



The Chemical Company

BASF Finance Europe N.V.
Arnhem

Semi-Annual report 2009

Semi-annual report 2009

BASF Finance Europe N.V. Arnhem

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1. Directors' report

BASF Finance Europe N.V. (hereinafter: the Company) is a 100% subsidiary of BASF SE, a German based and listed Company.

The activities of BASF Finance Europe N.V. involve the founding of, financing of, participating in, managing of, supervision of and contribution of services to companies, as well as performing all commercial, industrial and financial operations.

The Company has no employees and receives services through another BASF group Company.

In 2007 the BASF Group decided to increase the financing activities of the Company. The Company should take loans from the market/issue bonds to the market for internal financing purposes. Currency risks for these loans/bonds, if any, are passed on to the foreign group companies. All debt issuance programs will be conducted under a Guarantee of the ultimate parent Company BASF SE.

On 7 September 2007 the Company established a so-called Debt Issuance Program (hereinafter: DIP)¹. Under this DIP the Company or BASF SE may from time to time issue one or more Notes to a specific number of banks (so-called: Dealers). The maximum aggregate principal amount of the Notes outstanding at one time under the DIP will not exceed EUR 10,000,000,000. Notes issued by the Company under the DIP will have also the benefit of a Guarantee given by BASF SE. Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable final terms, save that the minimum denomination of the Notes will be EUR 1,000 or an equivalent of that in a different currency.

Application has been made to the Luxembourg Stock exchange for Notes issued under the DIP to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock exchange.

Notes overview DIP

In 2007, 2008 and 2009 the following Notes were issued by the Company under the DIP:

| <i>Date</i> | <i>Interest rate</i> | | <i>€</i> |
|-------------------|----------------------|-----------------|----------------------|
| 26 September 2007 | 5.000% | | 1,000,000,000 |
| 31 October 2007 | 5.000% | | 250,000,000 |
| 3 June 2008 | 3.250% | CHF 300,000,000 | 186,219,739 |
| 3 June 2008 | 3.625% | CHF 200,000,000 | 124,146,493 |
| 4 December 2008 | 6.000% | | 1,250,000,000 |
| 9 February 2009 | 5.125% | | 1,500,000,000 |
| 24 February 2009 | 4.500% | | 150,000,000 |
| 29 May 2009 | 5.125% | | 500,000,000 |
| Issued loans | | | <u>4,960,366,232</u> |

¹ More detailed information can be found on the BASF internet site:
<http://www.basf.com/group/corporate/en/investor-relations/bonds-and-credit-rating/index>

Outside DIP

Outside the DIP program, the following notes/loans were issued in 2007 and 2008.

| <i>Date</i> | <i>Interest rate</i> | | € |
|-------------------|--------------------------|-------------------|----------------------|
| 27 June 2007 | 3-Month Libor + 0.010%* | USD 1,350,000,000 | 1,004,613,782 |
| 24 September 2008 | 3-Month Euribor + 0.600% | | 500,000,000 |
| 24 September 2008 | 3-Month Euribor + 0.600% | | 54,000,000 |
| Issued loans | | | <u>1,558,613,782</u> |

* current spread, increase to 0.02% on 20 July 2009

Result

As a consequence of the increase of issued bonds and notes/received loans and provided loans the result of the Company has improved. The Company has completed the half year with a positive result of EUR 1,101,000 (2008 EUR 673,000).

The fluctuations of the exchange rates for the EURO vs. the US dollar (at the beginning of the year 2009 1.3917 and at 30 June 2009 1.4134) and the Swiss Franc (at the beginning of the year 2009 1.485 and at 30 June 2009 1.5265) did not have a substantial influence on the Company's result. Similarly the development of interest rates had little impact on the Company's results as the rates on the major part of the financing were fixed. Loans with variable interest rates have a fixed margin. In the financial half year 2009 the Company did not use financial derivatives.

Risk Report

BASF Finance Europe N.V. risk management goal is to identify and evaluate risk as soon as possible and limit business losses by taking suitable measures, thus avoiding risks that pose a threat to the Company's continued existence.

Financial risk

The management of currency and interest rate risks is conducted in the Treasury department of BASF Nederland B.V. Detailed guidelines and procedures exist for dealing with financial risks.

Interest risk

Interest rate risks result from changes in prevailing market interest rates, which can cause a change in the present value of fixed-rate instruments, and changes in the interest payments of variable-rate-instruments. To hedge these risks the interest rates of the assets and the liabilities have the same base. This will offset most of the interest rate risk. The remaining interest results are due to the timing differences between the date on which financing was received and the date on which the loans were issued to the group companies.

Liquidity risk

Risks from cash flow fluctuations are recognized in a timely manner as part of the liquidity planning. The present increased uncertainties are taken into account by means of additional risk scenarios and the short-term updating of our liquidity planning. This means we can promptly take the necessary measures when required.

Foreign currency risk

Foreign currency risks result from changes in prevailing foreign currency rates, which can cause a change in the present value of assets and liabilities denominated in currencies other than the reporting currency. To hedge these risks the currencies of the assets and liabilities are matched.

Audit

The financial information included in this half-year report has not been audited by the external auditors.

Responsibility statement

In accordance with article 5:25c of the Financial Markets Supervision Act (Wet op het financieel toezicht), the Board of Management confirms that to the best of its knowledge:

- The financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of BASF Finance Europe N.V.
- The half year report gives a true and fair view of the position as per 30 June 2009 and the development during the financial year of BASF Finance Europe N.V. and
- The half year report describes the principal risks BASF Finance Europe N.V. is facing.

Arnhem, 28 August 2009

Board of Management:

Signed by

Signed by

G.A.D. van der Lubbe

W.D. Starp

2. Financial statements

2.1. Balance sheet as at 30 June 2009

(EUR x 1,000 before appropriation of result)

| | Ref. | 30 June 2009 | | 31 Dec. 2008 | |
|---|-------|--------------|------------------|--------------|------------------|
| | | € | € | € | € |
| NON CURRENT ASSETS | | | | | |
| Financial non-current assets | 2.5.1 | | | | |
| Loans to group companies | | | 5,530,221 | | 3,562,864 |
| CURRENT ASSETS | | | | | |
| Accounts receivable and prepayment | 2.5.2 | | | | |
| Accounts receivable from group companies | | 110,316 | | 36,366 | |
| Loans to group companies | | 311,306 | | 147,302 | |
| Capitalized commission costs | | 134 | | 199 | |
| Other receivables | | 1 | | 1 | |
| | | | 421,757 | | 183,868 |
| Cash and cash equivalents | 2.5.3 | | - | | - |
| | | | <u>5,951,978</u> | | <u>3,746,732</u> |

| | Ref. | 30 June 2009 | | 31 Dec. 2008 | |
|---------------------------------|-------|--------------|------------------|--------------|------------------|
| | | € | € | € | € |
| STOCKHOLDERS' EQUITY | | | | | |
| Capital stock | 2.5.4 | 2,087 | | 2,087 | |
| Stock premium | | 2,496 | | 2,496 | |
| Reserve for exchange difference | | 17 | | 17 | |
| Other reserves | | 1,864 | | 515 | |
| Retained earnings | | 1,101 | | 1,349 | |
| | | | 7,565 | | 6,464 |
| NON CURRENT LIABILITIES | | | | | |
| Bonds/notes/loan payables | 2.5.5 | | 5,527,986 | | 3,560,458 |
| CURRENT LIABILITIES | | | | | |
| Income tax | | 664 | | 402 | |
| Bonds/notes/loan payables | | 311,306 | | 147,301 | |
| Debt to group companies | | 7 | | - | |
| Other liabilities | 2.5.6 | 104,450 | | 32,107 | |
| | | | 416,427 | | 179,810 |
| | | | <u>5,951,978</u> | | <u>3,746,732</u> |

2.2 Income statement for the period 1 January - 30 June 2009
(EUR x 1,000)

| | | 2009 | 2008 |
|---|-------|--------------|------------|
| | | € | € |
| Interest and similar income | | | |
| Income | 2.6.1 | 125,944 | 50,357 |
| Interest and similar expense | 2.6.2 | (120,584) | (48,045) |
| Gross income from financing Activities | | 5,360 | 2,312 |
| General and administrative Expenses | 2.6.3 | 3,897 | 1,429 |
| | | 1,463 | 883 |
| Income tax expense | 2.6.4 | (362) | (210) |
| Net income | | <u>1,101</u> | <u>673</u> |

2.3 Cash flow statement for the period 1 January - 30 June 2009
(EUR x 1,000)

| | 2009 | | 2008 | |
|---|----------------|----------|-----------------|-----------|
| | € | € | € | € |
| Net income for the year | <u>1,101</u> | 1,101 | <u>673</u> | 673 |
| Changes in working capital: | | | | |
| Current assets | (237,890) | | 8,798 | |
| Current liabilities | <u>236,619</u> | | <u>(13,635)</u> | |
| Cash flow from operating activities | | (1,271) | | (4,837) |
| (Investments) / Divestments in financial fixed assets | <u>170</u> | | <u>4,190</u> | |
| Cash flow from investing activities | | 170 | | 4,190 |
| Change in cash and cash equivalents | | <u>-</u> | | <u>26</u> |
| Cash beginning of year | | - | | 6 |
| Cash at 30 June 2009 | | - | | <u>32</u> |
| Change in cash and cash equivalents | | <u>-</u> | | <u>26</u> |

2.4 Notes to the 2009 half year financial statements

2.4.1 General

All amounts are in EUR x 1,000 unless otherwise stated.

2.4.1.1 Ownership

BASF Finance Europe N.V. registered Groningensingel 1, Arnhem, the Netherlands, is a wholly-owned subsidiary of BASF SE in Ludwigshafen, Germany. The financial data of BASF Finance Europe N.V. are included in the group financial statements of BASF SE in Ludwigshafen, Germany.

2.4.1.2 Activities

The activities of BASF Finance Europe N.V. involve the founding of, financing of, participating in, managing of, supervision of and contribution of services to companies, as well as performing all commercial, industrial and financial operations.

2.4.2 Basis of preparation

The financial statements have been prepared in accordance with Title 9 Book 2 of the Dutch Civil Code. The principles adopted for the valuation of assets and liabilities and determination of the result are based on the historical cost convention.

Income is the difference between interest revenues and expenses, gains or losses on conversion and expenses for the year on a historical cost basis.

The balance sheet positions denominated in foreign currency are translated at the exchange rate on the balance sheet date.

In the profit and loss account foreign currency amounts are translated at monthly closing rates. Foreign exchange gains and losses are included in other income and expenses.

2.4.2.1 Accounting principles

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

2.4.3 Loans granted, other receivables and cash and cash equivalents

Loans granted are carried at amortized cost using the effective interest method, less impairment losses.

Accounts receivable from group companies and other receivables are stated at face value, less any necessary provisions.

Cash and cash equivalents are stated at face value.

2.4.4 Bonds issued, loans received and other payables

Bonds issued and loans received which the Company intends to hold to maturity, are measured at amortized cost using the effective interest method, less impairment losses.

Other purchased loans and bonds are carried at fair value provided they are listed on a stock exchange. Changes in the fair value are recognized in the profit and loss account. Unlisted purchased loans and bonds are carried at amortized cost using the effective interest method, less impairment losses.

The short term part of the bonds is shown separately in the balance under other liabilities. The commission costs will be amortized over the term of the loans and added to the book value of the related loans. At maturity date the loans will be stated at their nominal value.

Other payables are stated at face value.

2.4.5 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

2.4.6 Foreign currency transaction

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the balance sheet date at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into Euro at the applicable exchange rate on the transaction date. Translation gains and losses are taken to the profit and loss account as expenditure.

BASF Finance Europe N.V. has issued bonds and listed them on the stock exchanges of Frankfurt, Luxembourg and Zürich. The financing obtained through some of those bonds is denominated in USD and CHF. BASF Finance Europe N.V. in its turn has issued loans to BASF Antwerpen B.V., for the same amount and denominated in the same currency as the bonds issued on the aforementioned stock exchanges. As such, the foreign currency risks are passed on to BASF Antwerpen B.V. and do not have any impact on the results of BASF Finance Europe N.V. Nevertheless, there is currency exposure due to timing differences between the date on which financing was received and the date on which the loans were issued to BASF Antwerpen N.V.

2.4.7 Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method. Cash flows in foreign currency are translated into Euro at the average weighted exchange rates at the dates of the transactions.

2.5 Notes to the individual items on the balance sheet

2.5.1 Financial non-current assets

2.5.1.1 Loans to group companies

| | 30-6-2009 | 31-12-2008 |
|---|------------------|------------------|
| | € | € |
| 1) BASF Antwerpen N.V. | 2,830 | 182,511 |
| 2) BASF Antwerpen N.V. | 1,000,000 | 1,000,000 |
| 3) BASF Antwerpen N.V. | 250,000 | 250,000 |
| 4) BASF Corporation | - | - |
| 5) BASF Antwerpen N.V. | 196,064 | 201,416 |
| 6) BASF Antwerpen N.V. | 130,066 | 133,626 |
| 7) BASF Antwerpen N.V. | 499,121 | 499,024 |
| 8) BASF Antwerpen N.V. | 53,939 | 53,932 |
| 9) BASF Antwerpen N.V. | 1,243,032 | 1,242,355 |
| 10) BASF Antwerpen N.V. | 495,544 | - |
| 11) BASF SE | 991,088 | - |
| 12) BASF SE | 149,505 | - |
| 13) BASF Nederland B.V. | 519,032 | - |
| Balance as at balance sheet date | 5,530,221 | 3,562,864 |

2.5.1.1.1 BASF Antwerpen N.V.

| | 2009 | 2008 |
|---|----------------|----------------|
| | € | € |
| Balance as of 1 January | 329,812 | 917,057 |
| Issued | - | - |
| | 329,812 | 917,057 |
| Redemption of loans | -10,957 | -627,793 |
| Exchange rate difference | -4,719 | 40,548 |
| Balance as of 30 June / 31 December | 314,136 | 329,812 |
| Current portion as at 30 June / 31 December | 311,306 | 147,301 |
| | 2,830 | 182,511 |
| Long term as at balance sheet date | 2,830 | 182,511 |

This loan relates to a loan that has been issued on 22 October 2007 to BASF group Company BASF Antwerpen N.V. for a total amount of TUSD 1,350,000 (TEUR 952,986) and a term of up to 1 year and 1 month. The interest rate will be determined as the sum of 3-month LIBOR and the applicable spread. The loan shall be repaid in full on 20 July 2010. Early redemption is possible.

2.5.1.1.2 BASF Antwerpen N.V.

| | <u>2009</u> | <u>2008</u> |
|--|------------------|------------------|
| | € | € |
| Balance as of 1 January | 1,000,000 | - |
| Issued | - | 1,000,000 |
| Balance as of 30 June / 31 December | <u>1,000,000</u> | <u>1,000,000</u> |

This loan relates to a loan that has been issued on 26 September 2007 to BASF group Company BASF Antwerpen N.V. for a total amount of TEUR 1,000,000 and a term of 7 years. The interest rate amounts to 5.09% per annum plus the applicable spread. The loan shall be repaid in full on 26 September 2014.

2.5.1.1.3 BASF Antwerpen N.V.

| | <u>2009</u> | <u>2008</u> |
|--|----------------|----------------|
| | € | € |
| Balance as of 1 January | 250,000 | - |
| Issued | - | 250,000 |
| Balance as of 30 June / 31 December | <u>250,000</u> | <u>250,000</u> |

This loan relates to a loan that has been issued on 31 October 2007 to BASF group Company BASF Antwerpen N.V. for a total amount of TEUR 250,000 and a term of 6 years and 11 months. The interest rate amounts to 4.834% per annum plus the applicable spread. The loan shall be repaid in full on 26 September 2014.

2.5.1.1.4 BASF Corporation

| | <u>2009</u> | <u>2008</u> |
|--|-------------|-------------|
| | € | € |
| Balance as of 1 January | - | 4,000 |
| Redemption of loans | - | -4,000 |
| Balance as of 30 June / 31 December | <u>-</u> | <u>-</u> |

This loan relates to a credit agreement that has been issued to BASF group Company BASF Corporation with a credit facility of TEUR 4,000. Unless terminated in writing 30 days before the maturity date by one of the contracting parties this agreement will be automatically prolonged for another year. The interest rate amounts to 3-month EURIBOR plus 0.125%. In 2008 the loan was fully repaid.

2.5.1.1.5 BASF Antwerpen N.V.

| | 2009 | 2008 |
|---|----------------|----------------|
| | € | € |
| Balance as of 1 January | 201,416 | - |
| Issued | - | 186,220 |
| Less: disagio | - | 685 |
| | <u>201,416</u> | <u>185,535</u> |
| Amortization of disagio | 125 | 130 |
| Exchange rate difference | -5,477 | 15,751 |
| Balance as of 30 June / 31 December | <u>196,064</u> | <u>201,416</u> |
| Cumulative amortization of disagio as at 30 June / 31 December | <u>255</u> | <u>130</u> |

This loan relates to a loan that has been issued on 3 June 2008 to BASF Group Company BASF Antwerpen N.V. for a total amount of TCHF 300,000 less disagio for an amount of TCHF 1,100 (TEUR 186,220 less disagio TEUR 685) and a term of 3 years. The interest rate amounts to 3.26% per annum plus the applicable spread. The loan shall be repaid in full on 3 June 2011.

2.5.1.1.6 BASF Antwerpen N.V.

| | 2009 | 2008 |
|---|----------------|----------------|
| | € | € |
| Balance as of 1 January | 133,626 | - |
| Issued | - | 124,146 |
| Less: disagio | - | 1,051 |
| | <u>133,626</u> | <u>123,095</u> |
| Amortization of disagio | 73 | 78 |
| Exchange rate difference | -3,634 | 10,453 |
| Balance as of 30 June / 31 December | <u>130,066</u> | <u>133,626</u> |
| Cumulative amortization of disagio as at 30 June / 31 December | <u>151</u> | <u>78</u> |

This loan relates to a loan that has been issued on 3 June 2008 to BASF group Company BASF Antwerpen N.V. for a total amount of TCHF 200,000 less disagio for an amount of TCHF 1,688 (TEUR 124,146 less disagio TEUR 1,051) and a term of 7 years. The interest rate amounts to 3.635% per annum plus the applicable spread. The loan shall be repaid in full on 3 June 2015.

2.5.1.1.7 BASF Antwerpen N.V.

| | 2009 | 2008 |
|---|----------------|----------------|
| | € | € |
| Balance as of 1 January | 499,024 | - |
| Issued | - | 500,000 |
| Less: disagio | - | 1,025 |
| | <u>499,024</u> | <u>498,975</u> |
| Amortization of disagio | 97 | 49 |
| Balance as of 30 June / 31 December | <u>499,121</u> | <u>499,024</u> |
| Cumulative amortization of disagio as at 30 June / 31 December | <u>146</u> | <u>49</u> |

This loan relates to a loan that has been issued on 24 September 2008 to BASF group Company BASF Antwerpen N.V. for a total amount of TEUR 500,000 less disagio for an amount of TEUR 1,025, and a term of 5 years. The interest rate will be determined as the sum of 3-Month EURIBOR and the applicable spread. The loan shall be repaid in full on 24 September 2013.

2.5.1.1.8 BASF Antwerpen N.V.

| | 2009 | 2008 |
|---|---------------|---------------|
| | € | € |
| Balance as of 1 January | 53,932 | - |
| Issued | - | 54,000 |
| Less: disagio | - | 71 |
| | <u>53,932</u> | <u>53,929</u> |
| Amortization of disagio | 7 | 3 |
| Balance as of 30 June / 31 December | <u>53,939</u> | <u>53,932</u> |
| Cumulative amortization of disagio as at 30 June / 31 December | <u>10</u> | <u>3</u> |

This loan relates to a loan that has been issued on 24 September 2008 to BASF group Company BASF Antwerpen N.V. for a total amount of TEUR 54,000 less disagio for an amount of TEUR 71, and a term of 5 years. The interest rate will be determined as the sum of 3-Month EURIBOR and the applicable spread. The loan shall be repaid in full on 24 September 2013.

2.5.1.1.9 BASF Antwerpen N.V.

| | 2009 | 2008 |
|---|------------------|------------------|
| | € | € |
| Balance as of 1 January | 1,242,355 | - |
| Issued | - | 1,250,000 |
| Less: disagio | - | 7,750 |
| | <u>1,242,355</u> | <u>1,242,250</u> |
| Amortization of disagio | 677 | 105 |
| Balance as of 30 June / 31 December | <u>1,243,032</u> | <u>1,242,355</u> |
| Cumulative amortization of disagio as at 30 June / 31 December | <u>782</u> | <u>105</u> |

This loan relates to a loan that has been issued on 4 December 2008 to BASF group Company BASF Antwerpen N.V. for a total amount of TEUR 1,250,000 less disagio for an amount of TEUR 7,750, and a term of 5 years. The interest rate amounts to 6.0% per annum plus the applicable spread. The loan shall be repaid in full on 4 December 2013.

2.5.1.1.10 BASF Antwerpen N.V.

| | 2009 | 2008 |
|---|----------------|----------|
| | € | € |
| Balance as of 1 January | - | - |
| Issued | 500,000 | - |
| Less: disagio | 4,705 | - |
| | <u>495,295</u> | <u>-</u> |
| Amortization of disagio | 249 | - |
| Balance as of 30 June / 31 December | <u>495,544</u> | <u>-</u> |
| Cumulative amortization of disagio as at 30 June / 31 December | <u>249</u> | <u>-</u> |

This loan relates to a loan that has been issued on 9 February 2009 to BASF group Company BASF Antwerpen N.V. for a total amount of TEUR 500,000 less disagio for an amount of TEUR 4,705, and a term of 6 years and 4 months. The interest rate amounts to 5.125% per annum plus the applicable spread. The loan shall be repaid in full on 9 June 2015.

2.5.1.1.11 BASF SE

| | 2009 | 2008 |
|---|----------------|----------|
| | € | € |
| Balance as of 1 January | - | - |
| Issued | 1,000,000 | - |
| Less: disagio | 9,410 | - |
| | <u>990,590</u> | <u>-</u> |
| Amortization of disagio | 498 | - |
| Balance as of 30 June / 31 December | <u>991,088</u> | <u>-</u> |
| Cumulative amortization of disagio as at 30 June / 31 December | <u>498</u> | <u>-</u> |

This loan relates to a loan that has been issued on 9 February 2009 to BASF group Company BASF SE for a total amount of TEUR 1,000,000 less disagio for an amount of TEUR 9,410, and a term of 6 years and 4 months. The interest rate amounts to 5.125% per annum plus the applicable spread. The loan shall be repaid in full on 9 June 2015.

2.5.1.1.12 BASF SE

| | 2009 | 2008 |
|---|----------------|----------|
| | € | € |
| Balance as of 1 January | - | - |
| Issued | 150,000 | - |
| Less: disagio | 517 | - |
| | <u>149,483</u> | <u>-</u> |
| Amortization of disagio | 22 | - |
| Balance as of 30 June / 31 December | <u>149,505</u> | <u>-</u> |
| Cumulative amortization of disagio as at 30 June / 31 December | <u>22</u> | <u>-</u> |

This loan relates to a loan that has been issued on 9 February 2009 to BASF group Company BASF SE for a total amount of TEUR 150,000 less disagio for an amount of TEUR 517, and a term of 7 years. The interest rate amounts to 4.5% per annum plus the applicable spread. The loan shall be repaid in full on 24 February 2016.

2.5.1.1.13 BASF Nederland B.V.

| | 2009 | 2008 |
|---|----------------------|----------------|
| | € | € |
| Balance as of 1 January | - | - |
| Issued | 500,000 | - |
| Plus: agio | 19,290 | - |
| | <hr/> | <hr/> |
| Amortization of agio | 519,290 | - |
| | -258 | - |
| Balance as of 30 June / 31 December | <hr/> 519,032 | <hr/> - |
| Cumulative amortization of agio as at 30 June/ 31 December | <hr/> -258 | <hr/> - |

This loan relates to a loan that has been issued on 29 May 2009 to BASF group Company BASF Nederland B.V. for a total amount of TEUR 500,000 plus agio for an amount of TEUR 19,290, and a term of 6 years and 11 days. The interest rate amounts to 5.125% per annum plus the applicable spread. The loan shall be repaid in full on 9 June 2015.

2.5.2 Accounts receivable and prepayment

2.5.2.1 Capitalized commission costs

The capitalized commission costs are TEUR 134 (2008: TEUR 199).

2.5.2.2 Accounts receivable from group companies and other receivables

The accounts receivable from group companies and other receivables are due within one year.

2.5.3 Cash and cash equivalents

Cash and cash equivalents are entirely at the disposal of the Company. The bank account of the Company is part of the cash pool of BASF SE.

2.5.4 Stockholders' equity

The changes in the stockholders' equity are as follows:

| | Capital stock | Stock premium | Reserve for exchange difference | Other reserves | Inappropriated result | Total |
|---|---------------|---------------|---------------------------------|----------------|-----------------------|-------|
| | € | € | € | € | € | € |
| 1 Jan. 2008 | 2,087 | 2,496 | 17 | 215 | 300 | 5,115 |
| Addition to other reserves | - | - | - | 300 | -300 | - |
| Net income for financial year | - | - | - | - | 1,349 | 1,349 |
| Balance at start of financial year | 2,087 | 2,496 | 17 | 515 | 1,349 | 6,464 |
| Addition to other reserves | - | - | - | 1,349 | -1,349 | - |
| Net income for financial year | - | - | - | - | 1,101 | 1,101 |
| Closing balance at 30 June 2009 | 2,087 | 2,496 | 17 | 1,864 | 1,101 | 7,565 |

2.5.4.1 Authorised and issued capital

The authorised and issued capital of the Company amounts to TEUR 2,087 (2008: TEUR 2,087) consisting of 46,375 ordinary shares with a nominal value of EUR 45 each.

2.5.4.2 Other reserves

The result from the previous financial year has been added to other reserves.

2.5.4.3 Reserve for exchange difference

At 31 December 2000, the authorised and issued capital consisting of common shares of NLG 100.- was transferred into pieces of EUR 45.-. For the exchange difference, a reserve was created for an amount of EUR 17,531.-.

2.5.5 Non current liabilities

| | 2009 | 2008 |
|--|------------------|------------------|
| | € | € |
| 1) Bank of America Securities LLC and Morgan Stanley & Co Inc. | 2,830 | 182,511 |
| 2) 5% Euro bond 2007-2014 | 995,944 | 995,613 |
| 3) 5% Euro bond 2007-2014 | 251,821 | 251,978 |
| 4) 3.25% CHF bond 2008-2011 | 196,058 | 201,417 |
| 5) 3.625% CHF bond 2008-2015 | 130,065 | 133,627 |
| 6) 3-Month EURIBOR + 0.6% liability to credit institutes 2008-2013 | 499,122 | 499,025 |
| 7) 3-Month EURIBOR + 0.6% liability to credit institutes 2008-2013 | 53,938 | 53,932 |
| 8) 6% Euro bond 2008-2013 | 1,243,035 | 1,242,355 |
| 9) 5.125% Euro bond 2009-2015 | 1,486,637 | - |
| 10) 4.5% Euro bond 2009-2016 | 149,505 | - |
| 11) 5.125% Euro bond 2009-2015 | 519,031 | - |
| Balance as of 30 June / 31 December | 5,527,986 | 3,560,458 |

Of the total amount of long term liabilities, TEUR 5,525,156 is payable after 2010 and TEUR 2,285,238 is payable after 2014.

| | Total | 2011 up to and including 2014 | 2015 and 2016 |
|--|------------------|-------------------------------|------------------|
| | € | € | € |
| 1) Bank of America Securities LLC and Morgan Stanley & Co. Inc. | 2,830 | - | - |
| 2) 5% Euro bond 2007-2014 | 995,944 | 995,944 | - |
| 3) 5% Euro bond 2007-2014 | 251,821 | 251,821 | - |
| 4) 3.25% CHF bond 2008-2011 | 196,058 | 196,058 | - |
| 5) 3.625% CHF bond 2008-2015 | 130,065 | - | 130,065 |
| 6) 3-Month EURIBOR + 0.6% liability to credit institutes 2008-2013 | 499,122 | 499,122 | - |
| 7) 3-Month EURIBOR + 0.6% liability to credit institutes 2008-2013 | 53,938 | 53,938 | - |
| 8) 6% Euro bond 2008-2013 | 1,243,035 | 1,243,035 | - |
| 9) 5.125% Euro bond 2009-2015 | 1,486,637 | - | 1,486,637 |
| 10) 4.5% Euro bond 2009-2016 | 149,505 | - | 149,505 |
| 11) 5.125% Euro bond 2009-2015 | 519,031 | - | 519,031 |
| Total | 5,527,986 | 3,239,918 | 2,285,238 |

2.5.5.1 Bank of America Securities LLC and Morgan Stanley & Co. Inc.

| | 2009 | 2008 |
|---|----------------|----------------|
| | € | € |
| Balance as of 1 January | 329,812 | 917,057 |
| Notes received | - | - |
| | <u>329,812</u> | <u>917,057</u> |
| Redemption of notes | -10,957 | -627,793 |
| Exchange rate difference | -4,719 | 40,548 |
| | <u>314,136</u> | <u>329,812</u> |
| Balance as of 30 June / 31 December | | |
| Current portion as at 30 June / 31 December | 311,306 | 147,301 |
| | <u>2,830</u> | <u>182,511</u> |
| Long term as at 30 June / 31 December | | |

On 27 June 2007 BASF Finance Europe N.V. received a note for a total amount of TUSD 1,350,000 (TEUR 1,004,614) from Bank of America Securities LLC and Morgan Stanley & Co. Inc. First repayment date will be on 18 July 2008 and the last repayment will be on 20 July 2010. Interest will be paid quarterly and for the first time on 20 October 2007. Interest is calculated based on 3-month LIBOR plus a spread. BASF SE is the guarantor for this note.

2.5.5.2 5% Euro Bond 2007-2014

| | 2009 | 2008 |
|--|----------------|----------------|
| | € | € |
| Balance as of 1 January | 995,613 | 994,969 |
| Bonds received | - | - |
| Less: disagio | - | - |
| | <u>995,613</u> | <u>994,969</u> |
| Amortization of disagio | 331 | 644 |
| | <u>995,944</u> | <u>995,613</u> |
| Balance as of 30 June / 31 December | | |
| Cumulative amortization of disagio as at 30 June / 31 December | <u>1,144</u> | <u>813</u> |

On 26 September 2007 BASF Finance Europe N.V. issued bonds for a total amount of TEUR 1,000,000 less disagio for an amount of TEUR 5,200 through Barclays Bank PLC and Deutsche Bank AG as Joint-Lead-Managers for these bonds. The bonds will be repaid on 26 September 2014. The interest amounts to 5% and will be paid annually. BASF SE is the guarantor for these bonds.

2.5.5.3 5% Euro Bond 2007-2014

| | 2009 | 2008 |
|---|----------------|----------------|
| | € | € |
| Balance as of 1 January | 251,978 | 252,257 |
| Bonds received | - | - |
| Agio | - | - |
| | <u>251,978</u> | <u>252,257</u> |
| Amortization of agio | 157 | 279 |
| Balance as of 30 June / 31 December | <u>251,821</u> | <u>251,978</u> |
| Cumulative amortization of agio as at 30 June / 31 December | <u>904</u> | <u>747</u> |

On 31 October 2007 BASF Finance Europe N.V. issued bonds for a total amount of TEUR 250,000 with agio for an amount of TEUR 2,725, from Barclays Bank PLC and Deutsche Bank AG as Joint-Lead-Managers for these bonds. The bonds will be repaid on 26 September 2014. The interest amounts to 5% and will be paid annually. BASF SE is the guarantor for these bonds.

2.5.5.4 3.25% CHF Bond 2008-2011

| | 2009 | 2008 |
|--|----------------|----------------|
| | € | € |
| Balance as of 1 January | 201,417 | - |
| Bonds received | - | 186,220 |
| Less: disagio | - | 685 |
| | <u>201,417</u> | <u>185,535</u> |
| Amortization of disagio | 118 | 137 |
| Exchange rate difference | -5,477 | 15,745 |
| Balance as of 30 June / 31 December | <u>196,058</u> | <u>201,417</u> |
| Cumulative amortization of disagio as at 31 December | <u>255</u> | <u>137</u> |

On 3 June 2008 BASF Finance Europe N.V. issued bonds for a total amount of TCHF 300,000 less disagio for an amount of TCHF 1,100 (TEUR 186,220 less disagio TEUR 685), from Royal Bank of Scotland PLC and ABN AMRO BANK N.V. Amsterdam, Zurich Branch, and UBS AG as Joint-Lead-Managers for these bonds. The bonds will be repaid on 3 June 2011. The interest amounts to 3.250% and will be paid annually. BASF SE is the guarantor for these bonds.

2.5.5.5 3.625% CHF Bond 2008-2015

| | 2009 | 2008 |
|--|----------------|----------------|
| | € | € |
| Balance as of 1 January | 133,627 | - |
| Bonds issued | - | 124,146 |
| Less: disagio | - | 1,051 |
| | <u>133,627</u> | <u>123,095</u> |
| Amortization of disagio | 72 | 78 |
| Exchange rate difference | -3,634 | 10,453 |
| Balance as of 30 June / 31 December | <u>130,065</u> | <u>133,627</u> |
| Cumulative amortization of disagio as at 30 June / 31 December | <u>150</u> | <u>78</u> |

On 3 June 2008 BASF Finance Europe N.V. issued bonds for a total amount of TCHF 200,000 less a disagio for an amount of TCHF 1,688 (TEUR 124,146 less disagio TEUR 1,051) through Royal Bank of Scotland PLC and ABN AMRO BANK N.V. Amsterdam, Zurich Branch, and UBS AG as Joint-Lead-Managers for these bonds. The bonds will be repaid on 3 June 2015. The interest amounts to 3.625% and will be paid annually. BASF SE is the guarantor for these bonds.

2.5.5.6 3-Month EURIBOR + 0.6% liability to credit institutes 2008-2013

| | 2009 | 2008 |
|--|----------------|----------------|
| | € | € |
| Balance as of 1 January | 498,025 | - |
| Loans received | - | 500,000 |
| Less: disagio | - | 1,025 |
| | <u>498,025</u> | <u>498,975</u> |
| Amortization of disagio | 97 | 50 |
| Balance as of 30 June / 31 December | <u>499,122</u> | <u>499,025</u> |
| Cumulative amortization of disagio as at 30 June / 31 December | <u>147</u> | <u>50</u> |

On 24 September 2008 BASF Finance Europe N.V. received a loan for a total amount of TEUR 500,000 less disagio for an amount of TEUR 1,025, from Landesbank Baden-Württemberg as Sole Lead-Manager for this loan. The loan will be repaid on 24 September 2013. The interest is based on 3-month Euribor with a mark-up of 0.6% p.a. and will be paid 3-monthly at first 24 December 2008. BASF SE is the guarantor for this loan.

2.5.5.7 3-Month EURIBOR + 0.6% liability to credit institutes 2008-2013

| | 2009 | 2008 |
|--|---------------|---------------|
| | € | € |
| Balance as of 1 January | 53,932 | - |
| Loans received | - | 54,000 |
| Less: disagio | - | 71 |
| | <u>53,932</u> | <u>53,929</u> |
| Amortization of disagio | 6 | 3 |
| Balance as of 30 June / 31 December | <u>53,938</u> | <u>53,932</u> |
| Cumulative amortization of disagio as at 30 June / 31 December | <u>9</u> | <u>3</u> |

On 24 September 2008 BASF Finance Europe N.V. received a loan for a total amount of TEUR 54,000 less disagio for an amount of TEUR 71, from Landesbank Baden-Württemberg as Sole Lead-Manager for this loan. The loan will be repaid on 24 September 2013. The interest is based on 3-month Euribor with a mark-up of 0.6% p.a. and will be paid annually 3-monthly at first 24 December 2008. BASF SE is the guarantor for this loan.

2.5.5.8 6% Euro Bond 2008-2013

| | 2009 | 2008 |
|--|------------------|------------------|
| | € | € |
| Balance as of 1 January | 1,242,355 | - |
| Bonds received | - | 1,250,000 |
| Less: disagio | - | 7,750 |
| | <u>1,242,355</u> | <u>1,242,250</u> |
| Amortization of disagio | 680 | 105 |
| Balance as of 30 June / 31 December | <u>1,243,035</u> | <u>1,242,355</u> |
| Cumulative amortization of disagio as at 30 June / 31 December | <u>785</u> | <u>105</u> |

On 4 December 2008 BASF Finance Europe N.V. issued bonds for a total amount of TEUR 1,250,000 less disagio for an amount of TEUR 7,750, through Barclays Bank PLC, Deutsche Bank AG, Société Générale France, BNP PARIBAS and HSBC Bank plc as Joint-Lead-Manager for these bonds. The bonds will be repaid on 4 December 2013. The interest amounts to 6% annually and will be paid at first 4 December 2009. BASF SE is the guarantor for these bonds.

2.5.5.9 5,125% Euro Bond 2009-2015

| | 2009 | 2008 |
|---|------------------|----------|
| | € | € |
| Balance as of 1 January | - | - |
| Bonds received | 1,500,000 | - |
| Less: disagio | 14,115 | - |
| | <hr/> | <hr/> |
| Amortization of disagio | 1,485,885 | - |
| | 752 | - |
| | <hr/> | <hr/> |
| Balance as of 30 June / 31 December | 1,486,637 | - |
| | <hr/> | <hr/> |
| Cumulative amortization of disagio as at 30 June / 31 December | 752 | - |
| | <hr/> | <hr/> |

On 9 February 2009 BASF Finance Europe N.V. issued bonds for a total amount of TEUR 1,500,000 less disagio for an amount of TEUR 14,115, through Barclays Bank PLC, Deutsche Bank AG, Société Générale France, BNP PARIBAS and HSBC Bank plc as Joint-Lead-Manager for these bonds. The bonds will be repaid on 9 June 2015. The interest amounts to 5.125% annually and will be paid at first on 9 June 2009. BASF SE is the guarantor for these bonds.

2.5.5.10 4,5% Euro Bond 2009-2016

| | 2009 | 2008 |
|---|----------------|----------|
| | € | € |
| Balance as of 1 January | - | - |
| Bonds received | 150,000 | - |
| Less: disagio | 517 | - |
| | <hr/> | <hr/> |
| Amortization of disagio | 149,483 | - |
| | 22 | - |
| | <hr/> | <hr/> |
| Balance as of 30 June / 31 December | 149,505 | - |
| | <hr/> | <hr/> |
| Cumulative amortization of disagio as at 30 June / 31 December | 22 | - |
| | <hr/> | <hr/> |

On 24 February 2009 BASF Finance Europe N.V. issued bonds at for a total amount of TEUR 150,000 less disagio for an amount of TEUR 517, through Commerzbank Corporates & Markets as Sole-Lead-Manager for these bonds. The bonds will be repaid on 24 February 2016. The interest amounts to 4.5% annually and will be paid at first 24 February 2010. BASF SE is the guarantor for these bonds.

2.5.5.11 5,125% Euro Bond 2009-2015

| | 2009 | 2008 |
|---|----------------|----------|
| | € | € |
| Balance as of 1 January | - | - |
| Bonds received | 500,000 | - |
| Plus: agio | 19,290 | - |
| | <u>519,290</u> | <u>-</u> |
| Amortization of agio | 259 | - |
| Balance as of 30 June / 31 December | <u>519,031</u> | <u>-</u> |
| Cumulative amortization of agio as at 30 June / 31 December | <u>259</u> | <u>-</u> |

On 29 May 2009 BASF Finance Europe N.V. issued bonds for a total amount of TEUR 500,000 plus agio for an amount of TEUR 19,290, through BNP Paribas, Société Générale, and The Royal Bank of Scotland PLC as Joint-Lead-Manager for these bonds. The bonds will be repaid on 9 June 2015. The interest amounts to 5.125% annually and will be paid at first 9 June 2009. BASF SE is the guarantor for these bonds.

2.5.6 Current Liabilities

The accounts payable are due within one year. The other payables consist of accrued interest with a short term nature.

| | 2009 | 2008 |
|--------------------------|----------------|---------------|
| | € | € |
| Other liabilities | | |
| Payable interest | 104,450 | 32,102 |
| Creditors | - | - |
| Other payables | - | 5 |
| | <u>104,450</u> | <u>32,107</u> |

2.6 Notes to the income statement for the period 1 January - 30 June

2.6.1 Interest income

| | 2009 | 2008 |
|---|----------------|---------------|
| | € | € |
| 1) Interest income BASF Antwerpen N.V. | 2,923 | 16,776 |
| 2) Interest income BASF Antwerpen N.V. | 26,185 | 26,257 |
| 3) Interest income BASF Antwerpen N.V. | 6,229 | 6,246 |
| 4) Interest income BASF Corporation | - | 63 |
| 5) Interest income BASF Antwerpen N.V. | 3,563 | 498 |
| 6) Interest income BASF Antwerpen N.V. | 2,614 | 366 |
| 7) Interest income BASF Antwerpen N.V. | 7,744 | - |
| 8) Interest income BASF Antwerpen N.V. | 832 | - |
| 9) Interest income BASF Antwerpen N.V. | 39,048 | - |
| 10) Interest income BASF Antwerpen N.V. | 10,705 | - |
| 11) Interest income BASF SE | 21,410 | - |
| 12) Interest income BASF SE | 2,501 | - |
| 13) Interest income BASF Nederland B.V. | 2,173 | - |
| 14) Interest income others | 17 | 151 |
| Total interest income | 125,944 | 50,357 |

2.6.2 Interest and similar expense

| | 2009 | 2008 |
|---|----------------|---------------|
| | € | € |
| 1) Interest Bank of America Securities LLC and Morgan Stanley & Co. Inc. | 2,561 | 16,079 |
| 2) Interest 5% Euro bond 2007-2014 | 25,126 | 25,076 |
| 3) Interest 5% Euro bond 2007-2014 | 6,042 | 6,049 |
| 4) Interest 3.25% CHF bond 2008-2011 | 3,366 | 474 |
| 5) Interest 3.625% CHF bond 2008-2015 | 2,486 | 350 |
| 6) Interest 3-Month EURIBOR + 0.6% liability to credit institutes 2008-2013 | 7,263 | - |
| 7) Interest 3-Month EURIBOR + 0.6% liability to credit institutes 2008-2013 | 780 | - |
| 8) Interest 6% Euro bond 2008-2013 | 37,871 | - |
| 9) Interest 5.125% Euro bond 2009-2015 | 30,660 | - |
| 10) Interest 4.5% Euro bond 2009-2016 | 2,371 | - |
| 11) Interest 5.125% Euro bond 2009-2015 | 2,058 | - |
| 12) Interest expense others | - | 17 |
| Total interest expense | 120,584 | 48,045 |

2.6.3 Taxation

Taxations consist of current income tax. The effective tax rate of 24.7% (2008: 23.8%) is equal to the prevailing tax rates for 2009 in The Netherlands (20% over profits up till and including EUR 200,000 and 25.5% for profit in excess of EUR 200,000).

2.6.4 Employees

The average number of employees during the year, converted to full-time equivalents, is 0 (2008: 0).

2.6.5 Transactions with related parties

Transactions with related parties include only the loans as presented under financial fixed assets.

2.6.6 Remuneration directors

During the year the directors did not receive any remuneration.

Prepared on 28 August 2009

Management Board:

Signed by

Signed by

G.A.D. van der Lubbe

W.D. Starp