LyondellBasell Industries N.V.

Financial Report

For the Year Ended 31 December 2013

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1 Report of the Board of Management

LyondellBasell Industries N.V. is a global, independent chemical company and was incorporated under Dutch law on 15 October 2009. Unless otherwise indicated, the “Company,” “we,” “our,” “us” and “LyondellBasell” are used in this report to refer to the businesses of LyondellBasell Industries N.V. and its consolidated subsidiaries. We are one of the world’s top five independent chemical companies based on revenues.

We participate globally across the petrochemical value chain and are an industry leader in many of our product lines. Our chemicals businesses consist primarily of large processing plants that convert large volumes of liquid and gaseous hydrocarbon feedstocks into plastic resins and other chemicals. Our chemical products tend to be basic building blocks for other chemicals and plastics, while our plastic products are typically used in large volume applications. Our customers use our plastics and chemicals to manufacture a wide range of products that people use in their everyday lives including food packaging, home furnishings, automotive components, paints and coatings. Our refining business consists of our Houston refinery, which processes crude oil into products such as gasoline, diesel and jet fuel.

Our financial performance is influenced in general by the supply and demand for the products that we produce, the cost and availability of feedstocks, global and regional competitor capacity, our operational efficiency and our ability to control costs. We have a strong operational focus and, as a producer of large volume commodities, continuously strive to differentiate ourselves through safe, reliable and low-cost operations in all our businesses. During recent years the cost of natural gas-derived raw materials in the U.S. versus the global cost of crude oil-derived raw materials has had a significant positive influence on the profitability of our North American operations. To a lesser extent, our differentiated assets and technology also positively influence our performance as compared to our peers and competitors. These include our propylene oxide and polypropylene technologies, flexible feedstock olefins plants in the U.S., joint venture olefins and polyolefins plants with access to low-cost feedstock, particularly in Saudi Arabia, and our Houston refinery which is capable of processing heavy, high-sulfur crude.

1.1 About LyondellBasell

We manage our operations through five operating segments. Our reportable segments are:

- **Olefins and Polyolefins–Americas (“O&P–Americas”).** Our O&P–Americas segment produces and markets olefins, including ethylene and ethylene co-products, and polyolefins.

- **Olefins and Polyolefins–Europe, Asia, International (“O&P–EAI”).** Our O&P–EAI segment produces and markets olefins, including ethylene and ethylene co-products, polyolefins and polypropylene compounds.

- **Intermediates and Derivatives (“I&D”).** Our I&D segment produces and markets propylene oxide (“PO”) and its co-products and derivatives, acetyls, including methanol, ethanol, ethylene oxide (“EO”) and its derivatives, and oxygenated fuels or oxyfuels.

- **Refining.** Our Refining segment refines heavy, high-sulfur crude oils and other crude oils of varied types and sources available on the U.S. Gulf Coast.

- **Technology.** Our Technology segment develops and licenses chemical and polyolefin process technologies and manufactures and sells polyolefin catalysts.

1.2 Our Strategy

Our Company's goals are targeted at serving our customers, our employees, the environment, the communities in which we work, and our shareholders. Our primary strategy continues to be the improvement of our organization and maximization of returns to our shareholders by focusing on operational excellence, cost reductions, capital discipline, portfolio management, and a performance driven culture.

Our operational excellence programs include commitments to safety, environmental stewardship, and improved reliability. We believe optimal operations can be achieved through a systematic application of standards and improved maintenance procedures, which is also expected to result in improved personnel and process safety and environmental performance.

We continue to pursue cost reductions across our system. We believe that our worldwide manufacturing scale positions us to minimize costs per unit, a critical operational measure for petrochemical and refining companies. We will continue to focus on upgrading our customer and product mix to realize premium pricing. We also intend to increase our sales of value-added, differentiated products by leveraging our leading technological platform, worldwide presence, strong customer relationships and reliability and quality.

We remain focused on disciplined capital allocation across all of our businesses. Our plans include capturing opportunities created by the recent expansion of shale gas production in the U.S., which is providing increasing amounts of low-cost feedstocks for our businesses. About half of our total capital is funding these discretionary growth projects, mainly focused in our O&P–Americas and I&D segments. We believe several of these projects can be completed and brought on-stream well ahead of our competition, as demonstrated by the restart of our Channelview, Texas methanol unit in late 2013. We also continue to execute projects required to enhance reliability and maintain the overall asset portfolio. This includes key maintenance and repair activities ("turnarounds") in each segment and necessary regulatory and maintenance spending.

We continuously and carefully evaluate our asset portfolio and may initiate further rationalization or enter into investments and acquisitions depending on market conditions and opportunities.

We have established benchmarking, goal setting and results measurement processes for our entire organization. These processes are intended to instill a company-wide, performance driven culture of accountability. We believe we have outstanding assets and highly qualified employees. With our performance expectations, we are rapidly increasing our competitiveness.

Our strong, industry-leading technologies provide us with a platform for future growth. We intend to continue to improve our operations in the mature, highly sophisticated markets in Europe and North America, and are seeking opportunities to grow in rapidly developing markets like Asia and regions with access to low cost feedstocks.

1.3 Sustainability

Our approach to sustainability

LyondellBasell's employees and management team are committed to sustainable development. We define sustainability as the responsible and ethical use of resources to improve the everyday quality of life in the world around us.

Through our stewardship of natural resources and with a focus on technological advancements, we believe we can help improve the quality of life today and for future generations.

The specifics of sustainability

We manage resources and the impact of our operations to create products that contribute to sustainability.

As a significant participant in the global economy, we have the responsibility to:

- Create value for our investors and customers
- Protect the well-being of our employees, contractors and the communities in which we operate
- Manage product safety
- Protect the environment and preserve resources for future generations
- Supply products that enhance the quality of life worldwide

We are global citizens

We are committed to protecting the environment, human health and safety and the communities where we operate. In fact, we believe that we must go beyond protection and enhance those communities. We deliver on this commitment by:

- Conserving energy
- Minimizing our impact on the environment
- Delivering essential products to the healthcare market
- Producing the basic building blocks for products that enhance consumer safety, quality of life, convenience and energy conservation
- Volunteering in community service activities

We are dedicated to safety excellence. In 2013, LyondellBasell continued to operate with industry leading safety performance. The Company's safety performance in 2013, measured by total recordable incident rate for employees and contractors, was 0.23. We utilize the U.S. Occupational Safety and Health Administration ("OSHA") definition for injury rate, which is the number of injuries recorded per 200,000 hours worked.

Our process safety is focused on the pro-active identification and management of hazards in our operations. It plays a significant role in our overall safety performance and in fulfilling our commitment to operate in a manner that protects our people, the environment and our business relationship with our customers.

Our Operational Excellence philosophy establishes uniform management system requirements for areas that have a direct impact on process safety. These management system requirements include mechanical integrity and inspection programs, the management of change process, process hazard analysis programs, risk assessment proficiency, the incident investigation and reporting process, and the maintenance of process safety information. Other elements essential to a successful process safety program include effective communication and employee training.

LyondellBasell maintains a comprehensive Process Hazard Analysis ("PHA") and risk assessment program covering our manufacturing and research sites. The purpose of the PHA program is to identify hazards associated with chemical processes before the hazards manifest themselves and to implement recommendations to reduce the risk of the consequences of those hazards occurring. The PHA documentation is reviewed on a periodic basis to incorporate changes to the facilities and to include new information related to the manufacturing process.

Process safety is important at all stages of a manufacturing facility's life cycle, from conceptual design to initial equipment design, layout and construction, to the operation, inspection and maintenance of the equipment. As a result, proposed changes to manufacturing facilities undergo a process safety review to understand what new hazards might be introduced by the modifications and how those hazards will be managed.

Exemplary process safety performance is achieved through effective identification and mitigation of hazards, robust maintenance and inspection programs, effectively trained personnel and effective process communication with overall awareness of how individual actions can impact process safety. We also periodically audit these systems to ensure their effectiveness and to support sustained performance and continuous improvement.

Our Product Stewardship efforts promote the safe and responsible use of our products. We strive to understand the safety, health and environmental issues associated with the manufacture, distribution and use of our products and we share that understanding with our business partners and other stakeholders.

We are dedicated to minimizing our emissions and improving our energy efficiency. We are making the investments necessary to accomplish this goal through cost-effective compliance, business-driven improvement and science-based risk management. Since 2009, we have reduced energy consumption use for sites currently in operation by approximately 15%.

1.4 Research and Development

Our research and development activities are designed to improve our existing products and processes, and discover and commercialize new materials, catalysts and processes. These activities focus on product and application development, process development, catalyst development and fundamental polyolefin focused research.

In 2013 and 2012, our research and development expenditures were $121 million and $151 million, respectively. A portion of these expenses are related to technical support and customer service and are allocated to the segments.

1.5 Management's Discussion and Analysis of Results of Operations

Highlights for the period ended 31 December 2013:

- Net income of $3.8 billion ($2.6 billion in 2012);
- Issuance of $0.75 billion 4% guaranteed notes due 2023 and $0.75 billion 5.25% guaranteed notes due 2043 ($2 billion 5% senior notes due 2019 and $1 billion 5.75% senior notes due 2024 in 2012);
- Amended our €450 million European receivables securitization facility to obtain more favorable terms and conditions and to extend the maturity date of the facility to April 2016;
- Extended the maturity of our $2,000 million Senior Revolving Credit Facility by one year until May 2018;
- Our credit rating was raised to investment grade by Moody's Investor Service and Standard & Poors;
- We repurchased approximately 27.4 million of our ordinary shares under a share purchase program following shareholder and Supervisory Board approval on 22 May 2013;
- We increased our interim dividends in 2013 from $0.40 to $0.60 per share (from $0.25 to $0.40 per share in 2012);
- We paid dividends totaling $1.1 billion in 2013 ($2.4 billion, including a special dividend of $2.75 per share in 2012);
- We migrated our tax residency to the United Kingdom, providing flexibility for structuring subsidiary operations and for global cash management and repatriation strategies;
- We began construction of our ethylene expansion projects at our La Porte and Channelview facilities in Texas;
- We completed a methanol plant restart in Channelview, Texas, and a butadiene expansion project in Wesseling, Germany; and
- We had liquidity of $7.9 billion ($6.1 billion in 2012), including cash of $4.5 billion ($2.7 billion in 2012) at year end.

The following selected financial data of the Company should be read in conjunction with the Consolidated Financial Statements and related notes thereto and Management's discussion and analysis of our results of operations below. The selected financial data of the Company is derived from its audited Consolidated Financial Statements.

Millions of U.S. Dollars (except for earnings per share amounts)	**For the Year Ended 31 December 2013**	**For the Year Ended 31 December 2012**
Results of Operations Data		
Revenue	$ 44,071	$ 45,595
Operating profit	4,893	4,222
Finance costs	262	640
Depreciation, amortization and impairments	1,007	1,038
Profit for the year	3,780	2,565
Earnings per share:		
Basic	6.67	4.50
Diluted	6.62	4.45
Balance Sheet Data		
Total equity	12,088	10,770
Borrowings	5,768	4,347
Cash and cash equivalents	(4,450)	(2,732)
Net debt	1,318	1,615
Trade and other receivables	4,748	4,346
Inventories	4,997	4,905
Trade and other payables	(4,739)	(4,255)
Net working capital	5,006	4,996
Cash Flow Data		
Net cash provided by (used in):		
Operating activities	4,667	4,670
Investing activities	(1,396)	(896)
Including purchase of property, plant and equipment	(1,561)	(1,060)
Financing activities	(1,627)	(2,145)

1.5.1 General

This discussion should be read in conjunction with the information contained in our Consolidated Financial Statements, and the accompanying notes elsewhere in this report. When we use the terms "we," "us," "our" or similar words in this discussion, unless the context otherwise requires, we are referring to LyondellBasell Industries N.V. and its consolidated subsidiaries.

References to industry benchmark prices or costs, including the weighted average cost of ethylene production, are generally to industry prices and costs from third-party consulting data. References to industry benchmarks for refining and oxyfuels market margins are to industry prices reported by Platts, a reporting service of The McGraw-Hill Companies. References to industry benchmark prices for crude oil and natural gas are to Bloomberg.

Our performance is driven by, among other things, global economic conditions generally and their impact on demand for our products, raw material and energy prices, as well as industry-specific issues, such as production capacity. Our businesses are generally subject to the cyclicality and volatility seen in the chemicals and refining industries.

1.5.2 Overview of Results of Operations

Our performance during 2013 highlights the pattern of solid financial results built using our back-to-basics strategy, supplemented with high return growth projects. We continue progress by maintaining our focus on these back to basic principles, cost containment and capital discipline. Our high return, growth projects include projects that are focused on capturing additional advantages from U.S. shale gas.

Significant items that affected 2013 results include:

- The continued benefit to our U.S. operations from the availability of low cost natural gas and natural gas liquids;
- Increased liquefied petroleum gas ("LPG") cracking in our European facilities;
- Low refining margins, a decline in crude processing rates relative to 2012 primarily due to turnaround activities, the increased cost of renewable identification numbers ("RINs") and low values for refinery by-products; and
- The benefit from the tax impact of recognition of deferred tax assets related primarily to French tax losses.

Revenues—We had revenues of $44,071 million in 2013 and $45,595 million in 2012. Revenues decreased by $1,524 million in 2013 compared to 2012 mainly due to lower sales volumes in 2013. This decline in sales volumes primarily reflects the negative impact of lower crude processing rates at the Houston refinery on refining product volumes, which was offset in part by higher olefins sales volumes in our O&P–Americas segment. The impact of lower sales volumes was slightly mitigated by the effect of favorable exchange rates. Sales prices were relatively unchanged in 2013 compared to 2012.

Cost of Sales—Cost of sales were $38,152 million in 2013 and $40,428 million in 2012. The decrease in Cost of sales reflects lower volumes and lower feedstocks costs. These favorable impacts were partly offset by the unfavorable effect of changes in foreign exchange rates in 2013 relative to 2012 and the impact of the one-time items specific to 2012 discussed below. A shift to cracking more natural gas liquids ("NGLs") in our O&P–Americas segment, increased benefits from LPG cracking and the lower cost of naphtha in our O&P–EAI segment, and lower crude oil costs in our Refining segment were the most significant contributors to our lower feedstock costs in 2013. These benefits were offset in part by the higher costs of RINs and natural gas in our Refining segment and the higher costs of propylene, benzene and natural gas feedstocks in our I&D segment.

Apart from the factors described above, Cost of sales in 2012 included benefits totaling $152 million related to insurance proceeds from a 2008 hurricane, a recovery related to a former employee who pled guilty to fraud and the reversal of a reserve for an unfavorable monomer contract. These 2012 benefits were offset in part by charges totaling $97 million related to reorganization activities in Europe, facility closure costs in Australia and Italy, and the impairment of a low density polyethylene ("LDPE") plant in Europe.

Operating Profit—Our operating profit was $4,893 million and $4,222 million in 2013 and 2012, respectively. The increase in 2013 operating profits reflects higher margins, offset in part by the decline in volumes and items specific to 2012 discussed above. The lower cost of feedstocks led to the improvement in margins in 2013, as sales prices were relatively unchanged compared to 2012.

The higher margins in 2013 were related to olefins and polyethylene in our O&P–Americas and O&P–EAI segments and styrene, ethylene oxide/ethylene glycol ("EO"/"EG") and acetyls in our I&D segment. These improvements were partially offset by lower refining margins in our Refining segment and lower margins for oxyfuels, butanediol ("BDO") and solvents in our I&D segment.

Finance Costs—Finance costs were $262 million in 2013 and $640 million in 2012. In 2012, we refinanced most of our long-term debt with lower coupon notes. In connection with the refinancing, we paid $294 million of premiums and wrote off $18 million of unamortized debt issuance costs. The benefit of lower interest expense from the refinancing was partially offset in 2013 by interest on our 4% Notes due 2023 and 5.25% Notes due 2043, which were issued in July 2013.

Interest expense in 2012 included $53 million write-off of unamortized debt issuance costs in connection with the termination of our U.S. asset-based credit facility in May 2012.

Share of Profit of Associates and Joint Ventures—The Company had income from associates totaling $203 million in 2013 and $143 million in 2012. The $60 million increase in income from associates and joint ventures reflected higher margins and improved operations from our joint ventures in the Middle East and Asia. These benefits were offset in part by a $10 million impairment of our NOC Asia Ltd. joint venture. For additional information related to this impairment, see Note 15 to the Consolidated Financial Statements. Operations improved in 2013 at our Al Waha joint venture as a result of turnaround activities there in 2012. Results for 2012 were also negatively affected by planned maintenance activities at our HMC joint venture and unplanned outages at our Al Waha joint venture.

Income Tax—The weighted average applicable tax rates for 2013 and 2012 were 34.1% and 36.2%, respectively. The decrease was primarily attributable to the change in the geographical mix of income coupled with new substantially enacted tax rates in France, the United Kingdom and various local and provincial jurisdictions. Our effective income tax rate of 22.0% in 2013 and 31.5% in 2012 resulted in tax provisions of $1,068 million and $1,178 million, respectively. The 2013 weighted average applicable tax rate decreased primarily due to the recognition of deferred tax assets in France. This resulted in a tax benefit of $330 million coupled with other movements in the recognition of deferred tax assets of $15 million. Management's decision to recognize the deferred tax assets for France is explained in Note 25 to the Consolidated Financial Statements.

Other Comprehensive Income—We had Total comprehensive income of $4,316 million in 2013 and $2,603 million in 2012. The increases in other comprehensive income in 2013 over 2012 mainly reflected increases in profit for the year, remeasurements of post-employment benefits obligations and currency translation of foreign operations.

In 2013, $493 million of gains on the net remeasurement of post-employment benefits obligations reflects $233 million of discount rate assumption changes and other immaterial liability experience gains and losses, and $230 million of return on plan assets. In 2012, $109 million of losses on the remeasurement of post-employment benefits obligation primarily reflect $206 million of discount rate assumption changes and other immaterial liability experience gains and losses, partially offset by $124 million of return on plan assets. See Note 3 "Critical Accounting Estimates and Judgments" and Note 26 "Retirement Benefit Obligations" to the Consolidated Financial Statements for additional information on the key assumptions included in calculating the discount rate.

The predominant local currency of our operations outside the United States is the euro, which has increased relative to the value of the U.S. dollar during 2013, resulting in gains as reflected on the Consolidated Statement of Other Comprehensive Income.

1.5.3 Segment Analysis

Our operations are managed through five operating segments: O&P–Americas; O&P–EAI; I&D; Refining; and Technology. Each of the operating segments is separately managed under a structure that includes senior executives who report directly to our Chief Executive Officer ("CEO") and discrete financial information for each of the segments is available. Our CEO uses the operating results of each of the five operating segments for performance evaluation and resource allocation and, as such, is the chief operating decision maker.

Accounting policies for internal reporting, which are based on accounting principles generally accepted in the United States of America ("U.S. GAAP"), are materially similar to those described in Summary of Significant Accounting Policies (see Note 2 of the Consolidated Financial Statements), except for:

- *Discontinued Operations*—The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 205, *Presentation of Financial Statements* ("ASC 205"), requires the results of operations of a component of an entity be reported in the discontinued operations if both of the following conditions are met: (a) the operations and cash flows of the component have been (or will be) eliminated from the ongoing operations of the entity as a result of the disposal transaction and (b) the entity will not have any significant continuing involvement in the operations of the component after the disposal transaction. The suspension of the Berre Refinery operations met these criteria and were treated as discontinued operations under U.S. GAAP. Under International Financial Reporting Standards ("IFRS") and this financial report, the suspension of the Berre Refinery operations has been accounted for under IFRS 5, *Non-current assets held for sale and discontinued operations* ("IFRS 5"). IFRS 5 defines a discontinued operation as a component of an entity that either has been disposed of or is classified as held for sale, and represents a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. For IFRS, the Berre Refinery did not meet the definition of a separate major line of business because the Company has not exited the refining business, and thus did not qualify for discontinued operations.

- *Inventories*—The Company measures its inventories in accordance with the Last In, First Out ("LIFO") method, which is permitted under U.S. GAAP. According to International Accounting Standards ("IAS") 2, *Inventories*, the LIFO method is prohibited under IFRS. Therefore, inventories are measured using the First In, First Out ("FIFO") method for the Consolidated Financial Statements. This inventory measurement difference between the reportable segments and the consolidated information results in different cost of sales and net profit for the period.

- *Employee Benefits*—Under U.S. GAAP, ASC Topic 715, *Compensation – Retirement Benefits* ("ASC 715") requires the interest expense component of pension expense to be calculated as the product of the defined benefit liability and the discount rate. Such interest expense is netted against interest income resulting from the expected rate of return on plan assets applied to the market value of assets. The expected rate of return on plan assets is a longer term rate, and is expected to change less frequently than the discount rate, reflecting long-term market expectations, rather than current fluctuations in market conditions. Under IFRS, in accordance with *IAS 19, Employee Benefits*, the Company recognizes a net interest expense (income), which is the product of the net defined benefit liability (asset) and the discount rates, as a component of its pension expense on defined benefit plans.

Under ASC 715, past service cost and actual return on plan assets in excess of expected return are initially recorded in other comprehensive income and subsequently recognized in earnings over the average remaining service period of the participants to the extent it exceeds the “corridor”. The corridor is defined as the greater of 10 percent of the accumulated projected benefit obligation or the fair value of the plan assets as of the beginning of the year. Under IFRS, the Company recognizes immediately past service cost and net interest expense (income) as discussed above in the Consolidated Statement of Income. Actual return of plan assets in excess of recognized interest income is permanently recorded in other comprehensive income.

- *Other*—Amongst others, there are minor differences between IFRS and U.S. GAAP with respect to subsequent measurement of asset retirement obligations, capitalization of development costs related to research and development and amortization of debt issuance costs. If material, these differences are separately disclosed in the segment and Consolidated Financial Statements reconciliation.

A reconciliation of operating income presented in the table below to the IFRS operating profit (loss) is included in Note 31 of the Consolidated Financial Statements.

Millions of U.S. Dollars	For the Year Ended 31 December 2013	For the Year Ended 31 December 2012
Sales and other operating revenues:		
O&P–Americas segment	$ 13,089	$ 12,934
O&P–EAI segment	14,685	14,521
I&D segment	9,472	9,658
Refining segment	11,698	13,291
Technology segment	532	498
Other, including intersegment eliminations	(5,414)	(5,550)
Total	$ 44,062	$ 45,352
Operating profit (loss):		
O&P–Americas segment	$ 3,253	$ 2,650
O&P–EAI segment	377	127
I&D segment	1,300	1,430
Refining segment	22	334
Technology segment	157	122
Other, including intersegment eliminations	(7)	13
Total	$ 5,102	$ 4,676
Share of profit of associates and joint ventures:		
O&P–Americas segment	$ 25	$ 25
O&P–EAI segment	174	121
I&D segment	4	(3)
Total	$ 203	$ 143

Olefins and Polyolefins–Americas Segment

Overview—Ethylene produced from NGLs in North America has been much lower in cost than that produced from crude oil-based liquids. Naphtha and other crude oil-based liquids are the predominant feedstocks in the rest of the world. Margins in our olefins and polyethylene businesses in 2013 and 2012 have benefited from this advantage.

Stronger segment earnings in 2013 primarily reflect improved olefins and polyethylene results over 2012. Olefins results in 2013 benefited from a decrease in our cost to produce ethylene and from higher sales volumes. Polyethylene results also improved on higher margins while polypropylene results declined on modestly lower margins.

Ethylene Raw Materials—Benchmark crude oil and natural gas prices generally have been indicators of the level and direction of the movement of raw material and energy costs for ethylene and its co-products in the O&P–Americas segment. Ethylene and its co-products are produced from two major raw material groups:

- NGLs, principally ethane and propane, the prices of which are generally affected by natural gas prices; and

- crude oil-based liquids (“liquids” or “heavy liquids”), including naphtha, condensates, and gas oils, the prices of which are generally related to crude oil prices.

Although prices of these raw materials are generally related to crude oil and natural gas prices, during specific periods the relationships among these materials and benchmarks may vary significantly. In the U.S., we have significant capability to change the mix of raw materials used in the production of ethylene and its co-products to take advantage of the relative costs of heavy liquids and NGLs.

Production economics for the industry have favored NGLs during 2013 and 2012. As a result, each year we have increased our use of NGLs and reduced liquids consumption at our U.S. plants. Approximately 90% of our U.S. ethylene production was produced from NGLs during 2013 compared to approximately 85% in 2012.

The following table shows the average U.S. benchmark prices for crude oil and natural gas for the applicable periods, as well as benchmark U.S. sales prices for ethylene and propylene, which we produce and sell or consume internally. The table also shows the discounted U.S. benchmark prices for certain polyethylene and polypropylene products. These industry benchmark prices are third party estimates that are indicative of contract sales for some key product grades, but do not necessarily describe price trends for our full olefins or polymers product mixes. The benchmark weighted average cost of ethylene production, which reflects credits for co-product sales, is based on a third-party consultant’s estimated ratio of heavy liquid raw materials and NGLs used in U.S. ethylene production.

	Average Benchmark Price and Percent Change Versus Prior Year Average		
	Year Ended 31 December		
	2013	2012	Change
Crude oil, dollars per barrel:			
West Texas Intermediate ("WTI")	98.1	94.1	4%
Light Louisiana Sweet ("LLS")	107.3	111.7	(4)%
Natural gas (Henry Hub), dollars per million BTUs	3.8	2.9	31%
United States, cents per pound:			
Weighted average cost of ethylene production	16.2	21.2	(24)%
Ethylene	46.7	48.3	(3)%
Polyethylene (high density)	70.5	62.3	13%
Propylene - polymer grade	68.7	60.4	14%
Polypropylene	82.2	72.5	13%

The following table sets forth selected financial information for the O&P–Americas segment.

Millions of U.S. Dollars	For the Year Ended 31 December 2013	For the Year Ended 31 December 2012
Sales and other operating revenues	$ 13,089	$ 12,934
Operating profit	3,253	2,650
Share of profit of associates and joint ventures	25	25

Revenues—Revenue increases of $155 million in 2013 compared to 2012 are primarily attributable to higher olefins sales volumes, particularly propylene and butadiene, which were partly offset by lower sales prices. The decrease in 2013 revenues attributable to lower sales prices primarily reflects lower ethylene and butadiene sales prices, which were partly offset by higher polyolefins sales prices. Polyethylene sales prices were higher in 2013, largely reflecting supply constraints due to competitor outages, while increases in the cost of propylene feedstock led to higher sales prices for polypropylene.

Cost of Sales—Cost of sales decreased by $446 million in 2013 compared to 2012. A shift in our feedstock slate in 2013 to a higher percentage of lower priced NGL feedstocks in the feed mix was largely responsible for the decrease in our cost of feedstocks. This decrease was offset in part by the effect of the volume increase mentioned above. Also, Cost of sales in 2012 included a $29 million benefit from an insurance settlement related to damages from a hurricane in 2008.

Operating Profit—Operating results increased by $603 million in 2013 compared to 2012. The increase in operating profit reflects higher olefins and polyethylene margins, and an increase in volumes compared to 2012. The decrease in feedstock costs, which more than offset the effect of the lower sales prices discussed above, resulted in the higher margins.

Olefins margins benefited from the lower costs of NGL and heavy liquids feedstock, which more than offset the impact of lower sales prices. This benefit, coupled with the higher propylene and butadiene volumes discussed above led to higher olefins results in 2013 compared to 2012. Higher polyethylene margins reflected higher sales prices and to a lesser extent, lower feedstock costs. Although sales prices were significantly higher for polypropylene in 2013, this benefit was outpaced by the rising cost of its feedstock, propylene, resulting in modestly lower margins over 2012. In addition, operating profit in 2012 included the benefit related to the insurance settlement discussed above.

Olefins and Polyolefins—Europe, Asia and International Segment

Overview—Although operating results have improved in 2013 compared to 2012, market conditions in Europe remain weak. Operating results in 2013 primarily reflect higher results for European olefins and also reflect improved margins in most businesses relative to 2012.

Operating results in 2012 primarily reflected weak margins and lower sales volumes across most products. Weak European demand and the negative impact of reduced production during the last half of 2012 from a turnaround at our Wesseling, Germany cracker negatively impacted 2012 results. Volatility in naphtha feedstock prices during 2012 resulted in compressed olefins cracker margins over most of the year.

Ethylene Raw Materials—In Europe, heavy liquids are the primary raw materials for our ethylene production.

The following table shows the average Western Europe benchmark prices for Brent crude oil for the applicable periods, as well as benchmark Western Europe prices for ethylene and propylene, which we produce and consume internally or purchase from unrelated suppliers, and discounted prices for certain polyethylene and polypropylene products. These industry benchmark prices are third party estimates that are indicative of contract sales for some key product grades, but do not necessarily describe price trends for our full olefins or polymers product mixes.

	Average Benchmark Price and Percent Change Versus Prior Year Average		
	Year Ended 31 December		
	2013	2012	Change
Brent crude oil, dollars per barrel	108.7	111.7	(3)%
Western Europe benchmark prices, €0.01 per pound:			
Weighted average cost of ethylene production	34.7	38.9	(11)%
Ethylene	55.8	56.2	(1)%
Polyethylene (high density)	58.2	59.4	(2)%
Propylene	49.5	50.7	(2)%
Polypropylene (homopolymer)	57.9	58.3	(1)%
Average Exchange Rate, $US per €	1.3280	1.2858	3%

The following table sets forth selected financial information for the O&P–EAI segment.

Millions of U.S. Dollars	For the Year Ended 31 December 2013	For the Year Ended 31 December 2012
Sales and other operating revenues	$ 14,685	$ 14,521
Operating profit	377	127
Share of profit of associates and joint ventures	174	121

Revenues—Revenues in 2013 increased by $164 million compared to 2012. The increase in 2013 revenues was driven by the favorable impact of changes in foreign exchange rates, which was partially offset by decreases stemming from lower sales prices for olefins. These prices are generally correlated with the cost of naphtha, which decreased during 2013 compared to 2012. In 2013, a small decrease in olefins volumes was substantially offset by a similar increase in polypropylene sales volumes compared to 2012.

Cost of Sales—Cost of sales decreased by $48 million in 2013 compared to 2012 primarily due to the combined benefit of a small decrease in volumes and lower feedstocks cost, which was not quite offset by an unfavorable impact from changes in foreign exchange rates. The decline in the feedstock costs was mainly due to lower naphtha feedstock costs and increased benefits from LPG cracking relative to 2012. In addition to the factors above, Cost of sales in 2013 included a $25 million benefit from an insurance settlement related to the damage in early 2012 to our LDPE plant in Wesseling, Germany from an explosion in a reactor bay. Cost of sales was also negatively impacted in 2012 by the one-time items mentioned below.

In 2012, Cost of sales included charges of $35 million for restructuring activities in Europe, $22 million for closure costs in Australia and Italy and $22 million for impairment of assets related to the damage of our LDPE plant in Wesseling, Germany described above. These charges were partially offset by a $28 million benefit in 2012 related to the reversal of a reserve for an unfavorable monomer contract.

Operating Profit—Operating profit increased by $250 million in 2013 compared to 2012. In 2013, the combined benefit of lower feedstock costs and increased LPG cracking, which more than offset the impact of lower sales prices, led to an improvement in margins. This improvement in margins, the slight decrease in 2013 volumes and the impact of the one-time items in 2013 and 2012 mentioned resulted in the increase in operating profit.

The increase in 2013 segment results was driven mainly by higher olefins results. The higher olefins results reflect higher margins as lower naphtha feedstock costs and the benefit of processing advantaged feedstock during the summer months more than offset lower sales prices during the period. In addition, olefins sales price increases in 2012 lagged steep naphtha feedstock cost increases for several months.

Excluding the impact of the one-time items discussed above, underlying results for polyolefins reflected higher polyethylene margins and an increase in polypropylene volumes. Polypropylene (“PP”) compounding margins, which reflected higher sales prices coupled with decreases in the costs of its raw materials, propylene, also improved in 2013 relative to 2012. Higher margins due to higher sale prices contributed to the better polybutene-1 results in 2013 compared to 2012.

Intermediates and Derivatives Segment

Overview—Our I&D operating results for 2013 were lower relative to 2012, mainly due to a decline in oxyfuels results from the exceptionally strong results reported in 2012. Additions to BDO industry capacity and raw materials increases during 2013 contributed to a decline in our PO derivative results. Improved results for styrene, acetyls and EO/EG in 2013 were driven by higher margins as compared to 2012. Results were also negatively impacted during the 2013 period by scheduled maintenance at our facilities in the U.S. and Europe.

The following table sets forth selected financial information for the I&D segment. In addition, the table shows MTBE margins in Northwest Europe ("NWE").

Millions of U.S. Dollars	**For the Year Ended 31 December 2013**	**For the Year Ended 31 December 2012**
Sales and other operating revenues	$ 9,472	$ 9,658
Operating profit	1,300	1,430
Share of profit of associates and joint ventures	4	(3)
Market margins, cents per gallon		
MTBE–NWE	79.1	118.2

Revenues—Revenues for 2013 decreased $186 million compared to 2012, due to the impact of lower sales volumes which was partly offset by higher sales prices and favorable foreign exchange impacts. In 2013, lower sales volumes for PO and derivatives and styrene were partially offset by higher oxyfuels and methanol sales volumes, compared to 2012. An oversupplied market, which more than offset the benefit from nominal demand growth, contributed to lower BDO sales volumes in 2013 compared to 2012. Turnaround activities in 2013 led to lower styrene volumes during that period. Improved South American demand resulted in higher oxyfuels sales volumes relative to 2012. The increase in methanol sales volumes was attributable to the restart in December 2013 of our Channelview, Texas, methanol plant, which had been idled since 2004.

Higher sales prices in 2013 increased revenues compared to 2012. Sales prices for PO increased in 2013 largely due to increases in the price of propylene. Supply constraints due to industry outages resulted in higher styrene sales prices in 2013 compared to 2012. Higher demand for methanol due to supply constraints in the Middle East and Asia coupled with supply constraints for vinyl acetate monomer ("VAM") in Europe led to increases in acetyls sales prices in 2013 over those seen in 2012. These increases were substantially offset by declines in oxyfuels and BDO sales prices. Oxyfuels sales prices decreased in 2013, reflecting reduced spreads over gasoline relative to a supply-constrained market in 2012, as well as lower gasoline prices and reduced gasoline-spread over butane. BDO sales prices also declined due to weak economic conditions and an oversupplied Asian market.

Cost of Sales—Cost of sales decreased by $60 million in 2013 compared to 2012 due to the impact of the lower volumes discussed above, which was partly offset by an increase in feedstock costs and the unfavorable impact of changes in foreign exchange rates on cost of sales. Higher feedstock costs, particularly propylene, benzene and natural gas, contributed to the 2013 increase in cost of sales. Cost of sales in 2012 also included an $18 million benefit related to a hurricane insurance settlement.

Operating Profit—Operating results decreased $130 million in 2013 compared to 2012. Lower margins, the decrease in volumes and the absence of the insurance settlement discussed above led to the decline in 2013 operating profit. Margins were lower in 2013 as the increase in feedstock costs more than offset the increase in sales prices.

Lower results for oxyfuels and PO derivatives were offset in part by higher styrene, acetyls and EO/EG margins. Oxyfuels results in 2013 reflect lower margins relative to the exceptionally strong margins in 2012. Reduced spreads over gasoline relative to a supply-constrained market in 2012, as well as lower gasoline prices and a reduced gasoline-spread over butane contributed to the decrease in oxyfuels margins in 2013. Results for PO derivatives declined in 2013 primarily due to lower BDO and solvents results. An oversupplied Asian market, which more than offset the benefit from nominal demand growth, resulted in lower sales volumes and weaker BDO margins in 2013 compared to 2012.

These decreases were partially offset by improved styrene margins due to industry outages, which constrained global supply and led to increases in 2013 sales prices that outpaced the higher costs of benzene feedstock. The improvement in acetyls results reflects the benefit of the restart of our Channelview, Texas methanol plant. Higher sales prices and the lower cost of ethylene feedstock, the benefits of which were partly offset by higher natural gas costs, also contributed to the increase in acetyls results. Higher margins for EO/EG in 2013 reflected a modest increase in sales prices and lower ethylene feedstock costs.

Refining Segment

Overview—The Refining segment comprises the operations of our full conversion refinery located on the Houston Ship Channel in Houston, Texas.

Lower refining margins in 2013 reflect decreases in the average differential between light and heavy crude oils, lower by-products values, and higher costs for RINs, a U.S. government established credit used to show compliance in meeting the Environmental Protection Agency's ("EPA") Renewable Fuel Standard. Operating results were unfavorably impacted by lower crude processing rates, largely due to turnaround activities.

The following table sets forth selected financial information and heavy crude processing rates for the Refining segment and the U.S. refining market margins for the applicable periods. "LLS" is a light crude oil, while "Maya" is a heavy crude oil.

Millions of U.S. Dollars	For the Year Ended 31 December 2013	For the Year Ended 31 December 2012
Sales and other operating revenues	$ 11,698	$ 13,291
Operating profit	22	334
Heavy crude processing rates (thousands of barrels per day)	232	255
Market margins - $ per barrel		
Light crude oil - 2-1-1	12.89	12.86
Light crude oil - Maya differential	10.05	12.05
Total Maya 2-1-1	22.94	24.91

Revenues—Revenues decreased $1,593 million in 2013 compared to 2012 due to lower sales volumes and lower refined product prices. This decrease in sales volumes was mainly due to a scheduled turnaround during the first quarter of 2013 and unplanned maintenance during the year. In 2013, the increased supply of refined products relative to demand is reflected in the lower refined product sales prices.

Cost of Sales—Cost of sales decreased by $1,276 million in 2013 compared to 2012. This decrease in Cost of sales primarily reflects the decline in volumes discussed above and the benefit of lower crude oil feedstock costs in 2013 relative to 2012. These benefits were partly offset by $87 million of higher RINs costs and increased natural gas costs compared to 2012.

Additionally, Cost of sales in 2013 included benefits of $14 million related to recoveries and a settlement associated with a former employee who pled guilty to fraud and $10 million related to the resolution of property tax assessments for the three year period beginning 2011. In 2012, Cost of sales benefited from $53 million of insurance settlement proceeds associated with a hurricane in 2008 and a recovery of $24 million related to the employee fraud matter discussed above.

Operating Profit—Operating results decreased $312 million in 2013 compared to 2012. Lower margins, the effect of the lower volumes and the specific one-time items impacting each period that are discussed above led to the decrease in 2013 operating profit compared to 2012. The lower margins reflected sales price decreases which exceeded the decrease in feedstock costs during the period.

Our refining margins in 2013, which were lower relative to 2012, were impacted decreases in the average differential between light and heavy crude oils. Lower by-product values and higher natural gas and RINs costs also negatively impacted our margins in 2013.

Crude oil costs at the refinery in 2013 relative to 2012 reflected increased purchases priced in relation to WTI and Brent crude oils and a lesser amount priced relative to Maya, which has reduced the comparability of our refined product spreads with the Maya benchmark product spread.

Technology Segment

Overview— Improved operating results in 2013 compared to 2012 reflect higher licensing and services revenues and lower research and development (“R&D”) expenses.

The following table sets forth selected financial information for the Technology segment.

Millions of U.S. Dollars	**For the Year Ended 31 December 2013**	**For the Year Ended 31 December 2012**
Sales and other operating revenues	$ 532	$ 498
Operating profit	157	122

Revenues—Revenues in 2013 increased by $34 million compared to 2012. Higher licensing and services revenues primarily due to a one-time, lump-sum settlement in 2013 associated with a process license agreement entered into in a prior year contributed to the increase in 2013 revenues over 2012. Lower catalyst sales volumes decreased revenues, while catalyst sales prices in 2013 remained relatively unchanged from 2012. Favorable foreign exchange rates also contributed to the increase in 2013 revenues.

Operating Profit—Operating results increased $35 million in 2013 compared to 2012. The improvement in operating profit in 2013 reflects higher licensing and services revenues discussed above and lower R&D costs compared to 2012. In addition, operating results for 2012 included an $18 million charge related to restructuring activities in Europe.

1.6 Outlook

Significant financial and strategic progress in 2013 have positioned us well to capture market opportunities and weather the impacts of global economic and industry cycles. Underpinning everything we do is a constant focus on operational excellence that drives our safety, environmental performance, and management of costs and reliability.

We expect to continue to deliver differential results in these areas in 2014. We are a much stronger company financially going forward due to accelerated progress with our capital structure and deployment, including establishing a sound and competitive dividend policy. We also initiated a share repurchase plan in the second quarter of 2013 and during the year repurchased over 27 million shares.

Our O&P–Americas business segment will continue to capture differential value from the ongoing ethane feedstock advantage with retooled assets and several efficient growth projects in progress. In 2013, we saw a substantial improvement in U.S. olefins margins as ethane raw material costs declined further versus 2012. Polyethylene earnings also improved significantly versus 2012 as margins expanded on steady demand and industry supply constraints. A major olefins debottleneck project at our La Porte site is on track for a mid-2014 start-up and we have made good progress on expansion projects at our Channelview and Corpus Christi sites to enable us to take advantage of the current olefins market opportunities. These additional projects are scheduled to start up in 2015.

Our O&P–EAI business segment will remain challenged due a structurally higher cost position in Europe, especially in weaker parts of the economic cycles. In 2013, the olefins and commodity polyolefins businesses in Europe improved slightly, but they continue to reflect the economic and fiscal challenges in that region. However, strong performance in the PP compounding business and increasing contributions from our associates outside of Europe continues, and we are making good progress with our plans to improve our European asset base, cost structure and product portfolio to make these businesses more profitable.

Our I&D business segment has delivered strong results supported in part by the same high oil/gas price ratio that is driving the improved outlook for the O&P–Americas business segment. The oxyfuels business declined from a very strong year in 2012, as margins reflected weaker gasoline end-use markets. In December, we restarted a methanol plant in Channelview that is expected to make a significant contribution to I&D earnings in 2014 and beyond. We exited a propylene oxide joint venture in Japan in late 2013 but we have otherwise expanded our presence in Asia in this business through merchant sales and joint ventures in China, including developing a propylene oxide/tertiary butyl alcohol (“PO”/“TBA”) project with Sinopec.

While challenging market conditions persist in global refining, we have taken several important steps in our Refining business segment to improve the performance of the refinery, diversify its crude oil supply, and better capture market opportunities that develop in this volatile business. Results in 2013 reflected lower average crude oil throughput mainly due to a large turnaround in the first quarter, as well as lower industry margins, lower by-product values and higher costs for renewable fuels credits. In the latter part of the year, industry margins improved as discounts for our heavy crude oils increased, and renewable fuels costs declined significantly from their mid-year peaks. We are well positioned to benefit from the ongoing WTI/Brent crude oil price differential with new pipeline supplies in 2014 and beyond.

We and our subsidiaries employed approximately 13,300 full-time and part-time employees at 31 December 2013 and approximately 13,500 full-time and part-time employees at 31 December 2012. We also use the services of contractors in some routine aspects of our businesses. We have not experienced and do not expect material turnover of key personnel.

1.7 Financial Condition

Operating, investing and financing activities of continuing operations, which are discussed below, are presented in the following table:

Millions of U.S. Dollars	For the Year Ended 31 December 2013	For the Year Ended 31 December 2012
Sources (uses) of cash:		
Operating activities	$ 4,667	$ 4,670
Investing activities	(1,396)	(896)
Financing activities	(1,627)	(2,145)

Operating Activities—Cash of $4,667 million provided in 2013 primarily reflected earnings, adjusted for non-cash items, proceeds received from Italian tax authorities for refunds of VAT from prior periods, insurance settlements and cash provided by the main components of working capital – accounts receivable, inventories and accounts payable. These increases were offset in part by company contributions to our pension plans.

The main components of working capital provided cash of $140 million in 2013. This reflects increases of $69 million, $66 million and $275 million in accounts receivables, inventory and accounts payable, respectively. The increase in inventory is attributable to a build in our O&P–Americas polyethylene inventory at the end of 2013 in preparation for a turnaround scheduled during the first half of 2014 at our La Porte, Texas facility, and an increase in crude oil inventory over 2012 levels. These increases were only partially offset by decreases in our I&D segment inventories. The increase in accounts receivable reflects higher 2013 sales volumes compared to the same period in 2012 within the O&P–Americas and I&D segments. A temporary increase in the purchase of intermediate feedstocks due to operating issues at the Houston refinery at the end of 2013 and an increase in payment terms for crude oil purchases in our Refining segment were the primary drivers for the increase in accounts payable.

Cash of $4,670 million provided in 2012 primarily reflected earnings, adjusted for non-cash items, proceeds received from income tax refunds, insurance settlements and cash provided by the main components of working capital. These increases were offset in part by company contributions to our pension plans and premiums and other fees related to prepayment of debt.

Investing Activities—Cash used in investing activities in 2013 primarily reflects capital expenditures of $1,561 million, partially offset by dividends of $186 million received from our investments in associates. The increased level of capital spending in 2013 funded turnaround activities at several sites, construction of our methanol plant restart at our Channelview, Texas site, debottlenecks of certain assets to enhance production, railcar purchases and other plant improvement projects.

Cash used in investing activities in 2012 primarily reflects capital expenditures of $1,060 million, partially offset by dividends of $147 million received from our investments in associates.

The following table summarizes our capital expenditures plan for 2014 and actual capital expenditures for 2013 and 2012:

Millions of U.S. Dollars	Plan 2014	For the Year Ended 31 December 2013	For the Year Ended 31 December 2012
Capital expenditures by segment:			
O&P–Americas	$ 933	$ 645	$ 468
O&P–EAI	194	229	254
I&D	271	443	159
Refining	154	209	136
Technology	25	30	43
Other	15	5	- -
	$ 1,592	$ 1,561	$ 1,060

Capital spending projected for 2014 reflects a small increase over 2013 levels. In 2014, capital spending for our O&P–Americas segment is projected to increase relative to 2013 due to the expected completion of an ethane expansion and associated turnaround at our LaPorte, Texas facility, a planned debottleneck at our Corpus Christi, Texas facility and the installation of new furnaces at our Channelview, Texas facility. This increase will be offset in part by reduced capital spending planned for the I&D and Refining segments. Capital spending planned for the I&D segment is lower in 2014 due to the completion in 2013 of the restart of our methanol plant in Channelview, Texas.

The higher levels of capital spending for our I&D and O&P-Americas segments in 2013 relative to 2012 were primarily related to the methanol plant restart in Channelview, Texas, and the ethylene expansion project at our LaPorte, Texas, facility, respectively.

Financing Activities—Financing activities used cash of $1,627 million during 2013. We made payments totaling $1,949 million to repurchase ordinary shares and paid dividends $1,127 million to our shareholders.

In July 2013, we received net proceeds totaling of $1,445 million from the issuance of $750 million of 4% guaranteed notes due 2023 and $750 million of 5.25% guaranteed notes due 2043, and paid fees totaling $23 million.

Financing activities used cash of $2,145 million during 2012. Financing activities in 2012 reflect proceeds of $3,000 million from the issuance of $2,000 million of 5% senior notes due 2019 and $1,000 million of 5.75% senior notes due 2024. Net proceeds from the notes, together with cash on hand, were used to repay $2,676 million of our previously outstanding notes and to pay $294 million of associated premiums and fees, which are reflected in operating cash flows.

In May 2012, we entered into a five-year revolving credit facility, and terminated our asset-based credit facility. The revolving credit facility may be used for dollar and euro denominated borrowings and includes a sublimit for up to $700 million of dollar and euro denominated letters of credit. The balance of outstanding borrowings and letters of credit under the facility may not exceed $2,000 million at any given time.

In September 2012, we entered into a three-year, $1,000 million U.S. accounts receivable securitization facility that permits the sale of certain eligible trade receivables to participating financial institutions. The facility also provides for the issuance of letters of credit up to $200 million.

In the aggregate, we paid fees related to these financing activities totaling $53 million.

Cash dividends of $2,415 million were paid during 2012, which include a special dividend of $2.75 per share paid on 11 December 2012 to shareholders of record on 19 November 2012.

Liquidity and Capital Resources

As of 31 December 2013, we had unrestricted cash and cash equivalents of $4,450 million. Less than 1% of our outstanding cash balance is held in a country that has established government imposed currency restrictions that could impede the ability of our subsidiary to transfer funds to us. There are currently no other legal or economic restrictions that would impede such transfers of cash. We also had total unused availability under our credit facilities of $3,469 million at 31 December 2013, which included the following:

- $2,000 million under our $2,000 million revolving credit facility.
- $892 million under our $1,000 million U.S. accounts receivables securitization facility. Availability under this facility is subject to a borrowing base of eligible receivables, which is reduced by outstanding borrowings and letters of credit, if any. This facility had no outstanding borrowings or letters of credit at 31 December 2013.
- €405 million and $22 million (totaling approximately $577 million) under our €450 million European receivables securitization facility. Availability under this facility is subject to a borrowing base, net of outstanding borrowings. There were no outstanding borrowings under this facility at 31 December 2013.

We also have outstanding letters of credit and bank guarantees totaling $424 million at 31 December 2013 issued under uncommitted credit facilities.

At 31 December 2013, we had total debt, net of unamortized discount costs, of $5,768 million. Such debt includes current maturities.

In February 2014, LYB International Finance B.V. (“LYB Finance”), a direct, 100% owned finance subsidiary of LyondellBasell Industries N.V. issued $1,000 million of 4.875% guaranteed notes due 2044 at a discounted price of 98.831%. These unsecured notes are fully and unconditionally guaranteed by LyondellBasell Industries N.V. Proceeds from these notes are expected to be used for general corporate purposes, including repurchases of our ordinary shares.

On 16 July 2013, our direct, 100% owned subsidiary, LYB International Finance B.V., issued $750 million of 4% Notes due 2023 and $750 million of 5.25% Notes due 2043 at discounted prices of 98.678% and 97.004%, respectively. Proceeds from these notes are being used for general corporate purposes, including repurchases of our ordinary shares. Interest payments under these notes commenced on 15 January 2014. These unsecured notes, which are fully and unconditionally guaranteed by LyondellBasell Industries N.V., rank equally in right of payment to all of LYB International Finance B.V.’s existing and future unsecured indebtedness and to all of LyondellBasell’s existing and future unsubordinated indebtedness. These notes may be redeemed or repaid at any time and from time to time prior to maturity at an amount equal to the greater of 100% of the principal amount of the notes redeemed and repaid, and the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on a semi-annual basis at the applicable treasury yield plus 25 basis points in the case of the 4% Notes due 2023 and plus 30 basis points in the case of the 5.25% Notes due 2043.

In May 2013, we amended our $2,000 million revolving credit facility to extend its maturity date by one year to May 2018 and in April 2013, we amended and restated our €450 million European receivables securitization facility to obtain more favorable terms and conditions, including reduced pricing, and to extend the maturity date of the facility to April 2016.

In May 2013, our Supervisory Board announced a share repurchase program under which we may repurchase up to 10% of our shares outstanding through 21 May 2014, for a total of approximately 57.6 million shares. Our share repurchase program does not have a stated dollar amount, and purchases may be made through open market purchases, private market transactions or other structured transactions. Repurchased shares may be retired or used for general corporate purposes, including various employee benefit and compensation plans. As of 31 December 2013, we have purchased 27,359,002 shares under this program for approximately $1,949 million. As of 18 February 2014, we had approximately 26.7 million shares remaining under the current authorization. The timing and amount of additional shares repurchased will continue to be determined by our Management Board based on its evaluation of market conditions and other factors.

We may repay or redeem our debt, including purchases of our outstanding bonds in the open market, using cash on hand, cash from operating activities or proceeds from asset divestitures. We plan to finance our ongoing working capital, capital expenditures, debt service and other funding requirements with cash from operations. We also may, depending on market conditions, access the debt markets to finance our funding requirements. Our cash from operations and ability to access debt markets could be affected by general economic, financial, competitive, legislative, regulatory, business and other factors, many of which are beyond our control.

We intend to continue to declare and pay quarterly dividends, with the goal of increasing the dividend over time, after giving consideration to our cash balances and expected results from operations. We believe that our cash on hand, cash from operating activities and proceeds from our credit facilities provide us with sufficient financial resources to meet our anticipated capital requirements and obligations as they come due.

Contractual and Other Obligations—The following table summarizes, as of 31 December 2013, our minimum payments for long-term debt, including current maturities, short-term debt, and contractual and other obligations for the next five years and thereafter.

		Payments Due By Period					
Millions of U.S. Dollars	**Total**	**2014**	**2015**	**2016**	**2017**	**2018**	**Thereafter**
Total debt, nominal value	$ 5,867	$ 59	$ 1	$ 5	$ 2	$ - -	$ 5,800
Interest payment on total debt	3,408	311	311	311	311	311	1,853
Advances from customers	183	107	19	12	12	6	27
Other	1,638	1,164	151	127	121	32	43
Deferred income taxes	2,027	572	138	154	146	143	874
Purchase obligations:							
Take-or-pay contracts	15,183	2,355	2,213	1,746	1,753	1,659	5,457
Other contracts	26,313	6,356	5,021	3,829	3,739	2,835	4,533
Operating leases	1,827	305	267	228	187	163	677
Total	$ 56,446	$ 11,229	$ 8,121	$ 6,412	$ 6,271	$ 5,149	$ 19,264

Total Debt—Total debt includes our 5% senior notes due 2019, our 6% senior notes due 2021, our 4% guaranteed notes due 2023, our 5.75% senior notes due 2024, our 8.1% guaranteed notes due 2027, our 5.25% guaranteed notes due 2043 and various other U.S. and non-U.S. loans. See Note 24 of the Consolidated Financial Statements for a discussion of covenant requirements under the credit facilities and indentures and additional information regarding our debt facilities.

Interest on Total Debt—Our debt and related party debt agreements contain provisions for the payment of monthly, quarterly or semi-annual interest at a stated rate of interest over the term of the debt.

Pension and Other Postretirement Benefits—We maintain several defined benefit pension plans, as described in Note 26 to the Consolidated Financial Statements. Many of our U.S. and non-U.S. plans are subject to minimum funding requirements; however, the amounts of required future contributions for all our plans are not fixed and can vary significantly due to changes in economic assumptions, liability experience and investment return on plan assets. As a result, we have excluded pension and other post retirement from the Contractual and Other Obligations table above. Our annual contributions may include amounts in excess of minimum required funding levels. Contributions to our non-U.S. plans in years beyond 2014 are not expected to be materially different than the expected 2014 contributions disclosed in Note 26 to the Consolidated Financial Statements. At 31 December 2013, the projected benefit obligation for our pension plans exceeded the fair value of plan assets by $672 million. Subject to future actuarial gains and losses, as well as actual asset earnings, we, together with our consolidated subsidiaries, will be required to fund the $672 million, with interest, in future years. We contributed $172 million and $180 million to our pension plans in 2013 and 2012, respectively.

We provide other postretirement benefits, primarily medical benefits to eligible participants, as described in Note 26 to the Consolidated Financial Statements. We pay other unfunded postretirement benefits as incurred.

Advances from Customers—We are obligated to deliver product in connection with long-term sales agreements under which advances from customers were received in prior years. These advances are treated as deferred revenue and will be amortized to earnings as product is delivered over the remaining terms of the respective contracts, which primarily range from 4 to 8 years. The unamortized long-term portion of such advances totaled $76 million as of 31 December 2013.

Other—Other primarily consists of accruals for environmental remediation costs, obligations under deferred compensation arrangements, and anticipated asset retirement obligations.

Deferred Income Taxes—The scheduled settlement of the deferred tax liabilities shown in the table is based on the scheduled reversal of the underlying temporary differences. Actual cash tax payments will vary depending upon future taxable income.

Purchase Obligations—We are party to various obligations to purchase products and services, principally for raw materials, utilities and industrial gases. These commitments are designed to assure sources of supply and are not expected to be in excess of normal requirements. The commitments are segregated into take-or-pay contracts and other contracts. Under the take-or-pay contracts, we are obligated to make minimum payments whether or not we take the product or service. Other contracts include contracts that specify minimum quantities; however, in the event that we do not take the contractual minimum, we are only obligated for any resulting economic loss suffered by the vendor. The payments shown for the other contracts assume that minimum quantities are purchased. For contracts with variable pricing terms, the minimum payments reflect the contract price at 31 December 2013.

Operating Leases—We lease various facilities and equipment under non-cancelable lease arrangements for various periods. See Note 29 to the Consolidated Financial Statements for related lease disclosures.

1.8 Risk Factors

The factors described below represent our principal risks. Each of these risk factors could adversely affect our business, operating results and financial condition, as well as adversely affect the value of an investment in our common stock.

Our business, including our results of operations and reputation, could be adversely affected by safety or product liability issues.

Failure to appropriately manage safety, human health, product liability and environmental risks associated with our products, product life cycles and production processes could adversely impact employees, communities, stakeholders, our reputation and our results of operations. Public perception of the risks associated with our products and production processes could impact product acceptance and influence the regulatory environment in which we operate. While we have procedures and controls to manage safety risks, issues could be created by events outside of our control including natural disasters, severe weather events and acts of sabotage.

Our operations are subject to risks inherent in chemical and refining businesses, and we could be subject to liabilities for which we are not fully insured or that are not otherwise mitigated.

We maintain property, business interruption, product, general liability, casualty and other types of insurance that we believe are in accordance with customary industry practices. However, we are not fully insured against all potential hazards incident to our business, including losses resulting from natural disasters, wars or terrorist acts. Changes in insurance market conditions have caused, and may in the future cause, premiums and deductibles for certain insurance policies to increase substantially and, in some instances, for certain insurance to become unavailable or available only for reduced amounts of coverage. If we were to incur a significant liability for which we were not fully insured, we might not be able to finance the amount of the uninsured liability on terms acceptable to us or at all, and might be obligated to divert a significant portion of our cash flow from normal business operations.

Further, because a part of our business involves licensing polyolefin process technology, our licensees are exposed to similar risks involved in the manufacture and marketing of polyolefins. Hazardous incidents involving our licensees, if they do result or are perceived to result from use of our technologies, may harm our reputation, threaten our relationships with other licensees and/or lead to customer attrition and financial losses. Our policy of covering these risks through contractual limitations of liability and indemnities and through insurance may not always be effective. As a result, our financial condition and results of operation would be adversely affected, and other companies with competing technologies may have the opportunity to secure a competitive advantage.

Our ability to source raw materials, including crude oil, may be adversely affected by political instability, civil disturbances or other governmental actions.

We obtain a substantial portion of our principal raw materials from sources in North Africa, the Middle East, Mexico and South America that may be less politically stable than other areas in which we conduct business, such as Europe or the U.S. Political instability, civil disturbances and actions by governments in these areas are likely to substantially increase the price and decrease the supply of raw materials necessary for our operations, which will have a material adverse effect on our results of operations.

Recently, increased incidents of civil unrest, including terrorist attacks and demonstrations which have been marked by violence, have occurred in some countries in North Africa and the Middle East. Some political regimes in these countries are threatened or have changed as a result of such unrest. Political instability and civil unrest could continue to spread in the region and involve other areas. Such unrest, if it continues to spread or grow in intensity, could lead to civil wars, regional conflict, or regime changes resulting in governments that are hostile to countries in which we conduct substantial business, such as Europe, the U.S., or their respective allies.

Costs and limitations on supply of raw materials and energy may result in increased operating expenses.

The costs of raw materials and energy represent a substantial portion of our operating expenses. Energy costs generally follow price trends of crude oil and natural gas. These price trends may be highly volatile and cyclical. In the past, raw material and energy costs have experienced significant fluctuations that adversely affected our business segments' results of operations. For example, we continue to benefit from the favorable ratio of U.S. natural gas prices to crude oil prices. However, if the price of crude oil decreases relative to U.S. natural gas prices or if the demand for natural gas and NGLs increases, this may have a negative result on our results of operations. Additionally, the export of NGLs from the U.S.; greater restrictions on hydraulic fracturing or the lifting by the U.S. government of the ban on U.S. crude oil exports could restrict the availability of our raw materials thereby increasing our costs.

We are not always able to pass raw material and energy cost increases on to our customers. When we do have the ability to pass on the cost increases, we are not always able to do so quickly enough to avoid adverse impacts on our results of operations.

Cost increases for raw materials also may increase working capital needs, which could reduce our liquidity and cash flow. Even if we increase our sales prices to reflect rising raw material and energy costs, demand for products may decrease as customers reduce their consumption or use substitute products, which may have an adverse impact on our results of operations. In addition, producers in natural gas cost-advantaged regions, such as the Middle East and North America, benefit from the lower prices of natural gas and NGLs. Competition from producers in these regions may cause us to reduce exports from Europe and elsewhere. Any such reductions may increase competition for product sales within Europe and other markets, which can result in lower margins in those regions. Additionally, there are a limited number of suppliers for some of our raw materials and utilities and, in some cases, the supplies are specific to the particular geographic region in which a facility is located.

It is also common in the chemical and refining industries for a facility to have a sole, dedicated source for its utilities, such as steam, electricity and gas. Having a sole or limited number of suppliers may limit our negotiating power, particularly in the case of rising raw material costs. Any new supply agreements we enter into may not have terms as favorable as those contained in our current supply agreements.

Additionally, there is growing concern over the reliability of water sources, including around the Texas Gulf Coast where several of our facilities are located. The decreased availability or less favorable pricing for water as a result of population growth, drought or regulation could negatively impact our operations.

If our raw material or utility supplies were disrupted, our businesses may incur increased costs to procure alternative supplies or incur excessive downtime, which would have a direct negative impact on plant operations. Disruptions of supplies may occur as a result of transportation issues including, but not limited to, as a result of natural disasters and water levels that can affect the ability of vessels, barges, rails, trucks and pipeline traffic. These risks are particularly prevalent in the U.S. Gulf Coast area.

With increased volatility in raw material costs, our suppliers could impose more onerous terms on us, resulting in shorter payment cycles and increasing our working capital requirements.

Economic disruptions and downturns in general, and particularly continued economic uncertainty in Europe or economic turmoil in emerging markets, could have a material adverse effect on our business, prospects, operating results, financial condition and cash flows.

Our results of operations can be materially affected by adverse conditions in the financial markets and depressed economic conditions generally. Economic downturns in the businesses and geographic areas in which we sell our products substantially reduce demand for our products and result in decreased sales volumes and increased credit risk. Recessionary environments adversely affect our business because demand for our products is reduced, particularly from our customers in industrial markets generally and the automotive and housing industries specifically, and may result in higher costs of capital.

The recent European economic crisis resulted in reduced consumer confidence and spending in many countries in Europe, particularly southern Europe. A significant portion of our revenues and earnings are derived from our business in Europe, including southern Europe. In addition, most of our European transactions and assets, including cash reserves and receivables, are denominated in euros.

Europe's recovery from the economic crisis has been uneven, slow and modest. If the crisis re-emerges or meaningful recovery does not materialize across Europe, there will likely be a continued negative effect on our European business, as well as the businesses of our European customers, suppliers and partners. In addition, if the crisis ultimately led to the break-up of the European economic and monetary union or a significant devaluation of the euro, the value of our financial assets that are denominated in euros would be significantly reduced when translated to U.S. dollars for financial reporting purposes. We also derive significant revenues from our business in emerging markets, particularly the emerging markets in Asia and Brazil. Any broad-based downturn in these emerging markets, or in a key market such as China, could require us to reduce export volumes into these markets and could also require us to divert product sales to less profitable markets. Any of these conditions could ultimately harm our overall business, prospects, operating results, financial condition and cash flows.

The cyclicality and volatility of the industries in which we participate may cause significant fluctuations in our operating results.

Our business operations are subject to the cyclical and volatile nature of the supply-demand balance in the chemical and refining industries. Our future operating results are expected to continue to be affected by this cyclicality and volatility. The chemical and refining industries historically have experienced alternating periods of capacity shortages, causing prices and profit margins to increase, followed by periods of excess capacity, resulting in oversupply, declining capacity utilization rates and declining prices and profit margins.

In addition to changes in the supply and demand for products, changes in energy prices and other worldwide economic conditions can cause volatility. These factors result in significant fluctuations in profits and cash flow from period to period and over business cycles.

New capacity additions in Asia, the Middle East and North America may lead to periods of oversupply and lower profitability. A sizeable number of expansions have been announced in North America. The timing and extent of any changes to currently prevailing market conditions are uncertain and supply and demand may be unbalanced at any time. As a consequence, we are unable to accurately predict the extent or duration of future industry cycles or their effect on our business, financial condition or results of operations.

We sell products in highly competitive global markets and face significant price pressures.

We sell our products in highly competitive global markets. Due to the commodity nature of many of our products, competition in these markets is based primarily on price and, to a lesser extent, on product performance, product quality, product deliverability, reliability of supply and customer service. Generally, we are not able to protect our market position for these products by product differentiation and may not be able to pass on cost increases to our customers.

In addition, we face increased competition from companies that may have greater financial resources and different cost structures or strategic goals than us. These include large integrated oil companies (some of which also have chemical businesses), government-owned businesses, and companies that receive subsidies or other government incentives to produce certain products in a specified geographic region. Increased competition from these companies, especially in our olefin and refining businesses, could limit our ability to increase product sales prices in response to raw material and other cost increases, or could cause us to reduce product sales prices to compete effectively, which could reduce our profitability. Competitors that have greater financial resources than us may be able to invest significant capital into their businesses, including expenditures for research and development.

In addition, specialty products we produce may become commoditized over time. Increased competition could result in lower prices or lower sales volumes, which would have a negative impact on our results of operations.

Interruptions of operations at our facilities may result in liabilities or lower operating results.

We own and operate large-scale facilities. Our operating results are dependent on the continued operation of our various production facilities and the ability to complete construction and maintenance projects on schedule. Interruptions at our facilities may materially reduce the productivity and profitability of a particular manufacturing facility, or our business as a whole, during and after the period of such operational difficulties. In the past, we had to shut down plants on the U.S. Gulf Coast, including the temporary shutdown of our Houston refinery, as a result of hurricanes striking the Texas coast.

In addition, because the Houston refinery is our only refining operation, an outage at the refinery could have a particularly negative impact on our operating results. Unlike our chemical and polymer production facilities, which may have sufficient excess capacity to mitigate the negative impact of lost production at other facilities, we do not have the ability to increase refining production elsewhere in the U.S.

Although we take precautions to enhance the safety of our operations and minimize the risk of disruptions, our operations are subject to hazards inherent in chemical manufacturing and refining and the related storage and transportation of raw materials, products and wastes. These potential hazards include:

- pipeline leaks and ruptures;
- explosions;
- fires;
- severe weather and natural disasters;
- mechanical failure;
- unscheduled downtimes;

- supplier disruptions;
- labor shortages or other labor difficulties;
- transportation interruptions;
- increased restrictions on, or the unavailability of, water for use at our manufacturing sites or for the transport of our products or raw materials;
- remediation complications;
- chemical and oil spills;
- discharges or releases of toxic or hazardous substances or gases;
- shipment of incorrect or off-specification product to customers;
- storage tank leaks;
- other environmental risks; and
- terrorist acts.

Some of these hazards may cause severe damage to or destruction of property and equipment or personal injury and loss of life and may result in suspension of operations or the shutdown of affected facilities.

Increased IT security threats and more sophisticated and targeted computer crime could pose a risk to our systems, networks, products, facilities and services.

Increased global information security threats and more sophisticated, targeted computer crime pose a risk to the confidentiality, availability and integrity of our data, operations and infrastructure. While we attempt to mitigate these risks by employing a number of measures, including employee training, comprehensive monitoring of our networks and systems, and maintenance of backup and protective systems, our employees, systems, networks, products, facilities and services remain potentially vulnerable to sophisticated espionage or continual cyber-assault. Depending on their nature and scope, such threats could potentially lead to the compromise of confidential information, improper use of our systems and networks, manipulation and destruction of data, defective products, production downtimes and operational disruptions, which in turn could adversely affect our reputation, competitiveness and results of operations.

We operate internationally and are subject to exchange rate fluctuations, exchange controls, political risks and other risks relating to international operations.

We operate internationally and are subject to the risks of doing business on a global level. These risks include fluctuations in currency exchange rates, economic instability and disruptions, restrictions on the transfer of funds and the imposition of duties and tariffs. Additional risks from our multinational business include transportation delays and interruptions, war, terrorist activities, epidemics, pandemics, political instability, import and export controls, changes in governmental policies, labor unrest and current and changing regulatory environments.

We generate revenues from export sales and operations that may be denominated in currencies other than the relevant functional currency. Exchange rates between these currencies and functional currencies in recent years have fluctuated significantly and may do so in the future. We also could hedge certain revenues and costs using derivative instruments to minimize the impact of changes in the exchange rates of those currencies compared to the respective functional currencies. It is possible that fluctuations in exchange rates will result in reduced operating results. Additionally, we operate with the objective of having our worldwide cash available in the locations where it is needed, including The United Kingdom for our parent company's significant cash obligations as a result of dividend and interest payments. It is possible that we may not always be able to provide cash to other jurisdictions when needed or that such transfers of cash could be subject to additional taxes, including withholding taxes.

Our operating results could be negatively affected by the global laws, rules and regulations, as well as political environments in the jurisdictions in which we operate. There could be reduced demand for our products, decreases in the prices at which we can sell our products and disruptions of production or other operations. Additionally, there may be substantial capital and other costs to comply with regulations and/or increased security costs or insurance premiums, any of which could reduce our operating results.

We obtain a substantial portion of our principal raw materials from international sources that are subject to these same risks. Our compliance with applicable customs, currency exchange control regulations, transfer pricing regulations or any other laws or regulations to which we may be subject could be challenged. Furthermore, these laws may be modified, the result of which may be to prevent or limit subsidiaries from transferring cash to us.

Furthermore, we are subject to certain existing, and may be subject to possible future, laws that limit or may limit our activities while some of our competitors may not be subject to such laws, which may adversely affect our competitiveness.

Many of our businesses depend on our intellectual property. Our future success will depend in part on our ability to protect our intellectual property rights, and our inability to do so could reduce our ability to maintain our competitiveness and margins.

We have a significant worldwide patent portfolio of issued and pending patents. These patents, together with proprietary technical know-how, are significant to our competitive position, particularly with regard to propylene oxide, performance chemicals, petrochemicals, and polymers, including process technologies such as Spheripol, *Spherizone*, *Hostalen*, *Spherilene*, *Lupotech T* and *Avant* catalyst family technology rights. We rely on the patent, copyright and trade secret laws of the countries in which we operate to protect our investment in research and development, manufacturing and marketing. However, we may be unable to prevent third parties from using our intellectual property without authorization. Proceedings to protect these rights could be costly, and we may not prevail.

The protection afforded by patents varies from country to country and depends upon the type of patent and its scope of coverage. While a presumption of validity exists with respect to patents issued to us, our patents may be challenged, invalidated, circumvented or rendered unenforceable. As patents expire, the products and processes described and claimed under those patents become generally available for use by competitors.

Our continued growth strategy may bring us to regions of the world where intellectual property protection may be limited and difficult to enforce. In addition, patent rights may not prevent our competitors from developing, using or selling products that are similar or functionally equivalent to our products. Moreover, our competitors or other third parties may obtain patents that restrict or preclude our ability to lawfully produce or sell our products in a competitive manner, which could result in significantly lower revenues, reduced profit margins or loss of market share.

We also rely upon unpatented proprietary know-how and continuing technological innovation and other trade secrets to develop and maintain our competitive position. While it is our policy to enter into confidentiality agreements with our employees and third parties to protect our intellectual property, these confidentiality agreements may be breached, may not always be executed, may not provide meaningful protection or adequate remedies may not be available. Additionally, others could obtain knowledge of our trade secrets through independent development or other access by legal or illegal means.

The failure of our patents or confidentiality agreements to protect our processes, apparatuses, technology, trade secrets or proprietary know-how could result in significantly lower revenues, reduced profit margins and cash flows and/or loss of market share. We also may be subject to claims that our technology, patents or other intellectual property infringes on a third party's intellectual property rights. Unfavorable resolution of these claims could result in restrictions on our ability to deliver the related service or in a settlement that could be material to us.

Shared control or lack of control of joint ventures may delay decisions or actions regarding the joint ventures.

A portion of our operations are conducted through joint ventures, where control may be exercised by or shared with unaffiliated third parties. We cannot control the actions of our joint venture partners, including any nonperformance, default or bankruptcy of joint venture partners. The joint ventures that we do not control may also lack adequate internal controls systems or financial reporting systems to provide adequate and timely information for our reporting purposes.

In the event that any of our joint venture partners do not observe their obligations, it is possible that the affected joint venture would not be able to operate in accordance with our business plans. As a result, we could be required to increase our level of commitment in order to give effect to such plans. Differences in views among the joint venture participants also may result in delayed decisions or in failures to agree on major matters, potentially adversely affecting the business and operations of the joint ventures and in turn our business and operations.

We cannot predict with certainty the extent of future costs under environmental, health and safety and other laws and regulations, and cannot guarantee they will not be material.

We may face liability arising out of the normal course of business, including alleged personal injury or property damage due to exposure to chemicals or other hazardous substances at our current or former facilities or chemicals that we manufacture, handle or own. In addition, because our products are components of a variety of other end-use products, we, along with other members of the chemical industry, are subject to potential claims related to those end-use products. Any substantial increase in the success of these types of claims could negatively affect our operating results.

We (together with the industries in which we operate) are subject to extensive national, regional, state and local environmental laws, regulations, directives, rules and ordinances concerning

- emissions to the air;
- discharges onto land or surface waters or into groundwater; and
- the generation, handling, storage, transportation, treatment, disposal and remediation of hazardous substances and waste materials.

Many of these laws and regulations provide for substantial fines and potential criminal sanctions for violations. Some of these laws and regulations are subject to varying and conflicting interpretations. In addition, some of these laws and regulations require us to meet specific financial responsibility requirements. Any substantial liability for environmental damage could have a material adverse effect on our financial condition, results of operations and cash flows.

Although we have compliance programs and other processes intended to ensure compliance with all such regulations, we are subject to the risk that our compliance with such regulations could be challenged. Non-compliance with certain of these regulations could result in the incurrence of additional costs, penalties or assessments that could be material.

Our industry is subject to extensive government regulation, and existing, or future regulations may restrict our operations, increase our costs of operations or require us to make additional capital expenditures.

Compliance with regulatory requirements could result in higher operating costs, such as regulatory requirements relating to emissions, the security of our facilities, and the transportation, export or registration of our products. We generally expect that regulatory controls worldwide will become increasingly more demanding, but cannot accurately predict future developments.

Increasingly strict environmental laws and inspection and enforcement policies, could affect the handling, manufacture, use, emission or disposal of products, other materials or hazardous and non-hazardous waste. Stricter environmental, safety and health laws, regulations and enforcement policies could result in increased operating costs or capital expenditures to comply with such laws and regulations. Additionally, we are required to have permits for our businesses and are subject to licensing regulations. These permits and licenses are subject to renewal, modification and in some circumstances, revocation. Further, the permits and licenses are often difficult, time consuming and costly to obtain and could contain conditions that limit our operations.

We have learned that the European Commission has opened an investigation into Germany's Renewable Energy Law (as amended in 2012) to examine whether the reduction granted to energy-intensive companies on a surcharge for the financing of renewable energy sources in Germany is compatible with EU state aid rules. If and to the extent that the German government were to attempt to recover the reductions previously granted to our German subsidiaries or otherwise curtail the availability of such reductions in the future, the results of our O&P–EAI operations would be negatively impacted.

We may incur substantial costs to comply with climate change legislation and regulatory initiatives.

There has been a broad range of proposed or promulgated state, national and international laws focusing on greenhouse gas ("GHG") reduction. These proposed or promulgated laws apply or could apply in countries where we have interests or may have interests in the future. Laws in this field continue to evolve and, while they are likely to be increasingly widespread and stringent, at this stage it is not possible to accurately estimate either a timetable for implementation or our future compliance costs relating to implementation. Within the framework of the EU emissions trading scheme ("ETS") we were allocated certain allowances of carbon dioxide for the affected plants of our European sites for the period 2008 to 2012 ("ETS II period"). The ETS II period did not result in additional cost to us as the allowance allocation was sufficient to cover the actual emissions of the affected plants. We were able to build an allowance surplus during the ETS II period which has been banked to the scheme for the period 2013 to 2020 ("ETS III period"). We expect to incur additional costs for the ETS III period, despite the allowance surplus accrued over the ETS II period, as allowance allocations have been reduced for the ETS III period and more of our plants are affected by the scheme. We maintain an active hedging strategy to cover these additional costs. We expect to incur additional costs in relation to future carbon or greenhouse gas emission trading schemes.

In the U.S., the Environmental Protection Agency (the "EPA") has promulgated federal GHG regulations under the

Clean Air Act affecting certain sources. The EPA has issued mandatory GHG reporting requirements, requirements to obtain GHG permits for certain industrial plants and proposals for GHG performance standards for some facilities. The recent EPA action could be a precursor to further federal regulation of carbon dioxide emissions and other greenhouse gases, and may affect the outcome of other climate change lawsuits pending in U.S. courts in a manner unfavorable to our industry. In any event, additional regulation may be forthcoming at the U.S. federal or state level with respect to GHG emissions, and such regulation could result in the creation of additional costs in the form of taxes or required acquisition or trading of emission allowances.

Compliance with these or other changes in laws, regulations and obligations that create a GHG emissions trading scheme or GHG reduction policies generally could significantly increase our costs or reduce demand for products we produce. Additionally, compliance with these regulations may result in increased permitting necessary for the operation of our business or for any of our growth plans. Difficulties in obtaining such permits could have an adverse effect on our future growth. Therefore, any future potential regulations and legislation could result in increased compliance costs, additional operating restrictions or delays in implementing growth projects or other capital investments, and could have a material adverse effect on our business and results of operations.

We may be required to record material charges against our earnings due to any number of events that could cause impairments to our assets.

We may be required to reduce production at or idle facilities for extended periods of time or exit certain businesses as a result of the cyclical nature of our industry. Specifically, oversupplies of or lack of demand for particular products or high raw material prices may cause us to reduce production. We may choose to reduce production at certain facilities because we have off-take arrangements at other facilities, which make any reductions or idling unavailable at those facilities. Any decision to permanently close facilities or exit a business likely would result in impairment and other charges to earnings.

Temporary outages at our facilities can last for several quarters and sometimes longer. These outages could cause us to incur significant costs, including the expenses of maintaining and restarting these facilities. In addition, even though we may reduce production at facilities, we may be required to continue to purchase or pay for utilities or raw materials under take-or-pay supply agreements.

Our business is capital intensive and we rely on cash generated from operations and external financing to fund our growth and ongoing capital needs. Limitations on access to external financing could adversely affect our operating results.

We require significant capital to operate our current business and fund our growth strategy. Moreover, interest payments, dividends and the expansion of our business or other business opportunities may require significant amounts of capital. We believe that our cash from operations currently will be sufficient to meet these needs. However, if we need external financing, our access to credit markets and pricing of our capital is dependent upon maintaining sufficient credit ratings from credit rating agencies and the state of the capital markets generally. There can be no assurances that we would be able to incur indebtedness on terms we deem acceptable, and it is possible that the cost of any financings could increase significantly, thereby increasing our expenses and decreasing our net income. If we are unable to generate sufficient cash flow or raise adequate external financing, including as a result of significant disruptions in the global credit markets, we could be forced to restrict our operations and growth opportunities which could adversely affect our operating results.

We may use our five-year, $2.0 billion revolving credit facility to meet our cash needs, to the extent available. As of 31 December 2013, we had no borrowings or letters of credit outstanding under the facility, leaving an unused and available credit capacity of $2,000 million. We may also meet our cash needs by selling receivables under our

$1,000 million U.S. accounts receivable securitization facility or our €450 million European accounts receivable securitization facility. In the event of a default under our credit facility or any of our senior notes, we could be required to immediately repay all outstanding borrowings and make cash deposits as collateral for all obligations the facility supports, which we may not be able to do. Any default under any of our credit arrangements could cause a default under many of our other credit agreements and debt instruments. Without waivers from lenders party to those agreements, any such default could have a material adverse effect on our ability to continue to operate.

Legislation and regulatory initiatives could lead to a decrease in demand for our products.

New or revised governmental regulations and independent studies relating to the effect of our products on health, safety and the environment may affect demand for our products and the cost of producing our products. Initiatives by governments and private interest groups will potentially require increased toxicological testing and risk assessments of a wide variety of chemicals, including chemicals used or produced by us. For example, in the United States, the National Toxicology Program ("NTP") is a federal interagency program that seeks to identify and select for study chemicals and other substances to evaluate potential human health hazards. In the European Union, the Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH") is regulation designed to identify the intrinsic properties of chemical substances, assess hazards and risks of the substances, and identify and implement the risk management measures to protect humans and the environment.

Assessments under NTP, REACH or similar programs or regulations in other jurisdictions may result in heightened concerns about the chemicals we use or produce and may result in additional requirements being placed on the production, handling, labeling or use of those chemicals. Such concerns and additional requirements could also increase the cost incurred by our customers to use our chemical products and otherwise limit the use of these products, which could lead to a decrease in demand for these products. Such a decrease in demand could have an adverse impact on our business and results of operations.

Our success depends upon our ability to attract and retain key employees and the identification and development of talent to succeed senior management.

Our success depends on our ability to attract and retain key personnel, and we rely heavily on our management team. The inability to recruit and retain key personnel or the unexpected loss of key personnel may adversely affect our operations. In addition, because of the reliance on our management team, our future success depends in part on our ability to identify and develop talent to succeed senior management. The retention of key personnel and appropriate senior management succession planning will continue to be critically important to the successful implementation of our strategies.

We may not be able to fully or successfully implement our ongoing plans to improve and globally integrate our business processes and functions.

We continue to seek ways to drive greater productivity, flexibility and cost savings. In particular, we are working towards the improvement and global integration of our business processes and functions. As part of these efforts, we have been centralizing certain functions, implementing new information technology, and integrating our existing information technology systems.

Our ongoing implementation of organizational improvements is made more difficult by our need to coordinate geographically dispersed operations. Inabilities and delays in implementing improvements can negatively affect our ability to realize projected or expected cost savings. In addition, the process of organizational improvements may cause interruptions of, or loss of momentum in, the activities of our businesses. It may also result in the loss of personnel or other labor issues. These issues, as well as any information technology systems failures, also could impede our ability to timely collect and report financial results in accordance with applicable laws and regulations.

Additionally, from time to time certain aspects of our business processes may be outsourced to third parties. The processes, or the portions thereof, that are outsourced generally will tend to be labor intensive transactional activities. Although we make a diligent effort to ensure that all providers of outsourced services observe proper internal control practices and procedures, we cannot assure that failures will not occur. The failure of such third parties to provide adequate services could adversely affect our results of operations, liquidity, or our ability to provide adequate financial and management reporting.

Significant changes in pension fund investment performance or assumptions relating to pension costs may adversely affect the valuation of pension obligations, the funded status of pension plans, and our pension cost.

Our pension cost is materially affected by the discount rate used to measure pension obligations, and the level of plan assets available to fund those obligations at the measurement date. Significant changes in investment performance or a change in the portfolio mix of invested assets may result in corresponding increases and decreases in the value of plan assets, particularly equity securities. Any change in key actuarial assumptions, such as the discount rate, would impact the valuation of pension obligations, affecting the reported funded status of our pension plans as well as the net periodic pension cost in the following fiscal years.

Certain of our current pension plans could have projected benefit obligations that exceed the fair value of the plan assets. As of 31 December 2013, the aggregate deficit was $672 million. Any declines in the fair values of the pension plans assets could require additional payments by us in order to maintain specified funding levels.

Our pension plans are subject to legislative and regulatory requirements of applicable jurisdictions, which could include, under certain circumstances, local governmental authority to terminate the plan.

Our operations could be adversely affected by labor relations.

The vast majority of our employees located in Europe and South America are represented by labor unions and works councils. Approximately 850 of our employees located in North America are represented by labor unions.

Our operations have been in the past, and may be in the future, significantly and adversely affected by strikes, work stoppages and other labor disputes.

1.9 Statement of the Board of Management

As the sole member of the Management Board of LyondellBasell Industries N.V., I hereby state that I am primarily responsible for the design, implementation and operation of the Company's internal risk management and control systems. The purpose of these systems is to adequately and effectively manage the significant risks to which the Company is exposed. Such systems can never provide absolute assurance regarding achievement of corporate objectives, nor can they provide an absolute assurance that material errors, losses, fraud and the violation of laws or regulations will not occur.

To comply with our duties in the area of internal risk management and control systems, we have designed and implemented an enterprise risk management process.

This initial process involved the identification of the Company's programs and processes related to risk management, the individuals responsible for them, and a general review of industry benchmarking. Senior personnel were interviewed and surveys were completed by additional personnel requesting information regarding perceived risks to the Company. The results of these interviews and surveys were analyzed and a listing of unique risks was identified. The risks were also categorized in a manner that identified the specific Company strategies that could be impacted so that plans could be developed to address the risks to those strategies. The Company conducted a workshop with senior level personnel with broad risk management and/or risk oversight responsibilities. Tasks completed in the workshops included review of the listing of unique risks, assessments of their risk impact and probability, identification of the responsible risk owner, and the Company's effectiveness in mitigating or responding to the possible impact.

The results of these efforts were reported to the Management Board, which is responsible for the design of the risk management process, and the Supervisory Board, which is responsible for the oversight of the process.

The Company's major risks, as identified in accordance with the described process, were assigned to senior management, who are responsible for analyses and action planning activities related to their assigned risks. Regular updates are given to the Management Board and the Supervisory Board on all Company risks. In addition, the Audit Committee of the Supervisory Board is responsible for ensuring that an effective risk assessment process is in place, and quarterly reports are made to the Audit Committee on financial and compliance risks in accordance with requirements of the New York Stock Exchange.

We use various other measures to ensure compliance with our duties in the area of internal risk management and control systems, including:

- operational review meetings of the Management Board with LyondellBasell's senior management on financial performance and realization of operational objectives and responses to emerging issues;

- monthly meetings with LyondellBasell's Chief Executive Officer, Chief Financial Officer and senior finance management focusing on monthly financial figures and internal control evaluations;

- monthly and quarterly financial reporting, mainly to LyondellBasell's senior management;

- letters of representation that are signed by LyondellBasell's key personnel on a quarterly basis in which they confirm that for their responsible area and based upon their knowledge (i) an effective system of internal controls and procedures is maintained and (ii) the financial reports fairly present the financial position, results of operations and cash flows;

- assessments by LyondellBasell's Disclosure Committees with respect to the timely review, disclosure, and evaluation of periodic (financial) reports;

- discussions on management letters and audit reports provided by the Company's internal and external auditors within our Management Board and Supervisory Board;

- LyondellBasell's Code of Conduct;

- LyondellBasell's Financial Code of Ethics applicable to the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer;

- LyondellBasell's Ethics Hotline and whistleblower procedures; and

- LyondellBasell's Compliance programs and training, which facilitate the development of controls which will aid in prevention, deterrence and detection of fraud against LyondellBasell.

The Management Board acknowledges the importance of internal control and risk management systems. The Company has established a framework to properly manage internal controls over financial reporting so as to report its assessment for the fiscal year ended 31 December 2013, as required by Section 404 of the Sarbanes-Oxley Act of 2002. The results of LyondellBasell's assessment of the effectiveness of this framework, which is based on the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") model, as well as significant changes and improvements, are regularly reported to and discussed with LyondellBasell's Audit Committee and external auditors. The Audit Committee reports about these subjects to the Supervisory Board on a regular basis.

Summary

Based on the outcome of the above-mentioned measures and to the best of its knowledge and belief, the Management Board states that:

Evaluation of Disclosure Controls and Procedures

Employees within the Company, with the participation of our Chief Executive Officer (principal executive officer) and our Chief Financial Officer (principal financial officer) has evaluated the effectiveness of our disclosure controls and procedures in ensuring that the information required to be disclosed in reports in accordance with International Financial Reporting Standards as adopted by the European Union that we file or submit to the Chamber of Commerce in The Netherlands, as amended, is recorded, processed, summarized and reported within the time periods specified in the Dutch Law, including ensuring that such information is accumulated and communicated to management (including the principal executive and financial officers) as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive and financial officers have concluded that such disclosure controls and procedures were effective as of 31 December 2013, the end of the period covered by this annual report.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting in our fourth fiscal quarter of 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

The establishment of LyondellBasell's internal control and risk management systems is based on the identification of external and internal risk factors that could influence the operational and financial objectives of the Company and contains a system of monitoring, reporting and operational reviews. All material risk management activities have been discussed with the Audit Committee and the Supervisory Board.

The Management Board,

/s/ James L. Gallogly

London, 28 February 2014

2 Governance and Compliance

In this section we introduce our Supervisory Board and present their Report for 2013, as well as describing our remuneration and risk management policies. Details of our corporate governance structure can also be found in this section.

2.1 Report by the Supervisory Board

The business and general affairs of the Company and the management of the business of the Company by the Management Board are supervised by the Board of Supervisory Directors.

Our Supervisory Board currently has eleven members. Our Articles of Association provide that the Supervisory Board will consist of at least nine members and the Rules of the Supervisory Board provide that the Supervisory Board, in its sole discretion, shall determine the size of the Supervisory Board in accordance with and in order to comply with our Articles of Association, any nomination agreements and the listing standards of the New York Stock Exchange.

The NYSE listing standards require that we have a majority of independent directors. As discussed under "Independence of Supervisory Board Members," a majority of our current eleven members are deemed independent.

Our Supervisory Board is divided into three classes, each consisting of one-third of the total number of the members of the Supervisory Board. Jagjeet S. Bindra, Milton Carroll and Rudy van der Meer are each Class I directors whose terms expire at the Annual Meeting. Additionally, in September 2013, the Supervisory Board appointed Nance K. Dicciani as a Class III director and in February 2014 appointed Claire S. Farley as a Class I director and Isabella ("Bella") D. Goren as a Class II director. Pursuant to the provisions of our Articles of Association, each of Ms. Dicciani, Ms. Farley and Ms. Goren must be elected by shareholders at the next annual general meeting. Our Supervisory Board has nominated each of these individuals for election.

The members of the Supervisory Board are elected by the general meeting of shareholders from a list of nominees that is drawn up by the Supervisory Board. Pursuant to our Articles of Association, the list is, in principle, binding. The binding nature of the Supervisory Board's nominations may be overridden by a vote of two-thirds of the votes cast at the meeting if such two-thirds vote constitutes more than one-half of the issued share capital of the Company. In that case, shareholders would be free to cast their votes for persons other than those nominated below.

The table below shows the relevant information for each member of our Supervisory Board as of 28 February 2014.

Director Nominees

Class I Directors

Jagjeet S. Bindra, American, 66 years of age, Class I Supervisory Director since May 2011

Director of Edison International, a generator and distributor of electric power, and its subsidiary, Southern California Edison Co., an electric utility company, since April 2010.

Director of Transocean Ltd., an offshore drilling contractor and the provider of drilling management services, since 2011.

Director of Larsen & Toubro, a technology, engineering, construction and manufacturing company, from 2009 to

2012.

Director and Deputy Chairman of Transfield Services, a global provider of operations, maintenance and asset and project management services, from 2009 to 2012.

President, Chevron Global Manufacturing, Chevron Corp.'s worldwide manufacturing division, from 2004 to 2009.

Director of Advisory Board of Hart Energy Consulting, an energy industry publisher, from 2009 to 2010.

Director of GS Caltex, a South Korean oil refiner, from 2003 to 2009.

Director of Sriya Innovations, an alternative energy firm, from 2009 to 2010.

Through his senior management experience at Chevron and his other public company board service, Mr. Bindra has expertise in nearly all areas for which the Supervisory Board seeks experienced individuals, including finance, general management, senior management, mergers and acquisitions, strategic planning, government and regulatory affairs, risk and asset management, capital markets, corporate governance and general public company oversight.

Milton Carroll, American, 63 years of age, Class I Supervisory Director since July 2010

Chairman of CenterPoint Energy, a public utility holding company, since October 2002.

Chairman of Instrument Products, a private oil-tool manufacturing company, since October 1977.

Director of Halliburton, an oilfield services company, since December 2006.

Director of Health Care Service Corporation, a health benefits company, since November 1998.

Director of Western Gas Holdings, LLC, the general partner of Western Gas Partners, LP, an owner, operator and developer of midstream energy assets, since April 2008.

Director of LRR Energy, L.P., from 2011 to January 2014.

As an experienced director of several public companies, Mr. Carroll brings with him expertise in most areas for which the Supervisory Board seeks experienced individuals, including finance, general management, senior management, mergers and acquisitions, strategic planning, government and regulatory affairs, risk and asset management, corporate governance and general public company oversight

Claire S. Farley, American, 55, Class I Supervisory Director since February 2014

Member of KKR Management LLC, the general partner of KKR & Co. L.P., a global investment firm, since January 2013.

Managing Director of KKR Energy Group from November 2011 to January 2012.

Co - Chief Executive Officer of RPM Energy, a privately-owned oil and gas exploration and development company, from September 2010 to November 2011.

Director of FMC Technologies, Inc., a global provider of technology solutions for the energy industry, since

May 2009.

Director of Encana Corporation, a North American energy provider, since April 2008.

As a former oil and gas executive and executive of oil and gas industry and transaction advisors, as well as her current public company experience, Ms. Farley brings with her knowledge and expertise in many of the areas the Supervisory Board seeks experienced individuals, including mergers and acquisitions, strategic planning, finance, general management, senior management, risk and asset management, capital markets, corporate governance and general public company oversight.

Rudy van der Meer, Dutch, 69 years of age, Class I Supervisory Director since July 2010

Supervisory Director of James Hardie Industries S.E., an industrial fibre cement products and systems manufacturer, since 2007.

Chairman of the Supervisory Board of Coöperatie VGZ U.A., a health insurer, since 2011.

Chairman of Supervisory Board of Imtech N.V., a technical services provider, from 2005 to 2013.

Chairman of Supervisory Board of Energie Beheer Nederland B.V., a Dutch state owned natural gas exploration, production, transportation and sale company, from 2006 to 2013.

Chairman of Supervisory Board of Gazelle Holding B.V., a bicycle manufacturing company, from 2005 to 2011.

Supervisory Director of ING Nederland N.V, retail banking and insurance subsidiaries, respectively, of ING Groep N.V., from 2004 to 2011.

Mr. van der Meer's career history includes three decades at AkzoNobel, a leading global paints and coatings company and a major producer of specialty chemicals, headquartered in The Netherlands. Mr. van der Meer brings with him several of the skills and knowledge our Supervisory Board seeks, including those related to general management, senior management, mergers and acquisitions, government and regulatory affairs, risk and asset management and corporate governance and public company experience, particularly as they relate to Dutch multinational companies.

Class II Director

Isabella D. Goren, American, 53, Class II Supervisory Director since February 2014

Director of Gap Inc., a multinational clothing and accessories retailer, since August 2011.

Senior Vice President and Chief Financial Officer of AMR Corporation, a commercial aviation company and the parent holding company of several airlines, including American Airlines, Inc., a global airline, where she also served as Senior Vice President and Chief Financial Officer, from July 2010 to December 2013.[1]

Senior Vice President of Customer Relationship Marketing of American Airlines, Inc. from 2006 to 2010.

Ms. Goren has extensive experience in executive management of capital intensive and highly competitive businesses, complex international operations and global operating strategies. She brings with her skills and expertise in financial matters, senior executive leadership, general management, strategic planning, and public company governance experience, all of which are skills the Supervisory Board seeks in a candidate.

[1] AMR Corporation and American Airlines, Inc. successfully completed a reorganization under Chapter 11 of the U.S. Bankruptcy Code in December 2013, for which a voluntary petition was filed in November 2011.

Class III Director

Nance K. Dicciani, American, 66 years of age, Class III Supervisory Director since September 2013

Director of Halliburton, an oilfield services company, since September 2009.

Director of Praxair, an industrial gases company, since September 2008.

Director of Rockwood Holdings, a specialty chemicals and advanced materials company, since May 2008.

Ms. Dicciani's career history includes executive roles at both Honeywell Specialty Materials and Rohm and Haas, both specialty chemical companies that give her unique insight into the operations and issues of a petrochemical company like the Company. Through her executive roles and her current roles as a director of other public companies, Ms. Dicciani brings with her expertise in financial, senior management, general management, strategic planning, risk and asset management, corporate governance and public company matters, all of which are areas of expertise the Supervisory Board looks for when choosing candidates.

Supervisory Directors not standing for election

Information, as of 28 February 2014, with respect to the Supervisory Directors who are not up for election is as follows:

Jacques Aigrain, French-Swiss, 59 years of age, Class III Supervisory Director since May 2011

Chairman of LCH Clearnet Group, Limited, a clearinghouse group, since March 2010.

Director of Lufthansa German Airlines, since September 2007.

Senior Advisor, Warburg Pincus LPP, a global private equity firm, since June 2013.

Director of The London Stock Exchange Group Plc, a diversified international stock exchange, since May 2013.

Director of WPP plc, a multinational advertising and public relations company, since May 2013.

Chief Executive Officer of SwissRe, a global reinsurance company, from 2006 to 2009.

Director of Resolution Ltd., a financial services company that acquires businesses in the insurance industry, from February 2010 to March 2013.

Director of Qatar Financial Centre Authority, the commercial arm of the Qatar Financial Centre, since April 2012.

Mr. Aigrain has extensive operational and management expertise, as well as considerable experience with international companies and board service, among other skills.

LyondellBasell Industries N.V.

Robin Buchanan, British, 61 years of age, Class II Supervisory Director since May 2011

Chairman of Michael Page International plc, a specialist recruitment company, since December 2011 and director since August 2011.

Senior Advisor to Bain & Company, a global business consulting firm, since 2007.

Dean and then President of the London Business School, from 2007 to 2009.

Director of Schroders plc, a global asset management company, since March 2010.

Mr. Buchanan has extensive knowledge and experience relating to strategy, leadership, business management and corporate governance and extensive experience in serving on corporate boards and consulting for companies in an array of industries, including the industrial sector.

Stephen F. Cooper, American, 67 years of age, Class II Supervisory Director since July 2010

Chief Executive Officer and Director of Warner Music Group Corp., a recorded music and music publishing business, since August 2011.

Managing Partner of Cooper Investment Partners, a private equity firm specializing in underperforming companies, since July 2008.

Director of Ventech Engineers, Inc., an engineering and procurement services firm, since September 2011.

Vice Chairman and Chairman of the Restructuring Committee of LyondellBasell Industries AF S.C.A., the Company's predecessor, from March 2009 to April 2010.

Chief Executive Officer and Vice Chairman of Metro-Goldwyn-Mayer, a privately held motion picture and theatrical production and distribution company, from August 2009 to December 2010.

Mr. Cooper has more than thirty years of experience as a financial advisor and executive and advisor to companies facing operational and performance issues. He has substantial and expansive experience in various industries provides him with significant expertise in all aspects of supervising management of large, complex companies.

Robert G. Gwin, American, 50 years of age, Class II Supervisory Director since May 2011

Executive Vice President, Finance and Chief Financial Officer of Anadarko Petroleum Corporation, an oil and gas exploration and production company, since March 2009.

Senior Vice President of Anadarko Petroleum from February 2008 to March 2009.

Chairman of Western Gas Holdings, LLC, the general partner of Western Gas Partners, LP, an owner, operator and developer of midstream energy assets, since October 2009 and director since August 2007.

Chairman of Western Gas Equity Holdings, LLC, the general partner of Western Gas Equity Partners, LP since November 2012.

Chief Executive Officer of Western Gas Holdings from August 2007 to January 2010.

President of Western Gas Holdings from August 2007 to September 2009.

Mr. Gwin has expansive experience relating to the oil and gas industry, finance, public company board experience and executive management expertise, among other skills.

Bruce A. Smith, American, 70 years of age, Class III Supervisory Director since July 2010

Chief Executive Officer of One Cypress Energy LLC, a petroleum products provider, since December 2011.

Chairman of Tesoro Corporation, a manufacturer and marketer of petroleum products, from 1996 to April 2010. President and Chief Executive Officer of Tesoro from 1995 – April 2010.

Director of GEVO, Inc., a renewable chemicals and advanced biofuels company, since June 2010.

Director of Ventech Engineers, Inc., an engineering and procurement services company, since January 2012.

Mr. Smith has extensive senior leadership experience in the refining and marketing industry, substantial management background in publicly traded companies and previous experience serving as a director and chairman of the audit and compensation committees of publicly traded companies.

Board Leadership Structure

We have a two-tiered board, consisting of a Management Board, responsible for the management of the Company, and a Supervisory Board, responsible for the general oversight of the Management Board. The Management Board may consist only of directors who are executive officers of the Company and the Supervisory Board may consist only of non-employee directors.

James L. Gallogly, our Chief Executive Officer, currently is the sole member of our Management Board and is not a member of the Supervisory Board. At the Annual Meeting, we are requesting shareholders to elect five additional individuals to our Management Board. These individuals include Karyn F. Ovelmen, Executive Vice President and Chief Financial Officer, Craig B. Glidden, Executive Vice President and Chief Legal Officer, Bob Patel, Executive Vice President of O&P–EAI & Technology, Tim Roberts, Executive Vice President of O&P–Americas and Pat Quarles, Senior Vice President of I&D.

The principal responsibility of members of the Management Board is to manage LyondellBasell, which means, among other things, that the Management Board is responsible for implementing LyondellBasell’s aims and strategy, managing the Company’s associated risk profile, operating the business and addressing corporate responsibility issues relevant to the enterprise.

The Supervisory Board oversees the policies of the Management Board and the general course of business and related business enterprises. Robert G. Gwin is the Chairman of the Supervisory Board.

Our two-tier board structure allows our CEO to focus on managing our day-to-day business, including achieving our aims, strategy and risk profile, and results of operations. It also allows Mr. Gwin, as non-executive Chairman of the Supervisory Board, to lead the Supervisory Board in its fundamental role of supervising the policies of the Management Board. We believe this separation of responsibilities is appropriate for LyondellBasell because of the scope and complexity of the Company’s operations. We also believe the separation of CEO and Chairman of the

Supervisory Board and our two-tiered board structure generally demonstrates our commitment to corporate governance best practices.

Role in Risk Oversight

While the Company's management is responsible for the day-to-day management of risks to the Company, the Supervisory Board has broad oversight responsibility for the Company's risk management programs. In this oversight role, the Supervisory Board is responsible for satisfying itself that the risk management processes designed and implemented by the Company's management are functioning well and that necessary steps are taken to foster a culture of risk-adjusted decision-making throughout the organization. The primary means by which our Supervisory Board oversees our risk management structures and policies is through its regular communications with management. The Company believes that its leadership structure is conducive to sound risk management, and that the Supervisory Board's involvement is appropriate to ensure effective oversight.

At each of the Supervisory Board meetings, executive officers are asked to report to the Supervisory Board and, when appropriate, specific committees. Additionally, other members of management and employees periodically are requested to attend meetings and present information. One of the purposes of these presentations is to provide direct communication between members of the Supervisory Board and members of management. The presentations provide members of the Supervisory Board with the information necessary to understand the risk profile of the Company, including information regarding the specific risk environment, exposures affecting the Company's operations and the Company's plans to address such risks. In addition to information regarding general updates to the Company's operational and financial condition, management reports to the Supervisory Board about the Company's outlook and forecasts, and any impediments to meeting those or its pre-defined strategies generally. These direct communications between management and the Supervisory Board allow the Supervisory Board to assess management's evaluation and management of the day-to-day risks of the Company.

In carrying out its oversight responsibility, the Supervisory Board has delegated to individual Board committees certain elements of its oversight function. The Audit Committee provides oversight of the integrity of the Company's financial statements; the Company's independent accountants' qualifications and independence; the performance of the Company's internal audit function, independent accountants and the Company's compliance program; and the Company's system of disclosure and internal controls. The Compensation Committee monitors the Company's compensation structure to discourage risks inconsistent with the interests of our shareholders. The Nominating & Governance Committee reviews policies and practices in the areas of corporate governance; considers the overall relationship of the Supervisory Board to the Company's management; and develops, reviews and recommends governance guidelines applicable to the Company.

The Health, Safety and Environmental ("HSE") Committee reviews and monitors compliance with health, safety and environmental matters affecting the Company. As a petrochemical company, we operate large scale, complex industrial manufacturing facilities. These facilities produce products that, by themselves, or depending on their use or handling, can be hazardous or otherwise subject to danger. As a result, HSE issues are one of the biggest risks we face as a Company. Our HSE Committee discusses all aspects of the Company's HSE and Operational Excellence programs, reviewing audits of operations; safety and environmental incidents and statistics; as well as action plans and initiatives to improve HSE results.

The Company has an enterprise risk management function, which comprises a small group of employees fully dedicated to enterprise-wide risk management activities led by the Vice President of Enterprise Wide Risk Management, and overseen by a Risk Management Committee. The standing members of the Risk Management Committee include the Company's CEO, Chief Financial Officer, Chief Legal Officer and VP of HSE & Operational Excellence. Through a variety of policies and procedures, business leaders are required to identify, monitor, mitigate and report on risks under the supervision of the Risk Management Committee, which requires risk management plans from each business segment and function. The Committee sets the Company's various risk tolerances, evaluating whether they are aligned with the Company's strategic goals, and defines the risk profile of the Company.

The results of the risk management processes, and the decisions made by the Risk Management Committee, are reported to the Audit Committee of the Supervisory Board, which is responsible for overseeing the design of the risk assessment process. Regular updates are given to the Supervisory Board on material risks. In addition, the Audit Committee is responsible for ensuring that an effective risk assessment process is in place, and quarterly reports are made to the Audit Committee in accordance with NYSE requirements.

Independence of Supervisory Board Members

The Supervisory Board has determined that each of the following directors and director nominees is independent in accordance with the NYSE listing standards and the Dutch Corporate Governance Code:

Jacques Aigrain	Jagjeet S. Bindra	Milton Carroll
Nance K. Dicciani	Robert G. Gwin	Bruce A. Smith
Claire S. Farley	Rudy van der Meer	Bella D. Goren

To assist in determining independence, the Supervisory Board adopted categorical standards of director independence, which meet or exceed the requirements of both the NYSE and the Dutch Corporate Governance Code. These standards specify certain relationships that must be avoided to allow for a finding of independence.

The categorical standards our Supervisory Board uses in determining independence are included in our Corporate Governance Guidelines, which can be found on our website at www.lyondellbasell.com. The Supervisory Board has determined that there are no relationships or transactions under the categorical standards that would prohibit any of the nine directors listed above from being deemed independent. The Supervisory Board considered certain additional transactions in determining that each of Messrs. Gwin and Carroll and Ms. Dicciani and Ms. Farley are independent. Specifically, certain of the Company's subsidiaries:

- purchase natural gas liquids from a subsidiary of Anadarko Petroleum, where Mr. Gwin serves as Executive Vice President and Chief Financial Officer;
- purchase electricity from a subsidiary of CenterPoint Energy, where Mr. Carroll serves as chairman;
- purchase industrial gases, including hydrogen and nitrogen, from Praxair, on whose board of directors Ms. Dicciani sits; and
- purchase measurement products from a subsidiary of FMC Technologies, where Ms. Farley is a director.

In determining that none of these relationships affected the independence of any of the interested directors, the Supervisory Board considered the nature of the transactions, all of which are ordinary course and the dollar amounts involved, none of which were material to either the Company or the counterparty. Additionally, the only instances of any negotiated long term contracts are through the purchases of industrial gases from Praxair and those agreements were entered into several years before Ms. Dicciani joined the Supervisory Board.

Meetings and Board Committees

The Supervisory Board held five meetings in 2013, including regularly scheduled meetings and a board retreat, where strategic planning for all aspects of the Company, including operations, succession planning and other matters, is reviewed over a two-day period. Each of the Supervisory Directors attended at least 75% of the meetings of the Supervisory Board and of each committee of which he was a member. The Company does not maintain a policy regarding Supervisory Board members' attendance at its annual general meetings. The Supervisory Board and its Committees regularly hold executive sessions, where members of management are not present. All such sessions are chaired by the respective Chairmen of the Supervisory Board or Committee, as applicable.

The Supervisory Board has four standing committees to assist it in the execution of its responsibilities. The committees are the Audit Committee, the Nominating & Governance Committee, the Compensation Committee and the HSE Committee. The charter of each committee states that it will be composed of a minimum of three members of the Supervisory Board. Each committee functions under a charter adopted by the Supervisory Board as described below.

Audit Committee

The current members of the Audit Committee are Mr. Smith (Chairman), Mr. Aigrain, Ms. Dicciani and Ms. Goren, who was appointed in February 2014. The Supervisory Board has determined that each of the members of the Audit Committee is financially literate and that each member of the Audit Committee is a financial expert for purposes of the SEC's rules. The determination was based on a thorough review of our Audit Committee members' education and financial and public company experience. The Supervisory Board also determined that each member of the Audit Committee has satisfied the heightened independence requirements of Section 10A(m)(3) of the Exchange Act in addition to our categorical standards.

Mr. Smith serves on one public company audit committee in addition to ours; Mr. Aigrain serves on two public company audit committees in addition to ours; Ms. Dicciani serves on two public company audit committees in addition to ours; and Ms. Goren serves on one public company audit committee in addition to ours.

The Audit Committee met six times during 2013, including a Company specific educational session on Audit Committee matters. The Audit Committee generally is responsible for overseeing all matters relating to our financial statements and reporting; internal audit function and independent auditors; and our compliance function. As part of its function, the Audit Committee reports the results of its activities to the full Supervisory Board. Listed below are the general responsibilities of the Audit Committee. The Audit Committee's duties are set forth in a written charter that was approved by the Supervisory Board. A copy of the charter can be found on our website at www.lyondellbasell.com.

Administrative Responsibilities	• Perform an annual self-assessment
Independent Auditor	• Engage external auditor and approve compensation
	• Review independence and establish policies relating to hiring of auditor employees
	• Pre-approval of all services
Internal Audit	• Review plans, staffing and activities as well as effectiveness
Financial Statements	• Review financial statements and earnings releases
	• Discuss and review accounting policies and practices and external auditor reviews
	• Discuss and review effectiveness of controls
Compliance	• Review plans, staffing and function of Compliance function
	• Establish and review procedures for complaints, including anonymous complaints regarding accounting, controls and auditing
	• Review Code of Conduct and system for monitoring compliance therewith

Compensation Committee

The current members of the Compensation Committee are Messrs. Aigrain (Chairman), Carroll and van der Meer and Ms. Goren, who was appointed in February 2014. Each member is independent in accordance with the rules and regulations of the NYSE.

The Compensation Committee met five times in 2013. The Compensation Committee is responsible for overseeing all of our executive compensation and developing the Company's compensation philosophy generally. The Compensation Committee's written charter, which was approved by the Supervisory Board, can be found on our website at www.lyondellbasell.com.

In overseeing compensation matters, the Compensation Committee may delegate authority for day-to-day administration and interpretation of the Company's plans, including selection of participants, determination of award levels within plan parameters, and approval of award documents, to Company employees. However, the Compensation Committee may not delegate any authority under those plans for matters affecting the compensation and benefits of the executive officers. The Compensation Committee's responsibilities include the following:

Administrative	• Perform annual self-evaluations
Company Compensation & Benefits	• Establish and review compensation philosophy, programs and practices
	• Review and approve pension and benefit arrangements as well as funding of pension and benefit plans
Executive Compensation	• Approve compensation and benefits of executive officers
	• Review objectives of executive compensation consistent with corporate objectives
	• Review and approve goals and objectives of CEO compensation and evaluate CEO performance
	• Make recommendations for all executive officers' compensation

Nominating & Governance Committee

The current members of the Nominating & Governance Committee are Messrs. Bindra (Chairman), Carroll and Smith and Ms. Farley, who was appointed in February 2014. Each member is independent in accordance with the rules and regulations of the NYSE.

The Nominating & Governance Committee met five times during 2013. One of the primary responsibilities of the Nominating & Governance Committee is to identify nominees for election to the Supervisory Board. As described in this report, the Supervisory Board has nominated Messrs. Bindra, Carroll and van der Meer and Ms. Dicciani for election at the Annual Meeting.

The Nominating & Governance Committee has a written charter that has been approved by the Supervisory Board and can be viewed by accessing our website at www.lyondellbasell.com. It is the duty of the Nominating & Governance Committee to oversee matters regarding corporate governance. In fulfilling its duties, the Nominating & Governance Committee has the following responsibilities:

Administrative	• Perform an annual self-assessment
	• Coordinate evaluations by other committees and the full Supervisory Board
Directors and Director Nominees	• Identify and recommend candidates for membership on the Supervisory Board
	• Recommend committee memberships
	• Recommend Supervisory Board compensation
Corporate Governance	• Review the Company's governance profile and make recommendations

- Review and comment on shareholder proposals

Potential director candidates are identified through various methods. The Nominating & Governance Committee welcomes suggestions from directors, members of management, and shareholders. From time to time, the Nominating & Governance Committee uses outside consultants to assist in identifying potential director candidates. The Supervisory Board has adopted a profile, which can be found on our website, which details the desired characteristics and experience of members of the Supervisory Board. The Nominating & Governance Committee considers this profile (in addition to any other factors it deems relevant) when considering candidates for nomination to the Supervisory Board.

Before being recommended by the Nominating & Governance Committee, director candidates are interviewed by the Chief Executive Officer; a minimum of two members of the Nominating & Governance Committee; and the Chairman of the Supervisory Board. Additional interviews may include other members of the Supervisory Board, representatives from senior levels of management and an outside consultant.

The Supervisory Board intends to maintain a manageable size of the Supervisory Board as stated in our Corporate Governance Guidelines. The Nominating & Governance Committee considers all potential nominees for vacancies on their merits without regard to the source of recommendation.

The Nominating & Governance Committee believes that the nominating process will and should continue to involve significant subjective judgments. To suggest a nominee, you should submit your candidate’s name, together with biographical information and his or her written consent to nomination to the Chairman of the Nominating & Governance Committee at the Company’s administrative offices, c/o Lyondell Chemical Company, 1221 McKinney Street, Suite 700, Houston Texas 77010, before 27 November 2014.

HSE Committee

The current members of the HSE Committee are Messrs. van der Meer (Chairman), Bindra, Ms. Dicciani and Ms. Farley, who was appointed in February 2014. The HSE Committee met four times during 2013. The Committee has a written charter that can be reviewed by accessing our website, at www.lyondellbasell.com. It is the duty of the HSE Committee to assist the Supervisory Board in its oversight responsibilities by assessing the effectiveness of environmental, health and safety programs and initiatives that support the health, safety and environmental policy of the Company. In fulfilling its duties, the HSE Committee has the following responsibilities:

- Review the status of the Company's health, safety and environmental policies and performance, including processes to ensure compliance with applicable laws and regulations;
- Review and monitor the Company’s health, safety and environmental performance statistics and ensure processes are in place to record such statistics consistently;
- Review and approve the scope of the health, safety and environmental audit program and regularly monitor program results;
- Review and approve the annual budget for the health, safety and environmental audit program; and
- Report periodically to the Supervisory Board on health, safety and environmental matters affecting the Company.

Related Party Transactions

We have adopted a written Related Party Transaction Approval Policy, which requires the disinterested members of the Audit Committee to review and approve, in advance of commitment, certain transactions that we may enter into with the following related parties:

- members of the Supervisory Board;
- executive officers;
- holders of 5% or more of our shares;
- entities for which a LyondellBasell Industries N.V. officer or Supervisory Board member serves as an officer or a member of that entity's board of directors or equivalent governing body;
- immediate family members of the foregoing; and
- entities, of which any of the foregoing own more than 10%.

The transactions covered by the policy are those which are:

- in the ordinary course of business and have an aggregate value of $25 million or more, or
- not in the ordinary course of business, regardless of value.

Additionally, transactions covered include any transactions where an officer or director of the Company has a direct or indirect material interest and the transaction has a value of $120,000 or more.

The disinterested members of the Audit Committee determine the fairness of the transactions to the Company by considering whether the transactions have terms no less favorable than those which could be obtained from non-related parties.

Below is a description of related party transactions in existence since the beginning of the last fiscal year. Certain of these agreements are no longer in place or the counterparty is no longer a related party, such as in the case of Apollo Management and any agreements with Apollo.

We entered into certain agreements with Access Industries and Apollo Management, or their affiliates, upon our emergence from bankruptcy in April 2010. These agreements include a registration rights agreement dated 30 April 2010 obligating us to, at our own cost, register for resale certain of our securities owned by Access and Apollo or their affiliates. In 2013, we registered the resales of an aggregate of 72.5 million of our ordinary shares by certain affiliates of Apollo Management pursuant to the registration rights agreement which resulted in out-of-pocket costs to us of approximately $1 million. Additionally, we entered into nomination agreements with each of Access and Apollo or their affiliates. Apollo's agreement terminated, by its terms, in October 2013, after Apollo's share ownership fell below 5% of our issued share capital. Pursuant to the agreements, Access has and Apollo had the right to nominate individuals for appointment to the Supervisory Board if certain ownership thresholds are met. Access' nomination rights continue for so long as it owns at least 5% of our issued share capital.

These transactions were approved by the bankruptcy court; they were not approved pursuant to the Related Party Transaction Policy, nor were they approved by our Audit Committee, as the Company became obligated before the Related Party Transaction Policy was adopted and the Audit Committee was formed.

At its November 2010 meeting, the Audit Committee approved a tax cooperation agreement with Access Industries. Pursuant to the agreement, employees of the Company may provide assistance and support to Access Industries in connection with certain tax and accounting matters related to the time period during which LyondellBasell AF S.C.A., the Company's predecessor, was wholly owned by certain affiliates of Access Industries. Pursuant to the cooperation agreement, we charge Access Industries for these services on a time and materials basis. No amounts were charged under the agreement in 2013. The agreement terminates 31 December 2014.

On an ongoing basis and in the ordinary course of business, the Company makes spot purchases of natural gas liquids ("NGLs"), raw materials used by the Company in production, from Anadarko Petroleum at market prices. Robert G. Gwin, a member of our Supervisory Board, serves as Chief Financial Officer of Anadarko Petroleum. The disinterested members of the Audit Committee approved the company making spot purchases as it deems appropriate at its July 2011 meeting. The determination was based on the fact the transactions were on terms no less favorable than those which could be obtained from non-related parties. The Company purchased $4.7 million of NGLs from a subsidiary of Anadarko Petroleum in 2013. The Audit Committee considered whether such purchases would affect Mr. Gwin's independence. The Company does not believe that Mr. Gwin's position at Anadarko gives rise to a direct or indirect material interest in the transactions.

The Company sells a number of its products to Momentive Group and Berry Plastics in the ordinary course of business. The Company also buys and sells products from and to Taminco Global Chemical Corporation in the ordinary course of business. A majority of the common stock of each of Momentive Group, Berry Plastics and Taminco Global Chemical Corporation is held by funds affiliated with Apollo Management L.P., which was a more than 5% shareholder of the Company during 2013, but no longer owns any shares in the Company. At its October 2011, December 2011 and February 2012 meetings, the Audit Committee authorized, respectively, ongoing sales by the Company to Momentive and Berry and purchases from and sales to Taminco, subject to certain terms and conditions, in the ordinary course of business in accordance with our Related Party Transactions Policy. The Audit Committee determined that the Momentive Group, Berry Plastics and Taminco transactions were on terms no less favorable than those which could be obtained from non-related parties. The disclosure of these transactions does not constitute an admission that Momentive Group, Berry Plastics or Taminco is a related party under Item 404 of Regulation S-K.

Compensation of the Members of the Supervisory Board

The members of our Supervisory Board receive both equity and cash compensation for their service on the Supervisory Board and its committees. The Supervisory Directors' compensation is designed to provide a competitive package that will enable the Company to attract and retain highly skilled individuals with relevant experience. The equity awards granted to Supervisory Board directors are restricted stock units ("RSUs"). The equity grants are provided as a means to align the interests of our Supervisory Directors with those of shareholders, and to put a portion of their compensation at risk to the extent the Company's market value declines. Additionally, the granting of equity compensation to directors generally is considered a best practice for U.S. companies, and all of the Company's compensation peer groups offer equity compensation to their directors. The Company believes paying directors a portion of their compensation in equity is vital in order to remain competitive and to attract and retain the best individuals.

The Supervisory Board also believes that long-term ownership of shares is a best practice for its members. Therefore, the Company maintains Director Share Ownership Guidelines. Pursuant to these guidelines, Supervisory Directors may not sell more than 50% of the shares they receive upon vesting of their equity grants until they own a number of shares valued at three times their annual cash retainer in effect when the guidelines were adopted. Restricting sales of shares in this manner ensures that our Supervisory Directors are able to diversify their holdings if necessary for their individual circumstances but also are required to hold substantial amounts of our shares during their service on our board.

The 2013 Supervisory Board compensation program is set forth below and was approved by shareholders at the 2013 annual general meeting of shareholders. Our Articles of Association currently provide that the Supervisory Board may set its own compensation, as long as the aggregate compensation paid to any individual member does not exceed $2 million in any single year.

Annual Retainer

Cash .... $90,000 ($120,000 for Chairman of the Board)

RSUs..................................... Valued at $135,000 ($160,000 for Chairman of the Supervisory Board)

Committee Retainer

Members .... $10,000 ($11,000 for Audit Committee)

Chairmen .... $15,000 ($20,000 for Audit Chair)

In addition to the retainers shown above, recognizing the time and effort international travel requires, we pay members of the Supervisory Board a travel fee of $5,000 for each intercontinental trip taken in performing their board service.

Financial Statements

The Management Board has prepared the annual accounts and discussed these with the Supervisory Board. The Report of the Independent Auditor, PricewaterhouseCoopers Accountants N.V., is included in the ‘Other Information’ on page 153. The financial statements are being presented for adoption by shareholders at the Annual Meeting. The Supervisory Board recommends that shareholders adopt these financial statements.

Additional Information

For additional information, see the Corporate Governance Statement (page 57), which is deemed to be incorporated by reference herein.

London, 28 February 2014

The Supervisory Board

Robert G. Gwin (Chairman)

Jacques Aigrain

Jagjeet Bindra

Robin Buchanan

Milton Carroll

Stephen F. Cooper

Nance K. Dicciani

Bruce A. Smith

Rudy M.J. Van der Meer

Claire S. Farley*

Isabella D. Goren*

* Neither Claire S. Farley nor Isabella D. Goren have signed this Report. This is because they were both appointed to the Supervisory Board on 20 February 2014. As such, they have no knowledge of, or responsibility for, the information contained in this Report, all of which related to fiscal year 2013, before they were members of the Supervisory Board.

2.2 Conformity Statement

The Management Board is responsible for the preparation of the Annual Accounts and the Annual Report of LyondellBasell N.V. for the year ended 31 December 2013 in accordance with applicable Dutch law and International Financial Reporting Standards ("IFRS") as adopted by the European Union, ("EU").

RESPONSIBILITY STATEMENT PURSUANT TO SECTION 5:25C PARAGRAPH 2(C) OF THE DUTCH FINANCIAL MARKETS SUPERVISION ACT ('Wet op het financieel toezicht')

The Management Board confirms that to the best of its knowledge:

- the LyondellBasell N.V. 2013 Annual Accounts give a true and fair view of the assets, liabilities, financial position and profit or loss of LyondellBasell N.V. and the entities included in the consolidation taken as a whole;

- the LyondellBasell N.V. 2013 Annual Report gives a true and fair view of LyondellBasell N.V. and the entities included in the consolidation taken as a whole as at 31 December 2013 and the state of the affairs during the financial year to which the report relates and describes the principal risks facing LyondellBasell N.V.

London, 28 February 2014

/s/ James L. Gallogly

2.3 Corporate Governance Statement

We monitor and assess applicable Dutch, U.S., and other relevant corporate governance codes, rules, and regulations. We are subject to the Dutch Corporate Governance Code (the "Code"), as we are a listed company with its statutory seat in the Netherlands. As an NYSE listed company, we also are required to comply with the U.S. Sarbanes-Oxley Act of 2002, as well as NYSE listing rules, and the rules and regulations promulgated by the U.S. Securities and Exchange Commission ("SEC"). As an overseas company, with executive offices in the United Kingdom, we are also required to comply with applicable requirements of U.K. company law, including the Companies Act 2006.

Our corporate governance structure is based on the requirements of the Dutch Civil Code, the company's Articles of Association and the rules and regulations applicable to companies listed on the New York Stock Exchange, complemented by several internal procedures. These procedures include a risk management and control system, as well as a system of assurance of compliance with laws and regulations.

For the full text of the Code, please refer to the website http://www.commissiecorporategovernance.nl/. For the full text of the U.S. Sarbanes-Oxley Act of 2002, as well as NYSE listing rules, and the rules and regulations promulgated by the SEC, see www.sec.gov/about/laws/soa2002.pdf, http://nyse.com/, and www.sec.gov/about.shtml respectively.

This chapter describes LyondellBasell's corporate governance. The Code contains principles and best practices for Dutch companies with listed shares. We agree with both the general approach and the vast majority of its principles and best practice provisions. Any deviations from the Code are explained, in accordance with the Code's "apply or explain" principle.

Any material changes in our corporate governance structure and/or our compliance with the Code will be discussed at LyondellBasell's 2014 Annual General Meeting of Shareholders as a separate agenda item. The Board of Management and the Supervisory Board are of the opinion that the company's corporate governance structure, as described here, is the most appropriate for LyondellBasell. With the exception of those aspects of our governance structure which can only be amended with the approval of the General Meeting of shareholders, the Board of Management and the Supervisory Board may make adjustments to the way the Code is applied as described below, if this is considered to be in the interest of the company. If adjustments are made, they will be published and reported in the annual report for the relevant year.

2.3.1 Management Board

Our Management Board is responsible for managing LyondellBasell, under the chairmanship of its CEO, James L. Gallogly. Mr. Gallogly is the sole member of the Management Board, and his term as a member of the Management Board expires at the annual general meeting of shareholders in 2015.

Mr. Gallogly was appointed as sole member of the Management Board in April 2010. Mr. Gallogly has over 30 years of operating and leadership experience in chemical, refining and related industries. He formerly worked at ConocoPhillips, most recently serving as executive vice president of exploration & production from October 2008 to May 2009. For the preceding two years, he was executive vice president of refining, marketing and transportation. He was president and chief executive officer of Chevron Phillips Chemical Company from 2000 to 2006 and served as a member of its Board of Directors. Mr. Gallogly is an American and is currently 61 years old.

The Management Board is responsible for the management of LyondellBasell, the deployment of its strategy, its risk profile and policies, the achievement of its objectives, its results and the corporate social responsibility aspects relevant to the Company.

In fulfilling its management tasks and responsibilities, the Management Board considers the interests of the Company and the business connected with it, as well as the interests of the Company's stakeholders. The Management Board is accountable to the Supervisory Board and the General Meeting of Shareholders for the performance of its management tasks.

Under a two-tier board structure, the Supervisory Board supervises and advises the Management Board in the execution of its tasks and responsibilities. The Management Board provides the Supervisory Board with all information, in writing or otherwise, necessary for the Supervisory Board to fulfill its duties. Besides the information provided in the regular meetings, the Management Board keeps the Supervisory Board frequently informed with respect to developments relating to LyondellBasell's business, financials, operations, and also with respect to industry developments in general.

Important decisions of the Management Board that require the approval of the Supervisory Board are, among others:

- The operational and financial objectives of the Company;
- The strategy to achieve the Company's objectives;
- The business and financial plans of the Company; and
- Corporate social responsibility issues relevant to the Company and the industry in which it operates.

The Rules for the Management Board contain the general responsibilities of the Management Board, the decision making process within the Management Board, and also the logistics surrounding the meetings. The Rules for the Management Board are posted in the Corporate Governance section within the Investor Relation section on our website at www.lyondellbasell.com.

Appointment, Other Functions

Members of the Management Board are appointed by the General Meeting of Shareholders upon recommendation by the Supervisory Board. Mr. Gallogly, the current sole member of the Management Board, was appointed effective 30 April 2010 for a period of five years, where after reappointment is possible for consecutive four-year terms.

The Supervisory Board may suspend one or more members of the Management Board at any time. The General Meeting of Shareholders may suspend or dismiss a member at any time, but only by means of a resolution adopted by at least two-thirds (2/3) of the valid votes cast, such two-third majority representing more than half of the issued capital.

Management Board members may only accept a Supervisory Board membership of another listed company after having obtained prior approval from the Supervisory Board. Members of the Management Board are also required to notify the Supervisory Board of other important functions held or to be held by them.

Mr. Gallogly is not currently a Supervisory Board member of any listed company.

Code of Conduct

Part of LyondellBasell's risk management and control system is the Company's Code of Conduct. The Code of Conduct contains rules and guidelines on integrity subjects and issues.

LyondellBasell has established a complaints procedure, which provides guidance with respect to the reporting by employees, anonymously if desired, of alleged violations of the Code of Conduct or other Company policies. The complaints procedure provides that alleged violations of the Code of Conduct can be reported by both LyondellBasell employees as well as third parties by calling a hotline or submitting information via the internet.

The Code of Conduct, including complaints received based on the complaints procedure, if any, are regularly discussed in the Audit Committee.

The Code of Conduct and information on how to submit complaints are posted in the Corporate Governance section of the Investor Relations section of our website.

Mandatory training courses on our Code of Conduct are conducted regularly by all employees worldwide.

Conflicts of Interest

The Management Board's Rules prohibit members of the Management Board from participating in deliberations or decisions on a subject or transaction in relation to which he has a direct or indirect personal interest, which may conflict with the interests of the Company and its associated enterprise. Additionally, any payments to a member of the Management Board, other than regular salary payments, expense reimbursements and payments arising under the Company's benefit and compensation plans applicable to employees generally must be approved by the Supervisory Board. Finally, the Company maintains a Related Party Transaction Policy that requires Audit Committee approval of certain transactions between the Company and any officer, director or substantial shareholder. During the year 2013, no transactions occurred that could have given the appearance of conflicts of interests or that effectively involved conflicts of interests.

2.3.2 Dutch Corporate Governance Code

In addition to the New York Stock Exchange listing standards and rules and regulations as promulgated by the SEC, as a Dutch company, our governance practices are governed by the Dutch Corporate Governance Code (the "Code"). The Code (as last amended on 10 December 2008) contains a number of principles and best practices. The Code, in contrast to U.S. laws, rules and regulations, contains an "apply-or-explain" principle, offering the possibility to deviate from the Corporate Governance Code and still be in compliance as long as any such deviations are explained. In certain cases, we have not applied the Code's practices and provisions and in those instances explain the non-application.

There is considerable overlap between the requirements we must meet under U.S. rules and regulations and the provisions of the Code. We have complied with the substantial majority of the provisions of the Code. If there are conflicting provisions of the Code and the requirements of the NYSE and the SEC, we will comply with the NYSE and SEC requirements, given their mandatory nature. As an SEC registrant and NYSE listed company, we believe that it is appropriate to maintain governance practices that are consistent with our peers listed on the NYSE.

For clarity purposes, we have listed below deviations from the Code and our reasons for deviating.

Best practice provision II.1.1

Pursuant to his employment agreement, Mr. Gallogly was appointed as a member of the Management Board for an initial term of five years, which exceeds the four year term limit contained in the Code.

We believe Mr. Gallogly's five year term is appropriate to ensure continuity in the effective management of the Company. Specifically, Mr. Gallogly was recruited to the Company not only to lead the efforts in emerging from bankruptcy, which he did from his hiring in 2009 through emergence in 2010, but also to grow the Company and increase value to stakeholders over the long term. We believe that a five year period is appropriate in these circumstances. Subsequent terms of Mr. Gallogly or any other member of the Management Board will be for a maximum of four years, in accordance with the Company's Articles of Association, our Rules of the Management Board and the provisions of the Code

Best practice provisions of Principle II.2

The Company has followed all of Principle II.2 in determining the compensation of the Management Board, as described in the Compensation Discussion and Analysis section of the Company's Proxy Statement for the Annual Meeting.

Mr. Gallogly, the sole member of the Management Board, was recruited and hired to join the Company in May 2009, during bankruptcy proceedings. At that time, an employment agreement was negotiated and approved by the bankruptcy court. The Company believes that the level and structure of Mr. Gallogly's compensation was not only necessary to recruit him, but remains appropriate for his responsibilities. Certain of the contractual provisions of the agreement deviate from the best practice provisions of the Code as described below.

II.2.4

Pursuant to Mr. Gallogly's employment agreement, he was granted options to purchase Company shares that vest ratably over a five year period beginning one year after his date of employment. This is contrary to best practice provision II.2.4, which states that options shall not be exercisable in the first three years after the date of grant. Further, the number of options granted to Mr. Gallogly was negotiated at the time of his recruitment and approved by the bankruptcy court; as a result, the number of options granted was not determined based on the achievement of targets specified beforehand in accordance with best practice provision II.2.4. Nonetheless, the Company believes that the vesting schedule and number of options granted to Mr. Gallogly is appropriate. A five year ratable vesting schedule properly incentivizes Mr. Gallogly over a long period of time, because only twenty percent of the total award can be exercised each year. Additionally, any value of options depends entirely on the increase in the market value of our shares; to the extent that, during the first three years after date of grant there was no increase for shareholders generally, Mr. Gallogly's options would be worthless.

II.2.8

Mr. Gallogly's employment agreement with the Company contains provisions that entitle him to payments upon termination of his employment agreement that exceed one annual salary payment. The severance provisions contained in the agreement are not inconsistent with those of similarly situated executives at our peer companies. We believe that the severance provisions currently are appropriate, but it also should be noted that those provisions were included in Mr. Gallogly's employment agreement at a time that the Company as in bankruptcy proceedings and faced an uncertain future. Therefore, giving him economic protection ensured he was able to focus on the Company's performance and the creation of stakeholder value as opposed to whether he would be treated fairly by the Company.

II.2.11

The Company's employment agreement with Mr. Gallogly does not contain any claw-back provisions. Under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Securities and Exchange Commission has been charged with requiring stock exchanges, including the NYSE on which our shares are listed, to prohibit listing of securities of any company that has not developed and implemented compensation claw-back policies. The Dodd-Frank Act's provisions regarding claw-back policies are specific as to what is required, although implementing regulations have not yet been promulgated. The Compensation Committee has stated that it will develop and implement a policy in accordance with the provisions of the Dodd-Frank Act.

III.2.1/III.2.3

The Supervisory Board currently consists of eleven members. Of the current eleven members, nine are considered independent for purposes of the Code and NYSE listing standards and are deemed to be independent based on the Company's categorical standards of independence contained in the Company's Corporate Governance Guidelines.

Each of the non-independent members of the Supervisory Board was nominated pursuant to a nomination agreement the Company has with a certain group of affiliated shareholders that allows this shareholder group to nominate up to three directors dependent on the shareholder group's share ownership levels. The Supervisory Board believes that each of its non-independent members brings with him a level of skill, experience and qualifications that benefit the workings of the Supervisory Board and therefore the Company's stakeholders generally.

III.3.5

Members of the Supervisory Board are appointed for terms of up to three years; however, there is no limit on the number of terms a Supervisory Board member may serve.

Currently, the Supervisory Board does not believe there is a driving interest in limiting members to the "three four-year terms" provision of the Code. To the contrary, the Supervisory Board believes that a depth of history and knowledge of the Company, which can be developed through long-term service, continues to be key to an effective oversight of the Company. The Supervisory Board intends to revisit the provisions in its governing documents on a continuous basis and may determine that limitations of the number of terms for Supervisory Board members is appropriate. Notwithstanding any such determinations, under the nomination rights described above, as long as certain shareholders maintain their share ownership at required levels, they will be able to nominate individuals of their choosing; the result of which may be for individuals nominated by them to serve for longer than any Supervisory Board determined terms.

III.7.1/III.7.2

Members of the Supervisory Board have been granted restricted stock units as a portion of their annual remuneration. The restricted stock units entitle the recipient to an equal number of the Company's shares after certain time-based vesting requirements have been met. This is a deviation from the Code, which states that supervisory board members shall not be granted shares and/or rights to shares by remuneration.

The remuneration program of the Supervisory Board was recommended by the Supervisory Board and approved by the General Meeting of Shareholders in 2011, 2012 and 2013, and consists of both cash and shares. The Company believes that granting rights to acquire shares aligns the Supervisory Board members' interests with those of shareholders, thereby increasing the incentives to make decisions that create long-term value for the Company.

Additionally, as part of their review of director compensation, the Nominating & Governance Committee and the Supervisory Board consider, among other factors, the practices at a comparative group of public companies, based on market comparison studies prepared by an outside consultant, Frederic W. Cook & Co., Inc. All of the companies in the comparative group offer some form of equity compensation. For that reason, among others, the Company believes that equity awards are reflective of the market and are necessary to attract and retain highly skilled individuals with relevant experience and to reflect the time and talent required to serve on the board of a complex, multinational corporation.

In February 2013, the Supervisory Board adopted Share Ownership Guidelines that prohibit Supervisory Board members from divesting of equity they have received from the Company until they have a certain level of share ownership. These Ownership Guidelines are meant to ensure that the Supervisory Directors treat their equity in the Company as a long-term investment.

Gender Diversity

Effective January 1, 2013, Dutch law requires that companies whose boards do not meet a 30% gender diversity quota must disclose the reason for not having the specified diversity percentage as well as their efforts and intent to obtain such diversity. The Company's Supervisory Board currently consists of 11 members, 3 of whom are female. The Company's Management Board currently consists of only one member, the Company's Chief Executive Officer, James L. Gallogly; pursuant to the Company's Articles of Association, to the extent there is only one member of the Management Board, that member will be the Company's Chief Executive Officer. The Supervisory Board does not believe that increasing its size solely to meet the gender diversity requirement is in the best interest of the Company or its stakeholders. Additionally, future nominees for the Management Board will be chosen from the executive officers of the Company based on their job responsibilities, regardless of gender.

2.3.3 Remuneration of the Management Board

Mr. Gallogly, as sole member of the Management Board, is remunerated in accordance with the terms and conditions of an employment agreement entered into in 2009 and approved by the bankruptcy court. The remuneration paid to Mr. Gallogly is based on his duties both as a member of the Management Board and as CEO of the Company.

In accordance with the requirements of the SEC, in its Proxy Statement for the Annual Meeting, the Supervisory Board has included a "Compensation Discussion and Analysis," approved by the Compensation Committee of the Supervisory Board. This Compensation Discussion and Analysis, or CD&A, provides detailed information with respect to the Company's compensation philosophy, programs and practices for certain executive officers (as defined and identified under SEC regulations). The CD&A is applicable to Mr. Gallogly, as one of the named executive officers.

Also in accordance with SEC regulations, the Supervisory Board is seeking from shareholders at the Annual Meeting the approval, in an advisory vote, of the Company's executive compensation.

Set forth below are the elements of the Remuneration Policy as described in the CD&A included in the Proxy Statement for the Annual Meeting.

We believe that we should pay for performance and align our executives' interests with those of our shareholders. To this end, our compensation program for our executives has been designed to achieve the following objectives:

- Support a high performing culture that attracts and retains highly qualified executive talent;
- Tie annual incentives to the achievement of measurable Company objectives on both an absolute basis, and relative to the industry and peers, as well as individual performance objectives; and
- Align executives' incentives with the creation of shareholder value through both medium and long-term incentive plans.

One of the practices to achieve the above objectives is targeting pay for our executive officers at or around the median for comparable positions at similarly sized companies and at our peers. We believe that targeting total compensation, as well as each component of total compensation, at a median level supports a high performing culture. The design of our program allows for, but does not guarantee, significant potential upside in the case of superior performance. Conversely, minimal payments or even no payments may be made if performance does not warrant such levels of compensation. As a result, we believe our executives are continually incentivized to act in a manner that benefits the Company and its stakeholders.

A significant portion of our executives' total targeted compensation is under our incentive programs. We believe that putting these portions of compensation at risk ensures we pay for performance. Payouts under our incentive programs require the achievement of goals that we believe increase shareholder value. A fundamental component in the determinations of whether goals have been met is not only the assessment of performance on an absolute basis, but also our performance relative to our peers, the industry and economic conditions generally. We believe these assessments ensure a strong link between pay and performance.

We look at the Company's HSE and financial performance, as well as executives' individual performance, in determining payouts under incentive compensation awards. We attempt to develop performance metrics that will assess the performance of the Company relative to other companies in addition to absolute performance. This practice is based on our belief that absolute performance can be affected, both positively and negatively, by industry-wide factors or general economic conditions over which our executives may have little control. For example, the cyclicality of feedstock costs and the global economy can have a significant effect on our results of operations. Therefore, we choose performance metrics that we believe can be used to analyze our performance generally as well as compared to our peers. We believe this helps focus on differential performance by our executives. Finally, we attempt to isolate the underlying performance measurements we believe are necessary for successful performance within our industry.

For purposes of awards under our incentive programs, we have set goals that will require high performance in order to receive target incentive compensation levels. We have selected goals under three areas of performance, as opposed to a single financial measure, to promote the well-rounded executive performance necessary to enable the Company to achieve long-term success.

Our incentive programs do not include guaranteed payouts based solely on the attainment of formulaic metrics or threshold measures. Instead, we use goals that include numerical targets as one of the components to determine whether payouts are warranted under each of the metrics. Because our programs are not formulaic, the achievement (or non-achievement) of such goals is only the starting point in the Committee's determination of payouts for that metric. We believe that judging performance based on an analysis of all relevant considerations provides a more meaningful determination of actual performance than using bright-line, formulaic performance targets. Further, we do not believe that using solely formulaic metrics allows the Committee to adequately take into account all of the factors that may affect the Company's performance, both negatively and positively. The retention of discretion by the Compensation Committee allows for the consideration of differential performance by the Company and its executives in order to judge relative performance in addition to absolute performance.

Our executive compensation program currently consists of four principal components:

- Base salary;
- Short-term (annual) cash incentive compensation;
- Medium-term incentive compensation; and
- Long-term equity-based incentive compensation.

We have chosen to pay each of these elements because we believe they best serve to advance our compensation objectives.

2.3.4 Internal Risk Management and Control Systems, External Factors

The Management Board is responsible for ensuring that LyondellBasell complies with applicable legislation and regulations. It is also responsible for the financing of LyondellBasell and for managing the internal and external risks related to its business activities.

The establishment of our internal risk management and control system is based on the identification of external and internal risk factors that could influence the operational and financial objectives of the Company, and contains a system of monitoring, reporting, and operational reviews.

To help identify risks, LyondellBasell uses a formal risk management approach, consisting of a set of risks definitions which are discussed amongst senior management of LyondellBasell at least annually, as described below. Based on this risk assessment, actions are initiated to further enhance the Company's risk mitigation.

The disclosure of the risks that potentially could have a significant impact on the Company's strategy execution, operations or financial position is derived in part from LyondellBasell's internal risk assessment, comprising elements of the risk assessment model as mentioned in the COSO report.

The Company publishes two annual reports in respect of the financial year 2013 ("2013 Annual Reports"): (i) a Statutory Annual Report in accordance with Dutch legal requirements in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations as adopted by the European Union and (ii) an Annual Report on Form 10-K in accordance with U.S. securities laws, based on the United States of America Generally Accepted Accounting Principles ("U.S. GAAP"). Both 2013 Annual Reports include risk factors that are specific to the petrochemical industry, LyondellBasell and ownership of its shares. LyondellBasell also provides sensitivity analyses by providing:

- a narrative explanation of its financial statements;
- the context within which financial information should be analyzed; and
- information about the quality, and potential variability, of LyondellBasell's earnings and cash flow.

In its "Statement of the Board of Management" (which is included on pages 37 through 39 hereof), the Management Board addresses the Company's internal risk management and control systems.

The Company's Annual Report on Form 10-K will include a report of management's assessment regarding internal control over financial reporting and an attestation report of our registered public accounting firm. Additionally, we are required to conduct an evaluation, under the supervision and with the participation of our CEO and the CFO, of the effectiveness of the Company's internal control over financial reporting and, based on that evaluation, conclude whether the Company's internal control over financial reporting was effective as of 31 December 2013, providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. PricewaterhouseCoopers LLP, the Company's independent registered accounting firm under U.S. securities rules and regulations will also be required to confirm the effectiveness of the Company's internal control over financial reporting in its Consent of Independent Registered Public Accounting Firm as included in our 2013 Annual Report on Form 10-K for the year ended 31 December 2013.

With respect to the process of drafting annual reports, LyondellBasell has guidelines for the lay-out and the content of its reports. These guidelines are primarily based on applicable laws. For the Statutory Annual Report, the Company follows the requirements of Dutch law and regulations, including preparation of the consolidated financial statements in accordance with IFRS and IFRIC interpretations as adopted by the European Union. For the Annual Report on Form 10-K, the Company applies the requirements of the U.S. Securities and Exchange Act of 1934, and prepares the financial statements included therein in accordance with U.S. GAAP.

LyondellBasell currently has a Disclosure Committee, consisting of various members of management from different functional areas within the Company. The Disclosure Committee reports to and assists the CEO and CFO in the maintenance, review and evaluation of disclosure controls and procedures. The Disclosure Committee's main responsibilities are to ensure compliance with applicable disclosure requirements arising under United States and applicable stock exchange rules. The Company's CEO and CFO attend the meetings of the Disclosure Committee, or otherwise receive reports from the Chairman of the Disclosure Committee on any material topics discussed in the meetings.

The Company also has an enterprise risk management process, which is coordinated by the Company's General Auditor, and overseen by a Risk Management Committee. The standing members of the Risk Management Committee include the Company's CEO, Chief Financial Officer, Chief Legal Officer and VP of Health, Safety & Environmental. Through a variety of policies and procedures, business leaders are required to identify, monitor, mitigate and report on risks under the supervision of the Risk Management Committee, which requires risk management plans from each business segment and function. The Committee sets the Company's various risk tolerances, ensuring they are aligned with the Company's strategic goals, and defines the risk profile of the Company.

The results of the risk management processes, and the decisions made by the Risk Management Committee, are reported to the Audit Committee of the Supervisory Board, which is responsible for overseeing the design of the risk assessment process. Regular updates are given to the Supervisory Board on material risks. In addition, the Audit Committee is responsible for ensuring that an effective risk assessment process is in place, and quarterly reports are made to the Audit Committee on all financial and compliance risks in accordance with New York Stock Exchange requirements.

2.3.5 Shareholders and General Meeting of Shareholders

Powers

A general meeting of shareholders will be held at least once a year and is expected to take place in Rotterdam. In this meeting, the following items are expected to be discussed and/or approved:

- the written report of the Management Board containing the course of affairs in LyondellBasell and the conduct of the management during the past financial year as disclosed in this Annual Report;

- the adoption of the annual accounts;
- LyondellBasell's reserves and dividend policy and justification thereof by the Management Board;
- the discharge of the members of the Management Board in respect of their management during the previous financial year;
- the discharge of the members of the Supervisory Board in respect of their supervision during the previous financial year;
- each material change in the corporate governance structure of LyondellBasell (if occurred); and
- any other item the Management Board or the Supervisory Board determine to place on the agenda.

The Management Board requires the approval of the general meeting of shareholders and the Supervisory Board for resolutions regarding a significant change in the identity or character of LyondellBasell or its business, including in any event:

- a transfer of the business or virtually all of the business to a third party;
- entry into or termination of long-term cooperation by LyondellBasell or a subsidiary with another legal entity or partnership or as a general partner with full liability in a limited or general partnership if such cooperation or the termination thereof is of far-reaching significance for LyondellBasell; and
- an acquisition or disposal by LyondellBasell or a subsidiary of a participation in the capital of another company, the value of which equals at least one third of the amount of the assets according to the consolidated statement of financial position with explanatory notes attached to the Annual Accounts as most recently adopted.

Proposals placed on the agenda by the Supervisory Board, the Management Board, or at the request of shareholders, provided that they have submitted the proposals in accordance with the provisions of LyondellBasell's Articles of Association, will be discussed and resolved upon. Shareholders are entitled to request the Supervisory Board to place agenda items on the annual general meeting agenda at the latest sixty days before the meeting, and provided that they represent at least 1 percent of LyondellBasell's outstanding share capital or whose shares represent a value of at least €50,000,000. Additionally, under the rules of the SEC shareholders who want to have proposals included in our proxy statement for the 2014 meeting must have been the registered or beneficial owner of (a) at least 1% of our outstanding shares or (b) shares having a market value of at least $2,000 for at least one year before submitting the proposal. The shareholder must also continue to own the shares through the date of the 2014 meeting.

The Management Board or Supervisory Board may convene Extraordinary General Meetings as often as they deem necessary. Such meetings must be held if one or more shareholders and others entitled to attend the meetings jointly representing at least one-tenth of the issued share capital make a written request to that effect to the Supervisory Board, specifying in detail the items to be discussed.

Logistics of the General Meeting of Shareholders

Shareholders registered at the record date set by the Company will be entitled to attend the meeting and to exercise other shareholder rights during the meeting, notwithstanding the subsequent sale of their shares after the record date.

LyondellBasell's practice will be (as long as Dutch law does not prescribe otherwise) to set the record date at twenty-eight days before the meeting. The Management Board and Supervisory Board shall provide the shareholders with the facts and circumstances relevant to the proposed resolutions, through an explanation to the agenda, as well as through other documents necessary and/or helpful for this purpose. All documents relevant to the general meeting of shareholders, including the agenda with explanations, shall be posted on LyondellBasell's website at www.lyondellbasell.com. The agenda will clearly indicate which agenda items are voting items, and which items are for discussion only.

LyondellBasell shareholders may appoint a proxy who can attend and address the general meeting of shareholders and vote on their behalf at the meeting. LyondellBasell also uses an internet proxy voting system to vote, thus facilitating shareholder participation without having to attend in person. Shareholders who voted through internet proxy voting are required, however, to appoint a proxy to officially represent them at the meeting in person.

The record of the minutes of the general meeting of shareholders will be available to shareholders on our website no later than three months after the meeting. The minutes are adopted by the Chairman and the secretary of the meeting. Also, the voting results will be published via a Current Report on Form 8-K that will be filed with the SEC no later than four business days after the general meeting, which Current Report will be available on LyondellBasell's website.

All resolutions are made on the basis of the "one share, one vote" principle. All resolutions are adopted by absolute majority, unless the law or our Articles of Association stipulate otherwise.

Information to the Shareholders

To ensure fair disclosure, LyondellBasell distributes Company information that may influence the share price to shareholders and other parties in the financial markets simultaneously and through means that are public to all interested parties.

When LyondellBasell's annual and quarterly results are published by means of a press release, interested parties, including shareholders, can participate through conference calls and view the presentation of the results on LyondellBasell's website. The schedule for communicating the annual financial results is in general published through a press release and is posted on LyondellBasell's website.

It is LyondellBasell's policy to post the presentations given to analysts and investors at investor conferences on its website. Information regarding presentations to investors and analysts and conference calls are announced in advance on LyondellBasell's website. Meetings and discussions with investors and analysts shall, in principle, not take place shortly before publication of regular financial information. LyondellBasell does not assess, comment upon, or correct analysts' reports and valuations in advance, other than to comment on factual errors. LyondellBasell does not pay any fees to parties carrying out research for analysts' reports, or for the production or publication of analysts' reports, and takes no responsibility for the content of such reports.

At the annual general meetings of shareholders, the shareholders will be provided with all requested information, unless this is contrary to an overriding interest of the Company. If this should be the case, the Management Board and Supervisory Board will provide their reasons for not providing the requested information.

Furthermore, the Investor Relations section on LyondellBasell's website provides links to information about LyondellBasell published or filed by LyondellBasell in accordance with applicable rules and regulations.

Relationship with Institutional Investors

LyondellBasell finds it important that its institutional investors participate in LyondellBasell's general meetings of shareholders. The Company believes that applying a record date and providing internet proxy voting are measures that should achieve high levels of participation at the meeting.

2.3.6 Audit of Financial Reporting

Financial Reporting

LyondellBasell has comprehensive internal procedures in place for the preparation and publication of Annual Reports, annual accounts, quarterly figures, and all other financial information. These internal procedures are frequently discussed in the Audit Committee and the Supervisory Board. The Disclosure Committee assists the Management Board in overseeing LyondellBasell's disclosure activities and ensures compliance with applicable disclosure requirements arising under U.S. and Dutch law and regulatory requirements.

The Audit Committee reviews and approves the external auditor's Audit Plan for the audits planned during the financial year. The Audit Plan also includes the activities of the external auditor with respect to their reviews of the quarterly results other than the annual accounts. These reviews are based on agreed upon procedures and are approved by the Audit Committee. The external auditor regularly updates the Audit Committee on the progress of the audits and other activities.

Appointment, Role, Assessment of the Functioning of the External Auditor, and the Auditor's Fee

In accordance with Dutch law, LyondellBasell's external auditor is appointed by the general meeting of shareholders and is nominated for appointment by the Supervisory Board upon advice from the Audit Committee and the Management Board. LyondellBasell's current external auditor is PricewaterhouseCoopers Accountants N.V. ("PwC"), and the Supervisory Board, on the recommendation of the Audit Committee, is proposing shareholders appoint PwC as its auditor to audit the Dutch statutory accounts at the Annual Meeting.

The Audit Committee and Management Board will conduct an extensive evaluation of the external auditor's performance every four years as required by the Dutch Corporate Governance Code.

In the years that no formal evaluation is conducted, the external auditor's performance is continuously assessed by the Audit Committee in the Audit Committee meetings. So far, the external auditor has functioned to the satisfaction of both the Audit Committee and the Management Board.

Annually, the Management Board and the Audit Committee provide the Supervisory Board with a report on the relationship with the external auditor, including the required auditor independence. To determine the external auditor's independence, the relationship between the audit services and the non-audit services provided by the external auditor is important, as well as the rotation of the responsible lead audit partner every five years. Non-audit services (including tax fees and non-audit-related fees) performed by the external auditor comprised approximately one percent of the external auditor's services in 2013. Based on the proportion audit fees versus non-audit related fees, it was concluded and confirmed by the external auditor that the external auditor acts independently.

The external auditor will be present at the Annual Meeting to respond to questions, if any, from the shareholders about the auditor's report on the financial statements.

The Audit Committee, on behalf of the Supervisory Board, approves the remuneration of the external auditor as well as the non-audit services to be performed, after consultation with the Management Board and the CFO. It has been agreed among the members of the Supervisory Board and the Management Board that the Audit Committee has the most relevant insight and experience to be able to approve both items, and therefore the Supervisory Board has delegated these responsibilities to the Audit Committee.

In principle the external auditor attends all meetings of the Audit Committee, unless this is deemed not necessary by the Audit Committee. The findings of the external auditor are discussed at these meetings.

The Audit Committee reports on all issues discussed with the external auditor to the Supervisory Board, including the external auditor's report with regard to the audit of the annual accounts as well as the content of the annual accounts. In the audit report, the external auditor refers to the financial reporting risks and issues that were identified during the audit, internal control matters, and any other matters requiring communication under the auditing standards generally accepted in the Netherlands and in the United States.

Internal Audit Function

The internal audit function of LyondellBasell forms one of the key elements to address the topics of risk management and internal control over financial reporting as required under the Code and the Sarbanes-Oxley Act, respectively. To ensure the independence of this function, the Company's internal auditor reports to the Audit Committee. The external auditor and the Audit Committee are involved in drawing up the work schedule and audit scope of the internal auditor. The internal auditor regularly provides updates on its findings to the Audit Committee.

2.3.7 Takeover Directive; Anti-Takeover Provisions and Control

General

The EU Takeover Directive requires that certain listed companies must publish information providing insight into defensive structures and mechanisms which they apply. The relevant provision has been implemented into Dutch law by means of a decree of 5 April 2006. Pursuant to this decree, Dutch companies whose securities have been admitted to trading on an EU regulated market have to include information in their annual report which could be of importance for persons who are considering taking an interest in the company. The Company's shares are admitted to trading on the NYSE and not on any EU regulated markets.

According to provision IV.3.11 of the Code, we are required to provide a survey of our actual or potential anti-takeover measures, and to indicate in what circumstances it is expected that they may be used.

Accordingly, we have set out below a number of provisions in the Articles of Association that in a Dutch context technically are not necessarily considered to be anti-takeover measures, but which could restrict the ability of a controlling shareholder to effectively exercise control over the Company:

- As per article 12.4 of the Articles of Association, up to one-third (1/3) of the members of the Supervisory Board may be appointed by the Supervisory Board itself;

- As per article 12.2 of the Articles of Association, the General Meeting of Shareholders will appoint both the members of the Management Board and, subject to the above, the members of the Supervisory Board, upon the nomination of the Supervisory Board. Any such nomination with respect to the appointment of a Supervisory Board member shall, at the discretion of the Supervisory Board be binding. Such a binding nomination may be rendered non-binding by the General Meeting of Shareholders provided that a resolution to that effect shall be adopted by at least two-thirds (2/3) of the valid votes cast, such two-third (2/3) majority representing more than half of the issued share capital. In case of such a vote, the General Meeting of Shareholders will be free in its selection and appointment of a Supervisory Board member to fill the vacancy by means of a resolution adopted by at least two-thirds (2/3) of the valid votes cast, such two-third (2/3) majority representing more than half of the issued capital. If the votes cast in favor of such resolutions do not represent at least two-thirds of the issued share capital, a new meeting can be convened at which the relevant resolution can be adopted by absolute majority;

- As per articles 4.2 and 4.3 of the Articles of Association the Supervisory Board has been designated for a period ending on 30 April 2015 as the body competent to issue shares in the capital of the Company whereby the Supervisory Board is in principle authorized to restrict or exclude any pre-emptive rights of existing shareholders; and

- As per article 22.1 of the Articles of Association, the Articles of Association may only be amended by the General Meeting of Shareholders on the basis of a proposal thereto of the Management Board and subject to approval of the Supervisory Board.

In the event of a hostile takeover bid, in general the Supervisory Board and the Management Board reserve the right to use all powers available to them in the interests of the Company and its affiliated enterprise, taking into consideration the relevant interests of the Company's stakeholders.

CONSOLIDATED FINANCIAL STATEMENTS

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF INCOME

Millions of U.S. Dollars, except per share data	Note	Year Ended 31 December 2013	2012
Revenue	5	$ 44,071	$ 45,595
Cost of sales	6	38,152	40,428
Gross profit		5,919	5,167
Selling costs	6	273	253
Administrative expenses	6	702	647
Other expense, net		51	45
Operating profit		4,893	4,222
Finance income		14	18
Finance costs	10	(262)	(640)
Share of profit of associates and joint ventures	15	203	143
Profit before income tax		4,848	3,743
Income tax expense	11	(1,068)	(1,178)
Profit for the year		3,780	2,565
Attributable to:			
Profit/(loss) attributable to			
- Owners of the Company		3,784	2,579
- Non-controlling interests		(4)	(14)
Total		$ 3,780	$ 2,565
Earnings per share:			
- Basic	12	$ 6.67	$ 4.50
- Diluted	12	$ 6.62	$ 4.45

The notes on pages 79 to 141 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Millions of U.S. Dollars	Note	Year Ended 31 December 2013	Year Ended 31 December 2012
Profit for the year		$ 3,780	$ 2,565
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of post-employment benefits obligations	26	493	(109)
Tax on remeasurements of post-employment benefits obligations	11	(167)	21
		326	(88)
Items that may be reclassified subsequently to profit or loss:			
Currency translation of foreign operations		206	127
Tax on currency translation of foreign operations	11	4	(1)
		210	126
Other comprehensive income, net of tax		536	38
Total comprehensive income		$ 4,316	$ 2,603
Attributable to:			
- Owners of the Company		4,320	2,617
- Non-controlling interests		(4)	(14)
		$ 4,316	$ 2,603

The notes on pages 79 to 141 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

Millions of U.S. Dollars	Note	31 December 2013	31 December 2012
Non-current assets:			
Intangible assets	13	$ 1,275	$ 1,402
Property, plant and equipment	14	8,893	8,089
Investments in associates and joint ventures	15	1,677	1,625
Deferred income tax assets	25	357	26
Trade and other receivables	20	167	425
Total non-current assets		12,369	11,567
Current assets:			
Inventories	19	4,997	4,905
Trade and other receivables	20	4,748	4,346
Derivative financial instruments	18	4	19
Income tax receivable		31	85
Cash and cash equivalents	21	4,450	2,732
Total current assets		14,230	12,087
Total assets		$ 26,599	$ 23,654

The notes on pages 79 to 141 are an integral part of these Consolidated Financial Statements.

EQUITY AND LIABILITIES

Millions of U.S. Dollars	Note	31 December 2013	31 December 2012
Equity attributable to the owners of the Company:	22		
Share capital		$ 31	$ 31
Share premium		10,343	10,348
Other reserves		194	(342)
Retained earnings		3,519	799
Treasury shares		(2,035)	(106)
		12,052	10,730
Non-controlling interests	23	36	40
Total equity		12,088	10,770
Non-current liabilities:			
Borrowings	24	5,709	4,251
Deferred income tax liability	25	2,027	1,677
Retirement benefit obligations	26	1,093	1,525
Provisions for other liabilities and charges	28	303	372
Accruals and deferred income		208	292
		9,340	8,117
Current liabilities:			
Trade and other payables	27	4,739	4,255
Income tax payable		249	273
Borrowings	24	59	96
Derivative financial instruments	18	26	29
Provisions for other liabilities and charges	28	98	114
		5,171	4,767
Total liabilities		14,511	12,884
Total equity and liabilities		$ 26,599	$ 23,654

The notes on pages 79 to 141 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Millions of U.S. Dollars	Note	Share Capital	Share Premium	Treasury Shares	Other Reserves	Retained Earnings	Equity Attributable to the Owners of the Company	Non-Controlling Interests	Total Equity
Balance at 31 December 2011 (as previously reported)	2	$ 31	$ 10,291	$ (124)	$ (419)	$ 596	$ 10,375	$ 54	$ 10,429
Effect of changes in accounting policy	2	- -	- -	- -	39	(49)	(10)	- -	(10)
Balance at 1 January 2012 (restated)		31	10,291	(124)	(380)	547	10,365	54	10,419
Transactions with owners:									
Shares purchased	22	- -	- -	(13)	- -	- -	(13)	- -	(13)
Warrants exercised	22	- -	43	- -	- -	- -	43	- -	43
Dividends paid relating to 2012	22	- -	- -	- -	- -	(2,415)	(2,415)	- -	(2,415)
Employees share-based payments:									
- Issuance of shares	8	- -	14	31	- -	- -	45	- -	45
- Tax credits related to share-based awards	11	- -	- -	- -	- -	88	88	- -	88
Total transactions with owners		31	10,348	(106)	(380)	(1,780)	8,113	54	8,167
Comprehensive income for the period:									
Profit and loss		- -	- -	- -	- -	2,579	2,579	(14)	2,565
Other comprehensive income:									
Actuarial loss on post employment benefit obligations	11/26	- -	- -	- -	(88)	- -	(88)	- -	(88)
Currency translation differences		- -	- -	- -	126	- -	126	- -	126
Total Comprehensive Income for the period		- -	- -	- -	38	2,579	2,617	(14)	2,603
Balance at 31 December 2012		$ 31	$ 10,348	$ (106)	$ (342)	$ 799	$ 10,730	$ 40	$ 10,770

The notes on pages 79 to 141 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Millions of U.S. Dollars	Note	Share Capital	Share Premium	Treasury Shares	Other Reserves	Retained Earnings	Equity Attributable to the Owners of the Company	Non-Controlling Interests	Total Equity
Balance at 1 January 2013 (restated)		$ 31	10,348	$ (106)	$ (342)	$ 799	$ 10,730	$ 40	$ 10,770
Transactions with owners:									
Shares purchased	22	- -	- -	(1,949)	- -	- -	(1,949)	- -	(1,949)
Warrants exercised	22	- -	1	- -	- -	- -	1	- -	1
Dividends paid relating to 2013	22	- -	- -	- -	- -	(1,127)	(1,127)	- -	(1,127)
Employees share-based payments:									
- Issuance of shares	8	- -	(6)	20	- -	- -	14	- -	14
- Tax credits related to share-based awards	11	- -	- -	- -	- -	63	63	- -	63
Total transactions with owners		31	10,343	(2,035)	(342)	(265)	7,732	40	7,772
Comprehensive income for the period:									
Profit and loss		- -	- -	- -	- -	3,784	3,784	(4)	3,780
Other comprehensive income:									
Actuarial loss on post employment benefit obligations	11/26	- -	- -	- -	326	- -	326	- -	326
Currency translation differences		- -	- -	- -	210	- -	210	- -	210
Total Comprehensive Income for the period		- -	- -	- -	536	3,784	4,320	(4)	4,316
Balance at 31 December 2013		$ 31	$ 10,343	$ (2,035)	$ 194	$ 3,519	$ 12,052	$ 36	$ 12,088

The notes on pages 79 to 141 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF CASH FLOWS

Millions of U.S. Dollars	Note	Year Ended 31 December 2013	2012
Cash flows from operating activities:			
Profit before income tax		$ 4,848	$ 3,743
Adjustments for:			
Depreciation, amortization and impairments	6	1,007	1,038
Share based compensation	8	42	42
Finance cost, net		248	622
Other expense, net		51	45
Share in profit of associates and joint ventures	15	(203)	(143)
Contributions to defined benefit pension plans	26	(172)	(180)
Changes in working capital relating to:			
Increase in trade receivables		(69)	(53)
(Increase)/decrease in inventories		(66)	763
Increase/(decrease) in trade payables		275	(189)
Other		175	(92)
Cash generated from operations		6,136	5,596
Interest paid		(266)	(665)
Net income taxes paid		(1,203)	(261)
Net cash from operating activities		4,667	4,670
Cash flows from investing activities:			
Purchase of property, plant and equipment		(1,561)	(1,060)
Proceeds from disposal of assets		5	12
Interest received		15	18
Dividends received from associates and joint ventures	15	186	147
Other investing costs		(41)	(13)
Net cash used in investing activities		(1,396)	(896)
Cash flows from financing activities:			
Repurchase of company ordinary shares		(1,949)	- -
Repayments of borrowings	24	(14)	(2,718)
Proceeds from borrowings	24	1,450	2,968
Dividends paid	22	(1,127)	(2,415)
Other financing activities		13	20
Net cash used in financing activities		(1,627)	(2,145)
Net increase in cash and cash equivalents		1,644	1,629
Cash and cash equivalents at beginning of period		2,732	1,065
Exchange rate differences		74	38
Cash and cash equivalents at end of the period	21	$ 4,450	$ 2,732

The notes on pages 79 to 141 are an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General

LyondellBasell Industries N.V. is a limited liability company (*Naamloze Vennootschap*) incorporated under Dutch law by deed of incorporation dated 15 October 2009. Unless otherwise indicated, the "Company," "we," "us," "our" or similar words are used to refer to LyondellBasell Industries N.V. together with its consolidated subsidiaries ("LyondellBasell N.V.").

LyondellBasell Industries N.V. is the successor to the combination in December 2007 of Lyondell Chemical Company ("Lyondell Chemical") and Basell AF S.C.A. ("Basell"), which created one of the world's largest private petrochemical companies with significant worldwide scale and leading product positions. LyondellBasell Industries AF S.C.A. ("LyondellBasell AF"), the predecessor of LyondellBasell N.V., is no longer part of the Company.

LyondellBasell N.V. is a worldwide manufacturer of chemicals and polymers, a refiner of crude oil, a significant producer of gasoline blending components and a developer and licensor of technologies for production of polymers. LyondellBasell Industries N.V.'s shares are listed on the New York Stock Exchange ("NYSE").

The Consolidated Financial Statements for the year ended 31 December 2013 of LyondellBasell N.V. were approved for issue by both the Supervisory Board and the Management Board on 28 February 2014.

The Consolidated Financial Statements are subject to adoption by the Annual General Meeting of Shareholders on 16 April 2014.

2 Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Consolidation

The Consolidated Financial Statements of LyondellBasell N.V. have been prepared from the books and records of LyondellBasell Industries N.V. and its subsidiaries in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations as adopted by the European Union. Subsidiaries are defined as being those companies over which the Company, either directly or indirectly, has control through a majority of the voting rights or the right to exercise control or to obtain the majority of the benefits and be exposed to the majority of the risks. Subsidiaries are consolidated from the date on which control is obtained until the date that such control ceases. All inter-company transactions and balances have been eliminated in consolidation.

As the corporate financial information of LyondellBasell Industries N.V. is included in the Consolidated Financial Statements, the Corporate Statement of Income is presented in abbreviated format in accordance with Section 402, Book 2 of Dutch Civil Code.

The Consolidated Financial Statements have been prepared under the historical cost convention, as modified for the accounting of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. Consolidated financial information, including subsidiaries, associates and joint ventures, has been prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

New and Amended Standards Adopted

The Company adopted the following standard for the first time for the financial year beginning on 1 January 2013:

Amendments to International Accounting Standards ("IAS") 19, Employee Benefits—We adopted the amendments to IAS 19 on 1 January 2013. The change on the Company's accounting policies has been to immediately recognize all past service cost; and to replace interest cost and expected return on plan assets with a net interest expense (income) that is calculated as the product of the net defined benefit liability (asset) and the discount rate determined at the beginning of the year.

The effect of the change to the accounting policy for the period ended and as of 31 December 2012, unless otherwise indicated, is shown in the following tables.

Millions of U.S. Dollars	As Previously Reported 2012	Adjustment	Restated 2012
Consolidated Statement of Income			
Cost of sales	$ 40,377	$ 51	$ 40,428
Income tax expense	(1,198)	20	(1,178)
Profit for the year	2,596	(31)	2,565
Earnings per share			
Basic	4.55	(0.05)	4.50
Diluted	4.51	(0.06)	4.45
Consolidated Statement of Other Comprehensive Income			
Profit for the year	$ 2,596	$ (31)	$ 2,565
Remeasurements of post-employment benefits obligations, net of tax	(127)	39	(88)
Total comprehensive income	2,595	8	2,603
Consolidated Statement of Financial Position			
Other reserves	$ (420)	$ 78	$ (342)
Retained earnings	879	(80)	799
Retirement benefit obligations	1,523	2	1,525
Consolidated Statement of Changes in Equity			
Retained earnings 1 January 2012	$ 596	$ (49)	$ 547
Other reserves 1 January 2012	(419)	39	(380)
Other reserves	(420)	78	(342)
Retained earnings	879	(80)	799
Equity attributable to owners of the Company	10,732	(2)	10,730

This adjustment has no effect on the Consolidated Statement of Cash Flows.

New standards, amendments and interpretations issued but not effective for the financial year 2013 and we have not elected early adoption.

IFRS 10, Consolidated Financial Statements—IFRS 10 as issued and amended, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the Consolidated Financial Statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. We have adopted this standard as of 1 January 2014.

The adoption of this standard will not have a material effect on the presentation of our Consolidated Financial Statements.

IFRS 11, Joint Arrangements—IFRS 11 as issued and amended, considers and gives guidance on determining two types of joint arrangements; joint operations and joint ventures (joint control of an entity). A joint operator recognizes its share of the assets, liabilities, revenues and expenses in accordance with applicable IFRSs, while a joint venture accounts for its interest using the equity method of accounting under IAS 28, *Investments in Associates and Joint Ventures,* thus eliminating the option of proportionate consolidation for interests in joint ventures. We have adopted this standard as of 1 January 2014.

The adoption of this standard will not have a material effect on the presentation of our Consolidated Financial Statements.

IFRS 12, Disclosure of interests in other entities—IFRS 12 as issued and amended, is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and off balance sheet vehicles. The standard requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. We have adopted this standard as of 1 January 2014.

The adoption of this standard will not have a material effect on the presentation of our Consolidated Financial Statements.

Amendments to IAS 36, 'Impairment of assets'—This amendment removed certain disclosures of the recoverable amount of cash generating units ("CGU") which had been included in IAS 36 by the issue of IFRS 13. We have adopted this standard as of 1 January 2014.

The adoption of this standard will not have a material effect on the presentation of our Consolidated Financial Statements.

All other standards, amendments and interpretations do not have a material impact to our Consolidated Financial Statements.

Goodwill

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Investments in Associates and Joint Ventures

Investments in entities over which we have the right to exercise significant influence but not control are classified as associates. Arrangements under which we have contractually agreed to share control with another party or parties are joint ventures, which may be incorporated (jointly controlled entities) or unincorporated (jointly controlled assets).

Interests in associates and jointly controlled entities are accounted for using the equity method, under which the investment is initially recognized at cost and subsequently adjusted for our share of income less dividends received and our share of other comprehensive income and other movements in equity, together with any loans of a long-term investment nature. Interests in jointly controlled assets are recognized by including our share of assets, liabilities, income and expenses on a line-by-line basis. Where necessary, adjustments are made to the financial statements of associates and joint ventures to bring the accounting policies used in line with those of the group. Unrealized gains and losses on other transactions between the Group and its associates and joint ventures are eliminated to the extent of our interest in them.

We determine at each reporting date whether there is any objective evidence that the investment in the associate or the joint venture is impaired. If this is the case, we calculate the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognize the amount adjacent to Share of profit/(loss) of associates and joint ventures in the Consolidated Statement of Income.

Foreign Currency Translation

Functional and presentation currency—Items included in the financial information of each of LyondellBasell N.V.'s entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency") and then translated to the U.S. dollar reporting currency through Other comprehensive income. The consolidated financial information is presented in U.S. dollars, which is our presentation currency.

Transactions and balances—Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Statement of Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Income within Finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Income within Other expense, net.

In the Consolidated Financial Statements, the results and financial position of all the subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

2. Income and expenses for each income statement are translated at average exchange rates; and

3. All resulting exchange differences are recognized as a separate component within other comprehensive income (currency translation reserve).

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and services rendered, stated net of discounts, returns and value added taxes. Substantially all of the Company's revenue is derived from product sales. Revenues are recognized when sales are realized or realizable, and the earnings process is complete. Revenue from product sales is recognized when the price is fixed or determinable, collectability is reasonably assured, and the customer has an obligation to pay at the time of transfer of title and risk of loss to the customer, which usually occurs at the time of shipment. Revenue is recognized at the time of delivery if we retain the risk of loss during shipment.

Segment Reporting

Our operations are managed through five operating segments. Each of the operating segments is separately managed under a structure that includes senior executives who report directly to our Chief Executive Officer and discrete financial information for each of the segments is available. Our Chief Executive Officer uses the operating results of each of the five operating segments for performance evaluation and resource allocation and, as such, is the chief operating decision maker.

Share-Based Compensation

The Company grants stock-based compensation awards that vest over a specified period upon employees meeting certain service criteria. The fair value of equity instruments issued to employees is measured on the grant date and is recognized over the vesting period. The fair value of stock options is determined using the Black-Scholes model, taking into account market conditions linked to the price of our shares.

Obligations related to cash-settled awards are recognized as a liability and re-measured at each balance sheet date through the Consolidated Statement of Income.

Leases

Finance leases, which transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. All other leases are operating leases. Lease payments for finance leases are apportioned to finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are included in Finance costs. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Operating lease payments are recognized as an expense over the lease term.

Intangible Assets

Research and development—Costs incurred on development projects are recognized as intangible assets when it is probable that we will achieve economic benefits in the future, considering its commercial and technological feasibility, and costs can be measured reliably. Research and other development expenditures are recognized as expense as incurred. Development costs that have a finite useful life and that have been capitalized are amortized on a straight-line basis over the period of expected useful life from the date that services can be offered. The expected useful life is generally 10 years.

Capitalized development projects are impaired if the recoverable amount falls below the carrying value of the related asset. Impairments are reversed if and to the extent that the impairment no longer exists.

Other intangible assets—Costs associated with maintaining computer software programs are recognized as expense is incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the recognition criteria are met. The capitalized costs are amortized over the estimated useful life, which is between 3 and 10 years.

Property, Plant and Equipment

Property, plant and equipment are recorded at historical cost. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Costs may also include borrowing costs incurred on debt during construction or major projects exceeding one year, costs of major maintenance arising from turnarounds of major units relating to betterments and committed decommission costs. Routine maintenance and repair costs are expensed as incurred. Land is not depreciated. Depreciation is computed using the straight-line method over the estimated useful asset lives to their residual values, generally as follows:

- 25 years for major manufacturing equipment
- 30 years for buildings
- 5 to 20 years for light equipment and instrumentation
- 15 years for office furniture
- 4 to 7 years for turnarounds of major units, and
- 3 to 5 years for information system equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Upon retirement or sale, we remove the cost of the asset and the related accumulated depreciation from the accounts and reflect any resulting gain or loss in the Consolidated Statement of Income.

Impairments of Non-Financial Assets

Assets that have an indefinite useful life, including goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units) which for the Company is generally at the plant group level (or, at times, individual plants in certain circumstances where we have isolated production units with separately identifiable cash flows). Non-financial assets other than goodwill that have been impaired are reviewed for possible reversal of the impairment at each reporting date.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Derivative Financial Instruments and Hedging Activities

We selectively enter into derivative transactions to manage volatility related to market risks associated with changes in commodity pricing, currency exchange rates and interest rates. For a discussion of our policies related to financial instruments and derivatives and hedging strategy, see Note 4 Financial Risk Management.

All financial instruments are measured at amortized cost except derivatives. Derivative financial instruments are initially recognized at fair value. Subsequently, we measure all derivative financial instruments based on fair values derived from market prices of the instruments or valuation techniques such as cash flow analysis. Gains and losses arising from changes in the fair value of the instruments are recognized in the Consolidated Statement of Income depending on its category as Cost of sales, Other expense, net or Finance costs during the period in which they arise. The Company did not designate any derivatives under hedge accounting during the period.

The full fair value of the derivatives is classified as a non-current asset or liability if the remaining maturity of the derivative is more than 12 months and as a current asset or liability if the remaining maturity is less than 12 months.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first in, first out (“FIFO”) method. The cost of finished goods and work in progress comprises directly attributable costs and related production overheads (based on normal operating capacity). Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

Current Trade Receivables

Current trade receivables are initially recognized at fair value and subsequently measured at amortized cost, which generally corresponds to face value, less an adjustment for bad debt.

Cash Equivalents

Cash equivalents consist of highly liquid debt instruments such as certificates of deposit, commercial paper and money market accounts. Cash equivalents include instruments with maturities of three months or less when acquired. Bank overdrafts are shown within Borrowings in current liabilities on the balance sheet. Cash equivalents are stated at cost, which approximates fair value. Cash and cash equivalents exclude restricted cash. Our cash equivalents are placed in certificates of deposit, high-quality commercial paper and money market accounts with major international banks and financial institutions.

Borrowings

Borrowings are initially recognized at the fair value of the proceeds received, net of transaction costs. Subsequently, borrowings are stated at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium. Interest expense on outstanding borrowings are accrued and recorded each period in the Consolidated Statement of Income.

Income Taxes

The income tax for the period comprises current and deferred tax. Income tax is recognized in the Consolidated Statement of Income, except to the extent that it relates to items recognized in Other comprehensive income or directly in equity. In these cases, the applicable tax amount is recognized in Other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect to previous years. Management evaluates positions with respect to applicable tax regulation which is subject to interpretation. The Company establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, as well as the net tax effects of net operating loss carryforwards, using the liability method. Deferred income taxes are measured at the tax rates and under the tax laws that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred tax assets are realized or the deferred tax liabilities are settled.

Deferred tax assets, including assets arising from losses carried forward, are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized.

Employee Benefits

Pension plans—We have both defined benefit (funded and unfunded) and defined contribution plans. For the defined benefit plans, a Defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Pension costs primarily represent the increase in the actuarial present value of the obligation for pension benefits based on employee service during the year, the net interest expense (income) that is calculated as the product of the net defined benefit liability (asset) and the discount rate determined at the beginning of the year and employees past-service costs.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity and are reflected in other comprehensive income in the period in which they arise.

For defined contribution plans, we pay contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognized as employee benefit expense when they are due.

Other post-employment obligations—Certain employees are entitled to post-retirement medical benefits upon retirement. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans.

Termination benefits—Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. We recognize termination benefits when we are committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

Other Provisions

Provisions are recognized when all of the following conditions are met: 1) there is a present legal or constructive obligation as a result of past events; 2) it is probable that a transfer of economic benefits will settle the obligation; and 3) a reliable estimate can be made of the amount of the obligation. The probable amount required to settle long-term obligations is discounted if the effect of discounting is material. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest costs.

Asset Retirement Obligation—At some sites, we are contractually obligated to decommission our plants upon site exit. These obligations are recorded at their fair value at the time the obligation is incurred. Upon initial recognition of the liability, that cost is capitalized as part of the related long lived asset and depreciation is recognized on a straight line basis over the useful life of the related asset. Accretion expense in connection with the discounted liability is also recognized over the useful life of the related asset. Such depreciation accretion expenses are included in Finance costs.

3 Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the period as well as the information disclosed.

Critical Accounting Estimates and Assumptions

For our critical accounting estimates and assumptions, reference is made to the notes to these Consolidated Financial Statements, including the determination of deferred tax assets for loss carry forwards and the provision for tax contingencies (see Notes 11 and 25), the determination of fair value and the value of cash-generating units for use in goodwill impairment testing (see Note 13), the depreciation rates for property, plant and equipment (see Note 14) and intangible assets (see Note 13), the discount rate used to determine the provision for retirement benefit obligations and periodic pension cost (see Note 26) and the more likely than not assessment required to determine if a provision should be recognized and measured (see Notes 28 and 29).

Also, reference is made to Note 4 Financial Risk Management, which discusses our exposure to credit risk and financial market risks.

Actual results in the future may differ from these estimates. Management estimates and judgments are continually evaluated based on historic experience and other factors, including expectations of future events believed to be reasonable under the circumstances.

Critical Accounting Judgments in Applying LyondellBasell N.V.'s Accounting Policies

Property, plant and equipment and intangible assets—With respect to property, plant and equipment and intangible assets, key assumptions included estimates of useful lives and the recoverability of carrying values of fixed assets and other intangible assets, as well as the existence of any obligations associated with the retirement of fixed assets. Such estimates could be significantly modified and/or the carrying values of the assets could be impaired by such factors as new technological developments, new chemical industry entrants with significant raw material or other cost advantages, uncertainties associated with the European, U.S. and other world economies, the cyclical nature of the chemical and refining industries, and uncertainties associated with regulatory governmental actions.

Goodwill—Goodwill represents the tax effect of the differences between the tax and book bases of the our assets and liabilities resulting from the revaluation of those assets and liabilities to fair value in connection with the Company's acquisition of LyondellBasell Subholdings B.V. and LyondellBasell Finance Company on 30 April 2010. We evaluate the recoverability of the carrying value of goodwill annually or more frequently if events or changes in circumstances indicate that the carrying amount of the goodwill of a group of cash generating units may not be fully recoverable.

Capitalization of research and development costs—We incur research and development costs associated with developing catalyst systems, polymers and chemicals. Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Our intention to complete and our ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to reliably measure the expenditure during development

Significant judgments are required to determine the status of the projects and whether or not the relevant development should be capitalized. A determination is made as to whether or not the projects have progressed from a "research" phase into a "development" phase; and the timing of when the criteria outlined above can be clearly demonstrated.

Employee Benefits—Our costs for long-term employee benefits, particularly pension and other postretirement medical and life insurance benefits, are incurred over long periods of time, and involve many uncertainties over those periods

The current benefit service costs, as well as the existing liabilities, for pensions and other postretirement benefits are measured on a discounted present value basis. The discount rate is a current rate, related to the rate at which the liabilities could be settled. Our assumed discount rate is based on yield information for high-quality corporate bonds.

The benefit obligation and the periodic cost of other postretirement medical benefits also are measured based on assumed rates of future increase in the per capita cost of covered health care benefits.

Accruals for Taxes Based on Income—The determination of our provision for income taxes and the calculation of our tax benefits and liabilities is subject to management's estimates and judgments due to the complexity of the tax laws and regulations in the tax jurisdictions in which we operate. Uncertainties exist with respect to interpretation of these complex laws and regulations.

4 Financial Risk Management

We are exposed to market risks, such as changes in commodity pricing, currency exchange rates and interest rates. To manage the volatility related to these exposures, we selectively enter into derivative transactions pursuant to our risk management policies. Designation of the derivatives as fair-value or cash-flow hedges is performed on a specific exposure basis. Hedge accounting may or may not be elected with respect to certain short-term exposures.

The changes in fair value of these hedging instruments are offset in part or in whole by corresponding changes in the fair value or cash flows of the underlying exposures being hedged.

Commodity Price Risk

A substantial portion of our products and raw materials are commodities whose prices fluctuate as market supply and demand fundamentals change. Accordingly, product margins and the level of our profitability tend to fluctuate with changes in the business cycle. We try to protect against such instability through various business strategies. These include provisions in sales contracts allowing us to pass on higher raw material costs through timely price increases, formula price contracts to transfer or share commodity price risk, and increasing the depth and breadth of our product portfolio.

In addition, we selectively use commodity swap, option, and futures contracts with various terms to manage the volatility related to purchases of natural gas and raw materials, as well as product sales. Such contracts are generally limited to durations of one year or less. Hedge accounting has not been elected for any of our commodity contracts in any of the periods presented. Market risks created by these derivative instruments and the mark-to-market valuations of open positions are monitored by management.

The following table summarizes the pretax effect of settled commodity futures contracts charged directly to income:

	Settled Commodity Contracts		
	Year Ended 31 December 2013		
Millions of U.S. Dollars	Gain (Loss) Recognized in Income	Volumes Settled	Volume Unit
Futures	$ (8)	1,672	million gallons
	Year Ended 31 December 2012		
	Gain (Loss) Recognized in Income	Volumes Settled	Volume Unit
Futures	$ (22)	1,844	million gallons

The estimated fair value and notional amounts of our open commodity futures contracts are shown in the table below:

	Open Commodity Contracts				
	31 December 2013				
		Notional Amounts			
Millions of U.S. Dollars	Fair Value	Value	Volumes	Volume Unit	Maturity Dates
Futures:					
Gasoline	$ (4)	$ 257	92	million gallons	February 2014 - March 2014
Heating oil	- -	11	4	million gallons	February 2014
Crude oil	- -	378	158	million gallons	February 2014 - May 2014
	$ (4)	$ 646			

	31 December 2012				
		Notional Amounts			
	Fair Value	Value	Volumes	Volume Unit	Maturity Dates
Futures:					
Gasoline	$ (7)	$ 56	20	million gallons	January 2013 - February 2013
Heating oil	- -	38	13	million gallons	January 2013
Butane	5	25	14	million gallons	January 2013 - February 2013
Crude oil	1	110	47	million gallons	February 2013 - March 2013
	$ (1)	$ 229			

The increased level in open futures positions in 2013 is related to our strategies to manage the impact of future movements in the price of gasoline and crude oil on our product margins and the price differential between varying grades of crude oil.

We use value at risk (“VAR”), stress testing and scenario analysis for risk measurement and control purposes.

VAR estimates the maximum potential loss in fair market values, given a certain move in prices over a certain period of time, using specified confidence levels.

Using sensitivity analysis and hypothetical changes in market prices ranging from 6% to 14%, which represents a three month volatility range of the underlying products, the effect on our pretax income would be $9 million. The quantitative information about market risk is necessarily limited because it does not take into account the effects of the underlying operating transactions.

Foreign Exchange Risk

We manufacture and market our products in a number of countries throughout the world and, as a result, are exposed to changes in foreign currency exchange rates. Transactions are entered into, in part, in currencies other than the applicable functional currency.

A significant portion of our reporting entities use the euro as their functional currency. Our reporting currency is the U.S. dollar. The translation gains or losses that result from the process of translating the euro denominated financial statements to U.S. dollars are deferred in Other comprehensive income ("OCI") until such time as those entities may be liquidated or sold. Changes in the value of the U.S. dollar relative to the euro can therefore have a significant impact on comprehensive income. We generally do not attempt to minimize or mitigate the foreign currency risks resulting from the translation of assets and liabilities of non-U.S. operations into our reporting currency.

Some of our operations enter into transactions denominated in other than their functional currency. This results in exposure to foreign currency risk for financial instruments, including, but not limited to third party and inter-company receivables and payables and inter-company loans.

We maintain risk management control systems intended to monitor foreign currency risk attributable to inter-company and third party outstanding foreign currency balances. These practices involve the centralization of our exposure to underlying currencies that are not subject to central bank and/or country specific restrictions. By centralizing most of our foreign currency exposure into one subsidiary, we are able to take advantage of any natural offsets thereby reducing the overall impact of changes in foreign currency rates on our earnings. We enter into foreign currency forward contracts to reduce the effects of our net currency exchange exposures. At 31 December 2013, foreign currency forward contracts in the notional amount of $172 million, maturing in January 2014, were outstanding.

For forward contracts that economically hedge recognized monetary assets and liabilities in foreign currencies, no hedge accounting is applied. Changes in the fair value of foreign currency forward contracts, which are reported in the Consolidated Statement of Income, are offset in part by the currency translation results recognized on the assets and liabilities.

Our policy is to maintain an approximately balanced position in foreign currencies to minimize exchange gains and losses arising from changes in exchange rates. This position is monitored routinely. At 31 December 2013 and 2012, a 10% fluctuation compared to the U.S. dollar in the underlying currencies that have no central bank or other currency restrictions would result in an additional impact to earnings of no more than approximately $2 million and $3 million, respectively.

Other expense, net, and Finance costs in the Consolidated Statement of Income reflected net losses of $5 million and $25 million for the periods ended 31 December 2013 and 2012, respectively, related to changes in currency exchange rates.

Interest Rate Risk

We are exposed to interest rate risk with respect to variable rate debt. Our variable rate debt consists of our $2,000 million Senior Revolving Credit Facility, our $1,000 million U.S. Receivables Securitization Facility and our €450 million European Receivables Securitization Facility. At 31 December 2013 and 2012, there were no outstanding borrowings under these facilities.

Cash Concentration

Our cash equivalents are placed in high-quality commercial paper, money market funds and time deposits with major international banks and financial institutions.

Capital Risk Management

Capital includes equity attributable to the equity holders of the parent. A discussion of credit risk can be found in Note 17.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new debt, repay debt, return capital to shareholders or issue new shares.

Liquidity and Capital Resources—As of 31 December 2013, we had unrestricted cash and cash equivalents of $4,450 million ($2,732 million in 2012). In addition, we had total unused availability under our credit facilities of $3,469 million at 31 December 2013 ($3,348 million in 2012).

We may repay or redeem our debt, including purchases of our outstanding bonds in the open market, using cash on hand, cash from operating activities or proceeds from asset divestitures. We plan to finance our ongoing working capital, capital expenditures, debt service and other funding requirements with cash from operations, which could be affected by general economic, financial, competitive, legislative, regulatory, business and other factors, many of which are beyond our control.

We intend to continue to declare and pay quarterly dividends, with the goal of increasing the dividend over time, after giving consideration to our cash balances and expected results from operations. We believe that our cash on hand, cash from operating activities and proceeds from our credit facilities provide us with sufficient financial resources to meet our anticipated capital requirements and obligations as they come due.

The table below provides a maturity analysis of the financial liabilities based on the remaining contractual maturities as of 31 December 2013.

Millions of U.S. Dollars	Total obligations	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years
31 December 2013					
Borrowings (excluding finance lease liabilities)	$ 5,862	$ 58	$ - -	$ 4	$ 5,800
Finance lease liabilities	5	1	1	3	- -
Interest payment on total debt	3,408	311	311	933	1,853
Trade and other payables	4,739	4,739	- -	- -	- -
Commodity derivatives	4	4	- -	- -	- -
	$ 14,018	$ 5,113	$ 312	$ 940	$ 7,653

Fair Value Estimates

The following table summarizes financial assets and liabilities outstanding at 31 December that are measured at fair value on a recurring basis and the bases used to determine their fair value in the Consolidated Statement of Financial Position.

Millions of U.S. Dollars	Total	Level 1	Level 2	Level 3
31 December 2013				
Assets -				
Derivatives:				
Embedded derivatives	$ 3	$ --	$ 3	$ --
Foreign currency	1	--	1	--
	$ 4	$ --	$ 4	$ --
Liabilities -				
Derivatives:				
Commodities	$ 4	$ 4	$ --	$ --
Warrants	1	--	1	--
Written put option	21	--	--	21
Qualified performance awards	14	14	--	--
	$ 40	$ 18	$ 1	$ 21
31 December 2012				
Assets -				
Derivatives:				
Commodities	$ 6	$ 1	$ 5	$ --
Embedded derivatives	5	--	5	--
Foreign currency	8	--	8	--
	$ 19	$ 1	$ 18	$ --
Liabilities -				
Derivatives:				
Commodities	$ 7	$ 7	$ --	$ --
Warrants	1	--	1	--
Written put option	21	--	--	21
Qualified performance awards	3	3	--	--
	$ 32	$ 10	$ 1	$ 21

Fair value measurements are classified using the following hierarchy:

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs or significant value-drivers are observable in active markets.

Level 3 – Model-derived valuations in which one or more significant inputs or significant value-drivers are unobservable. A detailed description of the valuation techniques used for the above valued level 3 put option can be found in Note 18. There was no change in the value of the put option between 2013 and 2012.

During the years ended 31 December 2013 and 2012, there were no transfers between Level 1, Level 2 and Level 3.

The following table summarizes the basis used to measure certain assets and liabilities at fair value on a nonrecurring basis in the Consolidated Statement of Financial Position.

	31 December 2013			
Millions of U.S. Dollars	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Equity investment	$ 20	$ --	$ --	$ 20

	31 December 2012			
Millions of U.S. Dollars	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Property, plant and equipment (held and used)	$ 6	$ --	$ --	$ 6

Our NOC Asia Limited joint venture was written down to a fair value of $20 million following a revision to the terms of the agreement governing the joint venture. As a result, a non-cash impairment charge of $10 million was included in earnings for the year ended 31 December 2013. For additional information related to this impairment, see Note 15.

One of our low density polyethylene ("LDPE") plants in Wesseling, Germany was written down to a fair value of $6 million resulting in an impairment charge of $22 million, which was included in earnings for the year ended 31 December 2012. This asset impairment is related to damage to this LDPE plant in Wesseling, Germany resulting from an explosion in the reactor bay.

5 Revenue

Millions of U.S. Dollars	**2013**	**2012**
Sale of goods	$ 43,659	$ 45,229
Rendering of services	262	258
License income	150	108
Total revenue	$ 44,071	$ 45,595

Reference is made to Note 31 Segment Reporting for more information about revenues.

6 Expenses by Nature

Millions of U.S. Dollars	Note	2013	2012
Change in inventories of finished goods and work in progress		$ 22	$ (449)
Raw materials and utilities		33,314	35,925
Employee benefit expense	7	2,273	2,272
Depreciation, amortization, and impairment charges	13/14	1,007	1,038
Distribution expenses		1,264	1,254
Other expenses		1,247	1,288
Total cost of sales, selling costs, and administration expenses		$ 39,127	$ 41,328

7 Employee Benefit Expenses

Millions of U.S. Dollars	Note	2013	2012
Wages and salaries		$ 1,654	$ 1,628
Social security		288	291
Share based compensation granted to directors and employees	8	42	42
Special dividend payments (a)	8	- -	15
Pension costs – defined benefit obligations	26	133	101
Pension costs – defined contribution obligations		41	50
Other post-employment benefits – defined benefit obligations	26	19	19
Other employee benefits (b)		96	126
Total cost of employee benefits		$ 2,273	$ 2,272

(a) Special dividend payment of $2.75 per share for 2012.

(b) Includes restructuring expense of $5 million and $37 million in 2013 and 2012, respectively.

8 Share-Based Compensation Granted to Directors and Employees

Under our Long-Term Incentive Plan (“LTI”), which was approved by shareholders in 2012, the Compensation Committee is authorized to grant restricted stock, restricted stock units, stock options, qualified performance awards, stock appreciation rights and other types of equity-based awards. The Compensation Committee determines the recipients of the equity awards, the type of award(s) made, the required performance measures, and the timing and duration of each grant. The maximum number of shares of LyondellBasell Industries N.V. stock reserved for issuance under the LTI is 22,000,000. As of 31 December 2013, there were 9,433,154 shares remaining available for issuance. Upon share exercise or payment, shares are issued from our treasury shares.

Total share-based compensation expense and the associated tax benefits for the years ended 31 December are as follows:

Millions of U.S. Dollars	2013	2012
Compensation expense:		
Restricted stock units	$ 16	$ 7
Stock options	10	22
Restricted stock	5	10
Qualified performance awards	11	3
	$ 42	$ 42
Tax benefit:		
Restricted stock units	$ 6	$ 2
Stock options	4	8
Restricted stock	2	4
	$ 12	$ 14

Restricted Stock Unit Awards—Restricted stock unit awards (“RSUs”) generally entitle the recipient to be paid out an equal number of ordinary shares on the fifth anniversary of the grant date. In connection with the special dividend declared on 19 November 2012, the Compensation Committee authorized a grant of RSUs to each unvested stock option holder, which will vest ratably with the underlying options. RSUs, which are subject to customary accelerated vesting or forfeiture in the event of certain termination events, are accounted for as an equity award with compensation cost recognized in the Consolidated Statement of Income ratably over the vesting period.

The holders of RSUs are entitled to dividend equivalents to be settled no later than 15 March, following the year in which dividends are paid, as long as the participant is in full employment at the time of the dividend payment. See the “Dividend Distribution” section of Note 22 for the per share amount of dividend equivalent payments made during 2013 and 2012 to holders of RSUs. Total dividend equivalent payments were $3 million and $7 million for 2013 and 2012, respectively.

RSUs are valued at the market price of the underlying stock on the date of grant. The weighted average grant date fair value for RSUs granted during the years ended 31 December 2013 and 2012 was $63.26 and $51.06, respectively. The total fair value of vested RSUs was $11 million and $5 million during the years ended 31 December 2013 and 2012, respectively.

The following table summarizes RSUs activity in thousands of units for the years ended 31 December:

	2013		2012	
	Number of Units	Weighted Average Grant Date Fair Value (per share)	Number of Units	Weighted Average Grant Date Fair Value (per share)
Outstanding at 1 January	1,930	$ 23.51	2,005	$ 19.13
Granted	56	63.26	269	51.06
Paid	(170)	42.62	(118)	20.37
Forfeited	(99)	22.20	(226)	18.97
Outstanding at 31 December	1,717	$ 23.00	1,930	$ 23.51

As of 31 December 2013, the unrecognized compensation cost related to RSUs was $14 million, which is expected to be recognized over a weighted average period of two years.

Stock Options—Stock options are granted with an exercise price equal to the market price of our ordinary shares at the date of grant. The stock options are accounted for as an equity award with compensation cost recognized using the graded vesting method. We issued stock options to purchase 5,639,020 of our ordinary shares to our Chief Executive Officer on 30 April 2010. These options vest in five equal, annual installments beginning on 14 May 2010 and may be exercised for a period ending 30 April 2017. The options originally were granted with an exercise price of $17.61 per share, the fair value of the Company's ordinary shares based on its reorganized value at the date of emergence. All other stock options granted before 4 May 2011 vest in equal increments on the second, third and fourth anniversary of the grant date, and options granted on and after 4 May 2011 vest in equal increments on the first, second and third anniversary of the grant date. These other options have a contractual term of ten years and are subject to customary accelerated vesting or forfeiture in the event of certain termination events. Exercise prices for these other options range from $11.95 to $66.65.

The Company's Supervisory Board authorized, and the Management Board declared, a special dividend of $2.75 per share to all shareholders of record on 19 November 2012. In connection with the special dividends, the Compensation Committee authorized a cash payment equal to the special dividend on each underlying share outstanding for vested employee stock options. The dividend equivalent payments for the vested stock options resulted in compensation expense of $7 million in 2012.

The fair value of each stock option award is estimated, based on several assumptions, on the date of grant using the Black-Scholes option valuation model. The principal assumptions utilized in valuing stock options include the expected stock price volatility (based on the historic average of the common stock of our peer companies and the Company's historic stock price volatility over the expected term); the expected option life (an estimate based on a simplified approach); the expected dividend yield; and the risk-free interest rate (an estimate based on the yield of United States Treasury zero coupon bond with a maturity equal to the expected life of the option). Weighted average fair values of stock options granted in each respective year and the assumptions used in estimating those fair values are as follows:

	2013	2012
Weighted average fair value:	$ 22.16	$ 16.22
Fair value assumptions:		
Dividend yield	3.00%	3.00%
Expected volatility	51.00%	51.00%
Risk-free interest rate	0.95-1.27%	0.80-1.11%
Weighted average expected term, in years	6.0	6.0

The following table summarizes stock option activity for the years ended 31 December 2013 and 2012 in thousands of shares for the non-qualified stock options:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Term	Aggregate Intrinsic Value (Millions of Dollars)
Outstanding at 1 January 2012	7,977	$ 14.24	- -	$ - -
Granted	113	44.44	- -	- -
Exercised	(1,324)	15.25	- -	- -
Forfeited	(257)	15.33	- -	- -
Outstanding at 31 December 2012	6,509	$ 14.51	5.7 years	$ 167
Exercisable at 31 December 2012	2,591	$ 15.20	4.7 years	$ 109
Outstanding at 1 January 2013	6,509	$ 14.51	- -	$ - -
Granted	97	60.60	- -	- -
Exercised	(1,362)	13.55	- -	- -
Forfeited	(29)	12.89	- -	- -
Outstanding at 31 December 2013	5,215	$ 15.62	5.3 years	$ 337
Exercisable at 31 December 2013	3,763	$ 14.76	3.6 years	$ 247

The range of exercise prices for options outstanding at the end of 31 December 2013 and 2012 was $12.37 to $66.65 and $11.95 to $52.20, respectively.

The aggregate intrinsic value of stock options exercised during the years ended 31 December 2013 and 2012 was $71 million and $39 million, respectively.

As of 31 December 2013, the unrecognized compensation cost related to non-qualified stock options was $3 million, which is expected to be recognized over a weighted average period of one year. During 2013, cash received from option exercises was $15 million and tax benefits realized from stock options exercised was $25 million.

Restricted Stock—On 1 May 2010, we issued 1,771,794 restricted shares to our CEO. The terms of the restricted stock award provided that the holder was entitled to receive dividends when and if paid on the Company's ordinary shares and that the holder had full voting rights during the restricted period. The holder could not sell or transfer the restricted shares until the restrictions lapse on 14 May 2014 or such earlier date as provided in the award agreement. Pursuant to these vesting provisions, all of the restricted shares were vested as of 31 December 2013. An aggregate of 439,085 and 264,297 of the vested restricted shares were withheld in payment of withholding tax obligations during 2013 and 2012, respectively.

The following table summarizes restricted stock activity for each respective year in thousands of shares:

	2013		2012	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at 1 January	1,047	$ 17.61	1,772	$ 17.61
Granted	- -	- -	- -	- -
Paid	(1,047)	17.61	(725)	17.61
Forfeited	- -	- -	- -	- -
Outstanding at 31 December	- -	$ - -	1,047	$ 17.61

Restricted stock was valued at the market price of the underlying stock on the date of grant. No restricted stock was granted during the years ended 31 December 2013 and 2012. The total fair value of restricted stock vested during the years ended 31 December 2013 and 2012 was $69 million and $38 million, respectively. As of 31 December 2013 all restricted stock shares are vested and fully expensed.

Medium-Term Incentive Program ("MTI") and Qualified Performance Awards ("QPA")—Our MTI is designed to link the interests of senior management with the interests of shareholders by tying incentives to measurable corporate performance. The MTI awards provide payouts based on our return on assets and cost improvements over a three-calendar year performance period. Subject to customary accelerated vesting or forfeiture in the event of certain termination events, the awards will vest on the date following the end of the applicable performance period, on which the Compensation Committee of the Supervisory Board certifies the performance results and will be paid by 31 March, following the end of the applicable performance period. Awards granted under the MTI in 2010 and 2011 are cash based awards. For grants made in 2012 and 2013, eligible employees other than executive officers could elect to receive equity-based awards and executive officers were only eligible for the share-based awards. Shares issued in satisfaction of MTI awards are issued through QPA granted under our 2012 Amended and Restated Long-Term Incentive Plan, which was approved by shareholders at our 2012 Annual Meeting. Awards under the MTI are accounted for as a liability and classified in Accruals and deferred income on the Consolidated Statement of Financial Position. We recorded compensation expense for cash MTI awards of $17 million and $18 million for the years ended 31 December 2013 and 2012, respectively, based on the expected achievement of performance results.

The number of target QPA units is established at the beginning of the three-calendar year performance period. Each unit is equivalent to one share of LyondellBasell Industries N.V. common stock. The final number of LyondellBasell

Industries N.V. shares payable is determined at the end of a three-calendar year performance period by the Compensation Committee of the Supervisory Board. Since the service-inception date precedes the grant date, the Company estimates the number of target units each reporting period, accounts for this award as a liability award until the grant date and accrues compensation expense during the three-calendar year performance period on a straight-line basis subject to fair value adjustments. The QPA is subject to customary accelerated vesting and forfeiture in the event of certain termination events. The QPA is classified in Accruals and deferred income on the Consolidated Statement of Financial Position. For fair value of the QPA, see Note 4.

Employee Stock Purchase Plan

As of 1 October 2012, the Company offers an Employee Stock Purchase Plan ("ESPP") which enables certain employees to make quarterly purchases of shares of LyondellBasell Industries N.V. common stock at a 5% discount off the fair market value on the date of purchase.

9 Remuneration of the Management Board and Supervisory Board Members

Management Board Pay

Thousands U.S. Dollars	Base Salary	Stock Awards [2]	Stock Option Awards [3]	Non-equity Incentive Plan Compensation	Change in Pension Value	All Other Compensation [4]	Total [1][5]
Director							
2013	$ 1,500	$ 1,500	$ - -	$ 5,625	$ 14	$ 501	$ 9,140
2012	1,500	7,797	- -	5,700	13	6,233	21,243

(1) Information is based on a full year compensation. Total expense recognized in the Consolidated Financial Statements was $22.9 million and $36.3 million in 2013 and 2012, respectively.

(2) The Director was granted qualified performance awards in 2013 and qualified performance awards and restricted stock units in 2012. The restricted stock units in 2012 were granted in connection with the Company's payment of a special dividend of $2.75 in December 2012 to compensate the Director for the fact that the exercise price of his unvested stock options was not adjusted in connection with the dividend.

(3) The Director was not granted any stock options in 2013 or in 2012.

(4) Amounts in 2013 include a Company matching contribution under the 401(k) plan of $15 thousand; matching 401(k) contribution and pension plan contributions under the Company's Restoration Plan of $137 thousand; $15 thousand for financial planning; and New York State income tax reimbursement and gross-up amounts of $334 thousand. In 2012, the amounts included $15 thousand of 401(k) matching contributions; $15 thousand for financial planning purposes and a dividend equivalent payment of $6,203 thousand on the Director's vested stock options.

(5) The dividends paid on the other equity awards held by the Director are not included in the Table above, as the terms of the awards, when granted, provided for dividend equivalent payments.

Equity Compensation of the Management Board

As shown in the table above, the Company granted the Director qualified performance awards, or "QPAs," in 2013. The QPA grant was valued at $1,500 thousand, and represents 27,790 share units that may be earned over a three-year performance period ending 31 December 2015, depending on Company performance relative to peers in its return on assets and fixed cost controls. The Compensation Committee will determine how much, if any, of the award has been earned, which may pay out at anywhere from 0 to 200%. The share units will pay out at an equal number of our ordinary shares, to the extent earned.

The following table shows the Directors' equity compensation activity during 2013:

	Stock Options (1)	Restricted Stock (2)	Restricted Stock Units (RSUs) (3)	Qualified Performance Awards (QPAs) (4)
Outstanding at 1 January 2013	4,511,216	1,046,695	114,763	60,616
Vested	1,127,804	1,046,695	57,382	- -
Exercised	500,000	- -	- -	- -
Outstanding at 31 December 2013	4,011,216	- -	57,381	60,616

(1) The Director exercised 500,000 stock options during the year in six separate transactions as follows: 83,333 exercised at \$59.17; 83,333 exercised at \$60.54; 83,333 exercised at \$59.69; 83,333 exercised at \$61.75; 83,333 exercised at \$62.65; and 83,335 exercised at \$67.31. The exercises were all made pursuant to a pre-established 10b5-1 trading plan. Of the 4,011,216 options outstanding, 2,883,412 are currently vested. Of these, 1,127,804 have an exercise price of \$17.61 and 1,755,608 have an exercise price of \$13.11. The remaining 1,127,804 options will vest on 14 May 2014 and have an exercise price of \$13.11. All stock options expire on 30 April 2017.

(2) The restricted stock vested automatically over the course of 2013 as a result of sales by one of the Company's shareholders, which was included as a vesting triggering event in the original award agreement.

(3) The RSUs remaining outstanding at 31 December 2013 will vest on 14 May 2014.

(4) The QPAs represent the target number of share units. Of the QPAs, 35,826 may be earned over the performance period ending 31 December 2014 and the remaining 24,790 may be earned over the performance period ending 31 December 2015.

Supervisory Board Pay—The members of our Supervisory Board receive equity and cash compensation for their service on the Supervisory Board and its committees. Compensation for members of the Supervisory Board is reviewed annually by the Nominating and Governance Committee.

Members of the Supervisory Board received grants of restricted stock units and cash retainers and fees. At the Annual General Meeting of shareholder in May 2013, our shareholders approved compensation for our directors as set out in the table below. Grants of restricted stock units are made annually at the Supervisory Board meeting held in conjunction with the annual general meeting of shareholders. The Supervisory Board has determined that equity grants are appropriate to its members because they ensure the members' interests are aligned with other shareholders.

Annual retainer:	
Cash	\$ 90,000 (\$120,000 for Chairman of the Board)
Restricted stock units	Valued at \$135,000 (\$160,000 for Chairman of the Board)
Committee retainer:	
Members	\$ 10,000 (\$11,000 for Audit Committee)
Chairmen	\$ 15,000 (\$20,000 for Audit Chair)
Travel fees	\$ 5,000 for each intercontinental round trip

LyondellBasell Industries N.V.

Actual amounts earned by or paid to Supervisory Directors in 2013 and 2012 are in the following table below:

Thousands of U.S. Dollars	2013 Fees Earned or Paid in Cash Cash (1)	2013 Stock Awards (2) (3)	2013 All Other Compen-sation (4) (5)	2013 Total	2012 Fees Earned or Paid in Cash Cash (1)	2012 Stock Awards (2) (3)	2012 All Other Compen-sation (4) (5)	2012 Total
Robert G. Gwin								
Chairman of the Board	$ 137	$ 152	$ 2	$ 291	$ 134	$ 135	$ 2	$ 271
Jacques Aigrain	113	135	2	250	114	135	2	251
Jagjeet Bindra	132	135	2	269	129	135	2	266
Robin Buchanan	95	135	2	232	93	135	5	233
Milton Carroll	129	135	2	266	134	135	2	271
Stephen F. Cooper	110	135	2	247	114	135	2	251
Nance K. Dicciani	44	94	- -	138	- -	- -	- -	- -
Bruce A. Smith	125	135	2	262	134	135	2	271
Rudy M. J. van der Meer	120	135	- -	255	113	135	- -	248
Former Supervisory Directors								
Joshua J. Harris(6)(7)	19	135	2	156	97	135	2	234
Scott M. Kleinman(6)(7)	91	135	2	228	109	135	2	246
Marvin O. Schlanger(7)	88	160	2	250	151	160	2	313

2013

(1) Includes cash retainers for services and travel fees earned or paid through 31 December 2013 and 2012.

(2) For 2013, represents 2,075 restricted stock units for all directors, other than: (i) Mr. Gwin, whose amount represents 2,075 restricted stock units and an additional 246 restricted stock units he was granted when he became Chairman of the Board; (ii) Mr. Schlanger, who received 2,459 restricted stock units for his role as Chairman of the Supervisory Board until September 2013; and (iii) Ms. Dicciani, who received 1,326 restricted stock units as pro-rated payment based on her joining the Supervisory Board in September 2013. For 2012, includes 3,367 restricted stock units for all directors, other than Mr. Schlanger, who received 3,990 restricted stock units. In accordance with IFRS 2, *Share Based Payments*, the grant date fair value of the awards generally is the number of shares issued times the market value of our shares on that date.

(3) The aggregate number of restricted stock units outstanding at fiscal year-end 2013 includes:

Robert G. Gwin, Chairman	5,688
Jacques Aigrain	2,075
Jagjeet Bindra	8,323
Robin Buchanan	5,442
Milton Carroll	8,323
Stephen F. Cooper	5,442
Nance K. Dicciani	1,326
Bruce A. Smith	2,075
Rudy M. J. van der Meer	8,323

The RSUs disclosed above vest as follows: Mr. Gwin – 2,321 vest on 22 May 2014 and 3,367 vest on 30 June 2015; Mr. Aigrain – 2,075 vest on 22 May 2014; Mr. Bindra – 2,075 vest on 22 May 2014 and 6,248 vest on 30 June 2014; Mr. Buchanan – 2,075 vest on 22 May 2014 and 3,367 vest on 30 June 2015; Mr. Carroll – 2,075 vest on 22 May 2014 and 6,248 vest on 30 June 2014; Mr. Cooper – 2,075 vest on 22 May 2014 and 3,367 vest on 30 June 2015; Ms. Dicciani – 1,326 vest on 22 May 2014; Mr. Smith – 2,075 vest on 22 May 2014; and Mr. van der Meer – 2,075 vest on 22 May 2014 and 6,248 vest on 30 June 2014.

(4) For 2013, includes $2,008 of imputed income for each director other than Mr. van der Meer and Ms. Dicciani for professional services related to tax filings. For 2012, includes $1,773 of imputed income for each director other than Mr. van der Meer, plus an additional $3,456 of imputed income for Mr. Buchanan, for professional advice related to tax filings.

(5) The terms of the restricted stock unit awards granted to directors entitle them to dividend equivalent payments when and if dividends are paid on the Company's shares generally. Therefore, directors holding restricted stock units received dividend equivalent payments in 2013 and in 2012. The dividend equivalent payments are not included in the table above. In 2013, these payments included $15,816 to Messrs. Carroll, Bindra and van der Meer; $10,054 to Messrs. Cooper and Buchanan; $4,821 to Mr. Schlanger; $9,847 to Mr. Harris; $12,685 to Mr. Kleinman; $13,930 to Mr. Smith; $8,943 to Mr. Aigrain; $10,324 to Mr. Gwin; and $1,459 to Ms. Dicciani. In 2012, the dividend equivalent payments were $25,400 for Messrs. Aigrain, Bindra, Carroll and van der Meer; $15,172 for Messrs. Buchanan and Gwin; $18,774 for Mr. Cooper; $48,672 for Messrs. Harris, Kleinman and Smith; and $22,605 for Mr. Schlanger.

(6) Each of Messrs. Harris and Kleinman received these securities as a nominee for the sole benefit of an affiliate of Apollo. Such affiliate has all economic, pecuniary and voting rights, if any, in respect of such securities. Accordingly, Messrs. Harris and Kleinman each disclaim beneficial ownership of these securities.

(7) Each of Messrs. Harris, Kleinman and Schlanger resigned from the Supervisory Board during 2013. Each of them was nominated to the Supervisory Board by Apollo pursuant to its Nomination Agreement. Pursuant to the Nomination Agreement, once Apollo's share ownership fell below certain threshold levels, it caused its designated directors to resign from the Supervisory Board.

10 Finance Costs

Millions of U.S. Dollars	Note	2013	2012
Interest expense on borrowings		$ 303	$ 358
Prepayment premiums and extinguishment losses	24	-	329
Provisions for unwinding of discount	28	4	3
Foreign exchange (gain) loss from borrowings and cash		(45)	(50)
Total finance costs		$ 262	$ 640

11 Income Tax Expense

In May 2013, we announced the planned migration of the tax domicile of LyondellBasell N.V. from The Netherlands, where LyondellBasell N.V. is incorporated, to the United Kingdom. On 28 August 2013, the Dutch and United Kingdom competent authorities completed a mutual agreement procedure and issued a ruling that as of 1 July 2013 LyondellBasell N.V. should be treated solely as a tax resident in the United Kingdom and is subject to the United Kingdom corporate income tax system. As a result of the United Kingdom tax residence, dividend distributions by LyondellBasell N.V. to its shareholders are not subject to withholding tax, as the United Kingdom currently does not levy a withholding tax on dividend distributions. We do not expect a significant impact on our income tax liabilities. LyondellBasell N.V.'s United Kingdom tax residency provides us flexibility in structuring subsidiary operations and enhanced financial flexibility for global cash management and repatriation strategies.

Millions of U.S. Dollars	Note	2013	2012
Current tax on profits for the year		$ 1,169	$ 611
Deferred tax - origination and reversal of temporary difference	25	(101)	567
Income tax expense		$ 1,068	$ 1,178

The tax on LyondellBasell N.V.'s profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

Millions of U.S. Dollars	**2013**	**2012**
Profit before tax	$ 4,848	$ 3,743
Tax calculated at domestic tax rates applicable to profits in the respective countries	1,655	1,356
Tax effects of:		
Non-taxable income	(76)	(67)
Tax losses for which no deferred income tax asset was previously recognized	(345)	(62)
U.S. manufacturing deduction	(96)	(42)
Other	(70)	(7)
Tax charge	$ 1,068	$ 1,178

The weighted average applicable tax rates for 2013 and 2012 were 34.1% and 36.2%, respectively. The decrease was primarily attributable to the change in the geographical mix of income coupled with new substantially enacted tax rates in France, the United Kingdom and various local and provincial jurisdictions. Our effective income tax rate of 22.0% in 2013 and 31.5% in 2012 resulted in tax provisions of $1,068 million and $1,178 million, respectively. The 2013 weighted average applicable tax rate decreased primarily due to the recognition of deferred tax assets in France. This resulted in a tax benefit of $330 million coupled with other movements in the recognition of deferred tax assets of $15 million. Management's decision to recognize the deferred tax assets for France is explained in Note 25 to the Consolidated Financial Statements.

Deferred tax related to items charged or (credited) directly to other comprehensive income during the period is as follows:

Millions of U.S. Dollars	**2013**	**2012**
Retirement benefit obligation	$ 167	$ (21)
Currency translation differences	(4)	1
	$ 163	$ (20)

Deferred tax credited directly to equity:

Millions of U.S. Dollars	**Note**	**2013**	**2012**
Current tax		$ (38)	$ (18)
Deferred tax:			
Share base payments	25	(25)	(70)
		$ (63)	$ (88)

12 Earnings Per Share

Basic earnings per share—Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares. The Company has unvested restricted stock units that are considered participating securities for earnings per share.

Millions, except per share data	**2013**	**2012**
Profit attributable to LyondellBasell N.V.	$ 3,784	$ 2,579
Profit attributable to participating securities	(11)	(1)
Profit attributable to equity holders of the Company	3,773	2,578
Basic weighted average common stock outstanding	566	573
Basic earnings per share	$ 6.67	$ 4.50

Diluted earnings per share—Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Millions, except per share data	**2013**	**2012**
Profit attributable to LyondellBasell N.V.	$ 3,784	$ 2,579
Profit attributable to participating securities	(11)	(1)
Profit attributable to equity holders of the Company	3,773	2,578
Basic weighted average common stock outstanding	566	573
Effect of dilutive securities:		
MTI and QPA awards	1	1
Stock options	3	3
Dilutive potential shares	570	577
Diluted earnings per share	$ 6.62	$ 4.45
Participating securities	1.7	3
Interim dividend per share of common stock	$ 2.00	$ 1.45
Special dividend per share of common stock	$ --	$ 2.75

13 Intangible Assets

Millions of U.S. Dollars	Research and Development	Goodwill	Emission Allowances	Favorable Contracts and Other Intangibles	Total
Balance at 1 January 2012	$ 120	$ 332	$ 605	$ 478	$ 1,535
Additions	8	- -	- -	6	14
Amortization	(11)	- -	(70)	(69)	(150)
Exchange differences	2	1	- -	- -	3
At 31 December 2012	$ 119	$ 333	$ 535	$ 415	$ 1,402
At 31 December 2012					
Cost	$ 149	$ 333	$ 730	$ 675	$ 1,887
Accumulated amortization and impairment	(30)	- -	(195)	(260)	(485)
Closing balance	$ 119	$ 333	$ 535	$ 415	$ 1,402
Balance at 1 January 2013	$ 119	$ 333	$ 535	$ 415	$ 1,402
Additions	8	- -	- -	- -	8
Transfers	10	- -	- -	(10)	- -
Amortization	(11)	- -	(68)	(58)	(137)
Impairment	(6)	- -	- -	(4)	(10)
Exchange differences	5	4	- -	3	12
At 31 December 2013	$ 125	$ 337	$ 467	$ 346	$ 1,275
At 31 December 2013					
Cost	$ 168	$ 337	$ 730	$ 673	$ 1,908
Accumulated amortization and impairment	(43)	- -	(263)	(327)	(633)
Closing balance	$ 125	$ 337	$ 467	$ 346	$ 1,275

Research and development—The carrying amounts of research and development with indefinite useful lives were $23 million at 31 December 2013 and 2012. Projects determined to be in a development stage are not amortized. Amortization expense would normally be recorded as part of Cost of sales. Research and development expenditures recognized as expense for 2013 and 2012 were $121 million and $151 million, respectively.

Goodwill—Goodwill changed from $333 million at 31 December 2012 to $337 million at 31 December 2013. The change in goodwill is the result of foreign exchange translation.

Goodwill is allocated and monitored by management into the following groups of cash generating units:

Millions of U.S. Dollars	2013	2012
Intermediates and Derivatives	$ 196	$ 193
Olefins and Polyolefins - Americas	131	131
Technology	10	9
Total	$ 337	$ 333

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on management approved financial budgets covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates described in the "Growth rate estimates" section below. Based on this analysis, LyondellBasell N.V. did not recognize any impairments.

The calculation of value is most sensitive to the following assumptions:

- Gross margin
- Pre-tax discount rates
- Market share assumptions; and
- Growth rate used to extrapolate cash flows beyond the budget period

Gross margins—Gross margins are predicted in the planning period by using key hydrocarbon pricing estimates and product variable margins based on macroeconomic predictions and individual supply and demand balances.

Pre-tax discount rates—Pre-tax discount rates ("discount rates") represent the current market assessment of the risks specific to each cash generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the nature of the assets and activities of the Company's business and its operating segments and derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the nature of the Company's assets and activities.

Market share assumptions—These assumptions are based on forecasts of demand for our products taking into consideration changes in global capacity.

Growth rate estimates—Rates are based upon managements' best estimates which are determined using published third party sources, internal knowledge and market insights based on macroeconomic predictions

With regard to the assessment of value in use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value to materially exceed its recoverable amount.

The key assumptions used for value-in-use calculations are as follows:

	2013		2012	
	Pre-tax Discount Rate	**Growth Rate**	**Pre-tax Discount Rate**	**Growth Rate**
Intermediates and Derivatives	12%	2%	14%	2%
Olefins and Polyolefins - Americas	15%	3%	16%	3%
Technology	15%	3%	16%	3%

14 Property, Plant and Equipment

Millions of U.S. Dollars	**Land**	**Building and Equipment**	**Assets Under Construction**	**PO Assets**	**Other**	**Total**
Balance at 1 January 2012	$ 307	$ 6,251	$ 785	$ 412	$ 12	$ 7,767
Additions	- -	- -	1,163	- -	- -	1,163
Transfers	- -	938	(948)	13	(3)	- -
Disposals	- -	(5)	- -	- -	- -	(5)
Depreciation	- -	(794)	- -	(30)	(5)	(829)
Impairment	- -	(57)	(21)	- -	- -	(78)
Exchange differences	3	60	6	2	- -	71
At 31 December 2012	$ 310	$ 6,393	$ 985	$ 397	$ 4	$ 8,089
At 31 December 2012						
Cost	310	8,385	1,037	472	15	10,219
Accumulated amortization and impairment	- -	(1,992)	(52)	(75)	(11)	(2,130)
Closing balance	$ 310	$ 6,393	$ 985	$ 397	$ 4	$ 8,089
Balance at 1 January 2013	$ 310	$ 6,393	$ 985	$ 397	$ 4	$ 8,089
Additions	- -	34	1,531	23	- -	1,588
Transfers	7	1,534	(1,564)	27	(4)	- -
Disposals	(6)	(55)	- -	- -	- -	(61)
Depreciation	- -	(828)	- -	(32)	- -	(860)
Exchange differences	9	112	10	6	- -	137
At 31 December 2013	$ 320	$ 7,190	$ 962	$ 421	$ - -	$ 8,893
At 31 December 2013						
Cost	320	9,825	1,014	528	11	11,698
Accumulated amortization and impairment	- -	(2,635)	(52)	(107)	(11)	(2,805)
Closing balance	$ 320	$ 7,190	$ 962	$ 421	$ - -	$ 8,893

In 2012, the announcement of closure by two primary feedstock providers to one of our Australian polypropylene facilities will likely have a material impact on the production volumes of the cash generating unit. As a result, we evaluated the recoverability of the long-lived asset value and concluded that the value was impaired. A discounted cash flow methodology was used to write down the assets to their value-in-use which gave rise to an impairment charge, reflected in Cost of sales in the Consolidated Statement of Income, of $36 million. The Australian polypropylene cash generating unit resides in our Olefins and Polyolefins–Europe, Asia, International segment.

We recognized impairment charges of $22 million, primarily related to damage to our LDPE plant in Wesseling, Germany resulting from an explosion in a reactor bay in 2012.

Depreciation expenses and impairment charges are recognized in Cost of sales, Selling costs and Administrative expenses as indicated in the following table:

Millions of U.S. Dollars	**2013**	**2012**
Cost of sales	$ 992	$ 1,018
Selling costs	1	1
Administrative expenses	14	19
Total	$ 1,007	$ 1,038

PO Assets—We, together with Bayer AG and Bayer Corporation (collectively “Bayer”), share ownership in a U.S. propylene oxide (“PO”) manufacturing site (the “U.S. PO joint assets”). The U.S. PO joint assets own a PO/styrene monomer (“SM” or “styrene”) and a PO tertiary butyl alcohol (“TBA”) manufacturing facility. Bayer’s ownership interest represents an undivided interest in certain U.S. PO joint assets with correlative PO capacity reservation that resulted in ownership of annual in-kind cost-based PO production of 1.5 billion pounds in 2013 and 2012. We take in kind the remaining cost-based PO and co-product and production.

In addition, we and Bayer each have a 50% interest in a separate manufacturing site (the “European PO joint assets”), which owns a PO/SM plant at Maasvlakte near Rotterdam, The Netherlands. In substance, each partner’s ownership interest represents an undivided interest in all of the European PO joint assets with correlative capacity reservation that resulted in ownership of annual in-kind cost-based PO and SM production.

We and Bayer do not share marketing or product sales under the U.S. PO joint assets. We operate the U.S. PO joint assets and the European PO joint assets (collectively the “PO joint assets”) and arrange and coordinate the logistics of product delivery. The partners share in the cost of production and logistics based on their product offtake.

We report the cost of our product offtake as inventory and equity loss as cost of sales in our Consolidated Financial Statements. Related production cash flows are reported in the operating cash flow section of the Consolidated Statement of Cash Flows.

Our product offtake was 4,986 million and 5,170 million pounds of PO and its co-products for the years ended 31 December 2013 and 2012, respectively.

15 Investments in Associates and Joint Ventures

Millions of U.S. Dollars	31 December 2013	31 December 2012
Opening balance	$ 1,625	$ 1,605
Share in profit of associates and joint ventures, net of tax	213	143
Impairment	(10)	- -
	203	143
Dividends received	(186)	(147)
Divestitures	(18)	- -
Currency exchange differences	18	11
Other	35	13
Closing balance	$ 1,677	$ 1,625

Currency exchange differences are reported in the Consolidated Statement of Other Comprehensive Income within Currency translation of foreign operations.

None of the associates and joint ventures is listed on a stock exchange.

In December 2013, we sold our interest in Nihon Oxirane Company. We recognized a $16 million loss in connection with this sale, which is reflected in our Consolidated Statement of Income in Other expense, net.

In connection with the sale of our interest in Nihon Oxirane Company, we and our joint venture partner revised the terms of the agreement governing our NOC Asia Ltd. joint venture. Under the new terms of the agreement, our participation in the joint venture is limited to a finite period. To determine whether the change in terms of the agreement gave rise to an impairment of our investment, we assessed the fair value of the investment by using discounted cash flows. The assessment concluded that the carrying value of the investment exceeded its fair value less cost to sell, resulting in the impairment charge indicated above.

Summarized balance sheet information of associates and joint ventures are as follows:

Millions of U.S. Dollars	31 December 2013	31 December 2012
Current assets	$ 3,049	$ 3,923
Noncurrent assets	5,930	6,341
Total assets	8,979	10,264
Current liabilities	2,152	2,973
Noncurrent liabilities	2,366	2,205
Net assets	$ 4,461	$ 5,086

Summarized income statement information of associates and joint ventures are as follows:

Millions of U.S. Dollars	31 December 2013	31 December 2012
Revenues	$ 11,017	$ 10,961
Cost of sales	(9,526)	(9,916)
Gross profit	1,491	1,045
Net operating expenses	(246)	(258)
Operating profit	1,245	787
Finance income	5	6
Finance costs	(97)	(306)
Foreign currency translation	(2)	74
Other income (expense)	25	(9)
Profit before income tax	1,176	552
Income tax expense	(229)	(101)
Profit for the year	$ 947	$ 451

16 Financial Assets and Liabilities by Category

Millions of U.S. Dollars	2013 Loans and Receivables	2013 Assets Held at Fair Value	2013 Total	2012 Loans and Receivables	2012 Assets Held at Fair Value	2012 Total
Financial assets at 31 December						
Trade and other receivables, excluding prepayments	$ 4,666	$ 14	$ 4,680	$ 4,620	$ 17	$ 4,637
Derivative financial instruments	- -	4	4	- -	19	19
Cash and cash equivalents	4,450	- -	4,450	2,732	- -	2,732
Total	$ 9,116	$ 18	$ 9,134	$ 7,352	$ 36	$ 7,388

Millions of U.S. Dollars	2013 Other Financial Liabilities at Amortized Costs	2013 Liabilities at Fair Value through Profit and Loss	2013 Total	2012 Other Financial Liabilities at Amortized Costs	2012 Liabilities at Fair Value through Profit and Loss	2012 Total
Financial liabilities at 31 December						
Borrowings	$ 5,768	$ - -	$ 5,768	$ 4,347	$ - -	$ 4,347
Derivative financial instruments	- -	26	26	- -	29	29
Trade and other payables	4,725	14	4,739	4,252	3	4,255
Total	$ 10,493	$ 40	$ 10,533	$ 8,599	$ 32	$ 8,631

17 Credit Quality of Financial Assets

Investments in cash and cash equivalents and transactions involving derivative financial instruments are entered into with counterparties that have sound credit ratings and a good reputation.

We have a global credit risk management policy to minimize credit losses due to non-performance of our customer base. We monitor our exposure to credit risk on an on-going basis through a team of credit professionals stationed in our key global markets. We have continued to manage our customer credit risk very closely by monitoring our aging analysis along with payment and financial performance. Where appropriate, additional security instruments, letters of credit or corporate guarantees, are secured. Due to our global breadth and scale, we do not have a significant concentration of customer risk. Our largest counterparty risk amounted to $145 million and $182 million at 31 December 2013 and 2012, respectively.

18 Derivative Financial Instruments

	31 December	
Millions of U.S. Dollars	**2013**	**2012**
Derivative assets not designated as hedges:		
Commodities	$ - -	$ 6
Embedded derivatives	3	5
Foreign currency	1	8
Total	$ 4	$ 19
Derivative liabilities not designated as hedges:		
Commodities	$ 4	$ 7
Warrants	1	1
Written put option	21	21
Total	$ 26	$ 29

Written put option—The subsidiary that holds the Company's equity interest in a certain associate has a minority shareholder, which holds 16.21% of its equity. The equity interest held by the minority shareholder can be called by the Company or can be put to the Company by the minority interest shareholder at any time. The price of the call option is the nominal value of the shares (initial $18 million investment) plus accrued interest based on the London Interbank Offered Rate ("LIBOR") plus 40 basis points, less paid dividends. The liability recognized in respect of the written put, is measured at management's best estimate of the redemption amount discounted back from the expected redemption date.

For further details on derivatives, reference is made to Note 4 Financial Risk Management.

19 Inventories

	31 December	
Millions of U.S. Dollars	**2013**	**2012**
Finished goods	$ 2,948	$ 2,900
Parts and materials	459	444
Raw materials and supplies	1,590	1,561
Total inventories	$ 4,997	$ 4,905

Cost of inventories of $38,152 million and $40,428 million in 2013 and 2012, respectively, has been recognized as expense and included in Cost of sales.

20 Trade and Other Receivables

Millions of U.S. Dollars	**31 December 2013**	**31 December 2012**
Trade receivables	$ 3,872	$ 3,748
Trade receivables on related parties	202	184
Less: provision for impairment of trade receivables	(44)	(28)
Trade receivables, net	4,030	3,904
Social security and other taxes	368	219
Prepaid expenses	235	134
Other	282	514
Total	4,915	4,771
Less: non-current portion	(167)	(425)
Current portion	$ 4,748	$ 4,346

The carrying value of the trade and other receivables approximates their fair value. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. We do not hold any collateral as security.

The provision for doubtful trade receivables is determined based on ageing and reviewed periodically. The creation and release of provisions for impaired receivables have been included in Selling costs in the Consolidated Statement of Income.

The ageing of the gross trade receivables not impaired at 31 December were as follows:

Millions of U.S. Dollars	**2013**	**2012**
Amounts undue	$ 3,791	$ 3,692
Past due 0-90 days	219	197
Past due 91-180 days	20	15
	$ 4,030	$ 3,904

The ageing of the gross trade receivables partly impaired at 31 December were as follows:

	2013		**2012**	
Millions of U.S. Dollars	**Gross**	**Provision**	**Gross**	**Provision**
Amounts undue	$ - -	$ - -	$ - -	$ - -
Past due 0-90 days	- -	- -	- -	- -
Past due 91-180 days	44	44	28	28
	$ 44	$ 44	$ 28	$ 28

At 31 December 2013 and 2012, trade receivables of an initial value of $ 44 million and $28 million, respectively, were impaired and fully provided for. The movement in the provision for doubtful accounts is as follows:

Millions of U.S. Dollars	2013	2012
Balance, 1 January	$ 28	$ 16
Additions	16	12
Balance, 31 December	$ 44	$ 28

Trade receivables secured by letters of credit were $216 million and $173 million at 31 December 2013 and 2012, respectively. The carrying amounts of trade and other receivables are denominated in the following currencies at 31 December:

Millions of U.S. Dollars	2013	2012
USD	$ 2,588	$ 2,292
EUR	1,945	2,107
Other	382	372
	$ 4,915	$ 4,771

For further details on trade receivables, reference is made to Note 4 Financial Risk Management.

21 Cash and Cash Equivalents

For the purpose of the Consolidated Statement of Cash Flows, Cash and cash equivalents comprise the following at 31 December:

Millions of U.S. Dollars	2013	2012
Cash at bank and on hand	$ 2,394	$ 1,619
Short-term deposits	2,056	1,113
	$ 4,450	$ 2,732

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements, and earn interest at the respective short-term deposit rates.

22 Equity Attributable to the Owners of the Company

The Company’s authorized share capital totals €51 million divided into 1,275 million ordinary shares of €0.04 each.

For a breakdown of Equity attributable to equity holders, reference is made to the Consolidated Statement of Changes in Equity. For a detail of the non-distributable reserves, reference is made to the Corporate Financial Statements.

Dividend distribution—We declared and paid the following dividends for the following periods:

Millions of U.S. Dollars, except per share amounts	Dividend Per Ordinary Share	Aggregate Dividends Paid	Date of Record
For the year 2013:			
March	$ 0.40	$ 229	25 February 2013
June	0.50	288	3 June 2013
September	0.50	280	23 September 2013
December	0.60	330	25 November 2013
	$ 2.00	$ 1,127	
For the year 2012:			
March	$ 0.25	$ 143	12 March 2012
June	0.40	230	21 May 2012
September	0.40	230	4 September 2012
December	0.40	230	19 November 2012
December	2.75	1,582	19 November 2012
	$ 4.20	$ 2,415	

Treasury shares—In May 2013, our Supervisory Board announced a share repurchase program under which we may repurchase up to 10% of our outstanding ordinary shares through 21 May 2014. These repurchases, which are determined at the discretion of our Management Board, may be executed from time to time through open market or privately negotiated transactions. The repurchased shares are recorded as Treasury shares and may be retired or used for general corporate purposes, including for various employee benefit and compensation plans. As of 31 December 2013, we have repurchased approximately 27 million shares for $1,949 million at an average price of $71.22 per share, including commissions.

Repurchased ordinary shares (“Treasury shares”) are recorded in the balance sheet as a deduction from shareholders’ equity at cost. Consideration received for the sale of such shares is also recognized in equity. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of treasury shares.

The changes in the outstanding number of ordinary and treasury shares for the periods below are as follows:

	31 December	
	2013	**2012**
Ordinary shares outstanding:		
Beginning balance	575,216,709	573,390,514
Share-based compensation	931,125	1,140,439
Warrants exercised	7,666	685,756
Employee stock purchase plan	27,640	- -
Purchase of ordinary shares	(27,359,002)	- -
Ending balance	548,824,138	575,216,709
Ordinary shares held as Treasury shares:		
Beginning balance	3,206,033	4,051,013
Share-based compensation	(931,126)	(1,138,868)
Warrants exercised	1,608	293,888
Employee stock purchase plan	(27,640)	- -
Purchase of ordinary shares	27,359,002	- -
Ending balance	29,607,877	3,206,033
Ordinary shares issued at end of period	578,432,015	578,422,742

23 Non-Controlling Interests

Non-controlling interests primarily represent the interest of unaffiliated investors in a partnership that owns our PO/SM II plant at the Channelview, Texas complex and a subsidiary owning an equity investment in Al-Waha Petrochemicals Ltd.

24 Borrowings

The carrying amounts of the borrowings and the fair value of the non-current borrowings as of 31 December are as follows:

	2013		2012	
Millions of U.S. Dollars	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Non-current:				
Senior Notes due 2019, $2,000 million, 5.0%	$ 1,980	$ 2,216	$ 1,975	$ 2,191
Senior Notes due 2021, $1,000 million, 6.0%	987	1,153	985	1,176
Guaranteed Notes due 2023, $750 million, 4.0%	732	743	- -	- -
Senior Notes due 2024, $1,000 million, 5.75%	988	1,123	987	1,169
Guaranteed Notes due 2027, $300 million, 8.1%	300	378	300	399
Guaranteed Notes due 2043, $750 million, 5.25%	714	765	- -	- -
Other	8	4	4	- -
Total	$ 5,709	$ 6,382	$ 4,251	$ 4,935
Current:				
Other	$ 59	$ 55	$ 96	$ 95
Total borrowings	$ 5,768	$ 6,437	$ 4,347	$ 5,030

The fair values of the senior notes and guaranteed notes are based on the price of bonds provided through broker quotes from well-established and recognized vendors of market data for debt valuations. The fair value of the finance payable to investees and the Other equals the carrying amount, as the impact of discounting is not significant.

The carrying amounts of our borrowings are denominated in the following currencies at 31 December:

	31 December	
Millions of U.S. Dollars	**2013**	**2012**
USD	$ 5,754	$ 4,336
EUR	10	9
Other	4	2
	$ 5,768	$ 4,347

Aggregate maturities of debt during the next five years are $59 million in 2014, $1 million in 2015, $5 million in 2016, $2 million in 2017, none in 2018 and $5,800 million thereafter.

Long-Term Debt

In July 2013, LYB International Finance B.V. (“LYB Finance”), a direct, 100% owned finance subsidiary of LyondellBasell Industries N.V. issued $750 million of 4% Notes due 2023 and $750 million of 5.25% Notes due 2043 at discounted prices of 98.678% and 97.004%, respectively.

These unsecured notes, which are fully and unconditionally guaranteed by LyondellBasell Industries N.V., rank equally in right of payment to all of LYB Finance's existing and future unsecured indebtedness and to all of LyondellBasell's existing and future unsubordinated indebtedness. There are no significant restrictions that would impede the Guarantor from obtaining funds by dividend or loan from its subsidiaries. Subsidiaries are generally prohibited from entering into arrangements that would limit their ability to make dividends to or enter into loans with the Guarantor.

The indenture governing these notes contains limited covenants, including those restricting our ability and the ability of our subsidiaries to incur indebtedness secured by significant property or by capital stock of subsidiaries that own significant property, enter into certain sale and lease-back transactions with respect to any significant property or enter into consolidations, mergers or sales of all or substantially all of our assets.

The notes may be redeemed and repaid, in whole or in part, at any time and from time to time prior to maturity at a redemption price equal to the greater of 100% of the principal amount of the notes redeemed, and the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed. Such interest will be discounted to the date of redemption on a semi-annual basis at the applicable Treasury Yield plus 25 basis points in the case of the 4% Notes due 2023 and plus 30 basis points in the case of the 5.25% Notes due 2043.

In April 2012, we issued $2,000 million aggregate principal amount of 5% senior notes due 2019 and $1,000 million aggregate principal amount of 5.75% senior notes due 2024, each at an issue price of 100%.

In November 2011, we issued $1.0 billion of 6% senior notes due 2021. In December 2011, we used the net proceeds from the offering of the 6% senior notes, together with available cash, to pay a special dividend in the aggregate amount of $2.6 billion to shareholders of record on 25 November 2011.

The indentures governing the 5%, 5.75% and 6% Senior Notes contain limited covenants, including those restricting the ability of our subsidiaries to incur indebtedness and our ability and the ability of our subsidiaries to incur indebtedness secured by any property or assets, enter into certain sale and lease-back transactions with respect to any assets or enter into consolidations, mergers or sales of all or substantially all of our assets. The covenants contained in the indentures governing the 5%, 5.75% and 6% Senior Notes are different and more restrictive than the covenants contained in the indenture governing the 4% and 5.25% Notes in certain respects.

These notes may be redeemed and repaid, in whole or in part, at any time and from time to time prior to the date that is 90 days prior to the scheduled maturity date of the notes at a redemption price equal to 100% of the principal amount of the notes redeemed plus a premium for each note redeemed equal to the greater of 1.00% of the then outstanding principal amount of the note and the excess of: (a) the present value at such redemption date of (i) the principal amount of the note at maturity plus (ii) all required interest payments due on the note through maturity (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (b) the outstanding principal amount of the note. These notes may also be redeemed, in whole or in part, at any time on or after the date which is 90 days prior to the final maturity date of the notes, at a redemption price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest and additional interest, if any, to, but not including, the applicable redemption date.

Short-Term Debt

Senior Revolving Credit Facility—In May 2013, we extended the term of our revolving credit facility for one year until May 2018 pursuant to an extension agreement. This facility may be used for dollar and euro denominated borrowings and includes supporting up to $700 million of dollar and euro denominated letters of credit. The balance of outstanding borrowings and letters of credit under the facility may not exceed $2,000 million at any given time. Borrowings under the facility bear interest at a Base Rate or LIBOR, plus an applicable margin. Additional fees are incurred for the average daily unused commitments.

The facility contains customary covenants and warranties, including specified restrictions on indebtedness and liens. In addition, we are required to maintain a leverage ratio at the end of every quarter of 3.50 to 1.00 or less for the period covering the most recent four quarters. We are in compliance with these covenants as of 31 December 2013.

At 31 December 2013, availability under this facility was $2,000 million. There were no borrowings or letters of credit outstanding under the facility.

U.S. Receivables Securitization Facility—In September 2012, we entered into a three-year, $1,000 million accounts receivable securitization facility. Pursuant to the facility, certain of our subsidiaries sell or contribute their trade receivables to a wholly-owned, bankruptcy-remote subsidiary on an ongoing basis and without recourse. The bankruptcy-remote subsidiary, which was formed solely to purchase or receive such contributions of receivables from these subsidiaries, may then, at its option and subject to a borrowing base of eligible receivables, sell undivided interests in the pool of trade receivables together with all related security and interests in the proceeds thereof to financial institutions participating in the facility. The receivables sold to the bankruptcy-remote subsidiary are reserved only to satisfy claims of its creditors and are not available to satisfy the claims of creditors of the company and its subsidiaries. In the event of a liquidation, the bankruptcy-remote subsidiary's assets will be used to satisfy the claims of its creditors prior to any assets or value in the bankruptcy-remote subsidiary becoming available to us. We are responsible for servicing the receivables. The facility also provides for the issuance of letters of credit up to $200 million. The term of the securitization facility may be extended in accordance with the provisions of the agreement.

The facility is also subject to customary warranties and covenants, including limits and reserves and the maintenance of specified financial ratios. We are required to maintain a leverage ratio at the end of every fiscal quarter of 3.50 to 1.00 or less for the period covering the most recent four quarters. We are in compliance with these covenants as of 31 December 2013. Performance obligations under the facility are guaranteed by LyondellBasell Industries N.V.

At 31 December 2013, availability under this facility was $892 million. There were no borrowings or letters of credit outstanding under the facility.

European Receivables Securitization Facility—In April 2013, we amended and restated our €450 million European receivables securitization facility to obtain more favorable terms and conditions, including reduced pricing, and to extend the maturity date of the facility to April 2016. Under the terms of the amendment, we must maintain a leverage ratio at the end of every fiscal quarter of 3.50 to 1.00 or less for the period covering the most recent four quarters. Failure to maintain the ratio within the stated parameters constitutes a termination event, which left uncured, may result in the termination of the program. We are in compliance with these covenants as of 31 December 2013.

Precious Metal Financings—We enter into financing agreements for precious metals which are used in our production processes. All precious metal borrowings are shown in Current liabilities, within Borrowings, on the Consolidated Statement of Financial Position.

25 Deferred Income Tax

The gross movement in the deferred income tax account is as follows:

Millions of U.S. Dollars	Note	31 December 2013	31 December 2012
Opening balance		$ 1,651	$ 1,252
Income statement charge	11	(101)	567
Tax charge/(credit) relating to components of other comprehensive income	11	163	(20)
Tax charge/(credit) directly relating to equity	11	(25)	(70)
Tax charge/(credit) relating to reclass from deferred tax liabilities		(30)	(85)
Currency translation adjustment		12	7
Deferred tax liabilities, net		$ 1,670	$ 1,651

The movement in deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Millions of U.S. Dollars	Retirement Benefit Obligation	Tax Losses	Deferred Interest Carry Forward	Other	Total
Deferred income tax assets:					
Balance at 1 January 2012	$ 491	$ 54	$ 619	$ 188	$ 1,352
(Charged)/credited to the income statement	10	(11)	(619)	(42)	(662)
(Charged)/credited to other comprehensive income	20	- -	- -	- -	20
(Charged)/credited to equity	- -	- -	- -	70	70
(Charged)/credited for deferred tax liabilities and current tax liabilities reclass	7	(35)	- -	33	5
Currency translation adjustment	3	- -	- -	2	5
Balance at 31 December 2012	$ 531	$ 8	$ - -	$ 251	$ 790
Balance at 1 January 2013	$ 531	$ 8	$ - -	$ 251	$ 790
(Charged)/credited to the income statement	(48)	324	- -	(22)	254
(Charged)/credited to other comprehensive income	(163)	- -	- -	- -	(163)
(Charged)/credited to equity	- -	- -	- -	25	25
(Charged)/credited for deferred tax liabilities and current tax liabilities reclass	(2)	(5)	- -	(56)	(63)
Currency translation adjustment	- -	13	- -	6	19
Balance at 31 December 2013	$ 318	$ 340	$ - -	$ 204	$ 862

Millions of U.S. Dollars	Intangible Assets	Accelerated Tax Depreciation	Inventory	Other	Total
Deferred income tax liabilities					
Balance at 1 January 2012	$ 413	$ 1,462	$ 682	$ 47	$ 2,604
Charged/(credited) to the income statement	(25)	51	(113)	(8)	(95)
(Charged)/credited for deferred tax assets and current tax liabilities reclass	6	(101)	(1)	16	(80)
Currency translation adjustment	1	9	1	1	12
Balance at 31 December 2012	$ 395	$ 1,421	$ 569	$ 56	$ 2,441
Balance at 1 January 2013	$ 395	$ 1,421	$ 569	$ 56	$ 2,441
Charged/(credited) to the income statement	(15)	219	(62)	11	153
(Charged)/credited for deferred tax assets and current tax liabilities reclass	2	(82)	(13)	- -	(93)
Currency translation adjustment	6	20	3	2	31
Balance at 31 December 2013	$ 388	$ 1,578	$ 497	$ 69	$ 2,532

Deferred tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. In 2013, we recognized deferred tax assets in France which were previously not recognized in 2012. This resulted in a tax benefit of $330 million coupled with other movements in the recognition of deferred tax assets of $15 million.

Management's decision to recognize the deferred tax assets for France is based on positive evidence from French operations including:

- Beginning the second quarter of 2013, we began generating cumulative book pre-tax income for the prior three years (2011 – 2013);
- We have had three consecutive quarters of cumulative three-year pre-tax income and have reported two consecutive years of pre-tax income, a sufficient trend of sustained profitability to establish an expectation that the valuation allowance may be utilized;
- Existence of cumulative pre-tax income from core operations for the prior three years (2011-2013); exclusive of results related to the Berre refinery;
- Existence of taxable income for the current year (2013) before utilization of tax loss carry forward;
- Projections of significant pre-tax income for years 2014 – 2018; and

- Projections of significant taxable income for years 2014-2018, exclusive of reversing taxable temporary differences.

We continue to carry forward unrecognized deferred tax assets of $34 million on pre-acquisition French tax losses that the Company does not expect to realize a benefit on in the future due to limitations imposed by French tax law.

The Company did not recognize deferred tax assets of $167 million and $551 million with respect to losses amounting to $1,692 million and $1,876 million and other temporary differences for the years ending 31 December 2013 and 2012, respectively, that can be carried forward against future taxable income. Tax losses begin to expire in 2014.

Contingencies—Certain income tax returns of LyondellBasell N.V. and its subsidiaries are under examination by tax authorities. These audits may result in proposed assessments by the tax authorities. The Company believes that its tax positions comply with applicable tax law and intends to defend its positions through appropriate administrative and judicial processes.

26 Retirement Benefit Obligations

Millions of U.S. Dollars	Note	2013	2012
Asset in the Consolidated Statement of Financial Position:			
Defined benefit pension plans		$ 70	$ - -
Liabilities in the Consolidated Statement of Financial Position:			
Defined benefit pension plans		$ 742	$ 1,134
Other post-employment benefit plans		351	391
Total liabilities		$ 1,093	$ 1,525
Net defined benefit liabilities		$ 1,023	$ 1,525
Income statement charge:	7		
Defined benefit pension plans		$ 133	$ 101
Other post-employment benefit plans		19	19
Total charges		$ 152	$ 120
Remeasurements recognized in the Consolidated Statement of Other Comprehensive Income in the period (before tax):			
Defined benefit pension plans		$ (451)	$ 81
Other post-employment benefit plans		(42)	28
Total recognized in Other Comprehensive Income in the period		$ (493)	$ 109

We have defined benefit pension plans which cover employees in various countries. We also sponsor postretirement benefit plans other than pensions that provide medical benefits to certain of our U.S., Canadian, and French employees. In Italy and Germany, we provide other post-employment benefits such as early retirement and deferred compensation severance benefits. We use a measurement date of 31 December for all of our benefit plans.

The U.S. defined benefit pension plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), including minimum funding requirements. The benefits under the U.S. defined benefit plans are determined either under a cash balance formula or another formula based on the participant's earnings history or service or both. The benefit payments are made from a trust or insurance contract. The plans are administered by the Benefits Administrative Committee ("BAC") and investment of the trust assets is directed by external investment managers hired and monitored by the Benefits Finance Committee ("BFC"). Both the BAC and BFC consist of individuals appointed by the Board of Directors of Lyondell Chemical Company, a wholly owned subsidiary of the Company.

The non-U.S. defined benefit pension plans are subject to the regulatory framework and minimum funding requirements of applicable jurisdictions in which the plans are operated. The benefits under the non-U.S. defined benefit pension plan are also generally calculated based on the participant's earnings history or service or both. The benefit payments from certain non-U.S. plans are made from a trust or insurance contract; however, there are also a number of unfunded plans under which the Company meets each benefit payment obligation as it falls due. Management of non-U.S. plan assets is governed by local regulations and practice in each applicable jurisdiction.

We adopted the amendments to IAS 19 on 1 January 2013 that resulted in an increase to pension cost of $51 million for the year ended 31 December 2012. Prior period amounts have been restated as discussed in Footnote 2.

Defined benefit pension plans

The amounts recognized in the Statement of Financial Position are determined as follows:

	31 December	
Millions of U.S. Dollars	**2013**	**2012**
Present value of benefit obligations	$ (3,294)	$ (3,443)
Fair value of plan assets	2,625	2,324
Deficit of defined benefit pension plans	(669)	(1,119)
Effect of asset limitation and minimum funding requirement	(3)	(15)
Net liability	$ (672)	$ (1,134)

The changes in the net defined benefit liability over the year are as follows:

Millions of U.S. Dollars	**Present value of obligation**	**Fair value of plan assets**	**Total**	**Effect of asset limitation and minimum funding requirement**	**Total**
At 1 January 2012	$ 3,161	$ (2,082)	$ 1,079	$ 41	$ 1,120
Current service cost	64	- -	64	- -	64
Past service cost	(13)	- -	(13)	- -	(13)
Interest expense (income)	131	(83)	48	2	50
	182	(83)	99	2	101
Remeasurements:					
- Return on plan assets (excluding interest income)	- -	(124)	(124)	- -	(124)
- Effect of changes in demographic assumptions	51	- -	51	- -	51
- Effect of changes in financial assumptions	184	- -	184	- -	184
- Effect of changes in experience adjustments	(2)	- -	(2)	- -	(2)
- Changes in asset ceiling (excluding interest income)	- -	- -	- -	(28)	(28)
	233	(124)	109	(28)	81
Exchange differences	28	(16)	12	- -	12
Contributions:					
- Employers	- -	(180)	(180)	- -	(180)
- Plan participants	3	(3)	- -	- -	- -
Payments from plans:					
- Benefit payments	(164)	164	- -	- -	- -
At 31 December 2012	$ 3,443	$ (2,324)	$ 1,119	$ 15	$ 1,134

Millions of U.S. Dollars	Present value of obligation	Fair value of plan assets	Total	Effect of asset limitation and minimum funding requirement	Total
At 1 January 2013	$ 3,443	$ (2,324)	$ 1,119	$ 15	$ 1,134
Current service cost	68	- -	68	- -	68
Past service cost	22	- -	22	- -	22
Interest expense (income)	125	(82)	43	- -	43
	215	(82)	133	- -	133
Remeasurements:					
- Return on plan assets (excluding interest income)	- -	(230)	(230)	- -	(230)
- Effect of changes in demographic assumptions	(20)	- -	(20)	- -	(20)
- Effect of changes in financial assumptions	(196)	- -	(196)	- -	(196)
- Effect of changes in experience adjustments	7	- -	7	- -	7
- Changes in asset ceiling (excluding interest income)	- -	- -	- -	(12)	(12)
	(209)	(230)	(439)	(12)	(451)
Exchange differences	40	(12)	28	- -	28
Contributions:					
- Employers	- -	(172)	(172)	- -	(172)
- Plan participants	3	(3)	- -	- -	- -
Payments from plans:					
- Benefit payments	(198)	198	- -	- -	- -
At 31 December 2013	$ 3,294	$ (2,625)	$ 669	$ 3	$ 672

The defined benefit obligation and plan assets are composed by country as follows:

	2013							
Millions of U.S. Dollars	U.S.	Canada	France	Germany	Netherlands	U.K.	Other	Total
Present value of obligation	$ 1,932	$ 120	$ 215	$ 414	$ 385	$ 185	$ 43	$ 3,294
Fair value of plan assets	(1,958)	(123)	(4)	- -	(363)	(172)	(5)	(2,625)
Effect of asset limitation and minimum funding requirement	- -	3	- -	- -	- -	- -	- -	3
Total	$ (26)	$ - -	$ 211	$ 414	$ 22	$ 13	$ 38	$ 672

Millions of U.S. Dollars	**2012** U.S.	Canada	France	Germany	Netherlands	U.K.	Other	Total
Present value of obligation	$ 2,156	$ 145	$ 232	$ 387	$ 330	$ 158	$ 35	$ 3,443
Fair value of plan assets	(1,699)	(122)	(7)	- -	(343)	(148)	(5)	(2,324)
Effect of asset limitation and minimum funding requirement	- -	- -	- -	- -	15	- -	- -	15
Total	$ 457	$ 23	$ 225	$ 387	$ 2	$ 10	$ 30	$ 1,134

As of 31 December 2013, the present value of the defined benefit obligation was comprised of approximately $2,050 million relating to active employees, $381 million relating to vested deferred members and $863 million relating to members in retirement. As of 31 December 2012, the present value of the defined benefit obligation was comprised of approximately $2,477 million relating to active employees, $292 million relating to vested deferred members and $674 million relating to members in retirement.

The expected contributions to be paid to the defined benefit pension plans and the multi-employer plan during 2014 are $179 million and $8 million, respectively.

Our goal is to manage pension investments over the longer term to achieve optimal returns with an acceptable level of risk and volatility. The assets are externally managed by professional investment firms and performance is evaluated continuously against specific benchmarks. The Company or other oversight bodies actively monitor investment results. Investments are well diversified such that the failure of any single position would not have a material effect on the overall level of assets.

The actual return on plan assets was a gain of $312 million (a gain of $207 million in 2012).

The major categories of plan assets as a percentage of total plan assets are:

	2013	**2012**
Equity securities	51%	50%
Fixed income securities	35%	36%
U.S. government securities	5%	7%
Alternatives [(a)]	9%	7%

(a) Include investments in real estate, hedge funds, private equity and insurance annuity contracts.

The plan assets are summarized as follows at 31 December:

Millions of U.S. Dollars	2013 Quoted	2013 Unquoted	2013 Total	2012 Quoted	2012 Unquoted	2012 Total
Common and preferred stock						
Domestic	$ 454	$ - -	$ 454	$ 411	$ - -	$ 411
International	158	- -	158	122	- -	122
Fixed income securities						
Corporate bonds	490	- -	490	441	- -	441
Mortgage-backed securities	16	- -	16	17	- -	17
Municipal bonds	7	- -	7	7	- -	7
Foreign government issued bonds	5	- -	5	5	- -	5
Asset-backed securities	2	- -	2	2	- -	2
Commingled funds						
Domestic equity	144	- -	144	140	- -	140
International equity	606	- -	606	508	- -	508
Fixed income	348	- -	348	342	- -	342
Real estate	- -	75	75	- -	59	59
Hedge funds	- -	124	124	- -	73	73
Private equity	- -	26	26	- -	10	10
Convertible securities	1	- -	1	1	- -	1
U.S. government securities						
Agency securities	67	- -	67	102	- -	102
U.S. Treasury securities	75	- -	75	68	- -	68
Cash and cash equivalents	52	- -	52	52	- -	52
John Hancock GACs	- -	6	6	- -	6	6
Metropolitan Life Insurance GIC	- -	- -	- -	- -	15	15
Total Pension Assets	$ 2,425	$ 231	$ 2,656	$ 2,218	$ 163	$ 2,381

Our pension plans have not directly invested in securities of LyondellBasell Industries N.V. and there have been no significant transactions between any of the pension plans and the Company or related parties thereof.

The weighted average assumptions used to determine benefit obligations were as follows:

	2013	2012
Discount rate	4.34%	3.75%
Rate of salary increase	3.70%	3.61%
Rate of price inflation	2.44%	2.60%
Rate of pension increase	1.94%	2.12%

The weighted average assumptions used to determine net pension cost were as follows:

	2013	2012
Discount rate	3.75%	4.33%
Rate of salary increase	3.61%	3.66%
Rate of price inflation	2.60%	2.65%
Rate of pension increase	2.12%	1.91%

The sensitivity analysis presented in the following table is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The sensitivity of the benefit obligations to changes in the discount rate is as follows:

Millions of U.S. Dollars	Effects on benefit obligations in 2013	Change %
Present value of obligations	$ 3,294	
Discount rate increases by 50 basis points	(191)	-5.8%
Discount rate decreases by 50 basis points	219	6.6%

Reasonably foreseeable changes to the other principal assumptions would not result in a material impact to the benefit obligations and the benefit costs of our pension plans.

The defined benefit pension plans and the other post-employment benefit plans are subject to a number of risks, the most significant of which are discussed below:

Market price risk – Significant changes in investment performance may result in corresponding increases and decreases in the value of the plan assets.

Changes in bond yields – A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

Inflation risk – Some of the pension plans' benefit arrangements are directly related to the salary levels so that a significant increase in salaries could lead to an increase in the pension obligations of the plans.

Life expectancy – Some plan obligations provide benefits for the lifetime of the member and so increases in life expectancy could result in an increase in the plans' liabilities.

Multi-employer Plan—The Company participates in a multi-employer plan Pensionskasse der BASF WaG V.VaG, which provides for benefits to the majority of our employees in Germany. The plan provides fixed, monthly retirement payments on the basis of the credits earned by the participating employees. The plan information for the Pensionskasse der BASF WaG V.VaG is not publicly available and the plan is not subject to a collective-bargaining agreement. Up to a certain salary level, the benefit obligations are covered by contributions of the Company and the employees to the plan. To the extent that the plan is underfunded, the Company's future contributions to the plan may increase and may be used to fund retirement benefits for employees related to other employers. The plan was overfunded in 2012 and 2011. Contributions made to the multi-employer plan are expensed as incurred.

The amounts recognized in the Consolidated Statement of Income are as follows:

	31 December	
Millions of U.S. Dollars	2013	2012
Company contributions to Pensionskasse der BASF WaG V.VaG	$ 8	$ 19

The 2012 company contributions of $19 million included $11 million of future funding requirement. The contribution payable was $10 million at 31 December 2013, which was reduced by benefit payments of $1 million for the year ending 31 December 2013.

Other post-employment benefits plans

The amounts recognized in the Consolidated Statement of Financial Position are determined as follows:

	31 December	
Millions of U.S. Dollars	**2013**	**2012**
Present value of benefit obligations	$ 351	$ 391
Fair value of plan assets	- -	- -
Net liability	$ 351	$ 391

The changes in the net defined benefit liability over the year are as follows:

Millions of U.S. Dollars	**Present value of obligation**	**Fair value of plan assets**	**Total**
At 1 January 2012	$ 364	$ - -	$ 364
Current service cost	5	- -	5
Interest expense	14	- -	14
	19	- -	19
Remeasurements:			
- Effect of changes in demographic assumptions	2	- -	2
- Effect of changes in financial assumptions	22	- -	22
- Effect of changes in experience adjustments	4	- -	4
	28	- -	28
Exchange differences	2	- -	2
Contributions:			
- Employers	- -	(22)	(22)
- Plan participants	8	(8)	- -
Payments from plans:			
- Benefit payments	(30)	30	- -
At 31 December 2012	$ 391	$ - -	$ 391

Millions of U.S. Dollars	**Present value of obligation**	**Fair value of plan assets**	**Total**
At 1 January 2013	$ 391	$ - -	$ 391
Current service cost	5	- -	5
Interest expense	14	- -	14
	19	- -	19
Remeasurements:			
- Effect of changes in demographic assumptions	3	- -	3
- Effect of changes in financial assumptions	(27)	- -	(27)
- Effect of changes in experience adjustments	(18)	- -	(18)
	(42)	- -	(42)
Exchange differences	1	- -	1
Contributions:			
- Employers	- -	(18)	(18)
- Plan participants	7	(7)	- -
Payments from plans:			
- Benefit payments	(25)	25	- -
At 31 December 2013	$ 351	$ - -	$ 351

The weighted average assumptions used to determine benefit obligations were as follows:

	2013	**2012**
Discount rate	4.47%	3.74%
Rate of salary increase	3.91%	3.93%
Rate of price inflation	2.00%	2.00%

The weighted average assumptions used to determine net benefit cost were as follows:

	2013	**2012**
Discount rate	3.74%	4.05%
Rate of salary increase	3.93%	3.96%
Rate of price inflation	2.00%	2.00%

The following table reflects the sensitivity of the benefit obligations of our other post-employment benefit plans to changes in the discount rate:

Millions of U.S. Dollars	**Effects on benefit obligations in 2013**	**Change %**
Present value of obligations	$ 351	
Discount rate increases by 50 basis points	(18)	-5.1%
Discount rate decreases by 50 basis points	20	5.7%

Reasonably foreseeable changes to the other principal assumptions would not result in a material impact to the benefit obligations and the benefit costs of our other post-employment benefit plans.

The weighted average duration of the defined benefit obligation for the defined benefit pension plans and other post-employment benefit plans is 12.4 years and 10.9 years, respectively.

As of 31 December 2013, future expected benefit payments by our defined benefit pension plans and other post-employment benefit plans which reflect expected future service, as appropriate, are as follows:

Millions of U.S. Dollars	2014	2015	2016	2017	2018	Thereafter	Total
Defined benefit pension plans	$ 210	$ 199	$ 192	$ 199	$ 203	$ 2,291	$ 3,294
Other post-employment benefit plans	21	22	23	25	25	235	351
Total	$ 231	$ 221	$ 215	$ 224	$ 228	$ 2,526	$ 3,645

27 Trade and Other Payables

		31 December	
Millions of U.S. Dollars	Note	2013	2012
Trade payables		$ 2,817	$ 2,431
Amounts due to related parties	30	750	845
Social securities and other taxes		51	54
Accrued expenses		1,121	925
		$ 4,739	$ 4,255

28 Provisions for Other Liabilities and Charges

Millions of U.S. Dollars	Asset Retirement Obligation	Environmental	Restructuring	Other	Total
Balance at 1 January 2012	$ 140	$ 120	$ 237	$ 100	$ 597
Charged/(credited) to the income statement:					
Additional provisions	1	13	79	15	108
Unused amounts reversed	10	3	(42)	(51)	(80)
Unwinding of discount	3	- -	- -	- -	3
Used during the period	(30)	(12)	(101)	(23)	(166)
Exchange differences	3	2	- -	2	7
Other	- -	- -	(1)	18	17
At 31 December 2012	$ 127	$ 126	$ 172	$ 61	$ 486
Of which:					
Non-current	$ 112	$ 113	$ 107	$ 40	$ 372
Current	15	13	65	21	114
Closing balance	$ 127	$ 126	$ 172	$ 61	$ 486
Balance at 1 January 2013	$ 127	$ 126	$ 172	$ 61	$ 486
Charged/(credited) to the income statement:					
Additional provisions	- -	- -	4	2	6
Unused amounts reversed	(4)	(5)	(17)	(6)	(32)
Unwinding of discount	4	- -	- -	- -	4
Changes in estimate	(5)	7	18	4	24
Used during the period	(14)	(12)	(63)	(7)	(96)
Exchange differences	4	4	3	(1)	10
Other	- -	- -	3	(4)	(1)
At 31 December 2013	$ 112	$ 120	$ 120	$ 49	$ 401
Of which:					
Non-current	$ 96	$ 110	$ 63	$ 34	$ 303
Current	16	10	57	15	98
Closing balance	$ 112	$ 120	$ 120	$ 49	$ 401

Asset retirement obligations—At some locations, we are contractually obligated to decommission our plants upon site exit. We have provided for the net present value of the estimated costs. Typically such costs are incurred within three years of a plant's closure.

Environmental remediation—Our accrued liability for future environmental remediation costs at current and former plant sites and other remediation sites totaled $120 million and $126 million as of 31 December 2013 and 2012, respectively. At 31 December 2013, the accrued liabilities for individual sites range from less than $1 million to $23 million. The remediation expenditures are expected to occur over a number of years, and not to be concentrated in any single year. In our opinion, it is reasonably possible that losses in excess of the liabilities recorded may have been incurred. However, we cannot estimate any amount or range of such possible additional losses. New information about sites, new technology or future developments such as involvement in investigations by regulatory agencies, could require us to reassess our potential exposure related to environmental matters.

Restructuring—In connection with current restructuring activities, we have recognized severance charges totaling $5 million and $37 million for the separation of employees for the periods ended 31 December 2013 and 2012, respectively. The restructuring cost primarily relates to the suspension of operations at the Berre refinery in France and optimization of our operations in Europe and North America. We may incur additional costs related to these activities that cannot be reasonably estimated at this time.

29 Contingencies and Commitments

Contingencies—Litigation and Other Matters

Access Indemnity Demand—In December 2010, one of our subsidiaries received demand letters from affiliates of Access Industries (collectively, "Access"), a more than five percent shareholder of the Company, demanding indemnity for losses, including attorney's fees and expenses, arising out of a pending lawsuit styled *Edward S. Weisfelner, as Litigation Trustee of the LB Litigation Trust v. Leonard Blavatnik, et al*., Adversary Proceeding No. 09-1375 (REG), in the United States Bankruptcy Court, Southern District of New York. In the *Weisfelner* lawsuit, the plaintiffs seek to recover from Access, the return of all amounts earned by them related to their purchase of shares of Lyondell Chemical Company prior to its acquisition by Basell AF S.C.A.; distributions by Basell AF S.C.A. to its shareholders before it acquired Lyondell Chemical, and management and transaction fees and expenses. The trial that was scheduled for October 2011 has been postponed.

The Access affiliates have also demanded $100 million in management fees under a 2007 management agreement between an Access affiliate and the predecessor of LyondellBasell AF, as well as other unspecified amounts relating to advice purportedly given in connection with financing and other strategic transactions. In June 2009, an Access affiliate filed a proof of claim in Bankruptcy Court against LyondellBasell AF seeking "no less than" $723 thousand for amounts allegedly owed under the 2007 management agreement. In April 2011, Lyondell Chemical filed an objection to the claim and brought a declaratory judgment action for a determination that the demands are not valid. The declaratory judgment action is stayed pending the outcome of the *Weisfelner* lawsuit.

We do not believe that the 2007 management agreement is in effect or that the Company or any Company-affiliated entity owes any obligations under the management agreement, including for management fees or for indemnification. We intend to defend vigorously our position in any proceedings and against any claims or demands that may be asserted.

We cannot at this time estimate the reasonably possible loss or range of loss that may be incurred in the *Weisfelner* lawsuit; therefore, we cannot estimate the loss that may be sought by way of indemnity.

Indemnification—We are parties to various indemnification arrangements, including arrangements entered into in connection with acquisitions, divestitures and the formation of joint ventures. Pursuant to these arrangements, we provide indemnification to and/or receive indemnification from other parties in connection with liabilities that may arise in connection with the transactions and in connection with activities prior to completion of the transactions. These indemnification arrangements typically include provisions pertaining to third party claims relating to environmental and tax matters and various types of litigation. As of 31 December 2013, we had not accrued any significant amounts for our indemnification obligations, and we are not aware of other circumstances that would likely lead to significant future indemnification obligations. We cannot determine with certainty the potential amount of future payments under the indemnification arrangements until events arise that would trigger a liability under the arrangements.

As part of our technology licensing contracts, we give indemnifications to our licensees for liabilities arising from possible patent infringement claims with respect to proprietary licensed technology. Such indemnifications have a stated maximum amount and generally cover a period of five to ten years.

Other—We previously reported that we had identified, and voluntarily disclosed to the U.S. Department of Justice, an agreement related to a former project in Kazakhstan under which a payment was made that raised compliance concerns under the U.S. Foreign Corrupt Practices Act (the "FCPA"). In January 2014, the U.S. Department of Justice advised the Company that it had closed its investigation into this matter. No fine or penalty was assessed.

Commitments

Purchase commitments—We have various purchase commitments for materials, supplies and services incident to the ordinary conduct of business, generally for quantities required for our businesses and at prevailing market prices. These commitments are designed to assure sources of supply and are not expected to be in excess of normal requirements. Our capital expenditure commitments at 31 December 2013 were in the normal course of business.

Financial Assurance Instruments—We have obtained letters of credit, performance and surety bonds and have issued financial and performance guarantees to support trade payables, potential liabilities and other obligations. Considering the frequency of claims made against the financial instruments we use to support our obligations, and the magnitude of those financial instruments in light of our current financial position, management does not expect that any claims against or draws on these instruments would have a material adverse effect on our Consolidated Financial Statements. We have not experienced any unmanageable difficulty in obtaining the required financial assurance instruments for our current operations.

Operating Lease Commitments—We lease office facilities, railcars, vehicles, and other equipment under long-term operating leases. Some leases contain renewal provisions, purchase options and escalation clauses.

The operating lease expense for 2013 and 2012 totaled $328 million and $313 million, respectively.

The future aggregate purchase obligations and minimum lease payments under non-cancellable operating leases are as follows:

	2013	
Millions of U.S. Dollars	**Purchase Obligations**	**Operating Leases**
No later than 1 year	$ 8,711	$ 305
Later than 1 year and no later than 5 years	22,795	845
Later than 5 years	9,990	677
Total	$ 41,496	$ 1,827

30 Related Parties

The Company has related party transactions with affiliates of one of our major shareholders, Access Industries ("Access") and with the Company's associates and joint ventures. We also had related party transactions with Apollo Management LLC ("Apollo"), who was a significant shareholder of the Company through the third quarter of 2013.

Access—In December 2010, we entered into a tax cooperation agreement with Access. The tax cooperation agreement allows either party to provide the other with information and support in connection with tax return preparation and audits on a time and materials basis through 2014. No payments were received from or paid to Access under this agreement during 2013 and 2012.

In December 2010, one of our subsidiaries received demand letters from affiliates of Access demanding indemnity for losses, including attorney's fees and expenses, arising out of a pending lawsuit and payment of $100 million in management fees under a 2007 management agreement between an Access affiliate and the predecessor of LyondellBasell AF as well as other unspecified amounts related to advice purportedly given in connection with financing and other strategic transactions. For additional information related to this matter, see Note 29.

Apollo—Transactions with Apollo affiliates include the sales of product under a long-term contract that renews automatically each year on 31 July, unless a 90 day notice of termination has been received and other product sales made on the spot market in the ordinary course of business.

Associates and Joint Ventures—The Company has related party transactions with its associates and joint ventures. These related party transactions include the sales and purchases of goods in the normal course of business as well as certain financing arrangements and are at arm's length basis. In addition, under contractual arrangements with certain of the Company's equity investees, we receive certain services, utilities and materials at some of our manufacturing sites and we provide certain services to our associates and joint ventures.

We have guaranteed $31 million of the indebtedness of one of our joint ventures as of 31 December 2013. In December 2013, we received payments totaling $9 million from our joint venture, Saudi Ethylene & Polyethylene Company Ltd. in connection with the repayment of a loan made in 2006.

The Related party transactions are summarized as follows:

Millions of U.S. Dollars	**31 December 2013**	**31 December 2012**
The Company billed related parties for:		
Sale of products –		
Apollo affiliates	$ 224	$ 299
Associates and Joint Ventures	786	738
Shared services agreements –		
Apollo affiliates	7	19
Associates and Joint Ventures	19	1
Related parties billed the Company for:		
Sale of products –		
Associates and Joint Ventures	$ 3,340	$ 3,260
Shared services agreements –		
Associates and Joint Ventures	94	107
Year-end balances with related parties:		
Receivable from Apollo affiliates	- -	15
Receivable from Associates and Joint Ventures	202	169
Loans to Associates and Joint Ventures	8	21
Loans from Associates and Joint Ventures	10	9
Payables to Associates and Joint Ventures	750	845

31 Segment and Related Information

Our operations are managed through five operating segments, as shown below. Each of the operating segments is separately managed under a structure that includes senior executives who report directly to our Chief Executive Officer and discrete financial information for each of the segments is available. Our Chief Executive Officer uses the operating results of each of the five operating segments for performance evaluation and resource allocation and, as such, is the chief operating decision maker. The activities of each of our segments from which they earn revenues and incur expenses are described below:

- Olefins and Polyolefins–Americas ("O&P–Americas"). Our O&P–Americas segment produces and markets olefins, including ethylene and ethylene co-products, and polyolefins.

- Olefins and Polyolefins–Europe, Asia, International ("O&P–EAI"). Our O&P–EAI segment produces and markets olefins, including ethylene and ethylene co-products, polyolefins and polypropylene compounds.

- Intermediates and Derivatives ("I&D"). Our I&D segment produces and markets PO and its co-products and derivatives, acetyls, including methanol, ethanol, ethylene oxide ("EO") and its derivatives, and oxygenated fuels, or oxyfuels.

- Refining. Our Refining segment refines heavy, high-sulfur crude oils and other crude oils of varied types and sources available on the U.S. Gulf Coast.

- Technology. Our Technology segment develops and licenses chemical and polyolefin process technologies and manufactures and sells polyolefin catalysts.

Sales between segments are made primarily at prices approximating prevailing market prices. Accounting policies for internal reporting are based on U.S. GAAP and are materially similar to those described in Summary of Significant Accounting Policies (see Note 2), except for:

Discontinued Operations—The Financial Accounting Standards Board ("FASB") Accounting Codification ("ASC") Topic 205, *Presentation of Financial Statements* ("ASC 205"), requires the results of operations of a component of an entity be reported in the discontinued operations if both of the following conditions are met: (a) the operations and cash flows of the component have been (or will be) eliminated from the ongoing operations of the entity as a result of the disposal transaction and (b) the entity will not have any significant continuing involvement in the operations of the component after the disposal transaction. The suspension of the Berre Refinery operations met these criteria and was treated as discontinued operations under U.S. GAAP. Under IFRS and this financial report, the suspension of the Berre Refinery operations has been accounted for under IFRS 5, *Non-current assets held for sale and discontinued operations* ("IFRS 5"). IFRS 5 defines a discontinued operation as a component of an entity that either has been disposed of or is classified as held for sale, and represents a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. For IFRS, the Berre Refinery did not meet the definition of a separate major line of business because the Company has not exited the refining business, and thus did not qualify for discontinued operations.

Inventories—The Group measures its inventories in accordance with the Last In, First Out ("LIFO") method, which is permitted under U.S. GAAP. According to IAS 2, *Inventories,* the LIFO method is prohibited under IFRS. Therefore, the inventories are measured using the First In, First Out ("FIFO") method for the Consolidated Financial Statements. This inventory measurement difference between the reportable segments and the consolidated information results in different costs of sale and net profit for the period.

Employee Benefits—Under U.S. GAAP, ASC Topic 715, *Compensation–Retirement Benefits* ("ASC 715") requires the interest expense component of pension expense to be calculated as the product of the defined benefit liability and the discount rate. Such interest expense is netted against interest income resulting from the expected rate of return on plan assets applied to the market value of assets. The expected rate of return on plan assets is a longer term rate, and is expected to change less frequently that the discount rate, reflecting long-term market expectations, rather than current fluctuations in market conditions. Under IFRS, in accordance with *IAS 19, Employee Benefits,* the Company recognizes a net interest expense (income), which is the product of the net defined benefit liability (asset) and the discount rate, as a component of its pension expense on defined benefit plans.

Under ASC 715, past service cost and actual return on plan assets in excess of expected return are initially recorded in other comprehensive income and subsequently recognized in earnings over the average remaining service period of the participants to the extent it exceeds the "corridor". The corridor is defined as the greater of 10 percent of the accumulated projected benefit obligation or the fair value of the plan assets as of the beginning of the year. Under IFRS, the Company recognizes immediately past service cost and net interest expense (income) as discussed above in the Consolidated Statement of Income. Actual return of plan assets in excess of recognized interest income is permanently recorded in other comprehensive income.

Other—Amongst others, there are minor differences between IFRS and U.S. GAAP with respect to the subsequent measurement of asset retirement obligations, capitalization of development costs related to Research and development and amortization of debt issuance costs. If material, these differences are separately disclosed in the segment and Consolidated Financial Statements reconciliation.

Summarized financial information concerning reportable segments is shown in the following table for the periods presented.

	Year Ended 31 December 2013						
Millions of U.S. Dollars	**O&P – Americas**	**O&P – EAI**	**I&D**	**Refining**	**Technology**	**Other**	**Total**
Sales and other operating revenues:							
Customers	$ 9,174	$ 14,480	$ 9,337	$ 10,656	$ 414	$ 1	$ 44,062
Intersegment	3,915	205	135	1,042	118	(5,415)	- -
	13,089	14,685	9,472	11,698	532	(5,414)	44,062
Operating income (loss)	3,253	377	1,300	22	157	(7)	5,102
Depreciation and amortization expense	293	287	204	160	75	2	1,021
Other income (expense)	2	1	(16)	- -	- -	(1)	(14)
Income from equity investments	25	174	4	- -	- -	- -	203
Capital expenditures	645	229	443	209	30	5	1,561

	Year Ended 31 December 2012						
Millions of U.S. Dollars	**O&P – Americas**	**O&P – EAI**	**I&D**	**Refining**	**Technology**	**Other**	**Total**
Sales and other operating revenues:							
Customers	$ 8,987	$ 14,203	$ 9,280	$ 12,490	$ 377	$ 15	$ 45,352
Intersegment	3,947	318	378	801	121	(5,565)	- -
	12,934	14,521	9,658	13,291	498	(5,550)	45,352
Operating income	2,650	127	1,430	334	122	13	4,676
Depreciation and amortization expense	281	285	194	148	73	2	983
Other income (expense)	12	15	- -	(1)	2	(26)	2
Income (loss) from equity investments	25	121	(3)	- -	- -	- -	143
Capital expenditures	468	254	159	136	43	- -	1,060

Reconciliation of Operating income for reportable segments to the Company's Consolidated Statement of Income is summarized in the following table.

	31 December	
Millions of U.S. Dollars	**2013**	**2012**
Total operating income for reportable segments	$ 5,102	$ 4,676
Measurement difference:		
Inventory valuation	(114)	(299)
Pension expense	(51)	(51)
Asset impairment	- -	(36)
Depreciation	27	9
Classification difference:		
Impact of Berre refinery closure	(27)	(44)
Other expense, net	(51)	(33)
Fair value changes on warrants	- -	(11)
Other	7	11
Total Company's operating profit	$ 4,893	$ 4,222

Long-lived assets of continuing operations, including goodwill, are summarized and reconciled to consolidated totals in the following table.

Millions of U.S. Dollars	**O&P – Americas**	**O&P – EAI**	**I&D**	**Refining**	**Technology**	**Other**	**Total**
31 December 2013							
Property, plant, and equipment, net	$ 2,614	$ 2,425	$ 2,529	$ 1,045	$ 276	$ 4	$ 8,893
Equity and other investments	156	1,418	92	- -	- -	11	1,677
Goodwill	162	182	251	- -	10	- -	605
31 December 2012							
Property, plant, and equipment, net	$ 2,167	$ 2,425	$ 2,225	$ 985	$ 276	$ 11	$ 8,089
Equity and other investments	162	1,345	118	- -	- -	- -	1,625
Goodwill	162	175	245	- -	9	- -	591

Reconciliation of Goodwill for reportable segments to the Consolidated Statement of Financial Position is summarized in the following table.

Millions of U.S. Dollars	O&P – Americas	O&P – EAI	I&D	Technology	Total
31 December 2013					
Goodwill for reportable segment	$ 162	$ 182	$ 251	$ 10	$ 605
Measurement period changes including exchange differences	(31)	(182)	(55)	- -	(268)
Total Company's goodwill	$ 131	$ - -	$ 196	$ 10	$ 337
31 December 2012					
Goodwill for reportable segment	$ 162	$ 175	$ 245	$ 9	$ 591
Measurement period changes including exchange differences	(31)	(175)	(52)	- -	(258)
Total Company's goodwill	$ 131	$ - -	$ 193	$ 9	$ 333

The following geographic data for revenues are based upon the delivery location of the product and for long lived assets, the location of the assets.

	Revenue	
Millions of U.S. Dollars	2013	2012
The Netherlands	$ 1,049	$ 1,032
United States	21,940	23,622
Germany	4,128	3,660
France	1,786	1,815
Italy	1,560	1,554
Mexico	1,478	1,519
Other	12,130	12,393
Total revenue	$ 44,071	$ 45,595

	Long-Lived Assets	
Millions of U.S. Dollars	2013	2012
United States	$ 6,046	$ 5,370
Germany	1,836	1,792
The Netherlands	767	730
France	590	579
Italy	506	526
Mexico	161	166
Other	1,602	1,620
Total	$ 11,508	$ 10,783

Long-lived assets include Property, plant and equipment, Intangible assets excluding goodwill and Investments in associates and joint ventures.

32 Subsequent Events

In February 2014, LYB International Finance B.V. ("LYB Finance"), a direct, 100% owned finance subsidiary of LyondellBasell Industries N.V. issued $1,000 million of 4.875% guaranteed notes due 2044 at a discounted price of 98.831%. These unsecured notes are fully and unconditionally guaranteed by LyondellBasell Industries N.V. Proceeds from these notes are expected to be used for general corporate purposes, including repurchases of our ordinary shares.

Corporate Financial Statements

LyondellBasell Industries N.V.

CORPORATE STATEMENT OF INCOME

Millions of U.S. Dollars	Note	Year Ended 31 December 2013	Year Ended 31 December 2012
Income from Group companies after tax	2	$ 3,828	$ 2,737
Other expense, net of tax		(44)	(158)
Profit attributable to the equity holders		$ 3,784	$ 2,579

LyondellBasell Industries N.V.

CORPORATE STATEMENT OF FINANCIAL POSITION

Before appropriation of profit

Millions of U.S. Dollars	Note	31 December 2013	31 December 2012
Non-current assets			
Goodwill	2	$ 337	$ 333
Investments in Group companies	2	15,108	14,067
Long-term loans to Group companies	6	3,960	3,960
Deferred tax assets		--	18
Other assets		4	--
Total non-current assets		19,409	18,378
Current assets			
Receivables from Group companies		54	45
Cash and cash equivalents	3	40	3
Total current assets		94	48
Total assets		**$ 19,503**	**$ 18,426**
Equity	4		
Share capital		$ 31	$ 31
Share premium		10,343	10,348
Legal reserves		645	(7)
Retained earnings		(716)	(2,115)
Profit for the year		3,784	2,579
Treasury shares		(2,035)	(106)
Total equity attributable to equity holders		12,052	10,730
Non-current liabilities			
Deferred tax liability		3	- -
Long-term debt	5	3,955	3,947
Long-term loans from Group companies	6	--	3,600
Current liabilities			
Bank overdraft		8	99
Short-term loans from Group companies	6	3,430	- -
Other liabilities		55	50
Total equity and liabilities		**$ 19,503**	**$ 18,426**

Notes to the Corporate Financial Statements

1 General

LyondellBasell Industries N.V. (the "Company" or "LyondellBasell N.V."), together with its consolidated subsidiaries (collectively, the "Group") applies the option provided in Section 2:362 (8) of the Dutch Civil Code for the principles applicable to the recognition and measurement of assets and liabilities and the determination of results for its Corporate Financial Statements. Accordingly, the principles for recognition and measurement of assets and liabilities and determination of results (hereinafter referred to as "accounting policies") of the Company's Corporate Statement of Financial Position are the same as those applied for the Consolidated Financial Statements under International Financial Reporting Standards ("IFRS"), as adopted by the European Union, for the periods ended 31 December 2013 and 2012, except as noted below:

- Investments in subsidiaries and other companies in which the Company has control are measured at net asset value, which is based on the net book value of assets, provisions and liabilities, in accordance with the accounting policies applied in the Consolidated Financial Statements.

- Goodwill presented in the Corporate Statement of Financial Position reflects the goodwill of subsidiaries directly acquired by the Company and is measured in accordance with the accounting policies of the Consolidated Financial Statements. Goodwill of subsidiaries indirectly owned (via intermediate subsidiaries) is recognized as part of the net asset value of such intermediate subsidiary.

In May 2013, we announced the planned migration of the tax domicile of LyondellBasell N.V. from The Netherlands, where LyondellBasell N.V. is incorporated, to the United Kingdom. On 28 August 2013, the Dutch and United Kingdom competent authorities completed a mutual agreement procedure and issued a ruling that as of 1 July 2013 LyondellBasell N.V. should be treated solely as a tax resident in the United Kingdom and is subject to the United Kingdom corporate income tax system.

The Company had fourteen full-time employees all located outside of The Netherlands at 31 December 2013 and five full-time employees, all located in The Netherlands at 31 December 2012.

New and amended standards adopted

The Company adopted the amendments to International Accounting Standards ("IAS") 19, *Employee Benefits*, on 1 January 2013. The change on the Company's accounting policies has been to immediately recognize all past service cost and to replace interest cost and expected return on plan assets with a net interest expense (income) that is calculated as the product of the net defined benefit liability (asset) and the discount rate determined at the beginning of the year.

The effect of the change to the accounting policy for the period ended and as of 31 December 2012 is shown in the following tables.

Millions of U.S. Dollars	**As Previously Reported**	**Adjustment**	**Restated**
Corporate Statement of Income			
Income from Group Companies after taxes	$ 2,768	$ (31)	$ 2,737
Profit attributable to the equity holders	2,610	(31)	2,579
Corporate Statement of Financial Position			
Investments in Group companies	$ 14,069	$ (2)	$ 14,067
Legal reserves	(85)	78	(7)
Retained earnings	(2,066)	(49)	(2,115)
Profit for the year	2,610	(31)	2,579

2 Goodwill and Investments

Millions of U.S. Dollars	**Goodwill**	**Investments**
Balance at 1 January 2012	$ 332	$ 13,085
IAS 19 adjustment	- -	(10)
Adjusted balance at 1 January 2012	332	13,075
Income from investments, net of tax	- -	2,737
Equity settled transactions	- -	102
Equity contribution	- -	50
Dividends received	- -	(1,955)
Other	- -	21
Additions to other reserves	1	37
Balance at 31 December 2012	**$ 333**	**$ 14,067**
Balance at 1 January 2013	$ 333	$ 14,067
Income from investments, net of tax	- -	3,828
Equity settled transactions	- -	56
Dividends received	- -	(9,393)
Equity contributions	- -	6,015
Other	- -	3
Additions to other reserves	4	532
Balance at 31 December 2013	$ 337	$ 15,108

Equity settled transactions—Equity settled transactions represent share-based compensation granted to directors and employees.

Dividends received and Equity contributions—In the second quarter of 2013, LyondellBasell Subholdings B.V., a wholly owned subsidiary, assumed the $1,925 million outstanding balance of our $2,100 million unsecured loan with LYB Finance Company B.V., an indirect wholly owned subsidiary. This loan was assumed in lieu of a $1,925 million inter-company dividend which was paid as a return of capital.

The Company received an additional cash dividend of $1,468 million from LyondellBasell Subholdings B.V. in the third quarter of 2013.

In September 2013, the Company received $6,000 million of dividends in the form of dividend notes from its wholly owned subsidiary, LyondellBasell Finance Company. The Company simultaneously contributed these dividend notes to its wholly owned subsidiary, LYB Luxembourg S.a r.l. II. In July 2013, the Company also contributed $15 million as capital to another wholly owned subsidiary LYB International Finance B.V.

Additions to other reserves—Primarily represents movements for Currency translation differences and remeasurements of post-employment benefits obligations, which are non-distributable.

3 Cash and Cash Equivalents

The Company's cash and cash equivalents are held by its in-house banking unit, LYB Finance Company B.V. The interest rate on the account with LYB Finance Company B.V. is subject to a floating interest rate, based on current market rates. At 31 December 2013, the lending rates were 0.02% and less than one basis point for the U.S. dollar and euro accounts, respectively, and the borrowing rates were 1.42% and 1.38% for the U.S. dollar and euro accounts, respectively. At 31 December 2012, the lending rate was 0.06% and less than one basis point for the U.S. dollar and euro accounts, respectively, and the borrowing rate was 2.31% and 2.16% for the U.S. dollar and euro accounts, respectively.

4 Equity Attributable to Equity Holders

For a breakdown of Equity attributable to equity holders, reference is made to the Consolidated Statement of Changes in Group Equity and the notes thereto.

Share capital—Share capital is converted from euro to U.S. dollar with the month-end rate of euro 0.73 at 31 December 2013.

Legal reserves—Movements in legal reserves (net of tax), which cannot be distributed freely, are presented below:

Millions of U.S. Dollars	Currency Translation Differences	Group Companies	Total
Balance at 1 January 2012	$ (106)	$ 8	$ (98)
Net current period change	126	(35)	91
Balance at 31 December 2012	$ 20	$ (27)	$ (7)
Balance at 1 January 2013	$ 20	$ (27)	$ (7)
Net current period change	210	442	652
Balance at 31 December 2013	$ 230	$ 415	$ 645

The item "Group Companies" relates to the "*Wettelijke reserve deelnemingen,*" which is required by Dutch Law. This reserve relates to any legal or economic restrictions on the ability of group companies to transfer funds to the parent in the form of dividends.

Retained earnings—Movements in retained earnings are as follows:

	31 December	
Millions of U.S. Dollars	**2013**	**2012**
Opening balance	$ (2,115)	$ (2,111)
Dividend distribution	(1,127)	(2,415)
Previous year results	2,579	2,376
Additions to legal reserves	(116)	(53)
Tax credits related to share-based awards	63	88
Closing balance	$ (716)	$ (2,115)

Pursuant to Dutch Law, limitations exist relating to the distribution of share capital of $31 million and Legal reserves of $645 million at 31 December 2013 ($51 million in 2012).

In general, gains related to currency translation differences cannot be distributed as part of shareholders' equity as they form part of the legal reserves protected under Dutch Law. By their nature, losses related to currency translation differences and "group companies" reduce shareholders' equity and thereby distributable amounts.

The reconciliation of the Company's retained earnings to those of the Group reflected in the Group's Consolidated Statement of Financial Position is as follows:

	31 December	
Millions of U.S. Dollars	**2013**	**2012**
Retained earnings as per Consolidated Statement of Financial Position	$ 3,519	$ 799
Non-distributable reserves of Group companies	(451)	(335)
Profit for the year	(3,784)	(2,579)
Retained earnings as per Corporate Statement of Financial Position	$ (716)	$ (2,115)

5 Long-term Debt

5% and 5.75% Senior Notes—In April 2012, the Company issued $2,000 million aggregate principal amount of 5% senior notes due 2019 and $1,000 million aggregate principal amount of 5.75% senior notes due 2024, each at an issue price of 100%.

6% Senior Notes—In November 2011, the Company issued $1,000 million of 6% senior notes due 2021. These notes, which mature on 15 November 2021, bear interest at 6% annum.

Senior Revolving Credit Facility—In May 2013, we extended the term of our revolving credit facility for one year until May 2018 pursuant to an extension agreement. This facility may be used for dollar and euro denominated borrowings and includes supporting up to $700 million of dollar and euro denominated letters of credit. The balance of outstanding borrowings and letters of credit under the facility may not exceed $2,000 million at any given time.

At 31 December 2013 and 2012, availability under this facility was $2,000 million and $1,949 million, respectively. There were no borrowings or letters of credit outstanding under the facility.

6 Group Company Loans

Long-Term Loan Receivable from our Subsidiary—In April 2012, we and our indirectly wholly owned subsidiary, Lyondell Chemical Company ("Lyondell Chemical"), entered into a $1,973 million note receivable. The note bears per annum interest at 5.69% and matures on 15 April 2019. Interest is due semi-annually on 15 April and 15 October. In July 2012, we amended the terms of the note to include early prepayment restrictions and reduce the applicable interest. Lyondell Chemical may prepay all or part of the note at a specified redemption premium plus accrued and unpaid interest on the redemption date. At 31 December 2013 and 2012, the outstanding balance was $1,974 million.

In April 2012, we and Lyondell Chemical entered into another $986 million note receivable. The note bears per annum interest at 6.36% and matures on 15 April 2024. Interest is due semi-annually on 15 April and 15 October. In July 2012, we amended the terms of the note to include early prepayment restrictions and reduce the applicable interest. Lyondell Chemical may prepay all or part of the note at a specified redemption premium plus accrued and unpaid interest on the redemption date. At 31 December 2013 and 2012, the outstanding balance was $986 million.

In November 2011, we and Lyondell Chemical entered into a $1,000 million note receivable. The note bears interest at 6.45% per annum and matures on 15 November 2021. Interest is due semi-annually on 15 May and 15 November. In July 2012, the terms of the note were amended to include early prepayment restrictions. Lyondell Chemical may prepay all or part of the note at a specified redemption premium plus accrued and unpaid interest on the redemption date. At 31 December 2013 and 2012, the outstanding balance was $1,000 million.

Loans Payable to our Subsidiaries—In August 2012, we and our indirect, wholly owned subsidiary, LYB America Finance Company, entered into a $1,500 million unsecured loan, which matures on 31 July 2014. In December 2012, we amended the loan facility to, among other things, (i) increase the size of the facility to $2,000 million; and (ii) extend the maturity date to 30 November 2014. The loan bears interest at a variable rate, which is determined monthly, using section 1274(d) of the Internal Revenue Code. At 31 December 2013 and 2012, the outstanding balance under this loan agreement was $2,000 million.

In November 2011, we and our indirect, wholly owned subsidiary, LYB Finance Company B.V., entered into a $2,100 million unsecured loan, which matures on 3 October 2016. The loan bears interest at a variable rate, which is set for a period of 3 months, using the U.S. LIBOR rate, plus 300 basis points. In May 2013, LyondellBasell Subholdings B.V., a wholly owned subsidiary, assumed the $1,925 million outstanding balance of our $2,100 million unsecured loan in lieu of a $1,925 million inter-company dividend which was paid as a return of capital. At 31 December 2012, the outstanding balance under this loan agreement was $1,600 million.

In September 2013, we and our indirect, wholly owned subsidiary, LYB America Finance Company, entered into a $3,000 million loan, which matures on 30 September 2014. The loan bears an interest rate equal to the Federal short-term rate determined under section 1274(d) of the Internal Revenue Code. At 31 December 2013, the outstanding balance under this loan agreement was $1,430 million.

Movements in Group company loans are presented below:

Millions of U.S. Dollars	**Group Companies Loans**	
	Receivables	**Payables**
Balance at 1 January 2012	$ 1,000	$ 3,145
Borrowings	2,960	455
Balance at 31 December 2012	$ 3,960	$ 3,600
Of which:		
Non-current	$ 3,960	$ 3,600
Current	- -	- -
Balance at 31 December 2012	$ 3,960	$ 3,600
Balance at 1 January 2013	$ 3,960	$ 3,600
Borrowings	- -	1,430
Discharge and assignments	- -	(1,600)
Balance at 31 December 2013	$ 3,960	$ 3,430
Of which:		
Non-current	$ 3,960	$ - -
Current	- -	3,430
Balance at 31 December 2013	$ 3,960	$ 3,430

7 Commitments and Contingencies not included in the Balance Sheet

The Company has entered into guarantee agreements with counterparties on behalf of some of its subsidiaries for the supply of raw materials. At 31 December 2013 and 2012, the total guaranteed amount was $13.2 billion and $8.7 billion, respectively.

The Company receives an annual fee of 0.17% and 0.23% for all outstanding guarantees as of 31 December 2013 and 2012, respectively.

8 Auditor's Fee

The fees listed below relate to the procedures applied to the Company and its consolidated group entities by PricewaterhouseCoopers Accountants N.V., The Netherlands, the external auditor as referred to in section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta), as well as by other Dutch and foreign-based PricewaterhouseCoopers individual partnerships and legal entities, including their tax services and advisory groups:

	Year Ended 31 December	
Millions of U.S. Dollars	**2013**	**2012**
Financial statements audit fees	$ 8.8	$ 9.5
Other assurance fees	0.6	0.8
All other fees	0.4	0.2
	$ 9.8	$ 10.5

The total fees of PricewaterhouseCoopers Accountants N.V, The Netherlands, charged to the Company and its consolidated group entities amounted to $2.3 million in 2013 and 2012.

The financial statements audit fees above include the aggregate fees billed for professional services rendered for the audit of LyondellBasell Industries N.V.'s annual financial statements, annual statutory financial statements of subsidiaries and services that are normally provided by the auditor in connection with these audits. This category also includes services such as comfort letters, statutory audits, attest services, consents and assistance with and review of documents.

The other assurance fees include the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Group's financial statements and are not reported under audit services. This category includes fees related to the performance of audits of benefit plans, agreed-upon or expanded audit procedures relating to accounting records required to respond to or comply with financial, accounting or regulatory reporting matters and consultations as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by regulatory or standard setting bodies.

Other fees relate to permitted services that are not included in the above categories.

9 Directors' Remuneration

Reference is made to Note 9, Key Management Remuneration, of the Consolidated Financial Statements.

London, 28 February 2014

Supervisory Board	**Management Board**
Robert Gwin	James L. Gallogly
Jacques Aigrain	
Jagjeet Bindra	
Robin Buchanan	
Milton Carroll	
Stephen F. Cooper	
Nance K. Dicciani	
Bruce A. Smith	
Rudy M.J. van der Meer	
Claire S. Farley*	
Isabella D. Goren*	

* Neither Claire S. Farley nor Isabella D. Goren have signed this Report. This is because they were both appointed to the Supervisory Board on 20 February 2014. As such, they have no knowledge of, or responsibility for, the information contained in this Report, all of which related to fiscal year 2013, before they were members of the Supervisory Board.

Other Information

Proposed Appropriation of Result

Profit remaining after the appropriation to reserves shall be at the disposal of the general meeting (article 22 sub 3 Articles of Association). The Board of Management, with the approval of the Supervisory Board, may also appropriate the complete profit to the reserves.

The Management Board, with the approval of the Supervisory Board, paid an aggregate of $2.00 per share from its 2013 annual accounts. This included an interim dividend of $0.40 per share paid to shareholders of record on 25 February 2013; an interim dividend of $0.50 per share paid to shareholders of record on 3 June 2013, and 23 September 2013; and an interim dividend of $0.60 per share paid to shareholders of record on 25 November 2013. These dividend payments, totaling $1,127 million, have been charged to retained earnings.

The Management Board and the Supervisory Board will propose that the general meeting approve the dividends already paid, as described above.

Subsequent Events

Interim Dividend—The Management Board, with the authorization of the Supervisory Board, declared a dividend of $0.60 per share to be paid on 17 March 2014 to shareholders of record as of 3 March 2014.

We have evaluated subsequent events through the date the financial statements were approved for issue.

Legal Structure

The list of our subsidiaries and associates is available at the Chamber of Commerce in Rotterdam, The Netherlands.

Independent auditor's report

To: the General Meeting of Shareholders of LyondellBasell Industries N.V.

Report on the financial statements

We have audited the accompanying financial statements 2013 of LyondellBasell Industries N.V., Rotterdam as set out on pages 71 to 152. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2013, the consolidated statements of income, other comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the corporate statement of financial position as at 31 December 2013, the corporate statement of income for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Management board's responsibility

The management board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Report of the Board of Management in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the management board 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 the management board, 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 with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of LyondellBasell Industries N.V. as at 31 December 2013, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of LyondellBasell Industries N.V. as at 31 December 2013, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch 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 Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Report of the Board of Management, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the Report of the Board of Management, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Rotterdam, 28 February 2014
PricewaterhouseCoopers Accountants N.V.

A.F. Westerman RA