The Chemical Company

BASF Finance Europe N.V.
Arnhem

Semi-Annual report 2010

Semi-annual report 2010

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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 through the Company. The Company takes loans from and issues notes to the market for internal financing purposes. Currency risks for these loans/bonds, if any, are passed on to other group companies. All loan / note programs are 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 may not exceed EUR 15,000,000,000. Notes issued by the Company under the DIP will have 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.
Notes issued under the DIP can be listed for trading on the regulated market of the Luxembourg Stock Exchange and other European stock exchanges.

Notes overview DIP

In 2007, 2008 and 2009 (during the first half of 2010) the following Notes were issued by the Company under the DIP:

Date	*Interest rate*		*€*
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			4,960,366,232

[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 (none in 2009 and the first half of 2010) which are also guaranteed by BASF SE.

Date	*Interest rate*		*€*
27 June 2007	3-Month Euribor + 0.600%	USD 1,350,000,000	917,057,265
24 September 2008	3-Month Euribor + 0.600%		500,000,000
24 September 2008	3-Month Euribor + 0.600%		54,000,000
Issued loans			1,471,057,265

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 1,366,680 (first half of 2009 EUR 1,101,000).

The fluctuations of the exchange rates for the EURO vs. the US dollar (at the beginning of the year 2010 1.4406 and at 30 June 2010 1.2271) and the Swiss Franc (at the beginning of the year 2010 1.4836 and at 30 June 2010 1.3283) 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 2010 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 presently 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

Financial foreign currency risks are the result of the translation of receivables, liabilities and other monetary items. These risks are not hedged using derivative instruments.
The fluctuations of the exchange rates for the EURO vs. the US dollar and the Swiss Franc did not have any substantial influence on the result of the Company.

Audit

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

Responsibility statement

In accordance with article 5:25d 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 2010 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, 9 August 2010

Board of Management:

Signed by

G.A.D. van der Lubbe

Signed by

W.D. Starp

2. Financial statements

2.1. Balance sheet as at 30 June 2010

(EUR x 1,000 before appropriation of result)

	Ref.	30 June 2010		31 Dec. 2009	
		€	€	€	€
NON CURRENT ASSETS					
Financial non-current assets	2.5.1	5,351,704			
Loans to group companies			5,351,704		5,537,393
CURRENT ASSETS					
Accounts receivable and prepayment	2.5.2				
Accounts receivable from group companies		113,319		100,003	
Loans to group companies		228,863		2,777	
Capitalized commission costs		-		-	
Other receivables		1		1	
			342,183		102,781
Cash and cash equivalents	2.5.3		-		-
			5,693,887		5,640,174

	Ref.		30 June 2010		31 Dec. 2009
		€	€	€	€
STOCKHOLDERS´ EQUITY	2.5.4				
Capital stock		2,087		2,087	
Stock premium		2,496		2,496	
Reserve for exchange difference		17		17	
Other reserves		4,359		1,864	
Retained earnings		1,367		2,495	
			10,326		8,959
NON CURRENT LIABILITIES	2.5.5				
Bonds/notes/loan payables			5,349,847		5,535,337
CURRENT LIABILITIES					
Income tax		517		440	
Bonds/notes/loan payables		228,849		2,777	
Other liabilities	2.5.6	104,348		92,661	
			333,714		95,878
			5,693,887		5,640,174

2.2 Income statement for the period 1 January - 30 June 2010

(EUR x 1,000)

		2010	2009
		€	€
Interest and similar income			
Income	2.6.1	138,635	125,944
Interest and similar expense	2.6.2	(132,679)	(120,584)
Gross income from financing Activities		5,956	5,360
General and administrative Expenses		4,146	3,897
		1,810	1,463
Income tax expense	2.6.3	(438)	(362)
Income tax expense previous year		(5)	
Net income		1,367	1,101

2.3 Cash flow statement for the period 1 January - 30 June 2010
(EUR x 1,000)

	2010		2009	
	€	€	€	€
Net income for the year	1,367		1,101	
		1,367		1,101
Changes in working capital:				
Current assets	(239,402)		(237,890)	
Current liabilities	237,836		236,619	
		(1,566)		(1,271)
Cash flow from operating activities		(199)		(170)
(Investments) / Divestments in financial fixed assets	199		170	
Cash flow from investing activities		199		170
Cash flow from financing activities		-		-
Change in cash and cash equivalents		-		-
Cash beginning of year		-		-
Cash at 30 June 2009		-		-
Change in cash and cash equivalents		-		-

2.4 Notes to the 2010 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.

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 Financial instruments

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

Financial instruments also include derivative financial instruments (derivatives) embedded in contracts. These derivatives will be separated from the host contract and accounted for as a separate financial instrument if:

- The economic characteristics and risk of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- The combined instrument is not measured at fair value with changes in fair value recognized in profit or loss

If derivatives embedded in contracts are not separated from the host contract they are recognized in accordance with the host contract.

Financial instruments, including stand alone derivatives as well as derivatives separated from the host contracts, are initially recognized at fair value. After initial recognition, financial instruments are valued in the manner described below.

Loans granted, other receivables and cash and cash equivalents

Loans, receivables and cash and cash equivalents are measured at amortised cost using the effective interest method, less impairment losses. The loans and receivables with a remaining time to maturity that exceeds 12 months are presented as financial fixed assets. Interest income and expense, based on the effective interest method are accounted for in the net interest margin within the income statement.

Bonds issued, loans received and other payables

Bonds issued, loans and other financial commitments are carried at amortized cost using the effective interest method, less impairment losses.

Other purchased loans and bonds are carried at fair market 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.

2.4.4 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.

2.4.5 Foreign currency transaction

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency (EUR) 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, notes and loans. The financing obtained through some of those instruments is denominated in USD and CHF. BASF Finance Europe N.V. in its turn has issued loans to group companies, for the same amount and denominated in the same currency as the aforementioned bonds, notes and loans. As such, the foreign currency risks are passed on to group companies 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 group companies. An additional currency exposure exists for the margin BASF Finance Europe N.V. receives on the loans provided to BASF Group companies.

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 translated at monthly average rates. Foreign exchange gains and losses are included in General and administrative expenses.

2.4.6 Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash and cash equivalents in the cash flow statement comprise the balance sheet items cash at banks and in hand. Cash flows in foreign currency are translated into Euro at the average weighted exchange rates at the dates of the transactions. Receipts and payments of interest, dividends received and corporate income tax are included in the cash flow from operating activities.

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

	30-6-2010	31-12-2009
	€	€
1) Loan 1 BASF Antwerpen N.V.	-	-
2) Loan 2 BASF Antwerpen N.V.	1,000,000	1,000,000
3) Loan 3 BASF Antwerpen N.V.	250,000	250,000
4) Loan 5 BASF Antwerpen N.V.	-	201,860
5) Loan 6 BASF Antwerpen N.V.	149,643	133,903
6) Loan 7 BASF Antwerpen N.V.	499,323	499,223
7) Loan 8 BASF Antwerpen N.V.	53,953	53,946
8) Loan 9 BASF Antwerpen N.V.	1,244,447	1,243,727
9) Loan 10a BASF Antwerpen N.V.	496,198	495,866
10) Loan 10b BASF SE	992,395	991,733
11) Loan 11 BASF SE	149,570	149,537
12) Loan 12 BASF Nederland B.V.	516,175	517,598
Balance as at balance sheet date	5,351,704	5,537,393

2.5.1.1.1 Loan 1 BASF Antwerpen N.V.

	2010	2009
	€	€
Balance as of 1 January	-	182,511
Current portion as at 1 January	2,777	
Issued	-	-
	-	182,511
Redemption of loans	-	(168,748)
Exchange rate difference	483	(10,986)
Balance as of 30 June / 31 December	-	2,777
Current portion as at 30 June / 31 December	3,260	2,777
Long term as at balance sheet date	-	-

This loan has been issued on 22 October 2007 to BASF group Company BASF Antwerpen N.V. for a total amount of $ 1,350,000 (€ 952,986) and a term of 2 years and 9 months. 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 Loan 2 BASF Antwerpen N.V.

	2010	2009
	€	€
Balance as of 1 January	1,000,000	1,000,000
Issued	-	-
Balance as of 30 June / 31 December	1,000,000	1,000,000

This loan has been issued on 26 September 2007 to BASF group Company BASF Antwerpen N.V. for a total amount of € 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 Loan 3 BASF Antwerpen N.V.

	2010	2009
	€	€
Balance as of 1 January	250,000	250,000
Issued	-	-
Balance as of 30 June / 31 December	250,000	250,000

This loan has been issued on 31 October 2007 to BASF group Company BASF Antwerpen N.V. for a total amount of € 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 Loan 5 BASF Antwerpen N.V.

	2010	2009
	€	€
Balance as of 1 January	201,860	201,416
Issued	-	-
Less: disagio	-	-
	201,860	201,416
Correction surcharge in book value 2008	-	3
Amortization of disagio	132	247
Exchange rate difference	23,611	194
Redemption of loans	(217,644)	-
Balance as of 30 June / 31 December	-	201,860
Current portion as at 30 June / 31 December	225,604	-
Cumulative amortization of disagio as at 30 June / 31 December	509	377

This loan has been issued on 3 June 2008 to BASF Group Company BASF Antwerpen N.V. for a total amount of CHF 300,000 less disagio for an amount of CHF 1,100 (TEUR 186,220 less disagio € 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.

2.5.1.1.5 Loan 6 BASF Antwerpen N.V.

	2010	2009
	€	€
Balance as of 1 January	133,903	133,626
Issued	-	-
Less: disagio	-	-
	133,903	133,626
Correction surcharge in book value 2008	-	1
Amortization of disagio	79	147
Exchange rate difference	15,661	129
Balance as of 30 June / 31 December	149,643	133,903
Cumulative amortization of disagio as at 30 June / 31 December	305	226

This loan has been issued on 3 June 2008 to BASF group Company BASF Antwerpen N.V. for a total amount of CHF 200,000 less disagio for an amount of CHF 1,688 (€ 124,146 less disagio € 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.

2.5.1.1.6 Loan 7 BASF Antwerpen N.V.

	2010	2009
	€	€
Balance as of 1 January	499,223	499,024
Issued	-	-
Less: disagio	-	-
	499,223	499,024
Amortization of disagio	100	199
Balance as of 30 June / 31 December	499,323	499,223
Cumulative amortization of disagio as at 30 June / 31 December	348	248

This loan has been issued on 24 September 2008 to BASF group Company BASF Antwerpen N.V. for a total amount of € 500,000 less disagio for an amount of € 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.

2.5.1.1.7 Loan 8 BASF Antwerpen N.V.

	2010	2009
	€	€
Balance as of 1 January	53,946	53,932
Issued	-	-
Less: disagio	-	-
	53,946	53,932
Amortization of disagio	7	14
Balance as of 30 June / 31 December	53,953	53,946
Cumulative amortization of disagio as at 30 June / 31 December	24	17

This loan has been issued on 24 September 2008 to BASF group Company BASF Antwerpen N.V. for a total amount of € 54,000 less disagio for an amount of € 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.

2.5.1.1.8 Loan 9 BASF Antwerpen N.V.

	2010	2009
	€	€
Balance as of 1 January	1,243,727	1,242,355
Issued	-	-
Less: disagio	-	-
	1,243,727	1,242,355
Amortization of disagio	720	1,372
Balance as of 30 June / 31 December	1,244,447	1,243,727
Cumulative amortization of disagio as at 30 June / 31 December	2,197	1,477

This loan has been issued on 4 December 2008 to BASF group Company BASF Antwerpen N.V. for a total amount of € 1,250,000 less disagio for an amount of € 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.

2.5.1.1.9 Loan 10a BASF Antwerpen N.V.

	2010	2009
	€	€
Balance as of 1 January	495,866	-
Issued	-	500,000
Less: disagio	-	4,705
	495,866	495,295
Amortization of disagio	332	571
Balance as of 30 June / 31 December	496,198	495,866
Cumulative amortization of disagio as at 30 June / 31 December	903	571

This loan has been issued on 9 February 2009 to BASF group Company BASF Antwerpen N.V. for a total amount of € 500,000 less disagio for an amount of € 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.

2.5.1.1.10 Loan 10b BASF SE

	2010	2009
	€	€
Balance as of 1 January	991,733	-
Issued	-	1,000,000
Less: disagio	-	-9,410
	991,733	990,590
Amortization of disagio	662	1,143
Balance as of 30 June / 31 December	992,395	991,733
Cumulative amortization of disagio as at 30 June / 31 December	1,805	1,143

This loan has been issued on 9 February 2009 to BASF SE for a total amount of € 1,000,000 less disagio for an amount of € 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.

2.5.1.1.11 Loan 11 BASF SE

	2010	2009
	€	€
Balance as of 1 January	149,537	-
Issued	-	150,000
Less: disagio	-	517
	149,537	149,483
Amortization of disagio	33	54
Balance as of 30 June / 31 December	149,570	149,537
Cumulative amortization of disagio as at 30 June / 31 December	87	54

This loan has been issued on 24 February 2009 to BASF SE for a total amount of € 150,000 less disagio for an amount of € 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.

2.5.1.1.12 Loan 12 BASF Nederland B.V.

	2010	2009
	€	€
Balance as of 1 January	517,598	-
Issued	-	590,000
Plus: agio	-	19,290
	517,598	519,290
Amortization of agio	(1,423)	(1,692)
Balance as of 30 June / 31 December	516,175	517,598
Cumulative amortization of agio as at 30 June/ 31 December	(3,115)	(1,692)

This loan has been issued on 29 May 2009 to BASF group Company BASF Nederland B.V. for a total amount of € 500,000 plus agio for an amount of € 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 fully amortized (2009: fully amortized).

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	Inappro-priated result	Total
	€	€	€	€	€	€
1 Jan. 2009	2,087	2,496	17	515	1,349	6,464
Addition to other reserves	-	-	-	1,349	(1,349)	-
Net income for financial year	-	-	-	-	2,495	2,495
Balance at start of financial year	2,087	2,496	17	1,864	2,495	8,959
Addition to other reserves	-	-	-	2,495	(2,495)	-
Net income for financial year	-	-	-	-	1,367	1,367
Closing balance at 30 June 2010	2,087	2,496	17	4,359	1,367	10,326

2.5.4.1 Authorised and issued capital

The authorised and issued capital of the Company amounts to € 2,087 (2009: € 2,087) consisting of 46,375 ordinary shares with a nominal value of € 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 € 45.-. For the exchange difference, a reserve was created for an amount of € 17,531.-.

2.5.5 Non current liabilities

	2010	2009
	€	€
1) Loan 1, Bank of America Securities LLC and Morgan Stanley & Co Inc.	-	-
2) Loan 2, 5% Euro bond 2007-2014	996,638	996,290
3) Loan 3, 5% Euro bond 2007-2014	251,501	251,659
4) Loan 5, 3.25% CHF bond 2008-2011	-	201,850
5) Loan 6, 3.625% CHF bond 2008-2015	149,641	133,901
6) Loan 7, Landesbank Baden-Württemberg (Joint-Lead-Manager) 2008-2013	499,324	499,223
7) Loan 8, Landesbank Baden-Württemberg (Joint-Lead-Manager) 2008-2013	53,953	53,946
8) Loan 9, 6% Euro bond 2008-2013	1,244,454	1,243,732
9) Loan 10, 5.125% Euro bond 2009-2015	1,488,610	1,487,611
10) Loan 11, 4.5% Euro bond 2009-2016	149,570	149,537
11) Loan 12, 5.125% Euro bond 2009-2015	516,156	517,588
Balance as of 30 June / 31 December	5,349,847	5,535,337

Of the total amount of long term liabilities, € 5,200,277 is payable after 2012 and € 149,570 is payable after 2016.

	Total	**2012 up to and including 2015**	**2016 and 2017**
	€	€	€
1) Loan 1, Bank of America Securities LLC and Morgan Stanley & Co. Inc.	-	-	-
2) Loan 2, 5% Euro bond 2007-2014	996,638	996,638	-
3) Loan 3, 5% Euro bond 2007-2014	251,501	251,501	-
4) Loan 5, 3.25% CHF bond 2008-2011	-	-	-
5) Loan 6, 3.625% CHF bond 2008-2015	149,641	149,641	-
6) Loan 7, Landesbank Baden-Württemberg (Joint-Lead-Manager) 2008-2013	499,324	499,324	-
7) Loan 8, Landesbank Baden-Württemberg (Joint-Lead-Manager) 2008-2013	53,953	53,953	-
8) Loan 9, 6% Euro bond 2008-2013	1,244,454	1,244,454	-
9) Loan 10, 5.125% Euro bond 2009-2015	1,488,610	1,488,610	-
10) Loan 11, 4.5% Euro bond 2009-2016	149,570	-	149,570
11) Loan 12, 5.125% Euro bond 2009-2015	516,156	516,156	-
Total	5,349.847	5,200,277	149,570

2.5.5.1 Loan 1, Bank of America Securities LLC and Morgan Stanley & Co. Inc.

	2010	2009
	€	€
Balance as of 1 January	-	182,511
Current portion as at 1 January	2,777	
Notes received	-	-
	-	182,511
Redemption of notes	-	(168,748)
Exchange rate difference	483	(10,986)
Balance as of 30 June / 31 December	-	2,777
Current portion as at 30 June / 31 December	3,260	2,777
Long term as at 30 June / 31 December	-	-

On 27 June 2007 BASF Finance Europe N.V. received a loan for a total amount of $ 1,350,000 ($ 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 loan.

2.5.5.2 Loan 2, 5% Euro Bond 2007-2014

	2010	2009
	€	€
Balance as of 1 January	996,290	995,613
Bonds received	-	-
Less: disagio	-	-
	996,290	995,613
Amortization of disagio	348	677
Balance as of 30 June / 31 December	996,638	996,290
Cumulative amortization of disagio as at 30 June / 31 December	1,838	1,490

On 26 September 2007 BASF Finance Europe N.V. issued bonds at the Luxembourg Stock Exchange and the Frankfurter Stock Exchange (planned) for a total amount of € 1,000,000 less disagio for an amount of € 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 Loan 3, 5% Euro Bond 2007-2014

	2010	2009
	€	€
Balance as of 1 January	251,659	251,978
Bonds received	-	-
Agio	-	-
	251,659	251,978
Amortization of agio	(158)	(319)
Balance as of 30 June / 31 December	250,501	251,659
Cumulative amortization of agio as at 30 June / 31 December	270	428

On 31 October 2007 BASF Finance Europe N.V. issued bonds at the Luxembourg Stock Exchange and the Frankfurter Stock Exchange for a total amount of € 250,000 with agio for an amount of € 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 Loan 5, 3.25% CHF Bond 2008-2011

	2010	2009
	€	€
Balance as of 1 January	201,850	201,417
Bonds received	-	-
Less: disagio	-	-
	201,850	201,417
Amortization of disagio	129	239
Exchange rate difference	23,610	194
Balance as of 30 June / 31 December	-	201,850
Current portion as at 30 June / 31 December	225,589	-
Long term as at 30 June / 31 December	-	201,850
Cumulative amortization of disagio as at 31 December	505	376

On 3 June 2008 BASF Finance Europe N.V. issued bonds at the SWX Swiss Exchange for a total amount of CHF 300,000 less disagio for an amount of CHF 1,100 (€ 186,220 less disagio € 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 Loan 6, 3.625% CHF Bond 2008-2015

	2010	2009
	€	€
Balance as of 1 January	133,901	133,626
Bonds issued	-	-
Less: disagio	-	-
	133,901	123,626
Amortization of disagio	78	146
Exchange rate difference	15,662	129
Balance as of 30 June / 31 December	149,641	133,901
Cumulative amortization of disagio as at 30 June / 31 December	302	224

On 3 June 2008 BASF Finance Europe N.V. issued bonds at the SWX Swiss Exchange for a total amount of CHF 200,000 less a disagio for an amount of CHF 1,688 (€ 124,146 less disagio € 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 Loan 7, Landesbank Baden-Württemberg (Joint-Lead-Manager) 2008-2013

	2010	2009
	€	€
Balance as of 1 January	499,223	499,025
Loans received	-	-
Less: disagio	-	-
		499,025
Amortization of disagio	101	198
Balance as of 30 June / 31 December	499,324	499,223
Cumulative amortization of disagio as at 30 June / 31 December	349	248

On 24 September 2008 BASF Finance Europe N.V. received a loan for a total amount of € 500,000 less disagio for an amount of € 1,025, from several participating banks with Landesbank Baden-Württemberg as Joint-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 Loan 8, Landesbank Baden-Württemberg (Joint-Lead-Manager) 2008-2013

	2010	2009
	€	€
Balance as of 1 January	53,946	53,932
Loans received	-	-
Less: disagio	-	-
		53,932
Amortization of disagio	7	14
Balance as of 30 June / 31 December	53,953	53,946
Cumulative amortization of disagio as at 30 June / 31 December	24	17

On 24 September 2008 BASF Finance Europe N.V. received a loan for a total amount of € 54,000 less disagio for an amount of € 71, from several different banks with Landesbank Baden-Württemberg as Joint- 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 Loan 9, 6% Euro Bond 2008-2013

	2010	2009
	€	€
Balance as of 1 January	1,243,732	1,242,355
Bonds received	-	-
Less: disagio	-	-
		1,242,355
Amortization of disagio	722	1,377
Balance as of 30 June / 31 December	1,244,454	1,243,732
Cumulative amortization of disagio as at 30 June / 31 December	2,204	1,482

On 4 December 2008 BASF Finance Europe N.V. issued bonds at the Luxembourg Stock Exchange and Frankfurter Stock Exchange for a total amount of € 1,250,000 less disagio for an amount of € 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 Loan 10, 5.125% Euro Bond 2009-2015

	2010	2009
	€	€
Balance as of 1 January	1,487,611	-
Bonds received	-	1,500,000
Less: disagio	-	14,115
	1,487,611	1,485,885
Amortization of disagio	999	1,726
Balance as of 30 June / 31 December	1,488,610	1,487,611
Cumulative amortization of disagio as at 30 June / 31 December	2,725	1,726

On 9 February 2009 BASF Finance Europe N.V. issued bonds at the Luxembourg Stock Exchange and Frankfurter Stock Exchange for a total amount of € 1,500,000 less disagio for an amount of € 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 Loan 11, 4.5% Euro Bond 2009-2016

	2010	2009
	€	€
Balance as of 1 January	149,537	-
Bonds received	-	150,000
Less: disagio	-	517
	149,537	149,483
Amortization of disagio	33	54
Balance as of 30 June / 31 December	149,570	149,537
Cumulative amortization of disagio as at 30 June / 31 December	87	54

On 24 February 2009 BASF Finance Europe N.V. issued bonds at the Luxembourg Stock Exchange for a total amount of € 150,000 less disagio for an amount of € 517, through Commerzbank AG. The bonds will be repaid on 24 February 2016. The interest amounts to 4.5% annual and will be paid for the first time at 24 February 2010. BASF SE is the guarantor for these bonds.

2.5.5.11 Loan 12, 5.125% Euro Bond 2009-2015

	2010	2009
	€	€
Balance as of 1 January	517,588	-
Bonds received	-	500,000
Plus: agio	-	19,290
	517,588	519,290
Amortization of agio	(1,432)	(1,702)
Balance as of 30 June / 31 December	516,156	517,588
Cumulative amortization of agio as at 30 June / 31 December	(3,134)	(1,702)

On 29 May 2009 BASF Finance Europe N.V. issued bonds at the Luxembourg Stock Exchange and Frankfurter Stock Exchange for a total amount of € 500,000 with agio for an amount of € 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.

	2010	2009
	€	€
Income Tax	517	440
Bonds	228,849	2,777
Other liabilities		
Payable interest	104,348	92,654
Creditors	-	-
Other payables	-	7
	333,714	95,878

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

2.6.1 Interest income

	2010	2009
	€	€
1) Loan 1, Interest income BASF Antwerpen N.V.	8	2,923
2) Loan 2, Interest income BASF Antwerpen N.V.	26,185	26,185
3) Loan 3, Interest income BASF Antwerpen N.V.	6,229	6,229
4) Loan 5, Interest income BASF Antwerpen N.V.	3,736	3,563
5) Loan 6, Interest income BASF Antwerpen N.V.	2,743	2,614
6) Loan 7, Interest income BASF Antwerpen N.V.	3,782	7,744
7) Loan 8, Interest income BASF Antwerpen N.V.	405	832
8) Loan 9, Interest income BASF Antwerpen N.V.	39,091	39,048
9) Loan 10a, Interest income BASF Antwerpen N.V.	13,659	10,705
10) Loan 10b, Interest income BASF SE	27,318	21,410
11) Loan 11, Interest income BASF SE	3,566	2,501
12) Loan 12, Interest income BASF Nederland B.V.	11,905	2,173
13) Interest income others	8	17
Total interest income	138,635	125,944

2.6.2 Interest and similar expense

	2010	2009
	€	€
1) Loan 1, Interest Bank of America Securities LLC and Morgan Stanley & Co. Inc.	5	2,561
2) Loan 2, Interest 5% Euro bond 2007-2014	25,143	25,126
3) Loan 3, Interest 5% Euro bond 2007-2014	6,041	6,042
4) Loan 5, Interest 3.25% CHF bond 2008-2011	3,534	3,366
5) Loan 6, Interest 3.625% CHF bond 2008-2015	2,610	2,486
6) Loan 7, Interest Landesbank Baden-Württemberg 2008-2013	3,304	7,263
7) Loan 8, Interest Landesbank Baden-Württemberg 2008-2013	353	780
8) Loan 9, Interest 6% Euro bond 2008-2013	37,913	37,871
9) Loan 10, Interest 5.125% Euro bond 2009-2015	39,120	30,660
10) Loan 11, Interest 4.5% Euro bond 2009-2016	3,380	2,371
11) Loan 12, Interest 5.125% Euro bond 2009-2015	11,276	2,058
12) Interest expense others	-	-
Total interest expense	132,679	120,584

2.6.3 Taxation

Taxations consist of current income tax. The effective tax rate of 24,2% (2009: 24.7%) is equal to the prevailing tax rates for 2010 in The Netherlands.

2.6.4 Employees

The average number of employees during the year, converted to full-time equivalents, is 0 (2009: 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 of directors

During the year the directors did not receive any remuneration.

Prepared on 9 August 2010

Management Board:

Signed by	Signed by
G.A.D. van der Lubbe	W.D. Starp