



Annual Report 2009



Table of Contents

Consolidated Financial Statements

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	3
Consolidated Balance Sheet	4
Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7

Auditors' Report	53
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Consolidated Statement of Income

€ '000	Note	2009	2008
Revenue	(2)	888,009	1,203,400
Cost of sales		(789,496)	(1,104,903)
Gross profit		98,513	98,497
Selling expense		(12,442)	(13,268)
General and administrative expense		(15,701)	(18,190)
Research and development expense		(3,690)	(4,470)
Other operating income	(3)	55,656	76,123
Other operating expense	(4)	(55,529)	(64,930)
Operating result		66,807	73,762
Financial result	(5)	(22,256)	(26,084)
Interest income		487	2,787
Interest expense		(15,630)	(29,517)
Share of profit (loss) of joint ventures accounted for using the equity method		(398)	2,279
Other financial income (expense)		(6,715)	(1,633)
Income before income taxes and non-controlling interests		44,551	47,678
Income taxes	(6)	(16,362)	(21,296)
Net income for the period		28,189	26,382
Attributable to:			
Non-controlling interest		15	13
Owners of the company		28,174	26,369

Consolidated Statement of Comprehensive Income

€ '000	2009	2008
Net income for the period	28.189	26.382
Foreign currency translation differences for foreign operations	(1.012)	1.653
Effective portion of changes in fair value of cash flow hedges	(1,883)	(4,288)
Net changes in fair value of cash flow hedges transferred to statement of income	2,979	802
Defined benefit plan actuarial gains (losses)	(1,186)	1.753
Income tax on other comprehensive income	162	444
Other comprehensive income for the period, net of income tax	(940)	364
Total comprehensive income for the period	27,249	26.746
Attributable to:		
Owners of the company	27,234	26.733
Non-controlling interest	15	13
Total comprehensive income for the period	27,249	26.746

The notes on pages 9 to 54 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

€ '000	Note	December 31, 2009	December 31, 2008
ASSETS			
Intangible assets	(8,9)	9,788	12,304
Property, plant and equipment	(8,10)	291,566	303,600
Investments accounted for using the equity method	(11)	2,354	2,363
Financial assets	(12)	1,249	2,459
Deferred tax assets	(6)	811	6,285
Other receivables and miscellaneous non-current assets	(15)	2,180	2,489
Non-current assets		307,948	329,500
Inventories	(13)	112,129	130,826
Trade accounts receivable	(14)	158,854	112,973
Other receivables and miscellaneous current assets	(15)	15,270	24,150
Financial assets	(12)	2,195	1,766
Cash and cash equivalents	(16)	88,889	75,494
Current assets		377,337	345,209
Total assets		685,285	674,709
EQUITY AND LIABILITIES			
Subscribed capital		873	873
Capital surplus		35,954	37,065
Retained earnings		79,677	59,978
Other reserves		(4,951)	(4,805)
Total equity attributable to owners of the company		111,553	93,111
Non-controlling interest		299	284
Total equity	(17)	111,852	93,395
Provisions for pensions	(18)	17,705	14,832
Other provisions	(19)	13,666	15,863
Deferred tax liabilities	(6)	52,955	59,060
Financial indebtedness	(20)	340,971	359,011
Other liabilities	(20)	689	81
Non-current liabilities		425,986	448,847
Trade accounts payable		93,963	66,276
Other provisions	(19)	9,901	10,608
Tax liabilities	(6)	11,491	16,572
Financial indebtedness	(20)	17,986	16,198
Other liabilities	(20)	14,106	22,813
Current liabilities		147,447	132,467
Total equity and liabilities		685,285	674,709

The notes on pages 9 to 54 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

€ '000	Sub- scribed capital	Capital surplus	Trans- lation reserve	Hedging reserve	Retained earnings	Total	Non- controlling interest	Total equity
Balance at January 1, 2008	873	41,794	(3,401)	(617)	32,458	71,107	271	71,378
Net income	-	-	-	-	26,369	26,369	13	26,382
Other comprehensive income								
Foreign currency translation differences	-	-	1,653	-	-	1,653	-	1,653
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	(3,001)	-	(3,001)	-	(3,001)
Net change in fair value of cash flow hedges transferred to statement of income, net of tax	-	-	-	561	-	561	-	561
Defined benefit plan actuarial gains and losses, net of tax	-	-	-	-	1,151	1,151	-	1,151
Total other comprehensive income	-	-	1,653	(2,440)	1,151	364	-	364
Total comprehensive income for the period	-	-	1,653	(2,440)	27,520	26,733	13	26,746
Transactions with owners, recorded directly in equity								
Capital withdrawal/contribution	-	(4,729)	-	-	-	(4,729)	-	(4,729)
Balance at December 31, 2008	873	37,065	(1,748)	(3,057)	59,978	93,111	284	93,395
€ '000								
Balance at January 1, 2009	873	37,065	(1,748)	(3,057)	59,978	93,111	284	93,395
Net income	-	-	-	-	28,174	28,174	15	28,189
Other comprehensive income								
Foreign currency translation differences	-	-	(1,012)	-	-	(1,012)	-	(1,012)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	(1,488)	-	(1,488)	-	(1,488)
Net change in fair value of cash flow hedges transferred to statement of income, net of tax	-	-	-	2,354	-	2,354	-	2,354
Defined benefit plan actuarial gains and losses, net of tax	-	-	-	-	(794)	(794)	-	(794)
Total other comprehensive income	-	-	(1,012)	866	(794)	(940)	-	(940)
Total comprehensive income for the period	-	-	(1,012)	866	27,380	27,234	15	27,249
Transactions with owners, recorded directly in equity								
Capital withdrawal/contribution	-	(1,111)	-	-	(7,681)	(8,792)	-	(8,792)
Balance at December 31, 2009	873	35,954	(2,760)	(2,191)	79,677	111,553	299	111,852

The notes on pages 9 to 54 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

€ '000	Note	2009	2008
Net income attributable to the owners of the company		28,174	26,369
Depreciation and amortization of intangible assets, property, plant and equipment and financial assets	(8)	32,102	29,513
Income tax expense	(6)	16,362	21,296
Net financial expense	(5)	22,256	26,084
Changes in pension provisions and other non-cash items		16,252	(3,324)
Total non-cash items		86,972	73,569
Interest paid		(15,049)	(30,550)
Interest received		487	2,787
Income taxes paid		(16,632)	(10,107)
Cash movement in interest and income taxes		(31,194)	(37,870)
Cash movement before changes in working capital and accruals		83,952	62,068
Changes in inventories	(13)	17,798	6,478
Changes in receivables and other operating assets	(14,15)	(40,282)	85,821
Changes in other operating liabilities and provisions		1,095	(87,324)
Cash provided by operating activities		62,563	67,043
Payments related to intangible assets and property, plant and equipment		(18,830)	(29,520)
Payments related to financial assets and securities		-	(75)
Payments related to acquisitions		(3,500)	-
Cash used in investing activities		(22,330)	(29,595)
Repayment to shareholders		(14,244)	(37,754)
Proceeds from addition of financial liabilities to shareholders		2,100	-
Proceeds from addition of financial liabilities to third parties		3,500	-
Repayment of financial liabilities to third parties		(17,352)	(7,982)
Cash used in financing activities		(25,996)	(45,736)
Net changes in cash and cash equivalents		14,237	(8,288)
Effects on cash and cash equivalents from foreign exchange rates		(842)	955
Net changes in cash and cash equivalents	(24)	13,395	(7,333)
Cash and cash equivalents at beginning of period		75,494	82,827
Cash and cash equivalents at end of period	(16)	88,889	75,494

The notes on pages 9 to 54 are an integral part of these consolidated financial statements.

I. Notes to the Consolidated Financial Statements

(a) General information

The company was founded as of December 1, 2006 and registered as ADVENT OXO S.à.r.l. (hereinafter referred to as OXEA S.à.r.l.) in the commercial register of Luxembourg (Registre de Commerce et des Sociétés Luxembourg – B 122023) on December 18, 2006 and has its registered office at 47, Grand Rue, L-1661 Luxembourg.

The OXEA Group (hereinafter referred to as OXEA) commenced operations on March 1, 2007. The business comprises the former Celanese polyols and olefine derivatives and solvents businesses and the operations of European OXO GmbH. The product range covers basic aldehydes, higher aldehydes, alcohols, amines, carboxylic acids esters and other derivatives. OXEA has experience and know-how in oxo chemicals and derivatives production and is a market leader in products such as butyl acetates, n-propanol, butanols, C3/C4-amines, n-propyl acetate, carboxylic acids, butyraldehyde, TCD derivatives and 2-ethylhexanol.

The consolidated financial statements of OXEA S.à.r.l. have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Düsseldorf.

In accordance with IFRS, the fiscal year of the consolidated financial statements equates to the business year of the parent company.

(b) Basis of preparation

The consolidated financial statements of OXEA S.à.r.l. for the fiscal year from January 1 to December 31, 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

The financial statements of OXEA S.à.r.l. and its subsidiaries included in the consolidated financial statements were prepared using uniform group accounting policies.

On March 17, 2010, the 2009 consolidated financial statements were approved by the Board of Management.

The functional currency and the reporting currency of OXEA S.à.r.l. is the Euro (€). The reporting is presented in thousands of Euros.

(c) Consolidated group

All significant subsidiaries and associates are included in the consolidated financial statements. Subsidiaries are companies that are directly or indirectly controlled by OXEA S.à.r.l. and are fully consolidated. Associates are companies in which OXEA S.à.r.l. has a significant influence, and that are neither subsidiaries nor joint ventures. Associates are accounted for using the equity method.

The composition of OXEA is as follows:

	December 31, 2009	December 31, 2008
Consolidated subsidiaries	13	13
Associates accounted for using the equity method	1	1
Total	14	14

Subsidiaries

Name of registered office	OXEA S.à.r.l. share in % as of December 31, 2009	OXEA S.à.r.l. share in % as of December 31, 2008
Oxea Beteiligungs GmbH, Oberhausen	100.00	100.00
Oxea Holding GmbH, Oberhausen (i)	100.00	100.00
Oxea Deutschland GmbH, Oberhausen (i)	100.00	100.00
Oxea GmbH, Oberhausen (i)	100.00	100.00
Oxea Infrastruktur GmbH & Co. KG, Oberhausen (i)	98.00	98.00
OXEA Hungary Vagyonkezelő Kft, Budapest/Hungary	100.00	100.00
OXEA Corporation, Dallas, TX/USA (ii)	100.00	100.00
OXEA UK LIMITED, Teddington, Middlesex/UK (ii)	100.00	100.00
OXEA Bishop LLC, Bishop, TX/USA (ii)	100.00	100.00
OXEA Japan KK, Tokyo/Japan (i)	100.00	100.00
OXEA Singapore Pte, Singapore (i)	100.00	100.00
OXEA Nederland B.V., Rotterdam/The Netherlands (i)	100.00	100.00
OXEA China LTD., Changzhou/China (i)	100.00	100.00

(i) Indirect shareholding via Oxea Beteiligungs GmbH, Oberhausen

(ii) Indirect shareholding via OXEA Hungary Vagyonkezelő Kft, Budapest/Hungary

Business combination

On May 12, 2009, OXEA Nederland B.V. as acquirer entered into an agreement to acquire certain assets and related raw materials and goods of a production site in Amsterdam from ExxonMobil Chemical Holland B.V. The transaction was completed on July 31, 2009 and operations commenced on August 1, 2009. The acquired business comprised the production facility of an ester unit located in Amsterdam, the Netherlands. The acquisition was financed through a partial utilization of the existing acquisition facility and the purchase price was fully paid in cash. The total purchase price of

€ 3.5 million was allocated to intangible (€ 0.7 million) and tangible assets (€ 2.3 million) and raw materials and supplies (€ 0.5 million). The acquired intangible assets have a useful life of 5 years and are amortized according to the straight-line method.

Transaction costs in the amount of € 0.4 million have been recorded in the income statement in general and administrative expense.

In 2009 the business realised net income of € 40 thousand. Revenues resulted only from intercompany transactions.

(d) Summary of significant accounting policies

Consolidation method

All business combinations are accounted for using the acquisition method. The acquirer allocates the cost of a business combination by recognizing the acquiree's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria at their fair value at the acquisition date. Non-current assets that are classified as held for sale are recognized at fair value less costs to sell. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of identifiable assets and of the liabilities and contingent liabilities taken over, regardless of the level of the investment held, is recognized as goodwill. Any excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities which exceeds the cost of a business combination is recognized immediately in profit or loss. In the periods following the business combination, any realized differences between the carrying amounts and fair values of assets and liabilities are adjusted, amortized or reversed, in accordance with the treatment of the corresponding assets and liabilities.

No goodwill arose from the business combinations in 2007 and 2009, nor are any assets held for resale at the balance sheet date.

Income and expenses of a subsidiary are included in the consolidated financial statements from the acquisition date until the date on which the parent ceases to control the subsidiary.

Investments in associates accounted for using the equity method are carried at the acquirer's interest in the identifiable assets (including any attributable goodwill) and liabilities remeasured to fair value upon acquisition. Unrealized gains and losses from transactions with these companies are eliminated in proportion to the acquirer's interest.

Eliminations: Transactions between consolidated companies as well as inter company profits arising from sales and services rendered between group companies are eliminated.

Capital consolidation: Capital consolidation is based on the acquisition method. Initially all assets, liabilities and intangible assets that are to be capitalized are valued at fair value. The acquisition cost is then compared with the fair value of the net assets acquired and any difference is capitalized as goodwill. Goodwill is not amortized, but is written down in the case of impairment.

Revenue recognition: Revenue is recognized when the economic benefit is likely to flow to the company and the amount of revenue can be reliably assessed. Revenues from the sale of goods are recognized upon transfer of ownership and risk to the buyer in accordance with standard Incoterms net of rebates and discounts. Revenues exclude any sales taxes.

Foreign-currency transactions: Foreign currency transactions are translated into the functional currency at the exchange rate at the date of the transactions. At the balance sheet date, foreign currency receivables and payables are valued at the closing rate. Exchange rate differences are recognized in the income statement.

Translation of foreign currency financial statements: The assets and liabilities of group entities whose functional currency is not the Euro are translated into Euros from the local currency using the middle rate at the balance sheet date. The middle rate is the average of the bid and ask rates at closing on the respective dates. The income statements and corresponding profits and losses of group entities denominated in a foreign currency are translated at monthly average exchange rates which approximate the exchange rate at the date of transaction. Exchange rate differences are recognized as a separate component of equity.

The relevant exchange rates used for the US Dollar which is the significant foreign currency were as follows:

1 € =	US\$
Rate at January 1, 2009	1.3239
Rate at December 31, 2009	1.4406
Average Rate 2009	1.3948

Intangible assets with finite useful lives are measured at cost and amortized on a straight-line basis over their useful lives. Such assets are impaired whenever events or changes in circumstances indicate that their recoverable amount, which is measured at the higher of fair value less costs to sell and value in use, is lower than the carrying amount. Impairment losses are reversed if the reasons for recognizing the original impairment loss no longer apply.

OXEA has capitalized development costs for REACH registration as the criteria described in IAS 38 are met.

The estimated useful lives for intangible assets with finite lives are as follows:

Intangibles	Years
Know-how, patents and other production technologies	2.5-12.0
Customer relationships and similar rights	1.3-8.0
Software	1.8-5.0
Other rights and values	3.0

OXEA has no intangible assets with infinite useful lives.

Property, plant and equipment is carried at cost less straight-line depreciation and impairment losses. The depreciation period is based on the expected useful life. Items of property, plant and equipment are depreciated pro rata in the year of acquisition.

If an item of property, plant and equipment consists of several components with different estimated useful lives, the individual significant components are depreciated over their individual useful lives. Costs relating to regularly scheduled maintenance shutdowns are capitalized and depreciated using the straight line method over the period to the next planned shutdown. Borrowing costs are capitalized when the criteria of IAS 23 are met.

The estimated useful lives of material asset categories are as follows:

Property, plant and equipment	Years
Buildings	20
Machinery and technical equipment	25-40
Miscellaneous machinery and equipment	20
Office equipment	6-10

Impairment write-downs are recorded whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The evaluation is based on the present value of expected future cash flows. An impairment write-down is recorded for the difference between the carrying amount of the asset and the recoverable amount.

Rhodium: OXEA uses rhodium catalysts in its production processes. The base catalyst load contained in the reactors is accounted for as a fixed asset. Rhodium catalysts which are being recycled are accounted for as inventory.

Inventory quantities are estimated after taking into account expected recovery rates for used catalysts.

Leasing: In accordance with IAS 17 leasing contracts are classified as either finance or operating leases. Leased assets classified as operating leases are not capitalized and payments are charged to the income statement in the year that they are incurred. A lease is classified as a finance lease if it transfers substantially all of the risks and rewards related to its ownership. Leased assets classified as finance leases are initially recorded at the lower of the fair value or the present value of the minimum lease payments and depreciated over the shorter period of the useful life of the asset or the lease term. Lease payments are apportioned between the interest component and the principal component. The principal component reduces the liability whilst the interest component is recorded as interest expense.

Financial instruments: Financial assets and financial liabilities are recorded on the balance sheet when OXEA enters into an agreement about a financial instrument. Financial assets are removed from the books when the contractual rights to the cash flows from the financial asset expire or, when the financial asset with all risks and rewards of ownership is transferred. Financial liabilities are removed from the books when the contractual obligation expires or is discharged or cancelled. Standard purchases and sales of financial instruments are recognized upon the settlement date. Financial assets include, in particular, cash and cash equivalents, trade receivables and other originated loans and receivables, available for sale financial instruments, derivative and non-derivative financial assets held for trading as well as derivatives in a cash flow hedge relationship. Financial liabilities generally substantiate claims for repayment in cash or another financial asset. In particular, this includes trade payables, liabilities to banks,

liabilities to shareholders, finance lease payables, derivatives held for trading, derivatives in a cash flow hedge relationship and financial guarantee contracts.

Financial assets and liabilities are divided into the following valuation categories:

Financial assets and liabilities that are measured at fair value and recognized in income consist of derivatives and other trading instruments.

Loans and receivables comprise financial assets with fixed or determinable payments, which are not quoted on an active market and are not derivatives or classified as available-for-sale. This category includes trade receivables, other receivables and current assets and other non-current assets. Initial valuation is at fair value which generally equates to the nominal value of the receivable or loan. Subsequent measurements are at amortized cost under consideration of the effective interest rate method.

If there is objective evidence for an impairment of a receivable or a loan, an individual valuation adjustment is undertaken. Such evidence could be when the final difficulties of a debtor become known or payment delays occur. When assessing the need for an impairment, regional and sector specific conditions are considered.

In certain instances, impairment losses on trade accounts receivable are recognized using allowance accounts. The decision to account for credit risks using an allowance account or by an individual valuation adjustment depends on the reliability of the risk assessment. As there is a wide variety of business areas and regional circumstances, this decision is the responsibility of the portfolio managers in question.

Cash and cash equivalents, which include cash accounts and short-term cash deposits at banks, have maturities of up to three months when initially recognized and are measured at amortized cost.

Available for sale financial instruments comprise financial assets which are not derivatives and do not fall under any of the previous categories. Initial valuation is at fair value. Subsequent changes in fair value are booked to equity under other comprehensive income. Available for sale financial instruments whose fair value cannot be reliably determined are carried at historical cost and are written down in the event of impairment. For these investments, the book value represents the best estimate of value.

If there is objective evidence for an impairment of an available for sale financial instrument, impairment write-downs are made. Objective evidence that an investment in an equity security is impaired includes a significant or prolonged decline in its fair value below its cost.

Impairment losses on available-for-sale investment securities are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognized in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in other comprehensive income.

Financial liabilities are initially valued at fair value which usually equates to the amount received. Subsequent valuations are generally done at amortized cost under consideration of the effective interest rate method. The category includes trade payables, liabilities to banks, liabilities to shareholders and financial lease liabilities.

Financial guarantees of OXEA are contracts that require deficiency payments to be made to the guarantee holder if a debtor fails to make payment when due under terms of the financial guarantee. Financial guarantees are measured at fair value upon initial recognition. In future periods, financial guarantees are carried at the higher of amortized cost and the best estimate of the present obligation on the financial reporting date.

Derivatives within OXEA are generally used for hedging purposes. Changes in the fair value of such derivatives almost completely offset the change in the value of the underlying contracts. Derivatives that are not part of an effective hedging relationship as set out in IAS 39 are classified as “held for trading” and changes are reported at fair value through the income statement. If the fair values are negative, the derivatives are recognized as financial liabilities. OXEA uses derivatives to hedge interest rate and currency risks resulting from its operating, financing, and investing activities. The Company does not hold or issue derivatives for speculative trading purposes. The derivatives used to hedge interest rate risks are accounted for using hedge accounting.

Derivatives are carried at their fair value upon initial recognition and subsequent measurement dates. The fair value of traded derivatives is equal to their market value, which can be positive or negative. If there is no market value available, the fair value is calculated using standard financial valuation models.

Recording the changes in the fair values – in either the income statement or directly in equity – depends on whether or not the derivative is part of an effective hedging relationship as set out in IAS 39. If no hedge accounting is employed, the changes in the fair values of the derivatives are recognized in the income statement. If, on the other hand, an effective hedging relationship as set out in IAS 39 exists, the hedge will be recognized as described below.

OXEA applies hedge accounting in accordance with IAS 39 to hedge future cash flows, thus reducing income statement volatility.

Derivative financial instruments can be embedded within other contracts. If IFRS prescribes separation, then the embedded derivative is recorded separately from the base contract and shown at fair value. At OXEA, convertible preferred equity certificates provided by the shareholders include such embedded derivatives.

OXEA has not yet made use of the option of designating financial instruments upon initial recognition as financial instruments at fair value through the income statement.

OXEA employs also derivatives that are not part of hedge accounting according to IAS 39 but which make an effective contribution to hedging the financial risk in accordance with the principles of risk management.

Furthermore, in accordance with IAS 39, OXEA does not use hedge accounting to hedge the foreign-currency exposure of recognized monetary assets and liabilities. The gains and losses on the hedged item from currency translation that are recognized in profit or loss in accordance with IAS 21 are shown in the income statement together with the gains and losses on the derivatives.

Cash flow hedges are used to hedge against fluctuations in future cash flows from assets and liabilities recognized in the balance sheet, or from highly probable forecasted transactions. If a cash flow hedge is employed, the effective portion of the change in the fair value of the hedging instrument is recognized in equity (other comprehensive income) until the gain or loss on the hedged item is realized; the ineffective portion of the hedging instrument is recognized in the income statement. In the case of currency risks, the change in the fair value resulting from spot rate changes is designated as the hedged risk. The interest component is separated from the hedge in accordance with IAS 39.74 (b). If a hedge of a forecast transaction subsequently results in the recognition of a financial or non-financial asset or liability, the associated cumulative gains and losses that were recognized directly in equity are reclassified into profit or loss in the same periods during which the financial asset acquired or the financial liability assumed affects profit or loss for the period. In doing so, OXEA has decided not to make use of the basis adjustment option for hedging forecast transactions when non-financial balance sheet items arise.

Inventories are carried at the lower of cost or net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Borrowing costs are not capitalized as the criteria of IAS 23 have not been met. Cost is measured using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling expenses.

Pension obligations and other employee benefits: Provisions for pensions relate to obligations to employees. Liabilities for defined benefit plans are measured using the projected unit credit method, taking into account not only the pension obligations and vested pension rights known at the reporting date, but also expected future salary and benefit increases. Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recorded directly in equity in accordance to IAS 19.93A. Service costs are classified as operating expenses. Interest costs are charged to the financial result. The amounts payable under defined contribution plans are expensed when the contributions are due and classified as operating expenses. Past service costs are recognized immediately to the extent that the benefits are vested; otherwise, they are recognized on a straight line basis over the average remaining vesting period.

Other provisions are recognized where OXEA has legal or constructive obligations to third parties on the basis of past transactions or events that will probably require an outflow of resources to settle the obligation, and this outflow can be reliably measured. These provisions are carried at their discounted expected settlement amount, taking into account all identifiable risks.

Provisions for contracts under early retirement programs, long service and anniversary bonuses are calculated based upon actuarial principles. For signed contracts under the early retirement programs, provisions for the present value of supplemental payments are made in their full amount and the wage and salary payments due in the inactive phase are accrued in installments and discounted. Provisions are recorded for the expected costs that are anticipated to be contracted during the term of the collective bargaining agreements, taking into account the ceilings provided in those agreements.

Provisions are established for certain environmental protection measures and risks if these are likely to be necessary as a result of legal or regulatory obligations and these measures are not capitalized.

Tax liabilities mainly comprise liabilities for domestic and foreign current income taxes. They include liabilities for the current period as well as for prior periods. The liabilities are measured based on the applicable tax law in the countries in which OXEA operates.

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amounts in the consolidated balance sheet and the tax base and on tax loss carry-forwards. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax is provided on temporary differences arising on the investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is not recognized if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Currently enacted tax laws and tax laws that have been substantively enacted as of the balance sheet date are used as the basis for measuring deferred taxes.

Contingencies (contingent liabilities and assets) are potential liabilities or assets arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of OXEA. Contingent liabilities can also be obligations that arise from past events for which an outflow of resources embodying economic benefits is not probable or for which the amount of the obligation can not be measured reliably. Contingent liabilities are only recognized at their fair value if they were assumed in the course of a business combination. Contingent assets are not recognized but disclosed in the notes to the consolidated financial statement if applicable. Information on contingent liabilities is disclosed in the notes to the consolidated financial statements, unless the possibility of an outflow of economic benefits is remote.

Use of estimates and judgements

The presentation of the results of operations, financial position or cash flows in the consolidated financial statements requires management to make judgements and is dependent upon and sensitive to the accounting policies, assumptions and estimates used by the management. The actual amounts may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following critical accounting estimates and related assumptions and uncertainties inherent in accounting policies applied are essential to understand the underlying financial reporting risks and the effects that these accounting estimates, assumptions and uncertainties have on the consolidated financial statements.

Measurement of property, plant and equipment, and intangible assets involves the use of estimates for determining the fair value at the acquisition date, in particular in the case of such assets acquired in a business combination. Furthermore, the expected useful lives of these assets must be estimated. The determination of the fair values of assets and liabilities, as well as of the useful lives of the assets is based on management's judgment.

The determination of impairments of property, plant and equipment, and intangible assets involves the use of estimates that include, but are not limited to, the cause, timing and amount of the impairment. Impairment is based on a large number of factors, such as changes in current competitive conditions, expectations of growth, increased cost of capital, changes in the future availability of financing, technological obsolescence, current replacement costs, prices paid in comparable transactions and other changes in circumstances that indicate that an impairment exists. The recoverable amount and the fair values are typically determined using a discounted cash flow method which incorporates reasonable market participant assumptions. The identification of impairment indicators, as well as the estimation of future cash flows and

the determination of fair values for assets (or groups of assets) require management to make significant judgments concerning the identification and validation of impairment indicators, expected cash flows, applicable discount rates, useful lives and residual values.

The establishment of provisions for litigation, pensions and other employee benefits, taxes, environmental protection, inventory valuation, sales allowances, product liability and guarantees as well as deferred taxes involve the use of estimates and therefore is based on management's judgement. Estimates are based on historical experience and other assumptions that are considered reasonable under the circumstances. Actual values may vary from the estimates. The estimates and the assumptions are continually reviewed.

Rhodium catalysts which are being recycled are accounted for as inventory. The respective inventory quantities are estimated after taking into account expected recovery rates for used catalysts.

The embedded derivative separated from the convertible preferred equity certificates is measured at fair value, which is based on a large number of factors, such as the current valuation of the OXEA group and volatility.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 9, 10 – measurement of intangible assets and property, plant and equipment
- Note 18 – measurement of defined benefit obligations
- Note 19 – other provisions
- Note 23 – measurement of financial instruments.

Recently adopted accounting pronouncements

In March 2007, the IASB issued an amendment to IAS 23 "Borrowing Costs". The amendment to standard mainly relates to the elimination of the option of immediately recognizing borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as an expense. A qualifying asset in this context is an asset that takes a substantial period of time to get ready for its intended use or sale. In future, an entity is therefore required to capitalize borrowing costs as part of the cost of the qualifying assets. The revised standard does not require the capitalization of borrowing costs relating to assets measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale. The standard applies to borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after January 1, 2009. As OXEA currently capitalizes such costs if the criteria of IAS 23 are met, the adoption of this standard has no impact on the consolidated financial statements of OXEA.

In January 2008, the IASB issued an amendment to IFRS 2, Share-based Payment, Vesting Conditions and Cancellations. The amendment clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amended IFRS 2 is effective for annual periods beginning on or after January 1, 2009 and has no impact on the consolidated financial statements of OXEA.

In January 2008, the IASB published the revised standards IFRS 3, Business Combinations (IFRS 3 (2008)) and IAS 27, Consolidated and Separate Financial Statements (IAS 27 (2008)) which were endorsed in 2009. The revised standards are effective for business combinations in annual periods beginning on or after July 1, 2009.

IFRS 3 and IAS 27 have been adopted by OXEA in 2009.

IFRS 3 (2008) reconsiders the application of acquisition accounting for business combinations. Major changes relate to the measurement of non-controlling interests, the accounting for business combinations achieved in stages as well as the treatment of contingent consideration and acquisition-related costs. Based on the new regulation, non-controlling interests may be measured at their fair value (full-goodwill-methodology) or at the proportional fair value of assets acquired and liabilities assumed. In business combinations achieved in stages, any previously held equity interest in the acquiree is remeasured to its acquisition date fair value. Any changes to contingent consideration classified as a liability at the acquisition date are recognized in the income statement. Acquisition-related costs are expensed in the period incurred.

Major changes in relation to IAS 27 (2008) relate to the accounting for transactions which do not result in a change of control as well as to those leading to a loss of control. If there is no loss of control, transactions with non-controlling interests are accounted for as equity transactions not affecting profit and loss. At the date control is lost, any retained equity interests are remeasured to fair value. Based on the amended standard, non-controlling interests may show a deficit balance since both profits and losses are allocated to the shareholders based on their equity interests.

In September 2007, the International Accounting Standards Board (IASB) issued IAS 1, Presentation of Financial Statements: A Revised Presentation (IAS 1 revised). IAS 1 revised replaces IAS 1, Presentation of Financial Statements (revised in 2003), as amended in 2005. The revision is aimed at improving users' ability to analyze and compare the information given in financial statements. IAS 1 revised sets overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. The new standard is effective for fiscal periods beginning on or after January 1, 2009. As a result the group has changed the presentation of changes in equity.

In March 2009, the IASB issued Improving Disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures) which enhances disclosures about fair value measurements of Financial Instruments. A three-level fair value disclosure hierarchy is introduced, that distinguishes fair value measurements by the significance of the inputs used and reflects the availability of observable market inputs when estimating fair values. Amendments are also made to enhance disclosures on liquidity risks, by clarifying the scope of liabilities to be disclosed in a maturity analysis. As the change only results in additional disclosures there is only an impact on the notes of OXEA's financial statements.

Annual improvements to IFRS (mostly effective as of January 1, 2009) were issued. As a part of the annual improvement project the IASB issued minor, non-urgent changes to 20 International Financial Reporting Standards in May 2008. These changes did not have any impact on OXEA's accounts.

Other recently adopted accounting pronouncements are not expected to have a material impact on OXEA's consolidated financial statements.

Recent accounting pronouncements, not yet adopted

In July 2008, the IASB issued an amendment to IAS 39 “Financial Instruments: Recognition and Measurement.” The European Union has not yet endorsed the amendment to IAS 39. The amendment on eligible hedged items specifies that an entity may designate an option as a hedge of changes in the cash flows or fair value of a hedged item above or below a specified price or other variable. The amendment to IAS 39 is effective for financial years beginning on or after July 1, 2009. The provisions are to be applied retrospectively. The amendment to the standard is not expected to have a material impact on the presentation of OXEA’s results of operations, financial position or cash flows.

The IASB issued various other pronouncements that are mandatory. The impact of the pronouncements not yet adopted are not finally examined but are not expected to have a material impact on OXEA’s consolidated financial statements.

2. Revenue

Revenue breaks down into the following regions:

€ '000	2009	2008
Europe	433,004	680,484
North America	278,373	357,193
Rest of the world	176,632	165,723
Total	888,009	1,203,400

Revenues comprise only revenues from sales of goods.

3. Other operating income

Income from site services relates to services provided by OXEA and third parties to customers at its production sites in Oberhausen, Marl and Bay City.

€ '000	2009	2008
Income from site services	48,508	55,631
Gains from foreign currency transactions	4,112	13,099
Gains from derivatives held for trading	2,021	549
Other	1,015	6,844
Total	55,656	76,123

4. Other operating expense

Expenses for site services relate to costs incurred for services provided by OXEA to customers at its production sites in Oberhausen, Marl and Bay City.

€ '000	2009	2008
Expenses for site services	(45,765)	(53,867)
Losses from foreign currency transactions	(5,806)	(6,163)
Losses from derivatives held for trading	(2,448)	(4,195)
Other	(1,510)	(705)
Total	(55,529)	(64,930)

5. Financial result

€ '000	2009	2008
Interest income	487	2,787
Interest expense to third parties	(10,767)	(22,496)
Interest on shareholder loans	(3,972)	(6,190)
Share of profit (loss) of joint ventures accounted for using the equity method	(398)	2,279
Interest expense from defined benefit plans	(891)	(831)
Financial expense from derivatives	(4,914)	(802)
Other	(1,801)	(831)
Total	(22,256)	(26,084)

In 2009, provisions to banks in the amount of € 912 thousand (prior year: € 866 thousand) were recognized as expenses.

6. Income taxes

€ '000	2009	2008
Current period taxes	(17,086)	(8,194)
Adjustment for prior periods	86	(3,526)
Current taxes	(17,000)	(11,720)
Deferred tax income (expense)	638	(9,576)
thereof origination and reversal of temporary differences € 3,539 thousands (prior year € (14,968) thousands)		
Total tax expense	(16,362)	(21,296)

In 2009, in Germany, a uniform corporate tax rate of 15% and thereon a solidarity surcharge of 5.5% is levied on all earnings. In addition to corporate income tax, income generated in Germany is subject to a trade tax that varies depending on the municipality in which the company is located. In 2009, after accounting for trade tax, which is no longer a deductible operating expense, OXEA has a weighted average income tax rate of 33% (prior year: 32%). In 2009 the tax rate increased to 33% due to a trade tax rate increase of the municipality of

Oberhausen. Because the tax rate change has already been enacted in 2008, the deferred taxes in Germany as of December 31, 2008, were calculated with the tax rate of 33% which is also applicable as of December 31, 2009. The profits of other group companies are assessed using the tax rates applicable in the respective countries. For other group companies, deferred taxes are calculated using the tax rates applicable in the individual other countries. Such rates ranged from 20% to 40% in 2009.

Reconciliation from the Group tax rate to the effective tax rate:

Taxes	2009		2008	
	€ '000	in %	€ '000	in %
Expected income tax by use of local rates	15,351	34.5	15,285	32.1
Tax effect from non-deductible expenses	2,546	5.7	2,243	4.7
Change in recognition of deferred taxes on tax loss carry-forwards	(1,758)	(3.9)	1,040	2.2
Change in tax rates	(23)	(0.1)	1,786	3.7
Adjustment of prior year taxes	335	0.8	2,046	4.3
Tax effect from investments accounted for at equity	(3)	(0.1)	(714)	(1.5)
Other differences	(86)	(0.2)	(390)	(0.8)
Income taxes / effective tax rates	16,362	36.7	21,296	44.7

OXEA is operating mainly in Germany and North America. Therefore the expected tax rate is calculated taking the profit before tax in the respective countries multiplied with the local tax rates, for Germany 33% and for North America 35,8%.

Deferred taxes result primarily from temporary differences between tax balances and the valuation of assets and liabilities according to IFRS, as well as from tax loss carry-forwards. In 2007 the revaluation of all the assets and liabilities associated with the purchase price allocation according to IFRS 3 resulted in significant deviations between fair values and the values in the tax accounts. This has primarily led to deferred tax liabilities. The valuation of deferred tax assets depends on the estimation of probability of a reversal of the valuation difference. A deferred tax asset is recognized for future tax benefits arising from temporary differences and tax loss carry forwards.

Based on experience and the expected development of taxable income, it is assumed that the benefit of deferred tax assets recognized will be realized. Deferred tax assets on tax loss carry-forwards exist in North America and Germany and have been fully recognized as of December 31, 2009. In the prior year, no deferred taxes were recognized in North America on tax loss carry forwards in the amount of € 5 million.

Deferred tax assets were offset against deferred tax liabilities if they were related to the same taxation authority.

Deferred taxes € '000	December 31, 2009		December 31, 2008	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	5,717	1,988	6,647	2,203
Property, plant and equipment	-	58,503	1,513	60,241
Financial assets	-	37	19	38
Inventories and accounts receivable	1,908	6,410	4,130	10,148
Provisions for pensions	1,883	-	1,182	-
Other provisions and liabilities	4,210	1,248	4,790	3,819
Tax loss carry-forwards and tax credits	2,324	-	5,393	-
Netting	(15,231)	(15,231)	(17,389)	(17,389)
Total	811	52,955	6,285	59,060

The differences between deferred taxes of the prior year and the current year are mainly recognized in deferred tax income (expense).

Small amounts are recognized in other comprehensive income (see following table).

Deferred taxes recognized in other comprehensive income € '000	2009			2008		
	Changes before tax	Deferred taxes	Net of tax	Changes before tax	Deferred taxes	Net of tax
Defined benefit plan actuarial gains (losses)	(1,186)	392	(794)	1,753	(602)	1,151
Cash flow hedges	1,096	(230)	866	(3,486)	1,046	(2,440)
Total	(90)	162	72	(1,733)	444	(1,289)

7. Personnel expenses

The following table provides a breakdown of the personnel expenses included in the functional costs:

€ '000	2009	2008
Wages and salaries	(76,538)	(74,581)
Social security contributions and expenses for pensions	(20,057)	(18,647)
thereof for pension benefits	(860)	(843)
Total	(96,595)	(93,228)
Average number of employees	2009	2008
Europe	1,161	1,111
thereof Germany	1,135	1,104
North America	210	209
Asia Pacific	10	9
OXEA group	1,381	1,329
thereof with trainee contracts	66	61

8. Overview fixed asset table

2009	Acquisition costs					
	Balance as of 01.01.2009	Additions	Disposals	Transfers	Translation difference	Balance as of 31.12.2009
€ '000						
INTANGIBLE ASSETS						
Patents, licenses and similar rights	21,968	1,182	-	533	(98)	23,585
Other intangibles	-	855	-	-	-	855
Total intangible assets	21,968	2,037	-	533	(98)	24,440
PROPERTY, PLANT AND EQUIPMENT						
Land, land rights and buildings	45,468	1,816	(410)	1,406	(149)	48,131
Machinery and technical equipment	283,272	5,934	(1,490)	9,245	(3,215)	293,746
Other equipment and fixtures	4,595	325	(38)	379	(25)	5,236
Capital lease	478	-	-	-	-	478
Construction in Progress	15,547	11,756	(312)	(11,563)	(83)	15,345
Total property, plant and equipment	349,360	19,831	(2,250)	(533)	(3,472)	362,936
FINANCIAL ASSETS						
Investments accounted for using the equity method	2,363	-	-	-	-	2,363
Financial assets	2,494	1	(9)	-	-	2,486
Total financial assets	4,857	1	(9)	-	-	4,849
Total	376,185	21,869	(2,259)	-	(3,570)	392,225
2008						
2008	Acquisition costs					
	Balance as of 01.01.2008	Additions	Disposals	Transfers	Translation difference	Balance as of 31.12.2008
€ '000						
INTANGIBLE ASSETS						
Patents, licenses and similar rights	21,282	205	(61)	375	167	21,968
Other intangibles	537	-	-	(537)	-	-
Total intangible assets	21,819	205	(61)	(162)	167	21,968
PROPERTY, PLANT AND EQUIPMENT						
Land, land rights and buildings	55,573	222	(28)	(10,559)	260	45,468
Machinery and technical equipment	245,894	16,777	(429)	16,210	4,820	283,272
Other equipment and fixtures	4,974	1,082	(26)	(1,516)	81	4,595
Capital lease	478	-	-	-	-	478
Construction in progress	8,100	11,234	-	(3,973)	186	15,547
Total property, plant and equipment	315,019	29,315	(483)	162	5,347	349,360
FINANCIAL ASSETS						
Investments accounted for using the equity method	8	2,355	-	-	-	2,363
Financial assets	1,205	1,289	-	-	-	2,494
Total financial assets	1,213	3,644	-	-	-	4,857
Total	338,051	33,164	(544)	-	5,514	376,185

Amortization / Depreciation					Net book value	Net book value
Balance as of 01.01.2009	Additions	Disposals	Transfers	Translation difference	Balance as of 31.12.2009	Balance as of 31.12.2008
(9,664)	(5,115)	-	-	127	(14,652)	12,304
-	-	-	-	-	-	855
(9,664)	(5,115)	-	-	127	(14,652)	12,304

(4,843)	(3,125)	209	-	14	(7,745)	40,386	40,625
(38,513)	(22,274)	598	(1,284)	541	(60,932)	232,814	244,759
(1,039)	(684)	13	-	(1)	(1,711)	3,525	3,556
(75)	(41)	-	-	(1)	(117)	361	403
(1,290)	(863)	-	1,284	4	(865)	14,480	14,257
(45,760)	(26,987)	820	-	557	(71,370)	291,566	303,600

-	(9)	-	-	-	(9)	2,354	2,363
(35)	(1,205)	-	-	3	(1,237)	1,249	2,459
(35)	(1,214)	-	-	3	(1,246)	3,603	4,822
(55,459)	(33,316)	820	-	687	(87,268)	304,957	320,726

Amortization / Depreciation					Net book value	Net book value
Balance as of 01.01.2008	Additions	Disposals	Transfers	Translation difference	Balance as of 31.12.2008	Balance as of 31.12.2007
(4,371)	(5,074)	-	(127)	(92)	(9,664)	12,304
(127)	-	-	127	-	-	410
(4,498)	(5,074)	-	-	(92)	(9,664)	12,304

(2,680)	(2,628)	2	471	(8)	(4,843)	40,625	52,893
(17,641)	(19,974)	29	(782)	(145)	(38,513)	244,759	228,253
(800)	(547)	6	311	(9)	(1,039)	3,556	4,174
(34)	(41)	-	-	-	(75)	403	444
-	(1,226)	-	-	(64)	(1,290)	14,257	8,100
(21,155)	(24,416)	37	-	(226)	(45,760)	303,600	293,864

-	-	-	-	-	-	2,363	8
(12)	(23)	-	-	-	(35)	2,459	1,193
(12)	(23)	-	-	-	(35)	4,822	1,201
(25,665)	(29,513)	37	-	(318)	(55,459)	320,726	312,386

9. Intangible assets

Intangible assets include patents of € 5.5 million (prior year: € 6.6 million), customer relationships of € 1.0 million (prior year: € 1.4 million) and software, rights and other intangible assets of € 2.4 million (prior year: € 4.3 million). Costs for REACH registration of € 0.9 million are included in other intangible assets.

No impairment losses have been recorded in 2009. In prior year € 464 thousand relating to the cash generating unit OXEA Bishop LLC have been charged against cost of sales (see note 10).

10. Property, plant and equipment

As of December 31, 2009, no borrowing costs were capitalized as the criteria of IAS 23 were not met.

Due to ongoing losses the long lived assets of the cash generating unit OXEA Bishop LLC (legal entity) were tested for impairment in 2009. As the carrying amount of the asset of the cash generating unit OXEA Bishop LLC is lower than the recoverable amount an impairment has been recorded. The recoverable amount is the fair value less cost to sell as it is higher than the value in use. The assessment of impairment according to the fair value less cost to sell is based upon future estimated cash flows which are obtained from group budgets with a five year forecasting horizon. For the impairment testing procedure the planning assumptions were critically reviewed.

The cash flows are discounted with the rate for the weighted average cost of capital (WACC)

amounting to 9.17%. The growth rate has been determined to be 0.0%. As a consequence, tangible assets were impaired by an amount of € 0.5 million (prior year: € 1.6 million) and these impairment losses have been charged against the cost of sales.

For one of the production facilities at the production site in Oberhausen the useful life has been changed in the current financial year. This change in accounting estimate resulted in an additional depreciation of € 1.8 million.

During the financial year 2009, expenditures of € 3.7 million have been recognized in the carrying amount of property, plant and equipment in the course of construction.

The tangible assets of OXEA Corporation, OXEA Deutschland GmbH and OXEA GmbH in the amount of € 203.5 million are pledged.

II. Investments accounted for using the equity method

OXEA holds a 30% shareholding in the German Pipeline Development Company GmbH (GPDC). This investment is accounted for using the equity method. GPDC itself holds 49.8% of PRG Propylenpipeline Ruhr GmbH & Co KG (PRG) which is involved in the construction of a 54 kilometres propylene pipeline which became operational in 2009. In 2009, GPDC generated a loss amounting to € 1.2 million (prior year: profit € 6.9 million).

As a result, OXEA has recorded an amount of € 398 thousand (prior year: € 2,279 thousand gain) representing its share of the loss of GPDC. GPDC has total assets of € 49.6 million (prior year: € 53.3 million) and € 41.8 million (prior year: € 45.4 million) of liabilities.

According to § 8A of the Joint Venture agreement OXEA bears 1/3 of the financing cost of GPDC.

12. Financial assets

Interest-free loans to employees of gross € 143 thousand (prior year: € 163 thousand) are recorded at fair value of € 100 thousand (prior year: € 105 thousand) and are due within the next 2 to 16 years.

Derivatives are embedded derivatives, which reflect the fair value of convertible options relating to the convertible preferred equity certificates.

€ '000	December 31, 2009		December 31, 2008	
	Total	thereof short-term	Total	thereof short-term
Loans and receivables	100	-	105	-
Derivatives (recognized at fair value)	940	-	2,135	-
Deposits (measured at cost)	201	-	211	-
Available-for-sale investments (measured at cost)	8	-	8	-
Available-for-sale securities (recognized at fair value)	2,195	2,195	1,747	1,747
Other	-	-	19	19
Total	3,444	2,195	4,225	1,766

€ '000	Original acquisition cost 2009	Book/market value 2009	Recognized in other comprehensive income 2009	Original acquisition cost 2008	Book/market value 2008	Recognized in other comprehensive income 2008
	Shares in funds	2,195	2,195	-	1,747	1,747
Investments	8	8	-	8	8	-
Total	2,203	2,203	-	1,755	1,755	-

Shares in funds are used for securing the liabilities for the early retirement program for employees. These funds are held in a trust on behalf of the company.

Investments include the minority investments in two development companies in Germany for which the fair value can not be measured reliable as no active market exists. Therefore the investments are measured at cost.

13. Inventories

€ '000	December 31, 2009		December 31, 2008	
	Total		Total	
Raw materials and factory supplies	45,341		52,299	
Work-in-process and finished goods	66,788		78,527	
Total	112,129		130,826	

Raw materials and factory supplies include rhodium catalysts used in the production process.

Work-in-process and finished goods are combined into one item due to the production conditions in the chemical industry.

Inventories were valued using the weighted average cost method. Purchase prices of raw materials stabilized during 2009 and the respective allowance for raw materials and finished goods on hand is lower than in the prior year. Overall, impairment losses on inventory

amounted to € 1.1 million at December 31, 2009 (prior year: € 8.9 million). No reversals of write-downs have been recorded in 2009 or 2008

Of the total inventories, € 22.1 million (prior year: € 71.1 million) was valued at net realizable value. Total material costs included in cost of sales in the income statement amounted to € 565.0 million (prior year: € 854.8 million). Inventories of OXEA Corporation, OXEA Deutschland GmbH and OXEA GmbH in the amount of € 107.9 million are pledged as security for liabilities.

14. Trade accounts receivable

€ '000	December 31, 2009		December 31, 2008	
	Total	thereof short-term	Total	thereof short-term
Trade receivables (gross)	160,030	160,030	113,395	113,395
Allowances	(1,176)	(1,176)	(422)	(422)
Total trade receivables (net)	158,854	158,854	112,973	112,973

€ '000	Carrying amount December 31, 2009	thereof: neither impaired nor past due on the reporting date	thereof: past due in the following periods			
			<30 days	30-60 days	61 to 90 days	>90 days
Trade receivables (gross)	160,030	152,987	5,890	763	154	236
Allowances	(1,176)	-	(653)	(411)	(19)	(93)
Total trade receivables (net)	158,854	152,987	5,237	352	135	143

€ '000	Carrying amount December 31, 2008	thereof: neither impaired nor past due on the reporting date	thereof: past due in the following periods			
			<30 days	30-60 days	61 to 90 days	>90 days
Trade receivables (gross)	113,395	98,384	13,170	1,330	511	-
Allowances	(422)	-	-	(127)	(295)	-
Total trade receivables (net)	112,973	98,384	13,170	1,203	216	-

With respect to the trade receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

The following table shows the development of allowances on trade receivables:

€ '000	2009	2008
Allowances as of beginning of business year	422	390
Currency translation adjustments	27	10
Additions (allowances recognized as expense)	762	27
Utilization	(35)	(5)
Allowances as of December 31	1,176	422

The total additions relate to allowances for individual impairments. The total utilization relates to the write-off of trade receivables.

All income and expenses relating to allowances and write-offs of trade receivables are reported under selling expenses.

Trade accounts receivable of OXEA Holding GmbH, OXEA Deutschland GmbH, OXEA GmbH and OXEA Corporation in the amount of € 157.1 million are pledged as security for liabilities.

15. Other receivables and miscellaneous assets

€ '000	December 31, 2009		December 31, 2008	
	Total	thereof short-term	Total	thereof short-term
Recoverable other taxes	6,984	6,984	7,277	7,277
Prepaid expenses	3,972	1,792	4,163	1,674
Recoverable income taxes	2,028	2,028	4,627	4,627
Receivables from site services	1,660	1,660	4,114	4,114
Rebates	166	166	2,824	2,824
Derivatives	31	31	67	67
Other	2,609	2,609	3,567	3,567
Total	17,450	15,270	26,639	24,150

16. Cash and cash equivalents

€ '000	December 31, 2009 Total	December 31, 2008 Total
Cash on hand	5	30
Bank balances	88,884	75,464
Total	88,889	75,494

Bank balances in an amount of € 86.5 million are pledged as security for liabilities.

The following table shows a breakdown of cash and cash equivalents by currency:

€ '000	December 31, 2009	December 31, 2008
in EUR	56,450	53,528
in USD	30,804	19,510
in JYP	550	1,288
in MXN	461	506
in ZAR	287	409
in GBP	272	181
in SGD	44	25
in CNY	19	-
in HUF	2	47
Total	88,889	75,494

17. Equity

Subscribed Capital

The fully paid-in subscribed capital of OXEA S.à.r.l. amounts to € 872,664, represented by 872,664 shares of a nominal value of € 1.00 per share.

Capital surplus

The capital surplus as of January 1, 2009, includes shareholders contributions in terms of the equity portion of the yield free preferred equity certificates and convertible preferred equity certificates for a total amount of € 37.1 million.

In June 2009, the capital surplus was reduced by an amount of € 1.1 million to reflect the equity portion of the convertible preferred equity certificates (CPECs) which was repaid to shareholders. In connection with the partial redemption of the CPECs a redemption fee of € 7.7 million was recorded in retained earnings. The consideration paid for the 2.8 million CPECs redeemed amounted to € 11.2 million.

64.0 million convertible preferred equity certificates can be converted to equity.

The convertible preferred equity certificates have a maturity date in 2056 and an interest rate of 2 %. As of December 31, 2009, € 47.0 million are accounted for as financial liabilities according to IAS 32.

Under certain circumstances OXEA has the right to repurchase the convertible preferred equity certificates at their market value on a fully diluted basis, calculated on the basis of the equity value of OXEA. It is OXEA's intention to redeem CPECs on an annual basis to the extent permitted under the Senior Facilities Agreement.

For 2010, OXEA expects to repurchase CPECs for a total consideration of approximately € 18.5 million.

Retained Earnings

Retained earnings comprise current year and prior years net profits, actuarial gains and losses on pension obligations (net of tax) less the portion of the redemption fee arising on the partial repayment of the convertible preferred equity certificates in June 2009.

Other Reserves

Other reserves include translation adjustments and changes in the fair value of derivatives held to hedge future cash flows.

Translation adjustments due to the use of the current rate are shown under currency translation adjustments as a component of other comprehensive income in equity (translation adjustments) and recognized in income only upon the disposal of a company.

Non-controlling interests

Non-controlling interests relate to a 2% minority share in OXEA Infrastruktur GmbH & Co. KG.

18. Provisions for pensions

The provisions for pensions are as follows:

€ '000	December 31, 2009			December 31, 2008		
	total	thereof long-term	thereof short-term	total	thereof long-term	thereof short-term
Provisions for pensions	17,782	17,705	77	14,874	14,832	42
Total	17,782	17,705	77	14,874	14,832	42

The short-term portion of pension provisions is presented in other provisions.

Group companies provide retirement benefits for most of their employees, either directly or by contributing to independently administered funds. The manner in which these benefits are provided varies according to the legal, fiscal and economic conditions of each country. The benefits are generally based on the employees' remuneration and years of service. The obligations relate both to existing retirees' pensions and to pension entitlements of future retirees. Group companies provide retirement benefits under defined contribution and/or defined benefit plans.

Multi-employer plan

For German employees, a basic level of benefits is provided by the legally independent funded plan, Pensionskasse der Mitarbeiter der Hoechst-Gruppe VVaG, which is financed by contributions of employees and OXEA and by the return on plan assets. This plan is a multi-employer plan and, as such, is accounted for as a defined contribution plan. The reason for this accounting practice is that the plan exposes the participating companies to actuarial risks associated with the current and former employees of other companies. There is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual enterprises participating in the plan. Therefore, the plan is recorded as defined contribution plan in accordance with IAS 19.30.

Based upon the statutory actuarial valuations of 2008, the pension obligations of the plan are fully funded. For 2009, it is expected that the pension fund's liabilities are fully funded by plan assets.

In the case where this multi-employer plan faces a situation where the pension plan liabilities exceed plan assets, this can be remedied by either increasing the employer's contribution to the pension plan or by reducing the benefits which are paid to entitled parties. In the event that pension plan benefits are reduced, it has to be verified whether this will trigger a requirement for additional funding by the employer. This decision is at the discretion of the board of the pension fund, which comprises representatives of the participating companies and employee representatives.

Other defined contribution plans

In the case of other defined contribution plans, which relate primarily to US employees, the company pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the company has no further payment obligations.

The regular contributions constitute expenses for the year in which they are due and as such are charged against operating income. In 2009, these expenses for defined contribution plans totalled € 4,163 thousand (prior year: € 3,997 thousand). In addition, contributions to public pension plans were € 6,311 thousand (prior year: € 6,368 thousand) in 2009.

OXEA expects to make cash contribution of € 4.3 million to its defined contribution plans in 2010.

Defined benefit plan

All other retirement benefit plans are defined benefit plans, which are unfunded, i.e. financed by provisions.

The actuarial valuations using the projected unit credit method per IAS 19 were undertaken using the following assumptions:

	December 31,	
	2009	2008
Discount rate	5.3 %	6.0 %
Projected salary increase	3.0 %	3.0 %
Projected pension increase	2.0 %	2.0 %

Assumptions regarding future mortality are based on published statistics and mortality tables. Age- and gender specific fluctuation likelihoods were taken into account.

The status of unfunded defined pension benefit obligations were computed as follows based on the above parameters:

	December 31,	
€ '000	2009	2008
Defined benefit obligation as of January 1	14,874	14,582
Benefits paid	(29)	(6)
Additions	-	377
Current service cost	844	821
Interest cost	891	831
Termination benefits	16	22
Net actuarial (gains) and losses	1,186	(1,753)
Defined benefit obligation	17,782	14,874

The experience related adjustments, which are the differences between the earlier actuarial assumptions applied and actual developments, are as shown in the following table (based on the pension benefit plans as of December 31):

€ '000	2009	2008	2007
Experience related adjustments	1,141	(244)	1,246

The cost for the defined benefit pension plans are comprised as follows:

€ '000	2009	2008
Current service cost	844	821
Interest cost	891	831
Termination benefits	16	22
Pension expense	1,751	1,674

The expense is recognized in the following line items in the statement of income:

€ '000	2009	2008
Cost of sales	1,418	1,356
Selling expense	70	67
General and administrative expense	263	251
Pension expense	1,751	1,674

Expected payments from pension obligations existing at December 31, 2009 are as follows:

€ '000	Pension obligations
2010	77
2011	210
2012	325
2013	489
2014	624
2015-2019	4,216

The actuarial gains and losses related to defined benefit obligations recognized in the statement of comprehensive income are as follows:

€ '000	Pension obligations 2009	Pension obligations 2008
Accumulated actuarial (gains) losses relating to defined benefit obligation at beginning of the year	(2,527)	(774)
Newly arisen during the years due to changes in actuarial parameters	1,186	(1,753)
December 31	(1,341)	(2,527)

Actuarial gains and losses are recorded in accordance to IAS 19.93 A.

19. Other provisions

€ '000	December 31, 2009 thereof		December 31, 2008 thereof	
	total	short-term	total	short-term
Sales and purchase risks	10,259	5,172	13,548	6,192
Personnel costs	9,856	1,855	9,421	1,517
Environmental protection and remediation costs	2,230	1,652	2,608	2,005
Other	1,222	1,222	894	894
Total	23,567	9,901	26,471	10,608

The sales and purchase risks provisions cover provisions for warranties, product liability, customer rebates, payment discounts and other price reductions, sales commissions and provisions for expected losses on committed purchases as well as provisions for onerous contracts.

The personnel costs provision includes provisions for obligations for the granting of long-service bonuses and anniversary payments as well as provisions for early retirement programs for employees nearing retirement. OXEA Group companies have various programs that entitle employees who are at least 55 years old to reduce their working hours to 50% for up to 6 years. Under such arrangements, employees generally work full time during the first half of

the transition period and leave the company at the start of the second half. Employees receive a minimum of 85% of their net salary throughout the transition period.

Environmental protection and remediation costs related to expected costs for site shut-downs of production units, recultivating landfills and removal of environmental contamination at existing production or storage sites and other measures. In connection with the provision for remediation costs it is expected that third parties will partially contribute to these costs and an asset for the expected reimbursement of € 1.5 million has been recorded.

OXEA expects to incur most of the liability over the next 4 years.

The development of other provisions is as follows:

€ '000	Balance as of Jan. 1, 2009	Additions	Utilization	Reversals	Currency translation	Balance as of Dec. 31, 2009
Sales and purchase risks	13,548	1,901	5,166	-	(24)	10,259
Personnel costs	9,421	906	425	46	-	9,856
Environmental protection and remediation costs	2,608	1	379	-	-	2,230
Other	894	623	119	171	(5)	1,222
Total	26,471	3,431	6,089	217	(29)	23,567

20. Liabilities

Financial indebtedness

Prior to the business combination, OXEAS.à.r.l. entered into a “Senior Facility Agreement” with Commerzbank Aktiengesellschaft, UBS Limited and other lenders in order to secure

the Group’s solvency for the acquisition date and for the following six years with the option of renewal. This agreement was amended on May 18, 2007.

€ '000	Nominal value	Effective interest rate	Carrying amounts based on effective interest method	
			December 31, 2009	December 31, 2008
Senior Facility Agreement - Term A	85,934	7.24 %	84,582	102,035
Senior Facility Agreement - Term B	113,920	7.32 %	111,635	112,519
Senior Facility Agreement - Term C	113,920	7.79 %	111,489	112,519
Acquisition facility	3,500	1.73 %	3,500	-
Total bank Liabilities			311,206	327,073
Preferred Equity Certificates	-	-	-	944
Convertible Preferred Equity Certificates	63,962	-	47,004	46,387
Total Liabilities to Shareholders			47,004	47,331
Finance lease Liabilities			747	805
Total			358,957	375,209

The available facilities under the Senior Facilities Agreement are as follows:

€ '000	December 31, 2009	December 31, 2008
Senior Facility Agreement - Term A	85,934	104,339
Senior Facility Agreement - Term B	113,920	115,058
Senior Facility Agreement - Term C	113,920	115,058
Revolving facility	60,000	60,000
Acquisition facility	20,000	20,000
Guarantee facility	70,000	70,000
Total	463,774	484,455

As of the reporting date the Group has committed and unused credit lines under the Senior Facilities Agreement amounting to € 130.9 million (prior year: € 119.9 million), including an additional credit line with a German bank amounting to € 20.0 million.

All liabilities and financial obligations under the Senior Facilities Agreement are secured by collateral for the benefit of Commerzbank Aktiengesellschaft, UBS Limited as well as the other lenders and finance parties thereunder.

The collateral includes pledges over the shares or partnership interests in OXEA Beteiligungs GmbH, OXEA Holding GmbH, OXEA Deutschland GmbH, OXEA GmbH, OXEA Infrastruktur GmbH, OXEA Infrastruktur GmbH & Co. KG, OXEA Hungary Vagyonkezelő Kft, OXEA Corporation, OXEA Bishop, LLC as well as OXEA Nederland B.V.

Further, all receivables of OXEA Holding GmbH, OXEA Deutschland GmbH, OXEA GmbH, OXEA S.à r.l., OXEA Corporation and OXEA Bishop, LLC are either assigned and transferred for security purposes or pledged.

Most of the bank accounts of OXEA Holding GmbH, OXEA Beteiligungs GmbH, OXEA Deutschland GmbH, OXEA GmbH, OXEA S.à r.l., OXEA Hungary Vagyonkezelő Kft, OXEA Corporation and OXEA Bishop, LLC are pledged in favor of Commerzbank Aktiengesellschaft, UBS Limited and the other finance partners. Furthermore, machinery, fixed assets, inventories and stock-in-trade of OXEA Corporation, OXEA Bishop, LLC, OXEA Deutschland GmbH and OXEA GmbH have been transferred as collateral.

In addition, OXEA Deutschland GmbH, OXEA GmbH, OXEA Corporation and OXEA Bishop, LLC assigned or pledged their intellectual property rights as collateral in connection with the Senior Facilities Agreement.

OXEA Holding GmbH has also pledged all its claims under the profit and loss sharing agreements concluded with OXEA Deutschland GmbH and of OXEA GmbH.

Land owned by OXEA Corporation has been mortgaged.

OXEA S.à.r.l., OXEA Beteiligungs GmbH, OXEA Holding GmbH, OXEA Deutschland GmbH, OXEA GmbH, OXEA Infrastruktur GmbH, OXEA Hungary Vagyonkezelő Kft, OXEA Corporation and OXEA Bishop, LLC are guarantors under the Senior Facilities Agreement. As such, they guarantee the due and punctual performance of obligations on the part of the borrowers and the respective other guarantors.

In addition, the Senior Facilities Agreement contains customary covenants that restrict the disposal of assets, the granting of collateral to third parties, the distribution of dividends, acquisitions and joint ventures, the incurrence of financial liabilities and the granting of guarantees. The Senior Facilities Agreement further requires OXEA to comply with specified financial ratios in respect of interest, total net debt, cash flow and capital expenditures. The financial ratios are tested at the end of each financial quarter. OXEA is in compliance with all covenants.

Analysis of financial liabilities by currency		
€ '000	December 31, 2009	December 31, 2008
Financial liabilities in €	254,056	260,729
Financial liabilities in US\$	104,901	114,480
Total	358,957	375,209

Maturities of financial liabilities		
€ '000	December 31, 2009	December 31, 2008
2009	-	16,198
2010	17,986	17,934
2011	18,483	17,994
2012	18,810	18,059
2013	19,521	18,689
2014	9,644	9,650
2015 and thereafter	274,513	276,685
Total	358,957	375,209

Maturities of liabilities	December 31, 2009			December 31, 2008		
	<1 year	1-5 years	>5 years	<1 year	1-5 years	>5 years
€ '000						
Trade accounts payable	93,963	-	-	66,276	-	-
Bank liabilities	17,923	66,156	227,127	16,140	72,393	238,540
Total liabilities to shareholders	-	-	47,004	-	-	47,331
Finance lease liabilities	63	302	382	58	283	464
Financial indebtedness	17,986	66,458	274,513	16,198	72,676	286,335
Liabilities to employees	2,604	-	-	7,395	-	-
Liabilities to shareholders	-	-	683	-	-	81
Advances received on orders	837	-	-	20	-	-
Derivatives	3,881	-	-	5,871	-	-
Liabilities to social insurance funds	768	-	-	828	-	-
Tax liabilities other than income tax	2,205	-	-	3,078	-	-
Liabilities from social insurance contributions	12	-	-	-	-	-
Other	3,799	6	-	5,621	-	-
Other liabilities	14,106	6	683	22,813	-	81
Total liabilities	126,055	66,464	275,196	105,287	72,676	286,416

As at the balance sheet date OXEA has convertible preferred equity certificates with a nominal value of € 64.0 million which can be converted to equity. The certificates contain an equity and a liability component which are classified separately as financial liabilities (€ 47.0

million) and equity instruments (€ 25.5 million) in accordance with IAS 32. In addition, an embedded derivative has been separated from the CPECs and is classified as a financial asset held for trading.

21. Contingent liabilities and other financial obligations

€ '000	stated at nominal value	
	December 31, 2009	December 31, 2008
Guarantees	42,272	48,453
thereof to affiliated companies	-	-
Total	42,272	48,453

Guarantees include mainly performance guarantees in connection with the leasing of Rhodium and a financial guarantee (€ 6.7 million) in

connection with the shareholding in the German Pipeline Development Company GmbH.

Other financial obligations € '000	stated at nominal value	
	December 31, 2009	December 31, 2008
Obligation arising from long-term leases (excluding finance lease)	18,053	33,748
Purchase commitments	1,352	1,268
Payment and loan commitments and other financial obligations	1,207	1,962
Total	20,612	36,978

Obligations from long-term rental and lease on contracts (excluding finance leases) € '000	stated at nominal value
	December 31, 2009
due in 2010	10,684
due in 2011	4,813
due in 2012	3,207
due in 2013	1,367
due in 2014	541
Total	20,612

22. Disclosures on leases

Operating leases

OXEA's obligations arising from non-cancellable operating leases are mainly related to longterm rental or lease agreements for technical equipment, precious metals, motor vehicles, office equipment and network infrastructure.

The operating leasing contracts have no purchase options or escalation clauses. No major restrictions are imposed by the lease agreements.

Minimum lease payments of € 9,737 thousand (prior year: € 8,958 thousand) are included in the operating result in 2009.

The following table provides a breakdown of the amounts of future operating lease liabilities at the nominal value of the future minimum payments:

€ '000	December 31, 2009	December 31, 2008
Less than one year	9,082	10,021
1 to 5 years	8,971	16,613
Over 5 years	-	7,114
Total	18,053	33,748

Finance leases

The finance lease relates to a long-term rental and lease agreement for a natural gas pipeline, ending in September 2018.

The fair value of the asset at the date of business combination amounted to € 478 thousand. As of December 31, 2009 the net book value amounts to € 361 thousand (prior year: € 402 thousand).

In the current business year, no additional lease payments arising from contractual obligations were recognized in the income statement in addition to the minimum lease payments.

€ '000	Minimum lease payments	Interest portion	Leasing liability
due in 2010	117	54	63
due in 2011	117	49	68
due in 2012	117	44	73
due in 2013	117	38	79
due in 2014	117	35	82
due in 2015 and thereafter	435	53	382
Total	1,020	273	747

23. Additional disclosures on financial instruments

Carrying amounts, amounts recognized, and fair values by category:

€ '000	Category in accordance with IAS 39	Recognized in balance sheet in accordance with IAS 39			Carrying amount	Fair value	Carrying amount	Fair value
		Amortized cost	Fair value recognized in equity	Fair value recognized in profit and loss	December 31, 2009	December 31, 2009	December 31, 2008	December 31, 2008
Assets								
Cash and cash equivalents	n.a.	x			88,889	88,889	75,494	75,494
Trade receivables	LaR ¹⁾	x			158,854	158,854	112,973	112,973
Other receivables	LaR ¹⁾	x			301	301	335	335
Other non-derivative financial assets								
Available-for sale financial assets	AfS ²⁾	x	x		8 2,195	8 2,195	8 1,747	8 1,747
Derivative financial assets								
Derivative without a hedging relationship	FAHfT ³⁾			x	961	961	2,135	2,135
Derivative with a hedging relationship	n.a.		x		10	10	67	67
Liabilities								
Trade payables	FLAC ⁴⁾	x			93,963	93,963	66,276	66,276
Liabilities to shareholders								
Other interest-bearing liabilities	FLAC ⁴⁾	x			47,004	47,004	47,331	47,331
Other non-interest-bearing liabilities	FLAC ⁴⁾	x			683	683	81	81
Liabilities to banks	FLAC ⁴⁾	x			311,206	311,206	327,073	327,073
Finance lease liabilities *	n.a.		x	x	747	747	805	805
Derivative financial liabilities								
Derivative without a hedging relationship	FLHfT			x	611	611	1,504	1,504
Derivative with a hedging relationship (hedge accounting)	n.a.		x		3,270	3,270	4,367	4,367

* Recognized in accordance with IAS 17

¹⁾ Loans and receivables (LaR)

²⁾ Available-for-sales financial assets (AfS)

³⁾ Financial assets held for trading (FAHfT)

⁴⁾ Financial liabilities measured at amortized cost (FLAC)

⁵⁾ Financial liabilities held for trading (FLHfT)

Cash and cash equivalents and trade and other receivables mainly have short periods to maturity. For this reason, their carrying amounts at the reporting date approximate the fair values.

The fair values of other non-current receivables due after more than one year correspond to the present values of the payments related to the assets, taking into account the current interest rate parameters that reflect market and partner-based changes to terms and conditions, and expectations.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Trade and other payables, as well as other liabilities, generally have short periods to maturity; the values reported approximate the fair values.

The fair values of liabilities to banks and other financial liabilities are calculated as the present values of the payments associated with the debts, based on the applicable yield curve and OXEA's credit spread curve for specific currencies

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value hierarchy € '000	December 31, 2009			
	Level 1	Level 2	Level 3	Total
Available for sale financial assets	2,195	-	-	2,195
Derivatives held for trading	-	21	940	961
Derivative financial assets in an cash flow hedge relationship	-	10	-	10
Total	2,195	31	940	3,166
Derivative financial liabilities held for trading	-	(611)	-	(611)
Derivative financial liabilities in an cash flow hedge relationship	-	(3,270)	-	(3,270)
Total	-	(3,881)	-	(3,881)

Although OXEA believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one

or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on the derivatives held for trading:

December 31, 2009 € '000	Effect on profit or loss Favourable (Unfavourable)	
Share price	213	(209)
Volatility	909	(568)
Total	1,122	(777)

Net gain (loss) by category:

€ '000	From interest		From subsequent measurement						Net gain (loss)			
			At fair value		Currency translation		Impairment				From Derecognition	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008		
Cash an cash equivalents	487	2,787	-	-	-	-	-	-	-	-	487	2,787
Loans and receivables (LaR)	-	-	-	-	(27)	(10)	(772)	(27)	-	-	(799)	(37)
Trade receivables	-	-	-	-	(27)	(10)	(762)	(27)	-	-	(789)	(37)
Other receivables	-	-	-	-	-	-	(10)	-	-	-	(10)	-
Available-for-sale financial assets (AFS)	-	-	-	-	-	-	-	-	-	-	-	-
Financial instruments held for trading (FAHfT)	-	-	(281)	(797)	-	-	-	-	-	-	(281)	(797)
Financial liabilities measured at amortized cost (FLAC)	(16,442)	(30,061)	-	-	-	-	-	-	-	-	(16,442)	(30,061)
Liabilities to banks	(12,470)	(23,871)	-	-	-	-	-	-	-	-	(12,470)	(23,871)
Liabilities to shareholders	(3,972)	(6,190)	-	-	-	-	-	-	-	-	(3,972)	(6,190)
Total	(15,955)	(27,274)	(281)	(797)	(27)	(10)	(772)	(27)	-	-	(17,035)	(28,108)

Interest from financial instruments is recognized in financial income /expense as well as the other components of net gain/loss, except for impairments of trade receivables that are classified as “loans and receivables” which are reported under selling expenses. The impairment of other receivables is recognized in other operating expenses.

The net loss from the subsequent measurement of financial instruments held for trading of € 281 thousand (prior year: € 797 thousand) does not include interest effects or dividend payments.

Gains of € 1,096 thousand (prior year: losses of € 3,486 thousand) were recognized in shareholders' equity in 2009 as a result of the recognition of changes in the fair values of hedging instruments.

24. Other Disclosures

(a) Notes to the consolidated cash flow statement

Net cash provided by operating activities amounted to € 62,563 thousand (prior year: € 67,043 thousand) in the period from January 1, 2009 to December 31, 2009. The net cash provided is mainly attributable to the net income of the period of € 28,174 thousand; (prior year: € 26,369 thousand) adjusted for non cash items such as depreciation in the amount of € 32,102 thousand (prior year: € 29,513 thousand) and changes in provisions and other non cash items of € 16,252 thousand (prior year: € -3,324 thousand). Net financial expense amounted to € 22,256 thousand (prior year: € 26,084 thousand) whereas net interest paid was € 14,562 thousand (prior year: € 27,763 thousand). Net income taxes of € 16,632 thousand (prior year: € 10,107 thousand) were paid within the period from January 1, 2009 to December 31, 2009. Net income tax expense amounted to € 16,362 thousand (prior year: € 21,296 thousand). In addition, changes in trade working capital and other operating liabilities and provisions contributed cash outflows in the amount of € 21,389 thousand (prior year inflows: € 4,975 thousand) to net cash provided by operating activities.

Net cash used in investing activities totalled € 22,330 thousand (prior year: € 29,595 thousand) for the period from January 1, 2009 to December 31, 2009. Besides payments related to the acquisition and replacement of fixed assets, investing activities also reflect an acquisition of a production business in the Netherlands.

Net cash used in financing activities totalled € 25,996 thousand (prior year: € 45,736 thousand) and is mainly attributable to a partial repayment of the financing of the acquisition of OXEA in 2007. € 14,244 thousand of preferred equity certificates and convertible preferred equity certificates were repaid to shareholders during the year with an amount of € 8.8 million being recorded against equity and an amount of € 5.0 million against financial liabilities. € 0.4 million were recorded in the statement of income.

(b) Risk management and financial derivatives

Principles of risk management

OXEA is exposed in particular to risks from movements in exchange rates, interest rates and market prices that affect its assets, liabilities and forecasted transactions. Financial risk management aims to limit these market risks attributable to ongoing operational and finance activities. Selected derivative and non-derivative hedging instruments are used for this purpose, depending on the risk assessment. However, OXEA only hedges the risks that affect the Group's cash flow. Derivatives are exclusively used as hedging instruments, i.e., not for trading or other speculative purposes.

To reduce the credit risk, hedging transactions are generally only concluded with leading financial institutions with high ratings. In addition, the credit risk of derivative financial instruments with a positive fair value is minimized by way of limit management, which sets individualized relative and absolute figures for risk exposure depending on the counterparty's rating.

The fundamentals of OXEA's financial policy are established each year by the Executive Committee and overseen by the Board of Directors. Group Treasury is responsible for implementing the finance policy and for ongoing risk management. Certain transactions require the prior approval of the Executive Committee, which is also regularly informed about the extent and the amount of the current risk exposure. Treasury regards effective management of the market risk as one of its main tasks. The department performs simulation calculations using different worst-case and market scenarios so that it can estimate the effects of different conditions in the markets.

Commodity price risks

OXEA is exposed to fluctuations in raw material prices. These result primarily from the following raw materials: propylene, natural gas, precious metals and electricity. OXEA does not use commodity derivatives to hedge the commodity price risk but enters into short-term and long-term purchase contracts with the suppliers of these commodities, to ensure volumes

at a price based on market prices for contracts instead of spot prices.

Currency risks

Currency risks as defined by IFRS 7 arise on account of financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature; differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

OXEA is exposed to currency risks from its investing, financing and operating activities. Risks from foreign currencies are generally hedged to the extent that they influence the Group's cash flows. Foreign-currency risks that do not influence the Group's cash flows (i.e., the risks resulting from the translation of assets and liabilities of foreign operations into the Group's reporting currency) are generally not hedged.

Foreign-currency risks in the area of investment result, for example, from the acquisition and disposal of investments in foreign companies. OXEA may hedge these risks. At the reporting date, OXEA was not exposed to any significant risks from foreign currency transactions in the field of investments.

Foreign-currency risks in the financing area are caused by financial liabilities with third parties in foreign currency and by loans in foreign currencies that are extended between group entities for financing purposes. Treasury hedges these risks. Currency derivatives are used to convert financial obligations and inter-company loans denominated in foreign currencies into the Group entities' functional currencies.

At the reporting date, all bank liabilities were denominated in the functional currency of the respective group company. Therefore, OXEA was not exposed to any currency risks in this respect. Foreign currency positions for which currency risks existed, mainly consisted of inter-company loans in Japanese Yen (for the European entities) and in Euro (for the US entities). These risks were partly hedged in as far as they relate to short-term or medium-term loans. Due to these hedging activities, OXEA

was exposed to only limited currency risks in the area of financing.

Foreign-currency risks in the operating area result from supplies and deliveries in the non-functional currency. However, the individual group entities mainly execute their operating activities in their respective functional currency. Overall, a relevant foreign currency position of OXEA exists only in US\$. Currency risks resulting from operating activities in non-functional currencies are hedged by Treasury. Therefore OXEA's assessment to exchange rate risk from ongoing operations is low.

For the presentation of market risks, IFRS 7 requires sensitivity analyses that show the effects of hypothetical changes of relevant risk variables on profit or loss and shareholder's equity. At the reporting date, 49% of total US\$ currency positions are hedged. An increase / decrease of the € / US\$ FX-rate of 10% would result in a loss / profit of € 2.6 million for OXEA.

Interest rate risks

OXEA is exposed to interest rate risks only in the Euro and US dollar zones. Once a year, the Executive Committee stipulates the desired mix of fixed- and variable-interest net financial liabilities. Taking account of the Group's existing and planned debt structure, Treasury uses interest rate derivatives to adjust the interest structure for the net financial liabilities of the composition specified by the Executive Committee. In addition, in accordance with the "Amended and Restated Senior Facilities Agreement dated February 26, 2007" dated May 18, 2007 between OXEA S.à.r.l. and Commerzbank Aktiengesellschaft, OXEA is required to use hedging instruments for at least 50 percent of the credit volume until at least end of February 2010. OXEA complies with this requirement by using interest rate swaps and caps in € and US\$.

Due to the derivative hedges, 25 percent (prior year: 66 percent) of the net financial liabilities denominated in Euro and 25 percent (prior year: 66 percent) of the net financial liabilities denominated in US\$ had a fixed rate of interest at December 31, 2009.

For a nominal volume of € 160.4 million of the liabilities to banks, no interest rate hedges are concluded at the balance sheet date.

At the reporting date, all interest rate derivatives (interest rate swaps, interest caps) in the portfolio of OXEA were part of a hedging relationship as set out in IAS 39 and therefore do not affect Other Financial Income or Expense (no gain or loss from remeasurement of the financial assets to fair value) and are therefore not taken into consideration in the income related sensitivity calculations.

Interest rate risks are presented by way of sensitivity analyses in accordance with IFRS 7. These show the effects of changes in market interest rates on interest payments, interest income and expense, other income components and, if appropriate, shareholders' equity. The interest rate sensitivity analyses are based on the following assumptions:

Changes in market interest rates of non-derivative financial instruments, that were not designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements, affect income and are therefore included in the calculation of income-related sensitivities. For OXEA this relates to variable interest rate financial instruments only. If the market interest rates had been 100 basis points higher / lower throughout 2009, profit and loss would have been € 2.1 million lower / higher (without hedging: € 3.3 million lower / higher).

Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity calculations. If the market interest rates had been 100 basis points higher / lower at December 31, 2009, equity would have been € 0.5 / € 0.4 million higher / lower.

Other price risks

As part of the presentation of market risks, IFRS 7 also requires disclosures on how hypothetical changes in risk variables (e.g. stock exchange prices) affect the price of financial instruments. There are no important risk variables applicable for OXEA.

As of December 31, 2009, OXEA did not hold any material investments to be classified as “available-for-sale”.

Credit and default risks

OXEA is exposed to credit and default risks from its operating activities and certain financing activities. With regard to financing activities, transactions are only concluded with leading financial institutions. At the level of operations, the outstanding receivables are continuously monitored. Credit risks are taken into account through individual and collective impairments.

The carrying amounts of all financial assets, including derivatives with positive market values, plus the nominal value of contingent liabilities represent the maximum credit and default risk. Due to the global activities and the diversified customer structure of the OXEA Group, there is no significant concentration of credit or default risk.

In order to manage the credit risk, OXEA requires in some cases securities for its open receivables. At the reporting date, € 28.9 million receivables were secured, thereof € 15.5 million with letters of credit.

Liquidity risks

A liquidity reserve in the form of credit lines and, where necessary, cash is maintained to guarantee the solvency and financial flexibility of OXEA at all times. Group treasury performs liquidity analyses on a regular basis documented in weekly liquidity reports to Management.

Prior to the constitution of OXEA Group, OXEA S.à.r.l. and certain OXEA companies entered into a “Senior Facility Agreement” with Commerzbank Aktiengesellschaft and UBS Limited in order to secure the Group’s solvency for the acquisition date and for the following seven years with the option of extension. Within this facility OXEA had available a total credit line of € 500.0 million. On May 18, 2007 the agreement was amended to the “Amended and Restated Senior Facilities Agreement”, with no change to the total amount of the facility. At the reporting date, the nominal value of debt drawn amounts to € 332.0 million (prior year: € 392.0 million) (Senior Facility plus Guarantee Facility plus Acquisition Facility). The Company pays a variable rate of Euribor / US-Libor plus margin for credit lines drawn and a commitment fee for credit lines not drawn.

The margin depends on OXEA’s Net Debt Cover and is determined according to a margin grid. The original margin was fixed for the first 13 business months. With effect from Q2/2009, the margin is adjusted on a quarterly basis. Currently OXEA is in the second best level of the margin grid.

Under the facilities agreement, OXEA has the right to redenominate amounts drawn into other currencies. An original amount of € 127.8 million drawn by OXEA Corporation was redenominated into US\$ as of March 7, 2007 therefore the interest rate payable is dependent upon US dollar-Libor rate. As of the reporting date, there were no further redenominations.

In addition to the Senior Facilities Agreement, OXEA is entitled to draw an additional credit line at WestLB amounting to € 20.0 million relating to a factoring program. In 2009 the company did not make use of this facility. This facility will expire in October 2010.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

€ '000	Carrying amount	Contractual cash flows	December 31, 2009		
			< 1 year	1-5 years	> 5 years
Non-derivative financial liabilities					
Bank liabilities	311,206	385,434	28,582	120,049	236,803
Liabilities to shareholders	47,004	53,400	1,279	5,117	47,004
Finance lease liabilities	747	747	63	302	382
Trade accounts payable	93,963	93,963	93,963	-	-
Other non-interest bearing liabilities	683	683	683	-	-
Guarantees	-	6,667	6,667	-	-
Derivative financial liabilities					
Interest rate swaps used for hedging	3,270	2,734	2,185	549	-
Forward exchange contracts used for hedging	611	611	611	-	-
Total	457,484	544,239	134,033	126,017	284,189

€ '000	Carrying amount	Contractual cash flows	December 31, 2008		
			< 1 year	1-5 years	> 5 years
Non-derivative financial liabilities					
Bank liabilities	327,073	412,451	27,016	126,667	258,768
Liabilities to shareholders	47,331	56,332	2,605	5,117	48,610
Finance lease liabilities	805	805	58	283	464
Trade accounts payable	66,276	66,276	66,276	-	-
Other non-interest bearing liabilities	81	81	81	-	-
Guarantees	-	6,667	6,667	-	-
Derivative financial liabilities					
Interest rate swaps used for hedging	4,367	5,714	2,980	2,734	-
Forward exchange contracts used for hedging	1,504	1,504	1,504	-	-
Total	447,437	549,830	107,187	134,801	307,842

It is not expected that the cash flows included in the maturity analysis will be significantly different in terms of the amounts or time periods noted.

Capital risk management

OXEA's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to minimize the cost of capital.

The Group monitors capital on the basis of invested capital as part of the return on invested capital concept. Invested capital is calculated as the sum of total equity plus current and non current financial liabilities less cash and cash equivalents as reported in the consolidated balance sheet plus estimated liabilities from operating leases.

Invested capital as at December 31, 2009 was as follows:

€ '000	December 31,	
	2009	2008
Equity	111,852	93,395
Financial liabilities	358,957	375,209
Estimated operating lease liabilities	18,053	33,748
Less cash and cash equivalents	(88,889)	(75,494)
Invested Capital	399,973	426,858

In accordance with Luxembourg company law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This transfer is made following approval of the accounts at the Annual General Meeting. This requirement ceases to be necessary once the balance on the legal reserve

reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

In regard to covenants to which OXEA has to apply we refer to note 20.

Hedge accounting

Cash flow hedges – interest rate risks

OXEA has entered into various variable-interest € and US\$ interest rate swaps (receive variable interest rate, pay fixed interest rate) and caps to hedge the cash flow risk. The changes in the cash flows of the hedged items resulting from changes in the Euribor interest rate and the US\$-Libor interest rate are offset against the changes in the cash flows of the interest rate swaps. The aim of this hedging is to transform the variable-interest rate loans into a fixed rate loan, thus hedging the cash flows of interest payments on the financial liabilities. Credit risks are not part of the hedging.

As the list of the fair values of derivatives shows (see table in the Derivatives section), OXEA designated interest rate derivatives with a net negative market value of € 3,260 thousand (prior year: € 4,300 thousand) as hedging instruments in cash flow hedges as of December 31, 2009. The recognition directly in equity of the change in the fair value of the hedging transactions resulted in gross profits of € 1,096 thousand (prior year: gross loss of € 3,486 thousand) being recorded in the hedge reserve in the 2009 financial year.

In 2009 net change in fair value of cash flow hedges an amount on € 2,979 thousand (prior

year: € 802 thousand) has been transferred to the statement of income.

The effectiveness of the hedging relationship is prospectively tested using the critical terms match method set out in IAS 39.AG108. An effectiveness test is carried out retrospectively at the end of each quarter using a dollar offset method in the form of a hypothetical derivative-method. This method measures the effectiveness on the basis of changes in fair values of the hedged item and the hedging instrument.

The hedged item used is a hypothetical derivative in accordance with IAS 39.IG F.5.5. A hedging relationship is classified as effective, when the changes in fair value of the hedged item are comparable to the changes of the hedging instrument. The hedge is effective, when the actual results are within a range of 80-125 per cent.

The following table shows the contractual maturities of the payments, i.e., when the hedged item will be recognized in the income statement:

Start	End	nominal volume in € '000	reference rate
24.05.2007	30.04.2011	51,701	6-months-Euribor
24.05.2007	30.04.2011	26,742	6-months-USD-Libor
30.04.2009	30.04.2011	51,701	6-months-Euribor
30.04.2009	30.04.2011	26,742	6-months-USD-Libor
30.10.2009	30.04.2010	51,701	1-month-Euribor
30.10.2009	30.04.2010	26,742	1-month-USD-Libor

Derivatives

The following table shows the fair values of the various derivatives carried. The interest rate swaps and caps are accounted for using hedge accounting in accordance with IAS 39. No in-effective hedging relationship was identified in regard to the interest rate derivatives, however the interest rate caps do not have internal values.

€ '000	net carrying amounts December 31, 2009	net carrying amounts December 31, 2008
Assets		
Interest rate swaps and caps	10	67
in connection with cash flow hedges	10	67
Currency forwards / currency swaps	21	-
held for trading	21	-
Other derivatives	940	2,135
held for trading	940	2,135
Liabilities		
Interest rate swaps	3,270	4,367
in connection with cash flow hedges	3,270	4,367
Currency forwards / currency swaps	611	1,504
held for trading	611	1,504

(c) Share based payments

In 2008, OXEA has established a long term incentive plan for selected members of second tier management which is cash-settled. Hereby, incentive payments will be made to participants still employed upon the occurrence of certain specified events such as the sale or disposal of OXEA shares to a third party or the refinancing of company debts. Total expenses related to the program amounted to € 132 thousand (prior year: € 192 thousand) in 2009 and these have been charged in the income statement. The corresponding liability as at December 31, 2009 amounts to € 324 thousand. The valuation of the incentive payments was based upon a valuation using the discounted cash flow method and the discount factors included the weighted average cost of capital of comparable companies and an assumed vesting period of five years.

(d) Related party disclosures

IAS 24 “Related Party Disclosures” requires the disclosure of transactions with related parties, both with companies that are not consolidated, as well as with individuals.

The ultimate parent company of OXEA S.à.r.l. is ADVENT OXEA (Cayman) Ltd.

In 2009 an amount of € 300 thousand (prior year: € 300 thousand) was charged by the parent company in form of advisory fees.

Furthermore, interest expense includes an amount of € 1,367 thousand (prior year: € 2,860 thousand) payable on the nominal value of the shareholder loans. During 2009, shareholder loans in the form of convertible preferred equity certificates in the nominal amount of € 2.8 million have been repaid to shareholders. Additionally, preferred equity certificates of € 2.1 million were issued to ADVENT OXEA (Cayman) Ltd. and repaid in 2009 to the shareholders.

With regard to transactions with the German Development Company GmbH we refer to note 11 and note 21.

OXEA maintains an equity-related participation scheme for selected members of senior management and third parties who do not provide any goods or services to the Group. Participating members are currently partners in OXEA

Associates GmbH & Co. KG, which holds shares of OXEA S.à.r.l. The shares held by the partners vest in equal instalments over a three year period. All shares become fully vested in the event of a sale or IPO of the Oxea group. In the event that a partner leaves prior to the shares becoming fully vested, ADVENT OXEA (Cayman) Ltd. has the option to purchase the partner’s shares. Depending upon the reason for the departure, the option price varies between the amount paid plus interest at the rate of 10% and market value. All partners in the partnership are entitled to a proportionate share in the profits of the relevant partnership, in particular dividend payments, distributions in cash or in kind from OXEA S.à.r.l. or the sale of shares held in OXEA S.à.r.l.

Oxea Associates GmbH & Co. KG was created in July 2007 and subscribed to new shares in OXEA S.à.r.l. The shares were issued in exchange for cash, the issuance price was based upon a valuation used to determine the original purchase price and calculated using the discounted cash flow method. Discount factors included consideration of the weighted average cost of capital of comparable companies (Peer Group). Participating members of management paid a cash amount which corresponded to the full value of their relevant share. Consequently no benefit in kind arose.

Compensation to key members of management comprised the following:

€ '000	2009	2008
Short-term benefits	1,864	2,162
Post employment benefits	464	143
Total	2,328	2,305

Luxembourg, March 17, 2010

OXEA S.à.r.l.

Board of Management

Reinhard Gradl

François Bourgon

Michael J. Ristaino

Desmond Mitchell

Auditors' Report

To the management and board of directors of OXEA S.à.r.l., Luxembourg:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of OXEA S.à.r.l., Luxembourg, ("the Group"), which comprise the consolidated balance sheet as at December 31, 2009, and the consolidated statement of income and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and

disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2009, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

We have provided the services described above on behalf of OXEA S.à.r.l. We have carried out our engagement on the basis of the General Engagement Terms included in our engagement agreement dated as of January 1, 2002 as attached. By taking note of and using the information as contained in our Auditors' Report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms (including the liability limitations specified in item No. 9 included therein) and acknowledges their validity in relation to us.

Düsseldorf, March 17, 2010

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr. Uhde
Wirtschaftsprüfer
(German Public Auditor)

Heinlein
Wirtschaftsprüferin
(German Public Auditor)

OXEA Corporation

Commercial Office
1505 West LBJ Freeway, Suite 400
Dallas, TX 75234
USA
Phone: +1-972-481-2700

OXEA Corporation

Site Bay City
2001 FM 3057
Bay City, TX 77414-2968
USA
Phone: +1-979-241-4000

OXEA Bishop, LLC

Site Bishop
U.S. Highway 77 Business
(1.5 Miles South)
Bishop, TX 78343
USA
Phone: +1-361-584-6920

OXEA Corporation

Commercial Office
Av. Revolución 1314
Col. Guadalupe Inn
Del. Álvaro Obregón
C.P. 01020 Mexico, D.F.
Mexico
Phone: +52-55-5337-1991

OXEA GmbH

OXEA Deutschland GmbH

Site Ruhrchemie
Otto-Roelen-Straße 3
46147 Oberhausen
Deutschland
Phone: +49-208-693-3100

OXEA GmbH

Site Chemiepark Marl
Paul-Baumann-Str. 14
5777 Marl
Deutschland
Phone: +49-2365-49-04

OXEA Nederland B.V.

Site Amsterdam
Amsterdam Esters Plant
Hornweg 10
1045 AR Amsterdam
Niederlande
Phone: +31-20-4489555

OXEA S.à.r.l.

Holding
47, Grand Rue
L-1661 Luxembourg
Luxembourg
Phone: +352-267-375

OXEA China Ltd.

Commercial Office
Grand Gateway Center B-3503
3 HongQiao Rd
Xu Jia Hui, Shanghai 200030
China
Phone: +86-21-5451-0681

OXEA Pte. Ltd. Singapore

Commercial Office
51 Goldhill Plaza #09-12/01
Singapore 308900
Singapur
Phone: +65-6478-5070

OXEA Japan KK

Commercial Office
Shinjuku NS Building 28F
2-4-1, Nishi-Shinjuku, Shinjuku-ku
Tokyo 163-0828
Japan
Phone: +81-3-5339-2201