

**BTC Speciality Chemical  
Distribution Limited**

Directors' report and financial  
statements

Registered number 1241117

31 December 2008



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## Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2008.

### Review of activities and future prospects

BTC is a pan European Sales organisation of BASF SE focussed on speciality chemicals and performance polymers. It offers the competence and the continuity of the world's leading chemical company, combined with the flexibility and speed of our regional distribution companies. In 2008 BTC Europe recorded an annual turnover of €518 million. BTC sells and markets the full range of BASF SE's speciality chemicals and performance polymers as well as selected complementary 3<sup>rd</sup> party products. In addition BTC manages logistics activities, provides technical support and a variety of added value services to support customers. BTC Europe consists of 9 operations which are managed locally to ensure they fulfil local market requirement. 11 warehouses across Europe provide the ability to move specialist stock across borders. Each BTC company has an external sales force structured by industry sector and use the same Navision based IT System. All BTC companies are ISO 9001 registered.

In 2008 BTC UK, operating under the Trading name of BTC Speciality Chemical Distribution Limited, continued to increase sales of speciality chemicals in the UK and Ireland as part of the BASF SE European in-house distribution network. BTC UK recorded an annual turnover of £42 million in 2008 compared to £35 million in 2007.

Debtors days decreased from 55.4 days in 2007 to 52.0 days in 2008 due to efforts to reduce the collection period. During 2008 stock levels remained at their optimum level and improvements were seen in the age profile of stock, the stock turn was 5.8 in 2007 and 6.1 in 2008.

In 2009 as part of the BTC network, the company shall continue to concentrate on the development of speciality chemical distribution within the UK and Ireland.

The main risks and uncertainties for BTC UK are a declining UK Manufacturing market, the inherent risk of product obsolescence due to competitors developing technically superior products and also the risk of a major incident involving a chemical leak and contamination. The current global economic crisis has of course led to heightened risk awareness for the management of our debtors but we believe our processes are strong enough to mitigate the risk of bad debts. The additional business risk should the general economy worsen further and demand for our products fall is of course difficult to predict, however, the business is optimistic that it is well placed to manage a general downturn in demand or particular sector due to it's efficient structures and wide portfolio of products.

### Result and dividend

The profit after taxation for the financial year amounted to £1,527,000 (2007: £582,000).

The directors do not recommend a payment of a final dividend (2007: *£nil*). An interim dividend of £1,000,000 (£90.91 per ordinary share) was paid during the year (2007: *£nil*).

### Directors and directors' interests

The directors who held office during the year were as follows:

T B Jensen	Director
A Riehemann	Director (Appointed 1 March 2008)
C R Dale	Director (Resigned 1 March 2008)
S Ervine	Director
S Hatton	Company Secretary (Appointed 1 Jan 2008)
H Koerner	Company Secretary (Resigned 1 Jan 2008)

### Employees

The company has continued its policy of maintaining employee awareness by communicating with employees on all matters of concern. In particular, all employees are kept aware of the financial and economic factors affecting the performance of the company.

The company operates a profit sharing scheme for the benefit of employees.

## **Directors' report *(continued)***

### **Employment of disabled persons**

The company gives full and fair consideration to employment applications from disabled persons, having regard to the aptitudes and abilities of the applicant and the nature of work involved. The company uses all reasonable endeavours to provide continued and any necessary retraining to any employees becoming disabled during employment, and to give all employees equal opportunities for training, career development and promotion.

### **Health and safety at work**

The company gives high priority to providing a safe and healthy environment for all employees and contractors and is determined to maintain its good record for the preservation of health, safety and the environment.

### **Political and charitable contributions**

The Company made no political contributions during the year. Donations to UK charities amounted to £70 (2007: £81).

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors and signed on behalf of the Board



Director

Registered office:

Earl Road  
Cheadle Hulme  
Cheadle  
Cheshire  
SK8 6QG

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## KPMG LLP

St James' Square  
Manchester  
M2 6DS  
United Kingdom

### **Independent Auditors' Report to the members of BTC Speciality Chemical Distribution Limited**

We have audited the financial statements of BTC Speciality Chemical Distribution Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent auditors' report to the members of BTC Speciality Chemicals Limited** *(continued)*

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP 8 June 2009

KPMG LLP  
*Chartered Accountants*  
*Registered Auditor*

**Profit and loss account**  
 for the year ended 31 December 2008

	<i>Note</i>	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
<b>Turnover</b>	<b>2</b>	<b>41,740</b>	<b>34,739</b>
Cost of Sales		<b>(35,203)</b>	<b>(29,532)</b>
		<hr/>	<hr/>
		<b>6,537</b>	<b>5,207</b>
Distribution Costs		<b>(638)</b>	<b>(632)</b>
Administration expenses	<b>3</b>	<b>(3,852)</b>	<b>(3,689)</b>
Other operating income		<b>17</b>	<b>26</b>
		<hr/>	<hr/>
<b>Operating profit</b>		<b>2,064</b>	<b>912</b>
Other interest receivable and similar income	<b>6</b>	<b>201</b>	<b>5</b>
Interest payable and similar charges	<b>7</b>	<b>(79)</b>	<b>(94)</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	<b>2-7</b>	<b>2,186</b>	<b>823</b>
Tax on profit on ordinary activities	<b>8</b>	<b>(659)</b>	<b>(241)</b>
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>1,527</b>	<b>582</b>
		<hr/>	<hr/>

**Statement of total recognised gains and losses**

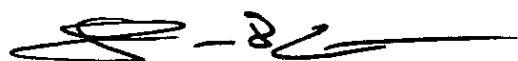
There have been no recognised gains and losses other than those passing through the profit and loss account in the current or preceding year



**Balance sheet**  
**At 31 December 2008**

	<i>Note</i>	<b>2008</b> <b>£000</b>	<b>£000</b>	<b>2007</b> <b>£000</b>	<b>£000</b>
<b>Current assets</b>					
Stocks	10	2,890		2,829	
Debtors (including £28,848, 2007: £33,000) due after more than one year	11	6,611		6,204	
Cash at bank and in hand		674		288	
		<u>10,175</u>		<u>9,321</u>	
<b>Creditors: amounts falling due within one year</b>	12	<b>(6,186)</b>		<b>(5,859)</b>	
		<u></u>		<u></u>	
<b>Net current assets</b>			<b>3,989</b>		<b>3,462</b>
<b>Total assets less current liabilities</b>			<b>3,989</b>		<b>3,462</b>
<b>Creditors : amount falling due after more than one year</b>	13		<b>(11)</b>		<b>(11)</b>
			<u></u>		<u></u>
<b>Net assets</b>			<b>3,978</b>		<b>3,451</b>
<b>Capital and reserves</b>					
Called up share capital	14	-		-	
Profit and loss account	15	3,978		3,451	
		<u>3,978</u>		<u>3,451</u>	
<b>Shareholders' funds</b>			<b>3,978</b>		<b>3,451</b>

These financial statements were approved by the board of directors on 15 May 2009 and were signed on its behalf by:

  
 Director

**Reconciliation of movements in shareholders' funds**  
**for the year ended 31 December 2008**

	<i>Note</i>	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
<b>Profit for the financial year</b>		<b>1,527</b>	<b>582</b>
Dividends on shares classified in shareholders' funds	<b>9</b>	<b>(1,000)</b>	<b>-</b>
<b>Net increase in shareholders' funds</b>		<b>527</b>	<b>582</b>
Opening shareholders' funds		<b>3,451</b>	<b>2,869</b>
<b>Closing shareholders' funds</b>		<b>3,978</b>	<b>3,451</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

The company's accounts are consolidated into the group accounts of BASF SE, a company incorporated in Germany (note 20).

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### *Post-retirement benefits*

The company makes pension contributions to the BASF UK Group Pension Scheme (the Scheme) on behalf of its employees. There are two sub-schemes, one is of the defined benefit type, while the other is a defined contribution plan.

The defined benefit scheme is accounted for as a multi-employer scheme under FRS17. Contributions are charged to the profit and loss account as they become payable.

The employer's pension costs for the defined contribution plan are charged to the profit and loss account as they become payable.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. Provision is made for obsolete, slow moving or defective items where appropriate.

## Notes (continued)

### *Taxation*

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a rights to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### *Classification of financial instruments issued by the Company*

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

### *Turnover*

Turnover for the year represents the invoiced value, excluding value added tax, of goods and services supplied to customers. Revenue is recognised when the goods are despatched to the customer.

### *Employee share schemes*

The cost of awards to employees that take the form of shares or rights to shares in BASF SE are recognised over the period of the employee's related performance. No cost is recognised in respect of SAYE schemes that are offered on similar terms to all or substantially all employees.

## Notes (continued)

### 2 Analysis of turnover and profit on ordinary activities before taxation

	2008 Turnover £000	2007 Turnover £000	2008 Profit before taxation £000	2007 Profit before taxation £000
<i>By activity</i>				
Sales and distribution of chemical products	41,740	34,739	2,187	823

All turnover arises on sales made from the United Kingdom. Turnover of the company by destination is as follows:

	2008 £000	2007 £000
<i>By geographical market</i>		
United Kingdom	37,731	31,451
Germany	442	293
Other	3,567	2,995
	41,740	34,739

### 3 Notes to the profit and loss account

	2008 £000	2007 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Rentals under operating lease agreements	32	14
<i>Auditors' remuneration:</i>		
Amounts receivable by the auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	11	11

### 4 Remuneration of directors

	2008 £000	2007 £000
Directors' emoluments	94	109

## Notes (continued)

### 5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2008	2007
Sales and distribution	26	29
Administration	5	5
	<u>31</u>	<u>34</u>

The aggregate payroll costs of these persons were as follows:

	2008 £000	2007 £000
Wages and salaries	1,585	1,703
Social security costs	151	131
Other pension costs	101	109
	<u>1,837</u>	<u>1,943</u>

### 6 Other interest receivable and similar income

	2008 £000	2007 £000
Bank interest received	<u>201</u>	<u>5</u>

### 7 Interest payable and similar charges

	2008 £000	2007 £000
Receivable from group undertakings	<u>(79)</u>	<u>(94)</u>

## Notes (continued)

### 8 Taxation

#### Analysis of charge in period

	2008 £000	£000	2007 £000	£000
<i>UK corporation tax</i>				
Current tax on income for the period	(645)		(250)	
Adjustments in respect of prior periods	5		4	
	<hr/>		<hr/>	
Total current tax		(640)		(246)
<i>Deferred tax (see note 11)</i>				
Origination/reversal of timing differences	-		(22)	
Adjustment in respect of previous years	(19)		27	
	<hr/>		<hr/>	
Total deferred tax		(19)		5
		<hr/>		<hr/>
Tax on profit on ordinary activities		(659)		(241)
		<hr/>		<hr/>

#### Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2007: lower) than the standard rate of corporation tax in the UK (28.5%, 2007:30 %). The differences are explained below.

	2008 £000	2007 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	(2,186)	(823)
	<hr/>	<hr/>
Current tax at 28.5% (2007 :30%)	(623)	(247)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(22)	(20)
Capital allowances for period in excess of depreciation	-	9
Other timing differences	-	8
Adjustments to tax charge in respect of previous periods	5	4
	<hr/>	<hr/>
Total current tax charge	(640)	(246)
	<hr/>	<hr/>

The UK tax rate was reduced from 30% to 28%, effective from 1 April 2008. In accordance with FRS 19, the deferred tax asset has been calculated using a tax rate of 28%, the rate at which the provision is expected to reverse.

## Notes (continued)

### 9 Dividends

The aggregate amount of dividends comprises:

	2008 £000	2007 £000
Interim dividend paid of £90.91 (2007: £nil) per ordinary share paid in respect of the current year	1,000	-

### 10 Stocks

	2008 £000	2007 £000
Finished goods and goods for resale	2,890	2,829

The estimated replacement cost of stocks does not differ materially from the amounts above.

### 11 Debtors

	2008 £000	2007 £000
Trade debtors	6,268	5,732
Amounts owed by group undertakings	244	240
Prepayments and accrued income	72	186
Deferred taxation	27	46
	6,611	6,204

The above amount contains £28,848 (2007: £33,000) which relates to a debtor due after more than one year.

	Deferred taxation £000
At the beginning of the year	46
Debit to the profit and loss for the year	(19)
At the end of the year	27

The elements of deferred taxation are as follows:

	2008 £000	2007 £000
Difference between accumulated depreciation and amortisation and capital allowances	27	27
Other timing differences	-	19
	27	46



## Notes (continued)

### 12 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Loans owed to group companies	(1,213)	(1,817)
Trade creditors	(272)	(460)
Amounts owed to parent undertakings	(404)	(25)
Amounts owed to other group undertakings	(2,822)	(2,777)
Corporation Tax	(614)	(128)
Taxation and social security	(348)	(295)
Other creditors	(10)	(18)
Accruals and deferred income	(503)	(339)
	<u>(6,186)</u>	<u>(5,859)</u>

### 13 Creditors: amount falling due after one year

Deferred ordinary shares of £1 each

	2008 £000	2007 £000
The deferred ordinary shares of £1 each have the following rights attached:		
- 5% fixed non cumulative dividend for any financial year in which the net profits of the company available for dividend exceed £10,000,000	(11)	(11)
- an entitlement to receive the capital paid up after a total £1,000 has been distributed in respect of each of the ordinary shares	<u></u>	<u></u>
- no entitlement to attend or vote at any General Meeting of the company		

### 14 Called up share capital

	2008 £	2007 £
Authorised, 900,000 ordinary shares of 1 pence each	9,000	9,000
	<u></u>	<u></u>
Called up, allotted and fully paid 11,000 ordinary shares of 1 pence each	110	110
	<u></u>	<u></u>

## Notes (continued)

### 15 Reserves

	Profit and loss account £000
At beginning of year	3,451
Interim dividend paid	(1,000)
Profit for the year	1,527
	<hr/>
At end of year	<b>3,978</b>
	<hr/>

### 16 Contingent liabilities and assets

The company is part of a composite guarantee arrangement with other BASF plc UK group companies. The maximum liability at any time is the credit balance on the account with HSBC plc. As at 31 December 2008 and 31 December 2007 no such liability existed.

### 17 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2008 Other £000	2007 Other £000
Operating leases which expire:		
Within one year	-	13
In the second to fifth years inclusive	27	-
	<hr/>	<hr/>
	<b>27</b>	<b>13</b>
	<hr/>	<hr/>

### 18 Pension scheme

The company participates in the BASF UK Group Pension Scheme, which all permanent employees of BASF companies in the UK are eligible to join. There are two sub-schemes, one is of the defined benefit type while the other is a defined contribution plan which the company introduced on 6 April 1998 for future employees. Employees who were already members of the existing scheme were offered the opportunity to transfer to the new plan, which forms a separate section of the existing scheme. Assets are held in separate trustee administered funds.

The BASF (UK) Group Pension Scheme is a multi-employer scheme covering all BASF companies in the UK. BTC UK Limited is unable to identify its share of the underlying assets and liabilities of the scheme because the assets are not separately assigned to the individual members. The assets of the scheme are invested on an aggregated basis with no identification of assets relating to an individual employer. A proportion of the liability within the scheme for

## Notes (continued)

### 18 Pension scheme (continued)

deferred and pensioner members relates to employers who no longer participate in the scheme. Contributions are set for the scheme as a whole rather than reflecting the actuarial characteristics of the employees of the individual employer. Splitting the scheme in these circumstances would have to be done in an arbitrary manner and would therefore not reflect a realistic value. As a result the company has taken advantage of the exemption permitted by FRS 17 not to bring the assets and liabilities of the scheme onto the company balance sheet.

FRS 17, under the multi-employer accounting rules, requires the company to account for its defined benefit scheme as a defined contribution scheme. The future contributions of the company will be affected by the deficit on the group scheme, details of which are disclosed below.

The BASF (UK) Group Pension Scheme had a deficit, measured on an FRS 17 basis, of £13.7 million as at 31<sup>st</sup> December 2008. The gross liabilities of the scheme are £258.7 million. The main assumptions used in the calculation of this deficit are summarised below.

	31 <sup>st</sup> December 2008	31 <sup>st</sup> December 2007
Assumptions:		
Discount Rate	6.25 % p.a.	5.75 % p.a.
Price Inflation	3.25 % p.a.	3.25 % p.a.
Salary Inflation	4.25 % p.a.	4.25 % p.a.
Pensions increases in payment		
Pre April 1997 Service	3.25 % p.a.	3.25 % p.a.
April 1997 to May 2005 service	3.25 % p.a.	3.25 % p.a.
Post May 2005 service	2.25 % p.a.	2.25 % p.a.

The contribution rate for the defined benefit scheme has been set at 10.6% based on the latest valuation performed in January 2005.

The charge to the profit and loss account in respect of the pension scheme was £101k (2007: £109k).

### 19 Related party disclosures

The directors have taken advantage of the provisions of FRS8 'Related Party Disclosures' not to disclose transaction between subsidiaries of BASF SE.

**Notes** *(continued)*

**20 Ultimate parent company and parent undertaking of larger group of which the company is a member**

The company's immediate parent company is BASF plc, a company incorporated in Great Britain and registered in England and Wales.

BASF Societas Europaea ("BASF SE"), a company incorporated in Germany, is the ultimate parent company and is the parent of the largest group of companies to prepare consolidated financial statements. Copies of BASF SE consolidated financial statements may be obtained from:

Press Offices  
Dept ZOA/P  
BASF SE  
D67056  
Ludwigshafen  
Germany

In the opinion of the directors of the company, the company is controlled by BASF SE.