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April 24, 2017

FY2016 Earnings Presentation

Agenda

- Group Overview
- 2016 Financial Results Highlights
- 2016 Financial Review
- Outlook and USGC Update
- Q&A

“ **EQUATE is the world’s second largest producer of Ethylene Glycol**, the raw material used mainly to manufacture polyester fibers. ”



Our Shareholders

EQUATE has a robust shareholder base comprising the Government of Kuwait and Dow Chemical, a global industry leader.

57.5% of owners are public shareholding companies.

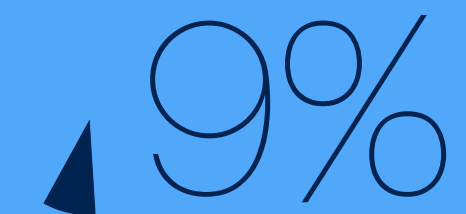
PETROCHEMICAL INDUSTRIES Co.



THE DOW CHEMICAL COMPANY



BOUBYAN PETROCHEMICAL



QURAIN PETROCHEMICAL



Group Overview

EQUATE Group is a global manufacturer and distributor of petrochemical products



* US facility is located in the Gulf Coast and is currently under construction

*METIP: Middle East, Turkey, and the Indian Subcontinent region



Distribution markets

Kuwait facilities mainly distribute to Asia and METIP*



Germany facilities mainly distribute to Europe



North America facilities mainly distribute to North America, South America and Asia



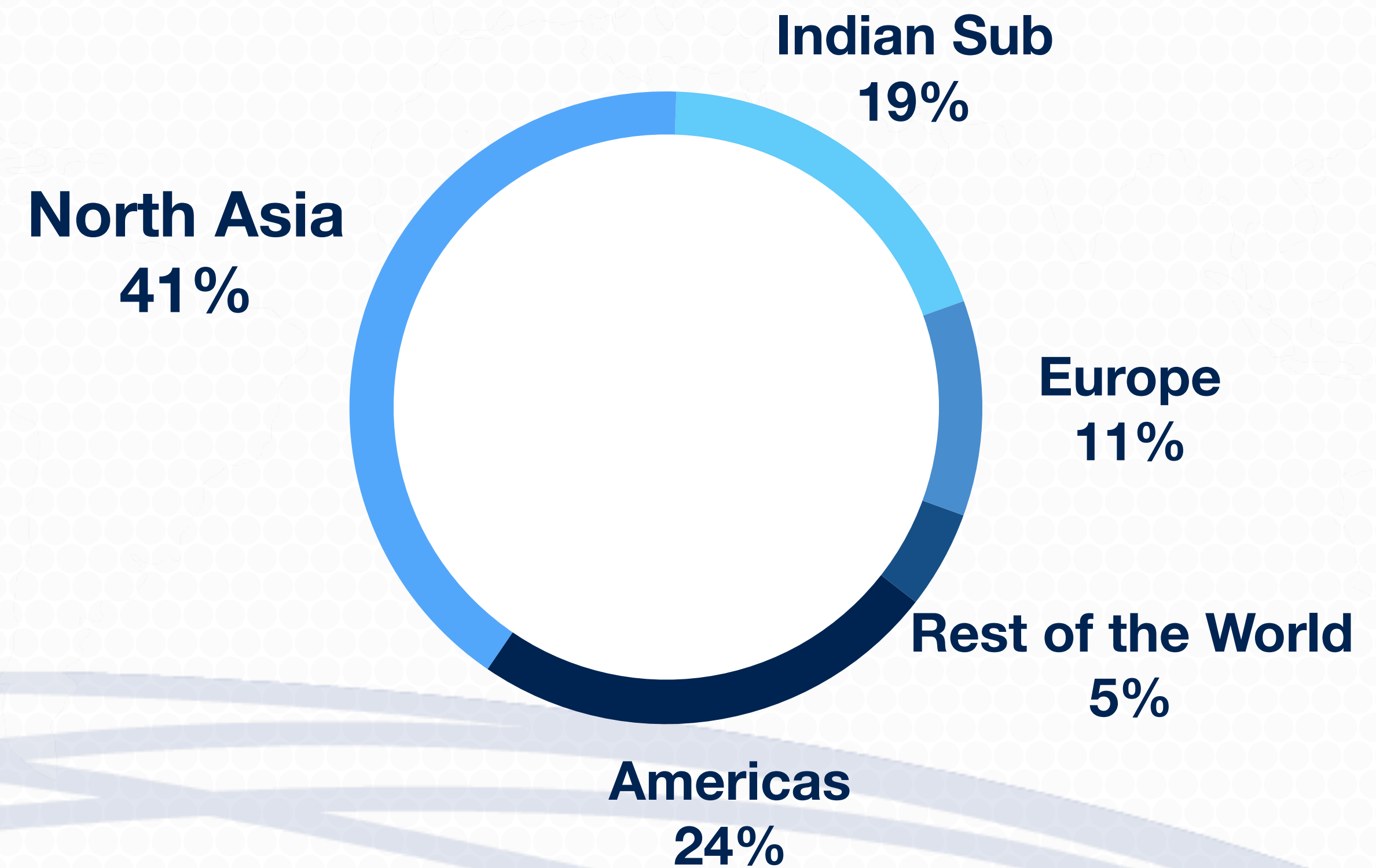
Credit Rating

MOODY'S	Baa2
STANDARD & POOR'S	BBB+

Group Overview

EQUATE
Maintains a
Strong Foothold in
Key EG Markets

Group EG Sales by Region (2016)



Financial Results Highlights (USD)



Revenue

3,557 m
-14%

Operating Profit

825 m
-30%

EBITDA

1,176 m
-21%

Net Debt to EBITDA

2.5x

Volume (000 MT)

4,517

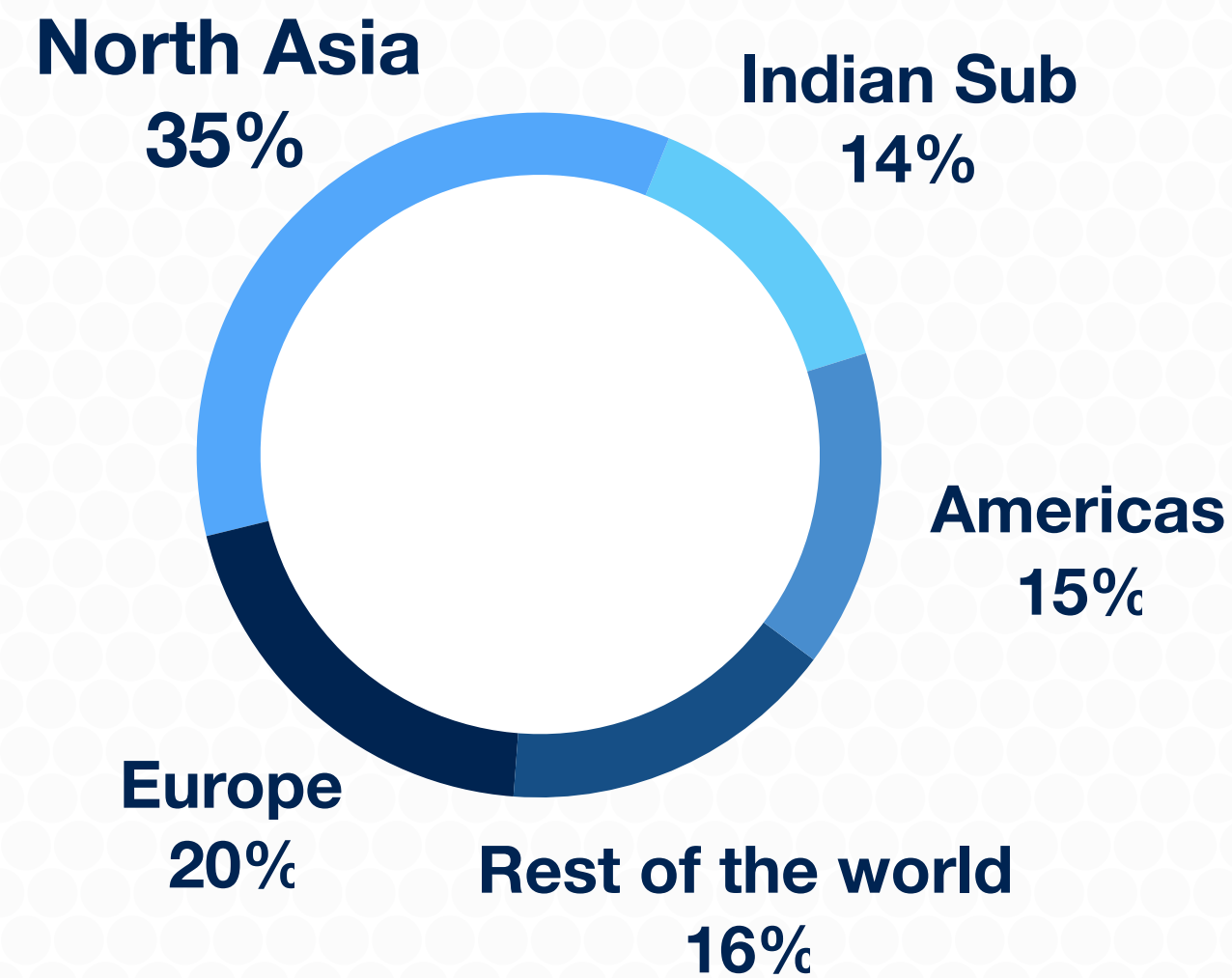
Net Profit

679 m
-36%

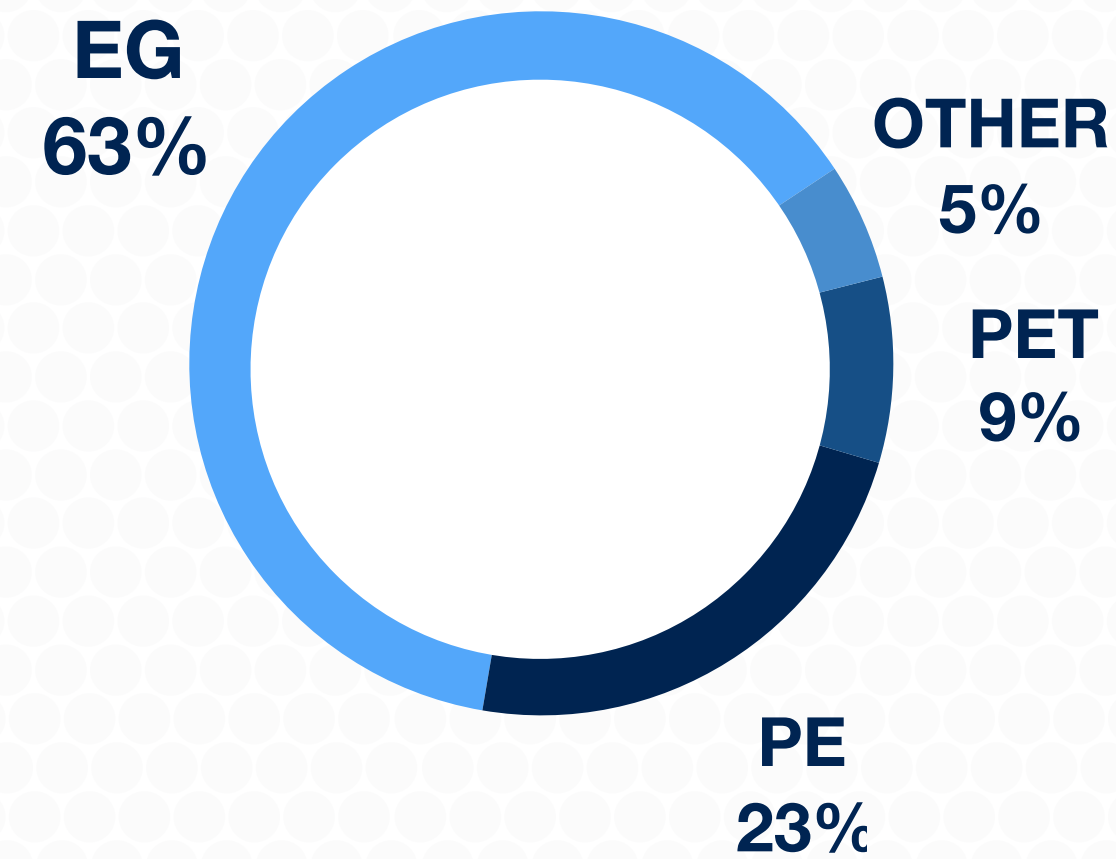
Financial Review

Revenue

Revenue by Region



Revenue by Product



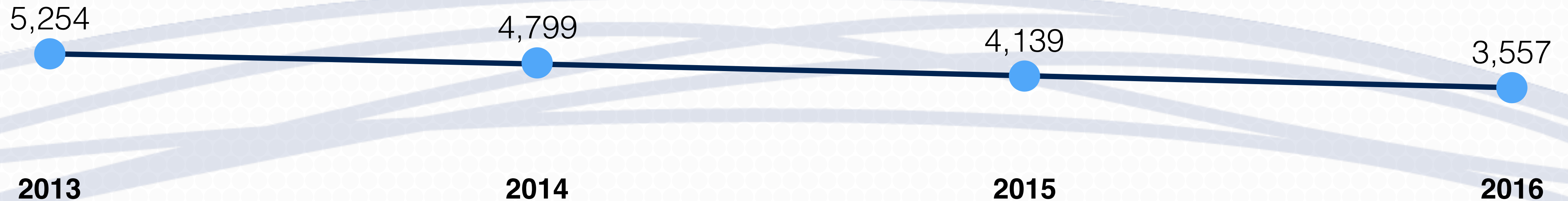
A Closer Look

EG Volume: 3,461 ^{0%}
Price: 664 ^{-16%}

PE Volume: 736 ^{0%}
Price: 1,112 ^{-9%}

PET Volume: 320 ^{+1%}
Price: 961 ^{-9%}

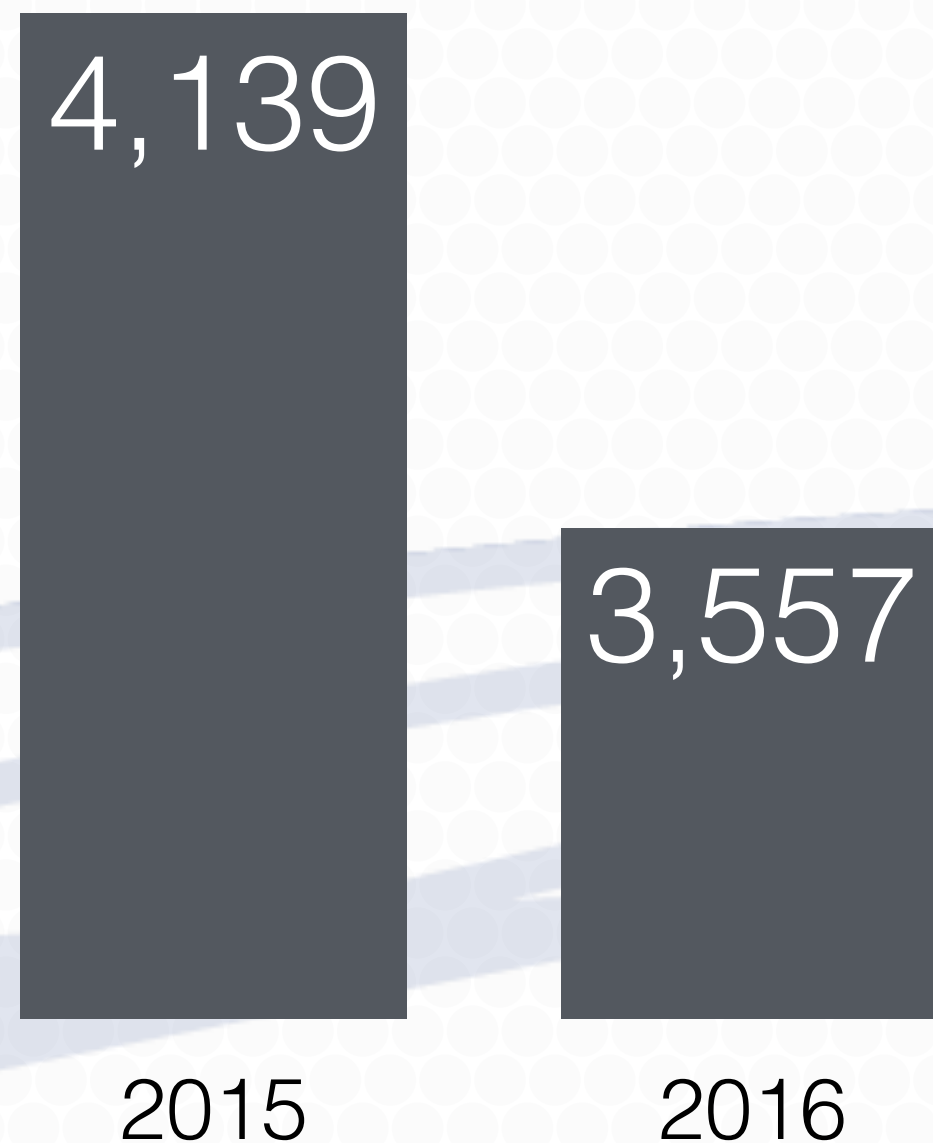
Revenue (USD m)



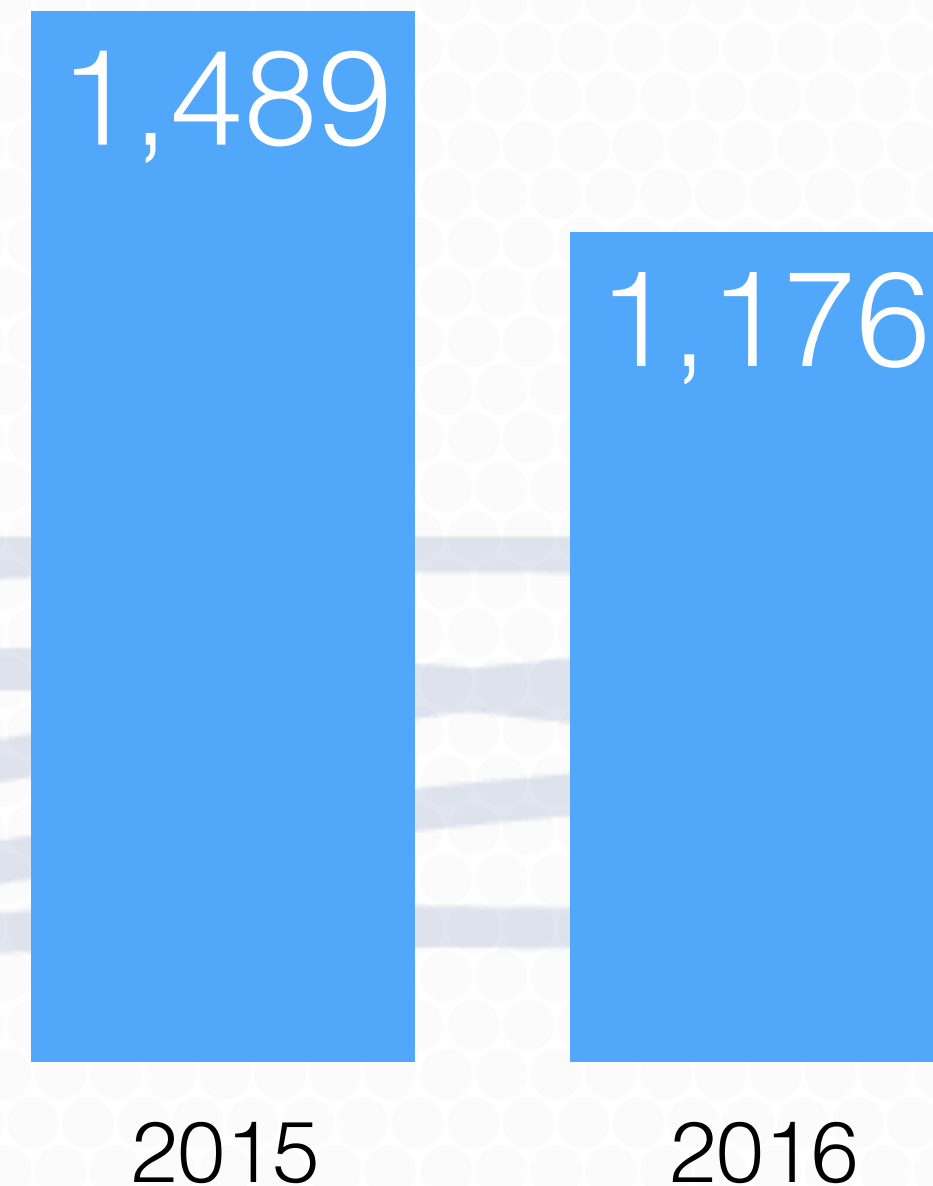
Profitability

Strong profitability with EBITDA Margin exceeding 33%, driven by operational excellence and effective cost management.

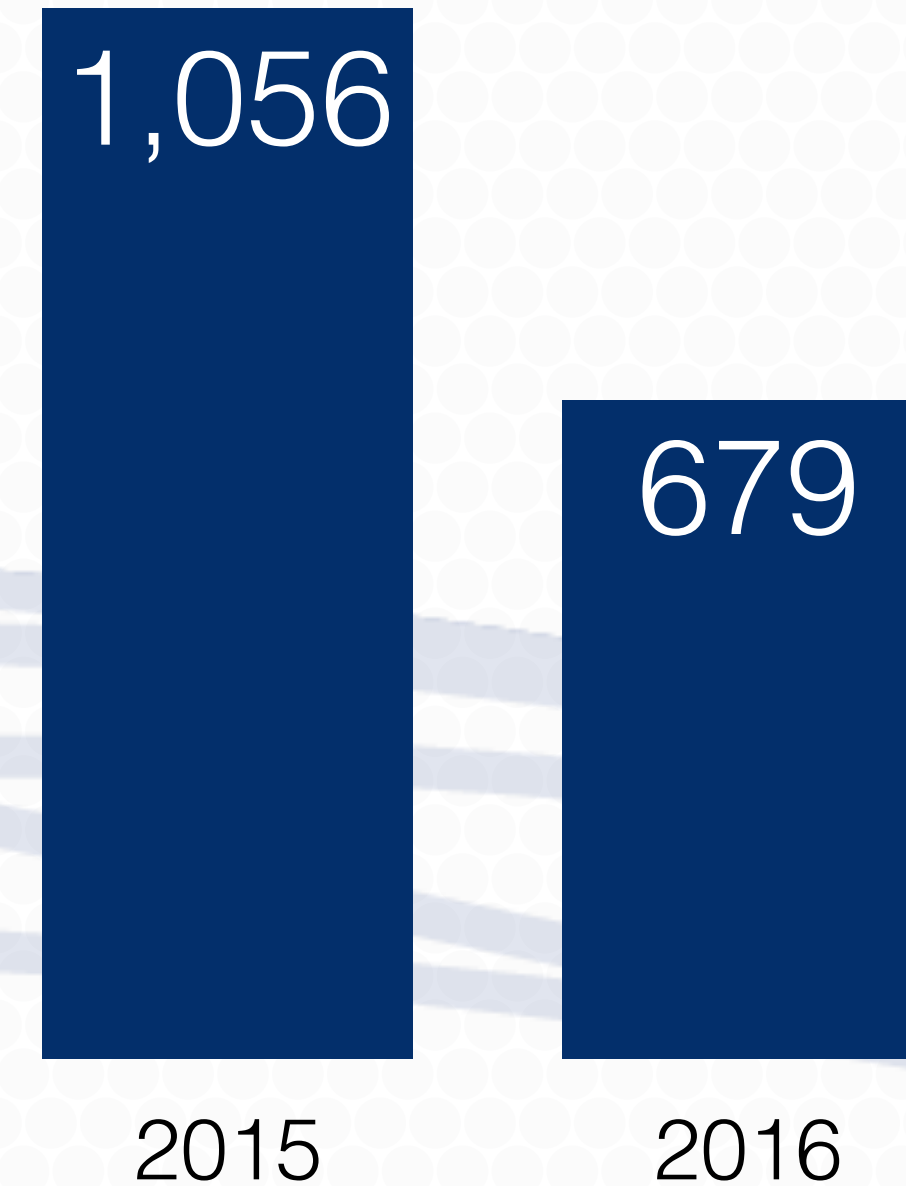
Revenue (USD m)



EBITDA (USD m)



Net Profit (USD m)



Financial Position (USD m)

Cash on Hand

1,808

Gross Debt

4,750

Net Debt

2,942

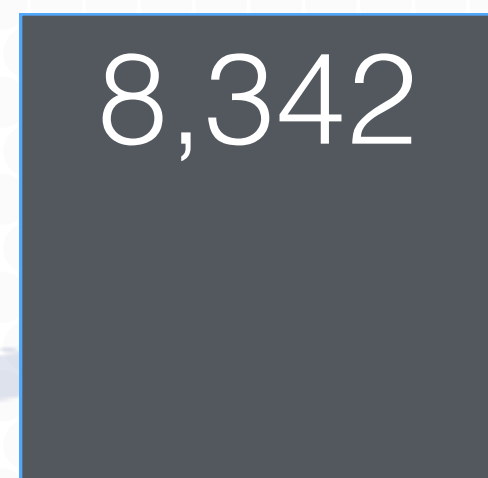
EBITDA

1,176

Net Debt to
EBITDA

2.5

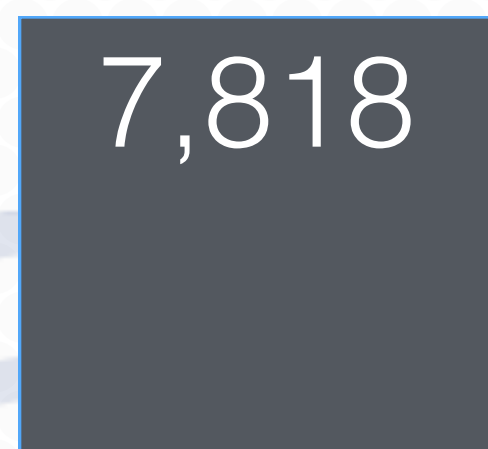
Total Assets



8,342

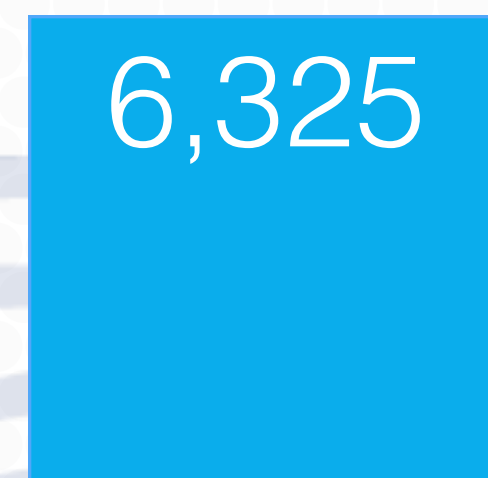
2015

7,818



2016

Total Liabilities



6,325

2015

6,015



2016

Total Equity



2,017

2015

1,803



2016

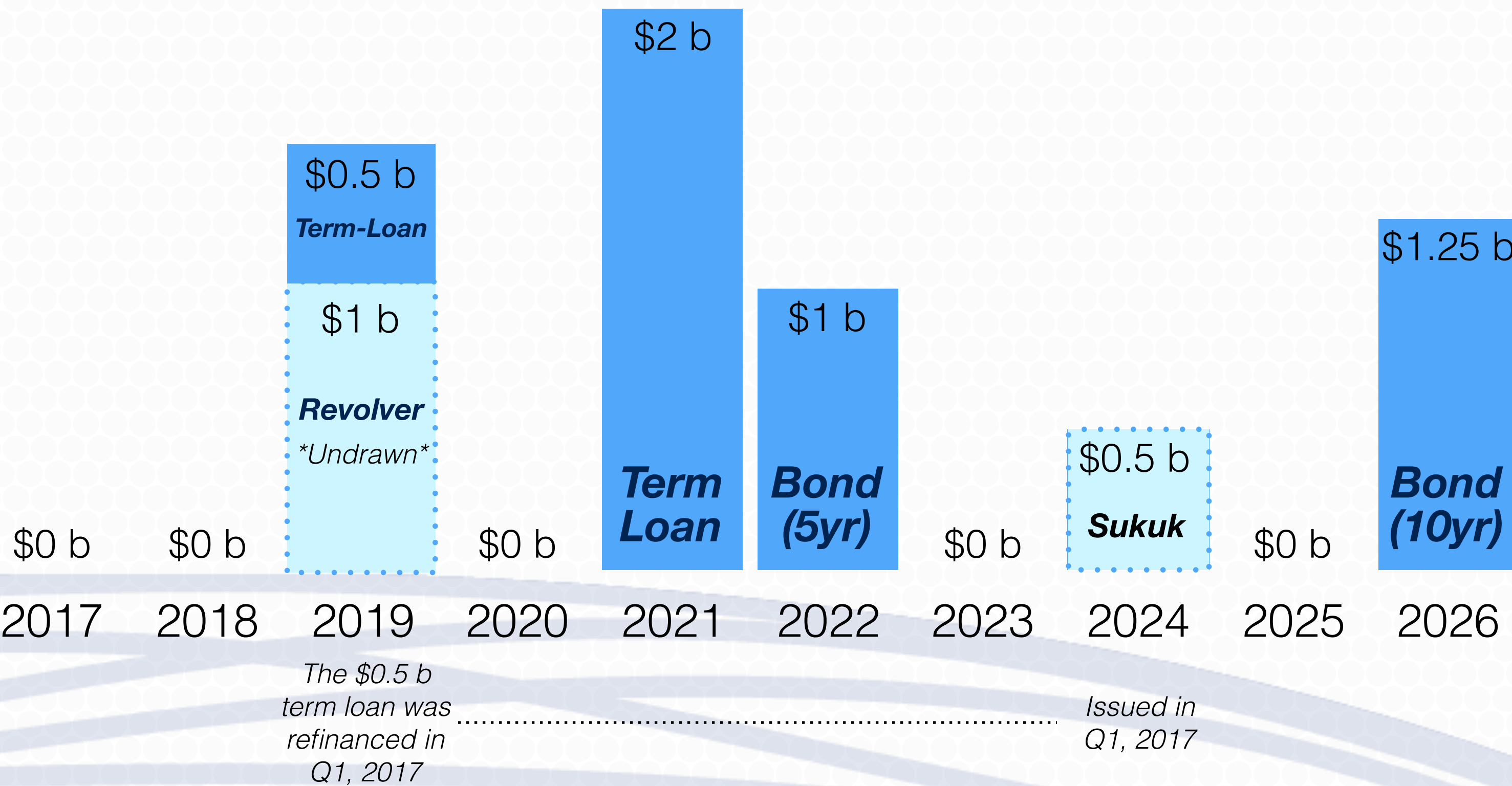
Cash Flow and Liquidity

Cash Flow

(In USD millions)

Cash flow from operating activities	1,186
CAPEX	(164)
Dividend	(736)
Free cash flow	286

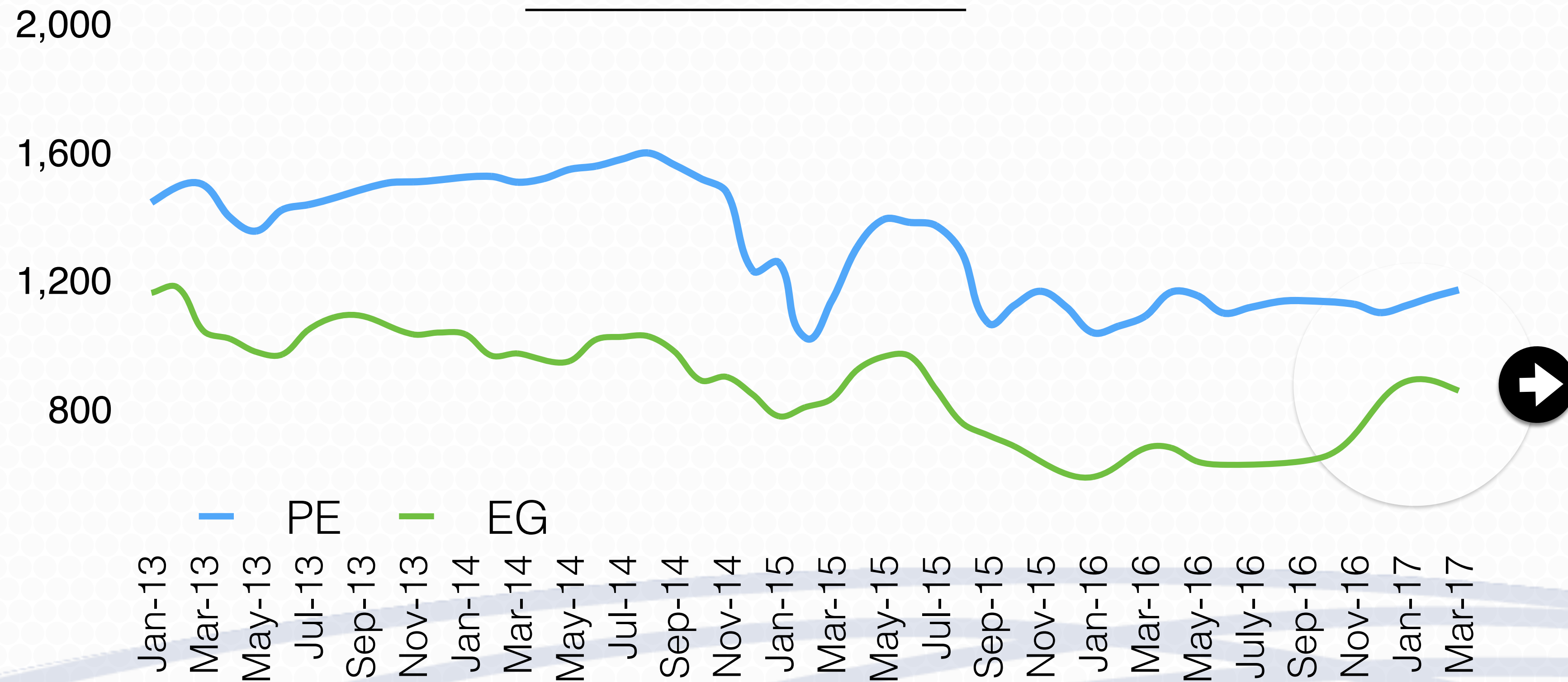
Debt Maturity Profile



Outlook

Price Trend

PE + EG Prices



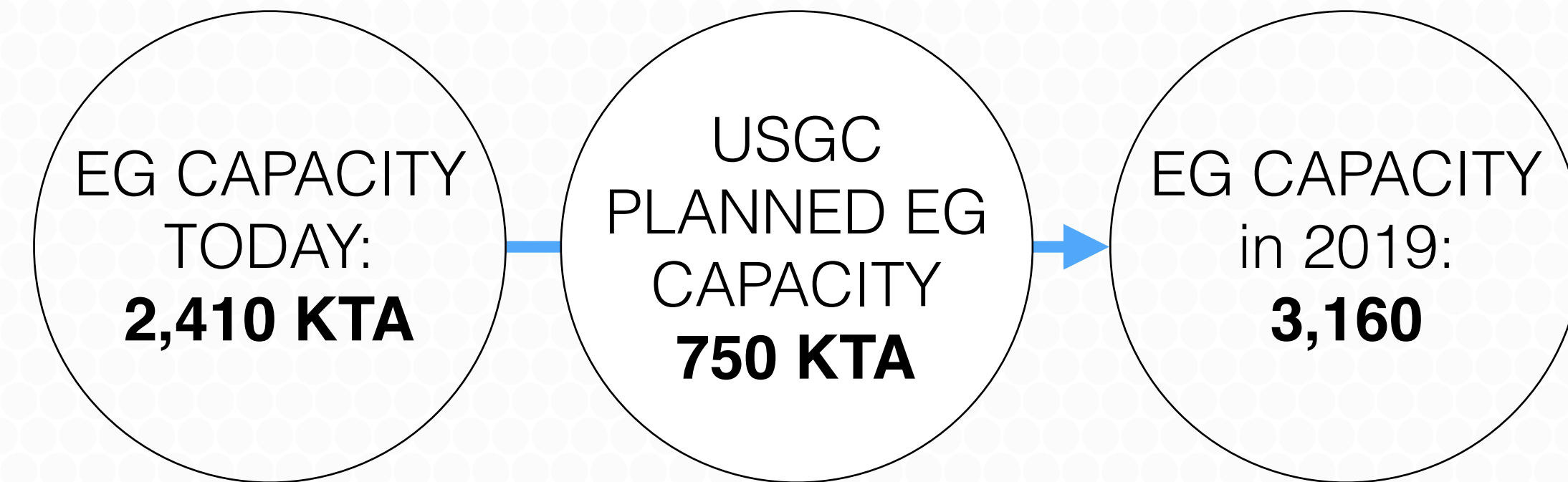
A growing EG market

*EQUATE Group is strongly positioned to capture the EG market's growth prospects, high profitability levels and overall stability, **leveraging sizeable low cost competitive production capacity, high asset utilization, and a global distribution platform.***

USGC Update

On line in 2019, US Gulf Coast project presents significant growth opportunity for EQUATE.

- Leverages Dow's USGC infrastructure and low-cost, world-scale ethylene
- Enables further leveraging of MEGlobal's distribution footprint for EG
- USGC will further enhance asset mix and profitability



Key Dates

Authorization by EQUATE BOD: 26-May 2016

Ground Breaking: 8-Aug-2016

EPCm Contract Signed: 5-Oct-2016

Air Permit Granted: 25-Oct-2016

Safety & Sustainability

Operational Excellence

In EQUATE, operational excellence in EH&S goes hand in hand with top performance in reliability and assets utilization

2016 EH&S KPIs

RIR 0.07

Recordable Injury Rate, accidents per 200,000 work hours.

Process Safety Incident ZERO

Any incident involving a chemical and/or a process based on a criteria that is established.

LOPC Cat II ZERO

Loss of Primary Containment Category II is the most severe loss of primary containment incidents.

LOPC Cat III ZERO

Loss of Primary Containment Category III is the least severe loss of primary containment incidents.

Safe Work Hours 40 million

The total of safe work hours without a day away from work case. This includes all employees, contractors and visitors

NOV ZERO

Notice of Violation from EPA or any other regulatory authority due to non-compliance to the environmental regulation

Sustainability

Integration of United Nations Sustainability goals by 2025



EQUATE is a responsible operator with deep-rooted commitment to the sustainability of the environment and the economic development of its communities.

In 2016, EQUATE strengthened its commitment to sustainability by adopting a strategy for the integration of the United Nations' 17 Sustainability Goals across EQUATE, targeting **integration by 2025 through three primary strategic focus areas: Environment, Economy, and Society.**

Q&A

— We are —



The world's second largest producer of Ethylene Glycol, the raw material used mainly to manufacture polyester fibers.



A strong advocate for the development and diversification of the petrochemical industry in Kuwait.



A responsible operator with deep-rooted commitment to the sustainability of our environment and the economic development of our community.

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