.

Only time will tell whether it will be a wise investment but Ashley Reed, Chief Executive Officer of INEOS Enterprises, and Chief Operating Officer Steve Dossett, who manages the business, are confident.

"It is a new departure for us but rapeseed oil is becoming increasingly popular, mainly for its healthy properties and price advantage versus olive oil," said Ashley.

Production of rapeseed oil, which is a rich source of vitamin E and contains half the saturated fat of olive oil, will also help to ensure that the site – in the heart of France's second largest vegetable oil producing region – remains competitive.

For years Baleycourt had been producing tons of biodiesel for French supermarkets and oil companies like Total.

In 2008 INEOS Enterprises further strengthened Baleycourt's position when it set up an €80 million joint venture – known as INEOS Champlor – with French farming co-operative SICLAE and oil seed crushing group C.Thywissen, which led to the opening

of a second biodiesel unit and rapeseed crusher and oil refining plant.

"The investment was principally driven by the French government which was promoting significant levels of biofuel blending ahead of EU legislation," said Ashley. ***"Each of the fuel markets (diesel and gasoline) had individual incorporation targets with severe financial penalties for the blender if they failed meet the obligation. That meant we should have had a guaranteed market."***

It also meant INEOS could crush locally-grown rapeseed itself instead of buying it as rape oil from Germany, where previously it had been transported for crushing.

The investment made financial sense and the partnership worked beautifully. INEOS bought in the rapeseed at a competitive price and crushed it, making thousands of tons of renewable fuel for a market that wanted it. As a bonus, the by-product was rapeseed meal, which was used as a GM-free protein animal feed for pigs.

At its peak Baleycourt was producing 140,000 tons of biofuel and 180,000 tons of rapemeal every year.

But then the wind started to change.

In 2010 the EU introduced 'double count' legislation which encouraged fuel producers to blend waste

GOLDEN FUTURE: By the end of 2014 INEOS will be producing 15,000 tons of food grade rapeseed oil at its refinery in Baleycourt, France

feedstocks such as used cooking oil and tallow. By 2011 – with no cap on the product – the international oil trading hub, ARA, began saturating the French market with this form of fuel, materially impacting on demand for ‘single count’ rape oil-derived product. Baleycourt production volumes slumped. Eventually imports into France were limited.

The domestic producers did regain market share but it had altered the market dynamics significantly and French government incentives were also about to dwindle.

The following year the EU Commission made a significant about turn on biofuels with a proposal to limit the quantity of biofuels made from crops to 5%.

Then last year further EU legislation was imposed. In short, the EU had lost its appetite for crop-based biofuels.

“There is still much debate within the EU institutions, including what is a crop, so it is not clear exactly how this will play out over the next few years,” said Ashley. **“But it is highly unlikely there will be much, if any, growth in the current EU average blending levels of biodiesel made from crops.”**

INEOS decided it was time to take back control. To become the master of its own destiny.

At the end of last year it negotiated down the JV’s uneconomic debt with the banks, bought out its JV partners, agreed a five-year, improved deal with farmers for their rapeseed and restructured the Baleycourt business.

“We had been thinking about using the extra capacity to produce rapeseed oil instead of biofuels for a while but we needed the agreement of all parties,” said Steve. **“The JV could not service its debts to its lenders and had been heading towards bankruptcy since the end of 2010. Failing was an option but now INEOS has a future in the oilseeds and biodiesel world, whilst still retaining the strategic supply for local seed from the French co-operatives. This new project is a toe in the water. We know there is already a very large oil market but we are confident.”**

The seeds of that new venture are now being sewn in the fields that surround the 25-hectare site near Verdun.

But Baleycourt, which employs 150 people and turns over 250 million Euros every year, is not just about biofuels.

This small French site has also been producing high quality plasticisers from alcohols and acids for more than 40 years.

And business is booming thanks to the development of INEOS’ phthalates-free CEREPLAS™ Esters which are now used to make PVC cling film and food bags, car dashboards, vinyl flooring, and tubes and bags for the medical industry.

Over the past five years three new grades – terephthalates, trimellitates and sebacates – have been launched on the market leading to more than 20% increase in sales volume.

“This growth has been driven by matching market demand and being proactive on customers’ trends,” said Steve.

Phthalates help to soften and make plastic more flexible and harder to break, but their use come under increasing scrutiny due to concerns about potential health risks.

“What INEOS did – in the face of those

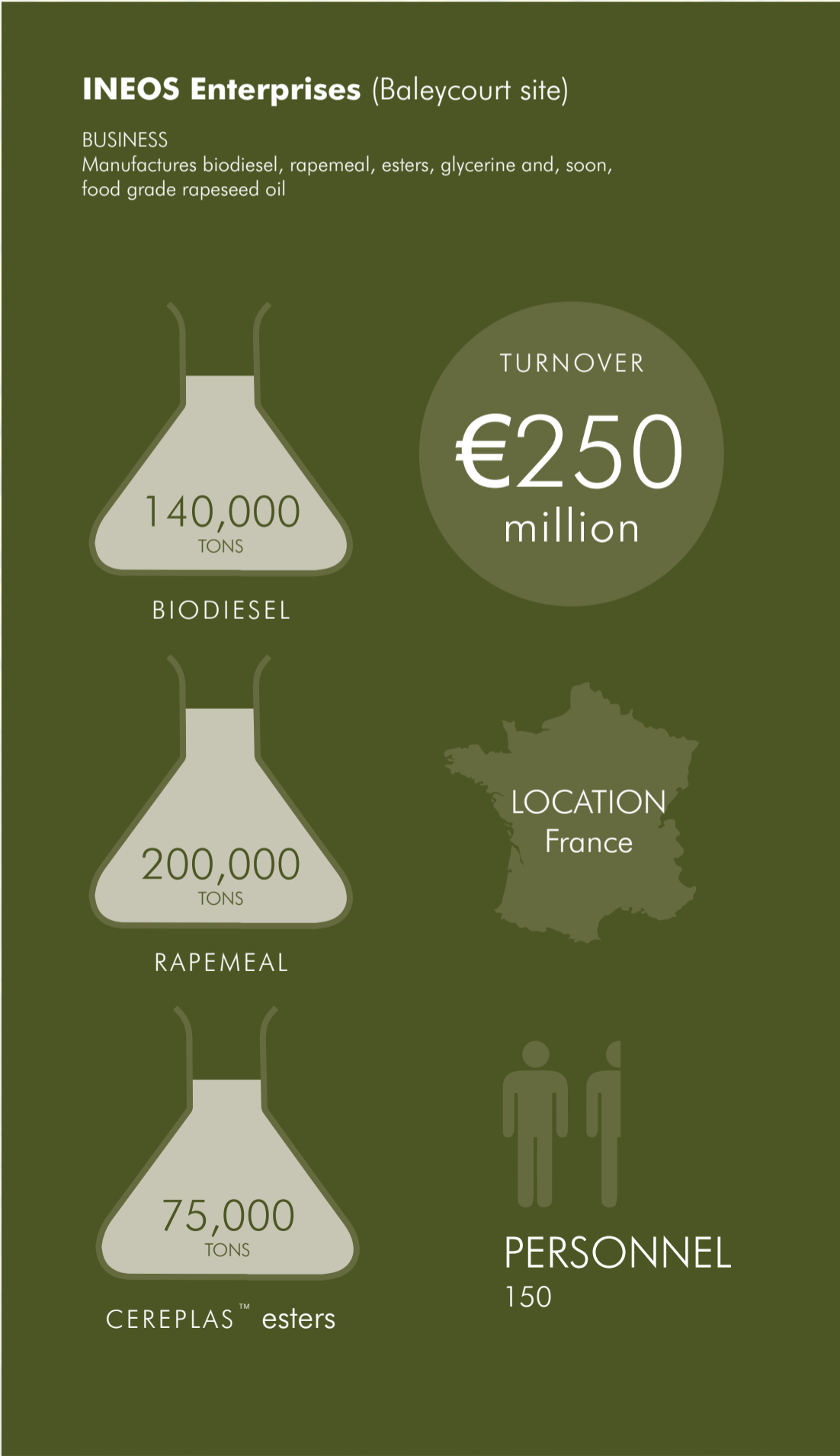
concerns – was develop an alternative, phthalate-free ester which does the same thing,” said Steve. **“Some of our competitors do still make phthalates as well as non-phthalate products but we made the decision – and it was important to us – to make the site 100% phthalate free. Even though that limited our sales opportunities, it meant we could promise our customers that we would not, even by accident, supply them products containing phthalates.”**

Baleycourt, which sees more than 700 000 tons of various products transported in and out of the site each year, also produces esters for the lubricants market.

“The future of the esters business will be to continue to grow significantly by providing tailor-made, smart solutions,” said Ashley.

That will be done by keeping a close, watchful eye on the ever-changing market and coming up with innovative products to meet INEOS’ customers’ needs.

“INEOS Enterprises is now recognised as a key supplier of esters in Europe which is a significant achievement, when you consider that esters’ customers are historically reluctant to change because of the lengthy approval processes imposed on them by their downstream customers,” said Ashley.



IN THE HEADLINES

INEOS Technologies moves fast to win business in Vietnam

A COMPANY in Vietnam has licensed INEOS technology to manufacture polypropylene, a plastic polymer that is used in everything from fridges to carpets to car parts.

Vung Ro Petroleum Limited said INEOS’ Innovene PP process would give it the edge over its competitors and help it to satisfy the growing demand in the Asian market.

“The economies of Asia are growing and with that growth is a need for plastic products for infrastructure, packaging, household goods, appliances and consumer products,” said Randy Wu, Vice-President, PE/PP Marketing and Sales at INEOS Technologies. **“In the past most of those products were destined for the export market.”**

Vung Ro Petroleum Limited first approached INEOS Technologies in mid-2012. Within a year, the company had signed a deal with INEOS.

“That’s relatively fast for a polyolefins licensing project, many of which take years to consummate,” said Randy. **“But it shows that we have done such a good job developing our relationships with clients, consultants and contractors that our reputation as a leading provider of technology is widely known in the industry.”**

The refinery will be based in the Dong Hoa District of Phu Yen Province.

“INEOS’ Innovene PP process will be an integral part of our refinery project and provide us with an advanced polypropylene process with advantaged economics and broad product reach,” said Kirill Korolev, CEO of Vung Ro Petroleum Limited.



INEOS RESPONDS TO CUSTOMER DEMAND

INEOS Oxide has expanded its ethylidene norbornene (ENB) plant in Antwerp, Belgium, to satisfy demand from customers.

The plant will now be capable of producing 28,000 tons a year – 20% more than before – and, as such, becomes the largest, single ENB plant in the world.

ENB is mostly used to make ethylene-propylene-diene rubber (EPDM), an extremely weather-proof, durable, synthetic rubber that is increasingly favoured by car manufacturers and the construction industry.

“Debottlenecking the Antwerp plant is a unique step by INEOS that will provide sufficient ENB for the next two to three years,” said CEO Hans Casier.

ENB is also used by the perfume industry as a scent carrier.



INEOS signs second deal to ship more ethane to Europe – and orders more ships

INEOS has signed another deal to import more competitively-priced shale-derived ethane from the US to help reduce the operating costs of its European gas crackers.

INEOS Europe AG will begin accepting shipments from CONSOL Energy in Pittsburgh from next year.

“This will allow us to continue to consolidate the competitiveness of INEOS’ ethylene production in Europe,” said David Thompson, Procurement and Supply Chain Director.

Two years ago INEOS became the first petrochemical company in Europe to seize the opportunity to import cheaper energy and feedstocks from Range Resources in the US.

In December 2012 it finalised 15-year contracts with three US companies which would be responsible for the drilling, distributing, liquefying and shipping of ethane from America to INEOS’ Rafnes plant in Norway.

On May 7 this year INEOS announced that it had reached an agreement with Evergas to increase the number of shipping vessels to six. Those ships are currently being built in China and will transport the ethane to both the Rafnes site and INEOS’ Grangemouth plant in Scotland.

The ships are the largest, most flexible and advanced multi-gas carriers yet to be built. They will provide INEOS with a flexible solution for their ethane supplies with the option of transporting LNG, LPG as well as petrochemical gases including ethylene.

“The advanced design of these vessels offers very high efficiency and unparalleled flexibility to INEOS securing the longevity and strong position of their business” said Martin Ackermann, CEO of EVERGAS.

The dual-fuelled vessels will use clean LNG in state-of-the-art engines securing high efficiency, low emissions and reduced fuel cost.



INEOS sues over alleged misuse of patents

INEOS is suing state-owned Chinese oil and petrochemical company Sinopec and some of its associated businesses for allegedly violating patents.

INEOS said Sinopec Ningbo Engineering Company had broken a long established technology agreement which, together with alleged misuse of trade secrets by other Sinopec companies, had enabled it to build a series of acrylonitrile plants in China without INEOS’ consent.

“We want to take our best technology to China but we need to know that it will be protected,” said INEOS chairman Jim Ratcliffe. **“The prolific building of acrylonitrile plants in China will destroy our business.”**

INEOS, which has otherwise excellent relationships with Sinopec and with China, said in a statement on March 21 that it had no choice other than to protect its intellectual property.

“Unless we protect our hard-won intellectual property, which includes trade secrets and patents, covering technology, design and operations, ultimately we will see the

demise of INEOS,” said Jim.

INEOS fears China’s actions will cause major harm to its acrylonitrile business which generates up to \$500million in profit every year and supports about 5,000 jobs in America, the UK and Germany.

INEOS currently leads the global market for the production of acrylonitrile, the key building block for carbon fibre. The important molecule is also the key ingredient in ABS polymer, which is used in many everyday applications from children’s toys and computer monitors to white goods.

INEOS’ acrylonitrile technology provides the basis for over 90% of the world’s production. SNEC, a Sinopec company, has had a licence to use that technology since 1984.

INEOS, which is pursuing parallel actions in the Beijing High Court and through arbitration in Sweden, said it had ‘every confidence’ in China’s intellectual property system because it now files more patents than any other country.

Sinopec denies INEOS’ claims.

NEWS FROM AROUND INEOS

How journalists helped to put INEOS on the map

In 2011, when the first edition of INCH was published, research had shown that the INEOS brand was not as strong as it ought to be, given the sheer scale of the company, but that it clearly needed to be if it were to attract the very best students and potential investors and influence politicians and the media. The magazine has – hopefully – helped to address these issues, but recently INEOS' profile has been raised in a way not even chairman Jim Ratcliffe could have predicted.

INEOS can no longer describe itself as the biggest company that you have never heard of.

Ever since the events at Grangemouth in Scotland, at the end of last year, views of the company along with those of its founder and chairman Jim Ratcliffe have been in demand.

Newspapers from around the world have been keen to include articles on the company and its Executives.

Sylvia Pfeifer, a journalist on the Financial Times, said until a few months ago, INEOS had been little known outside industry circles.

"If the Grangemouth issue generated unwanted headlines, it has also lured INEOS out of the shadows," she said.

But Journalists have not only been interested in INEOS' success story. It has also been asked to comment on such things as the state of manufacturing in Britain, the impact of the shale gas boom in the US, the crippling cost of energy in Europe and the huge opportunities for growth in China.

Business editor Alistair Osborne wrote in The Daily Telegraph: **"Jim Ratcliffe may not be a household name but it's hard to find another British industrialist who, in 15 whirlwind years, has built a business from scratch into a global \$43bn (£27.5bn) sales machine. Ratcliffe is hardly a man short of experience. So when he says that Britain 'frankly has not been a very attractive place to manufacture', or that the UK should stop 'faffing about' with shale gas and nuclear power, then his views command respect."**

During an interview with Brian Carney, one of the editors on The Wall Street Journal, Jim was asked what the US could do



to make life even better for industry in America.

"Cut corporation tax," he said. **"It's my only gripe. If you brought it down to about 30%, the US would be unbeatable."**

During an interview with Stanley Reed from the New York Times, Jim talked about why he was not prepared to see profitable sites in the US subsidising those losing money in Europe.

Bernd Freytag spoke to INEOS for an article he was writing for Frankfurter Allgemeine Zeitung. In it, he described the company as a pioneer for its decision to import low-cost shale-derived ethane gas to bring down the operating costs of INEOS' European crackers.

Referring to Jim, Bernd said: **"His picture of Europe for the petrochemical industry is rather grim, and he forecasts hard times. He doesn't share the view of some experts that the US shale gas boom will soon be over. He's alone in thinking that but he thinks that is nonsense."**

A similar story appeared in Le Monde. **"Europe is not a good place for business right now and it's getting worse,"** Le Monde's London correspondent Eric Albert wrote in his first-ever interview with the company. **"I do not think people understand the challenges facing them."**

Interviews also appeared in newspapers in Norway and China, written by Cecily Liu, a reporter on The China Daily, reporting on the huge petrochemicals market and steady demand that are propelling China's growth.

"I only knew about INEOS because of its joint venture with PetroChina but I knew very little about Jim," she told INCH. **"After Grangemouth he became more outspoken in the media. He clearly knows how to make the most of his talents and is more willing than most people to take risks."**

But one of the challenges that INEOS once faced, now no longer exists.

"INEOS had grown so rapidly that the perception people had of us hadn't kept pace," said Tom Crotty, Group Director for Corporate Affairs. **"Even some customers were saying they thought we were a bit reticent, considering our size, in putting forward our views on the market. We also had some feedback from investors and the media that we needed to open up a bit."**

Today no one can level that criticism at INEOS anymore.

INEOS slices further €30 million off its interest bill

ENTREPRENEURIAL thinking has saved INEOS a further €30 million a year in interest payments, when the company refinanced some of its borrowing in February.

The latest decision to take advantage of favourable financial markets followed last year's refinancing when INEOS secured a significant interest rate reduction, which cut payments by \$140 million a year.

"If we combine the latest improvement with those of the last 18 months we have reduced the overall interest charge from €550 million to €385 million," said Graeme Leask, CFO of INEOS Group Holdings.

INEOS was able to drive down the interest rate on its borrowing because of strong demand from investors seeking to participate in INEOS' success.

"The reaction from the investors in February was extremely positive," said Graeme. **"Demand for the new bond was seven times oversubscribed."**

INEOS had been paying just under 8% on its bonds. It had hoped to pay just over 6% on the new bond. What it achieved was just under 6%.

It also managed to secure a further interest rate reduction on its bank loan.

"We could choose to use these savings to repay debt but our investors know that we have many good opportunities across our businesses to earn money with this investment. So it is better for INEOS and its investors to put this money to work in our businesses than pay down the borrowing," said Peter Clarkson, head of investor relations at INEOS.

Financial advisors described the latest deal, as a 'blowout', said Graeme.

INEOS attributed its success to the communications it has with its investors to highlight the ongoing performance of the company.

"We are very open with our investors and they value that transparency," said Peter. **"Every week, which is unusual in the world they invest in, we write a market update for all investors and analysts with a summary of what has been happening in all our major markets."**

That culture of openness and honesty has also allowed INEOS to reduce the amount of time needed to renegotiate and secure better interest rates.

A bond refinancing deal used to take up to three weeks. Now, because investors know us well, it can be done in a few days. INEOS did not need to refinance these high yield bonds until 2016 but saw an opportunity to take advantage of the good financial markets and moved quickly.

"We don't normally wait until we have reached the wire on these things because we want to give ourselves plenty of leeway," said Peter.

The latest deal also led to an improved credit rating from Moody's which now matches Standard & Poor's at B1/B+

"Credit rating agencies are inherently conservative and their default scenario is 'the world's going to end tomorrow; explain otherwise', so to get an upgrade at this point in time is good news," said Peter.

There are also other added benefits, including the ability to negotiate more credit with suppliers which improves cash flow.

Moody's analyst Douglas Crawford said the upgrade partly reflected INEOS' 'resilient' performance in 2013 and how well it expected the company to perform this year.

INEOS AG Finance Director John Reece said overall the group had performed well in 2013 and that 2014 had got off to a good start. Most of INEOS' profits, though, are coming from America, rising from about 60% in 2012 to almost 70% last year.

"Shale is not the only reason we are doing well in

the US but it has been transformational," he said.

INEOS is planning to invest heavily in the US over the coming year.

"That investment is very much our number one priority," said John.

Plans in the pipeline include a polyethylene plant, an oligomers plant and possibly a new ethylene oxide plant.

John said, **"Europe, particularly southern Europe and the UK, are still challenging but our decision to import low-cost shale-derived ethane gas from America to Europe will help to reduce operating costs at our European gas crackers which will help us to remain competitive."**

Looking ahead, the journey, which began in April 2012 when INEOS secured the largest-ever covenant-lite loan for a European company and the largest globally since the credit crunch, will continue.

"It is part of our strategy," said Graeme. **"We are opportunistic so if there is an opportunity in the market to reduce our interest rates or extend our financing, then we are always ready to do that."**



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***“Waste is worse than loss.
The time is coming when every
person who lays claim to
ability will keep the question
of waste before him constantly.
The scope of thrift is limitless”***

Thomas A. Edison

