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BASF Finance Europe N.V.
Arnhem, The Netherlands

Financial statements 2015

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BASF Finance Europe N.V.
Arnhem

FINANCIAL REPORT

1 REPORT OF THE MANAGING DIRECTORS

1.1 General information

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

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

The activities of the Company involve the founding of, financing of, participating in, managing of, supervision of and contribution of services to companies, as well as performing commercial, industrial and financial operations.

The Company has no employees and receives services through the staff of other BASF group companies. The Board of Managing Directors comprises of two natural persons. One is based in the Netherlands and the other in Germany.

In August 2015, Mr. U.H. Loleit joined the Company as Director and replaced Mr.T. Dratt as a board member.

In 2007, BASF Group decided to increase the financing activities through the Company. The Company takes loans from and issues notes to the market for internal financing purposes. Currency risks for these loans/notes, if any, are passed on to other group companies. All non-group loan/note programs are conducted under a guarantee of the parent company BASF SE.

On September 7, 2007 the Company and BASF SE established a so-called Debt Issuance Program (hereinafter: DIP). 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). In September 2014, the maximum aggregate principal amount of notes which can be issued and outstanding under the Program was increased from € 15,000,000 to € 20,000,000. Notes issued by the Company under the DIP have the benefit of a guarantee provided 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.

Notes issued under the DIP can be listed for trading on the regulated market of the Luxembourg Stock Exchange.

The DIP prospectus is updated annually. By the end of 2015 no external loans were issued.

In 2015, the Company replaced part of the short term loan with BASF Antwerpen N.V. with long term portions of € 900,000 and € 750,000. At the same time, the Company replaced the € 900,000 short term loan from BASF Nederland B.V. with a long term loan. € 750,000 of the short term loan with BASF SE was transferred to a long term loan during the financial year 2015 from Cognis B.V.

1.2 Result

The Company has completed the year with a positive result of € 1,016 (December 31, 2014: € 1,808). The result reduced mainly due to decreased loan volume in the Company.

During the reporting period the Company did not use financial derivatives.

1.3 Risk report

The risk management goal of the Company is to identify and evaluate risks as early as possible and limit business losses by taking appropriate measures, thus avoiding risks that pose a threat to the continuity of the Company.

Management is not aware of any significant risks and uncertainties.

Financial risk

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

Interest risk

Interest rate risks are the result of 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 floating rate instruments. To hedge these risks the interest rates of the assets and the liabilities have the same base. This will offset the interest rate risk.

Liquidity risk

Risks from cash flow fluctuations are recognized in a timely manner as part of the liquidity planning. 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. The liquidity policy is determined by BASF SE.

Credit Risk

The assessment of credit risk for counter parties within BASF Group is primarily done at the time loans are granted to BASF group companies. The Company so far has only granted loans to 100% group companies, including BASF SE, which are classified as counter parties with low credit risk.

Foreign currency risk

Financial foreign currency risks are the result of the translation of receivables, liabilities and other monetary items. These risks are not hedged by using derivative instruments.

The fluctuations of the exchange rates for the Euro vs. the Swiss Franc did not have a substantial (+ € 38) influence on the result of the Company.

Current ratio

The current ratio as per December 31, 2015 measured as Current Assets / Current Liabilities amounts to 1.0083 (2014: 1.0017).

Solvency ratio

The solvency ratio as per December 31, 2015 measured as Stockholders' Equity / Total Liabilities amounts to 0.002 (2014: 0.002).

Outlook 2016

The Company plans to repay the loans which are due in 2016. If new applications for financing will be received during the course of 2016, the Company will decide if, how and where to issue new notes or to take or provide new loans.

The Company neither conducts nor plans to conduct, activities regarding research and development.

The Company does not plan to have employees for 2016.

The Company does not intend to make investments in 2016.

Corporate Governance

The Board of Managing Directors is responsible for the establishment and adequate functioning of internal control in the Company. Consequently, the Board of Managing Directors has implemented a range of processes designed to provide control by the Board of Managing Directors over the Company's operations. These processes and procedures include measures regarding the general control environment as well as specific internal control measures.

All these processes and procedures are aimed to ensuring a reasonable level of assurance that the Company has identified and managed its significant risks and that it meets the operational and financial objectives in compliance with applicable laws and regulations.

While the Board of Managing Directors routinely works towards continuous improvement of the processes and procedures regarding financial reporting, the Board of Managing Directors is of the opinion that, regarding financial reporting risks, the internal risk management and control systems:

- provide a reasonable level of assurance that the financial reporting in this Annual Report does not contain any errors of material importance;
- have worked properly in 2015.

Arnhem, March 11, 2016

H.M. Fisch (Director)

U.H. Loleit (Director)



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BASF Finance Europe N.V.
Arnhem

FINANCIAL STATEMENTS

1 BALANCE SHEET AS PER DECEMBER 31, 2015
(before appropriation of the profit)

	December 31, 2015		December 31, 2014	
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
ASSETS				
FIXED ASSETS				
Financial fixed assets and other commitments	(1)			
Loans to group companies		1,650,000		-
CURRENT ASSETS				
Other receivables	(2)	1,376,793		5,246,389
		<u>3,026,793</u>		<u>5,246,389</u>
SHAREHOLDERS' EQUITY				
	(3)			
Issued share capital		2,087	2,087	
Share premium reserve		2,513	2,513	
Other reserves		1,188	2,380	
Unappropriated result		1,016	1,808	
		<u>6,804</u>	<u>8,788</u>	
NON CURRENT LIABILITIES				
	(4)			
Non-current loans		1,654,500		-
CURRENT LIABILITIES				
	(5)			
Repayment obligation long-term debt		-	2,166,656	
Other current liabilities		1,365,489	3,070,945	
		<u>1,365,489</u>	<u>5,237,601</u>	
		<u>3,026,793</u>	<u>5,246,389</u>	

2 PROFIT AND LOSS ACCOUNT FOR 2015

	2015		2014	
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Interest receivable and similar income (6)	69,982		176,779	
Interest payable and similar charges (7)	66,799		168,908	
Net financial income		3,183		7,871
General and administrative expense (8)		1,826		5,434
Result from ordinary activities before tax		1,357		2,437
Tax on result from ordinary activities (9)		-341		-629
Net result		1,016		1,808

3 CASH FLOW STATEMENT FOR 2015

The cash flow statement has been prepared using the indirect method.

	December 31, 2015		December 31, 2014	
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Net cash flow from operating activities				
Result before taxation	1,357		2,437	
Adjustment interest result included in result before taxation	-3,196		-2,950	
Adjustment interest result for effective interest rate method	13		849	
Change current account with group companies	-630		-6,400	
Change in other current payable	-		-2,803	
Change in other working capital	-81		100	
		-2,537		-8,767
Interest paid	-118,510		-177,701	
Interest received	124,458		187,008	
Corporate income tax paid	-411		-540	
		5,537		8,767
Net cash flow from operating activities		-		-
Issued Financial Assets	-		-3,000,000	
Repayment Financial Assets	2,191,829		1,250,000	
Net cash flow from investing activities		2,191,829		-1,750,000
Repayment Financial Liabilities	-2,191,829		-1,250,000	
Dividend payment	-3,000		-	
Proceeds Financial Liabilities	-		3,000,000	
Net cash flow from financing activities		-2,188,829		1,750,000
Changes in cash & cash equivalents		-		-
Cash & cash equivalents January 1		-		-
Cash & cash equivalents December 31		-		-
Changes in cash & cash equivalents		-		-

4 NOTES TO THE FINANCIAL STATEMENTS

General

BASF Finance Europe N.V. (the Company) has been established per April 22, 1976. The first financial year started on April 22 and ended on December 31, 1976.

The financial year is from January 1, 2015 until December 31, 2015.

The Company, having its legal address in the Netherlands, Groningensingel 1, 6835 EA, Arnhem.

Activities

The activities of the Company involve the founding of, financing of, participating in, managing of, supervision of and contribution of services to companies, as well as performing commercial, industrial and financial operations.

Ownership

The financial statements of the Company are consolidated in the consolidated financial statements of BASF SE in Ludwigshafen, Germany, the ultimate parent company, which can be found on the website: <http://www.basf.com>.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS

The financial statements have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code. These financial statements have been prepared on the basis of the going concern assumption.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

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 recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

The major estimations, management made, were regarding the credibility of the counter parties of the loan receivable and the determination of the fair value of the financial instruments.

An asset is recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognized in the balance sheet when it is expected to result in an outflow of resources embodying economic benefits and the amount of the obligation can be measured reliably.

Financial instruments

Financial instruments are both primary financial instruments, such as receivables and financial derivatives. For the principles of primary financial instruments, reference is made to the treatment per balance sheet item.

Upon initial recognition, financial instruments are recognized at fair value.

Financial instruments include loans and (other) receivables, cash items, bonds/notes and other financing commitments.

After initial recognition, financial instruments are valued in the manner described below.

Loans granted, other receivables and cash and cash equivalents

Loans and receivables are measured at amortized cost using the effective interest rate method, less impairment losses. The loans and receivables with a remaining time to maturity exceeding 12 months are presented as financial fixed assets. Interest income, based on the effective interest rate method, are accounted for in the interest receivable and similar income within the income statement.

Notes issued, loans received and other payables

Notes, loans and other financial commitments are carried at amortized cost using the effective interest rate method. The notes and loans with a remaining time to maturity exceeding 12 months are presented as non-current liabilities. Interest expense, based on the effective interest rate method, is accounted for under the net financing income from financing activities within the income statement.

Translation of assets, liability and transactions denominated in foreign currency

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency (Euro) 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 rates on the transaction date. Translation gains and losses are taken to the profit and loss account as income and expenditure.

The Company granted loans to group companies, for the same amount and denominated in the same currency as the loans issued. As such, except for the applicable margin, foreign currency risks are passed on to group companies and do not have any impact on the results of the Company.

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 average rates. Foreign exchange gains and losses are included in interest and similar income.

The fluctuation in exchange rates for the Euro vs. the Swiss Franc (1.0835 at the end of 2015 and 1.2024 at the end of 2014) did not have a substantial influence on the result of the Company.

Determination of Fair Value

A number of accounting principles and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities.

The fair value of financial fixed assets is estimated on the basis of the expected and/or contractual cash flows. These cash flows are discounted at the market interest rates as at balance sheet date, including a margin representing the relevant risks involved.

If applicable, detailed information concerning the principles for determining the fair value is included in the section that specifically relates to the relevant asset or liability.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Financial fixed assets and other commitments

Loans and other financial commitments are carried at amortized cost using the effective interest rate method. Interest income, based on the effective interest rate method, is accounted for under the gross income from financing activities within the income statement.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Determination of the result

Interest income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Interest receivable and similar income

Interest receivable and similar income are the interest revenues, gains on conversion and gains for the year on a historical cost basis.

Interest payable and similar charges

Interest payable and similar charges are interest expenses, losses on conversion and expenses for the year on a historical cost basis.

Taxes

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

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the carrying amounts for tax purposes. A deferred tax asset is recognized for future tax benefits, arising from temporary differences and for tax loss carry forwards to the extent that the tax benefits are likely to be realized.

Taxes on income are based on the result in the financial statements, taking into account the permanent differences between determinations of result according to the financial statements on the one hand and according to the fiscal determination of result on the other. Calculation is based on current tax rate.

PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method.

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

5 NOTES TO THE BALANCE SHEET AS PER DECEMBER 31, 2015

ASSETS

1. Financial fixed assets and other commitments

	12/31/2015	12/31/2014
	€ x 1,000	€ x 1,000
Loans to group companies		
Loan 17 BASF Antwerpen N.V.	900,000	-
Loan 18 BASF Antwerpen N.V.	750,000	-
	<u>1,650,000</u>	<u>-</u>

Loan 17 BASF Antwerpen N.V.

	2015	2014
	€ x 1,000	€ x 1,000
Balance as at January 1	-	-
Issued loan	900,000	-
Balance as at December 31	<u>900,000</u>	<u>-</u>

This loan has been granted on April 2, 2015 to BASF group company BASF Antwerpen N.V. for a total amount of € 900,000 and a term of 5 years. The interest rate 2015 amounts to 0.958%, based on 12-months Euribor plus applicable spread of 0.76% for the first year.

Loan 18 BASF Antwerpen N.V.

Balance as at January 1	-	-
Issued loan	750,000	-
Balance as at December 31	<u>750,000</u>	<u>-</u>

This loan has been granted on May 7, 2015 to BASF group company BASF Antwerpen N.V. for a total amount of € 750,000 and a term of 5 years. The interest rate 2015 amounts to 0.930%, based on 12-months Euribor plus applicable spread of 0.76% for the first year.

CURRENT ASSETS

	12/31/2015	12/31/2014
	€ x 1,000	€ x 1,000
2. Other receivables		
Receivables from group companies	1,376,791	5,246,389
Corporate income tax	2	-
	<u>1,376,793</u>	<u>5,246,389</u>
Receivables from group companies		
Interest receivable from group companies	11,399	64,958
Current account with group companies	15,392	14,762
Short term portion Loan 6	-	166,254
Short term portion Loan 10A	-	499,619
Short term portion Loan 10B	-	999,237
Short term portion Loan 12	-	501,559
Loan 16 BASF Antwerpen N.V.	1,350,000	3,000,000
	<u>1,376,791</u>	<u>5,246,389</u>

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

Loan 16 BASF Antwerpen N.V. was partially repaid for an amount of € 1,650,000.

The interest rate 2015 amounts to 0.31%, based on 12-months Euribor plus applicable spread of 0.24%. The loan shall be repaid in full on December 18, 2016.

Loans 6, 10A, 10B and 12 were fully repaid in June 2015.

The Company has a current account with BASF SE. The interest rate is based on Euro Overnight Index Average (EONIA) - 0.03% or + 0.21% depending on a debit or credit balance, with a minimum of 0%.

EQUITY AND LIABILITIES

3. SHAREHOLDERS' EQUITY

	Common shares	
	€ x 1,000	
Balance as at January 1, 2015		2,087
Balance as at December 31, 2015		2,087
Statutory share capital (x € 1,-)		2,086,875
Shares issued		46,375
Nominal value per share (x € 1,-)		45.00
	2015	2014
	€ x 1,000	€ x 1,000
Share premium reserve		
Balance as at January 1	2,513	2,513
Balance as at December 31	2,513	2,513
Other reserves		
Balance as at January 1	2,380	27
Allocation of previous financial year net result	1,808	2,353
Paid dividend	4,188	2,380
	-3,000	-
Balance as at December 31	1,188	2,380
Unappropriated result		
Balance as at January 1	1,808	2,353
Addition to other reserves	-1,808	-2,353
Unappropriated profit	1,016	1,808
Balance as at December 31	1,016	1,808

4. NON CURRENT LIABILITIES

	12/31/2015	12/31/2014
	€ x 1,000	€ x 1,000
Non-current loans		
Loan 14 BASF Nederland B.V.	900,000	-
Loan 19 Cognis B.V.	750,000	-
Loan 13A BASF Belgium Coordination Center C.V.	4,500	-
	<u>1,654,500</u>	<u>-</u>
	2015	2014
	€ x 1,000	€ x 1,000
<i>Loan 14 BASF Nederland B.V.</i>		
Balance as at January 1	-	-
Issued loan	900,000	-
Long-term part as at December 31	<u>900,000</u>	<u>-</u>
On April 2, 2015 the Company borrowed a loan from BASF Nederland B.V. for a total amount of € 900,000 and a term of 5 years. The interest rate 2015 amounts to 0.928%, based on 12-months Euribor plus applicable spread of 0.73% for the first year.		
<i>Loan 19 Cognis B.V.</i>		
Balance as at January 1	-	-
Issued loan	750,000	-
Long-term part as at December 31	<u>750,000</u>	<u>-</u>
On May 7, 2015 the Company borrowed a loan from Cognis B.V. for a total amount of € 750,000 and a term of 5 years. The interest rate 2015 amounts to 0.900%, based on 12-months Euribor plus applicable spread of 0.73% for the first year.		
<i>Loan 13A BASF Belgium Coordination Center C.V.</i>		
Balance as at January 1	-	-
Issued loan	4,500	-
Long-term part as at December 31	<u>4,500</u>	<u>-</u>
On December 18, 2015 the Company split the Loan 13 BASF Belgium Coordination Center C.V. in a short term and long term loan. The long term loan was borrowed for a total amount of € 4,500 and a term of 5 years. The interest rate 2015 amounts to 0.72%, based on 12-months Euribor plus applicable spread of 0.66% for the first year.		

5. CURRENT LIABILITIES

	12/31/2015	12/31/2014
	€ x 1,000	€ x 1,000
Repayment obligation long-term debt		
Note 6, 3.625% Euro bond 2008-2015	-	166,239
Note 10, 5.125% Euro bond 2009-2015	-	1,498,866
Note 12, 5.125% Euro bond 2009-2015	-	501,551
	<u>-</u>	<u>2,166,656</u>
Other current liabilities		
Corporate income tax	-	71
Accruals and deferred income	10,989	61,874
Loan 13 BASF Belgium Coordination Center CV	4,500	9,000
Loan 14 BASF Nederland B.V.	-	900,000
Loan 15 BASF SE	1,350,000	2,100,000
	<u>1,365,489</u>	<u>3,070,945</u>

Notes 6, 10 and 12 were fully repaid in June 2015.

The interest of the short term part of Loan 13 BASF Belgium Coordination Center CV amounts to 0.27% per annum, based on 12-months Euribor plus applicable spread of 0.21% per annum until December 16, 2016. The complete short term Loan 14 BASF Nederland B.V. and a part of Loan 15 BASF SE were repaid. The Loan 15 BASF SE with a new principal amount € 1,350,000 is prolonged for the next period until December 18, 2016. The interest rate 2015 amounts to 0.28%, based on 12-months Euribor plus applicable spread of 0.21%.

The current liabilities are all due within one year.

OFF-BALANCE SHEET COMMITMENTS

Financial instruments

General

During the normal course of business, the Company uses various financial instruments that expose the Company to market, credit and liquidity risks. The Company is exposed to these risks given the portfolio of interest-bearing receivables (mainly taken up in financial fixed assets and cash and cash equivalents), interest-bearing non-current and current liabilities (including bonds, notes and bank loans).

Credit risk

In 2015, 100.0% (2014: 100.0%) of the receivables of the Company were held with related parties, which are 100.0% (2014: 100.0%) concentrated with BASF Group companies.

In general, the management of the Company tends to assess and review credit risk for counter parties within the BASF Group.

Interest rate risk

The Company is currently not exposed to interest rate risk regarding floating interest rates on receivables and liabilities. In general, the Company strives to match interest rate risks of its assets and liabilities. Derivative financial instruments may be used by the entity to hedge interest rate risks if deemed necessary. Interest rate derivative financial instruments may be used to adjust the fixed or floating nature of the external notes or loans obtained to the desired profile. The interest rate policy is determined by BASF SE. In 2015 no derivative financial instruments are outstanding and no derivative instruments have been used during the reporting period.

Cash flow risk

The Company is currently not exposed to cash flow risk due to the intercompany financing structure. Any cash payment regarding loans payable are directly offset by a cash flow regarding the loans receivable.

Foreign currency risk

The Company is currently not exposed to foreign exchange risk on loans and receivables denominated in a currency other than Euro. In general, the Company strives to match foreign exchange risks of its assets and liabilities. Foreign currency derivative financial instruments, mainly currency forwards and swaps, may be used to reduce the foreign currency risk arising on financing and funding transactions in foreign currencies.

The fluctuations in exchange rates for the Euro vs. the Swiss Franc (1.0835 at the end of 2015 and 1.2024 at the end of 2014) did not have a substantial (+ € 38) influence on the result of the Company.

Liquidity risk

Due to a cash-pooling agreement for all bank accounts of the Company with BASF SE, the Company has access to sufficient liquidity reserves so that there is no danger of liquidity risk even if an unexpected event has a negative financial impact on the Company's liquidity situation.

Fair Value

The fair value of the financial instruments stated on the balance sheet can be specified as follows:

	Fair value 2015	Book value 2015	Fair value 2014	Book value 2014
Financial fixed assets				
Loans to group companies	1,650,000	1,650,000	0	0
Financial current assets				
Loans to Group companies	1,350,000	1,350,000	5,214,259	5,166,673
Long term liabilities				
Notes/Loans payable	1,654,500	1,654,500	0	0
Current liabilities				
Notes/Loans payable	1,354,500	1,354,500	5,213,774	5,166,656

The fair values represent the clean fair value excluding interest accruals. For the 2014 calculations the discount percentages out of Bloomberg for the secondary market yields were used to reflect BASF risk. The fair value of financial instruments other than the ones stated in the above table is close to the carrying amount.

As per December 31, 2014, no derivative financial instruments were outstanding.
As per December 31, 2015, no derivative financial instruments were outstanding.

6 NOTES TO THE PROFIT AND LOSS ACCOUNT 2015

	01/01/2015 - 12/31/2015	01/01/2014 - 12/31/2014
	€ x 1,000	€ x 1,000
6. Interest receivable and similar income		
Loan 2 BASF Antwerpen N.V.	-	38,770
Loan 3 BASF Antwerpen N.V.	-	9,223
Loan 6 BASF Antwerpen N.V.	3,183	6,520
Loan 10a BASF Antwerpen N.V.	12,088	27,710
Loan 10b BASF SE	24,176	55,419
Loan 11 BASF SE	-	15,175
Loan 12 BASF Nederland B.V.	10,148	23,372
Loan 16 BASF Antwerpen N.V.	9,194	583
Loan 17 BASF Antwerpen N.V.	6,562	-
Loan 18 BASF Antwerpen N.V.	4,631	-
Others	-	7
	<u>69,982</u>	<u>176,779</u>
7. Interest payable and similar charges		
Note 2, 5% Euro bond 2007-2014	-	37,343
Note 3, 5% Euro bond 2007-2014	-	8,898
Note 6, 3.625% CHF bond 2008-2015	3,048	6,203
Note 10, 5.125% Euro bond 2009-2015	34,622	79,364
Note 11, 4.5% Euro bond 2009-2016	-	14,369
Note 12, 5.125% Euro bond 2009-2015	9,612	22,137
Loan 13/13A BASF Belgium Coordination Center CV	43	46
Loan 14 BASF Nederland B.V.	7,426	165
Loan 15 BASF SE	7,567	383
Loan 19 Cognis B.V.	4,481	-
	<u>66,799</u>	<u>168,908</u>

Emoluments of directors

The Company pays no remuneration and has not issued loans or advances to members of the Board of Managing Directors.

Staff

During 2015 and 2014 the Company had no employees.

8. General and administrative expense

The other general expenses include the auditing fees and the foreign exchange result.

With reference to Section 2:382a (1) and (2) of the Netherlands Civil Code the Company did not disclose the fees for the auditor as these are incorporated in the consolidated financial statements of BASF SE.

9. Tax on result from ordinary activities

Income tax expense consists of current corporate income tax. The effective tax rate of 25.13% (December 31, 2014: 25.81%) is not equal to the prevailing tax rates for 2015 (20% tax rate on the first € 200,000 of taxable profits, 25% tax rate for the rest) in the Netherlands. This is due to non-deductible interest expenses.

Transactions with related parties

There were no reportable related party transactions with members of the Board of Managing Directors. All transactions are at arm's length. There are no transactions with related parties, except otherwise disclosed in this report.

Board of Managing Directors signature for approval

Arnhem, March 11, 2016

BASF Finance Europe N.V.

BASF Finance Europe N.V.

H.M. Fisch (Director)

U.H. Loleit (Director)

OTHER INFORMATION

1 INDEPENDENT AUDITOR'S REPORT

To: the general meeting of shareholders of BASF Finance Europe N.V.

Report on the financial statements

We have audited the accompanying financial statements 2015 of BASF Finance Europe N.V., Arnhem, which comprise the balance sheet as at December 31, 2015, the profit and loss account and the statement of cash flow for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the report of the managing directors, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of BASF Finance Europe N.V., as at December 31, 2015, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the report of the managing directors, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and if the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the report of the managing directors, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Arnhem, March 11, 2016
KPMG Accountants N.V.

E.J. Preuter RA

2 Statutory appropriation of profit

In the articles of association it is stated that profits of the Company shall be at the disposal of the General Meeting of Shareholders. At the same time, the articles state that the Company may distribute profits only if and to the extent that its shareholders' equity is higher than the aggregate of the paid and called-up part of the issued capital and the reserves, which must be maintained by law.

The Company can only make payments to the shareholders insofar as:

- the Company can continue to pay its outstanding debts after the distribution (the so-called distribution test), and;
- the shareholders' equity exceeds the legal reserves and statutory reserves under the articles of association to be maintained (the so-called balance sheet test).

If not, management of the Company shall not approve the distribution.

3 Appropriation of the result for 2014

The annual accounts for 2014 were adopted by the General Meeting of Shareholders. The General Meeting of Shareholders has determined the appropriation of the result as it was proposed.

4 Appropriation of the result for 2015

The Board of Managing Directors proposes to add the profit for 2015 of € 1,016 to the other reserves. Awaiting the approval by the General Meeting of Shareholders, this proposal has not been processed in the annual accounts and is, therefore, included in the unappropriated result.

5 Post balance sheet events

No subsequent events occurred

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