News Release

Oxea Sarl reports strong first quarter results

Luxembourg, May 17, 2011

First quarter highlights:

- Net sales were €377.0 million, up 30% from the prior year period
- Operating Result was €57.2 million versus €27.2 million in the prior year period
- Net Income was €30.0 million versus €13.0 million in the prior year period
- Adjusted EBITDA was €65.7 million versus €36.7 million in the prior year period

Oxea Sarl, a leading global supplier of Oxo Intermediates and Oxo Derivatives, today announced first quarter net sales of €377.0 million, a 30% increase compared with the corresponding period the prior year.
Oxea's continued strong performance in the first quarter of 2011 further underlines the robustness of the business model. Continued recovery in the US and European regions coupled with strong demand from Asia again contributed to another set of excellent results. The operating result more than doubled to €57.2 million compared with €27.2 million in the corresponding period of the prior year and operating margins increased to 15.2% compared with 9.4% in the prior year period. EBITDA margins increased substantially to 17%. Q1 2011 Adjusted EBITDA at €65.7 million reflects an excellent performance for Oxea and underlines the continued strong relationships with customers and the valuable contribution of Oxea's employees to the success of the business. After the refinancing in July 2010, net debt has been reduced to approximately 1.9x EBITDA on an LTM basis.

	Three months ended March 31,	
In € million - Unaudited	**2011**	**2010**
Net Sales	377.0	289.3
Gross Profit	68.1	34.0
SG&A	(10.3)	(7.6)
R&D	(1.5)	(1.5)
Other operating income/(expense)	0.9	2.3
Operating Result	57.2	27.2
Net Income	30.0	13.0
Adjusted EBITDA	65.7	36.7

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Sales
Sales for the three months ended March 31, 2011 were €377.0 million, a 30% increase compared with the corresponding period of the prior year. The increase was driven by an increase of 5% in total volumes, improved product mix and the pass through of higher raw material costs to customers. The volume increase was particularly strong in our Oxo Derivatives segment, where volumes were some 11% higher than in the prior year period. Volumes in the Intermediates segment were some 3% higher than in the prior year period. € 200.0 million of our revenues for the three months ended March 31, 2011, resulted from sales in Europe, €107.4 million in NAFTA and €69.6 million in the rest of the world compared to €143.7 million, €80.0 million and €65.6 million respectively in the prior year period.

Gross profit
Gross profit for the three months ended March 31, 2011 doubled to €68.1 million compared with €34.0 million in the corresponding period of the prior year. The increase of €34.1 million was attributable to higher volumes in both Oxo Intermediates and Derivatives segments and improved margins which more than offset the increase in raw materials and manufacturing fixed costs such that gross profit increased to 18.1% of sales compared with 11.8% in the corresponding period of the prior year.

Selling general & administration expense (SG&A)
SG&A expense for the three months ended March 31, 2011 increased to €10.3 million compared with €7.6 million in the corresponding period of the prior year. The increase is primarily attributable to increased selling costs associated with higher volumes, and higher personnel costs including salary increases and accruals for employee bonuses.

Other operating income/(expense)
Net other operating income for the three months ended March 31, 2011 amounted to €0.9 million compared with €2.3 million in the corresponding period of the prior year. The decrease is primarily attributable to net foreign exchange losses compared with net foreign exchange gains in the corresponding period of the prior year.

Operating result
Operating result for the three months ended March 31, 2011 was €57.2 million compared with €27.2 million in the corresponding period of the prior year period as a result of increased volumes and improved operating margins partly offset by higher SG&A expense other lower other operating income.

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Net Income
Net income for the three months ended March 31, 2011 was €30.0 million compared with €13.0 million in the corresponding period of the prior year as a result of the improvement in margins and higher sale volumes with a corresponding increase in operating profit partly offset by higher interest expense arising from the refinancing in July 2010 and higher income taxes.

Adjusted EBITDA
EBITDA margins increased to 17%. Adjusted EBITDA was some €65.7 million compared with €36.7 million in the corresponding period of the prior year driven by the improved volumes and improved operating margins.

Cash Flow
The company continued to generate positive free cash flow. In the first quarter of 2011 Oxea generated €20.0 million in cash from operating activities compared with a utilization of €8.6 million in the corresponding period of the prior year as a result of increased earnings and improved working capital which were partly offset by higher cash taxes. Cash used in investing activities was €5.6 million compared with €4.0 million in the corresponding period of the prior year driven by an increased capital expenditure. Cash used in financing activities was €23.9 million compared with €2.2 million in the corresponding period of the prior year as a result of the semi annual payment of interest on the Senior Secured Notes issued in July 2010.

Oxea is a global manufacturer of Oxo intermediates and derivatives such as alcohols, polyols, carboxylic acids, specialty esters and amines. These products are sold in the merchant market (where sales are to third party customers) and used for the production of high-quality coatings, lubricants, cosmetics and pharmaceutical products, flavorings and fragrances, printing inks and plastics. In the 12 months ending December 2010, Oxea generated revenue of about €1.4 billion with approximately 1,330 employees in Europe, the Americas and Asia.

Forward looking statements

- *This document contains financial information regarding the businesses and assets of OXEA S.à r.l. (the “Company”) and its consolidated subsidiaries (the “Group”). Such financial information has not been audited, reviewed or verified by any independent accounting firm. The inclusion of such financial information in this document or any related presentation should not be regarded as a representation or warranty by the Company, any of its respective affiliates, advisors or representatives or any other person as to the accuracy or completeness of such information’s portrayal of the financial condition or results of operations by the Group.*
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- *Certain statements in this document are forward-looking. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. These factors include, among others: the cyclical and highly variable nature of our business and its sensitivity to changes in supply and demand; adverse and uncertain global economic conditions; the highly variable nature of raw materials costs and any loss of key suppliers or supply shortages or disruptions; the competitive nature of our industry; the ability to comply with current or future laws and regulations relating to environmental, health and safety matters as well as the safety of our products, related costs of maintaining compliance and addressing liabilities as well as risks relating to compliance with antitrust and tax laws; our reliance on a limited number of suppliers for certain of our key raw materials; operational risks, including the risk of environmental contamination and potential product liability claims; operational interruptions at our facilities due to events that are outside of our control such as severe weather conditions, unscheduled downtimes, terrorist attacks, natural disasters or other events that may interrupt or damage our operations or the impact of scheduled outages on our results of operations; the risk that our insurance coverage may not be sufficient to cover all risks; risks relating to the global nature of our operations, including, among others, fluctuations in exchange rates; the loss of major customers or key customers for certain of our products; the loss of key personnel; risks relating to acquisitions and dispositions, including any impairment risks with respect to historical acquisitions, our ability to successfully integrate acquired businesses, and unexpected liabilities relating to such acquisitions or contingent liabilities in connection with such dispositions; the requirement to make further contributions to our pension schemes; the failure to protect our intellectual property rights; limitations on our ability to adjust the quality of certain products that we manufacture; and potential conflicts of interests with our principal shareholder.*
- *These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Neither the Company nor the Group undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this document.*

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Use of non IFRS financial information:

- *EBITDA is defined as net income for the year before financial result, income taxes, depreciation and amortization. EBITDA, is a supplemental measure of our performance and liquidity that is not required by or presented in accordance with IFRS. EBITDA is not a measurement of our financial performance or liquidity under IFRS and should not be considered as an alternative to profit for the period presented, results from operating activities or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities as a measure of our liquidity. We believe EBITDA facilitates operating performance comparisons from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of change in effective tax rates or net operating losses) and the age and book value and amortization of tangible and intangible assets (which have an effect on related depreciation expense). We also present EBITDA because we believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of similar issuers, the majority of which present EBITDA when reporting their results. Finally, we present EBITDA as a measure of our ability to service our debt.*
- *Adjusted EBITDA is defined as EBITDA adjusted to remove the effects of certain non-cash and non-recurring expenses and charges. Adjusted EBITDA is a supplemental measure of our performance and liquidity that is not required by or presented in accordance with IFRS. Adjusted EBITDA is not a measurement of our financial performance or liquidity under IFRS and should not be considered as an alternative to profit for the period presented, results from operating activities or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities as a measure of our liquidity. We believe Adjusted EBITDA facilitates operating performance comparisons from period to period and company to company by eliminating certain non-recurring expenses and charges. We also present Adjusted EBITDA because we believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of similar issuers. Finally, we present Adjusted EBITDA as a measure of our ability to service our debt.*

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