LYONDELL CHEMICAL CO
Form 424B3
November 29, 2011

Filed Pursuant to Rule 424(b)(3)
Registration Statement No. 333-175136

Prospectus Supplement No. 1
(To prospectus dated September 13, 2011)

Lyondell Chemical Company
$602,883,016 11% Senior Secured Notes due 2018

This prospectus supplement (the prospectus supplement) supplements and amends the prospectus dated September 13, 2011 as filed with the Securities and Exchange Commission on August 16, 2011 (the prospectus) relating to up to $602,883,016 aggregate principal amount of 11% Senior Secured Notes due 2018 of Lyondell Chemical Company to be sold for the account of the selling security holders named in the prospectus. You should read this prospectus supplement together with the prospectus. This prospectus supplement is qualified by reference to the prospectus, except to the extent that the information in this prospectus supplement supersedes the information contained in the prospectus. This prospectus supplement is not complete without, and may not be delivered or utilized except in connection with, the prospectus.

This prospectus supplement includes the following documents, as filed by LyondellBasell Industries N.V. with the Securities and Exchange Commission: LyondellBasell Industries N.V. s Quarterly Report on Form 10-Q for the period ended September 30, 2011 and Current Reports on Form 8-K filed on October 3, October 11, October 21 (two reports), November 8, November 9 and November 17, 2011.

Investing in the notes involves risks. See Risk Factors beginning on page 5 of the prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is November 29, 2011.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

(Mark One)

þ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2011

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-34726

LYONDELLBASELL INDUSTRIES N.V.

(Exact name of registrant as specified in its charter)

The Netherlands	**98-0646235**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

Weena 737
3013 AM Rotterdam
The Netherlands
(Address of principal executive offices)
31 10 275 5500
(Registrant s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o	Non-accelerated filer þ	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No þ

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes þ No o

The registrant had 577,441,527 ordinary shares, 0.04 par value, outstanding at October 28, 2011.

LYONDELLBASELL INDUSTRIES N.V.
TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
LYONDELLBASELL INDUSTRIES N.V.
CONSOLIDATED STATEMENTS OF INCOME

	Successor				Predecessor
	Three Months Ended September 30,		Nine Months Ended September 30,	May 1 through September 30,	January 1 through April 30,
Millions of dollars, except earnings per share	**2011**	**2010**	**2011**	**2010**	**2010**
Sales and other operating revenues:					
Trade	$ 13,023	$ 10,116	$ 38,716	$ 16,771	$ 13,260
Related parties	274	186	875	303	207
	13,297	10,302	39,591	17,074	13,467
Operating costs and expenses:					
Cost of sales	11,538	9,075	34,955	15,273	12,414
Selling, general and administrative expenses	239	204	697	333	308
Research and development expenses	53	35	142	58	55
	11,830	9,314	35,794	15,664	12,777
Operating income	1,467	988	3,797	1,410	690
Interest expense	(155)	(182)	(495)	(314)	(713)
Interest income	10	(4)	31	8	5
Other income (expense), net	10	(97)	12	(43)	(265)
Income (loss) before equity investments, reorganization items and income taxes	1,332	705	3,345	1,061	(283)
Income from equity investments	52	29	183	56	84
Reorganization items		(13)	(30)	(21)	7,388
Income before income taxes	1,384	721	3,498	1,096	7,189
Provision for (benefit from) income taxes	489	254	1,140	282	(1,315)
Net income	895	467	2,358	814	8,504
Net loss attributable to non-controlling interests		7	4	2	60
Net income attributable to the Company	$ 895	$ 474	$ 2,362	$ 816	$ 8,564
Earnings per share:					
Net income:					
Basic	$ 1.56	$ 0.84	$ 4.14	$ 1.45	

Diluted	$	1.51	$	0.84	$	4.12	$	1.45

See Notes to the Consolidated Financial Statements.

LYONDELLBASELL INDUSTRIES N.V.
CONSOLIDATED BALANCE SHEETS

Millions, except shares and par value data	**September 30, 2011**	**December 31, 2010**
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 5,609	$ 4,222
Restricted cash	292	11
Accounts receivable:		
Trade, net	3,786	3,482
Related parties	252	265
Inventories	5,682	4,824
Prepaid expenses and other current assets	1,097	975
Total current assets	16,718	13,779
Property, plant and equipment, net	7,363	7,190
Investments and long-term receivables:		
Investment in PO joint ventures	422	437
Equity investments	1,594	1,587
Related party receivables	4	14
Other investments and long-term receivables	67	67
Goodwill	598	595
Intangible assets, net	1,237	1,360
Other assets	264	273
Total assets	$ 28,267	$ 25,302

See Notes to the Consolidated Financial Statements.

LYONDELLBASELL INDUSTRIES N.V.
CONSOLIDATED BALANCE SHEETS

Millions, except shares and par value data	**September 30, 2011**	**December 31, 2010**
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 2	$ 4
Short-term debt	49	42
Accounts payable:		
Trade	2,440	1,968
Related parties	867	793
Accrued liabilities	1,505	1,705
Deferred income taxes	315	319
Total current liabilities	5,178	4,831
Long-term debt	5,782	6,036
Other liabilities	2,021	2,183
Deferred income taxes	1,204	656
Commitments and contingencies		
Stockholders equity:		
Ordinary shares, 0.04 par value, 1,275 million shares authorized, 573,257,117 and 565,676,222 shares issued, respectively	31	30
Additional paid-in capital	10,265	9,837
Retained earnings	3,778	1,587
Accumulated other comprehensive income	79	81
Treasury stock, at cost, 4,184,410 and 1,122,651 ordinary shares, respectively	(128)	
Total company share of stockholders equity	14,025	11,535
Non-controlling interests	57	61
Total equity	14,082	11,596
Total liabilities and equity	$ 28,267	$ 25,302

See Notes to the Consolidated Financial Statements.

LYONDELLBASELL INDUSTRIES N.V.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Successor		Predecessor
Millions of dollars	Nine Months Ended September 30, 2011	May 1 through September 30, 2010	January 1 through April 30, 2010
Cash flows from operating activities:			
Net income	$ 2,358	$ 814	$ 8,504
Adjustments to reconcile net income to net cash provided by (used in) operating activities			
Depreciation and amortization	676	351	565
Asset impairments	44		9
Amortization of debt-related costs	28	15	307
Inventory valuation adjustment		365	
Equity investments -			
Equity income	(183)	(56)	(84)
Distribution of earnings, net of tax	162	28	18
Deferred income taxes	667	185	(1,321)
Reorganization items and fresh start accounting adjustments, net	30	21	(7,388)
Reorganization-related payments, net	(10)	(334)	(407)
(Gain) loss on sale of assets	(45)		4
Unrealized foreign currency exchange loss (gain)	16	21	264
Changes in assets and liabilities that provided (used) cash:			
Accounts receivable	(282)	34	(650)
Inventories	(864)	131	(368)
Accounts payable	552	167	249
Prepaid expenses and other current assets	(139)	150	58
Other, net	(232)	337	(685)
Net cash provided by (used in) operating activities	2,778	2,229	(925)
Cash flows from investing activities:			
Expenditures for property, plant and equipment	(761)	(266)	(226)
Proceeds from disposal of assets	71		1
Short-term investments			12
Restricted cash	(281)		(11)
Net cash used in investing activities	(971)	(266)	(224)
Cash flows from financing activities:			
Issuance of Class B common stock			2,800
Shares issued upon exercise of warrants	37		
Dividends paid	(171)		
Repayments of debtor-in-possession term loan facility			(2,170)

Net repayments under debtor-in-possession revolving credit facility			(325)
Net borrowings on revolving credit facilities		52	38
Proceeds from short-term debt		7	8
Repayments of short-term debt		(8)	(14)
Issuance of long-term debt			3,242
Repayments of long-term debt	(260)		(9)
Payments of debt issuance costs	(15)	(2)	(253)
Other, net	(8)	(4)	(2)
Net cash provided by (used in) financing activities	(417)	45	3,315
Effect of exchange rate changes on cash	(3)	113	(13)
Increase in cash and cash equivalents	1,387	2,121	2,153
Cash and cash equivalents at beginning of period	4,222	2,711	558
Cash and cash equivalents at end of period	$ 5,609	$ 4,832	$ 2,711

See Notes to the Consolidated Financial Statements.

LYONDELLBASELL INDUSTRIES N.V.
CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY

Millions of dollars	Ordinary Shares Issued	Ordinary Shares Treasury	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders Equity	Non-Controlling Interests	Comprehensive Income
Balance, January 1, 2011	$ 30	$	$ 9,837	$ 1,587	$ 81	$ 11,535	$ 61	
Warrants exercised	1		402			403		
Shares purchased		(133)				(133)		
Share-based compensation		5	26			31		
Net income (loss)				2,362		2,362	(4)	$ 2,358
Cash dividends ($0.30 per share)				(171)		(171)		
Changes in unrecognized employee benefits gains and losses, net of tax of less than $1					2	2		2
Foreign currency translations, net of tax of less than $1					(4)	(4)		(4)
Comprehensive income								$ 2,356
Balance, September 30, 2011	$ 31	$ (128)	$ 10,265	$ 3,778	$ 79	$ 14,025	$ 57	

See Notes to the Consolidated Financial Statements.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
TABLE OF CONTENTS

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Basis of Presentation

LyondellBasell Industries N.V. is a limited liability company (*Naamloze Vennootschap*) incorporated under Dutch law by deed of incorporation dated October 15, 2009. LyondellBasell Industries N.V. was formed to serve as the parent holding company for certain subsidiaries of LyondellBasell Industries AF S.C.A. (together with its subsidiaries, LyondellBasell AF, the Predecessor Company or the Predecessor) after completion of proceedings under chapter 11 (chapter 11) of title 11 of the United States Bankruptcy Code (the U.S. Bankruptcy Code). LyondellBasell Industries AF S.C.A. and 93 of its subsidiaries were debtors (the Debtors) in jointly administered bankruptcy cases (the Bankruptcy Cases) in the United States Bankruptcy Court in the Southern District of New York (the Bankruptcy Court). As of April 30, 2010 (the Emergence Date), LyondellBasell Industries AF S.C.A. s equity interests in its indirect subsidiaries terminated and LyondellBasell Industries N.V. now owns and operates, directly and indirectly, substantially the same business as LyondellBasell Industries AF S.C.A. owned and operated prior to emergence from the Bankruptcy Cases, which business includes subsidiaries of LyondellBasell Industries AF S.C.A. that were not involved in the Bankruptcy Cases. LyondellBasell Industries AF S.C.A. is no longer part of the LyondellBasell group.

Effective May 1, 2010, we adopted fresh-start accounting pursuant to Accounting Standards Codification (ASC) 852, *Reorganizations*. Accordingly, the basis of the assets and liabilities in LyondellBasell AF s financial statements for periods prior to May 1, 2010 will not be comparable to the basis of the assets and liabilities in the financial statements prepared for LyondellBasell N.V. after emergence from bankruptcy.

LyondellBasell Industries N.V., together with its consolidated subsidiaries (collectively LyondellBasell N.V., the Successor Company or the Successor), 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 and other chemicals. When we use the terms LyondellBasell N.V., the Successor Company, the Successor, we, us, our or similar words, unless the context otherwise requires, we are referring to LyondellBasell N.V. after April 30, 2010. References herein to the Company for periods through April 30, 2010 are to the Predecessor Company, LyondellBasell AF, and for periods after the Emergence Date, to the Successor Company, LyondellBasell N.V.

The accompanying consolidated financial statements are unaudited and have been prepared from the books and records of LyondellBasell N.V. after April 30, 2010 and LyondellBasell AF for periods up to and including that date in accordance with the instructions to Form 10-Q and Rule 10-1 of Regulation S-X for interim financial information. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States for complete financial statements. In our opinion, all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation have been included. The results for interim periods are not necessarily indicative of results for the entire year. These consolidated financial statements should be read in conjunction with the LyondellBasell N.V. consolidated financial statements and notes thereto included in the LyondellBasell Industries N.V. Current Report on Form 8-K/A filed with the SEC on August 12, 2011.

2. Accounting and Reporting Changes

Compensation In September 2011, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) related to Accounting Standards Codification (ASC) Topic 715, *Compensation Retirement Benefits*. This ASU requires enhanced disclosures in the annual financial statements of the employers that participate in multiemployer pension plans and therefore, helps users better understand the financial health of all the significant plans in which the employer participates. The amendments are effective for fiscal years ending after December 15, 2011. Early adoption is permitted. The amendments in the ASU should be applied retrospectively for

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

all periods presented. We are currently evaluating the impact of the adoption of this amendment on the presentation of our consolidated financial statements.

Goodwill In September 2011, the FASB issued an ASU related to ASC Topic 350, *Intangibles Goodwill and Other,* which amends the guidance on testing goodwill for impairment. Under the revised guidance, an entity has the option of first performing a qualitative assessment before calculating the fair value of the reporting unit (i.e. step 1 of the goodwill impairment test). If an entity believes, as a result of its qualitative assessment, that the fair value of the reporting unit is more-likely-than-not less than the carrying amount, the two-step impairment test would be required. The new qualitative indicators replace those currently used to determine whether an interim goodwill impairment test is required. An entity can choose to perform the qualitative assessment on none, some or all of its reporting units. The ASU does not change how goodwill is calculated, nor does it revise the requirement to test goodwill annually or when events or circumstances warrant interim testing. The amendments are effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption is permitted. The adoption of this amendment is not expected to have a material effect on our consolidated financial statements.

In December 2010, the FASB issued guidance related to ASC Topic 350 that requires a company with reporting units having a carrying amount of zero or less to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. This guidance is effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2010. Adoption of this amendment in January 2011 did not have a material effect on our consolidated financial statements.

Comprehensive Income In June 2011, the FASB issued ASU related to ASC Topic 220, *Comprehensive Income: Presentation of Comprehensive Income*. This standard eliminates the current option to report other comprehensive income and its components in the statement of changes in equity. Under the ASC 220, an entity can elect to present either 1) one continuous statement of comprehensive income or 2) in two separate but consecutive statements. Under the two-statement approach, the first statement would include components of net income, which is consistent with the income statement format used today, and the second statement would include components of other comprehensive income (OCI). The ASU does not change the items that must be reported in OCI. The statement(s) would need to be presented with equal prominence as the other primary financial statements. The ASU is effective for interim and annual periods beginning on or after December 15, 2011. Early adoption is permitted but full retrospective application is required. The adoption of this amendment will have an affect on the presentation of our Consolidated Financial Statements by inclusion of either Consolidated Statements of Other Comprehensive Income or a Consolidated Statements of Comprehensive Income.

Fair Value Measurement In May, 2011 the FASB issued new guidance related to ASC Topic 820, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.* The new guidance results in a consistent definition of fair value and common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS and changes some fair value measurement principles and disclosure requirements. This guidance aligns the fair value measurement of instruments classified within an entity s shareholders equity with the guidance for liabilities and as a result, requires an entity to measure the fair value of its own equity instruments from the perspective of a market participant that holds the equity instruments as assets. This guidance also enhances disclosure requirements for recurring Level 3 fair value measurements to include quantitative information about unobservable inputs used, a description of the valuation processes used by the entity, and a qualitative discussion about the sensitivity of the measurements. New disclosures on the use of a nonfinancial asset measured or disclosed at fair value are required if its use differs from its highest and best use. In addition, entities must report the level in the fair value hierarchy of assets and liabilities not recorded at fair value but where fair value is disclosed. The ASU is effective for interim and annual periods beginning on or after December 15, 2011, with early adoption prohibited. The adoption of this amendment is not expected to have a material effect on the presentation of our consolidated financial statements.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In January 2010, the FASB issued additional guidance on improving disclosures regarding fair value measurements. The guidance requires the disclosure of the amounts of, and the rationale for, significant transfers between Level 1 and Level 2 of the fair value hierarchy, as well as the rationale for transfers in or out of Level 3. In 2010, we adopted all of the amendments regarding fair value measurements except for a requirement to disclose information about purchases, sales, issuances, and settlements in the reconciliation of recurring Level 3 measurements on a gross basis. Our implementation in January 2011 of the requirement to separately disclose purchases, sales, issuances, and settlements of recurring Level 3 measurements did not have a material impact on the presentation of our consolidated financial statements.

Business Combinations In December 2010, the FASB issued guidance related to ASC Topic 805, *Business Combinations*, to clarify that if a public entity presents comparative financial statements, the entity should disclose pro-forma revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. This guidance also expands the supplemental pro forma disclosures to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. This guidance is effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. Early adoption is permitted. Adoption of this amendment in January 2011 did not have a material effect on our consolidated financial statements.

Revenue Recognition In October 2009, the FASB ratified the consensus reached by its emerging issues task force to require companies to allocate revenue in multiple-element arrangements based on the estimated selling price of an element if vendor-specific or other third-party evidence of value is not available. The adoption of these changes, in January 2011, did not have a material effect on our consolidated financial statements.

3. Restricted Cash

Restricted cash primarily represents amounts deposited with financial institutions to collateralize letters of credit. As of September 30, 2011, letters of credit totaling $267 million were cash collateralized. Such cash is included in the $292 million reflected as Restricted cash on the Consolidated Balance Sheet as of September 30, 2011.

4. Accounts Receivable

Our allowance for doubtful accounts receivable, which is reflected in the Consolidated Balance Sheets as a reduction of accounts receivable, totaled $17 million and $12 million at September 30, 2011 and December 31, 2010, respectively.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Inventories

Inventories consisted of the following components:

	Successor	
Millions of dollars	**September 30, 2011**	**December 31, 2010**
Finished goods	$ 3,765	$ 3,127
Work-in-process	239	230
Raw materials and supplies	1,678	1,467
Total inventories	$ 5,682	$ 4,824

The nine months ended September 30, 2010 include a $365 million non-cash charge to adjust the vale of inventory at September 30, 2010 to market value, which was lower than the April 30, 2010 value applied during fresh-start accounting.

6. Property, Plant and Equipment, Goodwill, Intangibles and Other Assets

The components of property, plant and equipment, at cost, and the related accumulated depreciation were as follows:

	Successor	
Millions of dollars	**September 30, 2011**	**December 31, 2010**
Land	$ 292	$ 286
Manufacturing facilities and equipment	7,269	6,752
Construction in progress	732	569
Total property, plant and equipment	8,293	7,607
Less accumulated depreciation	(930)	(417)
Property, plant and equipment, net	$ 7,363	$ 7,190

In the first nine months of 2011, we recognized $20 million of impairment charges related to the capital expenditures at the Berre refinery due to the discounted cash flow projections for the Berre refinery being insufficient to recover the asset s carrying amount.

In July 2010, we ceased production and permanently shut down our polypropylene plant at Terni, Italy. We recognized charges of $23 million, in cost of sales, related to plant and other closure costs in the first quarter of 2010.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Depreciation and amortization expense is summarized as follows:

	Successor				Predecessor
	Three Months Ended		Nine Months Ended	May 1 through	January 1 through
Millions of dollars	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	April 30, 2010
Property, plant and equipment	$ 194	$ 165	$ 545	$ 259	$ 499
Investment in PO joint ventures	7		22	9	19
Emission allowances	16	18	52	30	
Various contracts	19	39	54	52	
Technology, patent and license costs					25
Software costs	1		3	1	12
Other					10
Total depreciation and amortization	$ 237	$ 222	$ 676	$ 351	$ 565

During the third quarter of 2011, we recognized impairments of $19 million, in Research and Development, related to certain in-process research and development projects, which were abandoned. These projects were recognized as intangible assets at emergence.

Asset Retirement Obligations The liabilities recognized for all asset retirement obligations were $149 million and $132 million at September 30, 2011 and December 31, 2010, respectively.

Goodwill Goodwill increased from $595 million at December 31, 2010 to $598 million at September 30, 2011. The $3 million change in goodwill is a result of foreign exchange translation.

7. Investment in PO Joint Ventures

We, together with Bayer AG and Bayer Corporation (collectively Bayer), share ownership in a U.S. propylene oxide (PO) manufacturing joint venture (the U.S. PO Joint Venture) and a separate joint venture for certain related PO technology. Bayer s ownership interest represents ownership of annual in-kind PO production of the U.S. PO Joint Venture of 1.5 billion pounds in 2010. We take in-kind the remaining PO production and all co-product (styrene monomer (SM) or styrene) and tertiary butyl alcohol (TBA) production from the U.S. PO Joint Venture.

In addition, we and Bayer each have a 50% interest in a separate manufacturing joint venture (the European PO Joint Venture), which includes a world-scale PO/SM plant at Maasvlakte near Rotterdam, The Netherlands. We and Bayer each are entitled to 50% of the PO and SM production at the European PO Joint Venture.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Changes in our investment in the U.S. and European PO joint ventures for 2011 and 2010 are summarized as follows:

Millions of dollars		U.S. PO Joint Venture	European PO Joint Venture	Total PO Joint Ventures
Successor				
Investments in PO joint ventures	January 1, 2011	$ 291	$ 146	$ 437
Cash contributions		3	3	6
Depreciation and amortization		(15)	(7)	(22)
Effect of exchange rate changes			1	1
Investments in PO joint ventures	September 30, 2011	$ 279	$ 143	$ 422
Investments in PO joint ventures	May 1, 2010	$ 303	$ 149	$ 452
Depreciation and amortization		(8)	(1)	(9)
Effect of exchange rate changes			4	4
Investments in PO joint ventures	September 30, 2010	$ 295	$ 152	$ 447
Predecessor				
Investments in PO joint ventures	January 1, 2010	$ 533	$ 389	$ 922
Return of investment			(5)	(5)
Depreciation and amortization		(14)	(5)	(19)
Effect of exchange rate changes			(31)	(31)
Investments in PO joint ventures	April 30, 2010	$ 519	$ 348	$ 867

8. Equity Investments

The changes in equity investments were as follows:

	Successor		Predecessor
Millions of dollars	Nine Months Ended September 30, 2011	May 1 through September 30, 2010	January 1 through April 30, 2010
Beginning balance	$ 1,587	$ 1,524	$ 1,085
Income from equity investments	183	56	84
Dividends received, gross	(168)	(28)	(18)
Contributions to joint venture		7	20

Currency exchange effects	(8)	8	(8)
Other		15	10
Ending balance	$ 1,594	$ 1,582	$ 1,173

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Summarized income statement information and our share for the periods for which the respective equity investments were accounted for under the equity method is set forth below:

	Successor			
	Three Months Ended September 30,			
	2011		2010	
Millions of dollars	**100%**	**Company Share**	**100%**	**Company Share**
Revenues	$ 2,688	$ 783	$ 1,995	$ 745
Cost of sales	(2,336)	(680)	(1,717)	(672)
Gross profit	352	103	278	73
Net operating expense	(74)	(23)	(55)	(18)
Operating income	278	80	223	55
Interest income	3	1		
Interest expense	(76)	(20)	(63)	(18)
Foreign currency translation	(3)	(5)	(66)	(13)
Income from equity investments	35	10	55	13
Income before income taxes	237	66	149	37
Provision for income taxes	(45)	(14)	(19)	(8)
Net income	$ 192	$ 52	$ 130	$ 29

	Successor				Predecessor	
	Nine Months Ended September 30, 2011		May 1 through September 30, 2010		January 1 through April 30, 2010	
Millions of dollars	**100%**	**Company Share**	**100%**	**Company Share**	**100%**	**Company Share**
Revenues	$ 9,388	$ 2,916	$ 3,377	$ 1,298	$ 3,127	$ 989
Cost of sales	(8,165)	(2,556)	(2,939)	(1,157)	(2,699)	(869)
Gross profit	1,223	360	438	141	428	120
Net operating expenses	(231)	(72)	(118)	(40)	(82)	(29)
Operating income	992	288	320	101	346	91
Interest income	9	3	2		2	1
Interest expense	(197)	(54)	(84)	(24)	(43)	(13)
Foreign currency translation	(25)	(10)	(24)	(7)	83	24
Income from equity investments	4	5	(4)	(4)	3	2
Income before income taxes	783	232	210	66	391	105
Provision for income taxes	(167)	(49)	(18)	(10)	(67)	(21)

Net income	$	616	$	183	$	192	$	56	$	324	$	84

A joint venture of ours is in default under its financing arrangement due to a delay in the start-up of its assets. The parties are currently negotiating in good faith to resolve the default and at present there is no evidence that such

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

negotiations will not be concluded successfully or that the resolution of this matter will have a material adverse impact on our operations or liquidity.

9. Debt

Long-term loans, notes and other long-term debt consisted of the following:

	Successor	
Millions of dollars	**September 30, 2011**	**December 31, 2010**
Bank credit facilities:		
Senior Term Loan Facility due 2014	$ 5	$ 5
Senior Secured 8% Notes due 2017, $2,250 million	1,822	2,025
Senior Secured 8% Notes due 2017, 375 million	410	452
Senior Secured 11% Notes due 2018, $3,240 million	3,240	3,240
Guaranteed Notes, due 2027	300	300
Other	7	18
Total	5,784	6,040
Less current maturities	(2)	(4)
Long-term debt	$ 5,782	$ 6,036

Short-term loans, notes and other short-term debt consisted of the following:

	Successor	
Millions of dollars	**September 30, 2011**	**December 31, 2010**
$2,000 million Senior Secured Asset-Based Revolving Credit Agreement	$	$
Financial payables to equity investees	10	11
Other	39	31
Total short-term debt	$ 49	$ 42

On October 20, 2011, we announced a cash tender offer for up to $1,470 million aggregate principal amount of our outstanding 8% Senior Secured Dollar Notes due 2017 and 8% Senior Secured Euro Notes due 2017 and up to $1,319 million aggregate principal amount of our outstanding 11% Senior Secured Dollar Notes due 2018. In conjunction with the tender offer, we are soliciting consents from the note holders to release the collateral securing the notes and to modify other provisions related to restrictive covenants. The tender offer expires on November 21, 2011 and the consent solicitation expires on November 2, 2011. We cannot be assured that note holders will tender their notes or consent to the changes in the terms of the notes, and, subject to applicable securities laws and certain terms and conditions set forth in the related Offer to Purchase and Consent Solicitation Statement (as it may be amended or supplemented from time to time), we have the right to terminate the tender at any time.

Senior Secured 8% Notes In December 2010, we redeemed $225 million of the dollar denominated and 37.5 million ($50 million) of the Euro denominated Senior Secured 8% Notes at a redemption price of 103% of par, paying premiums totaling $8 million. In May 2011, we redeemed an additional $203 million of Senior Secured

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8% dollar Notes and 34 million ($50 million) of Senior Secured 8% Euro notes due 2017 at a redemption price of 103% of par, paying premiums totaling $7 million.

The Senior Secured 8% Notes were issued by our wholly owned subsidiary, Lyondell Chemical Company (Lyondell Chemical). Lyondell Chemical may redeem the notes (i) prior to maturity at specified redemption premium percentages according to the date the notes are redeemed or (ii) from time to time at a redemption price of 100% of such principal amount plus an applicable premium as calculated pursuant to a formula.

In addition, Lyondell Chemical has the option to redeem up to 10% of the outstanding Senior Secured 8% Notes annually prior to May 1, 2013 at a redemption price equal to 103% of such notes principal amount. Also prior to May 1, 2013, Lyondell Chemical has the option to redeem up to 35% of the original aggregate principal amount of the Senior Secured 8% Notes at a redemption price of 108% of such principal amount, with the net proceeds of one or more equity offerings, provided that (i) at least 50% of the original aggregate principal amount remains outstanding immediately after such redemption and (ii) the redemption occurs within 90 days of the closing of the equity offering. The value of this embedded derivative is nominal.

Senior Secured 11% Notes The Senior Secured 11% Notes also were issued by Lyondell Chemical. Lyondell Chemical may redeem the notes (i) at par on or after May 1, 2013 and (ii) from time to time at a redemption price of 100% of such principal amount plus an applicable premium as calculated pursuant to a formula.

In addition, Lyondell Chemical has the option to redeem up to 35% of the original aggregate principal amount of the Senior Secured 11% Notes at a redemption price of 111% of such principal amount, with the net proceeds of one or more equity offerings, provided that (i) at least 50% of the original aggregate principal amount remains outstanding immediately after such redemption and (ii) the redemption occurs within 90 days of the closing of the equity offering. The value of this embedded derivative is nominal.

Registration Rights Agreements In connection with the issuance of the Senior Secured 8% Notes and the Senior Secured 11% Notes (collectively, the Senior Secured Notes), we entered into certain registration rights agreements. The agreements required us to (i) exchange the Senior Secured 8% Notes for notes with substantially identical terms, except that the new notes would be registered with the SEC under the Securities Act of 1933, as amended, and therefore be free of any transfer restrictions and (ii) register for resale the Senior Secured 11% Notes held by the parties to the agreement related to those notes. The registration rights agreements required registration statements for the exchange or resale, as applicable, to be effective with the SEC by May 3, 2011. The registration statement became effective on September 13, 2011. Interest and penalties for the delay in effectiveness were not material.

Senior Term Loan Facility In March 2011, we amended and restated our Senior Secured Term Loan Agreement to, among other things, change the administrative agent and to modify the term of the agreement and certain restrictive covenants. This amended and restated agreement matures in April 2014.

U.S. ABL Facility On June 2, 2011, we amended our U.S. ABL Facility to, among other things, (i) increase the size of the facility to $2 billion; (ii) extend the maturity date to June 2016; (iii) reduce the applicable margin and commitment fee; and (iv) amend certain covenants and conditions in order to provide additional flexibility. We paid fees of $15 million in connection with this amendment.

At September 30, 2011 and December 31, 2010, there were no borrowings outstanding under the U.S. ABL facility and outstanding letters of credit totaled $262 million and $370 million, respectively. Pursuant to the U.S. ABL facility, Lyondell Chemical could, subject to a borrowing base, borrow up to $1,738 million at September 30, 2011. Advances under this facility are available to Lyondell Chemical and certain of its wholly owned subsidiaries, Equistar Chemicals LP (Equistar), Houston Refining LP, and LyondellBasell Acetyls LLC.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Other In the nine months ended September 30, 2011, amortization of debt premiums and debt issuance costs resulted in amortization expense of $28 million that was included in interest expense in the Consolidated Statements of Income. In the five months ended September 30, 2010, amortization expense was $15 million.

At September 30, 2011 and 2010, our weighted average interest rates on outstanding short-term debt were 3.8% and 3.8%, respectively.

10. Financial Instruments and Derivatives

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.

Market Risks 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 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 Prices We are exposed to commodity price volatility related to anticipated purchases of natural gas, crude oil and other raw materials and sales of our products. We selectively use commodity swap, option, and futures contracts with various terms to manage the volatility related to these risks. Such contracts are generally limited to durations of one year or less. Cash-flow hedge accounting may be elected for these derivative transactions. In cases, when the duration of a derivative is short, hedge accounting generally would not be elected. When hedge accounting is not elected, the changes in fair value of these instruments are recorded in earnings. When hedge accounting is elected, gains and losses on these instruments are deferred in accumulated other comprehensive income (AOCI), to the extent that the hedge remains effective, until the underlying transaction is recognized in earnings.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

	Settled Commodity Contracts Nine Months Ended September 30, 2011		
Millions of dollars	**Gain (Loss) Recognized in Income**	**Volumes Settled**	**Volume Unit**
Successor			
Futures:			
Gasoline sales	$ 4	403	million gallons
Heating oil sales	6	450	million gallons
Crude oil	(4)	5	million barrels
	$ 6		

	May 1 through September 30, 2010		
	Gain (Loss) Recognized in Income	**Volumes Settled**	**Volume Unit**
Futures:			
Gasoline sales	$ (1)	236	million gallons
Heating oil sales	1	172	million gallons
Crude oil	(4)	3	million barrels
	$ (4)		

	January 1 through April 30, 2010		
Predecessor	**Gain (Loss) Recognized in Income**	**Volumes Settled**	**Volume Unit**
Futures:			
Gasoline sales	$ (4)	243	

			million gallons
Heating oil sales	2	126	million gallons
Crude oil purchases	10	3	million barrels
	$ 8		

17

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

	Open Commodity Contracts September 30, 2011				
		Notional Amounts			
Millions of dollars	**Fair Value**	**Value**	**Volumes**	**Volume Unit**	**Maturity Dates**
Futures:					
Gasoline sales	$ 46	$ 278	111	million gallons	October 2011 February 2012
Heating oil sales	(3)	76	27	million gallons	November 2011
Butane purchases	(10)	184	101	million gallons	October 2011 February 2012
Crude oil		90	1	million barrels	December 2011 January 2012
	$ 33	$ 628			

	December 31, 2010				
		Notional Amounts			
	Fair Value	**Value**	**Volumes**	**Volume Unit**	**Maturity Dates**
Futures:					
Gasoline sales	$	$ 16	7	million gallons	February 2011
Heating oil sales	(1)	54	21	million gallons	February 2011
	$ (1)	$ 70			

Foreign Currency Rates We have significant operations in several countries of which functional currencies are primarily the U.S. dollar for U.S. operations and the Euro for operations in Europe. We enter into transactions denominated in other than our functional currency and the functional currencies of our subsidiaries and are, therefore, exposed to foreign currency risk on receivables and payables. We maintain risk management control systems intended to monitor foreign currency risk attributable to both the outstanding foreign currency balances and future commitments. The risk management control systems involve the centralization of foreign currency exposure management, the offsetting of exposures and the estimating of expected impacts of changes in foreign currency rates on our earnings. We enter into foreign currency spot, forward and swap contracts to reduce the effects of our net currency exchange exposures. At September 30, 2011, foreign currency spot, forward and swap contracts in the notional amount of $208 million, maturing in October 2011, were outstanding. The fair values, based on quoted market exchange rates, resulted in a net receivable of $2 million at September 30, 2011 and a net payable of $1 million at December 31, 2010.

For forward and swap 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 and swap contracts are reported in the Consolidated Statements of Income and offset the currency exchange results recognized on the assets and liabilities.

Foreign Currency Gain (Loss) Other income, net, in the Consolidated Statements of Income reflected losses of $17 million and $11 million for the three and nine months ended September 30, 2011; a loss of $18 million and a gain of $22 million in the three and five months ended September 30, 2010, respectively; and a loss of $258 million in the four months ended April 30, 2010.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Interest Rates Pursuant to the provisions of the Plan of Reorganization, the $201 million liability associated with interest rate swaps designated as cash flow hedges in the notional amount of $2,350 million were discharged on April 30, 2010. The Company discontinued accounting for the interest rate swap as a hedge and, in April 2010, $153 million of unamortized loss was released from accumulated other comprehensive income and recognized in earnings.

Warrants As of September 30, 2011, we have warrants outstanding for the purchase of 865,994 ordinary shares at an exercise price of $15.90 per ordinary share. As of December 31, 2010 we had 11,508,104 warrants outstanding. The warrants have anti-dilution protection for in-kind stock dividends, stock splits, stock combinations and similar transactions and may be exercised at any time during the period from April 30, 2010 to the close of business on April 30, 2017. Upon an affiliate change of control, the holders of the warrants may put the warrants to LyondellBasell N.V., which would require cash settlement at a price equal to, as applicable, the in-the-money value of the warrants or the Black-Scholes-Merton value of the warrants. The warrants are classified as a liability and are recorded at fair value at the end of each reporting period.

During the second and third quarters of 2011, the Company s warrants were thinly traded and as such the Company concluded that the market price alone could not be relied upon to substantiate fair value. Therefore, we also used the Black-Scholes-Merton option pricing model, incorporating management adjusted observable inputs to determine the estimated fair value of each warrant. The current market price at September 30, 2011 and the price calculated using the Black-Scholes-Merton model were not materially different. As a result, we concluded that the use of the quoted market price to determine the fair value is an appropriate measure, but we have now classified them as level 2 in the valuation hierarchy. The fair values of the warrants were determined to be $13 million and $215 million at September 30, 2011 and December 31, 2010, respectively.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes derivative financial instruments outstanding as of September 30, 2011 and December 31, 2010 that are measured at fair value on a recurring basis, the balance sheet classifications of the fair value adjustments and the bases used to determine their fair value in the consolidated balance sheets.

Millions of dollars	Balance Sheet Classification	Notional Amount	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2011:						
Assets at fair value:						
Derivatives:						
Commodities	Prepaid expenses and other current assets	$ 251	$ 46	$	$ 46	$
Foreign currency	Prepaid expenses and other current assets	$ 208	2		2	
		$ 459	$ 48	$	$ 48	$
Liabilities at fair value:						
Derivatives:						
Commodities	Accrued liabilities	$ 377	$ 13	$	$ 13	$
Warrants	Accrued liabilities	14	13		13	
		$ 391	$ 26	$	$ 26	$
December 31, 2010:						
Liabilities at fair value:						
Derivatives:						
Gasoline and heating oil	Accrued liabilities	$ 70	$ 1	$	$ 1	$

Warrants	Accrued liabilities	183	215	215			
Foreign currency	Accrued liabilities	93	1			1	
		$ 346	$ 217	$	215	$ 2	$

The fair value of all non-derivative financial instruments included in current assets, including cash and cash equivalents, restricted cash and accounts receivable, and accounts payable, approximated the applicable carrying value due to the short maturity of those instruments.

There were no financial instruments measured on a recurring basis using Level 3 inputs during the nine months ended September 30, 2011, the five months ended September 30, 2010 and the four months ended April 30, 2010.

20

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes the pretax effect of derivative instruments charged directly to income:

	Effect of Financial Instruments Three Months Ended September 30, 2011					
Successor **Millions of dollars**	**Gain (Loss) Recognized in AOCI**	**Gain (Loss) Reclassified from AOCI to Income**	**Additional Gain (Loss) Recognized in Income**		**Income Statement Classification**
Derivatives not designated as hedges:					
Warrants	$	$	$	22	Other income (expense), net
Commodities				30	Cost of sales
Foreign currency				(1)	Other income (expense), net
	$	$	$	51	

	Three Months Ended September 30, 2010				
Predecessor **Millions of dollars**	**Gain (Loss) Recognized in AOCI**	**Gain (Loss) Reclassified from AOCI to Income**	**Additional Gain (Loss) Recognized in Income**		**Income Statement Classification**
Derivatives not designated as hedges:					
Warrants	$	$	$	(76)	Other income (expense), net
Commodities				1	Cost of sales
Foreign currency				(1)	Other income (expense), net
	$	$	$	(76)	

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Successor	**Effect of Financial Instruments Nine Months Ended September 30, 2011**			
Millions of dollars	**Gain (Loss) Recognized in AOCI**	**Gain (Loss) Reclassified from AOCI to Income**	**Additional Gain (Loss) Recognized in Income**	**Income Statement Classification**
Derivatives not designated as hedges:				
Warrants	$	$	$ (31)	Other income (expense), net
Commodities			39	Cost of sales
Foreign currency			(2)	Other income (expense), net
	$	$	$ 6	

	May 1 through September 30, 2010			
Millions of dollars	**Gain (Loss) Recognized in AOCI**	**Gain (Loss) Reclassified from AOCI to Income**	**Additional Gain (Loss) Recognized in Income**	**Income Statement Classification**
Derivatives not designated as hedges:				
Warrants			(59)	Other income (expense), net
Commodities			(4)	Cost of sales
Foreign currency			(1)	Other income (expense), net
	$	$	$ (64)	

Predecessor	**January 1 through April 30, 2010**			
	Gain (Loss) Recognized	**Gain (Loss) Reclassified**	**Additional Gain (Loss) Recognized**	**Income Statement**

			from AOCI				
	in				in		
Millions of dollars	**AOCI**		**to Income**		**Income**		**Classification**
Derivatives designated as cash-flow hedges:							
Interest rate	$	$	(17)	$			Interest expense
Derivatives not designated as hedges:							
Commodities						6	Cost of sales
Foreign currency						8	Other income (expense), net
						14	
	$	$	(17)	$		14	

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The carrying value and the estimated fair value of our non-derivative financial instruments are shown in the table below:

	September 30, 2011		December 31, 2010	
Millions of dollars	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Short and long-term debt, including current maturities	$ 5,830	$ 6,228	$ 6,079	$ 6,819

The following table summarizes the bases used to measure certain liabilities at fair value which are recorded at historical cost or amortized cost, in the Consolidated Balance Sheet:

			Fair Value Measurement		
Millions of dollars	**Carrying Value September 30, 2011**	**Fair Value September 30, 2011**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Short term and long-term debt, including current maturities	$ 5,830	$ 6,228	$	$ 6,186	$ 42

The following table is a reconciliation of the beginning and ending balances of Level 1 and Level 2 inputs for financial instruments measured at fair value on a recurring basis:

Millions of dollars	**Fair Value Measurement Using Quoted prices in active markets for identical assets (Level 1)**	**Fair Value Measurement Using Significant Other Observable Inputs (Level 2)**
Balance at January 1, 2011	$ 215	$
Purchases, sales, issuances, and settlements	(49)	(184)
Transfers in and/or out of Levels 1 and 2	(225)	225
Total gains or losses (realized/unrealized)	59	(28)
Balance at September 30, 2011	$	$ 13

For liabilities classified as Level 1, the fair value is measured using quoted prices in active markets. The total fair value is either the price of the most recent trade at the time of the market close or the official close price, as defined by the exchange on which the asset is most actively traded on the last trading day of the period, multiplied by the number of units held without consideration of transaction costs. For liabilities classified as Level 2, fair value is based on the price a market participant would pay for the security, adjusted for the terms specific to that asset and

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

liability. Broker quotes were obtained from well established and recognized vendors of market data for debt valuations. The inputs for liabilities classified as Level 3 reflect our assessment of the assumptions that a market participant would use in determining the price of the asset or liability, including our liquidity risk at September 30, 2011.

The fair values of Level 3 instruments are determined using pricing data similar to that used in Level 2 financial instruments described above, and reflect adjustments for less liquid markets or longer contractual terms. For these Level 3 financial instruments, pricing data obtained from third party pricing sources is adjusted for the liquidity of the underlying over the contractual terms to develop an estimated price that market participants would use. Our valuation of these instruments considers specific contractual terms, present value concepts and other internal assumptions related to (i) contract maturities that extend beyond the periods in which quoted market prices are available; (ii) the uniqueness of the contract terms; and (iii) our creditworthiness or that of our counterparties (adjusted for collateral related to our asset positions). Based on our calculations, we expect that a significant portion of other debts will react in a generally proportionate manner to changes in the benchmark interest rate. Accordingly, these financial instruments are fair valued at par and are classified as Level 3.

11. Pension and Other Post-retirement Benefits

Net periodic pension benefits included the following cost components:

	U.S. Plans				
	Successor				Predecessor
	Three Months Ended		Nine Months Ended	May 1 through	January 1 through
Millions of dollars	**September 30, 2011**	**September 30, 2010**	**September 30, 2011**	**September 30, 2010**	**April 30, 2010**
Service cost	$ 10	$ 11	$ 30	$ 18	$ 15
Interest cost	23	23	68	39	31
Expected return on plan assets	(27)	(22)	(79)	(37)	(31)
Amortization					3
Net periodic benefit costs	$ 6	$ 12	$ 19	$ 20	$ 18

	Non-U.S. Plans				
	Successor				Predecessor
	Three Months Ended		Nine Months Ended	May 1 through	January 1 through
Millions of dollars	**September 30, 2011**	**September 30, 2010**	**September 30, 2011**	**September 30, 2010**	**April 30, 2010**
Service cost	$ 9	$ 8	$ 30	$ 12	$ 9
Interest cost	13	13	42	22	17
Expected return on plan assets	(8)	(8)	(31)	(13)	(10)
Settlement and curtailment loss	(2)		4		
Amortization	1		3		1

Net periodic benefit costs	$	13	$	13	$	48	$	21	$	17

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Net periodic other post-retirement benefits included the following cost components:

	U.S. Plans				
	Successor				Predecessor
	Three Months Ended		Nine Months Ended	May 1 through	January 1 through
Millions of dollars	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	April 30, 2010
Service cost	$ 1	$ 1	$ 6	$ 2	$ 2
Interest cost	4	4	12	7	5
Amortization					(3)
Net periodic benefit costs	$ 5	$ 5	$ 18	$ 9	$ 4

	Non-U.S. Plans				
	Successor				Predecessor
	Three Months Ended		Nine Months Ended	May 1 through	January 1 through
Millions of dollars	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	April 30, 2010
Service cost	$ 2	$	$ 7	$	$
Interest cost		1		1	1
Net periodic benefit costs	$ 2	$ 1	$ 7	$ 1	$ 1

The Company contributed $222 million to its pension plans during the nine months ended September 30, 2011, which consisted of $219 million and $3 million to its U.S. and non-U.S. pension plans, respectively. The Company expects to make additional voluntary contributions of $250 million to its pension plans in the fourth quarter of 2011.

Employees in the U.S. are eligible to participate in defined contribution plans (Employee Savings Plans) by contributing a portion of their compensation. We match a part of the employees contribution.

12. Income Taxes

Our effective income tax rates for the third quarter and first nine months of 2011 were 35.3% and 32.6%, respectively, resulting in tax expense of $489 million on pretax income of $1,384 million for the third quarter 2011 and tax expense of $1,140 million on pretax income of $3,498 million for the first nine months of 2011. The effective income tax rate for the third quarter 2011 was higher than the year to date effective income tax rate due to a shift of income to higher tax jurisdictions coupled with non-U.S. tax law changes resulting in a lower benefit from the release of valuation allowances. The 2011 effective income tax rate was lower than the U.S. statutory 35% rate primarily due to the effect of pretax income in countries with lower statutory tax rates and favorable permanent deductions related to notional royalties, equity earnings, and release of valuation allowances which were partially offset by non-deductible expenses related to stock warrants. In the five month Successor period ended September 30, 2010, we recorded a tax provision of $282 million, representing an effective tax rate of 25.7% on pre-tax income of $1,096 million. In the four months ended April 30, 2010, the Predecessor recorded a tax benefit of $1,315 million, representing a negative effective tax rate of 18.3% on pre-tax income of $7,189 million. The provision for the 2010 Successor period differs from the U.S. statutory rate of 35% primarily due to the fact that in several countries the Company generated either income with no tax expense or losses where we recorded no tax benefit due to valuation allowances on our deferred tax assets in those countries.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Commitments and Contingencies

Commitments We have various purchase commitments for materials, supplies and services resulting from the ordinary course of business. These commitments, which are at prevailing market prices, are generally for quantities required for the operation of our businesses and are designed to assure sources of supply not expected to be in excess of normal requirements. Our capital expenditure commitments at September 30, 2011 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.

Environmental Remediation Our accrued liability for future environmental remediation costs at current and former plant sites and other remediation sites totaled $121 million and $107 million as of September 30, 2011 and December 31, 2010, respectively. At September 30, 2011, 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.

The following table summarizes the activity in the Company s accrued environmental liability included in Accrued liabilities and Other liabilities :

	Successor		Predecessor
Millions of dollars	**Nine Months Ended September 30, 2011**	**May 1 through September 30, 2010**	**January 1 through April 30, 2010**
Balance at beginning of period	$ 107	$ 93	$ 89
Additional provisions	20	3	11
Amounts paid	(6)	(2)	(2)
Foreign exchange effects		1	(5)
Balance at end of period	$ 121	$ 95	$ 93

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Litigation and Other Matters

BASF Lawsuit

On April 12, 2005, BASF Corporation (BASF) filed a lawsuit against Lyondell Chemical in the Superior Court of New Jersey, Morris County, asserting various claims relating to alleged breaches of a propylene oxide toll manufacturing contract and seeking damages in excess of $100 million. Lyondell Chemical denied breaching the contract and argued that at most it owed BASF $22.5 million, which it has paid. On August 13, 2007, a jury returned a verdict in favor of BASF in the amount of approximately $170 million (inclusive of the $22.5 million refund). On October 3, 2007, the judge in the state court case determined that prejudgment interest on the verdict amounted to $36 million and issued a final judgment. Lyondell Chemical appealed the judgment and has posted an appeal bond, which is collateralized by a $200 million letter of credit.

On April 21, 2010, oral arguments in the appeal were held before the Appellate Division and, on December 28, 2010, the judgment was reversed and the case was remanded for a new trial, which will be in New Jersey state court. Based on the remaining legal and fact issues to be decided, management has estimated the reasonably possible range of loss, excluding interest, to be between zero and $135 million.

Access Indemnity Demand

On December 20, 2010, one of our subsidiaries received demand letters from affiliates of Access Industries, (collectively, Access) a more than five percent shareholder of the Company. We conducted an initial investigation of the facts underlying the demand letters and engaged in discussions with Access. We requested that Access withdraw its demands with prejudice and, and on January 17, 2011, Access declined to withdraw the demands, with or without prejudice.

Specifically, Access affiliates Nell Limited (Nell) and BI S.á.r.l. (BI) have demanded that LyondellBasell Industries Holdings B.V., a wholly owned subsidiary of the Company (LBIH), indemnify them and their shareholders, members, affiliates, officers, directors, employees and other related parties for all 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 damages from numerous parties, including Nell, Access and their affiliates. The damages sought from Nell, Access and their affiliates include, among other things, the return of all amounts earned by them related to their acquisition of shares of Lyondell Chemical prior to its acquisition by Basell AF S.C.A. in December 2007, 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 until some time in early 2012.

Nell and BI have also demanded that LBIH pay $50 million in management fees for 2009 and 2010 and that LBIH pay other unspecified amounts relating to advice purportedly given, prior to the Predecessor company s Chapter 11 filing, in connection with financing and other strategic transactions.

Nell and BI assert that LBIH s responsibility for indemnity and the claimed fees and expenses arise out of a management agreement entered into on December 11, 2007, between Nell and Basell AF S.C.A. They assert that LBIH, as a former subsidiary of Basell AF S.C.A., is jointly and severally liable for Basell AF S.C.A. s obligations under the agreement, notwithstanding that LBIH was not a signatory to the agreement and the liabilities of Basell AF S.C.A., which was a signatory, were discharged in the LyondellBasell bankruptcy proceedings.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

On June 26, 2009, Nell filed a proof of claim in Bankruptcy Court against LyondellBasell AF (successor to Basell AF S.C.A.) seeking no less than $723 thousand for amounts allegedly owed under the 2007 management agreement. On April 27, 2011, Lyondell Chemical filed an objection to Nell s claim and, together with LyondellBasell N.V. (successor to LyondellBasell AF) and LBIH, brought a declaratory judgment action in the Bankruptcy Court for a determination that Nell and BI s demands are not valid. By a Joint Stipulated Order dated June 13, 2011, the declaratory judgment action is stayed pending the outcome of the *Weisfelner* lawsuit.

We do not believe that the management agreement is in effect or that the Company, LBIH, or any other Company-affiliated entity owes any obligations under the management agreement. We intend to defend vigorously any proceedings, claims or demands that may be asserted.

We cannot at this time estimate the reasonably possible loss or range of loss that Nell, Access, or their affiliates may incur as a result of the lawsuit, and therefore we cannot at this time estimate the reasonably possible loss or range of loss that Nell, Access, or their affiliates may seek from LBIH by way of indemnity.

Indemnification We are party 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 September 30, 2011, 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 the potential amount of future payments under the indemnification arrangements until events arise that would trigger a liability under the arrangements.

In addition, certain third parties entered into agreements with the Predecessor, LyondellBasell AF, to indemnify LyondellBasell AF for a significant portion of the potential obligations that could arise with respect to costs relating to contamination at various sites in Europe. These indemnity obligations are currently in dispute. We recognized a pretax charge of $64 million as a change in estimate in the third quarter 2010 related to the dispute, which arose during that period.

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 have identified an agreement related to a former project in Kazakhstan under which a payment was made that raises compliance concerns under the U.S. Foreign Corrupt Practices Act (the FCPA). We have engaged outside counsel to investigate these activities, under the oversight of the Audit Committee of the Supervisory Board, and to evaluate internal controls and compliance policies and procedures. We made a voluntary disclosure of these matters to the U.S. Department of Justice and are cooperating fully with that agency. We cannot predict the ultimate outcome of these matters at this time since our investigations are ongoing. In this respect, we may not have conducted business in compliance with the FCPA and may not have had policies and procedures in place adequate to ensure compliance. Therefore, we cannot reasonably estimate a range of liability for any potential penalty resulting from these matters. Violations of these laws could result in criminal and civil liabilities and other forms of relief that could be material to us.

Certain of our non-U.S. subsidiaries conduct or have conducted business in countries subject to U.S. economic sanctions, including Iran. U.S. and European laws and regulations prohibit certain persons from engaging in business activities, in whole or in part, with sanctioned countries, organizations and individuals. We have made

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

voluntary disclosure of these matters to the U.S. Treasury Department and cooperated fully with that agency. On October 4, 2011, we received notification from the U.S. Treasury Department stating that it had decided to address this matter by issuing a cautionary letter instead of pursuing a civil penalty. The cautionary letter further stated it represents a final enforcement response and we therefore consider the matters voluntarily disclosed to be closed. In addition, we have made the decision to cease all business with the government, entities and individuals in Iran, Syria and Sudan. We have notified our counterparties in these countries of our decision and may be subject to legal actions to enforce agreements with the counterparties. These business activities present a potential risk that could subject the Company to civil and criminal penalties as well as private legal proceedings that could be material to us. We cannot predict the ultimate outcome of this matter at this time because our investigations and withdrawal activities are ongoing.

We and our joint ventures are, from time to time, defendants in lawsuits and other commercial disputes, some of which are not covered by insurance. Many of these suits make no specific claim for relief. Although final determination of any liability and resulting financial impact with respect to any such matters cannot be ascertained with any degree of certainty, we do not believe that any ultimate uninsured liability resulting from these matters will, individually or in the aggregate, have a material adverse effect on the financial position, liquidity or results of operations of LyondellBasell N.V.

The offering to sell our Berre refinery in France, which commenced in May 2011, did not result in any offer to purchase. As a result, in September 2011, we announced our intention to initiate consultations with works councils regarding a contemplated closure of the refinery, which would affect approximately 370 employees. Any cessation of operations is subject to completion of the consultations, which includes discussion on termination and severance costs, costs associated with the provision of job outplacement assistance and other employee benefit related costs. Because the consultations have not yet begun, we are not in a position to estimate the amount or range of amounts expected to be incurred in connection with this potential cessation or the amount or range of amounts of any potential charges or related cash outlays, although such costs could be material to the Company s results of operations in any quarter or annual period in which they are recognized.

General In our opinion, the matters discussed in this note are not expected to have a material adverse effect on the financial position or liquidity of LyondellBasell N.V. However, the adverse resolution in any reporting period of one or more of these matters could have a material impact on our results of operations for that period, which may be mitigated by contribution or indemnification obligations of others, or by any insurance coverage that may be available.

14. Stockholders Equity and Non-Controlling Interests

Dividend distribution On May 5, 2011, shareholders approved the payment of a dividend of $0.10 per ordinary share at the Annual General Meeting of Shareholders in Rotterdam, Netherlands. The dividend, totaling $57 million, was paid May 26, 2011 to shareholders of record on May 5, 2011. On August 3, 2011, the Management Board of the Company recommended the payment of a dividend of $0.20 per share. The Supervisory Board authorized and directed the Management Board to take action necessary to pay the dividend and the Management Board adopted a resolution declaring a dividend of $0.20 per share to shareholders of record as of August 17, 2011, which was paid on September 7, 2011 for an aggregate of $114 million.

We are currently subject to restrictive covenants that limit our ability to pay cumulative dividends to the sum of a) the greater of (i) $50 million per year and (ii) in general, 50 percent of net income for the period from March 31, 2012 until the end of the most recently completed fiscal quarter for which financial statements are available, plus b) dividends not to exceed the greater of (i) $350 million and (ii) 1.75% of consolidated tangible assets at the time the dividend is paid.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Ordinary shares The changes in the outstanding amounts of ordinary shares issued and treasury shares were as follows:

Ordinary shares issued:	
Balance at January 1, 2011	565,676,222
Share-based compensation	401,479
Warrants exercised	7,179,416
Balance at September 30, 2011	573,257,117

Ordinary shares held as treasury shares:	
Balance at January 1, 2011	1,122,651
Warrants exercised	3,462,693
Share-based compensation	(400,934)
Balance at September 30, 2011	4,184,410

Non-controlling Interests Losses attributable to non-controlling interests consisted of the following components:

	Successor		Predecessor
Millions of dollars	**Nine Months Ended September 30, 2011**	**May 1 through September 30, 2010**	**January 1 through April 30, 2010**
Non-controlling interests comprehensive income (loss):			
Net income (loss) attributable to non-controlling interests	$ (4)	$ 7	$ (53)
Fixed operating fees paid to Lyondell Chemical by the PO/SM II partners		(9)	(7)
Comprehensive loss attributable to non-controlling interests	$ (4)	$ (2)	$ (60)

15. Per Share Data

Basic earnings per share for the periods subsequent to April 30, 2010 are based upon the weighted average number of shares of common stock outstanding during the periods. Diluted earnings per share includes the effect of certain stock options. The Company has unvested restricted stock and restricted stock units that are considered participating securities for earnings per share. The outstanding warrants were anti-dilutive for the nine months ended September 30, 2011.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Earnings per share data and dividends declared per share of common stock were as follows:

Millions of dollars	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	May 1 through September 30, 2010
Basic:				
Net income	$ 895	$ 467	$ 2,358	$ 814
Less: net loss attributable to non-controlling interests		7	4	2
Net income attributable to LyondellBasell N.V.	895	474	2,362	816
Net income attributable to participating securities	(5)	(2)	(14)	(4)
Net income attributable to common stockholders	$ 890	$ 472	$ 2,348	$ 812
Diluted:				
Net income	$ 895	$ 467	$ 2,358	$ 814
Less: net loss attributable to non-controlling interests		7	4	2
Net income attributable to LyondellBasell N.V.	895	474	2,362	816
Net income attributable to participating securities	(5)	(2)	(14)	(4)
Effect of dilutive securities warrants	(22)			
Net income attributable to common stockholders	$ 868	$ 472	$ 2,348	$ 812
Millions of shares				
Basic weighted average common stock outstanding	570	564	567	564
Effect of dilutive securities:				
Warrants	2			
Stock options	3		3	
Dilutive potential shares	575	564	570	564
Earnings per share:				
Basic	$ 1.56	$ 0.84	$ 4.14	$ 1.45

Diluted	$ 1.51	$ 0.84	$ 4.12	$ 1.45
Anti-dilutive stock options, restricted stock, restricted stock units and warrants in millions		20.2	0.9	20.2
Dividends declared per share of common stock	$ 0.20	$	$ 0.30	$

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Segment and Related Information

We operate in five segments:

- Olefins and Polyolefins Americas, primarily manufacturing and marketing of olefins, including ethylene and its co-products, primarily propylene, butadiene, and aromatics, which include benzene and toluene, as well as ethanol; and polyolefins, including polyethylene, comprising high density polyethylene (HDPE), low density polyethylene (LDPE) and linear low density polyethylene (LLDPE), and polypropylene; and *Catalloy* process resins;
- Olefins and Polyolefins Europe, Asia, International (O&P EAI), primarily manufacturing and marketing of olefins, including ethylene and its co-products, primarily propylene and butadiene; polyolefins, including polyethylene, comprising HDPE, LDPE, and polypropylene; polypropylene-based compounds, materials and alloys (PP Compounds), *Catalloy* process resins and polybutene-1 polymers;
- Intermediates and Derivatives (I&D), primarily manufacturing and marketing of propylene oxide (PO); PO co-products, including styrene and the TBA intermediates tertiary butyl alcohol (TBA), isobutylene and tertiary butyl hydroperoxide; PO derivatives, including propylene glycol, propylene glycol ethers and butanediol; ethylene derivatives, including ethylene glycol, ethylene oxide (EO), and other EO derivatives; acetyls, including vinyl acetate monomer, acetic acid and methanol;
- Refining and Oxyfuels, primarily manufacturing and marketing of refined petroleum products, including gasoline, ultra-low sulfur diesel, jet fuel, lubricants (lube oils), alkylate, and oxygenated fuels, or oxyfuels, such as methyl tertiary butyl ether (MTBE) and ethyl tertiary butyl ether (ETBE); and
- Technology, primarily licensing of polyolefin process technologies and supply of polyolefin catalysts and advanced catalysts.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Summarized financial information concerning reportable segments is shown in the following table for the periods presented:

Millions of dollars Three Months Ended September 30, 2011	Successor Olefins and Polyolefins Americas	Olefins and Polyolefins Europe, Asia & International	Intermediates & Derivatives	Refining and Oxyfuels	Technology	Other	Total
Sales and other operating revenues:							
Customers	$ 2,727	$ 3,825	$ 1,604	$ 5,035	$ 78	$ 28	$ 13,297
Intersegment	1,148	93	13	834	51	(2,139)	
	3,875	3,918	1,617	5,869	129	(2,111)	13,297
Operating income	599	144	259	454	7	4	1,467
Income from equity investments	7	38	7				52

Millions of dollars Three Months Ended September 30, 2010	Successor Olefins and Polyolefins Americas	Olefins and Polyolefins Europe, Asia & International	Intermediates & Derivatives	Refining and Oxyfuels	Technology	Other	Total
Sales and other operating revenues:							
Customers	$ 2,223	$ 3,148	$ 1,367	$ 3,448	$ 131	$ (15)	$ 10,302
Intersegment	1,024	99	86	419	26	(1,654)	
	3,247	3,247	1,453	3,867	157	(1,669)	10,302
Operating income (loss)	448	231	207	83	38	(19)	988
Income from equity investments	6	20	3				29

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Millions of dollars Nine Months Ended September 30, 2011	Successor						
	Olefins and Polyolefins Americas	Olefins and Polyolefins Europe, Asia & International	Intermediates & Derivatives	Refining and Oxyfuels	Technology	Other	Total
Sales and other operating revenues:							
Customers	$ 7,987	$ 11,794	$ 5,044	$ 14,430	$ 290	$ 46	$ 39,591
Intersegment	3,470	332	42	1,992	104	(5,940)	
	11,457	12,126	5,086	16,422	394	(5,894)	39,591
Operating income	1,529	530	728	914	96		3,797
Income from equity investments	18	150	15				183

Millions of dollars May 1 through September 30, 2010	Successor						
	Olefins and Polyolefins Americas	Olefins and Polyolefins Europe, Asia & International	Intermediates & Derivatives	Refining and Oxyfuels	Technology	Other	Total
Sales and other operating revenues:							
Customers	$ 3,723	$ 5,246	$ 2,307	$ 5,626	$ 183	$ (11)	$ 17,074
Intersegment	1,528	141	86	644	49	(2,448)	
	5,251	5,387	2,393	6,270	232	(2,459)	17,074
Operating income (loss)	597	345	316	97	61	(6)	1,410
Income from equity investments	9	45	2				56

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Predecessor						
Millions of dollars January 1 through April 30, 2010	**Olefins and Polyolefins Americas**	**Olefins and Polyolefins Europe, Asia & International**	**Intermediates & Derivatives**	**Refining and Oxyfuels**	**Technology**	**Other**	**Total**
Sales and other operating revenues:							
Customers	$ 3,220	$ 4,018	$ 1,820	$ 4,293	$ 104	$ 12	$ 13,467
Intersegment	963	87		455	41	(1,546)	
	4,183	4,105	1,820	4,748	145	(1,534)	13,467
Segment operating income (loss)	320	115	157	(99)	39	(41)	491
Current cost adjustment							199
Operating income							690
Income (loss) from equity investments	5	80	(1)				84

Sales and other operating revenues and operating income (loss) in the Other column above include elimination of intersegment transactions.

17. Emergence from Chapter 11 Proceedings

On April 23, 2010, the U.S. Bankruptcy Court confirmed LyondellBasell AF s Third Amended and Restated Plan of Reorganization and the Debtors emerged from chapter 11 protection on April 30, 2010. As of September 30, 2011, approximately $106 million of priority and administrative claims are accrued but have yet to be paid.

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company s charges (credits) for reorganization items were as follows:

	Successor				Predecessor
	Three Months Ended		Nine Months Ended	May 1 through September 30,	January 1 through April 30,
Millions of dollars	**September 30, 2011**	**September 30, 2010**	**September 30, 2011**	**2010**	**2010**
Change in net assets resulting from the application of fresh-start accounting	$	$	$	$	$ 6,278
Gain on discharge of liabilities subject to compromise					(13,617)
Asset write-offs and rejected contracts					25
Estimated claims			24		(262)
Professional fees		12	5	16	172
Plant closures costs					12
Other		1	1	5	4
Total	$	$ 13	$ 30	$ 21	$ (7,388)

Estimated claims in the above table include adjustments made to reflect the Debtors estimated claims to be allowed.

18. Supplemental Guarantor Information

LyondellBasell N.V. has jointly and severally, and fully and unconditionally guaranteed the Senior Secured Notes issued by Lyondell Chemical. Subject to certain exceptions, each of our existing and future wholly owned U.S. restricted subsidiaries (other than Lyondell Chemical, as issuer), other than any such subsidiary that is a subsidiary of a non-U.S. subsidiary (the Subsidiary Guarantors and, together with LyondellBasell N.V., the Guarantors) has also guaranteed the Senior Secured Notes. Each Subsidiary Guarantor is 100% owned by LyondellBasell N.V.

There are no significant restrictions that would impede the Guarantors from obtaining funds by dividend or loan from their subsidiaries. Subsidiaries are generally prohibited from entering into arrangements that would limit their ability to make dividends to or enter into loans with the Guarantors.

As a result of these guarantee arrangements, we are required to present the following condensed consolidating financial information. In this note, LCC refers to Lyondell Chemical Company without its subsidiaries.

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
CONDENSED CONSOLIDATING FINANCIAL INFORMATION
BALANCE SHEET
As of September 30, 2011

	Successor					
Millions of dollars	**LyondellBasell N.V.**	**LCC**	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated LyondellBasell N.V.**
Cash and cash equivalents	$	$ 1	$ 2,845	$ 2,763	$	$ 5,609
Restricted cash			246	46		292
Accounts receivable		295	1,346	2,397		4,038
Accounts receivable affiliates	150	2,111	2,656	1,001	(5,918)	
Inventories		608	2,752	2,322		5,682
Notes receivable affiliates	121	8	606	3	(738)	
Other current assets	1	282	178	686	(50)	1,097
Property, plant and equipment, net		362	3,045	3,956		7,363
Investments in subsidiaries	14,329	13,746	3,891		(31,966)	
Other investments and long-term receivables				2,087		2,087
Notes receivable affiliates			535	500	(1,035)	
Other assets, net		503	1,111	751	(266)	2,099
Total assets	$ 14,601	$ 17,916	$ 19,211	$ 16,512	$ (39,973)	$ 28,267
Current maturities of long-term debt	$	$	$	$ 2	$	$ 2
Short-term debt			12	37		49
Notes payable affiliates	7	620	3	131	(761)	
Accounts payable	2	168	957	2,180		3,307
Accounts payable affiliates	17	3,436	1,822	620	(5,895)	
Other current liabilities	15	764	626	782	(367)	1,820
Long-term debt		5,477	3	302		5,782
Notes payable affiliates	535	3,189	9,257		(12,981)	
Other liabilities		274	672	1,075		2,021
Deferred income taxes			787	543	(126)	1,204
Company share of stockholders equity	14,025	3,988	5,072	10,783	(19,843)	14,025
Non-controlling interests				57		57
Total liabilities and stockholders equity	$ 14,601	$ 17,916	$ 19,211	$ 16,512	$ (39,973)	$ 28,267

37

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
CONDENSED CONSOLIDATING FINANCIAL INFORMATION
BALANCE SHEET
As of December 31, 2010

	Successor					
Millions of dollars	**LyondellBasell N.V.**	**LCC**	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated LyondellBasell N.V.**
Cash and cash equivalents	$	$ 25	$ 2,086	$ 2,111	$	$ 4,222
Restricted cash				11		11
Accounts receivable		313	1,108	2,326		3,747
Accounts receivable affiliates	636	2,727	2,593	1,444	(7,400)	
Inventories		489	2,560	1,775		4,824
Notes receivable affiliates	98	444	59	110	(711)	
Other current assets		287	133	601	(46)	975
Property, plant and equipment, net		383	2,746	4,061		7,190
Investments in subsidiaries	12,070	10,489	5,122		(27,681)	
Other investments and long-term receivables		2	4	2,174	(75)	2,105
Notes receivable affiliates				500	(500)	
Other assets, net	13	1,054	1,170	688	(697)	2,228
Total assets	$ 12,817	$ 16,213	$ 17,581	$ 15,801	$ (37,110)	$ 25,302
Current maturities of long-term debt	$	$	$	$ 4	$	$ 4
Short-term debt			12	30		42
Notes payable affiliates	1	74	498	178	(751)	
Accounts payable		160	741	1,860		2,761
Accounts payable affiliates	530	4,363	1,504	950	(7,347)	
Other current liabilities	216	418	674	764	(48)	2,024
Long-term debt		5,722	3	311		6,036
Notes payable affiliates	535	3,672	9,124	1	(13,332)	
Other liabilities		413	699	1,071		2,183
Deferred income taxes			832	522	(698)	656
Company share of stockholders equity	11,535	1,391	3,494	10,049	(14,934)	11,535
Non-controlling interests				61		61
Total liabilities and stockholders equity	$ 12,817	$ 16,213	$ 17,581	$ 15,801	$ (37,110)	$ 25,302

38

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
CONDENSED CONSOLIDATING FINANCIAL INFORMATION
STATEMENT OF INCOME
Three Months Ended September 30, 2011

	Successor					
Millions of dollars	**LyondellBasell N.V.**	**LCC**	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated LyondellBasell N.V.**
Sales and other operating revenues	$	$ 1,274	$ 7,506	$ 6,037	$ (1,520)	$ 13,297
Cost of sales		1,156	6,292	5,610	(1,520)	11,538
Selling, general and administrative expenses	3	89	27	120		239
Research and development expenses		5	5	43		53
Operating income	(3)	24	1,182	264		1,467
Interest income (expense), net	7	(200)	47	(1)	2	(145)
Other income (expense), net	27	46	3	(64)	(2)	10
Income (loss) from equity investments	860	748	(18)	52	(1,590)	52
Reorganization items			(1)	1		
(Provision for) benefit from income taxes	4	107	(455)	(145)		(489)
Net income (loss)	895	725	758	107	(1,590)	895
Less: net loss attributable to non-controlling interests						
Net income (loss) attributable to the Company	$ 895	$ 725	$ 758	$ 107	$ (1,590)	$ 895

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
CONDENSED CONSOLIDATING FINANCIAL INFORMATION
STATEMENT OF INCOME
Three Months Ended September 30, 2010

	Successor					
Millions of dollars	**LyondellBasell N.V.**	**LCC**	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated LyondellBasell N.V.**
Sales and other operating revenues	$	$ 1,041	$ 5,185	$ 5,011	$ (935)	$ 10,302
Cost of sales	(7)	948	4,519	4,550	(935)	9,075
Selling, general and administrative expenses	4	33	55	112		204
Research and development expenses		4	6	25		35
Operating income	3	56	605	324		988
Interest income (expense), net	17	(181)	(9)	(13)		(186)
Other income (expense), net	(76)	9		10	(40)	(97)
Income from equity investments	508	384	37	28	(928)	29
Reorganization items		(8)	(5)			(13)
(Provision for) benefit from income taxes	19	143	(215)	(201)		(254)
Net income	471	403	413	148	(968)	467
Less: net loss attributable to non-controlling interests	3			4		7
Net income attributable to the Company	$ 474	$ 403	$ 413	$ 152	$ (968)	$ 474

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
CONDENSED CONSOLIDATING FINANCIAL INFORMATION
STATEMENT OF INCOME
Nine Months Ended September 30, 2011

	Successor					
Millions of dollars	**LyondellBasell N.V.**	**LCC**	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated LyondellBasell N.V.**
Sales and other operating revenues	$	$ 3,712	$ 21,276	$ 18,335	$ (3,732)	$ 39,591
Cost of sales	2	3,405	18,377	16,903	(3,732)	34,955
Selling, general and administrative expenses	8	251	56	382		697
Research and development expenses		21	19	102		142
Operating income (loss)	(10)	35	2,824	948		3,797
Interest income (expense), net	22	(544)	55	(3)	6	(464)
Other income (expense), net	(15)	23	34	(24)	(6)	12
Income (loss) from equity investments	2,377	1,818	(210)	183	(3,985)	183
Reorganization items		(20)	(9)	(1)		(30)
(Provision for) benefit from income taxes	(12)	248	(1,073)	(303)		(1,140)
Net income	2,362	1,560	1,621	800	(3,985)	2,358
Less: net loss attributable to non-controlling interests				4		4
Net income attributable to the Company	$ 2,362	$ 1,560	$ 1,621	$ 804	$ (3,985)	$ 2,362

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
CONDENSED CONSOLIDATING FINANCIAL INFORMATION
STATEMENT OF INCOME
May 1 through September 30, 2010

	Successor					
Millions of dollars	**LyondellBasell N.V.**	**LCC**	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated LyondellBasell N.V.**
Sales and other operating revenues	$	$ 1,728	$ 8,605	$ 8,399	$ (1,658)	$ 17,074
Cost of sales		1,652	7,680	7,599	(1,658)	15,273
Selling, general and administrative expenses	2	57	95	179		333
Research and development expenses		7	10	41		58
Operating income (loss)	(2)	12	820	580		1,410
Interest income (expense), net	26	(302)	(12)	(18)		(306)
Other income (expense), net	(60)			57	(40)	(43)
Income (loss) from equity investments	833	545	(57)	56	(1,321)	56
Reorganization items		(13)	(5)	(3)		(21)
(Provision for) benefit from income taxes	19	195	(290)	(206)		(282)
Net income	816	437	456	466	(1,361)	814
Less: net loss attributable to non-controlling interests				2		2
Net income attributable to the Company	$ 816	$ 437	$ 456	$ 468	$ (1,361)	$ 816

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
CONDENSED CONSOLIDATING FINANCIAL INFORMATION
STATEMENT OF INCOME
January 1 through April 30, 2010

	Predecessor					
Millions of dollars	**LyondellBasell AF**	**LCC**	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated LyondellBasell AF**
Sales and other operating revenues	$	$ 1,355	$ 7,102	$ 6,238	$ (1,228)	$ 13,467
Cost of sales	(25)	1,327	6,605	5,735	(1,228)	12,414
Selling, general and administrative expenses	9	42	95	162		308
Research and development expenses		3	12	40		55
Operating income (loss)	16	(17)	390	301		690
Interest income (expense), net	22	(618)	2	(114)		(708)
Other income (expense), net	(44)	18	4	(243)		(265)
Income from equity investments	7,452	5,367	2,532	93	(15,360)	84
Reorganization items	1,118	2,673	3,029	568		7,388
(Provision for) benefit from income taxes		(34)	1,432	(83)		1,315
Net income	8,564	7,389	7,389	522	(15,360)	8,504
Less: net loss attributable to non-controlling interests				60		60
Net income attributable to the Company	$ 8,564	$ 7,389	$ 7,389	$ 582	$ (15,360)	$ 8,564

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
CONDENSED CONSOLIDATING FINANCIAL INFORMATION
STATEMENT OF CASH FLOWS
Nine Months Ended September 30, 2011

	Successor					
Millions of dollars	**LyondellBasell N.V.**	**LCC**	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated LyondellBasell N.V.**
Net cash provided by (used in) operating activities	$ 134	$ (707)	$ 2,527	$ 963	$ (139)	$ 2,778
Expenditures for property, plant and equipment		(16)	(556)	(189)		(761)
Proceeds from disposal of assets		5	58	8		71
Restricted cash			(246)	(35)		(281)
Loans to affiliates		(216)	(1,023)		1,239	
Net cash used in investing activities		(227)	(1,767)	(216)	1,239	(971)
Shares issued upon exercise of warrants	37					37
Dividends paid	(171)					(171)
Dividends received from (paid to) affiliates				(139)	139	
Repayments of long-term debt		(259)		(1)		(260)
Proceeds from notes payable to affiliates		1,191		48	(1,239)	
Payments of debt issuance costs		(15)				(15)
Other, net		(7)	(1)			(8)
Net cash provided by (used in) financing activities	(134)	910	(1)	(92)	(1,100)	(417)
Effect of exchange rate changes on cash				(3)		(3)
Increase (decrease) in cash and cash equivalents		(24)	759	652		1,387
Cash and cash equivalents at beginning of period		25	2,086	2,111		4,222
	$	$ 1	$ 2,845	$ 2,763	$	$ 5,609

Cash and cash equivalents
at end of period

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
CONDENSED CONSOLIDATING FINANCIAL INFORMATION
STATEMENT OF CASH FLOWS
May 1 through September 30, 2010

	Successor					
Millions of dollars	**LyondellBasell N.V.**	**LCC**	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated LyondellBasell N.V.**
Net cash provided by (used in) operating activities	$ (1)	$ (373)	$ 1,705	$ 898	$	$ 2,229
Expenditures for property, plant and equipment		(6)	(171)	(89)		(266)
Loans to affiliates		(297)	(28)		325	
Net cash used in investing activities		(303)	(199)	(89)	325	(266)
Net borrowings under revolving credit facilities				52		52
Proceeds from short-term debt				7		7
Repayments of short-term debt				(8)		(8)
Payments of debt issuance costs		(2)				(2)
Proceeds from (repayments of notes payable to affiliates		51	297	(23)	(325)	
Other, net		1	(5)			(4)
Net cash provided by financing activities		50	292	28	(325)	45
Effect of exchange rate changes on cash				113		113
Increase (decrease) in cash and cash equivalents	(1)	(626)	1,798	950		2,121
Cash and cash equivalents at beginning of period		642	603	1,466		2,711
Cash and cash equivalents at end of period	$ (1)	$ 16	$ 2,401	$ 2,416	$	$ 4,832

45

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
CONDENSED CONSOLIDATING FINANCIAL INFORMATION
STATEMENT OF CASH FLOWS
January 1 through April 30, 2010

	Predecessor					
Millions of dollars	**LyondellBasell AF**	**LCC**	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated LyondellBasell AF**
Net cash provided by (used in) operating activities	$ (107)	$ (590)	$ (182)	$ (46)	$	$ (925)
Expenditures for property, plant and equipment		(3)	(96)	(127)		(226)
Proceeds from disposal of assets			1			1
Short-term investments			10	2		12
Restricted cash				(11)		(11)
Contributions and advances to affiliates	(2,550)				2,550	
Loans to affiliates	(57)	543	375		(861)	
Net cash provided by (used in) investing activities	(2,607)	540	290	(136)	1,689	(224)
Issuance of class B ordinary shares	2,800					2,800
Repayments of debtor-in-possession term loan facility		(2,167)		(3)		(2,170)
Net repayments of debtor-in- possession revolving credit facility		(325)				(325)
Net borrowings on revolving credit facilities				38		38
Proceeds from short-term debt				8		8
Repayments of short-term debt				(14)		(14)
Issuance of long-term debt		3,242				3,242
Repayments of long-term debt				(9)		(9)
Payments of debt issuance costs	(86)	(154)		(13)		(253)
Contributions from owners				2,550	(2,550)	

Proceeds from notes payable to affiliates			364	(1,225)	861	
Other, net			2	(4)		(2)
Net cash provided by financing activities	2,714	596	366	1,328	(1,689)	3,315
Effect of exchange rate changes on cash				(13)		(13)
Increase in cash and cash equivalents		546	474	1,133		2,153
Cash and cash equivalents at beginning of period		96	129	333		558
Cash and cash equivalents at end of period	$	$ 642	$ 603	$ 1,466	$	$ 2,711

Item 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

This discussion should be read in conjunction with the information contained in our Consolidated Financial Statements, and the notes thereto contained 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. We also refer to the Company as LyondellBasell N.V., the Successor Company and the Successor.

In addition to comparisons of current operating results with the same period in the prior year, we have included, as additional disclosure, certain trailing quarter comparisons of third quarter 2011 operating results to second quarter 2011 operating results. Our businesses are highly cyclical, in addition to experiencing some less significant seasonal effects. Trailing quarter comparisons may offer important insight into current business direction.

References to industry benchmark prices or costs, including the weighted average cost of ethylene production, are generally to industry prices and costs reported by CMAI, except that 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, and crude oil and natural gas benchmark price references are to Bloomberg.

OVERVIEW

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, and industry-specific issues, such as production capacity. Our businesses are subject to the cyclicality and volatility seen in the chemicals and refining industries generally. LyondellBasell N.V., the successor holding company, owns and operates, directly and indirectly, substantially the same business owned and operated by LyondellBasell AF prior to the Company s emergence from bankruptcy. For accounting purposes, the operations of LyondellBasell AF are deemed to have ceased on April 30, 2010 and LyondellBasell N.V. is deemed to have begun operations on that date. Effective May 1, 2010, we adopted fresh-start accounting. References in the following discussions to the Company for periods prior to April 30, 2010, the Emergence Date, are to the Predecessor Company and, for periods after the Emergence Date, to the Successor Company.

Foreign Currency Translations of Non-U.S. Denominated Financial Statements In countries outside of the United States, we generally generate revenues and incur operating expenses denominated in local currencies. The predominant local currency of our operations outside of the United States is the Euro. The gains and losses that result from the process of translating foreign functional currency financial statements to U.S. dollars are included in OCI (loss) in Stockholders Equity. These translation adjustments may be significant in any given period, based on the fluctuations of the Euro relative to the U.S. Dollar. An increase in the value of the U.S. dollar relative to the Euro in the third quarter 2011 resulted in a loss of $504 million, more than offsetting increases of $500 million experienced during the first six months of 2011 as the value of the U.S. dollar decreased relative to the Euro. The net loss, which is reflected in the $4 million loss in OCI on the Consolidated Statement of Stockholders Equity at September 30, 2011, represents a net decrease in Comprehensive Income during the first nine months of 2011.

To ensure a proper analysis of the quarter over quarter results, the effects of fresh-start accounting on the Successor period are specifically addressed throughout this discussion. The primary impacts of our reorganization pursuant to the Plan of Reorganization and the adoption of fresh-start accounting on our results of operations are as follows:

Tax Impact of Reorganization The application of the tax provisions of the Internal Revenue Code to the Plan of Reorganization resulted in the reduction or elimination of the majority of our tax attributes that otherwise would have carried forward into 2011 and later years. As a result, we did not retain any U.S. net operating loss carryforwards, alternative minimum tax credits or capital loss carryforwards going into 2011. In addition, a significant portion of our tax basis in depreciable assets was eliminated. Accordingly, it is expected that our liability for U.S. income taxes in future periods will reflect these adjustments and we estimate our cash tax liabilities for the years following 2010 will be significantly higher than in 2009 or 2010. This situation may be somewhat postponed by the temporary bonus depreciation provisions contained in the Job Creation Act of 2010, which allows current year expensing for certain qualified acquisitions. As a result of certain prior year limitations on the deductibility of our interest expense in the U.S. we retained approximately $2,500 million of interest carryforwards which are available to offset future taxable income, subject to certain limitations.

Inventory We adopted the last in, first out (LIFO) method of accounting for inventory upon implementation of fresh-start accounting. Prior to the emergence from bankruptcy, LyondellBasell AF used both the first in, first out (FIFO) and LIFO methods of accounting to determine inventory cost. For purposes of evaluating segment results, management reviewed operating results for LyondellBasell AF determined using current cost, which approximates results using the LIFO method of accounting for inventory. Subsequent to the Emergence Date, our operating results are reviewed using the LIFO method of accounting for inventory. While determining the impact of the adoption of LIFO on predecessor periods is not practicable, we believe that the current cost method used by the Predecessor for segment reporting is similar to LIFO.

Depreciation and amortization expense Depreciation and amortization expense is lower in the Successor period as a result of our revaluation of assets for fresh-start accounting. Depreciation and amortization as reported for all periods presented is as follows:

	Successor				Predecessor
	Three Months Ended		Nine Months Ended	May 1 through	January 1 through
Millions of dollars	**September 30, 2011**	**September 30, 2010**	**September 30, 2011**	**September 30, 2010**	**April 30, 2010**
Cost of sales:					
Depreciation	$ 188	$ 163	$ 527	$ 255	$ 464
Amortization	38	47	117	80	75
Research and development expenses:					
Depreciation	6	4	15	7	8
Selling, general and administrative expenses:					
Depreciation	5	8	17	9	18
	$ 237	$ 222	$ 676	$ 351	$ 565

Interest expense Lower interest expense in the Successor period was largely driven by the discharge or repayment of debt, upon which interest was accruing during the bankruptcy, through the Company s reorganization on April 30, 2010 pursuant to the Plan of Reorganization, partially offset by interest expense on the new debt incurred as part of the emergence from bankruptcy.

	Successor		Predecessor
		May 1	January 1

Millions of dollars	Three Months Ended September 30, 2011	September 30, 2010	Nine Months Ended September 30, 2011	through September 30, 2010	through April 30, 2010
Interest expense	$ 155	$ 182	$ 495	$ 314	$ 713
		48			

Overview of Results of Operations

Global market conditions in the third quarter and first nine months of 2011 improved from those experienced in the same periods in 2010 as general economic activities and demand in the durable goods sector, particularly the automotive markets, were higher. As a result, demand and operating rates were higher in 2011 than in 2010. Excluding the impacts of fresh-start accounting, operating results in the third quarter and first nine months of 2011 generally reflected higher product margins compared to the same periods in 2010. The O&P-Americas business segment benefited from higher product margins driven by lower natural gas liquid prices relative to the price of crude oil. Higher operating results in the O&P-EAI are primarily the result of higher product margins across the ethylene chain, and for butadiene and PP compounds. The I&D business was primarily a reflection of higher product margins and higher sales volumes due to improvement in the global economy and in the durable goods markets. The Refining and Oxyfuels business segment results reflected the benefit of higher refining margins at the Houston refinery.

Results of operations for the Successor and Predecessor periods discussed in these Results of Operations are presented in the table below.

	Successor				Predecessor
	Three Months Ended		Nine Months Ended	May 1 through September 30,	January 1 through April 30,
Millions of dollars	September 30, 2011	September 30, 2010	September 30, 2011	2010	2010
Sales and other operating revenues	$ 13,297	$ 10,302	$ 39,591	$ 17,074	$ 13,467
Cost of sales	11,538	9,075	34,955	15,273	12,414
Selling, general and administrative expenses	239	204	697	333	308
Research and development expenses	53	35	142	58	55
Operating income	1,467	988	3,797	1,410	690
Interest expense	(155)	(182)	(495)	(314)	(713)
Interest income	10	(4)	31	8	5
Other income (expense), net	10	(97)	12	(43)	(265)
Income from equity investments	52	29	183	56	84
Reorganization items		(13)	(30)	(21)	7,388
Provision for (benefit from) income taxes	489	254	1,140	282	(1,315)
Net income	$ 895	$ 467	$ 2,358	$ 814	$ 8,504

RESULTS OF OPERATIONS

Revenues Revenues increased by $2,995 million, or 29%, in the third quarter 2011 compared to the third quarter 2010 and $9,050 million, or 30%, in the first nine months of 2011 compared to the first nine months of 2010. Higher average product prices were responsible for revenue increases of 16% and 17%, respectively, in the third quarter and first nine months of 2011, while higher sales volumes added the remaining 13%, compared to the same periods in 2010. Average product sales prices were higher across most products and sales volumes increased primarily due to higher refining volumes at our Houston refinery.

Cost of Sales The $2,463 million and $7,268 million increases in cost of sales for the third quarter and first nine months of 2011was primarily due to higher raw material costs, which reflect the effects of higher prices for crude oil and other hydrocarbons compared to the third quarter and first nine months of 2010. Depreciation and amortization expense was $230 million lower in the first nine months of 2011 compared to the first nine months of 2010, primarily due to the $7,474 million write-down of Property, Plant and Equipment associated with the April 2010 revaluation of our assets in fresh-start accounting. The third quarter and five-month Successor periods of 2010 included non-cash charges of $32 million and $333 million, respectively, to adjust the value of inventory at September 30 and June 30, 2010 to market value, which was lower than the April 30, 2010 value applied during fresh-start accounting. These 2010 Successor periods also included a $64 million charge as a change in estimate related to a dispute that arose during the third quarter 2010 over environmental liability.

SG&A Expenses Selling, general and administrative (SG&A) expenses in the third quarter and first nine months of 2011 were higher by $35 million and $56 million, respectively, compared to the third quarter and first nine months of 2010. The increases reflect charges associated with activities to reorganize certain functional organizations and the impact of higher foreign exchange rates on the non-U.S. portion of these costs. The increases in both periods were partially offset by lower employee-related expenses as a result of a lower headcount.

R&D Expenses Research and development (R&D) expenses in the third quarter and first nine months of 2011 increased $18 million and $29 million, respectively, primarily due to impairment charges of $19 million, including $17 million for the impairment of an R&D project in Europe during the third quarter 2011, and $16 million of charges in the second quarter 2011 related to employee severance and asset retirement obligations associated with an R&D facility that is being relocated.

Operating Income The increase in operating income in the third quarter 2011, compared to the third quarter 2010, reflects higher operating results for our Refining and Oxyfuels, O&P-Americas and I&D business segments, partially offset by lower results for our O&P-EAI segment. The increase in operating income for the first nine months of 2011, compared to the same period in 2010, primarily reflects higher refining margins at our Houston refinery and higher product margins for ethylene, butanediol, EO and derivatives and acetyls. Operating results in the first nine months of 2011 and the Successor period in 2010 benefited from lower depreciation and amortization expense of $240 million, and $214 million, respectively, primarily due to the $7,474 million write-down of Property, plant, and equipment associated with the revaluation of our assets in fresh-start accounting in April 2010. Results in the third quarter and five-month Successor periods in 2010 were also negatively impacted by non-cash charges of $32 million and $333 million, respectively, to adjust inventory as described above. Operating results for each of our business segments are reviewed further in the Segment Analysis section below.

Interest Expense Interest expense was $27 million lower in the third quarter 2011 compared to the same period in 2010 primarily due to the repayment of $1,486 million of debt since the beginning of the fourth quarter 2010. This repayment coupled with the repayment or discharge of higher cost debt on the Emergence Date in accordance with the Plan of Reorganization, upon which interest had been accruing during the bankruptcy resulted in $532 million of lower interest expense in the first nine months of 2011 compared to the corresponding period in 2010.

Other Income (Expense), net Other income, net, in the third quarter and first nine months of 2011, included the fair value adjustments of the warrants to purchase our shares, and foreign exchange losses. The fair value adjustments related to our warrants reflected a benefit of $22 million in the third quarter 2011 and a negative effect of $31 million in the first nine months of 2011. Foreign exchange losses incurred in the third quarter and first nine months of 2011 were $17 million and $11 million, respectively. The first nine months of 2011 also included a $41 million gain on the sale of surplus precious metals.

Other expense, net, in the third quarter and first nine months of 2010 included foreign exchange losses of $20 million and $238 million, respectively, and the negative effect of the fair value adjustment of warrants to purchase shares of our common stock of $76 million and $59 million, respectively. The foreign exchange losses for the first nine months of 2010 are primarily related to the revaluation of third party debt of certain of our subsidiaries due to a decrease in the foreign exchange rates in effect at September 30, 2010 compared to December 31, 2009. Such debt was denominated in currencies other than the functional currencies of these subsidiaries and was refinanced upon emergence from bankruptcy.

Income from Equity Investments Increases of $23 million and $43 million in Income from equity investments in the third quarter and first nine months of 2011, respectively, compared to those same periods in 2010, primarily reflect the commencement of commercial operations at our Al Waha joint venture in April 2011 and the addition of capacity at our HMC joint venture in late 2010.

50

Reorganization Items The Company had reorganization items expense totaling $30 million in the first nine months of 2011, and income from reorganization items of $7,367 million in the first nine months of 2010. Income from reorganization items in the combined 2010 periods included gains totaling $13,617 million related to settlement of liabilities subject to compromise, deconsolidation of entities upon emergence, adjustments related to rejected contracts, and a reduction of environmental remediation liabilities. These gains were partially offset by a charge of $6,278 million related to the changes in net assets resulting from the application of fresh-start accounting and by several one-time emergence costs, including the success and other fees earned by certain professionals upon the Company s emergence from bankruptcy, damages related to the rejection of executory contracts and plant closure costs.

Income Tax Our effective income tax rates for the third quarter and first nine months of 2011 were 35.3% and 32.6%, respectively, resulting in tax expense of $489 million on pretax income of $1,384 million for the third quarter 2011 and tax expense of $1,140 million on pretax income of $3,498 million for the first nine months of 2011. The effective income tax rate for the third quarter 2011 was higher than the year to date effective income tax rate due to a shift of income to higher tax jurisdictions coupled with non-U.S. tax law changes resulting in a lower benefit from the release of valuation allowances. The 2011 effective income tax rate for the first nine months of 2011 was lower than the U.S. statutory 35% rate primarily due to the effect of pretax income in countries with lower statutory tax rates and favorable permanent deductions related to notional royalties, equity earnings, and release of valuation allowance which were partially offset by the non-deductible expenses related to stock warrants. In the five-month Successor period ended September 30, 2010, we recorded a tax provision of $282 million, representing an effective tax rate of 25.7% on pre-tax income of $1,096 million. In the four months ended April 30, 2010, the Predecessor recorded a tax benefit of $1,315 million, representing a negative effective tax rate of 18.3% on pretax income of $7,189 million. The provision for the 2010 Successor period differs from the statutory 35% rate primarily due to the fact that in several countries the Company generated either income with no tax expense or losses where we recorded no tax benefit due to valuation allowances on our deferred tax assets in those countries.

Net Income The following table summarizes the major components contributing to net income:

	Successor				Predecessor
	Three Months Ended		Nine Months Ended	May 1 through	January 1 through
Millions of dollars	**September 30, 2011**	**September 30, 2010**	**September 30, 2011**	**September 30, 2010**	**April 30, 2010**
Operating income	$ 1,467	$ 988	$ 3,797	$ 1,410	$ 690
Interest expense, net	(145)	(186)	(464)	(306)	(708)
Other income (expense), net	10	(97)	12	(43)	(265)
Income from equity investments	52	29	183	56	84
Reorganization items		(13)	(30)	(21)	7,388
Provision for (benefit from) income taxes	489	254	1,140	282	(1,315)
Net income	$ 895	$ 467	$ 2,358	$ 814	$ 8,504

Third Quarter 2011 versus Second Quarter 2011 Net income was $895 million in the third quarter 2011 compared to $803 million in the second quarter 2011. Net income in the third quarter 2011 reflected pretax charges totaling $81 million related to compensation expense, impairment of an R&D project in Europe, an asset retirement obligation associated with our Berre refinery and activities to reorganize certain functional organizations in Germany. These charges were partially offset by benefits totaling $44 million, including the fair value adjustment of our outstanding warrants. The second quarter 2011 reflected pretax charges totaling $102 million related to corporate restructurings, reorganization items, environmental charges and the early repayment of debt. These charges were partially offset by pretax benefits totaling $47 million, including a benefit from the sale of surplus precious metals. Apart from these items, net income in the third quarter 2011 reflected improvements in operating results for our refining and oxyfuels, O&P-Americas and I&D business segments. The benefit of reliable operations and optimization of the Houston refinery crude slate were reflected in the operating results of the refining and oxyfuels business segment, while our O&P-Americas segment results reflected the benefit of strong ethane and naphtha based ethylene margins. Operating results for our I&D segment also reflected an improvement as operations remained steady and strong. These net benefits were partially offset by lower net operating income for the O&P-EAI and technology business segments and a higher provision for income taxes in the third quarter 2011.

Segment Analysis

Our operations are primarily in five reportable segments: O&P Americas; O&P EAI; I&D; Refining and Oxyfuels; and Technology. These operations comprise substantially the same businesses owned and operated by LyondellBasell AF prior to the Company s emergence from bankruptcy. However, for accounting purposes, the operations of LyondellBasell AF are deemed to have ceased on April 30, 2010 and LyondellBasell N.V. is deemed to have begun operations on that date. The results of operations for the Successor are not comparable to the Predecessor due to adjustments made under fresh-start accounting as described in Overview. The impact of these items is addressed in the discussion of each segment s results below.

The following tables reflect selected financial information for our reportable segments. Operating income (loss) for segment reporting is on a LIFO basis for the Successor and on a current cost basis for the Predecessor.

	Successor				Predecessor
Millions of dollars	**Three Months Ended September 30, 2011**	**Three Months Ended September 30, 2010**	**Nine Months Ended September 30, 2011**	**May 1 through September 30, 2010**	**January 1 through April 30, 2010**
Sales and other operating revenues:					
O&P Americas segment	$ 3,875	$ 3,247	$ 11,457	$ 5,251	$ 4,183
O&P EAI segment	3,918	3,247	12,126	5,387	4,105
I&D segment	1,617	1,453	5,086	2,393	1,820
Refining and Oxyfuels segment	5,869	3,867	16,422	6,270	4,748
Technology segment	129	157	394	232	145
Other, including intersegment eliminations	(2,111)	(1,669)	(5,894)	(2,459)	(1,534)
Total	$ 13,297	$ 10,302	$ 39,591	$ 17,074	$ 13,467
Operating income (loss):					
O&P Americas segment	$ 599	$ 448	$ 1,529	$ 597	$ 320
O&P EAI segment	144	231	530	345	115
I&D segment	259	207	728	316	157
Refining and Oxyfuels segment	454	83	914	97	(99)
Technology segment	7	38	96	61	39
Other, including intersegment eliminations	4	(19)		(6)	(41)
Current cost adjustment					199
Total	$ 1,467	$ 988	$ 3,797	$ 1,410	$ 690
Income (loss) from equity investments:					
O&P Americas segment	$ 7	$ 6	$ 18	$ 9	$ 5

O&P EAI segment	38	20	150	45	80
I&D segment	7	3	15	2	(1)
Total	$ 52	$ 29	$ 183	$ 56	$ 84

Olefins and Polyolefins Americas Segment

Overview The U.S. ethylene industry continued to benefit from processing natural gas liquids in the third quarter and first nine months of 2011. The cost of ethylene produced from natural gas liquids is lower compared to that produced from crude oil-based liquids, which is the predominant feedstock used in the rest of the world. Ethylene margins remained strong in 2011 primarily due to advantaged prices for ethane, which was the favored feedstock during the third quarter and first nine months of 2011, and high co-product sales prices, primarily propylene and butadiene. Market demand for polyethylene increased in the third quarter 2011, while increasing prices for propylene throughout the third quarter and most of the first nine months of 2011 pressured the polypropylene market. The impacts of fresh-start accounting, including the benefit of lower depreciation and amortization expense related to the write-down of segment assets, are reflected in the operating results of the first nine months of 2011 and the Successor periods in 2010. The 2010 Successor periods also include the negative impact of non-cash charges to adjust inventory to market value (see Results of Operations-Cost of Sales).

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:

- 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; and

- natural gas liquids (NGLs), principally ethane and propane, the prices of which are generally affected by natural gas prices.

Although the 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 shift the ratio 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 U.S. industry have favored NGLs during 2011. As a result, we focused on maximizing the use of NGLs at our U.S. plants. During the third quarter and first nine months of 2011, approximately 75% of our ethylene production was from NGLs. Based on current trends and assuming the price of crude oil remains at a high level relative to natural gas, we would expect production economics in the U.S. to continue to favor NGLs for the near and mid-term.

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, and certain polyethylene and polypropylene products. The benchmark weighted average cost of ethylene production, which is reduced by co-product revenues, is based on CMAI 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 Period Average					
	Three months ended September 30,			Nine Months Ended September 30,		
	2011	2010	Change	2011	2010	Change
Crude oil (WTI) dollars per barrel	89.5	76.1	18%	95.5	77.7	23%
Natural gas (Henry Hub) dollars per million BTUs	4.3	4.4	(1)%	4.3	4.6	(6)%
Weighted average U.S. cost of ethylene production cents per pound	34.3	25.2	36%	33.6	28.7	17%
United States cents per pound:						
Ethylene	55.8	38.3	45%	54.2	45.4	19%
Polyethylene (HD)	89.0	77.7	15%	90.7	81.7	11%
Propylene polymer grade	76.5	56.2	36%	78.5	60.3	30%
Polypropylene	103.0	82.7	25%	105.9	86.8	22%

The following table sets forth the O&P¯Americas segment s sales and other operating revenues, operating income, income from equity investments and selected product sales volumes.

	Successor				Predecessor
	Three Months Ended		Nine Months Ended	May 1 through	January 1 through
Millions of dollars	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	April 30, 2010
Sales and other operating revenues	$ 3,875	$ 3,247	$ 11,457	$ 5,251	$ 4,183
Operating income	599	448	1,529	597	320
Income from equity investments	7	6	18	9	5
Production Volumes, in millions of pounds					
Ethylene	2,134	2,184	6,152	3,433	2,768
Propylene	838	790	2,163	1,303	1,019
Sales Volumes, in millions of pounds					
Polyethylene	1,368	1,472	4,150	2,357	1,765
Polypropylene	635	675	1,831	1,124	836

Revenues O&P Americas revenues increased by $628 million, or 19%, in the third quarter 2011, compared to the same period in 2010 and by $2,023 million, or 21%, in the first nine months of 2011 compared to same period in 2010. Higher average sales prices for most products in the third quarter and first nine months of 2011 were responsible for revenue increases of 27% and 25%, respectively, while lower sales volumes reduced revenues by 7% in the third quarter 2011 and 4% in the first nine months of 2011 compared to the same periods in 2010. An improved supply/demand balance and higher crude-oil based raw material costs have contributed to the higher average sales prices seen to date in 2011.

Operating Income Operating results for the O&P Americas segment in the third quarter and first nine months of 2011 reflected increases of $151 million and $612 million, respectively, compared to the third quarter and first nine months of 2010. Operating results for the third quarter and five-month Successor periods in 2010 were negatively impacted by non-cash charges of $26 million and $197 million, respectively, to adjust inventory to market value. The first nine months of 2011 benefited from lower depreciation expense of $72 million, compared to the same nine month period in 2010 as a result of the application of fresh-start accounting and the revaluation of our assets.

Operating results in the third quarter 2011 reflected higher ethylene chain margins compared to the third quarter 2010 despite significantly lower polyethylene margins in the third quarter 2011. The lower polyethylene margins were primarily due to the higher price of ethylene in the third quarter 2011 compared to the same 2010 period. Polypropylene operating results were also lower in the third quarter 2011 reflecting the effects of elevated raw material costs.

The $612 million increase in operating results for the first nine months of 2011 compared to the first nine months of 2010 was primarily the result of higher ethylene product margins, partially offset by the effect of lower sales volumes for ethylene and polypropylene. Polyethylene product margins in the first nine months of 2011 were relatively unchanged from the corresponding period in 2010 as higher average sales prices and lower freight and distribution costs were offset by higher ethylene feedstock costs. Operating results for the first nine months of 2011 also included higher fixed costs due to a major turnaround at our Channelview plant and a utility supplier outage at our Morris, Illinois facility.

Third Quarter 2011 versus Second Quarter 2011 The O&P Americas segment had operating income of $599 million in the third quarter 2011 compared to $509 million in the second quarter 2011. The increase in operating results for the third quarter 2011 reflects higher product margins for ethylene and the effect of higher ethylene and polyethylene sales volumes, which more than offset the effect of lower product margins for polyethylene and polypropylene. The higher product margins for ethylene reflect the effect of lower feedstock prices and the increasing price of butadiene, partially offset by a decrease in the average sales price of ethylene. The lower product margins for polyethylene reflect lower average sales prices coupled with higher price of ethylene.

Olefins and Polyolefins Europe, Asia and International Segment

Overview Market demand for ethylene was lower in Europe in the third quarter 2011 compared to the third quarter 2010 reflecting economic uncertainty, and was comparable in the first nine months of 2011 and 2010. Ethylene industry margins decreased in the third quarter 2011 as the benchmark weighted average cost of ethylene production increased more than the benchmark average sales price, while industry margins for ethylene expanded in the first nine months of 2011 as benchmark average sales prices increased more than the benchmark weighted average cost of ethylene production. Lower market demand for polyolefins in the third quarter 2011 compared to the third quarter 2010, reflected the effects of poor economic conditions and delayed purchases as customers anticipated lower prices. Market demand for polyolefins was comparable in the first nine months of 2011 and 2010.

Operating results in the third quarter 2011 were lower across all businesses in the O&P-EAI segment with the exception of PP compounds, compared to the third quarter 2010. These lower results primarily reflected lower product margins, partially offset by higher sales volume for butadiene, polyethylene and PP compounds. Despite a lower third quarter, operating results for the O&P EAI segment in the first nine months of 2011 reflected strong product margins for ethylene and butadiene compared to the first nine months of 2010, and higher sales volumes across most products in the first nine months of 2011. Operating results for both 2011 periods and the Successor period in 2010 also reflected the impacts of fresh-start accounting, including the benefit of lower depreciation and amortization expense related to the write-down of segment assets. The 2010 Successor periods include the negative impact of non-cash charges to adjust inventory to market value and a charge related to a change in estimate associated with a dispute over environmental indemnity, while the first nine months of 2011 includes charges associated with activities to reorganize certain functional organizations and for increased liabilities at our Wesseling, Germany site (see Results of Operations-Cost of Sales).

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

The following table shows the average West Europe benchmark prices for Brent crude oil for the applicable periods, as well as benchmark West Europe prices for ethylene and propylene, which we produce and consume internally or purchase from unrelated suppliers, and certain polyethylene and polypropylene products.

	Average Benchmark Price and Percent Change Versus Prior Year Period Average					
	Three Months Ended September 30,			Nine Months Ended September 30,		
	2011	2010	Change	2011	2010	Change
Brent crude oil dollars per barrel	112.09	77.80	44%	111.24	78.33	42%
Western Europe benchmark prices weighted average cost of ethylene production 0.01 per pound	37.3	26.5	41%	35.8	27.5	30%
Ethylene	50.3	43.1	17%	52.3	42.8	22%
Polyethylene (high density)	59.9	52.4	14%	62.6	52.5	19%
Propylene	50.2	43.1	17%	52.1	42.4	23%
Polypropylene (homopolymer)	62.0	60.3	3%	66.0	57.3	15%
Average Exchange Rate $US per	1.4146	1.2893	10%	1.4066	1.3164	7%

The following table sets forth the O&P EAI segment s sales and other operating revenues, operating income, income from equity investments and selected product production and sales volumes.

	Successor				Predecessor
	Three Months Ended		Nine Months Ended	May 1 through	January 1 through
Millions of dollars	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	April 30, 2010
Sales and other operating revenues	$ 3,918	$ 3,247	$ 12,126	$ 5,387	$ 4,105
Operating income	144	231	530	345	115
Income from equity investments	38	20	150	45	80
Production volumes, in millions of pounds					
Ethylene	926	994	2,922	1,589	1,108
Propylene	560	636	1,799	1,024	661
Sales volumes, in millions of pounds					
Polyethylene	1,349	1,316	3,933	2,127	1,658
Polypropylene	1,638	1,891	4,973	3,074	2,117

Revenues Revenues increased by $671 million and $2,634 million, respectively, in the third quarter and first nine months of 2011 compared to revenues in the third quarter and first nine months of 2010 primarily due to higher average product sales prices, which were mainly driven by higher raw material costs. Sales volumes of polypropylene in the third quarter were lower than the comparable period in 2010, partially offset by smaller volume increases in olefins, PP compounds, and polybutene. For the nine months of 2011, there was an increase in total volume versus the first nine months of 2010 as a decline in polypropylene sales was more than offset by increases in the other product areas. Higher average sales prices were responsible for revenue increases of 22% in the third quarter 2011 and 25% in the first nine months of 2011 compared to the overall revenue increases of 21% and 28%, respectively. Lower sales volumes were responsible for a 1% decrease in revenues in the third quarter 2011 while the remaining 3% increase in revenues for the first nine months of 2011 was due to higher sales volumes.

Operating Income Operating results for the O&P EAI segment decreased by $87 million in the third quarter 2011 and increased by $70 million in the first nine months of 2011 compared to the same periods in 2010. Operating results for the first nine months of 2011 include the impact of charges associated with activities to reorganize certain functional organizations and for increased liabilities at our Wesseling, Germany site. Operating results for the third quarter and first nine months of 2010 were negatively impacted by a $43 million charge associated with a change in estimate related to a dispute that arose during the third quarter 2010 over environmental indemnity and by $5 million of non-cash charges to adjust inventory at both June 30, and September 30, 2010 to market value, which were lower than the April 30, 2010 value applied during fresh-start accounting. The five-month 2010 Successor period also included a $23 million charge for a plant closure and other costs related to a polypropylene plant in Italy. Depreciation and amortization expense was $8 million lower in the first nine months of 2011 compared to the same 2010 period primarily due to the write-down of Property, plant and equipment associated with the revaluation of our assets in fresh-start accounting. Apart from the items discussed above, results for the underlying operations of our O&P EAI business segment were lower in the third quarter 2011 and higher in the first nine months of 2011.

Third quarter 2011 operating results were lower across all businesses except for the PP compounding and Catalloy businesses which were relatively unchanged from the third quarter 2010. Lower product margins for olefins, polyethylene and polypropylene as well as the effect of lower propylene sales volumes reflected weaker demand in the third quarter 2011, compared to the third quarter 2010. Improved business results in the first nine months of 2011 primarily reflected higher product margins for ethylene, butadiene, PP compounds and Catalloy, and the effect of higher sales volumes for most products. These improvements were partially offset by lower product margins for polypropylene and polyethylene reflecting higher monomer prices compared to those experienced in the first nine months of 2010. The strength in butadiene margins reflects strong global demand coupled with constrained supply as a result of a preference for NGL olefins feedstocks, which produce less butadiene than liquid feedstocks, in North America.

Third Quarter 2011 versus Second Quarter 2011 The O&P EAI segment had operating income of $144 million in the third quarter 2011 compared to $207 million in the second quarter 2011. The decrease in operating results in the third quarter 2011, compared to the second quarter 2011, is primarily attributable to lower product margins across all businesses except for PP compounding. The lower product margins for olefins are primarily due to higher raw material costs reflecting volatility in the price of crude over the period. These increased costs were tempered by continued strong butadiene margins. Polyethylene results were seasonally lower as reflected by weak margins and lower average sales volumes. Results for the polypropylene business weakened during the third quarter, while operating results for PP compounding and Catalloy, improved primarily due to improved margins.

Intermediates and Derivatives Segment

Overview The Intermediates and Derivatives (I&D) segment results for the third quarter and first nine months of 2011 reflected higher margins in all product areas, especially in butanediol (BDO) and in ethylene oxide and derivatives (EO&D). The PO and derivatives (PO&D) market remained generally steady during the third quarter and first nine months of 2011 despite the effect of rising propylene prices. Operating results for the third quarter and first nine months of 2011 reflected the impacts of fresh-start accounting, including the benefit of lower depreciation and amortization expense for the nine months of 2011 related to the write-down of segment assets. The 2010 Successor period also includes the negative impact of a non-cash charge to adjust inventory to market value. See Results of Operations Cost of Sales.

The following table sets forth the I&D segment s sales and other operating revenues, operating income, income from equity investments and selected product sales volumes.

	Successor				Predecessor
	Three Months Ended		Nine Months Ended	May 1 through	January 1 through
Millions of dollars	**September 30, 2011**	**September 30, 2010**	**September 30, 2011**	**September 30, 2010**	**April 30, 2010**
Sales and other operating revenues	$ 1,617	$ 1,453	$ 5,086	$ 2,393	$ 1,820
Operating income	259	207	728	316	157
Income (loss) from equity investments	7	3	15	2	(1)
Sales Volumes, in millions of pounds					
PO&D	758	872	2,387	1,388	1,134
EO&D	281	206	846	363	358
Styrene	714	827	2,383	1,338	858
Acetyls	411	405	1,267	705	518
TBA intermediates	433	454	1,377	783	613

Revenues Revenues for the third quarter and first nine months of 2011 increased $164 million and $873 million compared to the third quarter and first nine months of 2010, respectively. The third quarter and first nine months of 2010 include revenues of our Flavor and Fragrances business, which was sold in December 2010. These revenues were approximately 3% of total I&D segment revenues in each of the periods in 2010. Higher average sales prices resulted in revenue increases of 19% and 20%, respectively, in the third quarter and first nine months of 2011. Lower styrene sales volumes, offset partially by higher EO&D volumes, were primarily responsible for a volume-based revenue decrease of 5% in the third quarter 2011 compared to the third quarter 2010. For the first nine months of 2011, volume increases were responsible for a 4% revenue increase compared to the first nine months of 2010. Styrene and EO&D were the main contributors to the volume increase in the first nine months of 2011.

Operating Income Operating results for the I&D segment reflected an increase of $52 million in the third quarter 2011 compared to the third quarter 2010 and an increase of $255 million in the first nine months of 2011 compared to the same 2010 period.

Higher margins for BDO and other PO derivatives, and for EO&D, were the primary drivers of increased operating income in both the third quarter and first nine months of 2011. Margins and volumes in all of the I&D business remained strong. Automotive and other durables demand and competitor outages contributed to favorable supply/demand fundamentals as prices outpaced increased raw material costs.

Operating results in the first nine months of 2011 benefited from lower depreciation and amortization expense of $37 million compared to the combined first nine months of 2010 primarily due to the write-down of Property, plant and equipment associated with the revaluation of our assets in fresh-start accounting. Operating results for the five-month 2010 Successor period were negatively impacted by a $25 million non-cash charge to adjust inventory at June 30, 2010 to market, which was lower than the value at April 30, 2010 applied during fresh-start accounting.

Third Quarter 2011 versus Second Quarter 2011 The I&D segment had operating income of $259 million in the third quarter 2011 compared to $235 million in the second quarter 2011. Operating results for the third quarter 2011 primarily reflected continued strong volumes and product margins for PO&D, especially BDO, due to favorable supply/demand fundamentals. Profitable purchases for resale in the acetyls business contributed to the second quarter 2011 operating results.

Refining and Oxyfuels Segment

Overview Benchmark U.S. heavy crude refining margins were higher in the third quarter and first nine months of 2011 as a result of significant discounts for heavy crude oil. European refining margins were challenged by industry overcapacity and the loss of Libyan crude oil supply. Oxyfuels margins in 2011 improved compared to 2010 due to higher gasoline prices relative to the cost of natural gas liquids-based raw material costs.

Segment operating results in the third quarter and first nine months of 2011 primarily reflected the effect of higher crude oil refining margins, higher oxyfuels margins, and increased crude runs at the Houston refinery compared to the same periods in 2010. Crude processing rates at the Houston refinery were higher in the third quarter and first nine months of 2011, compared to the same periods in 2010, as a result of unplanned outages during 2010, including the crude unit fire in May 2010. Third quarter 2011 crude processing rates at the Berre refinery were lower than the third quarter 2010 as local refining margins did not support higher processing rates. Oxyfuels results in the third quarter and first nine months of 2011 were higher compared to the same period in 2010. Operating results for the first nine months of 2011 and the five-month Successor period in 2010 reflect the impacts of fresh-start accounting, including the benefit of lower depreciation and amortization expense related to the write-down of segment assets. In addition, the five-month Successor period in 2010 was negatively impacted by non-cash charges to adjust inventory to market value. See Results of Operations Cost of Sales.

The following table sets forth the Refining and Oxyfuels segment s sales and other operating revenues, operating income and sales volumes for certain gasoline blending components for the applicable periods. In addition, the table shows market refining margins for the U.S. and Europe and MTBE margins in Northwest Europe (NWE). In the U.S., LLS, or Light Louisiana Sweet and WTI, or West Texas Intermediate, are light crude oils, while Maya is a heavy crude oil. In Europe, Urals 4-1-2-1 is a measure of West European refining margins.

	Successor				Predecessor
	Three Months Ended		Nine Months Ended	May 1 through	January 1 through
Millions of dollars	**September 30, 2011**	**September 30, 2010**	**September 30, 2011**	**September 30, 2010**	**April 30, 2010**
Sales and other operating revenues	$ 5,869	$ 3,867	$ 16,422	$ 6,270	$ 4,748
Operating income (loss)	454	83	914	97	(99)
Sales Volumes, in millions					
Gasoline blending components - MTBE/ETBE (gallons)	260	248	658	407	266
Crude processing rates (thousands of barrels per day)					
Houston Refinery	269	261	263	217	263
Berre Refinery	79	99	88	102	75
Market margins $ per barrel					
Light crude oil - 2-1-1*	9.54	7.60	8.64	8.96	7.50
Light crude oil Maya differential*	13.99	8.54	15.85	8.63	9.46
Total Maya 2-1-1	23.53	16.14	24.49	17.59	16.96
Urals 4-1-2-1	8.76	5.89	8.10	6.45	6.17
Market margins cents per gallon					
MTBE NWE	94.1	45.2	81.8	54.0	58.5

* WTI crude oil was used as the Light crude reference for periods prior to 2011. As of January 1, 2011 Light Louisiana Sweet (LLS) crude oil is used as the Light crude oil reference. Beginning in early 2011, the WTI crude oil reference has not been an effective indicator of light crude oil pricing given the large location differential compared to other light crude oils.

Revenues Revenues for the Refining and Oxyfuels segment increased $2,002 million and $5,404 million, respectively, in the third quarter and first nine months of 2011 compared to the third quarter and first nine months of 2010. These increases are primarily due to higher average sales prices and the effect of higher refining sales volumes at our Houston refinery. The increases in Houston refinery revenues in the third quarter and first nine months of 2011 were partially offset by lower oxyfuels sales volumes, and in third quarter 2011 by lower refining volumes at the Berre refinery. Higher average sales prices were responsible for revenue increases of 43% and 40%, respectively, in the third quarter and first nine months of 2011. The remaining increases in revenues of 9% in both the third quarter and first nine months of 2011 were related to higher sales volumes.

Houston refinery crude processing rates were higher by 3% and 11%, respectively, in the third quarter and first nine months of 2011, compared to the same 2010 periods. These increases primarily reflect the effects of an unplanned outage during the third quarter 2010 and a crude unit fire in the second quarter 2010. Crude processing rates for the Berre refinery were 20% lower in the third quarter and relatively unchanged in the first nine months of 2011, compared to the same 2010 periods. The lower crude processing rates for the Berre refinery during the third quarter

2011 compared to the same 2010 period reflects management s decision to reduce crude processing rates in response to continued poor market conditions.

Operating Income (Loss) Operating results for the third quarter and first nine months of 2011 increased by $371 million and $916 million, respectively, compared to the same periods in 2010. The improvement in the underlying operations of the refining and oxyfuels businesses primarily reflects higher refining margins at the Houston refinery as indicated by the increase in the Maya 2-1-1 benchmark margin, and higher oxyfuels margins. Financial performance of the Houston refining business was favorably impacted by purchasing crude oils at discounts versus the Maya reference price for heavy crude oil. Margins for oxyfuels products reflect the effect of higher spreads between the prices of gasoline and butane, a key raw material. Operating results for the first nine months of 2011 include a $34 million benefit related to an insurance recovery associated with the misconduct of a former employee. Operating results for the first nine months of 2011 also benefited from lower depreciation expense of $108 million, compared to the same 2010 period as a result of the application of fresh-start accounting and the revaluation of our assets.

Operating results for the third quarter and first nine months of 2010 were negatively impacted by a $21 million charge associated with a change in estimate related to a dispute over environmental indemnity, and in the first nine months of 2010, by a crude unit fire in May 2010, resulting in lost production and $14 million of cash costs. Operating results for the 2010 five-month Successor period were negatively impacted by non-cash charges totaling $133 million to adjust inventory to market value, which was lower than the April 30, 2010 value applied during fresh-start accounting.

Third Quarter 2011 versus Second Quarter 2011 The Refining and Oxyfuels segment had operating income of $454 million in the third quarter 2011 compared to $296 million in the second quarter 2011. The improvement in the third quarter 2011 operating results was primarily the result of higher margins at the Houston refinery driven by purchasing crude oil at discounts versus the Maya reference price for heavy crude oil, partially offset by lower oxyfuels margins.

Crude processing rates at the Houston refinery were 2% higher in the third quarter 2011 compared to the second quarter 2011. Berre refinery crude processing rates were reduced in the third quarter 2011 in response to continued poor market conditions. Margins at the Berre refinery improved slightly in the third quarter 2011. Oxyfuels product margins were seasonally lower in the third quarter 2011 compared to the second quarter 2011, reflecting the lower spread between ethanol and gasoline as demand for high octane, clean gasoline components declined.

Technology Segment

Overview The Technology segment results reflected higher research and development costs in the third quarter and first nine months of 2011 and lower licensing and services revenue in the third quarter of 2011 compared to the same 2010 periods. Operating results for the catalyst business were higher in both 2011 periods compared to the corresponding periods in 2010. The following table sets forth the Technology segment s sales and other operating revenues and operating income.

	Successor				Predecessor
	Three Months Ended		Nine Months Ended	May 1 through	January 1 through
Millions of dollars	**September 30, 2011**	**September 30, 2010**	**September 30, 2011**	**September 30, 2010**	**April 30, 2010**
Sales and other operating revenues	$ 129	$ 157	$ 394	$ 232	$ 145
Operating income	7	38	96	61	39

Revenues Revenues for the third quarter and first nine months of 2011 decreased by $28 million, or 18%, and increased by $17 million, or 5%, compared to the third quarter and first nine months of 2010, respectively. The decrease in the third quarter 2011 reflects lower process licensing and services revenue, partially offset by the effect of higher catalyst sales volumes compared to the third quarter 2010. The increase in revenues for the first nine months of

2011 reflects the recognition of previously deferred process license revenue and the effect of higher catalyst sales volumes compared to the first nine months of 2010.

Operating Income Operating income in the third quarter 2011 decreased by $31 million and remained relatively unchanged in the first nine months of 2011, compared to the third quarter and first nine months of 2010. The decrease in the third quarter 2010 reflected lower revenue related to process licenses from prior years and higher R&D expenses, partially offset by the effects of higher operating results for catalysts. Higher R&D costs in the first nine months of 2011 more than offset the effects of higher revenue from process licenses from prior years and higher operating results for catalysts. Operating income in the 2010 periods reflected the impact of a slowdown in polyolefin projects that stemmed from the economic crisis in late 2008. The higher R&D costs in the first nine months of 2011 include $19 million of charges, primarily related to the impairment of an R&D project in Europe, and charges totaling $16 million for employee severance and asset retirement obligations related to an R&D facility that is being relocated.

Third Quarter 2011 versus Second Quarter 2011 The Technology segment had operating income of $7 million in the third quarter 2011 compared to $23 million in the second quarter 2011. The decrease in third quarter 2011 operating results was primarily due to lower process license revenue in the third quarter. R&D costs were comparable in the second and third quarters of 2011 and included charges totaling $16 million for employee severance and asset retirement obligations related to an R&D facility that is being relocated and $19 million of impairment charges described above, respectively. Third quarter 2011 operating results for the catalyst business were comparable to the second quarter 2011.

FINANCIAL CONDITION

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

	Successor		Predecessor
Millions of dollars	**Nine Months Ended September 30, 2011**	**May 1 through September 30, 2010**	**January 1 through April 30, 2010**
Source (use) of cash:			
Operating activities	$ 2,778	$ 2,229	$ (925)
Investing activities	(971)	(266)	(224)
Financing activities	(417)	45	3,315

Operating Activities Cash of $2,778 million provided in the first nine months of 2011 primarily reflected an increase in earnings and higher distributions from our joint ventures, partially offset by an increase in cash used by the main components of working capital and company contributions to our pension plans. The $1,304 million of cash provided in the combined first nine months of 2010 primarily reflected an increase in earnings offset by payments for reorganization items, claims under the Plan of Reorganization and certain annual payments related to sales rebates, employee bonuses, property taxes and insurance premiums.

The main components of working capital used cash of $594 million in the first nine months of 2011 compared to $437 million in the first nine months of 2010. The increase in these working capital components during the first nine months of 2011 reflects increases of $282 million and $864 million, respectively, in accounts receivable and inventories, partially offset by a $552 million increase in accounts payable. The increases in both accounts receivable and accounts payable reflect the effect of increasing prices over the period, and the increase in inventories reflects temporary volume increases in our O&P Americas and I&D business segments.

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The $437 million use of cash by the main components of working capital in the first nine months of 2010 reflected a $616 million increase in accounts receivable due to the effects of higher average sales prices and higher sales volumes and a $237 million increase in inventory, partially offset by a $416 million increase in accounts payable due to the higher costs and volumes of feedstocks, and more favorable payment terms.

Investing Activities Cash of $971 million used in investing activities in the first nine months of 2011 primarily reflects capital expenditures and a $281 million increase in restricted cash, partially offset by proceeds from the sale of assets. Capital expenditures include a pipeline that we purchased in July 2011 for $73 million. The $71 million of proceeds include $57 million related to the sale of surplus precious metals. The increase in restricted cash is primarily related to the issuance of letters of credit, which are cash collateralized.

Investing activities of $490 million in the combined 2010 period reflect capital expenditures that were partially offset by $12 million in proceeds from a money market fund that had suspended rights to redemption in 2008.

The following table summarizes capital expenditures for the periods presented:

	Successor		Predecessor
Millions of dollars	**Nine Months Ended September 30, 2011**	**May 1 through September 30, 2010**	**January 1 through April 30, 2010**
Capital expenditures by segment:			
O&P Americas	$ 353	$ 90	$ 52
O&P EAI	125	63	102
I&D	45	44	8
Refining and Oxyfuels	212	56	49
Technology	18	10	12
Other	14	3	3
Total capital expenditures by segment	767	266	226
Less:			
Contributions to PO Joint Ventures	6		
Consolidated capital expenditures of continuing operations	$ 761	$ 266	$ 226

The capital expenditures in the 2010 Predecessor period presented in the table above exclude costs of major periodic maintenance and repair activities, including turnarounds and catalyst recharges of $71 million.

Financing Activities Financing activities used cash of $417 million in the first nine months of 2011 and provided $3,360 million in the combined 2010 period. In May 2011, we redeemed $203 million and 34 million ($50 million) of our 8% Senior Secured Notes due 2017, comprising 10% of the then outstanding senior secured dollar notes and senior secured Euro notes at March 31, 2011. We paid $7 million of premiums in conjunction with the redemption of the notes. In June 2011, we paid $15 million of fees related to the amendment of our U.S. ABL facility.

In the first nine months of 2011, we paid cash dividends totaling $171 million, including dividends of $0.20 and $0.10 per share of common stock, respectively, to shareholders of record on August 17, 2011 and May 5, 2011. In the first quarter of 2011, we received proceeds of $37 million upon conversion of outstanding warrants to common stock.

The 2010 Successor period reflects a net increase in borrowings of $61 million under our European Securitization facility and payments of $9 million related to a previous factoring facility in France.

As part of the emergence from bankruptcy, we received gross proceeds of $2,800 million on April 30, 2010 in connection with the issuance of shares in a rights offering and paid $86 million of fees, including $70 million of fees to equity backstop providers. On April 30, 2010, we also received net proceeds of $3,242 million from the issuance of new debt by our subsidiary, Lyondell Chemical, including Senior Secured Notes in the amounts of $2,250 million and 375 million ($497 million) and from proceeds of the Senior Term Loan Facility of $495 million, and paid related fees of $72 million.

Proceeds from the rights offering and the Senior Notes, along with borrowings under the Senior Term Loan Facility and the amended and restated European Securitization, were used to repay outstanding amounts of $3,152 million under our DIP financing arrangement and to pay a $195 million exit fee required under the arrangement. We also paid fees totaling $92 million in connection with our new U.S. ABL Facility and amended and restated European Securitization facility. Predecessor debt classified as Liabilities subject to compromise immediately prior to the emergence from bankruptcy was discharged pursuant to the Plan of Reorganization (see Note 17).

Apart from the payments reflected above, during the 2010 Predecessor period we repaid a $5 million Argentinean loan, made a $12 million mandatory quarterly amortization payment of a Dutch term loan, $3 million of which was related to the DIP financing arrangement, and made payments of $8 million on a previous factoring facility. In addition, we made payments totaling $13 million related to the extension of the DIP financing. We also had a net increase in borrowings of $47 million under the European Securitization facility in the 2010 Predecessor period.

Liquidity and Capital Resources As of September 30, 2011, we had unrestricted cash of $5,609 million. In addition, we had total unused availability under our credit facilities of $2,329 million at September 30, 2011, which included the following:

- $1,738 million under our $2,000 million U.S. ABL facility, which is subject to a borrowing base, net of outstanding borrowings and outstanding letters of credit provided under the facility. At September 30, 2011, we had $262 million of outstanding letters of credit and no outstanding borrowings under the facility.

- 410 million and $25 million (totaling approximately $591 million) under our 450 million European receivables securitization facility. Availability under the European receivables securitization facility is subject to a borrowing base, net of outstanding borrowings. There were no outstanding borrowings under this facility at September 30, 2011.

In addition to the letters of credit issued under the U.S. ABL facility, we also have outstanding letters of credit totaling $267 million, which are collateralized by cash. Such cash is included in the $292 million of Restricted cash reflected on the Consolidated Balance Sheets as of September 30, 2011.

We may use cash on hand, cash from operating activities and proceeds from asset divestitures to repay debt, which may include additional purchases of our outstanding bonds in the open market or otherwise. We also plan to finance our ongoing working capital, capital expenditures, debt service and other funding requirements through our future financial and operating performance, which could be affected by general economic, financial, competitive, legislative, regulatory, business and other factors, many of which are beyond our control. To the extent our cash balances and results of operations support the payment of dividends, we also intend to declare and pay interim dividends. We believe that our cash, 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.

At September 30, 2011, we had total debt, including current maturities, of $5,833 million.

On October 20, 2011, we announced a cash tender offer for up to $1,470 million aggregate principal amount of our outstanding 8% Senior Secured Dollar Notes due 2017 and 8% Senior Secured Euro Notes due 2017 and up to $1,319 million aggregate principal amount of our outstanding 11% Senior Secured Dollar Notes due 2018. In conjunction with the tender offer, we are soliciting consents from the note holders to release the collateral securing the notes and to modify other provisions related to restrictive covenants. The tender offer expires on November 21, 2011 and the consent solicitation expires on November 2, 2011. We cannot be assured that note holders will tender their notes or consent to the changes in the terms of the notes, and, subject to applicable securities laws and certain terms and conditions set forth in the related Offer to Purchase and Consent Solicitation Statement (as it may be amended or supplemented from time to time), we have the right to terminate the tender at any time.

We also announced that, subject to market and other conditions, we anticipate returning up to $2.6 billion to shareholders through a special dividend. Any such dividend would be financed using a combination of our existing cash and proceeds of a potential new debt offering. Additionally, we expect to make voluntary contributions to our pension funds of $250 million in the fourth quarter of 2011.

In June 2011, we obtained an amendment to our U.S. ABL facility to, among other things: (i) increase the facility to $2 billion; (ii) extend the maturity date to June 2016; (iii) reduce the applicable margin and commitment fee and (iv) amend certain covenants and conditions to provide additional flexibility

In March 2011, we amended and restated our Senior Secured Term Loan Agreement to, among other things, modify the term of the agreement and certain restrictive covenants. This amended and restated agreement matures in April 2014.

We filed registration statements with the SEC to conduct an exchange offer for our Senior Secured 8% Notes and register the resale of our Senior Secured 11% Notes held by affiliates as required by certain registration rights agreements to which we are a party. These registration statements for the exchange or resale, as applicable, were effective with the SEC on September 13, 2011. The registration rights agreements required the registration statements to be effective with the SEC by May 3, 2011. As a result, from May 4, 2011 to the effective dates of the applicable registration statement, we were subject to penalties in the form of increased interest rates. Such interest penalties were not material.

An offering to sell our Berre refinery in France, which commenced in May 2011, did not result in any offers to purchase. As a result, in September 2011 we announced our intention to initiate the consultation process regarding the contemplated closure of operations at the refinery. The cessation of operations would affect approximately 370 employees.

ACCOUNTING AND REPORTING CHANGES

For a discussion of the potential impact of new accounting pronouncements on our consolidated financial statements, see Note 2 to the Consolidated Financial Statements.

CAUTIONARY STATEMENT FOR THE PURPOSES OF THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify our forward-looking statements by the words anticipate, estimate, believe, continue, could, intend, may, plan, potential, predict, should, wi projection, forecast, goal, guidance, outlook, effort, target and similar expressions.

We based the forward-looking statements on our current expectations, estimates and projections about ourselves and the industries in which we operate in general. We caution you these statements are not guarantees of future performance as they involve assumptions that, while made in good faith, may prove to be incorrect, and involve risks and uncertainties we cannot predict. In addition, we based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecast in the forward-looking statements. Any differences could result from a variety of factors, including the following:

- if we are unable to comply with the terms of our credit facilities and other financing arrangements, those obligations could be accelerated, which we may not be able to repay;
- we may be unable to incur additional indebtedness or obtain financing on terms that we deem acceptable, including for refinancing of our current obligations; higher interest rates and costs of financing would increase our expenses;
- our ability to implement business strategies may be negatively affected or restricted by, among other things, governmental regulations or policies;
- the cost of raw materials represent a substantial portion of our operating expenses, and energy costs generally follow price trends of crude oil and natural gas; price volatility can significantly affect our results of operations and we may be unable to pass raw material and energy cost increases on to our customers;
- industry production capacities and operating rates may lead to periods of oversupply and low profitability;
- uncertainties associated with worldwide economies create increased counterparty risks, which could reduce liquidity or cause financial losses resulting from counterparty exposure;
- the negative outcome of any legal, tax and environmental proceedings may increase our costs;
- we may be required to reduce production or idle certain facilities because of the cyclical and volatile nature of the supply-demand balance in the chemical and refining industries, which would negatively affect our operating results;
- we may face operating interruptions due to events beyond our control at any of our facilities, which would negatively impact our operating results, and because the Houston refinery is our only North American refining operation, we would not have the ability to increase production elsewhere to mitigate the impact of any outage at that facility;
- regulations may negatively impact our business by, among other things, restricting our operations, increasing costs of operations or requiring significant capital expenditures;

we face significant competition due to the commodity nature of many of our products and may not be able to protect our market position or otherwise pass on cost increases to our customers;

we rely on continuing technological innovation, and an inability to protect our technology, or others technological developments could negatively impact our competitive position; and we are subject to the risks of doing business at a global level, including fluctuations in exchange rates, wars, terrorist activities, political and economic instability and disruptions and changes in governmental policies, which could cause increased expenses, decreased demand or prices for our products and/or disruptions in operations, all of which could reduce our operating results.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market and regulatory risks is described in Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2010. Our exposure to such risks has not changed materially in the nine months ended September 30, 2011.

Item 4. CONTROLS AND PROCEDURES

Our management, with the participation of our principal executive officer and our principal financial officer has evaluated the effectiveness of our disclosure controls and procedures and have concluded that such disclosure controls and procedures were not effective as of September 30, 2011, the end of the period covered by this Quarterly Report on Form 10-Q. The ineffectiveness was caused by the material weakness disclosed in Item 9A. of our Form 10-K for the year ended December 31, 2010 and Item 8.01 of our Current Report on Form 8-K/A filed on August 12, 2011. Nevertheless, based on a number of factors, including the performance of additional procedures by management designed to ensure the correctness of our tax provision and reliability of our financial reporting, we believe that the consolidated financial statements in this quarterly report fairly present, in all material respects, our financial position, results of operations, and cash flows as of the dates, and for the periods, presented, in conformity with U.S. GAAP.

In the nine months ended September 30, 2011 and through the date of this quarterly report, the Company continues to implement measures to improve its internal controls in order to remediate the material weakness previously disclosed. Specifically, the Company implemented improved reporting processes designed to provide clarity of presentation and supporting documentation of its tax provision and have hired additional personnel and retained outside resources to assist in the review and analysis of tax provision information. The Company believes these changes have materially affected its internal control over financial reporting by enhancing controls related to the material weakness previously identified. However, the material weakness will not be remediated until the enhanced procedures have been operating for a reasonable period of time.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Bankruptcy Proceedings

On January 6, 2009, certain of LyondellBasell AF S.C.A. s indirect U.S. subsidiaries, including Lyondell Chemical, and its German indirect subsidiary, Basell Germany Holdings GmbH, voluntarily filed for protection under Chapter 11 in the Bankruptcy Court. In April and May of 2009, LyondellBasell AF and certain other subsidiaries filed voluntary petitions for relief under Chapter 11 in the Bankruptcy Court. The Bankruptcy Cases were filed in response to a sudden loss of liquidity in the last quarter of 2008. The debtors operated their businesses and managed their properties as debtors in possession during the Bankruptcy Cases. In general, this means that the Debtors operated in the ordinary course without Bankruptcy Court intervention. Bankruptcy Court approval was required, however, where the debtors sought authorization to engage in certain transactions not in the ordinary course of business.

We emerged from bankruptcy on April 30, 2010. As of that date, all assets of the debtor entities vested in the reorganized debtor entities free and clear of all claims, liens, encumbrances, charges, and other interests, except as provided in the Plan of Reorganization or the confirmation order entered on April 23, 2010 (the Confirmation Order). Except as otherwise expressly provided in the Plan of Reorganization or in the Confirmation Order, on April 30, 2010, each holder of a claim or equity interest is deemed to have forever waived, released, and discharged the debtor entities and the reorganized debtor entities, to the fullest extent permitted by law, of and from any and all claims, equity interests, rights, and liabilities that arose prior to the confirmation date.

Environmental Matters

From time to time we and our joint ventures receive notices or inquiries from federal, state or local governmental entities regarding alleged violations of environmental laws and regulations pertaining to, among other things, the disposal, emission and storage of chemical and petroleum substances, including hazardous wastes. Item 103 of the SEC s Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and the proceedings involve potential monetary sanctions that we reasonably believe could exceed $100,000. There are no such matters pending as of September 30, 2011.

Litigation and Other Matters

Information regarding our litigation and other legal proceedings can be found under the Litigation and Other Matters section of Note 14, *Commitments and Contingencies*, to the Condensed Consolidated Financial Statements.

Item 1A. RISK FACTORS

In Item 1A of our Form 10-K for the year ended December 31, 2010, we disclosed that certain activities raised compliance issues related to sanctioned countries that we voluntarily disclosed to the U.S. Treasury Department and that we could not predict the outcome of the matter although there is a risk that we could be subject to civil and criminal penalties.

On October 4, 2011, we received notification from the U.S. Treasury Department stating that it had decided to address the matters we voluntarily disclosed by issuing a cautionary letter instead of pursuing any penalties. The cautionary letter further stated it represents a final enforcement response and we therefore consider the matters voluntarily disclosed to be closed.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the quarter ended September, 2011, we issued 4,250,498 shares upon exercise of warrants. The warrants originally were issued on April 30, 2010, the date of our emergence from bankruptcy proceedings, with an exercise price of $15.90 per share. We received no proceeds from the exercises of the warrants, as they were exercised pursuant to a cashless exercise procedure pursuant to which we withhold shares that would otherwise be issued in payment of the exercise price.

The issuance of the warrants and the shares issued upon exercise of the warrants were exempt from the registration requirements of Section 5 of the Securities Act and any other applicable laws pursuant to Section 1145 of the Bankruptcy Code, which generally exempts distributions of securities in connection with plans of reorganization. None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering.

Item 6. EXHIBITS

31.1 Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.

31.2 Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.

32 Certifications pursuant to 18 U.S.C. Section 1350.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	LYONDELLBASELL INDUSTRIES N.V.
Date: November 1, 2011	/s/ Wendy M. Johnson Wendy M. Johnson Chief Accounting Officer and Controller (*Chief Accounting and Duly Authorized Officer*)

72

Exhibit 31.1

CERTIFICATION

I, James L. Gallogly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LyondellBasell Industries N.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant s internal control over financial reporting that occurred during the registrant s most recent fiscal quarter (the registrant s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting; and

5. The registrant s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant s auditors and the audit committee of the registrant s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant s internal control over financial reporting.

November 1, 2011

/s/ James L. Gallogly
James L. Gallogly
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, C. Kent Potter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LyondellBasell Industries N.V.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant s internal control over financial reporting that occurred during the registrant s most recent fiscal quarter (the registrant s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting; and

5. The registrant s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant s auditors and the audit committee of the registrant s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant s internal control over financial reporting.

November 1, 2011

/s/ C. Kent Potter
C. Kent Potter
Principal Financial Officer

Exhibit 32

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of LyondellBasell Industries N.V. (the Company) on Form 10-Q for the period ended September 30, 2011, as filed with the U.S. Securities and Exchange Commission on the date hereof (the Report), each of the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to their knowledge:

(1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 1, 2011

/s/ James L. Gallogly
James L. Gallogly
Chief Executive Officer

/s/ C. Kent Potter
C. Kent Potter
Principal Financial Officer

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): September 27, 2011
LYONDELLBASELL INDUSTRIES N.V.
(Exact name of registrant as specified in charter)

The Netherlands	001-34726	98-0646235
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

Weena 737
3013 AM Rotterdam
The Netherlands
(Address of principal executive offices)
Registrant s telephone number, including area code: 31 10 275 5500

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.05 Costs Associated with Exit or Disposal Activities; Item 8.01 Other Events

The management of Compagnie Petrochimique de Berre S.A.S. (CPB) and Compagnie de Distribution des Hydrocarbures S.A.S. (CDH), indirect subsidiaries of LyondellBasell Industries N.V. (the Company), intend to initiate consultations with their Works Councils on the potential cessation of refinery operations at their refinery in Berre, France and of the associated refined products business (the Consultations). CPB and CDH previously sought a buyer for the refinery; however, no offers to purchase the refinery were made.

CPB and CDH intend to initiate the Consultations because of the significant losses incurred by the refinery since its acquisition in April 2008. The cessation of operations would affect approximately 370 employees. Any cessation of operations is subject to completion of the Consultations, which includes discussion on termination and severance costs, costs associated with the provision of job outplacement assistance and other employee benefit related costs (the Social Plan).

The Consultations are expected to begin in October. Because CPB and CDH have not yet begun the Consultations, they are not in a position to estimate the amount or range of amounts expected to be incurred in connection with this potential cessation or the amount or range of amounts of any potential charges or related cash outlays, although such costs could be material to the Company s results of operations in any quarter in which they are recognized. It is anticipated that the principal categories of costs to be incurred would consist of the Social Plan, as well as decommissioning and demolition costs.

The Company will provide the estimated amounts or ranges of amounts expected to be incurred in connection with the potential winding up of operations and the Social Plan in the form of an amendment to this Form 8-K as the Consultations are completed.

The Consultations only concern the potential cessation of refinery operations at Berre and of the associated refined products business. They do not concern depot operations and the di-isobutylene, butadiene, olefins and polymer plants that are also located at the site in Berre, which plants are owned by separate, indirect subsidiaries of the Company, and which will continue to be operated in the normal course.

A copy of the press release issued by the Company is attached as Exhibit 99.1.

This filing contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are information of a non-historical nature or which relate to future events and are subject to risks and uncertainties. In many cases, you can identify forward-looking statements by terminology such as may, will, should, expects, plans, anticipates, believes, estimates, predicts, potential, or continue, or the terms and other comparable terminology. These statements are only predictions. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. The forward-looking statements made in this filing relate only to events as of the date of this filing. We undertake no ongoing obligation to update these statements.

Item 9.01 Financial Statements, Pro Forma Financial Information and Exhibits.

(d) Exhibits.

Exhibit No.	Exhibit Description
99.1	Press Release dated September 27, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	LYONDELLBASELL INDUSTRIES N.V.
Date: October 3, 2011	By: */s/ Craig B. Glidden*
	Craig B. Glidden
	Executive Vice President

Exhibit 99.1

NEWS RELEASE
Media Contact (English) David A. Harpole +1 713 309 4125
Media Contact (French) Caroline Henry +33 (4) 42 74 61 09
Investors Douglas J. Pike +1 713 309 7141
FOR IMMEDIATE RELEASE

LyondellBasell Finds No Buyer for Berre, France Refinery

ROTTERDAM, Sept. 27, 2011 LyondellBasell (NYSE: LYB) today announced that the sales offering for the 105,000 barrels-per-day refinery in Berre, France has resulted in no offer to purchase the refinery. As a result, Compagnie Petrochimique de Berre S.A.S. (CPB), the refinery operator, intends to initiate consultations with its works councils, as defined under French law, on a project to cease refinery operations.

After conducting a thorough sales offering that included reaching out to 85 entities throughout the world with the assistance of Barclays Capital and the Invest in France Agency (AFII), unfortunately not a single bid was received for the refinery, said Jean Gadbois, General Manager of the Berre site.

Despite efforts from employees and management, the refinery continues to suffer severe losses and remains unprofitable, Gadbois said. With no viable prospects for a buyer of the refinery, we intend to initiate the consultation process regarding the contemplated closure of refinery operations. We intend to focus our resources on the core petrochemical assets at Berre.

Approximately 370 jobs would be impacted by this project to cease refinery operations. The continuation of the petrochemical operations at Berre would preserve approximately 900 jobs at the Berre site.

The petrochemical assets at Berre include a steam cracker and world-scale polypropylene and polyethylene plants owned and operated by another LyondellBasell subsidiary. The potential closure would not affect depot operations or the petrochemical plants and third-party facilities at Berre.

The required consultation with the works councils in France is expected to begin in October.

LyondellBasell (NYSE: LYB) is one of the world s largest plastics, chemical and refining companies. The company manufactures products at 58 sites in 18 countries. LyondellBasell products and technologies are used to make items that improve the quality of life for people around the world including packaging, electronics, automotive parts, home furnishings, construction materials and biofuels. More information about LyondellBasell can be found at www.lyondellbasell.com.

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are information of a non-historical nature or which relate to future events and are subject to risks and uncertainties. In many cases, you can identify forward-looking statements by terminology such as may, will, should, expects, plans, anticipates, believes, estimates, predicts, potential, or continue, or the negative of these terms and other comparable terminology. These statements are only predictions. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. The forward-looking statements made in this press release relate only to events as of the date of this release. We undertake no ongoing obligation to update these statements.

Media Contact David A. Harpole +1 713 309 4125
Investors Douglas J. Pike +1 713 309 7141
SOURCE LyondellBasell Industries
LyondellBasell Industries
www.lyondellbasell.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): October 5, 2011
LYONDELLBASELL INDUSTRIES N.V.
(Exact Name of Registrant as Specified in Charter)

The Netherlands	001-34726	98-0646235
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

Weena 737
3013 AM Rotterdam
The Netherlands
(Address of Principal Executive Offices)
Registrant s Telephone number, including area code: 31 10 275 5500
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On October 11, 2011, LyondellBasell Industries N.V. (the Company) issued a press release announcing that C. Kent Potter, Executive Vice President and Chief Financial Officer, has informed the Company of his intent to retire and that Karyn F. Ovelmen has been appointed to take over those roles. Ms. Ovelmen will join the Company on October 17, 2011.

Ms. Ovelmen, 48, served as executive vice president and chief financial officer of Petroplus Holdings AG, Europe s largest independent refiner and wholesaler of petroleum products, from 2006 through September 2010. Prior to that, she served as executive vice president and chief financial officer of Argus Atlantic Energy, the predecessor to Petroplus.

Mr. Potter joined the Company in August 2009 out of retirement to assist the Company in its emergence from bankruptcy proceedings and building a revitalized Company. Mr. Potter has agreed to stay on with the Company until the end of the year in a transitional role and will continue to serve as the Company s principal financial officer through the filing of the Company s Form 10-Q for the quarter ended September 30, 2011 with the Securities and Exchange Commission. In appreciation of his service to the Company and as consideration for his agreement to stay with the Company in a transitional role, the Supervisory Board of Directors of the Company have determined to award Mr. Potter a guaranteed incentive bonus for 2011 in the gross amount of $2,546,557. A copy of Mr. Potter s Transition Agreement is attached to this Form 8-K as Exhibit 10.1.

In connection with her appointment, the Company and Ms. Ovelmen agreed to certain terms and conditions related to her employment and compensation under a Letter Agreement dated October 7, 2011, a copy of which is filed as Exhibit 10.2 to this Form 8-K. Pursuant to the Letter Agreement, Ms. Ovelmen will receive a base salary of $700,000 and will be eligible to participate in the Company s compensation and benefit plans and programs for similarly situated executives, including the Company s incentive plans. The incentive plans include the Company s Short Term Incentive Plan (STI), the Medium Term Incentive Plan (MTI) and the Long Term Incentive Plan (LTI). Beginning in 2012, Ms. Ovelmen will have a target bonus of 75% of her base salary under the STI and a collective target award of 245% of base salary under the MTI and LTI. Ms. Ovelmen will be granted an STI award for 2011 equal to the greater of $229,150 or 200% of her base salary earned through December 31, 2011, as well as an MTI award that will pay out following the end of the three-year period ending December 31, 2013. The target for the 2011 MTI award is $245,000, although the actual payout can be between 0 200% of that amount, dependent on Company performance. Ms. Ovelmen will receive restricted stock units valued at $245,000 and options to purchase shares of the Company s common stock, par value 0.04 per share, valued at $510,000 under the Company s LTI. The restricted stock units will vest after five years. The stock options will vest in equal annual installments over the three years beginning on the first anniversary of the date of grant.

A copy of the press release announcing these management changes is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

10.1 Transition Agreement dated October 10, 2011 between C. Kent Potter and Lyondell Chemical Company.

10.2 Letter Agreement dated October 7, 2011 between Karyn F. Ovelmen and Lyondell Chemical Company.

99.1 Press Release dated October 11, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

	LYONDELLBASELL INDUSTRIES N.V.
Date: October 11, 2011	By: /s/ Craig B. Glidden
	Craig B. Glidden
	Executive Vice President

Exhibit Index

Exhibit	Description
10.1	Transition Agreement dated October 10, 2011 between C. Kent Potter and Lyondell Chemical Company.
10.2	Letter Agreement dated October 7, 2011 between Karyn F. Ovelmen and Lyondell Chemical Company.
99.1	Press Release dated October 11, 2011.

Exhibit 10.1

October 10, 2011
C. Kent Potter
Lyondell Chemical Company
One Houston Center, Suite 700
1221 McKinney Street
Houston, TX 77010

Dear Kent:

As the Company s Executive Vice President and Chief Financial Officer, you have been instrumental in guiding Lyondell Chemical Company (the Company) through bankruptcy, its successful emergence, and its strong performance since that time. Because you have worked tirelessly during this assignment without a written executive employment agreement and without participation in the Company s post-emergence equity plans, I would like to set forth in this letter our agreement (this Agreement) regarding your voluntary decision to retire from the Company.

In this Agreement you will find the terms and conditions that govern your retirement and separation of employment with the Company, and which provide for an orderly transition of your role and responsibilities. Because of this, the Agreement is necessarily formal. However, on behalf of the Company, I want to reiterate our appreciation for the invaluable contributions that you have made during your employment.

1. Executive Resignation. The Company agrees to accept your resignation as Executive Vice President and Chief Financial Officer of the Company, and as a director of any of the Company s subsidiaries or affiliates, effective as of October 17, 2011 (the Resignation Date). You will continue to serve in the capacity of Principal Financial Officer of the Company, capable of signing the Company s third quarter 2011 periodic report and related certifications. After the filing of that report, you will no longer serve as the Principal Financial Officer.

2. Transition. The Company agrees to employ you as a non-executive employee, effective as of the Resignation Date and continuing through December 31, 2011 (the Separation Date), which will be your last day of employment with the Company. During this period, you will be paid your regular base salary and participate in the same benefit plans that you were participating in immediately prior to the date of this Agreement, subject to applicable payroll deductions and withholdings. The Company will not be obligated to institute, maintain, or refrain from changing, amending, or discontinuing any benefit plan, or perquisite, so long as such changes are similarly applicable to similarly situated employees generally.

3. Compensation. On or before December 31, 2011, the Company will pay you a guaranteed annual incentive bonus for 2011 in the gross amount of $2,546,557 (the Annual Bonus), subject to applicable payroll deductions and withholdings. This Annual Bonus is in lieu of any other bonus, including under the terms of the Company s Short-Term Incentive Plan. On or promptly after the Separation Date, the Company also will pay you all accrued salary, and all accrued and unused vacation, earned through the Separation Date, subject to applicable payroll deductions and withholdings. In addition, the Company will promptly reimburse you for the ordinary and necessary business expenses you incur in the performance of your duties through your Separation Date in accordance with the Company s expense reimbursement policy. The Company will also pay for the transportation and other reasonable expenses to relocate your personal property from your residence in Texas to your residence in Colorado consistent with the Company s policies.

4. Other Compensation or Benefits. You acknowledge and agree that, except as expressly provided in this Agreement, you will not receive any additional compensation, bonus, severance, or other benefits after the Separation Date. Though you are retiring (as that term is generally known), you acknowledge and agree that this Agreement does not confer to you any retirement benefits under any of the Company s benefit programs to which you are not otherwise entitled in absence of this Agreement.

5. Cooperation and Consulting. You agree to cooperate and consult with the Company for up to twelve (12) months following the Separation Date (the Consulting Period) on the following basis. During the Consulting Period, if the Chief Executive Officer specifically requests you to perform consulting services, you agree to provide such services as an independent contractor and not as an employee of the Company. The Company will pay you for such services on an hourly rate basis in an amount equal to your current annual base salary divided by 2000 hours. You will in voice the Company for the actual time spent by you at the request of the Chief Executive Officer and you will be reimbursed for the ordinary and necessary business expenses you incur in the performance of your duties during the Consulting Period in accordance with the Company s expense reimbursement policy.

6. Removal and Return of Company Property. All written materials, records, data, and other documents prepared or possessed by you during your employment with the Company are the Company s property. On or before your Separation Date, you will return to the Company s designated representatives all Company property, including all Confidential Information and any and all documents and materials that contain, refer to, or relate in any way to any Confidential Information, as well as any other property of the Company in your possession or control, including all electronic and telephonic equipment, credit cards, security badges, and passwords.

7. Confidential Information.

(a) You acknowledge that during the course of your employment with the Company, the Company gave you access to trade secrets, confidential information and proprietary materials (the Confidential Information). You also acknowledge that the Company regularly creates new Confidential Information in the course of its regular business activities. Because of this, the Company provides you with new Confidential Information on a regular basis and you will receive such new Confidential Information through your Separation Date. You also may receive such information during your Consulting Period.

(b) Unless otherwise specifically authorized in writing by the Company, you agree: (i) to hold Confidential Information in the strictest confidence; (ii) not to, directly or indirectly, disclose, divulge or reveal any Confidential Information to any person or entity other than as authorized by the Company; (iii) to use such Confidential Information only within the scope of your employment and consulting with the Company for the benefit of the Company; and (iv) to take such protective measures as may be reasonably necessary to preserve the secrecy and interest of the Company in the Confidential Information. You agree to immediately notify the Company of any unauthorized disclosure or use of any Confidential Information of which you become aware. The obligations in this paragraph do not replace any other obligations under a confidentiality agreement you signed in the course of employment with the Company, which will remain in full force and effect.

8. Covenant not to Compete. In exchange for the consideration provided by this Agreement, you agree that during the remainder of your employment and for the Consulting Period, you will not, directly or indirectly:

i. Solicit for hire or attempt to solicit for hire any employees of the Company;

ii. Solicit the business of or attempt to do any business with any customers of the Company; and

iii. Be employed by or otherwise provide any services to any petrochemicals or polymer business that directly competes with the Company in any respect, regardless of geographic location.

9. Mutual Release. In exchange for the consideration provided by this Agreement, the Company agrees to release you from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to your signing this Agreement, except for any acts that constitute a breach of your fiduciary obligations to the Company for which you would not be entitled to indemnification if you were to have remained an officer of the Company. Likewise, you agree to release the Company and its directors, officers, employees, stockholders, members, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to your signing this Agreement, including claims related to your employment, your compensation or benefits, breach of contract and tort claims, and all federal, state, and local statutory claims, including, but not limited to, claims for discrimination, harassment, retaliation, attorneys fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act of

1967 (as amended) (ADEA), the Employee Retirement Income Security Act, or any state or local law. Notwithstanding the foregoing, you are in no way waiving any rights contemplated by this Agreement.

10. ADEA Waiver. You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you may have under ADEA (as defined in the preceding Paragraph), and that the consideration given for your waiver and release in this Agreement is in addition to anything of value to which you were already entitled. You further acknowledge that you have been advised by this writing that: (a) your waiver and release does not apply to any rights or claims that may arise after the execution date of this Agreement; (b) you should consult with an attorney prior to executing this Agreement; (c) you have twenty-one (21) days to consider this Agreement (although you may choose to voluntarily execute this Agreement earlier); (d) you have seven (7) days following the execution of this Agreement by the parties to revoke the Agreement; and (e) this Agreement will not be effective until the date upon which the revocation period has expired without revocation being exercised by you. You will not receive any of the payments or benefits set forth in this Agreement unless and until the Agreement becomes effective.

11. Miscellaneous.

(a) If any portion of this Agreement is held not to be valid and enforceable, then the invalidity or unenforceability of that portion will not affect any other portion of this Agreement.

(b) The Company and you intend that this Agreement will not result in an unfavorable tax consequence to you under Internal Revenue Code Section 409A (Code Section 409A). Accordingly, you consent to any amendment of this Agreement as the Company may reasonably make in furtherance of such intention, and the Company will promptly provide, or make available to, you a copy of such amendment. Any such amendments will be made in a manner that preserves to the maximum extent possible the intended benefits to you. This paragraph does not create an obligation on the part of Company to modify this Agreement and does not guarantee that the amounts or benefits owed under the Agreement will not be subject to interest and penalties under Code Section 409A. For purposes of clarity, it is understood that the Annual Bonus payment under Paragraph 3 of this Agreement is exempt from Code Section 409A as a short-term deferral and is not made in lieu of any other payment that would be subject to Code Section 409A.

(c) This Agreement contains the entire agreement and understanding of the parties with respect to its subject matter, other than any subsequent agreements executed by the parties to further accomplish the purposes of this Agreement. No change, modification or waiver of any provision of this Agreement will be valid or binding unless it is in writing and signed.

(d) This Agreement will be governed by and construed in accordance with the laws of the State of Texas without regard to conflict of laws principles.

(e) Except as otherwise provided in this Agreement, this Agreement will inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and assigns. This Agreement will not be assignable by you (but any payments due hereunder which would be payable at a time after your death will be paid to your designated beneficiary or, if none, his or her estate) and will be assignable by the Company.

(f) This Agreement may be executed in counterparts or with facsimile signatures, which shall be deemed equivalent to originals.

If this Agreement is acceptable to you, please sign below and return one original to me.

Sincerely,

LYONDELL CHEMICAL COMPANY

By: /s/ Paul G. Davies
Paul G. Davies
Vice President and Chief Human Resources Officer

AGREED AND ACCEPTED:

C. Kent Potter

C. Kent Potter

October 10, 2011

Date

Exhibit 10.2

October 7, 2011

Ms. Karyn F. Ovelmen Via Email: karynovelmen@gmail.com
119 Vía Palacio
Palm Beach Gardens, Florida 33418

Dear Karyn:

I am pleased to confirm our offer of employment with Lyondell Chemical Company (Company) as the Executive Vice President and Chief Financial Officer and Executive Vice President and Chief Financial Officer of LyondellBasell Industries N.V. (Parent Company) and its subsidiaries (the LBI Group).

1. Effective Date. Your employment by the Company shall commence on October 17, 2011 (Effective Date).

2. Position, Duties and Location. In your capacity as Executive Vice President and Chief Financial Officer of the LBI Group, you shall have the duties and responsibilities customarily assigned to such positions (including responsibility for the oversight and management of the financial affairs of the LBI Group and such other customary duties as may reasonably be assigned to you by the Chief Executive Officer of the LBI Group (the Chief Executive Officer), consistent with such positions. You shall report directly to the Chief Executive Officer, and will be a member of the most senior management team of the LBI Group. Your principal place of employment shall be located in Houston, Texas; provided that you shall travel and shall render services at other locations, both as may reasonably be required by your duties.

3. Compensation.

a. Base Salary. While employed by the Company, you shall receive a base salary (the Base Salary) at an annual rate of not less than $700,000. Base Salary shall be paid at such times and in such manner as the Company customarily pays the base salaries of its employees. In the event that your Base Salary is increased by the Supervisory Board of the Parent Company (or a duly authorized committee thereof) (Board) in its discretion, such increased amount shall thereafter constitute your Base Salary.

Lyondell Chemical Company
One Houston Center, Suite 700
1221 McKinney Street
Houston, TX 77010
P.O. Box 3646 (77253-3646)
USA

Tel +1 713 309 4970
Fax +1 713 309 2120
lyondellbasell.com

Ms. Karyn F. Ovelmen
October 7, 2011
Page 2

b. Annual Bonus. You shall be paid an annual cash bonus calculated in accordance with the Company s short-term incentive plan as in effect from time to time (the Annual Bonus) based on the attainment of performance targets established by the Board. For each calendar year beginning on and after January 1, 2012, the Annual Bonus shall be targeted at not less than 75% of Base Salary (as in effect at the beginning of each such year). The actual amount of the Annual Bonus (if any) for any year shall depend on the level of achievement of the applicable performance criteria established with respect to such bonus by the Board in its discretion. Notwithstanding the foregoing, provided you remain with the Company through December 31, 2011, you shall receive an Annual Bonus for 2011 in an amount equal to the greater of (i) $229,150 or (ii) 200% of Base Salary earned from the Effective Date to such year end. The Annual Bonus shall be payable at such time as bonuses are paid to other senior executive officers of the Company and the payment terms shall comply with or be exempt from the requirements of Section 409A of the Internal Revenue Code (Section 409A).

c. Incentive Awards. With respect to each calendar year of employment with the Company, you shall be eligible to receive a long-term incentive award in the form of an equity award with respect to the Parent Company s common stock (the Common Stock), which award may consist of restricted stock, restricted stock units, stock options, stock appreciation rights or other types of equity-based awards consistent with the Company s long-term incentive program as in effect from time to time (the LTI Plan), or any combination thereof, as determined by the Board in its discretion, consistent with the Company s LTI Plan (the LTI Award) and/or a mid-term incentive award (MTI Award) consistent with the Company s mid-term incentive program as in effect from time to time (the MTI Plan) with a targeted total collective value of not less than 245% of the aggregate amount of Base Salary earned by you during such calendar year, as determined by the Board in its discretion. For the period commencing on the Effective Date and ending December 31, 2011, you shall receive an MTI Award with a targeted value of $245,000 and an LTI Award comprising (i) restricted stock units valued at $245,000 and (ii) stock options valued $510,000. The terms and conditions of the LTI Awards (including, without limitation, the form of awards, the purchase price (if any), vesting conditions, exercise rights, payment terms, termination provisions, transfer restrictions and repurchase rights) shall be determined in a manner consistent with the LTI Plan. The terms of an MTI Award shall be determined consistent with the Company s MTI Plan. The payment terms under the MTI Plan and LTI Plan shall comply with or be exempt from the requirements of Section 409A.

Ms. Karyn F. Ovelmen
October 7, 2011
Page 3

d. Employee Benefits. While employed by the Company, the Company shall provide, and you shall be entitled to participate in or receive benefits under any pension plan, profit sharing plan, stock option plan, stock purchase plan or arrangement, health, disability and accident plan or any other employee benefit plan or arrangement made available now or in the future to senior executives of the Company; provided that you comply with the conditions attendant with coverage under such plans or arrangements. You shall be entitled to no less than four (4) weeks of paid vacation per calendar year (pro-rated for the portion of the 2011 calendar year you are employed by the Company).

e. Business Expenses. While employed by the Company, the Company shall promptly pay or reimburse you for all reasonable expenses that you incur during your employment with the Company in carrying out your duties, including, without limitation, those incurred in connection with business related travel or entertainment, upon presentation of expense statements and customary supporting documentation.

f. Moving Expenses. The Company shall reimburse relocation expenses incurred by you in accordance with the Company s U.S. Relocation Renter Plan (Relocation Policy).

4. Termination of Employment. You shall be an at-will employee of the Company, which means either the Company or you may terminate your employment with the Company at any time for any reason, with or without cause or notice. The Company agrees to adopt an executive severance pay plan or program to provide, to the extent consistent with Section 409A and subject to your execution of a general release of claims in favor of the Company and the LBI Group and any affiliate and their respective current and former officers and directors in form and substance and at the time acceptable to the Company, a lump sum cash payment, subsidized coverage under the Company s medical and life insurance plans for 18 months following the date of termination, and outplacement assistance, as provided for in the executive severance pay plan or program .

5. Removal and Return of Company Property. At the time of your termination of employment, you will return to the Company s designated representatives all written materials, records, data, and other documents prepared or possessed by you during your employment with the Company, including all Confidential Information and any and all documents and materials that contain, refer to, or relate in any way to any Confidential Information, as well as any other property of the Company in your possession or control, including all electronic and telephonic equipment, credit cards, security badges, and passwords.

Ms. Karyn F. Ovelmen
October 7, 2011
Page 4

6. Confidential Information. You acknowledge that during the course of your employment with the Company, the Company will give you access to trade secrets, confidential information and proprietary materials (the Confidential Information). You also acknowledge that the Company regularly creates new Confidential Information in the course of its regular business activities. Unless otherwise specifically authorized in writing by the Company, you agree: (i) to hold Confidential Information in the strictest confidence; (ii) not to, directly or indirectly, disclose, divulge or reveal any Confidential Information to any person or entity other than as authorized by the Company; (iii) to use such Confidential Information only within the scope of your employment with the Company for the benefit of the Company; and (iv) to take such protective measures as may be reasonably necessary to preserve the secrecy and interest of the Company in the Confidential Information. You agree to immediately notify the Company of any unauthorized disclosure or use of any Confidential Information of which you become aware. The obligations in this paragraph do not replace any other obligations under a confidentiality agreement you have signed or will sign in the course of employment with the Company, which will remain in full force and effect.

7. Noninterference. During your employment with the Company (other than in carrying out your duties) and for a period of one year after any termination of employment, you will not, directly or indirectly i) solicit for hire or attempt to solicit for hire any employees of the Company, or ii) solicit the business of or attempt to do any business with any customers of the Company.

Congratulations and welcome to LyondellBasell. Please acknowledge your receipt and acceptance of this employment relationship by reading, signing and returning this letter.

Sincerely,

LYONDELL CHEMICAL COMPANY

By: /s/ Paul G. Davies
Paul G. Davies
Vice President and Chief Human Resources Officer

ACKNOWLEDGED AND ACCEPTED:

/s/ Karyn F. Ovelmen

Karyn F. Ovelmen

October 10, 2011

Date

Exhibit 99.1

NEWS RELEASE

Media Contact:	David A. Harpole +1 713-309-4125
Investor Contact:	Douglas J. Pike +1 713-309-7141

LyondellBasell Names Karyn Ovelmen CFO Following Retirement of Kent Potter

ROTTERDAM, Oct. 11, 2011 LyondellBasell (NYSE: LYB) today announced that Karyn F. Ovelmen has been appointed Executive Vice President and Chief Financial Officer (CFO) replacing Kent Potter who has informed the company of his intent to retire.

Karyn Ovelmen brings a wealth of financial experience in the energy industry from the perspectives of both the U.S. and Europe and we are please to have her join LyondellBasell, said Chief Executive Officer Jim Gallogly.

I want to express my sincerest gratitude and appreciation to Kent Potter for his role in building a revitalized LyondellBasell, Gallogly said. Kent came out of retirement in 2009 to join LyondellBasell as CFO and to assist in the company s reorganization and emergence from bankruptcy and I thank him for his contributions to this company.

Potter has agreed to stay on with the company through year end in a transitional role, Gallogly said.

Ovelmen, 48, most recently served as Executive Vice President and CFO of Petroplus Holdings AG, Europe s largest independent refiner and wholesaler of petroleum products. She also served as Executive Vice President and CFO of Argus Atlantic Energy, the predecessor to Petroplus. Prior to that, she served as Vice President of External Reporting and Investor Relations for The Premcor Refining Group Inc. Ovelmen also spent 12 years with PricewaterhouseCoopers, primarily in the energy industry.

Ovelmen received a bachelor of arts degree from the University of Connecticut. She is a Certified Public Accountant.

# # #

LyondellBasell (NYSE: LYB) is one of the world s largest plastics, chemical and refining companies. The company manufactures products at 58 sites in 18 countries. LyondellBasell products and technologies are used to make items that improve the quality of life for people around the world including packaging, electronics, automotive parts, home furnishings, construction materials and biofuels. More information about LyondellBasell can be found at www.lyondellbasell.com.

SOURCE: LyondellBasell Industries

LyondellBasell Industries

www.lyondellbasell.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): October 20, 2011
LYONDELLBASELL INDUSTRIES N.V.
(Exact Name of Registrant as Specified in Charter)

The Netherlands	001-34726	98-0646235
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

Weena 737
3013 AM Rotterdam
The Netherlands
(Address of Principal Executive Offices)
Registrant s Telephone number, including area code: 31 10 275 5500

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events

On October 20, 2011, LyondellBasell Industries N.V. (the Company) issued a press release announcing that its wholly-owned subsidiary, Lyondell Chemical Company, has commenced cash tender offers for certain of its senior secured notes. In connection with the tender offers, Lyondell is soliciting consents to amend certain terms of the senior secured notes and the indentures governing those notes that would release the collateral securing the notes and modify other provisions relating to restrictive covenants.

The Company intends to seek an investment grade credit rating over time by consistently maintaining a capital structure compatible with such a rating. Following a restructuring in 2009 and 2010, the Company s financial performance has been very strong and it has generated substantial free cash flow. At present, the Company has liquidity consisting of approximately $6.0 billion of cash-on-hand and approximately $2.2 billion of unused committed credit lines. Given the Company s cash position, Lyondell Chemical has commenced the offer to repay up to approximately $2.8 billion of its existing debt and the Company anticipates returning value to its shareholders through a special dividend of up to $2.6 billion, which it expects to finance using a combination of its existing cash and proceeds of a new debt financing. The timing and size of the dividend and any new debt financing are subject to market and other conditions; however, the Company anticipates that, immediately following any such dividend and debt financing, its liquidity, as described above, will be at least $3 billion and its total funded debt will be less than $5.0 billion.

A copy of the press release announcing the launch of the tender offers is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

99.1 Press Release dated October 20, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

LYONDELLBASELL INDUSTRIES N.V.

Date: October 20, 2011

By: /s/ Craig B. Glidden
Craig B. Glidden
Executive Vice President

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated October 20, 2011.

Exhibit 99.1

NEWS RELEASE

Media Contact: David A. Harpole +1 713-309-4125
Investor Contact: Douglas J. Pike +1 713-309-7141

FOR IMMEDIATE RELEASE

Lyondell Chemical Company Commences Tender Offer and Consent Solicitation for 8% Senior Secured Notes Due 2017 and 11% Senior Secured Notes Due 2018

ROTTERDAM, Netherlands, Oct. 20, 2011 LyondellBasell Industries N.V. (NYSE: LYB) today announced that its wholly-owned subsidiary, Lyondell Chemical Company (the Company), is commencing a cash tender offer (the Tender Offer) for up to $1,470,134,000 aggregate principal amount of the Company s outstanding 8% Senior Secured Dollar Notes due 2017 and 8% Senior Secured Euro Notes due 2017 (together, the 8% Notes), and up to $1,318,672,000 aggregate principal amount of the Company s outstanding 11% Senior Secured Dollar Notes due 2018 (the 11% Notes and together with the 8% Notes, the Notes). In conjunction with the Tender Offer, the Company is soliciting consents (Consents) from registered holders (Holders) of Notes (the Consent Solicitation) to amend certain terms of the Notes and the indentures governing the Notes to release certain of the collateral securing the Notes and modify other provisions relating to restrictive covenants.

Holders may either tender their Notes pursuant to the Tender Offer or separately deliver their Consents without tendering their Notes in the Tender Offer. Holders who validly tender their Notes will be deemed to consent to the proposed amendments.

Certain information regarding the Notes and the terms of the Tender Offer and the Consent Solicitation is summarized in the table below.

LyondellBasell Industries
www.lyondellbasell.com

LyondellBasell Industries Page 2

Title of Security	CUSIP and ISIN Numbers	Amount Principal Outstanding Held by non-Affiliates[1]	Tender Cap	Total Consideration[4]	Early Tender Payment[4]	Consent Payment[4]	Tender Offer Consideration[4]
8% Senior Secured Dollar Notes due 2017 (**Dollar Notes**)	50178TAA5 US50178TAA51 U5139FAA4 USU5139FAA40 552078BA4 US552078BA46	$1,822,500,000	$1,470,134,000[2]	$1,147.50	$50.00	$2.50	$1,095.00
8% Senior Secured Euro Notes due 2017 (**Euro Notes**)	XS0620287341	303,750,000		1,125.00	50.00	2.50	1,072.50
11% Senior Secured Notes due 2018 (**11% Notes**)	552078 BB2 US552078BB29	$2,637,342,089	$1,318,672,000[3]	$1,140.00	$50.00	$2.50	$1,087.50

(1) As of October 20, 2011. The total aggregate principal amounts of Dollar Notes, Euro Notes and 11% Notes held by all Holders as of October 20, 2011 is $1,822,500,000, 303,750,000 and $3,240,225,105, respectively.

(2) The 8% Notes Tender Cap represents more than 66% of the aggregate principal amount of 8% Notes held by non-Affiliates. The U.S. dollar value of the aggregate principal amount of Euro Notes tendered in the Offer shall be calculated based on an exchange rate of 1.00 to U.S. $1.33325, the spot rate quoted by Reuters at 10 a.m. (New York City Time) on April 8, 2010, as specified by the 8% Notes Indenture.

(3) The 11% Notes Tender Cap represents a majority of the aggregate principal amount of 11% Notes held by non-Affiliates.

(4) Per $1,000 (or 1,000 in the case of the Euro Notes) principal amount of Notes that are accepted for purchase.

The Tender Offer and Consent Solicitation are subject to certain conditions, including the receipt of requisite consents. The release of collateral for the 8% Notes requires consents from Holders of at least 66% in aggregate principal amount of the outstanding 8% notes, the other amendments for the 8% Notes require consents from Holders of at least a majority in aggregate principal amount of the outstanding 8% Notes and the amendments for the 11% Notes require consents from Holders of at least a majority in aggregate principal amount of the outstanding 11% Notes (in each case, excluding Notes held by the Company or any of its affiliates). The Company may waive any of the conditions if they are not satisfied.

The terms and conditions of the Tender Offer and Consent Solicitation are described in the Company s Offer to Purchase and Consent Solicitation dated today (the Statement) and related Letter of Transmittal and Consent which set forth the complete terms of the Tender Offer and the Consent Solicitation.

The Tender Offer will expire at 12:00 midnight, New York City time, on November 21, 2011 (the Expiration Date), and the Consent Solicitation will expire at 5:00 p.m. New York City time, on November 2, 2011 (the Early Tender/Consent Deadline), in either case unless extended or earlier terminated with respect to either or both series of Notes by the Company.

As described in the Statement, any holder that validly tenders Notes pursuant to the Tender Offer on or before the applicable Early Tender/Consent Deadline is also deemed to have delivered Consents to the proposed amendments; Holders may also deliver Consents without tendering the related Notes pursuant to the Tender Offer. Tendered Notes

may not be withdrawn, and Consents may not be revoked, after 5:00 p.m., New York City time, on November 2, 2011 (as may be extended with respect to either or both series of Notes by the Company, the Withdrawal Deadline) for each of the 8% Notes and 11% Notes.
Holders validly tendering, and not validly withdrawing, Notes on or before the applicable Early Tender/Consent Deadline will be eligible to receive the applicable Total Consideration, which includes an Early Tender Payment of $50 per $1,000 principal amount of the Dollar Notes and 11% Notes and 50.00 per 1,000 principal amount of the Euro Notes, payable on the applicable payment date. Holders validly tendering, and not validly withdrawing, Notes after the applicable Early Tender/Consent Deadline and on or before the applicable Expiration Date will be eligible to receive only the Tender Offer Consideration, which represents the Total Consideration less the Early Tender Payment and the Consent Payment, payable on the applicable payment date. In addition, Holders whose Notes are accepted for payment in
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the Tender Offer will receive accumulated and unpaid interest from and including the last interest payment date to, but not including, the applicable payment date for their Notes purchased pursuant to the Tender Offer.

If the purchase of all validly tendered Notes of either series would cause us to purchase a principal amount greater than the applicable Tender Cap set forth above, then the Tender Offer will be oversubscribed and the Company, if it accepts Notes of such series in the Tender Offer, will accept for purchase tendered Notes of such series on a prorated basis as described in the Statement. Even if a Holder s tendered Notes of a series are prorated, the Holder will be deemed to have delivered Consents with respect to all Notes of such series tendered at or before the applicable early Tender / Consent Deadline and will receive the Consent Payment in respect of all such Notes returned to such Holder.

Holders validly delivering, and not validly revoking, Consents on or before the applicable Early Tender/Consent Deadline without tendering the related Notes pursuant to the Tender Offer will be eligible to receive the Consent Payment of $2.50 per $1,000 principal amount of the Dollar Notes and 11% Notes and 2.50 per 1,000 principal amount of the Euro Notes, payable on the applicable payment date. The Consent Payment will also be payable to Holders who deliver consents by tendering Notes pursuant to the Tender Offer on or before the applicable Early Tender/Consent Deadline. Holders may revoke their Consents at any time prior to the applicable Withdrawal Deadline.

If the conditions applicable to the Tender Offer and Consent Solicitation are not satisfied, and as more fully described in the Statement, the Company may waive any condition applicable to the Tender Offer or the Consent Solicitation, and may terminate, extend or amend either or both the Tender Offer and the Consent Solicitation and the applicable withdrawal deadlines there under. Capitalized terms used in this release and not defined herein have the meanings given them in the Statement.

Notes of a series may be tendered only in principal amounts equal to the authorized denominations of such Series of Notes. The Dollar Notes are authorized to be issued in minimum denominations of $100,000 and integral multiples of $1,000 in excess thereof. The 11% Notes are authorized to be issued in minimum denominations of $100,000 and integral multiples of $1 in excess thereof. The Euro Notes are authorized to be issued in minimum denominations of 50,000 and integral multiples of 1,000 in excess thereof.

BofA Merrill Lynch and Credit Suisse are acting as lead dealer managers for the Tender Offer and as solicitation agents for the Consent Solicitation. Citigroup and Deutsche Bank Securities are acting as joint dealer managers for the Tender Offer and as solicitation agents for the Consent Solicitation. For additional information regarding the terms of the Tender Offer and Consent Solicitation, please contact: BofA Merrill Lynch at (888) 292-0070 (toll-free) or (980) 388-4813 (collect) or Credit Suisse at (800) 820-1653 (toll free) or (212) 325-5912 (collect). Requests for documents may be directed to D.F. King & Co., Inc., which is acting as the depositary and information agent for the Tender Offer and Consent Solicitation, at (800) 431-9645 (toll-free).

THIS PRESS RELEASE IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE OR A SOLICITATION OF CONSENT WITH RESPECT TO ANY SECURITIES. THE TENDER OFFER AND THE CONSENT SOLICITATION ARE BEING MADE SOLELY PURSUANT TO THE STATEMENT AND RELATED LETTER OF TRANSMITTAL AND CONSENT, WHICH SET FORTH THE COMPLETE TERMS OF THE TENDER OFFER AND CONSENT SOLICITATION WHICH HOLDERS OF THE SECURITIES SHOULD CAREFULLY READ PRIOR TO MAKING ANY DECISION.

THE TENDER OFFER AND THE CONSENT SOLICITATION ARE NOT BEING MADE TO HOLDERS OF NOTES IN ANY JURISDICTION IN WHICH THE MAKING OF OR ACCEPTANCE OF THE TENDER

OFFER OR THE CONSENT SOLICITATION WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. THE COMPANY EXPRESSLY RESERVES THE RIGHT, SUBJECT TO APPLICABLE LAW, TO TERMINATE THE TENDER OFFER AND THE CONSENT SOLICITATION. THIS PRESS RELEASE DOES NOT CONSTITUTE A NOTICE OF REDEMPTION OR AN OBLIGATION TO ISSUE A NOTICE OF REDEMPTION IN RESPECT OF ANY OF THE NOTES.

# # #

LyondellBasell (NYSE: LYB) is one of the world s largest plastics, chemical and refining companies. The company manufactures products at 58 sites in 18 countries. LyondellBasell products and technologies are used to make items that improve the quality of life for people around the world including packaging, electronics, automotive parts, home furnishings, construction materials and biofuels. More information about LyondellBasell can be found at www.lyondellbasell.com.

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are information of a non-historical nature or which relate to future events and are subject to risks and uncertainties. In many cases, you can identify forward-looking statements by terminology such as may, will, should, expects, plans, anticipates, believes, estimates, predicts, potential, or continue these terms and other comparable terminology. These statements are only predictions. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. The forward-looking statements made in this press release relate only to events as of the date of this release. We undertake no ongoing obligation to update these statements.

SOURCE: LyondellBasell Industries

LyondellBasell Industries

www.lyondellbasell.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): October 20, 2011
LYONDELLBASELL INDUSTRIES N.V.
(Exact Name of Registrant as Specified in Charter)

The Netherlands	001-34726	98-0646235
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

Weena 737
3013 AM Rotterdam
The Netherlands
(Address of Principal Executive Offices)
Registrant s Telephone number, including area code: 31 10 275 5500
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events

On August 15, 2011, LyondellBasell Industries N.V. (the Company) filed a Current Report on Form 8-K/A in which it made revisions to the Consolidated Financial Statements for the year ended December 31, 2010 and the Notes thereto that were previously included in the Company s Current Report on Form 8-K filed on June 22, 2011. The revisions are described in Note 2, *Summary of Significant Accounting Policies Basis of Presentation* included in the Consolidated Financial Statement for the year ended December 31, 2010, and relate to adjustments in the Company s opening fresh start balance sheet as a result of deferred tax liabilities either omitted or included in error; errors in the calculation of the tax asset basis reduction; and related uncertain tax provisions resulting from the forgiveness of certain debts upon emergence from bankruptcy. The Company assessed the materiality of the misstatements that required revision in accordance with the SEC s Staff Accounting Bulletin No. 99 and concluded that the errors were not, individually or in the aggregate, material to any of the Company s previously issued financial statements.

The Company is filing this Current Report on Form 8-K (this Report) for the purpose of revising Part II, Item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations (the MD&A) of the Company s Annual Report on Form 10-K for the year ended December 31, 2010 (the 2010 Form 10-K) to conform MD&A to the revised financial statements described above.

The MD&A included in this Report has not been updated for any events occurring after the date the 2010 Form 10-K was originally filed. This Report should be read in conjunction with the 2010 Form 10-K (except for Part II, Item 7) and, to the extent filed after the 2010 Form 10-K, the Company s Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Part II, Item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations of the Company s 2010 Form 10-K, as revised, is filed as Exhibit 99.1 hereto and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

99.1 Management s Discussion and Analysis of Financial Condition and Results of Operations.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

LYONDELLBASELL INDUSTRIES N.V.

Date: October 20, 2011

By: /s/ Craig B. Glidden
Craig B. Glidden
Executive Vice President

Exhibit 99.1

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the information contained in our Consolidated Financial Statements and related notes included in our Current Report on Form 8-K/A filed with the Securities and Exchange Commission (SEC) on August 15, 2011. This discussion contains forward-looking statements that involve risks and uncertainties, and actual results could differ materially from those discussed in the forward-looking statements as a result of numerous factor. The forward looking statements are dependent upon events, risks and uncertainties that may be outside our control. Our actual results could differ materially from those discussed in these forward looking statements.

GENERAL

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. We also refer to the Company as LyondellBasell N.V., the Successor Company, and the Successor.

In addition to comparisons of our operating results with the same period in the prior year, we have included, as additional disclosure, certain trailing quarter comparisons of fourth quarter 2010 operating results to third quarter 2010 operating results. Our businesses are highly cyclical, in addition to experiencing some less significant seasonal effects. Trailing quarter comparisons may offer important insight into current business direction.

References to industry benchmark prices or costs, including the weighted average cost of ethylene production, are generally to industry prices and costs reported by CMAI, except that 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 and crude oil and natural gas benchmark price references are to Bloomberg.

OVERVIEW

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, and industry-specific issues, such as production capacity. Our businesses are subject to the cyclicality and volatility seen in the chemicals and refining industries generally.

EMERGENCE FROM CHAPTER 11 PROCEEDINGS

Bankruptcy Filing On January 6, 2009, certain of LyondellBasell AF s U.S. subsidiaries and one of its European holding companies, Basell Germany Holdings GmbH (Germany Holdings and collectively, the Initial Debtors) filed voluntary petitions for relief under chapter 11 of the U.S. Bankruptcy Code. In addition, voluntary petitions for relief under chapter 11 of the U.S. Bankruptcy Code were filed by LyondellBasell AF and its General Partner, LyondellBasell AF GP S.à.r.l. on April 24, 2009 and by thirteen additional U.S. subsidiaries on May 8, 2009 (collectively with the Initial Debtors, the Debtors). All 94 of these cases (the Bankruptcy Cases) were jointly administered under the caption *In re Lyondell Chemical Company, et al*, and the Debtors operated their businesses and managed their properties as debtors-in-possession under the jurisdiction of the U.S. Bankruptcy Court and in accordance with the applicable provisions of the U.S. Bankruptcy Code and orders of the U.S. Bankruptcy Court.

On April 23, 2010, the U.S. Bankruptcy Court confirmed LyondellBasell AF s Third Amended and Restated Plan of Reorganization and the Debtors emerged from chapter 11 protection on April 30, 2010 (the Emergence Date). As a result of the emergence from chapter 11 proceedings, certain prepetition liabilities against the Debtors were discharged to the extent set forth in the Plan of Reorganization and otherwise applicable law and the Debtors made distributions to their creditors in accordance with the terms of the Plan of Reorganization.

Plan of Reorganization LyondellBasell N.V. became the successor parent holding company for the subsidiaries of LyondellBasell AF after completion of the Bankruptcy Cases. LyondellBasell N.V. is a company with limited liability (*Naamloze Vennootschap*) incorporated under Dutch law by deed of incorporation dated October 15, 2009. LyondellBasell AF, which was the predecessor parent holding company, is no longer part of the consolidated LyondellBasell group subsequent to the Emergence Date.

Under the Plan of Reorganization, the organizational structure of the Company in North America was simplified by the removal of 90 legal entities. The ultimate ownership of 49 of these entities (identified as Schedule III Debtors in the Plan of Reorganization) was transferred to a new owner, the Millennium Custodial Trust, a trust established for the benefit of certain creditors, and these entities are no longer part of LyondellBasell N.V. In addition, certain real properties owned by the Debtors, including the Schedule III Debtors, were transferred to the Environmental Custodial Trust, which now owns and is responsible for these properties. Any associated liabilities of the entities transferred to and owned by the Millennium Custodial Trust are the responsibility of those entities and claims regarding those entities will be resolved solely using their assets and the assets of the trust. In total, $250 million of cash was used to fund the two trusts, including approximately $80 million for the Millennium Custodial Trust and approximately $170 million for the Environmental Custodial Trust and to make certain direct payments to the Environmental Protection Agency and certain state environmental agencies.

Pursuant to the Plan of Reorganization, administrative and priority claims, as well as the new money debtor-in-possession (DIP) financing that had been incurred during the bankruptcy proceedings were repaid in full. The lenders of certain DIP loans representing a dollar-for-dollar roll-up or conversion of previously outstanding senior secured loans (DIP Roll-up Notes) received Senior Secured 11% Notes in the same principal amount as the DIP Roll-up Notes. Holders of senior secured claims received a combination of LyondellBasell N.V. class A ordinary shares; rights to purchase class B ordinary shares of LyondellBasell N.V.; LyondellBasell N.V. warrants to purchase class A ordinary shares; and cash in exchange for their claims. Pursuant to the Amended Lender Litigation Settlement approved by the U.S. Bankruptcy Court on March 11, 2010, allowed general unsecured claims received a combination of cash and class A ordinary shares of LyondellBasell N.V.

See Liquidity and Capital Resources below for a discussion of the emergence financing.

Tax Impact of Reorganization Under the Plan of Reorganization, LyondellBasell AF s pre-petition debt securities, revolving credit facility and other obligations were extinguished. Absent an exception, a debtor recognizes cancellation of indebtedness income (CODI) upon discharge of its outstanding indebtedness for an amount of consideration that is less than its adjusted issue price. The Internal Revenue Code of 1986, as amended (IRC), provides that a debtor in a bankruptcy case may exclude CODI from income, but must reduce certain of its tax attributes by the amount of any CODI realized as a result of the consummation of a plan of reorganization. The amount of CODI realized by a taxpayer is the adjusted issue price of any indebtedness discharged less the sum of (i) the amount of cash paid, (ii) the issue price of any new indebtedness issued and (iii) the fair market value of any other consideration, including equity, issued. As a result of the market value of our equity on the Emergence Date, the estimated amount of CODI exceeded the estimated amount of its tax attributes by approximately $7,433 million. The actual reduction in tax attributes does not occur until the first day of the subsequent tax year, or January 1, 2011.

As a result of tax attribute reduction, we do not expect to retain any U.S. net operating loss carryforwards, alternative minimum tax credits or capital loss carryforwards. In addition, we expect that a substantial amount of our tax basis in depreciable assets will be eliminated. Accordingly, it is expected that our liability for U.S. income taxes in future periods will reflect these adjustments and our estimated cash tax liabilities for the years following 2010 will be significantly higher than in 2009 or 2010. This situation may be somewhat postponed by the temporary bonus depreciation provisions contained in the Job Creation Act of 2010, which allows current year expensing for certain qualified acquisitions. As a result of certain prior year limitations on the deductibility of our interest expense in the U.S., we did retain approximately $2,500 million of interest carryforwards which are available to offset future taxable income, subject to certain limitations.

The Company recorded its adjusted taxes in fresh-start accounting without adjustment for estimated changes of tax attributes that could occur from May 1, 2010 to January 1, 2011, the date of actual reduction of tax attributes. Any adjustment to our tax attributes as a result of events or transactions that occurred during the period from May 1, 2010 to December 31, 2010 is reflected in the earnings of the Successor Company.

IRC Sections 382 and 383 provide an annual limitation with respect to the ability of a corporation to utilize its tax attributes, as well as certain built-in-losses, against future U.S. taxable income in the event of a change in ownership. The emergence from chapter 11 proceedings is considered a change in ownership for purposes of IRC Section 382. The limitation under the IRC is based on the value of the corporation as of the Emergence Date. We do not expect that the application of these limitations will have a material affect upon our U.S. federal income tax liabilities. Germany has similar provisions that preclude the use of certain tax attributes generated prior to a change of control. As of the Emergence Date, the Company had tax benefits associated with excess interest expense carryforwards of $16 million in Germany that were eliminated as a result of the emergence. The reversal of tax benefits associated with the loss of these carryforwards is reflected in the Predecessor period.

Our current and future provisions for income taxes are significantly impacted by the initial recognition of, and changes in, valuation allowances in certain countries and are dependent upon future earnings and earnings sustainability in those jurisdictions. Consequently, our effective tax rate of 10.1% in the Successor period is not indicative of future effective tax rates.

Financial Information Following the completion of the Bankruptcy Cases, LyondellBasell AF s equity interests in its indirect subsidiaries terminated and LyondellBasell N.V., the successor holding company, now owns and operates, directly and indirectly, substantially the same business owned and operated by LyondellBasell AF prior to emergence from bankruptcy. For accounting purposes, the operations of LyondellBasell AF are deemed to have ceased on April 30, 2010 and LyondellBasell N.V. is deemed to have begun operations on that date. Effective May 1, 2010, we adopted fresh-start accounting. References in the following discussions to the Company for periods prior to April 30, 2010, the Emergence Date, are to the Predecessor Company and, for periods after the Emergence Date, to the Successor Company.

The accompanying consolidated financial statements present separately the period prior to April 30, 2010 and the period after emergence from bankruptcy to recognize the application of fresh-start accounting. Management believes that combining the Successor and Predecessor periods for the year ended December 31, 2010, which is a non-GAAP presentation, provides a more meaningful comparison of the 2010, 2009 and 2008 results of operations and cash flows when considered with the effects of fresh-start accounting described below. As a result, we have combined the periods in our discussion to enable a more meaningful analysis of year over year results. The effects of fresh-start accounting are specifically addressed throughout the discussion to ensure a proper analysis. References in the following discussion to results for the year ended December 31, 2010 are to the combined Successor and Predecessor periods unless otherwise specifically described as Successor or Predecessor.

The primary impacts of our reorganization pursuant to the Plan of Reorganization and the adoption of fresh-start accounting on our results of operations are as follows:

Inventory We adopted the last in, first out (LIFO) method of accounting for inventory upon implementation of fresh-start accounting. Prior to the emergence from bankruptcy, LyondellBasell AF used both the first in, first out (FIFO) and LIFO methods of accounting to determine inventory cost. For purposes of evaluating segment results, management reviewed operating results for LyondellBasell AF determined using current cost, which approximates results using the LIFO method of accounting for inventory. Subsequent to the Emergence Date, our operating results are reviewed using the LIFO method of accounting for inventory. While determining the impact of the adoption of LIFO on predecessor periods is not practicable, we believe that the current cost method used by the Predecessor for segment reporting is similar to LIFO and the current cost method would have resulted in a decrease of cost of sales of $29 million and $199 million for the twelve months ended December 31, 2009 and four months ended April 30, 2010, respectively.

In addition, on April 30, 2010, pursuant to ASC Topic 852, *Reorganizations*, we recorded inventory at fair value. The increase in inventory of $1,297 million was primarily in the U.S. and was largely driven by the price of crude oil. The decline of the per barrel benchmark price of crude oil from $86.15 at April 30, 2010 to $75.63 at June 30, 2010 contributed to a $333 million lower of cost or market charge in the second quarter 2010, primarily to our raw materials and finished goods inventory. In the third quarter 2010, lower market prices, primarily for polypropylene, resulted in an additional $32 million lower of cost or market charge to adjust the value of our finished goods inventory to market. During the fourth quarter 2010, we recorded a $323 million non-cash credit to reflect the market price recovery of WTI crude oil, substantially offsetting the second quarter 2010 lower of cost or market adjustment to our raw materials inventory. The effect of these adjustments to the value of our inventory is reflected in cost of sales for the Successor period.

Depreciation and amortization expense Depreciation and amortization expense is lower in the Successor period as a result of our revaluation of assets for fresh-start accounting. For additional information on the revaluation of assets, see Note 4 to the LyondellBasell N.V. Consolidated Financial Statements for the year ended December 31, 2010. Depreciation and amortization as reported for all periods presented is as follows:

	Successor	Predecessor		
	May 1 through December 31, 2010	January 1 through April 30, 2010	Twelve Months Ended December 31, 2009	2008
Millions of dollars				
Cost of sales:				
Depreciation	$ 394	$ 464	$ 1,412	$ 1,493
Amortization	142	75	293	356
Research and development expenses:				
Depreciation	11	8	24	23
Selling, general and administrative expenses:				
Depreciation	11	18	45	39
	$ 558	$ 565	$ 1,774	$ 1,911

Interest expense Lower interest expense in the Successor period was largely driven by the discharge or repayment of debt, upon which interest was accruing during the bankruptcy, through the Company s reorganization on April 30, 2010 pursuant to the Plan of Reorganization, partially offset by interest expense on the new debt incurred as part of the emergence from bankruptcy.

	Successor	Predecessor		
	May 1 through December 31, 2010	January 1 through April 30, 2010	Twelve Months Ended December 31, 2009	2008
Millions of dollars				
Interest expense	$ 545	$ 713	$ 1,795	$ 2,476

Overview of Results of Operations

2010 Versus 2009 Global market conditions in 2010 improved from the weak conditions experienced throughout most of 2009 as demand in the durable goods sector, particularly the automotive markets, was higher than in 2009. As a result, demand and operating rates were higher in 2010 than in 2009. In addition, certain of our business segments benefited from planned and unplanned competitor operating disruptions, particularly during the second quarter 2010.

Excluding the impacts of fresh-start accounting discussed above in Emergence from Chapter 11 Proceedings, operating results in 2010 generally reflected higher product margins and higher sales volumes compared to 2009. Reliable operations and the effect of industry supply disruptions resulted in higher product margins and higher sales volumes in the O&P-Americas business segment. Higher operating results in the O&P-EAI and the I&D businesses were primarily a reflection of higher sales volumes and higher product margins due to improvement in the durable goods markets, especially the automotive market. The Refining and Oxyfuels business segment results were higher in

2010 primarily due to higher refining margins at the Houston refinery. Lower licensing revenue contributed to lower results in the Technology segment.

2009 Versus 2008 Although global market conditions in 2009 improved compared to late 2008, compared to the full year 2008, market conditions in 2009 were significantly weaker. Demand was particularly weak in durable goods market sectors, including housing and automotive markets. Similarly, while industry operating rates and sales volumes improved during the course of 2009 compared to late 2008, for the full year 2009, they were below the levels experienced for the full year 2008, despite the significant decline in business activity late in 2008.

Refining margins were significantly lower in 2009 as a result of weak demand for distillates, such as diesel and heating oil. Heavy crude oil refining margins were also negatively affected by a contraction in the differential between the price of light and heavy crude oil. After peaking at a record-setting level in mid-2008, prices for crude oil and NGLs on average were significantly lower in 2009. In 2009, chemical product margins also generally declined because of the weaker pricing environment and lower average sales prices. An exception was the

U.S. polyethylene market, which experienced strong export demand and higher product margins during the latter half of 2009.

LyondellBasell AF s underlying operating results in 2009, compared to 2008, primarily reflected the negative effects of significantly lower product margins and sales volumes. These were partly offset by the benefits of lower fixed costs, strong margins for LyondellBasell AF s propylene oxide and advanced polyolefin products and higher U.S. polyethylene margins. A substantial portion of the lower product margins was due to refining operations, while the lower sales volumes were concentrated in the base chemicals and polymers products and reflected the weakness in demand. The lower fixed costs resulted from LyondellBasell AF s aggressive cost reduction program.

Net income in 2009 also reflected charges related to LyondellBasell AF s planned reorganization under chapter 11, including professional fees, write offs of plant asset values, contract rejection claims, employee severance costs and other costs associated with the chapter 11 proceedings and plant closures. For a detailed description of reorganization charges, see Results of Operations below.

Net income in 2008 included charges for asset impairments, reflecting declines in the value of inventory, goodwill and other intangible assets, as markets weakened and product sales prices and margins declined significantly at the end of 2008.

Results of operations for the Successor and Predecessor periods discussed in these Results of Operations are presented in the table below.

	Successor	Predecessor		
	May 1 through December 31, 2010	January 1 through April 30, 2010	For the Twelve Months Ended December 31, 2009	2008
Millions of dollars				
Sales and other operating revenues	$ 27,684	$ 13,467	$ 30,828	$ 50,706
Cost of sales	24,697	12,405	29,372	48,780
Inventory valuation adjustment	42		127	1,256
Impairments	28	9	17	5,207
Selling, general and administrative expenses	564	308	850	1,197
Research and development expenses	99	55	145	194
Operating income (loss)	2,254	690	317	(5,928)
Interest expense	(545)	(713)	(1,795)	(2,476)
Interest income	17	5	18	69
Other income (expense), net	(103)	(263)	319	106
Income (loss) from equity investments	86	84	(181)	38
Reorganization items	(23)	7,388	(2,961)	
Provision for (benefit from) income taxes	170	(1,315)	(1,411)	(848)
Income (loss) from discontinued operations, net of tax	64	(2)	1	15
Net income (loss)	$ 1,580	$ 8,504	$ (2,871)	$ (7,328)

Segment operating results discussed below are reviewed for the Successor period using the LIFO method of accounting for inventory and were reviewed for the Predecessor periods on a current cost basis.

RESULTS OF OPERATIONS

Revenues We had revenues of $41,151 million in 2010, $30,828 million in 2009 and $50,706 million in 2008. Higher average product sales prices were responsible for nearly all of the 33% revenue increase in 2010. A slight 1% increase in revenues resulting from the effect of higher sales volumes in 2010 compared to 2009 was mostly offset by lower licensing revenue in the Technology business segment. Higher crude-oil and natural gas prices also contributed to the increase in average sales prices in 2010.

The $19,878 million decrease in 2009 compared to 2008 reflected the effect of significantly lower sales prices and sales volumes due to lower crude oil and natural gas prices and weaker demand. Lower average product sales prices and lower sales volumes were respectively responsible for 36% and 3% decreases in revenue in 2009 compared to 2008.

Cost of Sales Cost of sales were $37,102 million in 2010, $29,372 million in 2009 and $48,780 million in 2008.

The $7,730 million increase in cost of sales in 2010 was primarily due to higher raw material costs, which reflect the effects of higher crude oil and natural gas liquids-based raw material prices, as well as the effect of higher sales volumes. Cost of sales in the Successor period included a $64 million charge related to a change in estimate related to a dispute over environmental liability. Lower depreciation and amortization expense of $630 million due to the $7,474 million write-down of Property, plant, and equipment associated with the revaluation of our assets in fresh-start accounting partially offset the higher costs in the Successor Period. The Predecessor period in 2010 included a charge of $23 million for plant closure and other costs related to a polypropylene plant in Terni, Italy.

The $19,408 million decrease in 2009 compared to 2008 was primarily due to lower market prices for crude oil, crude oil-based and natural gas liquids raw materials, lower fixed and variable costs, and lower sales volumes and operating rates, reflecting the weak demand.

Inventory Valuation Adjustment The Company had non-cash inventory valuation adjustments of $42 million, $127 million and $1,256 million in the 2010 Successor period, 2009 and 2008, respectively. We recorded non-cash charges in the 2010 Successor period totaling $365 million to adjust the value of our raw materials and finished goods inventory to market as of June 30, 2010 and September 30, 2010. As discussed above, these lower of cost or market charges were the result of the decline in the per barrel benchmark price of crude oil from the Emergence Date to June 30, 2010 and lower market prices for certain products, primarily polypropylene. A non-cash credit of $323 million recorded in the fourth quarter 2010 to reflect the recovery of market price substantially offset the lower of cost or market adjustment related to our raw materials inventory. In 2009 and 2008, the Company recorded charges of $127 million and $1,256 million, respectively, to adjust the value of its inventory to market, which was lower than the carrying value on December 31, 2009 and 2008.

Impairments Impairments of $37 million, $17 million and $5,207 million were recognized by the Company in 2010, 2009 and 2008, respectively. In the 2010 Successor period, we recognized $28 million of impairment charges, including a charge of $25 million related to impairment of the carrying value of assets at the Berre refinery. Capital spending required for the operation of the Berre refinery will continue to be impaired until such time as the discounted cash flow projections for the Berre refinery are sufficient to recover the asset s carrying amount. In 2008, the Company recognized charges of $4,982 million for impairment of goodwill related to the December 20, 2007 acquisition of Lyondell Chemical and $225 million primarily related to the carrying value of its Berre refinery.

SG&A Expenses Selling, general and administrative (SG&A) expenses were $872 million in 2010, $850 million in 2009 and $1,197 million in 2008. The $347 million decrease in 2009 compared to 2008 was primarily the result of LyondellBasell AF s 2009 cost reduction program, and a favorable effect from changes in currency exchange rates. Currency exchange rates had a favorable effect on costs of non-U.S. operations as the U.S. dollar strengthened versus the Euro in 2009 compared to 2008. SG&A expenses in 2008 included $564 million of Lyondell Chemical and Berre refinery SG&A expense following their acquisitions by LyondellBasell AF on December 20, 2007 and April 1, 2008, respectively.

Operating Income (Loss) The Company had operating income of $2,944 million and $317 million in 2010 and 2009, respectively, and an operating loss of $5,928 million in 2008. The results of our underlying operations improved in 2010, compared to 2009, reflecting higher product margins and the effect of higher sales volumes as demand increased due to improved global market conditions, particularly in the first half of the year compared to the same periods in 2009 when demand was very weak. Operating results in the 2010 Successor period benefited from lower depreciation and amortization expense of $651 million primarily due to the $7,474 million write-down of Property, plant, and equipment associated with the revaluation of our assets in fresh-start accounting. Operating results in the 2010 Successor period also included the negative impact of the $64 million non-cash charge related to a dispute over environmental liability.

Results in 2009 compared to 2008 reflected the benefits of the Company s cost reduction program, offset by the unfavorable effects of lower product margins, sales volumes, and currency exchange rates on non-U.S. operating income. Results in 2008 were impacted by charges of $4,982 million and $225 million, respectively, for impairment of goodwill related to the December 20, 2007 acquisition of Lyondell Chemical and the carrying value of the Berre refinery; and a charge of $1,256 million to adjust inventory to market value.

Operating results for each of our business segments are reviewed further in the Segment Analysis section below.

Interest Expense Interest expense was $1,258 million in 2010, $1,795 million in 2009 and $2,476 million in 2008. Interest expense was $537 million lower in 2010 compared to 2009, primarily due to the repayment or discharge of debt on the Emergence Date in accordance with the Plan of Reorganization, upon which interest was accruing during the bankruptcy, and the repayment of $1,233 million of debt in the fourth quarter 2010. This decrease in interest expense was partially offset by interest expense on the debt incurred as part of the emergence financing (see Note 15 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010) and $26 million of charges related to the prepayment of $769 million of debt in December 2010. The prepayment of debt included $275 million of our 8% senior secured notes and $494 million of the senior secured term loan facility in December 2010. We also repaid $464 million under the accounts receivable securitization facility and accounts receivable factoring agreement during October and November of 2010. Interest expense in 2009 was lower, compared to 2008, primarily due to various debt instruments becoming subject to compromise as a result of the chapter 11 filing. Contractual interest expense for the Predecessor periods was $2,720 million for 2009 and $2,476 million for 2008.

Other Income (Expense), net The Company had other expense, net, of $366 million in 2010 and other income, net, of $319 million and $106 million in 2009 and 2008, respectively. Other expense, net, in 2010 included the negative effect of the fair value adjustment of the warrants to purchase our shares of $114 million and foreign exchange losses of $240 million. In 2009 and 2008, the Company recognized involuntary conversion gains of $120 million and $79 million, respectively, representing partial insurance settlements of outstanding insurance claims related to damages sustained in 2005 at the polymers plant in Münchsmünster, Germany, and foreign exchange gains of $123 million and $20 million, respectively, as a result of changes in currency exchange rates. Other income, net, in 2009 also included benefits totaling $72 million resulting from indemnification payments received from previous plant owners for employee benefit and environmental remediation costs related to plant closures and a $15 million gain related to settlement of a U.K. pension claim. The foreign exchange loss of $240 million in 2010 and gain of $123 million in 2009 were primarily the result of the revaluation of third party debt of certain of the Company s subsidiaries due to changes in the foreign exchange rates in effect during those periods. Such debt was denominated in currencies other than the functional currencies of the subsidiaries and was refinanced upon emergence from bankruptcy.

Income (Loss) from Equity Investments The Company had income from equity investments totaling $170 million in 2010, a loss from equity investments of $181 million in 2009 and income from equity investments of $38 million in 2008. The loss from equity investments in 2009 included a $228 million charge for impairment of the carrying value of the Company s investments in certain joint ventures. Income from equity investments in 2010 benefited from the operations of our Saudi Ethylene & Polyethylene Company Ltd. joint venture, which commenced operations in June 2009, and from a new polypropylene plant operated by our HMC Polymers Company Ltd. joint venture that commenced operations in October 2010.

Reorganization Items The Company had income from reorganization items totaling $7,365 million in 2010 compared to reorganization expense of $2,961 million in 2009. Gains from reorganization items in 2010 included gains totaling $13,617 million related to settlement of liabilities subject to compromise, deconsolidation of entities upon emergence, adjustments related to rejected contracts, and a reduction of environmental remediation liabilities. These gains were partially offset by a charge of $6,278 million related to the changes in net assets resulting from the application of fresh-start accounting and by several one-time emergence costs, including the success and other fees earned by certain professionals upon the Company s emergence from bankruptcy, damages related to the rejection of executory contracts and plant closure costs. Reorganization items expense in the 2010 Successor period is primarily related to professional fees. The 2009 period included charges for the write off of assets associated with a lease rejection; damage claims related to certain executory contracts; the net write off of unamortized debt issuance costs, premiums and discounts; environmental liabilities; professional fees associated with the chapter 11 proceedings; shutdown costs related primarily to the shutdown of its olefins plant at Chocolate Bayou, Texas and the long-term idling of its ethylene glycol facility in Beaumont, Texas; as well as employee severance and other costs.

For additional information on reorganization items, see Note 3 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010.

Income Tax In the eight months ended December 31, 2010, the Successor recorded a tax provision of $170 million, representing an effective tax rate of 10.1% on pre-tax income of $1,686 million. In the four months ended April 30, 2010, the Predecessor recorded a tax benefit of $1,315 million, representing a negative effective tax rate of 18.3% on pre-tax income of $7,191 million. During 2009, the Predecessor recorded a tax benefit of $1,411 million, representing an effective tax rate of 32.9% on a pre-tax loss of $4,283 million. The provision for the 2010 Successor period differs from the statutory rate primarily due to the adjustment of various chapter 11 tax-related assets, the release of certain valuation allowances against our net operating loss carryforwards in the fourth quarter 2010, due to improved business results and the completion of a reorganization of our French subsidiaries. The tax provision for the 2010 Predecessor period differs from the statutory rate primarily because a significant portion of the pre-tax gain from the discharge of pre-petition liabilities, which was partially offset by restructuring charges for which no tax benefit was provided. The tax benefit recorded for 2009 was lower than the statutory rate primarily due to restructuring costs for which no tax benefit was provided. During 2008, LyondellBasell AF had a tax benefit of $848 million on a pretax loss of $8,191 million. The effective income tax rate of 10.4% in 2008 primarily reflected the effect of goodwill impairment charges, which are not deductible for tax purposes and the provision of valuation allowances in jurisdictions where future tax benefits are not expected to be realized.

Income (Loss) from Continuing Operations Income from continuing operations was $10,022 million in 2010 and losses from continuing operations were $2,872 million in 2009 and $7,343 million in 2008. The following table summarizes the major components contributing to the income (loss) from continuing operations:

	Successor	Predecessor		
	May 1 through December 31, 2010	January 1 through April 30, 2010	For the Twelve Months Ended December 31, 2009	2008
Millions of dollars				
Operating income (loss)	$ 2,254	$ 690	$ 317	$ (5,928)
Interest expense, net	(528)	(708)	(1,777)	(2,407)
Other income (expense), net	(103)	(263)	319	106
Income (loss) from equity investments	86	84	(181)	38
Reorganization items	(23)	7,388	(2,961)	
Provision for (benefit from) income taxes	170	(1,315)	(1,411)	(848)
Net income (loss) from continuing operations	$ 1,516	$ 8,506	$ (2,872)	$ (7,343)

In 2009, the loss from equity investments for the O&P EAI segment included charges of $228 million for impairment of the carrying value of the Company s equity investments in certain joint ventures (see Note 13 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010).

The table below summarizes some of the items of special note with regards to our income (loss) from continuing operations for the periods shown:

	Successor	Predecessor		
	May 1 through December 31, 2010	January 1 through April 30, 2010	For the Twelve Months Ended December 31, 2009	2008
Millions of dollars				
Pretax charges (benefits):				
Impairments	$ 28	$ 9	$ 245	$ 5,207
Reorganization items	23	(7,388)	2,961	
Warrants fair value adjustment	114			
Charge related to dispute over environmental liability	64			
Charges and premiums related to repayment of debt	26			
Inventory valuation adjustments	42		127	1,256
Interest rate swap termination Structured Financing Transaction				55
Hurricane costs			5	55
Gain related to insurance settlements			(120)	(79)
Provisions for uncollectible accounts receivable	12	7	18	47
Total pretax income effect	309	(7,372)	3,236	6,541
Tax effect of above items	(48)	(1,260)	(1,133)	(546)
Total	$ 261	$ (8,632)	$ 2,103	$ 5,995

Impairments in 2009 include an adjustment related to prior periods which increased income from operations and net income for the three-month period ended December 31, 2009, by $65 million. The adjustment related to an overstatement of goodwill impairment in 2008.

Income (Loss) from Discontinued Operations, Net of Tax The Company had income from discontinued operations of $64 million in the 2010 Successor period related to the sale of its Flavor and Fragrance chemicals business. The Company had a loss from discontinued operations in the 2010 Predecessor period of $2 million and income from discontinued operations of $1 million and $15 million, respectively, in 2009 and 2008 related to the sale of a toluene di-isocyanate business in September 2008.

Fourth Quarter 2010 versus Third Quarter 2010 Net income was $766 million in the fourth quarter 2010 compared to $467 million in the third quarter 2010. The $299 million increase in net income was primarily attributable to the release of non-U.S. valuation allowances against net deferred tax assets in the fourth quarter 2010, a net benefit related to reorganization items attributable to events that occurred during the fourth quarter 2010 and the gain related to the sale of our Flavor and Fragrance chemicals business in December 2010, partially offset by lower operating results attributable to our O&P-EAI and Technology segments discussed below. The release of the non-U.S. valuation allowances was due to improved business results and the completion of a reorganization of our French subsidiaries.

Segment Analysis

Our operations are primarily in five reportable segments: O&P Americas; O&P EAI; I&D; Refining and Oxyfuels; and Technology. These operations comprise substantially the same businesses owned and operated by LyondellBasell AF prior to the Company s emergence from bankruptcy. However, for accounting purposes, the operations of LyondellBasell AF are deemed to have ceased on April 30, 2010 and LyondellBasell N.V. is deemed to have begun operations on that date. The results of operations for the Successor are not comparable to the Predecessor due to adjustments made under fresh-start accounting as described in Emergence from Chapter 11 Proceedings. The impact of these items is addressed in the discussion of each segment s results below.

The following tables reflect selected financial information for our reportable segments. Operating income (loss) for segment reporting is on a LIFO basis for the Successor and on a current cost basis for the Predecessor.

	Successor	Predecessor		
	May 1 through December 31, 2010	January 1 through April 30, 2010	For the Twelve Months Ended December 31, 2009	2008
Millions of dollars				
Sales and other operating revenues:				
O&P Americas segment	$ 8,406	$ 4,183	$ 8,614	$ 16,412
O&P EAI segment	8,729	4,105	9,401	13,489
I&D segment	3,754	1,820	3,778	6,218
Refining and Oxyfuels segment	10,321	4,748	12,078	18,362
Technology segment	365	145	543	583
Other, including intersegment eliminations	(3,891)	(1,534)	(3,586)	(4,358)
Total	$ 27,684	$ 13,467	$ 30,828	$ 50,706
Operating income (loss):				
O&P Americas segment	$ 1,043	$ 320	$ 169	$ (1,355)
O&P EAI segment	411	115	(2)	220
I&D segment	512	157	250	(1,915)
Refining and Oxyfuels segment	241	(99)	(357)	(2,378)
Technology segment	69	39	210	202
Other, including intersegment eliminations	(22)	(41)	18	(134)
Current cost adjustment		199	29	(568)
Total	$ 2,254	$ 690	$ 317	$ (5,928)
Income (loss) from equity investments:				
O&P Americas segment	$ 16	$ 5	$ 7	$ 6
O&P EAI segment	68	80	(172)	34
I&D segment	2	(1)	(16)	(2)
Total	$ 86	$ 84	$ (181)	$ 38

Olefins and Polyolefins Americas Segment

2010 Versus 2009 Market demand in the U.S. for ethylene was higher in 2010 compared to 2009. As a result of higher industry operating rates compared to rates experienced during 2009, ethylene margins were higher as benchmark sales prices increased significantly more than the benchmark weighted average costs of ethylene production. Sales of polyolefins in 2010 were comparable to 2009 although producers favored domestic market sales over exports due to improved domestic demand.

The O&P Americas segment operating results for 2010 primarily reflected strong demand and higher margins for ethylene due to improved economic conditions in 2010 and unplanned operating issues and turnarounds at competitor facilities in the first half of the year. Polypropylene results were also higher in 2010 compared to 2009 as domestic economic conditions improved. Demand for polyethylene in 2010 was comparable to 2009. Operating results for the Successor period reflected the impacts of the Company s reorganization and fresh-start accounting, including a non-cash charge to adjust inventory to market value and the benefit of lower depreciation and amortization expense related to the write-down of segment assets (see Results of Operations Cost of Sales). The net effect of these items contributed to the significantly improved results of operations in the 2010 Successor periods compared to the twelve months of 2009.

2009 Versus 2008 While improving during the course of 2009, ethylene market demand in the U.S. remained weak, resulting in lower industry operating rates compared to rates in the 90% to 95% range during the first eight months of 2008. Ethylene margins contracted as benchmark sales prices decreased more than the benchmark weighted average cost of ethylene production. Polyolefins markets were weaker in 2009 compared to 2008 with the notable exception of U.S. polyethylene markets, which benefited from strong export demand during 2009.

The O&P Americas segment operating results for 2009 primarily reflected the strong polyethylene (PE) export markets in 2009, lower olefins product margins and lower fixed costs. As a result of weak ethylene demand during late 2008 and the first half of 2009, LyondellBasell AF idled and subsequently shut down the Chocolate Bayou olefins plant, near Alvin, Texas. LyondellBasell AF also idled and subsequently restarted the La Porte, Texas olefins plant in January 2009. Strong PE export markets in 2009, benefited PE product margins and sales volumes. However, other polyolefins product markets were weaker and resulted in net lower sales volumes compared to 2008. As a result of LyondellBasell AF s cost reduction program, fixed costs were significantly lower in 2009 compared to 2008.

In the third quarter 2008, operating results were negatively impacted by lost production at certain U.S. Gulf Coast plants due to the effects of a hurricane.

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:

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

Although the 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 a significant capability to shift the ratio 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.

In 2010, especially in the latter part of the year, production economics for the industry favored NGLs. As a result, we increased our use of NGLs and reduced liquids consumption at our U.S. plants. During 2010, approximately 70% of our U.S. ethylene production was produced from NGLs.

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, and certain polyethylene and polypropylene products. The benchmark weighted average cost of ethylene production, which is reduced by co-product revenues, is based on CMAI 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 Period Average					
	For the Twelve Months Ended December 31,			**For the Twelve Months Ended December 31,**		
	2010	**2009**	**Change**	**2009**	**2008**	**Change**
Crude oil dollars per barrel	79.58	62.09	28%	62.09	99.75	(38)%
	4.48	3.78	19%	3.78	8.86	(57)%

Natural gas dollars per million BTUs						
United States cents per pound						
Weighted average cost of ethylene production	30.0	26.2	14%	26.2	45.4	(42)%
United States cents per pound						
Ethylene	45.9	33.9	35%	33.9	58.5	(42)%
Polyethylene (high density)	82.2	66.5	24%	66.5	86.4	(23)%
Propylene polymer grade	59.6	37.9	57%	37.9	60.0	(37)%
Polypropylene	86.0	64.4	34%	64.4	87.6	(26)%

The following table sets forth the O&P Americas segment s sales and other operating revenues, operating income, income from equity investments and selected product sales volumes.

	Successor	Predecessor		
	May 1 through December 31, 2010	January 1 through April 30, 2010	For the Twelve Months Ended December 31, 2009	2008
Millions of dollars				
Sales and other operating revenues	$ 8,406	$ 4,183	$ 8,614	$ 16,412
Operating income (loss)	1,043	320	169	(1,355)
Income from equity investments	16	5	7	6
Production Volumes, in millions of pounds				
Ethylene	5,585	2,768	8,129	7,990
Propylene	1,998	1,019	2,913	3,975
Sales Volumes, in millions of pounds				
Polypropylene	1,735	836	2,416	2,928
Polyethylene	3,704	1,765	5,472	5,256

Revenues Revenues in 2010 increased by $3,975 million, or 46%, compared to 2009 primarily due to significantly higher overall average sales prices. The increases in average sales prices in the 2010 periods reflected an increase in demand resulting from improved economic conditions and the effect of constrained supply due to operating issues and turnarounds at competitor plants.

Revenues in 2009 decreased $7,798 million, or 48%, compared to 2008. Lower average product sales prices were responsible for a revenue decrease of 35% in 2009 compared to 2008, while net lower sale volumes were responsible for the remaining 12% decrease in revenues. Net lower 2009 sales volumes reflected the effect of lower sales volumes for polypropylene and ethylene and co-products, partly offset by higher sales volumes for polyethylene, which benefited from the strong U.S. export markets.

Operating Income (Loss) Operating results for the O&P Americas segment reflected an increase of $1,194 million in 2010 compared to 2009 and an increase of $1,524 million in 2009 compared to 2008. The underlying operations of the O&P Americas segment in 2010 increased compared to 2009, primarily due to higher product margins for ethylene as higher average sales prices for ethylene and its co-products more than offset higher raw material costs. In addition, the effect of higher polypropylene sales volumes during 2010 partially offset the effect of higher utility, planned maintenance and other costs. Operating results for 2010 were impacted by a non-cash charge of $34 million to adjust inventory to market values. Lower depreciation and amortization expense of $204 million in 2010 compared to 2009 was primarily the result of our write-down of Property, plant, and equipment associated with the revaluation of our assets in fresh-start accounting.

Compared with 2008, the increase in the 2009 O&P Americas operating results reflected the benefit of lower fixed costs, resulting from LyondellBasell AF s cost reduction program, partially offset by net lower product margins and the effect of net lower sales volumes. Operating results for 2008 were negatively affected by the $120 million estimated impact of lost production due to Hurricane Ike, and related costs of $39 million, including a $7 million pretax charge for impairment of the carrying value of assets. Operating results for 2008 also included inventory valuation adjustments of $619 million and goodwill impairment charges of $624 million.

Fourth Quarter 2010 versus Third Quarter 2010 The O&P Americas segment had operating income of $446 million in the fourth quarter 2010 compared to $448 million in the third quarter 2010. Operating results in the fourth quarter 2010 included a non-cash benefit of $163 million related to inventory market price recovery in the fourth quarter 2010, which partially offsets the charges recorded in the second and third quarters of 2010 of $171 million and $26 million, respectively, to adjust inventory to market value after the Emergence Date. Excluding the non-cash inventory adjustment, the decline in fourth quarter 2010 operating results was primarily due to a combination of lower product margins for polyethylene and polypropylene, lower sales volumes, and higher fixed costs. Polyethylene and polypropylene product margins declined as the increases in feedstock prices outpaced the increases in average sales price. Product margins for ethylene were comparable in the third and fourth quarters of 2010. The decrease in sales volumes was primarily related to the effects of seasonality as well as planned and unplanned outages during the fourth quarter 2010. Fixed costs were higher in the fourth quarter 2010, compared to the third quarter 2010, primarily due to higher maintenance costs associated with the planned and unplanned outages and bonus expense.

Olefins and Polyolefins Europe, Asia and International Segment

2010 Versus 2009 Ethylene market demand in Europe was generally higher in 2010 compared to 2009 as planned and unplanned outages resulted in reduced supply and higher operating results in the second and third quarters of 2010. Ethylene margins expanded as benchmark average sales prices increased more than the benchmark weighted average cost of ethylene production. Global polyolefin markets also improved in 2010 compared to 2009. The improvement in polypropylene and LDPE reflected tight supply conditions amid planned and unplanned industry outages throughout 2010.

The O&P EAI segment operating results for the 2010 periods reflected higher product margins for both olefins and polyolefins. Higher sales volumes for PP Compounds and polypropylene in 2010 compared to 2009, reflect higher demand, primarily from the automotive industry. Operating results for the Successor period also reflected the impacts of fresh-start accounting, including the benefit of lower depreciation and amortization expense related to the write-down of segment assets (see Results of Operations-Cost of Sales).

2009 Versus 2008 While improving during the course of 2009, ethylene market demand in Europe remained weak, resulting in lower industry operating rates in the range of 75% to 80% compared to rates in the 85% to 90% range prior to the fourth quarter downturn in 2008. Ethylene margins contracted as benchmark sales prices decreased more than the benchmark weighted average cost of ethylene production. Global polyolefin markets were considerably weaker in 2009 compared to 2008. The general weakness in global polyolefin markets resulted in lower sales volumes, due to weaker demand, particularly in polypropylene, and lower product margins, as selling prices decreased significantly.

The O&P EAI segment operating results for 2009 reflected the negative effects of significantly lower product margins compared to 2008 for olefins products, while polyolefin product results for 2009 reflected generally weaker global polyolefin markets, which resulted in lower sales volumes across all polyolefins product lines and net lower product margins compared to 2008. As a result of LyondellBasell AF s cost reduction program, fixed costs were significantly lower in 2009, partly offsetting the negative effects of the weak markets.

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

The following table shows the average West Europe benchmark prices for Brent crude oil, a heavy liquid raw material, for the applicable periods, as well as benchmark West Europe prices for ethylene and propylene, which we produce and consume internally or purchase from unrelated suppliers, and certain polyethylene and polypropylene products.

	Average Benchmark Price and Percent Change Versus Prior Year Period Average					
	For the Year Ended December 31,			For the Year Ended December 31,		
	2010	2009	Change	2009	2008	Change
Brent crude oil dollars per barrel	80.80	68.30	18%	68.30	101.83	(33)%
Western Europe 0.01 per pound						

Weighted average cost of ethylene production	29.5	23.8	24%	23.8	28.2	(16)%
Ethylene	43.2	33.4	29%	33.4	50.0	(33)%
Polyethylene (HD)	52.5	42.9	22%	42.9	58.5	(27)%
Propylene	42.4	27.7	53%	27.7	43.6	(36)%
Polypropylene (homopolymer)	57.7	39.9	45%	39.9	54.2	(26)%
Average Exchange Rate $US per	1.3205	1.3972	(5)%	1.3972	1.4739	(5)%

The following table sets forth the O&P EAI segment s sales and other operating revenues, operating income, income from equity investments and selected product sales volumes.

	Successor	Predecessor		
	May 1 through December 31, 2010	January 1 through April 30, 2010	For the Twelve Months Ended December 31, 2009	2008
Millions of dollars				
Sales and other operating revenues	$ 8,729	$ 4,105	$ 9,401	$ 13,489
Operating income (loss)	411	115	(2)	220
Income (loss) from equity investments	68	80	(172)	34
Production Volumes, in millions of pounds				
Ethylene	2,502	1,108	3,503	3,615
Propylene	1,572	661	2,149	2,135
Sales Volumes, in millions of pounds				
Polyethylene	3,402	1,658	4,815	4,821
Polypropylene	4,906	2,117	6,156	7,023

Revenues Revenues for 2010 increased $3,433 million, or 37%, compared to revenues for 2009, and revenues for 2009 decreased $4,088 million, or 30%, compared to revenues for 2008. Higher average product sales prices across most products, particularly ethylene, butadiene, polyethylene and polypropylene, were responsible for a 25% increase in 2010 revenues compared to 2009. The remaining 12% increase was due to the effect of higher sales volumes, particularly polypropylene, including *Catalloy* and PP Compounds.

Lower average product sales prices, which include the unfavorable effects of changes in currency exchange rates as the U.S. dollar was stronger in relation to the Euro in 2009 compared to 2008, were responsible for a 29% decrease in 2009 revenues compared to 2008. The remaining decrease in revenues was the result of lower 2009 polypropylene and ethylene co-product sales volumes, which were partly offset by higher sales volumes for polyethylene and ethylene products.

Operating Income (Loss) Operating results for 2010 increased $528 million compared to 2009 and decreased $222 million for 2009 compared to 2008. The underlying operating results of our O&P EAI business segment were higher in 2010 compared to 2009, primarily as a result of higher product margins for ethylene, butadiene, polypropylene and polyethylene, mainly LDPE. Fixed costs were also higher in 2010 compared to 2009, reflecting costs related to our maintenance program and the start up of the polymers plant in Münchsmünster, Germany. Operating results for 2010 were negatively impacted by a $35 million charge associated with a change in estimate related to a dispute that arose during the third quarter 2010 over an environmental indemnity. Lower depreciation and amortization expense of $62 million in 2010 compared to 2009 was primarily a result of our write-down of Property, plant and equipment associated with the revaluation of our assets in fresh-start accounting.

In 2009, the underlying operations of the O&P EAI segment reflected significantly lower net product margins and lower sales volumes, primarily in Europe, offset by the benefit of lower fixed costs compared to 2008. The lower fixed costs were primarily a result of LyondellBasell AF s cost reduction program.

Income (loss) from equity investments Income from equity investments for the O&P EAI segment increased $320 million in 2010 compared to 2009 and decreased $206 million from 2008 to 2009. We received dividends of

$40 million from our equity investments during 2010. The decrease from 2008 to 2009 was primarily due to recognition of a $228 million after-tax impairment of the carrying value of LyondellBasell AF s investment in certain joint ventures during 2009 as a result of weak current and projected market conditions. This loss was based on estimates of fair values developed in connection with LyondellBasell AF s estimation of its reorganization enterprise value.

Fourth Quarter 2010 Versus Third Quarter 2010 The O&P EAI segment had operating income of $66 million in the fourth quarter 2010 compared to $231 million in the third quarter 2010. Underlying operating results reflected a decrease in the fourth quarter 2010, compared to the third quarter 2010, primarily due to lower product margins, particularly ethylene, and to a lesser extent, higher fixed costs and the effect of lower sales volumes. The lower product margins reflected higher raw material costs while the higher fixed costs resulted from higher costs related to our maintenance program. The decrease in product margins was amplified by the unfavorable effects of changes in currency exchange rates as the Euro weakened against the U.S. dollar in the fourth quarter compared to the third quarter 2010. Operating results in the fourth quarter 2010 included an $10 million non-cash credit related to inventory market price recovery in the fourth quarter 2010, which offsets the $5 million inventory adjustments recorded in each of the second and third quarters of 2010 to adjust inventory to market value after the Emergence Date. Operating results for the third quarter 2010 also included a $35 million charge associated with a change in estimate related to a dispute that arose during that period over an environmental liability.

Intermediates and Derivatives Segment

2010 Versus 2009 Market demand for PO and PO derivatives improved in 2010 as the recovery of the automotive industry from a particularly weak 2009 and planned and unplanned industry outages during 2010 resulted in tightened supply. Demand in the Intermediates market also returned to at or above pre-recession levels.

The I&D segment s operating results for 2010 primarily reflected higher sales volumes across most products compared to 2009. The propylene oxide business benefited from planned and unplanned competitor downtime in the first half of 2010 as the market for durable goods end-uses strengthened. Operating results for the Successor periods reflected the impacts of fresh-start accounting, including a non-cash charge, in the second quarter 2010, to adjust inventory to market value that was offset by the benefit of lower depreciation and amortization expense related to the write-down of segment assets (see Results of Operations Cost of Sales).

2009 Versus 2008 While improving during the course of 2009, markets for PO and PO derivatives, ethylene derivatives and other intermediate chemical products generally experienced weaker demand in 2009 compared to 2008 particularly in durable goods markets.

The I&D segment operating results in 2009 primarily reflected the negative effects of lower sales volumes compared to 2008. As a result of LyondellBasell AF s cost reduction program, fixed costs were significantly lower in 2009, partly offsetting the negative effects of the weak markets. Product margins were relatively stable. In response to lower PO demand, LyondellBasell AF temporarily idled two PO facilities in late 2008. In mid-May 2009, LyondellBasell AF restarted one of the idled PO facilities, which is located in Europe and is part of LyondellBasell AF s joint venture with Bayer (see Note 12 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010). The second PO facility restarted in September 2009.

In the third quarter 2008, operating results were negatively impacted by lost production at certain U.S. Gulf Coast plants due to the effects of a hurricane.

The following table sets forth the Intermediates & Derivatives segment s sales and other operating revenues, operating income, income from equity investments and selected product sales volumes.

	Successor	Predecessor		
	May 1 through December 31, 2010	January 1 through April 30, 2010	For the Twelve Months Ended December 31, 2009	2008
Millions of dollars				
Sales and other operating revenues	$ 3,754	$ 1,820	$ 3,778	$ 6,218
Operating income (loss)	512	157	250	(1,915)

Income (loss) from equity investments	2	(1)	(16)	(2)
Sales Volumes, in millions of pounds				
PO and derivatives	2,248	1,134	2,695	2,997
EO and derivatives	614	358	1,063	1,387
Styrene	2,023	858	2,291	3,183
Acetyls	1,189	518	1,682	1,605
TBA intermediates	1,208	613	1,381	1,597

Revenues Revenues for 2010 increased $1,796 million or, 48% compared to 2009, and revenues for 2009 decreased $2,440 million or, 39%, compared to revenues for 2008. The increase in revenue in 2010 compared to 2009 reflected increased demand in the current year leading to higher sales volumes and higher average sales prices across most products, particularly PO, BDO, PG, TBA, and styrene. The higher average product sales prices were responsible for a 28% revenue increase. Higher sales volumes, except in EO and EG, were responsible for the remaining 20% increase in revenues. EO and EG sales volumes were lower in 2010 due to planned and unplanned maintenance activities during the latter half of 2010.

The decrease in 2009 revenue compared to 2008 reflected the effect of lower product sales prices and net lower sale volumes, a trend which began in the latter part of 2008. Lower product sales prices, which include the unfavorable effects of changes in currency exchange rates as the U.S. dollar was stronger in relation to the Euro in 2009 compared to 2008 were responsible for a 23% decrease in revenues. The remaining 16% decrease in revenues was due to the lower sales volumes in 2009 compared to 2008.

Operating Income (Loss) Operating results for 2010 for the I&D segment increased $419 million compared to 2009 and increased $2,165 for 2009 compared to 2008. Operating results for 2010 include an $8 million non-cash charge to adjust inventory at December 31, 2010 to market value, which was lower than the value at April 30, 2010 applied during fresh-start accounting. Lower depreciation and amortization expense of $104 million in 2010 compared to 2009 was primarily the result of our write-down of Property, plant and equipment associated with the revaluation of our assets in fresh-start accounting. The remaining increases in 2010 primarily reflected the favorable effect of significantly higher sales volumes for PO and PO derivatives, TBA and styrene. Lower product margins for styrene and TBA and derivatives more than offset higher product margins for acetyls, EO and EG.

Results in 2009 reflected lower fixed costs compared to 2008 as a result of LyondellBasell AF s cost reduction program, and lower utility costs compared to 2008 due to lower natural gas prices. Product margins in 2009 were flat compared to 2008, as lower product prices were offset by lower raw material costs. Results in 2008 were impacted by charges of $1,992 million for impairment of goodwill related to the December 20, 2007 acquisition of Lyondell Chemical and inventory valuation adjustments of $65 million.

Fourth Quarter 2010 versus Third Quarter 2010 The I&D segment had operating income of $196 million in the fourth quarter 2010 compared to $207 million in the third quarter 2010. Operating results in the fourth quarter 2010 included a non-cash benefit of $17 million related to inventory market price recovery in the fourth quarter 2010, which partially offsets the $25 million charge recorded in the second quarter 2010 to adjust inventory to market value after the Emergence Date. The segment s underlying fourth quarter 2010 operating results reflect slightly lower product margins higher fixed costs. The lower product margins primarily reflected higher raw material and utility costs.

Refining and Oxyfuels Segment

2010 Versus 2009 In 2010 compared to 2009, benchmark heavy crude refining margins averaged higher, primarily due to an increase in the differential between the cost of heavy and light crude oil.

Segment operating results in 2010 compared to 2009 primarily reflected higher benchmark refining margins and lower crude processing rates at the Houston refinery. Crude processing rates for the Houston refinery reflected the effects of a crude unit fire, sulfur recovery constraints and unplanned outages, while the Berre refinery crude processing rates were negatively affected by national strikes in France during the fourth quarter 2010. Oxyfuels results were lower in 2010. Operating results for the Successor period reflected the impacts of fresh-start accounting, including non-cash charges in the second and third quarters of 2010 to adjust inventory to market value, all of which was recovered in the fourth quarter 2010, and the benefit of lower depreciation and amortization expense related to the write-down of segment assets (see Results of Operations Cost of Sales).

2009 Versus 2008 Benchmark refining margins for 2009 were lower compared to the same period in 2008, generally reflecting the weaker global economy and consequent weaker demand for gasoline and distillate products, such as diesel and heating oil. The weaker demand resulted in lower prices for light crude oil, while OPEC-mandated production cuts resulted in lower supplies of heavy crude oil and lower price discounts relative to light crude oil. Both factors compressed the price differential between light and heavy crude oil. Benchmark margins for oxyfuels in 2009 were comparable to 2008.

Refining and Oxyfuels segment operating results in 2009 primarily reflected the effects of significantly lower U.S. refining margins compared to the same period in 2008. The operating results of the Berre refinery, which was acquired on April 1, 2008, reflected the weak distillate markets in 2009. Operating results in 2009 benefited from higher margins for oxygenated gasoline blending components and lower utility and fixed costs, but were negatively affected by outages of some of the Houston refinery s sulfur recovery units during the second quarter 2009 and of a crude unit during the fourth quarter 2009. As a result of LyondellBasell AF s cost reduction program, fixed costs were significantly lower in 2009 compared to 2008.

In 2008, operating results were negatively impacted by lost production at the Houston refinery due to the effects of a hurricane and a scheduled maintenance turnaround of one of the refinery s crude trains and coker units during the third quarter 2008 that was delayed by an incident involving a contractor s crane and an unplanned second quarter 2008 outage of a FCC unit.

The following table sets forth the Refining and Oxyfuels segment s sales and other operating revenues, operating income and sales volumes for certain gasoline blending components for the applicable periods. In addition, the table shows market refining margins for the U.S. and Europe and MTBE margins in Northwest Europe (NWE). In the U.S., WTI, or West Texas Intermediate, is a light crude oil, while Maya is a heavy crude oil. In Europe, Urals 4-1-2-1 is a measure of West European refining margins.

	Successor	Predecessor		
	May 1 through December 31, 2010	January 1 through April 30, 2010	For the Twelve Months Ended December 31, 2009	2008
Millions of dollars				
Sales and other operating revenues	$ 10,321	$ 4,748	$ 12,078	$ 18,362
Operating income (loss)	241	(99)	(357)	(2,378)
Sales Volumes, in millions				
Gasoline blending components MTBE/ETBE (gallons)	625	266	831	1,018
Crude processing rates (thousands of barrels per day):				
Houston Refining	223	263	244	222
Berre Refinery(1)	94	75	86	102
Market margins $ per barrel				
WTI 2-1-1	8.98	7.50	6.98	12.37
WTI Maya	8.99	9.46	5.18	15.71
Total	17.97	16.96	12.16	28.08
Urals 4-1-2-1	6.59	6.17	5.57	10.98
Market margins cents per gallon				
MTBE NWE	33.9	50.2	67.9	51.9

(1) Berre Refinery purchased April 1, 2008

Revenues Revenues for the Refining and Oxyfuels segment increased $2,991 million, or 25%, in 2010 compared to 2009 and decreased $6,284 million, or 34%, from 2008 to 2009. Higher average sales prices at the Houston and Berre refineries in 2010 were responsible for a 30% increase in revenues compared to 2008. Lower crude processing rates in 2010 compared to 2009 decreased revenues by 5%. Crude processing rates for the Houston refinery were 3% lower, compared to 2009, as a result of a May 2010 crude unit fire and other planned and unplanned outages during 2010. Crude processing rates for the Berre refinery were 2% higher in 2010, compared to 2009, despite several planned and unplanned outages.

Lower average sales prices in 2009 were responsible for a 36% decrease in revenues compared to 2008, while higher sales volumes at the Houston refinery increased revenues by 2%. The decrease during 2009 was partially offset by the effect of a full year of operation of the Berre refinery, which was acquired April 1, 2008.

Operating Income (Loss) Operating results increased $499 million in 2010, compared to 2009, and increased $2,021 million in 2009, compared to 2008. Operating results in 2010 were negatively impacted by a $21 million charge associated with a change in estimate related to a dispute that arose during the third quarter 2010 over an environmental indemnity, the impairment of assets related to the Berre refinery, and by a crude unit fire in May 2010 resulting in lost production and $14 million in cash costs. Operating results for 2009 included the benefit of $50 million from the settlement of hedging activity at the Houston refinery related to distillates. Lower depreciation and amortization expense of $269 million in 2010 compared to 2009 was primarily the result of the write-down of Property, plant and equipment associated with the revaluation of our assets in fresh-start accounting. Apart from the effects of the items listed above, increases in operating results for 2010 were primarily due to higher refining margins, especially at the Houston refinery, partially offset by lower product margins for oxyfuels. The decreased oxyfuels margins in 2010 are primarily due to the normalization of margins in 2010 compared to the exceptional margins achieved in 2009.

Operating results in 2009 were negatively affected by lower crude refining margins, partially offset by lower utility costs due to lower natural gas prices and lower fixed costs. The latter reflected LyondellBasell AF s cost reduction program. The lower refining margins were primarily attributable to U.S. refining markets, although margins were lower for both the Houston and Berre refineries. In 2008, operating results were negatively impacted by scheduled maintenance turnarounds of crude and coker units and the related July 2008 crane incident at the Houston refinery, as well as by operating disruptions related to Hurricane Ike by an estimated $205 million. In addition to the turnaround and hurricane effects, operating results were negatively affected by an estimated $220 million as a result of lost production due to unplanned maintenance at the Houston refinery s FCC and other operating units. Operating results were also negatively impacted by impairment charges against goodwill of $2,305 million and other assets of $218 million and inventory valuation adjustments of $442 million.

Fourth Quarter 2010 Versus Third Quarter 2010 The Refining and Oxyfuels segment had operating income of $144 million in the fourth quarter 2010 compared to $83 million in the third quarter 2010. Operating results in the fourth quarter 2010 reflect the non-cash benefit of $132 million related to inventory market price recovery, which offsets the lower of cost or market charges recorded in the second and third quarters of 2010 of $132 million and $1 million, respectively, and the impairment of assets related to the Berre refinery. Third quarter 2010 operating results include the $21 million charge associated with a change in estimate related to a dispute over an environmental indemnity. The underlying operating results of the Refining and Oxyfuels business segment decreased in the fourth quarter 2010 primarily due to lower overall sales volumes, partially offset by higher refining margins at both the Houston and Berre refineries. Crude processing rates for the Houston refinery were 11% lower compared to the third quarter 2010, reflecting the effect of unplanned outages during the fourth quarter, while crude processing rates in the fourth quarter 2010 for the Berre refinery were only slightly lower compared to the third quarter 2010. Refining margins during the fourth quarter reflected the effect of higher average sales prices resulting from, in the case of the Berre refinery, the disruption due to the national strikes in France. Normal seasonal declines affected oxyfuels product margins and sales volumes during the fourth quarter 2010. The seasonal decline in margins was steeper than usual as the price of feedstocks, butane and ethanol, rose rapidly due to cold weather and a poor grain harvest, respectively.

Technology Segment

2010 Versus 2009 The Technology segment results in 2010 were negatively impacted by lower licensing revenue, reflecting a slowdown in new polyolefin projects as a consequence of the economic crisis beginning late in the fourth quarter 2008. Higher sales volumes for catalysts partially offset the results for process licenses. The negative effect of a strengthening U.S. dollar versus the Euro in 2010 also negatively impacted the Technology segment s 2010 results.

2009 Versus 2008 Technology segment results for 2009 were primarily affected by lower license revenue, reflecting weaker global markets compared to 2008. The segment results also reflected the negative effects of changes in currency exchange rates as the U.S. dollar strengthened versus the Euro. The 2009 results benefited from lower R&D expense, reflecting LyondellBasell AF s cost reduction program and a government subsidy, and the effects of higher catalyst sales volumes.

The following table sets forth the Technology segment s sales and other operating revenues and operating income.

	Successor	Predecessor		
	May 1 through December 31, 2010	January 1 through April 30, 2010	For the Twelve Months Ended December 31, 2009	2008
Millions of dollars				
Sales and other operating revenues	$ 365	$ 145	$ 543	$ 583
Operating income	69	39	210	202

Revenues Revenues for 2010 decreased $33 million, or 6% compared to 2009 and decreased $40 million, or 7% from 2008 to 2009. Lower process license revenue in 2010 and 2009 was responsible for decreases in revenues of 15% and 7%, respectively. Higher catalyst sales volumes increased revenues by 9% and 5%, respectively. However, lower average sales prices for catalysts in 2009 compared to 2008 decreased revenues by 5%, offsetting the effect of the higher sales volumes. In addition, currency exchange rates had an unfavorable effect on operating income of non-U.S. operations as the U.S. dollar strengthened versus the Euro in both periods.

Operating Income Operating income for 2010 for the Technology segment decreased $102 million compared to 2009 and increased $8 million from 2008 to 2009. Operating income for 2010 was negatively affected by an $8 million charge associated with a change in estimate related to a dispute that arose during the third quarter 2010 over an environmental indemnity and by a $17 million charge related to the sale, in 2010, of higher cost inventory. The remaining decrease in operating income in 2010 compared to 2009 was the result of lower licensing revenue, and to a lesser extent, the negative effects of a strengthening U.S. dollar versus the Euro in 2010 compared to 2009. These decreases in 2010 operating results were only partly offset by the effect of increased catalyst sales volumes in 2010. Operating income in 2009 also included the benefit of a government subsidy recognized as a reduction of R&D expense.

The $8 million increase in operating income in 2009, compared to 2008, was primarily the result of higher catalysts sales volumes, partly offset by an unfavorable effect from changes in currency exchange rates. Currency exchange rates had an unfavorable effect on operating income as the U.S. dollar strengthened versus the Euro in 2009 compared to 2008.

Fourth Quarter 2010 versus Third Quarter 2010 The Technology segment had operating income of $8 million in the fourth quarter 2010 compared to $38 million in the third quarter 2010. Apart from a fourth quarter 2010 charge of $17 million related to the sale of higher cost inventory during the year and an $8 million charge related to a dispute over environmental liability, operating results in the fourth quarter 2010 reflected lower licensing income and the effect of lower sales volumes for catalysts, compared to the third quarter 2010.

FINANCIAL CONDITION

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

	Successor	Predecessor
	May 1	January 1

	through December 31, 2010	through April 30, 2010	For the Twelve Months Ended December 31, 2009	2008
Millions of dollars				
Source (use) of cash:				
Operating activities	$ 2,957	$ (936)	$ (787)	$ 1,090
Investing activities	(312)	(213)	(611)	(1,884)
Financing activities	(1,194)	3,315	1,101	1,083

Operating Activities Cash provided in the combined Successor and Predecessor periods of 2010 primarily reflected an increase in earnings offset by payments for reorganization items, claims under the Plan of Reorganization, and certain annual payments relating to sales rebates, employee bonuses, property taxes and insurance premiums. The use of cash in 2009 primarily reflected a $573 million increase in cash used by the main components of working capital accounts receivable and inventory, net of accounts payable and $329 million of vendor prepayments that were required by certain third parties as a result of LyondellBasell AF s chapter 11 filing.

In 2010, the main components of working capital accounts receivable and inventory, net of accounts payable used cash of $456 million compared to $573 million in 2009. The increase in these components of working capital during 2010 reflected a $702 million increase in accounts receivable due to higher average sales prices and higher sales volumes and a $395 million increase in inventory, partially offset by a $641 million increase in accounts payable due to the higher costs and volumes of feedstocks, and more favorable payment terms.

Changes in the main components of working capital used cash of $573 million in 2009 and provided cash of $747 million in 2008. The increase in cash used by the main components of working capital in 2009 primarily reflected a $503 million repayment that was required in connection with the termination of an accounts receivable securitization program in early 2009. Operationally, cash used by the main components of working capital increased by only $70 million, despite the effect of rising prices during 2009, as the Company focused on reducing working capital levels.

In 2008, the $747 million of cash provided by the main components of working capital primarily reflected the effects of declining crude oil prices on sales prices and the value of inventory; the disruptive effects of Hurricane Ike on the Company s Gulf Coast operations; and the planned and unplanned outages related to a turnaround at the Houston Refinery. Other factors impacting the main components of working capital included a general tightening of credit in the industry and the delay, in December 2008 of certain payments.

Investing Activities Cash used in investing activities in 2010 included $692 million of capital expenditures, partially offset by proceeds of $154 million from the sale of our F&F business in December 2010 and $12 million in proceeds from a money market fund that had suspended rights to redemption in 2008, as described below.

The cash used in 2009 primarily included $779 million of capital expenditures, partially offset by proceeds of $120 million from insurance claims, $20 million from sales of assets, and $23 million from a net reduction of short-term investments. The cash provided by insurance claims related to damages sustained in 2005 at the polymers plant in Münchsmünster, Germany.

The cash used in 2008 was primarily related to business acquisitions and capital expenditures, partially offset by proceeds from the sales of assets and insurance claims related to the polymers plant in Münchsmünster, Germany. Acquisitions in 2008 included the April 2008 acquisition of the Shell oil refinery, inventory and associated infrastructure and businesses at our Berre Refinery for a purchase price of $927 million, including final adjustment for working capital and the February 2008 acquisition of Solvay Engineered Polymers, Inc., a leading supplier of polypropylene compounds in North America, for $134 million (see Note 5 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010). Asset sales included the September 2008 sale of the TDI business for proceeds of 77 million ($113 million) and the July 2008 sale of a Canadian plant for proceeds of $18 million. As a result of financial difficulties experienced by major financial institutions beginning in the latter part of 2008, LyondellBasell AF received notice that rights of redemption had been suspended with respect to a money market fund in which LyondellBasell AF had invested approximately $174 million. LyondellBasell AF subsequently redeemed a total of $172 million, including $137 million in 2008, $23 million in 2009 and $12 million in January 2010.

The following table summarizes capital expenditures for the periods presented:

		Successor		Predecessor	
	Plan 2011	May 1 through December 31, 2010	January 1 through April 30, 2010	Twelve Months Ended December 31, 2009	2008
Millions of dollars					
Capital expenditures by segment:					
O&P Americas	$ 361	$ 146	$ 52	$ 142	$ 201
O&P EAI	286	105	102	411	509
I&D	122	77	8	23	66
Refining and Oxyfuels	345	108	49	167	196
Technology	38	19	12	32	33
Other	15	12	3	6	24
Total capital expenditures by segment	1,167	467	226	781	1,029
Less:					
Contributions to PO Joint Ventures	3	1		2	29
Consolidated capital expenditures of continuing operations	$ 1,164	$ 466	$ 226	$ 779	$ 1,000

The capital expenditures presented in the table above exclude costs of major periodic maintenance and repair activities, including turnarounds and catalyst recharges of $74 million in the first quarter 2010 and $71 million, $39 million and $164 million in the Predecessor periods of 2010, 2009 and 2008, respectively.

Financing Activities The two month Successor period ending June 30, 2010 reflects a net increase in borrowings of $132 million under our European Securitization facility and a $2 million payment related to a previous factoring facility in France. The cash used in the Successor period primarily reflects the repayment of debt in the fourth quarter of 2010. In December 2010, we redeemed $225 million and 37.5 million ($50 million) of our 8% Senior Secured Notes due 2017, comprising 10% of the outstanding senior secured dollar notes and senior secured Euro notes, respectively. In conjunction with the redemption of the notes, we paid premiums totaling $8 million. Also in 2010, we repaid $495 million of the Senior Term Loan Facility, including a mandatory quarterly amortization payment of $1 million and a prepayment, at par, of $494 million in December 2010.

Since the Emergence Date, we made net payments totaling $398 million under the European Securitization Facility, which includes the entire outstanding balance in October 2010. We also made net payments of $14 million under our accounts receivable factoring facility during the Successor period.

As part of our emergence from bankruptcy, we received gross proceeds of $2,800 million on April 30, 2010 in connection with the issuance of shares in a rights offering and paid $86 million of fees, including $70 million of fees to equity backstop providers. On April 30, 2010 we also received net proceeds of $3,242 million from the issuance of new debt by our subsidiary, Lyondell Chemical, including Senior Secured Notes in the amounts of $2,250 million and 375 million ($497 million) and from proceeds of the Senior Term Loan facility of $495 million. Proceeds from the rights offering and the Senior Notes, along with borrowings under the Senior Term Loan Facility and the amended and restated European Securitization, were used to repay outstanding amounts of $2,167 million under the DIP New

Money Term Loan, $985 million under the DIP ABL Facility and to pay a $195 million exit fee required under the DIP financing. We also paid fees totaling $92 million in connection with our new U.S. ABL Facility and amended and restated European Securitization facility. Predecessor debt classified as Liabilities subject to compromise immediately prior to emergence from bankruptcy was discharged pursuant to the Plan of Reorganization (see Note 4 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010).

Apart from the payments reflected above, during the 2010 Predecessor period, we repaid a $5 million Argentinean loan; made a $12 million mandatory quarterly amortization payment of the Dutch Tranche A Dollar Term Loan, $3 million of which was related to the DIP Roll-Up Loans; and made payments of $8 million on the French Factoring Facility. In addition, we made payments totaling $13 million related to the extension of the DIP financing. We also had a net increase in borrowings of $47 million under the European Securitization facility in the 2010 Predecessor period.

In 2009, LyondellBasell AF borrowed $2,167 million under a DIP financing arrangement, receiving net proceeds of $2,089 million and subsequently paid additional bank fees of $97 million. In addition, LyondellBasell AF paid fees of $93 million related to the issuance of the DIP ABL facility, and at December 31, 2009 had $325 million of net borrowings outstanding under this facility.

The chapter 11 filing in 2009 constituted a termination event under the asset-based credit facilities in the U.S., and LyondellBasell AF used $880 million of the net proceeds under the DIP financing arrangement to repay $766 million and $114 million outstanding under the previous inventory-based credit facility and the North American accounts receivable securitization program, respectively. As noted under Operating Activities, LyondellBasell AF also used $503 million to repurchase outstanding accounts receivable sold under its previous $1,150 million receivables securitization facility. In addition, LyondellBasell AF repaid a $100 million demand note related to emergency postpetition funding. In 2009, LyondellBasell AF made net repayments totaling $201 million under its European receivables securitization program, which was amended and restated in March 2009. LyondellBasell AF repaid $45 million (70 million Australian dollars) outstanding under an Australian term loan and $11 million of other loans, including $6 million outstanding under an Argentinean bank loan, and made mandatory quarterly amortization payments of the Dutch Tranche A Dollar Term Loan totaling $24 million, $6 million of which was related to the DIP financing.

A non-debtor subsidiary of LyondellBasell AF entered into an accounts receivable factoring agreement in 2009 under which it received $24 million of proceeds. See the Accounts Receivable Factoring Agreement section in Liquidity and Capital Resources. Also in 2009, LyondellBasell AF received $18 million of proceeds from an Argentinean bank loan and borrowed $17 million related to a letter of credit presented for payment under the prepetition senior secured revolving credit facility.

LyondellBasell AF had an additional $21 million of cash used by financing activities, primarily related to the effects of bank overdrafts.

The cash provided in 2008 primarily reflected net $1,510 million borrowed under LyondellBasell AF s credit facilities offset by $384 million of long-term debt repayments. The borrowings were used to fund the business acquisitions described in the Investing Activities section above.

Liquidity and Capital Resources As of December 31, 2010, we had cash on hand of $4,222 million. In addition, we had total unused availability under our credit facilities of $1,883 million at December 31, 2010, which included the following:

$1,380 million under our $1,750 million U.S. ABL facility, which matures in 2014. Availability under the U.S. ABL facility is subject to a borrowing base of $1,750 million at December 31, 2010, and is reduced to the extent of outstanding borrowings and outstanding letters of credit provided under the facility. At December 31, 2010, we had $370 million of outstanding letters of credit and no outstanding borrowings under the facility.

368 million and $16 million (totaling approximately $503 million) under our 450 million European receivables securitization facility. Availability under the European receivables securitization facility is subject to a borrowing base comprising 368 million and $16 million in effect as of December 31, 2010. There were no outstanding borrowings under this facility at December 31, 2010.

In October 2010, we provided the lenders under our accounts receivable factoring facility with notice of our intent to terminate the agreement. The facility was repaid in full in November 2010 and terminated.

At December 31, 2010, we had total short-term and long-term debt, including current maturities, of $6,082 million. At December 31, 2010, our $4 million of current maturities of long-term debt comprises various non-U.S. loans.

Receivables securitization On May 4, 2010, we amended and restated an existing securitization agreement under which two of our non-U.S. subsidiaries may sell, subject to a borrowing base, up to 450 million in trade receivables. Transfers of accounts receivable under this three-year program do not qualify as sales; therefore, the transferred accounts receivable and the proceeds received through such transfers are included in trade receivables, net, and short-term debt in the consolidated balance sheets. There were no borrowings under this facility as of December 31, 2010.

Contractual and Other Obligations The following table summarizes, as of December 31, 2010, 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 dollars	**Total**	**2011**	**2012**	**2013**	**2014**	**2015**	**Thereafter**
Total debt	$ 6,082	$ 46	$ 10	$ 1	$	$ 1	$ 6,024
Interest on total debt	4,460	609	608	608	589	579	1,467
Pension benefits:							
PBO	2,933	161	166	236	186	205	1,979
Assets	(1,760)						(1,760)
Funded status	1,173						
Other postretirement benefits	332	22	22	23	23	24	218
Advances from customers	101	12	17	16	12	12	32
Other	605	112	93	71	35	33	261
Deferred income taxes	656	122	119	107	97	87	124
Other obligations:							
Purchase obligations:							
Take-or-pay contracts	15,223	2,400	2,352	2,328	2,357	1,910	3,876
Other contracts	41,593	13,484	6,325	5,612	5,405	4,767	6,000
Operating leases	1,687	278	232	211	185	152	629
Total	$ 71,912	$ 17,246	$ 9,944	$ 9,213	$ 8,889	$ 7,770	$ 18,850

Total Debt Total debt includes our 8% U.S. dollar and Euro Senior Secured Notes due 2017, Senior Secured Term Loan Facility due 2016, 11% Senior Secured Notes due 2018, 8.1% guaranteed notes due 2027 (the 2027 Notes) and various non-U.S. loans. See Note 15 for a discussion of covenant requirements under the credit facilities and indentures and additional information regarding our debt facilities.

Interest 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 Benefits We maintain several defined benefit pension plans, as described in Note 18 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010. At December 31, 2010, the projected benefit obligation for our pension plans exceeded the fair value of plan assets by $1,173 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 $1,173 million, with interest, in future years. We contributed $99 million to our pension plans in 2010 and LyondellBasell AF made contributions to the plans of $52 million in 2009 and $80 million in 2008. In January 2011, we contributed $155 million of the approximately $287 million of required contributions that we expect to make to our pension plans in 2011. Estimates of pension benefit payments through 2015 are included in the table above.

Other Postretirement Benefits We provide other postretirement benefits, primarily medical benefits to eligible participants, as described in Note 18 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010. We pay other unfunded postretirement benefits as incurred. Estimates of other postretirement benefit payments through 2015 are included in the table above.

Advances from Customers We are obligated to deliver product, primarily at cost-based prices, in connection with long-term sales agreements under which our Predecessor received advances from customers 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 $101 million as of December 31, 2010.

Other   Other primarily consists of accruals for environmental remediation costs, obligations under deferred compensation arrangements, and anticipated asset retirement obligations. See   Critical Accounting Policies   below for a discussion of obligations for environmental remediation costs.

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 December 31, 2010.

Operating Leases   We lease various facilities and equipment under noncancelable lease arrangements for various periods. See Note 16 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010 for related lease disclosures.

RELATED PARTY TRANSACTIONS

We have related party transactions with certain of our major shareholders and their affiliates and our joint venture partners. We believe that such transactions are effected on terms substantially no more or less favorable than those that would have been agreed upon by unrelated parties on an arm s length basis.

LyondellBasell AF had related party transactions with its equity investees and its affiliates as well as a member of its Board of Directors (see Note 7 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010). In addition, prior to the Emergence Date, LyondellBasell AF had related party transactions with Access Industries.

CRITICAL ACCOUNTING POLICIES

Management applies those accounting policies that it believes best reflect the underlying business and economic events, consistent with accounting principles generally accepted in the U.S. (see Note 2 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010). Our more critical accounting policies include those related to the valuation of inventory, long-lived assets, the valuation of goodwill, accruals for long-term employee benefit costs such as pension and other postretirement costs, liabilities for anticipated expenditures to comply with environmental regulations, and accruals for taxes based on income. Inherent in such policies are certain key assumptions and estimates made by management. Management periodically updates its estimates used in the preparation of the financial statements based on its latest assessment of the current and projected business and general economic environment. Changes to these critical accounting policies have been reviewed with LyondellBasell N.V. s Supervisory Board.

Inventory   LyondellBasell N.V. adopted the LIFO method of accounting for inventory upon implementation of fresh-start accounting. In conjunction with the implementation of fresh-start accounting on April 30, 2010, the Company recorded its inventory, which is primarily crude-oil derived, at fair value. The resulting increase in inventory was primarily in the U.S. and was largely driven by the price of crude oil. The per barrel benchmark price of

WTI crude oil at April 30, 2010 had increased to $86.15. The price of crude oil is subject to many factors, including changes in economic conditions. The fluctuation in the price of crude oil from period to period may result in the recognition of charges to adjust the value of inventory to the lower of cost or market in periods of falling prices and the reversal of those charges in subsequent periods as market prices recover. Accordingly, our cost of sales and results of operations may be affected by such fluctuations.

Following the revaluation of our inventory on April 30, 2010, the per barrel benchmark price of WTI crude oil declined to $75.63 on June 30, 2010, resulting in a $333 million lower of cost or market adjustment primarily to the Company s raw materials and finished goods inventory and associated increase in cost of sales for the period from May 1 through June 30, 2010. In the third quarter 2010, as a result of lower market prices for certain of the

Company s finished goods inventory, the Company recorded a non-cash charge of $32 million to adjust the value to the lower of cost or market. The recovery of the market price of crude oil in the fourth quarter of 2010, resulted in a non-cash credit of $323 million to earnings.

Long-Lived Assets With respect to long-lived assets, key assumptions included the estimates of the asset fair values and useful lives at the Emergence Date 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 world economies, the cyclical nature of the chemical and refining industries, and uncertainties associated with governmental actions, whether regulatory or, in the case of Houston refinery, with respect to its crude oil contract.

Earnings in the 2010 Successor period included a pretax charge of $28 million primarily related to impairment of the carrying value of capital additions at our Berre refinery following an analysis of its discounted cash flow projections.

Predecessor earnings for 2009 included pretax impairment charges of $17 million, primarily related to the impairment of LyondellBasell AF s emissions allowances that are subject to reallocation to other industry participants under a proposed regulation by the Texas Commission on Environmental Quality. As part of its reorganization, LyondellBasell AF also recognized charges totaling $679 million, including $624 million for the write off of the carrying value and related assets of its Chocolate Bayou olefins facility near Alvin, Texas and $55 million for the write off of its ethylene glycol facility in Beaumont, Texas.

Predecessor earnings for 2008 included a $218 million pretax charge for impairment of the carrying value of the assets related to LyondellBasell AF s Berre Refinery. Also in 2008, LyondellBasell AF recognized a $7 million charge for impairment of its ethylene glycol facility in Beaumont, Texas.

For purposes of recognition and measurement of the above-noted impairments, long-lived assets were grouped with other assets and liabilities at the lowest level for which identifiable cash flows were largely independent of the cash flows of other assets and liabilities.

The estimated useful lives of long-lived assets range from 3 to 30 years. Depreciation and amortization of these assets, including amortization of deferred turnaround costs, under the straight-line method over their estimated useful lives totaled $1,123 million in 2010, including $558 million in the Successor period. Based upon the estimated fair values and re-assessed useful lives at the Emergence Date, depreciation and amortization would be approximately $850 million per year. If the useful lives of the assets were found to be shorter than originally estimated, depreciation and amortization charges would be accelerated over the revised useful life.

Goodwill Goodwill of $595 million at December 31, 2010 represents the tax effect of the differences between the tax and book bases of the Company s assets and liabilities resulting from the Company s revaluation of those assets and liabilities to fair value in connection with the Company s emergence from bankruptcy and adoption of fresh-start accounting. LyondellBasell N.V. evaluates the carrying value of goodwill annually or more frequently if events or changes in circumstances indicate that the carrying amount may exceed fair value. Recoverability is determined by comparing the estimated fair value of the reporting unit to which the goodwill applies to the carrying value, including goodwill, of that reporting unit.

The recoverability of LyondellBasell N.V. s goodwill is dependent upon the future operating results associated with its reporting units, which could change significantly based upon business performance or other factors.

Long-Term Employee Benefit Costs The costs to LyondellBasell N.V. of 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 net periodic benefit cost attributable to current periods is based on several assumptions about such future uncertainties, and is sensitive to changes in those assumptions. It is management s responsibility, often with the assistance of independent experts, to select assumptions that in its judgment represent its best estimates of the future effects of those uncertainties. It also is management s responsibility to review those assumptions periodically to reflect changes in economic or other factors that affect those assumptions.

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. LyondellBasell N.V. s assumed discount rate is based on published average rates for high-quality (Aa rating) ten-year fixed income securities. For the purpose of measuring the benefit obligations at December 31, 2010, LyondellBasell N.V. used a discount rate of 5.25% for most U.S. plans while a rate of 5.0% was used for certain U.S. plans to reflect the different terms of the related benefit obligations. The discount rate used to measure obligations for non-U.S. plans at December 31, 2010 was 4.97%, reflecting market interest rates. The discount rates in effect at December 31, 2010 will be used to measure net periodic benefit cost during 2011.

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. As of December 31, 2010, the assumed rate of increase for our U.S. plans was 9.1%, decreasing to 5% in 2026 and thereafter. The assumed rate of increase for our Canadian plans, as of December 31, 2010, was 8.5%, decreasing to 5% in 2018 and thereafter. A one percentage point change in the health care cost trend rate assumption would have no significant effect on either the benefit liability or the net periodic cost, due to limits on LyondellBasell N.V. s maximum contribution level under the medical plan.

The net periodic cost of pension benefits included in expense also is affected by the expected long-term rate of return on plan assets assumption. Investment returns that are recognized currently in net income represent the expected long-term rate of return on plan assets applied to a market-related value of plan assets which, for LyondellBasell N.V., is defined as 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 current assumed discount rate, reflecting long-term market expectations, rather than current fluctuations in market conditions.

The weighted average expected long-term rate of return on U.S. and non-U.S. plan assets of 8% and 6.24%, respectively, is based on the average level of earnings that its independent pension investment advisor had advised could be expected to be earned over time. The expectation is based on an asset allocation that varies by region. The asset allocations are summarized in Note 18 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010. The actual returns in 2010 for U.S. and non- U.S. plan assets were 15.6% and 8.4%, respectively.

The actual rate of return on plan assets may differ from the expected rate due to the volatility normally experienced in capital markets. Management s goal is to manage the investments over the long term to achieve optimal returns with an acceptable level of risk and volatility.

Net periodic pension cost recognized each year includes the expected asset earnings, rather than the actual earnings or loss. This unrecognized amount, to the extent it exceeds 10% of the projected benefit obligation for the respective plan, is recognized as additional net periodic benefit cost over the average remaining service period of the participants in each plan.

In May 2010, LyondellBasell N.V. resumed matching contributions under its defined contribution plans (the 401(k) Employee Savings Plans). LyondellBasell AF had temporarily suspended its matching contributions under the Company s defined contribution plans beginning in March 2009 as a result of the bankruptcy.

Additional information on the key assumptions underlying these benefit costs appears in Note 18 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010.

Liabilities for Environmental Remediation Costs Anticipated expenditures related to investigation and remediation of contaminated sites, which include current and former plant sites and other remediation sites, are accrued when it is probable a liability has been incurred and the amount of the liability can be reasonably estimated. Only ongoing operating and monitoring costs, the timing of which can be determined with reasonable certainty, are discounted to present value. Future legal costs associated with such matters, which generally are not estimable, are not included in these liabilities.

As of December 31, 2010, LyondellBasell N.V. s accrued liability for future environmental remediation costs at current and former plant sites and other remediation sites totaled $107 million. The liabilities for individual sites range from less than $1 million to $37 million, and remediation expenditures are expected to occur over a number of years, and not to be concentrated in any single year. In the opinion of management, it is reasonably possible that losses in excess of the liabilities recorded for environmental remediation 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 LyondellBasell N.V. to reassess potential exposure related to environmental matters. See Note 21 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010 for further discussion of environmental remediation matters.

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.

Deferred tax assets and liabilities are determined based on temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse.

We recognize future tax benefits to the extent that the realization of these benefits is more likely than not. Our current provision for income taxes was impacted significantly by the initial recognition of valuation allowances related to net deferred assets in certain non-U.S. jurisdictions. Further changes to these valuation allowances may impact our future provision for income taxes, which will include no tax benefit with respect to losses incurred and no tax expense with respect to income generated in these countries until the respective valuation allowance is eliminated.

For further information related to our income taxes, see Note 20 to the Consolidated Financial Statements of LyondellBasell N.V. for the year ended December 31, 2010. See Note 24 to LyondellBasell AF s Consolidated Financial Statements for the year ended December 31, 2009 for further information related to income taxes in the predecessor periods.

Accounting and Reporting Changes

For a discussion of the potential impact of new accounting pronouncements on our consolidated financial statements, see Note 2 to LyondellBasell N.V. s Consolidated Financial Statements for the year ended December 31, 2010.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): November 2, 2011
LYONDELLBASELL INDUSTRIES N.V.
(Exact Name of Registrant as Specified in Charter)

The Netherlands	001-34726	98-0646235
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

Weena 737
3013 AM Rotterdam
The Netherlands
(Address of Principal Executive Offices)
Registrant s Telephone number, including area code: 31 10 275 5500
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement; Item 3.03. Material Modification to Rights of Security Holders;
Item 5.07. Submission of Matters to a Vote of Security Holders.

On November 7, 2011, Lyondell Chemical Company (Lyondell), a wholly owned subsidiary of LyondellBasell Industries N.V. (the Company), accepted for purchase certain of its 8% Senior Secured Dollar Notes due 2017, 8% Senior Secured Euro Notes due 2017, and 11% Senior Secured Notes due 2018 tendered in its previously announced cash tender offer and consent solicitation.

The tender offer was oversubscribed with respect to each series of Notes; therefore, Lyondell has accepted for purchase tendered Notes on a prorated basis. The following table sets forth the original outstanding principal amount of each series of Notes included in the tender offer, the principal amount of each such series that had been tendered and not withdrawn as of the early tender/consent deadline, the principal amount accepted for purchase for each such series and the approximate proration factor for each such series.

Securities	Principal Amount Outstanding Held by Non-Affiliates[(1)]	Aggregate Principal Amount Tendered and Not Withdrawn	Aggregate Principal Amount Accepted for Purchase[(2)]	Approximate Proration Factor[(2)]
8% Dollar Notes due 2017	$1,822,500,000	$1,796,894,000	$1,203,615,000	66.9831%
8% Euro Notes due 2017	303,750,000	299,823,930	199,827,000	66.6481%
11% Notes due 2018	$2,637,342,089	$2,618,963,978	$1,318,672,000	50.3509%

(1) As of October 20, 2011. The total aggregate principal amount of 8% Dollar Notes, 8% Euro Notes and 11% Notes held by all holders as of October 20, 2011 is $1,822,500,000, 303,750,000 and $3,240,225,105, respectively.

(2) Reflects the results of rounding upon the terms and conditions described in the Offer to Purchase.

Additionally, as a result of the receipt of the required consents pursuant to the cash tender offer and consent solicitation, Lyondell and the trustees under the indentures governing the Notes have executed supplemental indentures to amend certain terms included in the indentures. These amendments include the release of all of the collateral securing the Notes and modification of other provisions relating to restrictive covenants, including removal of the exception for certain existing shareholders from the current definition of change of control contained in the indentures, increasing the Company s capacity to make restricted payments, and modifying and limiting the exceptions in the 8% Notes indenture related to the incurrence of liens.

The foregoing description of the supplemental indentures does not purport to be complete and is qualified in its entirety by reference to such documents, copies of which are attached hereto as Exhibits 4.1 and 4.2 and incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

4.1 First Supplemental Indenture, dated as of November 2, 2011, by and among Lyondell Chemical Company, LyondellBasell Industries N.V., each of the other Guarantors signatory thereto and Wilmington Trust, National Association, as trustee.

4.2 First Supplemental Indenture, dated as of November 2, 2011, by and among Lyondell Chemical Company, LyondellBasell Industries N.V., each of the other Guarantors signatory thereto and Wells Fargo Bank, National Association, as trustee.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

LYONDELLBASELL INDUSTRIES N.V.

Date: November 7, 2011

By: */s/ Karyn F. Ovelmen*
Karyn F. Ovelmen
Executive Vice President

Exhibit Index

Exhibit	**Description**
4.1	First Supplemental Indenture, dated as of November 2, 2011, by and among Lyondell Chemical Company, LyondellBasell Industries N.V., each of the other Guarantors signatory thereto and Wilmington Trust, National Association, as trustee.
4.2	First Supplemental Indenture, dated as of November 2, 2011, by and among Lyondell Chemical Company, LyondellBasell Industries N.V., each of the other Guarantors signatory thereto and Wells Fargo Bank, National Association, as trustee.

Exhibit 4.1

FIRST SUPPLEMENTAL INDENTURE

FIRST SUPPLEMENTAL INDENTURE (this First Supplemental Indenture), dated as of November 2, 2011, by and among Lyondell Chemical Company, a Delaware Corporation (the Issuer), LyondellBasell Industries N.V., a public company with limited liability (*naamloze vennootschap*) in the country of the Netherlands (the Company) and Wilmington Trust, National Association, as successor by merger to Wilmington Trust FSB, as trustee under the Indenture referred to below (the Trustee).

WITNESSETH

WHEREAS, the Issuer, the Company and the other Guarantors (as defined in the Indenture referred to herein) have heretofore executed and delivered to the Trustee an Amended and Restated Indenture (the Indenture), dated as of April 30, 2010, providing for the issuance of 8% Senior Secured Dollar Notes due 2017 and the 8% Senior Secured Euro Notes due 2017 (collectively, the Notes);

WHEREAS, the Issuer has distributed an Offer to Purchase and Consent Solicitation Statement, dated as of October 20, 2011 (the Statement), with an accompanying Letter of Transmittal and Consent (the Letter of Transmittal), to the Holders of the Notes in connection of the offer to purchase for cash (the Tender Offer) up to $1,470,134,000 in aggregate principal amount of such Notes and the concurrent solicitation of such Holders consents (the Consent Solicitation) to certain proposed amendments to the Indenture;

WHEREAS, pursuant to Section 9.02 of the Indenture, the Trustee is authorized to execute and deliver this First Supplemental Indenture;

WHEREAS, pursuant to the Statement, the Holders of at least a majority in aggregate principal amount of the Notes outstanding, and with respect to Article III hereof, the Holders of at least 66% in aggregate principal amount of the Notes outstanding, (excluding, in each case, any Notes owned by the Issuer, the Company or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or the Company) have consented to all of the amendments effected by this First Supplemental Indenture in accordance with the provisions of the Indenture, evidence of such consents has been provided by the Issuer to the Trustee, and all other conditions precedent, if any, provided for in the Indenture relating to the execution of this First Supplemental Indenture have been complied with as of the date hereof; and

WHEREAS, all acts and requirements necessary to make this First Supplemental Indenture the legal, valid and binding obligation of the Issuer and the Company have been done.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

SECTION 1.02. DEFINITION. When used herein, Trigger Event shall mean the occurrence of each of the following events: (1) the 8% Notes Early Payment Date (as such term is defined in the Statement), or if there is no 8% Notes Early Payment Date, the 8% Notes Final Payment Date (as such term is defined in the Statement), and (2) the payment to Holders of Notes the total

1

applicable Consent Payment (as such term is defined in the Statement) payable as of such 8% Notes Early Payment Date, or if there is no 8% Notes Early Payment Date, the 8% Notes Final Payment Date, pursuant to the terms and conditions of the Statement and the Letter of Transmittal.

ARTICLE II

AMENDMENTS TO THE INDENTURE

SECTION 2.01. CONSENT AND AMENDMENT. Effective upon the Trigger Event, and without any further action by any party hereto, the Indenture is hereby amended as follows:

(a) **The term Permitted Holders and the text of the definition thereof in Section 1.01 shall be deleted in its entirety.**

(b) **The text of the definition of Change of Control in Section 1.01 shall be amended and restated in its entirety as follows:**

Change of Control means the occurrence of any of the following:

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any Person; or

(2) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), in a single transaction or in a related series of transactions, by way of acquisition, merger, amalgamation, consolidation, transfer, conveyance or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision) of more than 50% of the total voting power of the Voting Stock of the Company.

(c) **The following new defined term Leverage Ratio shall be added to Section 1.01:**

Leverage Ratio means, with respect to any Person, at any date the ratio of (i) Indebtedness, as defined in clauses 1(a) , 1(b), 1(c) or 1(d) of the definition of Indebtedness, of such Person and its Restricted Subsidiaries as of such date of calculation (determined on a consolidated basis in accordance with GAAP), to (ii) Consolidated EBITDA of such Person for the four full fiscal quarters for which internal financial statements are available immediately preceding such date of such calculation. Calculation of the Leverage Ratio shall be made on the same basis, and with the same adjustments, as those described under the definition of Secured Indebtedness Leverage Ratio.

(d) **The text of Section 4.04(a)(3) shall be amended and restated in its entirety as follows:**

(3) the aggregate amount of Restricted Payments made after the Release Date (including the Fair Market Value of non-cash amounts constituting Restricted Payments and Restricted Payments permitted by clauses (i), (ii) (vi)(B), (viii), (xii)(B), (xvi) and

2

(xxi) (excluding up to $2.6 billion of dividends paid pursuant thereto) of Section 4.04(b), but excluding all other Restricted Payments permitted by Section 4.04(b)) shall not exceed the sum of, without duplication.

(i) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period, the Reference Period) from October 1, 2011 to the end of the Company s most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit), *plus*

(ii) 100% of the aggregate net cash proceeds, including cash and the Fair Market Value of property other than cash, received by the Company after October 1, 2011 (other than net cash proceeds to the extent such net cash proceeds have been used to Incur Indebtedness, Disqualified Stock or Preferred Stock pursuant to Section 4.03(b)(xiv) from the issue or sale of Equity Interests of the Company (excluding Refunding Capital Stock, Designated Preferred Stock, Excluded Contributions and Disqualified Stock), including Equity Interests issued upon exercise of warrants or options (other than an issuance or sale to a Restricted Subsidiary), *plus*

(iii) 100% of the aggregate amount of contributions to the capital of the Company received in cash and the Fair Market Value of property other than cash after October 1, 2011 (other than Excluded Contributions, Refunding Capital Stock, Designated Preferred Stock and Disqualified Stock and other than contributions to the extent such contributions have been used to Incur Indebtedness, Disqualified Stock or Preferred Stock pursuant to Section 4.03(b)(xiv)), *plus*

(iv) 100% of the principal amount of any Indebtedness, or the liquidation preference or maximum fixed repurchase price, as the case may be, of any Disqualified Stock of the Company or any Restricted Subsidiary thereof issued after October 1, 2011 (other than Indebtedness or Disqualified Stock issued to the Company or a Restricted Subsidiary thereof) or 100% of the principal amount of any debt securities of the Company or any Restricted Subsidiary thereof that are convertible into or exchangeable for Capital Stock issued after the Issue Date (other than debt securities issued to the Company or a Restricted Subsidiary thereof) which, in any such case, have been converted into or exchanged for Equity Interests in the Company (other than Disqualified Stock) or any direct or indirect parent entity of the Company (provided in the case of any parent, such Indebtedness or Disqualified Stock is retired or extinguished) after October 1, 2011, *plus*

(v) 100% of the aggregate amount received by the Company or any Restricted Subsidiary in cash and the Fair Market Value of property other than cash received by the Company or any Restricted Subsidiary after October 1, 2011 from:

(A) the sale or other disposition (other than to the Company or a Restricted Subsidiary of the Company) of Restricted Investments made by the Company and its Restricted Subsidiaries and from repurchases and redemptions of such Restricted Investments from the Company and its Restricted Subsidiaries by any Person (other than the Company or any of its Subsidiaries) and from repayments of loans or advances which constituted Restricted Investments (other than in each case to the extent that the Restricted Investment was made pursuant to clause (vii) of Section 4.04(b) below) or

(B) the sale (other than to the Company or a Restricted Subsidiary of the Company) of the Capital Stock of an Unrestricted Subsidiary, *plus*

(vi) in the event any Unrestricted Subsidiary of the Company has been redesignated as a Restricted Subsidiary or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company, in each case subsequent to October 1, 2011, the Fair Market Value of the Investment of the Company in such Unrestricted Subsidiary at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable), after deducting any Indebtedness associated with the Unrestricted Subsidiary so designated or combined or any Indebtedness associated with the assets so transferred or conveyed (other than in each case to the extent that the designation of such Subsidiary as an Unrestricted Subsidiary was made pursuant to clause (vii) of Section 4.04(b) below or constituted a Permitted Investment).

(e) **The following new subsection (xxi) shall be added to text of Section 4.04(b), and the word and shall be deleted from the end of subsection (xix) and added the end of subsection (xx):**

(xxi) Restricted Payments if, at the time of making such payments, and after giving effect thereto (including, without limitation, the Incurrence of any Indebtedness to finance such payment), the Company s Leverage Ratio would not exceed 2.00 to 1.00;

(f) **The text of the proviso in Section 4.04(b) immediately following the new subsection (xxi) added pursuant to clause (e) above shall be amended and restated in its entirety as follows::**

provided, *however*, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (iii), (vi), (vii), (viii), (ix), (x), (xii)(B) and (xxi) of this Section 4.04(b), no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

ARTICLE III

ADDITIONAL AMENDMENTS TO THE INDENTURE

SECTION 3.01. CONSENT AND AMENDMENT. Effective upon the Trigger Event, and without any further action by any party hereto,

(a) (1) all Collateral securing the Obligations of the Issuer, the Company and the Guarantors under the Notes, the Guarantees and the Indenture shall be released, and the Trustee and the Collateral Agent are authorized and instructed to execute all releases, termination statements and other documents reasonably requested by the Issuer, the Company and the Guarantors to evidence such release and termination of all Security Documents; and (2) notwithstanding any provision in the Indenture or any

4

Security Document to the contrary, no existing or future asset or property of the Issuer, the Company or any Guarantor shall constitute Collateral.

(b) **The text of clause (6)(B) of the definition of Permitted Liens in Section 1.01 shall be amended and restated in its entirety as follows:**

(B) Liens securing (a) Indebtedness in an aggregate principal amount up to 5% of Consolidated Net Tangible Assets of the Company, (b) Indebtedness so long as the Notes are equally and ratably secured with the holders of any such Indebtedness by the property or assets securing any such Indebtedness pursuant to security and intercreditor arrangements not materially less favorable, in the reasonable judgment of the Company, to the holders of the Notes than the Security Documents, First Lien Intercreditor Agreement and Junior Intercreditor Agreement, each as in effect with respect to the Collateral securing the Notes prior to the release of such Collateral pursuant to the First Supplemental Indenture, with such adjustments as are reasonably necessary to reflect the relevant property or assets securing such Indebtedness and other circumstances in effect at the relevant time, and (c) Liens on ABL Facility Collateral securing the Plan Roll-Up Notes if the Indenture relating to the Plan Roll-Up Notes is not amended to release all Liens on such Collateral in connection with the Tender Offer and the Consent Solicitation,

ARTICLE IV

MISCELLANEOUS

SECTION 4.01. RATIFICATION OF INDENTURE; FIRST SUPPLEMENTAL INDENTURE PART OF INDENTURE. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This First Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 4.02. GOVERNING LAW. **THIS FIRST SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.**

SECTION 4.03. TRUSTEE MAKES NO REPRESENTATION. The Trustee makes no representation as to the validity or sufficiency of this First Supplemental Indenture.

SECTION 4.04. COUNTERPARTS. The parties may sign any number of copies of this First Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 4.05. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 4.06. SEPARABILITY. In case any provision in this First Supplemental Indenture is invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed and attested, all as of the date first above written.

LYONDELL CHEMICAL COMPANY,
as the Issuer

By:
Name:
Title:

LYONDELLBASELL INDUSTRIES N.V.,
as the Company

By:
Name:
Title:

[Signature Page to Supplemental Indenture for the 8% Notes]

WILMINGTON TRUST, NATIONAL
ASSOCIATION,
as Trustee

By:
Name:
Title:

[Signature Page to Supplemental Indenture for the 8% Notes Wilmington Trust, National Association]

Exhibit 4.2

FIRST SUPPLEMENTAL INDENTURE

FIRST SUPPLEMENTAL INDENTURE (this First Supplemental Indenture), dated as of November 2, 2011, by and among Lyondell Chemical Company, a Delaware Corporation (the Issuer), LyondellBasell Industries N.V., a public company with limited liability (*naamloze vennootschap*) in the country of the Netherlands (the Company) and Wells Fargo Bank, National Association, as trustee under the Indenture referred to below (the Trustee).

WITNESSETH

WHEREAS, the Issuer, the Company and the other Guarantors (as defined in the Indenture referred to herein) have heretofore executed and delivered to the Trustee an Indenture (the Indenture), dated as of April 30, 2010, providing for the issuance of 11% Senior Secured Notes due 2018 (the Notes);

WHEREAS, the Issuer has distributed an Offer to Purchase and Consent Solicitation Statement, dated as of October 20, 2011 (the Statement), with an accompanying Letter of Transmittal and Consent (the Letter of Transmittal), to the Holders of the Notes in connection of the offer to purchase for cash (the Tender Offer) up to $1,318,672,000 in aggregate principal amount of such Notes and the concurrent solicitation of such Holders consents (the Consent Solicitation) to certain proposed amendments to the Indenture;

WHEREAS, pursuant to Section 9.02 of the Indenture, the Trustee is authorized to execute and deliver this First Supplemental Indenture;

WHEREAS, pursuant to the Statement, the Holders of at least a majority in aggregate principal amount of the Notes outstanding, and with respect to Article III hereof, the Holders of at least 66% in aggregate principal amount of the Notes outstanding, (excluding, in each case, any Notes owned by the Issuer, the Company or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or the Company) have consented to all of the amendments effected by this First Supplemental Indenture in accordance with the provisions of the Indenture, evidence of such consents has been provided by the Issuer to the Trustee, and all other conditions precedent, if any, provided for in the Indenture relating to the execution of this First Supplemental Indenture have been complied with as of the date hereof; and

WHEREAS, all acts and requirements necessary to make this First Supplemental Indenture the legal, valid and binding obligation of the Issuer and the Company have been done.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

SECTION 1.02. DEFINITION. When used herein, Trigger Event shall mean the occurrence of each of the following events: (1) the 11% Notes Early Payment Date (as such term is defined in the Statement), or if there is no 11% Notes Early Payment Date, the 11% Notes Final Payment Date (as such term is defined in the Statement), and (2) the payment to Holders of Notes the total applicable Consent Payment (as such term is defined in the Statement) payable as of such 11% Notes Early Payment Date, or if there is no 11% Notes Early Payment Date, the 11% Notes Final Payment Date, pursuant to the terms and conditions of the Statement and the Letter of Transmittal.

ARTICLE II

AMENDMENTS TO THE INDENTURE

SECTION 2.01. CONSENT AND AMENDMENT. Effective upon the Trigger Event, and without any further action by any party hereto, the Indenture is hereby amended as follows:

(a) **The term Permitted Holders and the text of the definition thereof in Section 1.01 shall be deleted in its entirety.**

(b) **The text of the definition of Change of Control in Section 1.01 shall be amended and restated in its entirety as follows:**

Change of Control means the occurrence of any of the following:

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any Person; or

(2) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), in a single transaction or in a related series of transactions, by way of acquisition, merger, amalgamation, consolidation, transfer, conveyance or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision) of more than 50% of the total voting power of the Voting Stock of the Company.

(c) **The following new defined term Leverage Ratio shall be added to Section 1.01:**

Leverage Ratio means, with respect to any Person, at any date the ratio of (i) Indebtedness, as defined in clauses 1(a) , 1(b), 1(c) or 1(d) of the definition of Indebtedness, of such Person and its Restricted Subsidiaries as of such date of calculation (determined on a consolidated basis in accordance with GAAP), to (ii) Consolidated EBITDA of such Person for the four full fiscal quarters for which internal financial statements are available immediately preceding such date of such calculation. Calculation of the Leverage Ratio shall be made on the same basis, and with the same adjustments, as those described under the definition of Secured Indebtedness Leverage Ratio.

(d) **The text of Section 4.04(a)(3) shall be amended and restated in its entirety as follows:**

(3) the aggregate amount of Restricted Payments made after the Issue Date (including the Fair Market Value of non-cash amounts constituting Restricted Payments and Restricted Payments permitted by clauses (i), (ii) (vi)(B), (viii), (xii)(B), (xvi) and

2

(xxi) (excluding up to $2.6 billion of dividends paid pursuant thereto) of Section 4.04(b), but excluding all other Restricted Payments permitted by Section 4.04(b)) shall not exceed the sum of, without duplication.

(i) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period, the Reference Period) from October 1, 2011 to the end of the Company s most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit), *plus*

(ii) 100% of the aggregate net cash proceeds, including cash and the Fair Market Value of property other than cash, received by the Company after October 1, 2011 (other than net cash proceeds to the extent such net cash proceeds have been used to Incur Indebtedness, Disqualified Stock or Preferred Stock pursuant to Section 4.03(b)(xiv) from the issue or sale of Equity Interests of the Company (excluding Refunding Capital Stock, Designated Preferred Stock, Excluded Contributions and Disqualified Stock), including Equity Interests issued upon exercise of warrants or options (other than an issuance or sale to a Restricted Subsidiary), *plus*

(iii) 100% of the aggregate amount of contributions to the capital of the Company received in cash and the Fair Market Value of property other than cash after October 1, 2011 (other than Excluded Contributions, Refunding Capital Stock, Designated Preferred Stock and Disqualified Stock and other than contributions to the extent such contributions have been used to Incur Indebtedness, Disqualified Stock or Preferred Stock pursuant to Section 4.03(b)(xiv)), *plus*

(iv) 100% of the principal amount of any Indebtedness, or the liquidation preference or maximum fixed repurchase price, as the case may be, of any Disqualified Stock of the Company or any Restricted Subsidiary thereof issued after October 1, 2011 (other than Indebtedness or Disqualified Stock issued to the Company or a Restricted Subsidiary thereof) or 100% of the principal amount of any debt securities of the Company or any Restricted Subsidiary thereof that are convertible into or exchangeable for Capital Stock issued after the Issue Date (other than debt securities issued to the Company or a Restricted Subsidiary thereof) which, in any such case, have been converted into or exchanged for Equity Interests in the Company (other than Disqualified Stock) or any direct or indirect parent entity of the Company (provided in the case of any parent, such Indebtedness or Disqualified Stock is retired or extinguished) after October 1, 2011, *plus*

(v) 100% of the aggregate amount received by the Company or any Restricted Subsidiary in cash and the Fair Market Value of property other than cash received by the Company or any Restricted Subsidiary after October 1, 2011 from:

(A) the sale or other disposition (other than to the Company or a Restricted Subsidiary of the Company) of Restricted Investments made by the Company and its Restricted Subsidiaries and from repurchases and redemptions of such Restricted Investments from the Company and its Restricted Subsidiaries by any Person (other than the Company or any of its Subsidiaries) and from repayments of loans or advances which constituted Restricted Investments (other than in each case to the extent that the Restricted Investment was made pursuant to clause (vii) of Section 4.04(b) below) or

(B) the sale (other than to the Company or a Restricted Subsidiary of the Company) of the Capital Stock of an Unrestricted Subsidiary, *plus*

(vi) in the event any Unrestricted Subsidiary of the Company has been redesignated as a Restricted Subsidiary or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company, in each case subsequent to October 1, 2011, the Fair Market Value of the Investment of the Company in such Unrestricted Subsidiary at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable), after deducting any Indebtedness associated with the Unrestricted Subsidiary so designated or combined or any Indebtedness associated with the assets so transferred or conveyed (other than in each case to the extent that the designation of such Subsidiary as an Unrestricted Subsidiary was made pursuant to clause (vii) of Section 4.04(b) below or constituted a Permitted Investment).

(e) **The following new subsection (xxi) shall be added to text of Section 4.04(b), and the word and shall be deleted from the end of subsection (xix) and added the end of subsection (xx):**

(xxi) Restricted Payments if, at the time of making such payments, and after giving effect thereto (including, without limitation, the Incurrence of any Indebtedness to finance such payment), the Company s Leverage Ratio would not exceed 2.00 to 1.00;

(f) **The text of the proviso in Section 4.04(b) immediately following the new subsection (xxi) added pursuant to clause (e) above shall be amended and restated in its entirety as follows::**

provided, *however*, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (iii), (vi), (vii), (viii), (ix), (x), (xii)(B) and (xxi) of this Section 4.04(b), no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

ARTICLE III

ADDITIONAL AMENDMENTS TO THE INDENTURE

SECTION 3.01. CONSENT AND AMENDMENT. Effective upon the Trigger Event, and without any further action by any party hereto,

(a) (1) all Collateral securing the Obligations of the Issuer, the Company and the Guarantors under the Notes, the Guarantees and the Indenture is hereby released, and the Trustee and the Collateral Agent are authorized and instructed to execute all releases, termination statements and other documents reasonably requested by the Issuer, the Company and the Guarantors to evidence such release and termination of all Security Documents, including the Junior Lien Intercreditor Agreement; and (2) notwithstanding any provision in the Indenture or any Security Document to the contrary, no existing or future asset or property of the Issuer, the Company or any Guarantor shall constitute Collateral.

(b) **The text of clause (6)(B) of the definition of Permitted Liens in Section 1.01 shall be amended and restated in its entirety as follows:**

(B) Liens securing (a) Indebtedness in an aggregate principal amount up to 5% of Consolidated Net Tangible Assets of the Company, or (b) Indebtedness so long as the Notes are secured by the property or assets securing any such Indebtedness pursuant to security and intercreditor arrangements not materially less favorable, in the reasonable judgment of the Company, to the holders of the Notes than the Security Documents and Junior Intercreditor Agreement, each as in effect with respect to the Collateral securing the Notes prior to the release of such Collateral pursuant to the First Supplemental Indenture, with such adjustments as are reasonably necessary to reflect the relevant property or assets securing such Indebtedness and other circumstances in effect at the relevant time,

(c) **The text of Section 11.04(a)(2)(i) shall be amended and restated in its entirety as follows:**

(i) First Priority Lien Obligations that are secured by Liens on property or assets of the Issuer or the Company of the type constituting the Collateral and the related Liens are incurred in reliance on clauses (6)(B)(b) or (6)(D) of the definition of Permitted Liens or

ARTICLE IV

MISCELLANEOUS

SECTION 4.01. RATIFICATION OF INDENTURE; FIRST SUPPLEMENTAL INDENTURE PART OF INDENTURE. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This First Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 4.02. GOVERNING LAW. **THIS FIRST SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.**

SECTION 4.03. TRUSTEE MAKES NO REPRESENTATION. The Trustee makes no representation as to the validity or sufficiency of this First Supplemental Indenture.

SECTION 4.04. COUNTERPARTS. The parties may sign any number of copies of this First Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 4.05. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 4.06. SEPARABILITY. In case any provision in this First Supplemental Indenture is invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed and attested, all as of the date first above written.

LYONDELL CHEMICAL COMPANY,
as the Issuer

By:
Name:
Title:

LYONDELLBASELL INDUSTRIES N.V.,
as the Company

By:
Name:
Title:

[Signature Page to Supplemental Indenture for the 11% Notes]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By:
Name:
Title:

[Signature Page to Supplemental Indenture for the 11% Notes Wells Fargo Bank, National Association]

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): November 4, 2011
LYONDELLBASELL INDUSTRIES N.V.
(Exact Name of Registrant as Specified in Charter)

The Netherlands	001-34726	98-0646235
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

Weena 737
3013 AM Rotterdam
The Netherlands
(Address of Principal Executive Offices)
Registrant s Telephone number, including area code: 31 10 275 5500

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement; Item 8.01. Other Events.

On November 4, 2011, LyondellBasell Industries N.V. (the Company) entered into a purchase agreement (the Purchase Agreement) under which the Company agreed to sell $1.0 billion aggregate principal amount of its 6.0% senior notes due 2021 to Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, Barclays Capital Inc., Citigroup Global Markets Inc., Deutsche Bank Securities Inc., UBS Securities LLC, HSBC Securities (USA) Inc., ING Financial Markets LLC, Morgan Stanley & Co. LLC, Scotia Capital (USA) Inc. and UniCredit Capital Markets LLC (collectively, the Initial Purchasers).

The Company expects the offering to close on or about November 14, 2011, subject to customary closing conditions. The Company intends to use the net proceeds from the offering of the notes, together with available cash, to pay a special dividend in the aggregate amount of up to approximately $2.6 billion. The notes will be guaranteed on a senior basis by, subject to certain exceptions, each existing and future wholly owned U.S. subsidiary of the Company that is an issuer or co-issuer in respect of, or guarantees, any debt securities issued in the capital markets by the Company or any subsidiary.

The Company will sell the notes to the Initial Purchasers in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended (the Securities Act). The Initial Purchasers will then sell the Notes to (i) qualified institutional buyers pursuant to the exemption from registration provided by Rule 144A or (ii) pursuant to Regulation S under the Securities Act. The Company will rely on these exemptions from registration based in part on representations made by the Initial Purchasers in the Purchase Agreement.

The notes have not been registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States without registration under the Securities Act or an applicable exemption from registration requirements. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

On November 4, 2011, the Company issued a press release announcing that it had commenced the offering of the notes. The press release is attached hereto as Exhibit 99.1 and is incorporated by reference. Also on November 4, 2011, the Company issued a press release announcing that it had priced the notes. The press release is attached hereto as Exhibit 99.2 and is incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release dated November 4, 2011.

99.2 Press Release dated November 4, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

LYONDELLBASELL INDUSTRIES N.V.

Date: November 9, 2011

By: */s/ Karyn F. Ovelmen*
Karyn F. Ovelmen
Executive Vice President

Exhibit Index

Exhibit	Description
99.1	Press Release dated November 4, 2011
99.2	Press Release dated November 4, 2011

Exhibit 99.1

NEWS RELEASE

Media Contact: David A. Harpole +1 713-309-4125
Investor Contact: Douglas J. Pike +1 713-309-7141

FOR IMMEDIATE RELEASE

LyondellBasell Announces Senior Notes Offering

ROTTERDAM, Netherlands, Nov. 4, 2011 LyondellBasell Industries N.V. (NYSE: LYB) today announced that it is planning to issue an aggregate principal amount of up to $1.0 billion of senior notes due 2021 (the notes) to qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933, as amended (the Securities Act) and to certain non-United States persons in offshore transactions in accordance with Regulation S under the Securities Act.

LyondellBasell (the Company) intends to use the net proceeds from the offering of the notes, together with available cash, to pay a special dividend in the aggregate amount of up to approximately $2.6 billion. The notes are expected to be guaranteed on a senior basis by, subject to certain exceptions, each existing and future wholly owned United States subsidiary of the Company that is an issuer or co-issuer in respect of, or guarantees, any debt securities issued in the capital markets by the Company or any subsidiary.

The notes have not been registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States without registration under the Securities Act or an applicable exemption from registration requirements. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

# # #

LyondellBasell (NYSE: LYB) is one of the world s largest plastics, chemical and refining companies. The company manufactures products at 58 sites in 18 countries. LyondellBasell products and technologies are used to make items that improve the quality of life for people around the world including packaging, electronics, automotive parts, home furnishings, construction materials and biofuels. More information about LyondellBasell can be found at www.lyondellbasell.com.

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are information of a non-historical nature or which relate to future events and are subject to risks and uncertainties. In many cases, you can identify forward-looking statements by terminology such as may, will, should, expects, plans, anticipates, believes, estimates, predicts, potential, or continu these terms and other comparable terminology. These statements are only predictions. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. The forward-looking statements made in this press release relate only to events as of the date of this release. We undertake no ongoing obligation to update these statements.

SOURCE: LyondellBasell Industries
LyondellBasell Industries
www.lyondellbasell.com

Exhibit 99.2

NEWS RELEASE

Media Contact:	David A. Harpole +1 713-309-4125
Investor Contact:	Douglas J. Pike +1 713-309-7141

FOR IMMEDIATE RELEASE

LyondellBasell Prices $1.0 Billion of Senior Notes Due 2021

ROTTERDAM, Netherlands, Nov. 4, 2011 LyondellBasell Industries N.V. (NYSE: LYB) today announced that it has priced its previously announced offering of $1.0 billion aggregate principal amount of 6% senior notes due 2021 (the notes) at an issue price of 100%. LyondellBasell (the Company) expects the offering to close on Nov. 14, 2011, subject to customary closing conditions.

The Company intends to use the net proceeds from the offering of the notes, together with available cash, to pay a special dividend in the aggregate amount of up to approximately $2.6 billion. The notes will be guaranteed on a senior basis by, subject to certain exceptions, each existing and future wholly owned United States subsidiary of the Company that is an issuer or co-issuer in respect of, or guarantees, any debt securities issued in the capital markets by the Company or any subsidiary.

The notes will be issued in a private placement to qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933, as amended (the Securities Act) and to certain non-United States persons in offshore transactions in accordance with Regulation S under the Securities Act.

The notes have not been registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States without registration under the Securities Act or an applicable exemption from registration requirements. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

# # #

LyondellBasell (NYSE: LYB) is one of the world s largest plastics, chemical and refining companies. The company manufactures products at 58 sites in 18 countries. LyondellBasell products and technologies are used to make items that improve the quality of life for people around the world including packaging, electronics, automotive parts, home furnishings, construction materials and biofuels. More information about LyondellBasell can be found at www.lyondellbasell.com.

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are information of a non-historical nature or which relate to future events and are subject to risks and uncertainties. In many cases, you can identify forward-looking statements by terminology such as may, will, should, expects, plans, anticipates, believes, estimates, predicts, potential, or continu these terms and other comparable terminology. These statements are only predictions. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. The forward-looking statements made in this press release relate only to events as of the date of this release. We undertake no ongoing obligation to update these statements.

SOURCE: LyondellBasell Industries

LyondellBasell Industries

www.lyondellbasell.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): November 14, 2011
LYONDELLBASELL INDUSTRIES N.V.
(Exact Name of Registrant as Specified in Charter)

The Netherlands	001-34726	98-0646235
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

Weena 737
3013 AM Rotterdam
The Netherlands
(Address of Principal Executive Offices)
Registrant s Telephone number, including area code: 31 10 275 5500

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement; Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off Balance Sheet Arrangement of a Registrant.

As previously disclosed, on November 4, 2011, LyondellBasell Industries N.V. (the Company) entered into a purchase agreement (the Purchase Agreement) under which the Company agreed to sell $1.0 billion aggregate principal amount of its 6.0% senior notes due 2021 to Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, Barclays Capital Inc., Citigroup Global Markets Inc., Deutsche Bank Securities Inc., UBS Securities LLC, HSBC Securities (USA) Inc., ING Financial Markets LLC, Morgan Stanley & Co. LLC, Scotia Capital (USA) Inc. and UniCredit Capital Markets LLC (collectively, the Initial Purchasers). The notes are guaranteed on a senior basis by, subject to certain exceptions, each existing and future wholly owned U.S. subsidiary of the Company that is an issuer or co-issuer in respect of, or guarantees, any debt securities issued in the capital markets by the Company or any subsidiary. The closing of the sale of the notes occurred on November 14, 2011.

LyondellBasell received net proceeds of approximately $985 million from the offering and intends to use those proceeds, together with available cash, to pay a special dividend in the aggregate amount of up to approximately $2.6 billion.

The notes were issued pursuant to an exemption from registration under the Securities Act of 1933, as amended, and were sold by the Initial Purchasers to qualified institutional buyers in accordance with Rule 144A under the Securities Act and to certain non-United States persons in offshore transactions in accordance with Regulation S under the Securities Act.

The notes are governed by an indenture, dated as of November 14, 2011, among the Company, as issuer, each of the Guarantors named therein, as guarantors, Wells Fargo National Association, as trustee, registrar and paying agent. A copy of the indenture is included in this Form 8-K as Exhibit 4.1 and incorporated herein by reference. The summary description of the indenture in this report is qualified in its entirety by reference to Exhibit 4.1.

The notes will bear interest at a rate of 6.000% per year payable semiannually in arrears in cash on May 15 and November 15 of each year, beginning on May 15, 2012. The notes will mature on November 15, 2021.

The indenture includes covenants customary for transactions of this type that, subject to significant exceptions, limit the ability of the Company and its subsidiaries to, among other things, incur indebtedness, including secured indebtedness and indebtedness of our subsidiaries that are not Guarantors of the notes, enter into certain sale and lease-back transactions or enter into consolidations, mergers or sales of all or substantially all of our assets. Upon a Change of Control Repurchase Event (as defined in the indenture), the holders of the notes may require the Company to purchase all or a portion of their notes at a purchase price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest, if any. The notes are redeemable in whole or in part at any time at the option of the Company at a redemption price, plus accrued and unpaid interest, as specified in the indenture.

The notes will be the Company s general unsecured obligations and will rank pari passu in right of payment with all of its existing and future senior unsecured indebtedness and senior in right of payment to any of its future subordinated indebtedness. The notes will rank effectively junior in right of payment to any of its secured indebtedness, including indebtedness under our asset based revolving credit agreement, which is secured principally by a lien on collateral consisting primarily of inventory and receivables, to the extent of the value of the collateral securing such indebtedness. In addition, the notes will be structurally subordinated to all liabilities of our subsidiaries that do not guarantee the notes.

In connection with the issuance of the notes, on November 14, 2011, the Company, the Guarantors and the Initial Purchasers, entered into a registration rights agreement (the Registration Rights Agreement) requiring the Company to file and cause to become effective a registration statement with the Securities and Exchange Commission to register an offer to exchange the notes for registered notes with substantially identical terms (other than restrictions on transfer and provisions for additional interest) within one year of November 14, 2011. A copy of the Registration Rights Agreement is included in this Form 8-K as Exhibit 4.2 and incorporated herein by reference. The summary description of the Registration Rights Agreement in this report is qualified in its entirety by reference to Exhibit 4.2.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

4.1 Indenture, dated as of November 14, 2011, among the Company, as issuer, each of the Guarantors named therein, as guarantors, Wells Fargo National Association, as trustee, registrar and paying agent (including form of 6.000% Senior Note due 2021).

4.2 Registration Rights Agreement, dated as of on November 14, 2011, among the Company, the Guarantors and the Initial Purchasers.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

	LYONDELLBASELL INDUSTRIES N.V.
Date: November 17, 2011	By: */s/ Karyn F. Ovelmen*
	Karyn F. Ovelmen
	Executive Vice President

Exhibit Index

Exhibit	Description
4.1	Indenture, dated as of November 14, 2011, among the Company, as issuer, each of the Guarantors named therein, as guarantors, Wells Fargo National Association, as trustee, registrar and paying agent (including form of 6.000% Senior Note due 2021).
4.2	Registration Rights Agreement, dated as of on November 14, 2011, among the Company, the Guarantors and the Initial Purchasers.

Exhibit 4.1
EXECUTION VERSION

LYONDELLBASELL INDUSTRIES N.V.
as Company
6.000% Senior Notes due 2021

INDENTURE
Dated as of November 14, 2011

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Trustee, Registrar and Paying Agent

TABLE OF CONTENTS

iii

EXHIBIT INDEX

INDENTURE dated as of November 14, 2011 among LYONDELLBASELL INDUSTRIES N.V., a public company with limited liability (*naamloze vennootschap*) in the country of the Netherlands (the Company), each of the Guarantors named herein, as guarantors, WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee, registrar and paying agent (the Trustee).

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance of senior notes in a principal amount of $1,000,000,000 aggregate principal amount of the Company s 6.000% Senior Notes due 2021 issued on the date hereof (the **Initial Notes**).

ARTICLE 1

Definitions and Incorporation by Reference

Section 1.01. *Definitions.*

144A Global Note means a Global Note substantially in the form of Exhibit A hereto, as the case may be, bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

Additional Interest means all additional interest then owing in respect of a Note pursuant to the Registration Rights Agreement.

Additional Notes means additional Notes (other than the Initial Notes and other than Exchange Notes issued for such Initial Notes) issued from time to time under this Indenture in accordance with Section 2.01 hereof.

Affiliate of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, **control** (including, with correlative meanings, the terms **controlling**, **controlled by** and **under common control with**), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

Agent means any Registrar or Paying Agent, including any permitted successors or assigns thereto.

Applicable Premium means, in connection with the optional redemption of any Note, the greater of:

(x) 1.00% of the then outstanding principal amount of the Note; and

(y) 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 but including additional interest, if any), 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.

Applicable Procedures means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary that apply to such transfer or exchange.

Attributable Debt in respect of a Sale and Lease-Back Transaction means, as of any particular time, the present value (discounted at the rate of interest implicit in the terms of the lease involved in such Sale and Lease-Back Transaction, as determined in good faith by the Company) of the obligation of the lessee thereunder for rental payments (excluding, however, any amounts required to be paid by such lessee, whether or not designated as rent or additional rent, on account of maintenance and repairs, insurance, taxes, assessments, water rates or similar charges or any amounts required to be paid by such lessee thereunder contingent upon the amount of sales, maintenance and repairs, insurance, taxes, assessments, water rates or similar charges) during the remaining term of such lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended).

Board of Directors means, as to any Person, the board of directors, the supervisory board and/or the management board (as the context requires with respect to the Company), or the equivalent governing body (or, if such Person is a partnership or limited liability company, the board of directors or other governing body of the general partner of such Person or manager) or any duly authorized committee thereof.

Broker-Dealer means any broker or dealer registered under the Exchange Act.

Business Day means any day other than a Saturday, Sunday or other day on which commercial banking institutions in New York City or The Netherlands are authorized or required by law or executive order to close.

Capital Markets Debt means any debt securities (other than a Qualified Receivables Financing) issued in the capital markets by the Company or any Subsidiary, whether issued in a public offering or private placement, including pursuant to Section 4(2) of the Securities Act or Rule 144A, Regulation S or Regulation D under the Securities Act.

Capital Stock means:

(1) in the case of a corporation, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

Change of Control means the occurrence of any of the following:

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any Person; or

(2) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), in a single transaction or in a related series of transactions, by way of acquisition, merger, amalgamation, consolidation, transfer, conveyance or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision) of more than 50% of the total voting power of the Voting Stock of the Company, other than by virtue of the imposition of a holding company, or the reincorporation of the Company in another jurisdiction, so long as the beneficial owners of the Voting Stock of the Company immediately prior to such transaction hold a majority of the voting power of the Voting Stock of such holding company or reincorporation entity immediately thereafter.

Change of Control Repurchase Event means the occurrence of both a Change of Control and a Ratings Event.

Clearstream means Clearstream Banking S.A.

Company Order means a written request or order signed on behalf of the Company by an Officer of the Company, who must fulfill the function of the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Company and delivered to the Trustee.

Code means the Internal Revenue Code of 1986, as amended.

Consolidated EBITDA means, in respect of any Person for any period, the consolidated operating income plus consolidated depreciation, amortization and other non-cash charges and losses and minus consolidated non-cash credits, gains and income, in each case of such Person and its Subsidiaries for such period; it being understood that such amounts may be determined on a combined basis for a disposed group.

Consolidated Net Tangible Assets means, with respect to any Person, the Total Assets of such Person and its Subsidiaries less goodwill and intangibles (other than intangibles arising from, or relating to, intellectual property, licenses or permits (including, but not limited to, emissions rights) of such Person), in each case calculated in accordance with GAAP, provided, that in the event that such Person or any of its Subsidiaries assumes or acquires any assets in connection with the acquisition by such Person and its Subsidiaries of another Person subsequent to the commencement of the period for which the Consolidated Net Tangible Assets is being calculated but prior to the event for which the calculation of the Consolidated Net Tangible Assets is made, then the Consolidated Net Tangible Assets shall be calculated giving pro forma effect to such assumption or acquisition of assets, as if the same had occurred at the beginning of the applicable period.

Default means any event which is, or after notice or passage of time or both would be, an Event of Default.

Definitive Note means a certificated Note registered in the name of the holder thereof and issued in accordance with Section 2.07(c) hereof, substantially in the form of Exhibit A hereto, as the case may be, except that such Note shall not bear the Global Note Legend and shall not have the Schedule of Exchanges of Interests in the Global Note attached thereto.

Depositary means DTC as depositary for the Notes, and its successors in such capacity.

Domestic Subsidiary means a Subsidiary that is not a Foreign Subsidiary.

DTC means The Depository Trust Company, its nominees and successors.

Equity Interests means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

Euroclear means Euroclear S.A./N.V., as operator of the Euroclear system.

Exchange Act means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

Exchange Notes means the Notes issued in the Exchange Offer pursuant to Section 2.07(f) hereof.

Exchange Offer has the meaning set forth in the Registration Rights Agreement.

Exchange Offer Registration Statement has the meaning set forth in the Registration Rights Agreement.

Excluded Subsidiary means (i) any Receivables Subsidiary, (ii) any Qualified Non-Recourse Subsidiary, (iii) any Special Purpose Subsidiary, (iv) any Wholly Owned Domestic Subsidiary that is a subsidiary of a Foreign Subsidiary and (v) any Domestic Subsidiary of the Company as of the Issue Date or at any time thereafter meeting the following conditions that has been designated by the Company as an Excluded Subsidiary in writing to the Trustee (which designation may be rescinded by granting a Guarantee in accordance with the requirements of this Indenture): (a) the Total Assets of such Domestic Subsidiary determined as of the end of the fiscal year of the Company most recently ended for which financial statements are required to be delivered under this Indenture does not exceed $25.0 million or (b) the Consolidated EBITDA of such Domestic Subsidiary does not exceed $25.0 million, for the period of four consecutive quarters of the Company most recently ended for which financial statements are required to be delivered pursuant to this Indenture; *provided* that, at any time or from time to time after the Issue Date, Domestic Subsidiaries (other than a Special Purpose Subsidiary) shall not be designated as Excluded Subsidiaries to the extent that such Domestic Subsidiaries under this clause (v) would represent, in the aggregate, (a) 5% or more of Total Assets of the Company at the end of the most recently ended fiscal year of the Company or (b) 5% or more of the Consolidated EBITDA of the Company for the most recently ended fiscal year, in each case, based upon the most recent financial statements required to be delivered pursuant to this Indenture; *provided*, *further*, that, if the most recent financial statements required to be delivered pursuant to this Indenture for any fiscal quarter occurring after the Issue Date indicate that, by reason of subsequent changes following the designation of any one or more Subsidiaries as an Excluded Subsidiary or Excluded Subsidiaries, the foregoing requirements of this definition would not be complied with (other than as a result of an impairment charge), individually or in the aggregate, then the Company shall use commercially reasonable efforts to promptly (but in any event within 180 days after the date the financial statements are required), rescind such designations as are necessary, and provide such guarantees as are necessary, so as to comply with the requirements of this

Indenture. Any uncured Default shall not occur until the expiration of such 180 days provided such efforts are used.

Existing 8% Notes means Lyondell Chemical Company s U.S. Dollar-denominated 8% Senior Secured Notes due 2017 outstanding on the Issue Date and its Euro-denominated 8% Senior Secured Notes due 2017 outstanding on the Issue Date.

Existing 11% Notes means Lyondell Chemical Company s 11% Senior Secured Notes due 2018 outstanding on the Issue Date.

Foreign Subsidiary means a Subsidiary not organized or existing under the laws of the United States of America or any state or territory thereof or the District of Columbia and any direct or indirect Subsidiary of such Subsidiary.

GAAP means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, as in effect from time to time. At any time after the Issue Date, the Company may irrevocably elect to apply International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board in lieu of GAAP and, upon any such election, references in this Indenture to GAAP shall thereafter be construed to mean IFRS as in effect from time to time. The Company shall give notice of any such election to the Trustee.

Global Note Legend means the legend set forth in Section 2.07(g)(ii) hereof, which is required to be placed on all Global Notes issued under this Indenture.

Global Notes means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes, substantially in the form of Exhibit A hereto, as the case may be, issued in accordance with Section 2.01, 2.07(b), 2.07(d) or 2.07(f) hereof.

Government Obligations means securities that are:

(1) direct Obligations of the United States of America for the timely payment of which its full faith and credit is pledged, or

(2) Obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit Obligation by the United States of America, which, in each case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued

by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such U.S. government Obligations or a specific payment of principal of or interest on any such U.S. government Obligations held by such custodian for the account of the holder of such depository receipt; *provided*, *however*, that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. government Obligations or the specific payment of principal of or interest on the U.S. government Obligations evidenced by such depository receipt.

guarantee means any Obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any indebtedness or other Obligation of any other Person. The term guarantee used as a verb has a corresponding meaning.

holder means the Person in whose name a Note is registered on the Registrar s books.

Incur means issue, assume, guarantee, incur or otherwise become liable for; *provided*, *however*, that any indebtedness or Capital Stock of a Person existing at the time such person becomes a Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary.

Indenture means this Indenture as amended, supplemented, modified, extended, restructured, renewed or restated in whole or in part from time to time.

Indirect Participant means a Person who holds a beneficial interest in a Global Note through a Participant.

Initial Purchasers means Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, Barclays Capital Inc., Citigroup Global Markets Inc., Deutsche Bank Securities Inc., UBS Securities LLC, HSBC Securities (USA) Inc., ING Financial Markets LLC, Morgan Stanley & Co. LLC, Scotia Capital (USA) Inc., UniCredit Capital Markets LLC, and Wells Fargo Securities, LLC.

Interest Payment Date has the meaning set forth in Exhibit A hereto.

Investment Grade Rating means a rating equal to or higher than Baa3 (or the equivalent) by Moody s or BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

Issue Date means November 14, 2011.

Joint Venture means any joint venture entity, whether a company, unincorporated firm, association, partnership or any other entity which, in each case, is not a Subsidiary or any of its Subsidiaries but in which the Company or a Subsidiary has a direct or indirect equity or similar interest.

Moody s means Moody s Investors Service, Inc. or any successor to the rating agency business thereof.

Notes means the Initial Notes and more particularly means any Note authenticated and delivered under this Indenture. For all purposes of this Indenture, the term **Notes** shall also include (i) any Exchange Notes and (ii) any Additional Notes that may be issued under a supplemental indenture. For purposes of this Indenture, all references to Notes to be issued or authenticated upon transfer, replacement or exchange shall be deemed to refer to the Notes.

Obligations means any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers acceptances), damages and other liabilities payable under the documentation governing any indebtedness; *provided* that Obligations with respect to the Notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of the Notes.

Offering Memorandum means the confidential offering memorandum dated November 4, 2011 relating to the issuance of the Initial Notes under this Indenture.

Officer means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer, any Assistant Treasurer, any Financial Director or the Secretary or Assistant Secretary of any Person (or, with respect to a Person that is a limited partnership, the general partner of such Person), or any other officer designated by the Board of Directors serving in a similar capacity. Notwithstanding the foregoing, with respect to the Company, **Officer** means any member of the Management Board of the Company and any person who has been appointed an attorney-in-fact by a resolution of the Management Board of the Company so long as the power of attorney granted by such resolution remains in effect.

Officer s Certificate means a certificate signed on behalf of any Person by an Officer of such Person, who must fulfill the function of the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of such Person, which meets the requirements set forth in this indenture.

Opinion of Counsel means a written opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Company or to the Trustee. Counsel giving any Opinion of

Counsel shall be entitled to rely on an Officer s Certificate as to any factual matters relevant to such opinion.

Participants means with respect to the Notes, institutions that have accounts with DTC or its nominee.

Paying Agent means initially Wells Fargo Bank, National Association and any additional paying agent appointed hereunder.

Person means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

Private Placement Legend means the legend set forth in Section 2.07(g)(i) hereof to be placed on all Notes issued under this Indenture, except where otherwise permitted by the provisions of this Indenture.

Qualified Institutional Buyer or **QIB** has the meaning specified in Rule 144A.

Qualified Non-Recourse Debt means indebtedness that (1) is (a) Incurred by a Qualified Non-Recourse Subsidiary to finance (whether prior to or within 270 days after) the acquisition, lease, construction, repair, replacement or improvement of any property (real or personal) or equipment (whether through the direct purchase of property or the Equity Interests of any person owning such property and whether in a single acquisition or a series of related acquisitions) or (b) assumed by a Qualified Non-Recourse Subsidiary, (2) is non-recourse to the Company and any Guarantor and (3) is non-recourse to any Subsidiary that is not a Qualified Non-Recourse Subsidiary.

Qualified Non-Recourse Subsidiary means (1) a Subsidiary that is not a Guarantor and that is formed or created after the Issue Date in order to finance an acquisition, lease, construction, repair, replacement or improvement of any property or equipment (directly or through one of its Subsidiaries) that secures Qualified Non-Recourse Debt and (2) any Subsidiary of a Qualified Non-Recourse Subsidiary.

Qualified Receivables Financing means the securitization of accounts receivables and related assets of the Company and its Subsidiaries on customary market terms (including, without limitation, Standard Securitization Undertakings and a Receivables Repurchase Obligation) as determined in good faith by the Company to be in the aggregate commercially fair and reasonable to the Company and its Subsidiaries taken as a whole.

Rating Agency means (1) S&P, (2) Moody s, or (3) if either of S&P or Moody s shall not then exist, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for S&P or Moody s, as the case may be.

Ratings Event means at any time from or after the occurrence of a Change of Control and until the earlier to occur of (x) 60 days after the later of (i) the occurrence of a Change of Control or (ii) public notice of the occurrence of a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for a possible downgrade by any of the Rating Agencies) and (y) both Rating Agencies publicly reaffirming an Investment Grade Rating on the Notes following such Change of Control, the Notes have a below Investment Grade Rating by either Rating Agency.

Receivables Repurchase Obligation means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

Receivables Subsidiary means a Wholly Owned Subsidiary of the Company (or another Person formed for the purposes of engaging in Qualified Receivables Financing with the Company in which the Company or any Subsidiary makes an investment and to which the Company or any Subsidiary transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Company and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Company (as provided below) as a Receivables Subsidiary and:

(a) no portion of the indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Subsidiary (excluding guarantees of obligations (other than the principal of and interest on, indebtedness) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates the Company or any other Subsidiary in any way other than pursuant to Standard Securitization Undertakings, or (iii) subjects any property or asset of the Company or any other Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(b) with which neither the Company nor any other Subsidiary has any material contract, agreement, arrangement or understanding other than on terms which the Company reasonably believes to be no less favorable to the Company or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company; and

(c) to which neither the Company nor any other Subsidiary has any obligation to maintain or preserve such entity s financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors of the Company giving effect to such designation and an Officer s Certificate certifying that such designation complied with the foregoing conditions.

Record Date for the interest or Additional Interest, if any, payable on any applicable Interest Payment Date means May 1 and November 1 (whether or not a Business Day) immediately preceding such Interest Payment Date.

Registrar has the meaning provided in Section 2.04.

Registration Rights Agreement means the Registration Rights Agreement relating to the Notes dated as of November 14, 2011 among the Company and the Initial Purchasers.

Regulation S means Regulation S promulgated under the Securities Act.

Regulation S Global Note means a permanent Global Note in the form of Exhibit A hereto, as the case may be, bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee issued in a denomination equal to the outstanding principal amount of the Notes initially sold in reliance on Rule 903.

Responsible Officer means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such Person s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

Restricted Definitive Note means a Definitive Note bearing the Private Placement Legend.

Restricted Global Note means a Global Note bearing the Private Placement Legend.

Restricted Period means the 40-day distribution compliance period as defined in Regulation S.

Rule 144 means Rule 144 promulgated under the Securities Act (or any successor rule).

Rule 144A means Rule 144A promulgated under the Securities Act (or any successor rule).

Rule 903 means Rule 903 promulgated under the Securities Act (or any successor rule).

Rule 904 means Rule 904 promulgated under the Securities Act (or any successor rule).

S&P means Standard & Poor s Ratings Group or any successor to the rating agency business thereof.

Sale and Lease-Back Transaction means the leasing by the Company or any Subsidiary of any asset, whether owned at the date of this Indenture or acquired after the date of this Indenture (except for temporary leases for a term, including any renewal term, of up to three years and except for leases between the Company and any Subsidiary or between Subsidiaries), which property has been or is to be sold or transferred by the Company or such Subsidiary to any party with the intention of taking back a lease of such property.

SEC means the Securities and Exchange Commission or any successor agency or commission.

Securities Act means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

Shelf Registration Statement means the Shelf Registration Statement as defined in the Registration Rights Agreement.

Significant Subsidiary means any Subsidiary that would be a Significant Subsidiary of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC (or any successor provision).

Special Purpose Subsidiary means any Subsidiary whose material assets are comprised solely of the Capital Stock of a Joint Venture, where the pledge of such Capital Stock would be prohibited by any contractual requirement pertaining to such Joint Venture.

Standard Securitization Undertakings means representations, warranties, undertakings, covenants, indemnities and guarantees of performance entered into by the Company or any Subsidiary which the Company has determined in good faith to be customary in a Qualified Receivables Financing.

Subsidiary means, with respect to any Person, (1) any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; (2) any partnership, joint venture or limited liability company of which (x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (y) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity; or (3) with respect to the Company, for so long as the Company or any of its Subsidiaries, individually or in the aggregate, has at least a 50% ownership interest in Lyondell Bayer Manufacturing Maasvlakle VOF, Lyondell Bayer Manufacturing Maasvlakle VOF. Unless otherwise qualified, all references to a **Subsidiary** or to **Subsidiaries** in this Indenture shall refer to a Subsidiary or Subsidiaries of the Company.

TIA or **Trust Indenture Act** means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date of this Indenture.

Total Assets means, with respect to any Person, the total consolidated assets of such Person and its Subsidiaries, without giving effect to any amortization of the amount of intangible assets since the Issue Date, (x) as shown on the most recent balance sheet of such Person, or (y) in regards to the Company only, as shown on the most recent balance sheet required to be delivered pursuant to Section 4.02.

Treasury Rate means, in connection with the calculation of any Applicable Premium with respect to any Note, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity, as compiled by and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source or similar market data), equal to the then remaining maturity of the Note being prepaid. If no maturity exactly corresponds to such maturity, yields for the published maturities occurring prior to and after such maturity most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month.

Trustee means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor.

Uniform Commercial Code or **UCC** means the New York Uniform Commercial Code as in effect from time to time.

Unrestricted Definitive Note means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

Unrestricted Global Note means a permanent Global Note, substantially in the form of Exhibit A attached hereto, as the case may be, that bears the Global Note Legend and that has the Schedule of Exchanges of Interests in the Global Note attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing Notes that do not bear the Private Placement Legend.

U.S. Legal Tender means such coin or currency of the United States of America that at the time of payment shall be legal tender for the payment of public and private debts.

Voting Stock of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

Wholly Owned Domestic Subsidiary is any Wholly Owned Subsidiary that is a Domestic Subsidiary.

Wholly Owned Subsidiary of any Person means a Subsidiary of such Person 100% of the outstanding Capital Stock or other ownership interests of which (other than directors qualifying shares or shares required to be held by others in Foreign Subsidiaries) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

Section 1.02. *Other Definitions.*

Term	Defined in Section
Additional Amounts	4.11(a)
Additional Guarantee	4.08(a)
Authorized Agent	11.10
Authentication Order	2.03
Bankruptcy Law	6.01(g)
Change in Tax Law	3.09
Change of Control Offer	4.06(b)
Company	Preamble
covenant defeasance option	8.01(b)
disposed group	5.01(d)
Custodian	6.01(g)
EU Savings Tax Directive	4.11(b)(vii)
EU-Swiss Savings Tax Agreement	4.11(b)(vii)
Event of Default	6.01
Guarantee	10.01
Guaranteed Obligations	10.01

Term	Defined in Section
Guarantor	10.01
incorporated provision	11.01
indebtedness	4.03(a)
Initial Notes	Preamble
legal defeasance option	8.01(b)
mortgage	4.03(a)
Non-Guarantor Subsidiary Debt	4.04(a)
Notice of Default	6.01(c)
Paying Agent	2.04
Payor	4.11(a)
property	4.03(a)
protected purchaser	2.08
Registrar	2.04
Relevant Taxing Jurisdiction	4.11(a)
Specified Courts	11.10
Successor Guarantor	5.01(c)(i)
Tax Redemption Date	3.09
Taxes	4.11(a)
Trustee	Preamble

Section 1.03. *Incorporation by Reference of Trust Indenture Act.* This Indenture incorporates by reference certain provisions of the TIA. The following TIA terms have the following meanings:

Commission means the SEC.

indenture securities means the Notes and any Guarantee.

obligor on the indenture securities means the Company and each Guarantor and any other obligor on the Notes.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

Section 1.04. *Rules of Construction.* Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) **or** is not exclusive;

(d) **including** means including without limitation;

(e) words in the singular include the plural and words in the plural include the singular;

(f) unsecured indebtedness shall not be deemed to be subordinate or junior to secured indebtedness merely by virtue of its nature as unsecured Indebtedness;

(g) the principal amount of any non-interest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP;

(h) unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP;

(i) **$** and **U.S. dollars** each refer to United States dollars, or such other money of the United States of America that at the time of payment is legal tender for payment of public and private debts; and

(j) whenever in this Indenture or the Notes there is mentioned, in any context, principal, interest or any other amount payable under or with respect to any Notes, such mention shall be deemed to include mention of the payment of Additional Interest and Additional Amounts, to the extent that, in such context, Additional Interest is, or Additional Amounts are, were or would be payable in respect thereof.

ARTICLE 2

The Notes

Section 2.01. *Amount of Notes; Terms.* The aggregate principal amount of Notes which may be authenticated and delivered under this Indenture on the Issue Date is $1,000,000,000.

The Notes shall be subject to repurchase by the Company pursuant to a Change of Control Offer as provided in Section 4.06 hereof. The Notes shall not be redeemable, other than as provided in Article 3.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Company, the Guarantors, the Trustee and Agents, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

Additional Notes ranking *pari passu* with the Initial Notes may be created and issued under this Indenture from time to time by the Company without notice to or consent of the holders and shall be consolidated with and form a single class with the Initial Notes and shall have the same terms as to status, redemption or otherwise as the Initial Notes other than the initial payment date; *provided* that the Company s ability to issue Additional Notes shall be subject to the Company s compliance with this Indenture. The Initial Notes and any Additional Notes subsequently issued under this Indenture shall be treated as a single class for all purposes under this Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. Any Additional Notes subsequently issued under this Indenture shall be issued with the same CUSIP number as the Initial Notes only if, for U.S. federal income tax purposes, such Additional Notes are part of the same issue or such Additional Notes are not issued with more than a de minimis amount of original issue discount. Unless the context otherwise requires, for all purposes of this Indenture, references to the Notes include any Additional Notes actually issued.

Section 2.02. *Form and Dating.*

(a) The Notes and the Trustee s certificate of authentication shall be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rules or usage. Each Note shall be dated the date of its authentication. The Notes shall be in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof.

(b) *Global Notes*. Notes issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Note Legend thereon and the Schedule of Exchanges of Interests in the Global Note attached thereto). Notes issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Note Legend thereon and without the Schedule of Exchanges of Interests in the Global Note attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified in the Schedule of Exchanges of Interests in the Global Note attached thereto and each shall provide that it shall represent up to the aggregate principal amount of Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as applicable, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Registrar or the Custodian, at the direction of the Trustee, in accordance with instructions given by the holder thereof as required by Section 2.07 hereof.

(c) *Euroclear and Clearstream Procedures Applicable*. The provisions of the Operating Procedures of the Euroclear System and Terms and Conditions Governing Use of Euroclear and the General Terms and Conditions of Clearstream Banking and Customer Handbook of Clearstream shall be applicable to transfers of beneficial interests in the Regulation S Global Notes that are held by Participants through Euroclear or Clearstream.

Section 2.03. *Execution and Authentication.* One Officer shall sign the Notes for the Company by manual or facsimile signature.

A Note shall not be valid until an authorized signatory of the Trustee manually signs the certificate of authentication on the Notes in accordance with this Section 2.03. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

On the Issue Date, the Trustee shall, upon receipt of a Company Order (an **Authentication Order**) and an Officer s Certificate, authenticate and deliver the Initial Notes. In addition, at any time, from time to time, the Trustee shall upon receipt of an Authentication Order, Officer s Certificate and Opinion of Counsel conforming with Section 314(c) of the TIA and the terms hereof, authenticate and deliver any Additional Notes and Exchange Notes for an aggregate principal amount specified in such Authentication Order for such Additional Notes or Exchange Notes issued hereunder.

The Trustee may appoint one or more authenticating agents reasonably acceptable to the Company to authenticate the Notes. Any such appointment shall be evidenced by an instrument signed by a Responsible Officer, a copy of which shall be furnished to the Company. Unless limited by the terms of such appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with holders or an Affiliate of the Company. The Trustee hereby appoints Wells Fargo Bank, National Association as authenticating agent for the Notes and Wells Fargo Bank, National Association accepts such appointment.

Section 2.04. *Registrar and Paying Agent.* The Company shall maintain an office or agency, where (a) Notes may be presented or surrendered for registration of transfer or for exchange (**Registrar**), (b) Notes may be presented or surrendered for payment and (c) notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Paying Agent shall not be the Company or an Affiliate of the Company. The Registrar shall keep a register of the Notes and of their transfer and exchange. The Company, upon notice to the Trustee, may have one or more co-registrars and one or more additional paying agents reasonably acceptable to the Trustee. The term **Paying Agent** includes Wells Fargo Bank, National Association, as Paying Agent, and any additional paying agent and the term **Registrar** includes Wells Fargo Bank, National Association, as Registrar, and any co-registrar. The Company may change the Paying Agent or Registrar without notice to any holder.

The Company shall enter into an appropriate agency agreement with any Agent not a party to this Indenture, which agreement shall incorporate the provisions of the TIA and implement the provisions of this Indenture that relate to such Agent. The Company shall notify the Trustee, in advance, of the name and address of any such Agent. If the Company fails to maintain a Registrar or Paying Agent, or fails to give the foregoing notice, the Trustee shall act as such.

The Company may remove any Registrar or Paying Agent upon written notice to such Registrar or Paying Agent and to the Trustee; *provided*, *however*, that no such removal shall become effective until (i) if applicable, acceptance of an appointment by a successor as evidenced by an appropriate agreement entered into by the Company and such successor Registrar or Paying Agent, as the case may be, and delivered to the Trustee or (ii) notification to the Trustee that the Trustee shall serve as Registrar or Paying Agent until the appointment of a successor in accordance with clause (i) above. The Registrar or Paying Agent may resign upon 30 days prior written notice to the Company and the Trustee; *provided*, *however*, that the Trustee may resign as Paying Agent or Registrar only if the Trustee also resigns as Trustee in accordance with Section 7.08.

Section 2.05. *Paying Agent to Hold Money in Trust.* With respect to any Notes, prior to 10:00 a.m. New York City time, on each due date of the principal of and interest on any Note, the Company shall deposit with each Paying Agent (or if the Company or a Wholly Owned Subsidiary is acting as Paying Agent, segregate and hold in trust for the benefit of the Persons entitled thereto) a sum sufficient to pay such principal and interest when so becoming due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that a Paying Agent shall hold in trust for the benefit of holders or the Trustee all money held by a Paying Agent for the payment of principal of and interest on the Notes, and shall notify the Trustee of any default by the Company in making any such payment. If the Company or a Wholly Owned Subsidiary of the Company acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it in trust for the benefit of the Persons entitled thereto. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by such Paying Agent. Upon complying with this Section, a Paying Agent shall have no further liability for the money delivered to the Trustee.

Section 2.06. *Holder Lists.* The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of holders. If the Trustee is not the Registrar, the Company shall furnish, or cause the Registrar to furnish, to the Trustee, in writing at least five Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of holders.

Section 2.07. *Transfer and Exchange.*

(a) *Transfer and Exchange of Global Notes*. Except as otherwise set forth in this Section 2.07, a Global Note may be transferred, in whole and not in part, only to another nominee of the Depositary or to a successor thereto or a nominee of such successor thereto. A beneficial interest in a Global Note may not be exchanged for a Definitive Note of the same series unless (A) the Depositary (x) notifies the Company that it is unwilling or unable to continue as Depositary for such Global Note or (y) has ceased to be a clearing agency registered under the Exchange Act, and, in either case, a successor Depositary is not appointed by the Company within 120 days, or (B) there shall have occurred and be continuing a Default with respect to the Notes. Upon the occurrence of any of the preceding events in (A) above, Definitive Notes delivered in exchange for any Global Note of the same series or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the Depositary (in accordance with its customary procedures). Global Notes also may be exchanged or replaced, in whole or in part, as provided in Section 2.08 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note of the same series or any portion thereof, pursuant to this Section 2.07 or Section 2.08 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note, except for Definitive Notes issued subsequent to any of the preceding events in (A) above and pursuant to Section 2.07(c) hereof. A Global Note may not be exchanged for another Note other than as provided in this Section 2.07(a); *provided*, *however*, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.07(b), (c) or (f) hereof.

(b) *Transfer and Exchange of Beneficial Interests in the Global Notes*. The transfer and exchange of beneficial interests in the Global Notes representing Notes shall be effected through the Depositary in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes and any Regulation S Global Note (during the Restricted Period) shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) *Transfer of Beneficial Interests in the Same Global Note*. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; *provided, however*, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.07(b)(i).

(ii) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes*. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.07(b)(i) hereof, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note of the same series in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above. Upon consummation of an Exchange Offer by the Company in accordance with Section 2.07(f) hereof, the requirements of this Section 2.07(b)(ii) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act and as set forth in an Officer s Certificate, the Registrar shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.07(h) hereof.

(iii) *Transfer of Beneficial Interests to Another Restricted Global Note*. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.07(b)(ii) hereof and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in a 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item 1 thereof; or

(B) if the transferee will take delivery in the form of a beneficial interest in a Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item 2 thereof.

(iv) *Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note*. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.07(b)(ii) hereof and:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a Broker-Dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item 1(a) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item 4 thereof;

and, in each such case set forth in this subpargraph (D), an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subpargraph (B) or (D) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.03 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subpargraph (B) or (D) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes*.

(i) *Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes*. If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon the occurrence of any of the events in subsection (A) of Section 2.07(a) hereof and receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item 2(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate substantially in the form of Exhibit B hereto, including the certifications in item 1 thereof;

(C) if such beneficial interest is being transferred to a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate substantially in the form of Exhibit B hereto, including the certifications in item 2 thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the

Securities Act in accordance with Rule 144, a certificate substantially in the form of Exhibit B hereto, including the certifications in item 3(a) thereof;

(E) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate substantially in the form of Exhibit B hereto, including the certifications in item 3(b) thereof; or

(F) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate substantially in the form of Exhibit B hereto, including the certifications in item 3(c) thereof,
the Registrar shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.07(h) hereof, and the Company shall execute and, upon receipt of an Authentication Order in accordance with Section 2.03 hereof, the Trustee shall authenticate and the Registrar shall mail to the Person designated in the instructions a Definitive Note in the applicable principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.07(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Registrar shall mail such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.07(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) *Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes*. A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only upon the occurrence of any of the events in subsection (A) of Section 2.07(a) hereof and if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a Broker-Dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item 1(b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such holder substantially in the form of Exhibit B hereto, including the certifications in item 4 thereof;

and, in each such case set forth in this subpargraph (D), an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes*. If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon the occurrence of any of the events in subsection (A) of Section 2.07(a) hereof and satisfaction of the conditions set forth in Section 2.07(b)(ii) hereof, the Registrar shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.07(h) hereof, and the Company shall execute and, upon receipt of an Authentication Order in accordance with Section 2.03 hereof, the Trustee shall authenticate and mail to the Person designated in the instructions a Definitive Note in the applicable principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.07(c)(iii) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from or through the Depositary and the Participant or Indirect Participant. The Registrar shall mail such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.07(c)(iii) shall not bear the Private Placement Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests*.

(i) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes*. If any holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item 2(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate substantially in the form of Exhibit B hereto, including the certifications in item 1(1) thereof;

(C) if such Restricted Definitive Note is being transferred to a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate substantially in the form of Exhibit B hereto, including the certifications in item 2 thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate substantially in the form of Exhibit B hereto, including the certifications in item 3(a) thereof;

(E) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate substantially in the form of Exhibit B hereto, including the certifications in item 3(b) thereof; or

(F) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate substantially in the form of Exhibit B hereto, including the certifications in item 3(c) thereof,

the Trustee and/or Registrar shall cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the applicable Restricted Global Note, in the case of clause (B) above, the applicable 144A Global Note, and in the case of clause (C) above, the applicable Regulation S Global Note.

(ii) *Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes*. A holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a Broker-Dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item 1(c)4 thereof; or

(2) if the holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such holder

substantially in the form of Exhibit B hereto, including the certifications in item 4 thereof;
and, in each such case set forth in this subpargraph (D), an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subpargraphs in this Section 2.07(d)(ii), the Trustee and/or Registrar shall cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(iii) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes*. A holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee and/or Registrar shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subpargraph (ii)(B), (ii)(D) or (iii) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.03 above hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes*. Upon request by a holder of Definitive Notes and such holder s compliance with the provisions of this Section 2.07(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such holder or by its attorney, duly authorized in writing. In addition, the requesting holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.07(e):

(i) *Restricted Definitive Notes to Restricted Definitive Notes*. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to a QIB in accordance with Rule 144A, then the transferor must deliver a certificate substantially in the form of Exhibit B hereto, including the certifications in item 1 thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904 then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item 2 thereof; or

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications required by item 3 thereof, if applicable.

(ii) *Restricted Definitive Notes to Unrestricted Definitive Notes*. Any Restricted Definitive Note may be exchanged by the holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a Broker-Dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such

holder substantially in the form of Exhibit C hereto, including the certifications in item 1(d) thereof; or

(2) if the holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such holder substantially in the form of Exhibit B hereto, including the certifications in item 4 thereof;

and, in each such case set forth in this subpargraph (D), an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) *Unrestricted Definitive Notes to Unrestricted Definitive Notes*. A holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the holder thereof.

(f) *Exchange Offer*. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Company shall issue and, upon receipt of an Authentication Order and Officer s Certificate and Opinion of Counsel conforming with Section 314(c) of the TIA in accordance with Section 2.03 hereof, the Trustee shall authenticate (i) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Notes of the same series tendered for acceptance by Persons that certify in the applicable Letters of Transmittal that (x) they are not Broker-Dealers, (y) they are not participating in a distribution of the Exchange Notes and (z) they are not affiliates (as defined in Rule 144) of the Company, and accepted for exchange in the Exchange Offer and (ii) Unrestricted Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes of the same series tendered for acceptance by Persons that certify in the applicable Letters of Transmittal that (x) they are not Broker-Dealers, (y) they are not participating in a distribution of the Exchange Notes and (z) they are not affiliates (as defined in Rule 144) of the Company, and accepted for exchange in the Exchange Offer. Concurrently with the issuance of such Notes, the Registrar shall cause the aggregate principal amount of the applicable Restricted Global Notes to be reduced accordingly, and the Company shall execute and, upon receipt of an Authentication Order in accordance with Section 2.03 hereof, the Trustee shall authenticate and the Registrar shall mail to the Persons designated by the holders of Definitive Notes so accepted Unrestricted Definitive Notes in the applicable principal amount. Any Notes that remain outstanding after the consummation of the Exchange Offer, and Exchange Notes issued in connection with the Exchange Offer, shall be treated as a single class of securities under this Indenture.

(g) *Legends*. The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture:

(i) *Private Placement Legend*.

(A) Except as permitted by subpargraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM OR PRIOR TO ONE YEAR AFTER THE LATER OF THE DATE OF THE ORIGINAL ISSUANCE OF THE NOTES AND THREE MONTHS AFTER THE HOLDER HEREOF CEASES TO BE AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT). EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE ISSUER THAT:

(A) SUCH SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY:

(i)(a) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A NON-U.S. PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 UNDER THE SECURITIES ACT, OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF

THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL AND/OR OTHER CERTIFICATIONS AND DOCUMENTS IF THE ISSUER SO REQUESTS),

(ii) TO THE ISSUER, OR

(iii) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT,

AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND IN EACH CASE SUBJECT TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THIS SECURITY BY THE HOLDER OR BY ANY INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL; AND

(B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE.

EACH HOLDER OF THIS SECURITY AGREES, BY VIRTUE OF ITS ACQUISITION HEREOF, THAT WITH RESPECT TO ANY OFFER OR TRANSFER OF SUCH SECURITY WITHIN ONE YEAR OF THE DATE OF ORIGINAL ISSUANCE OF THIS SECURITY OR, IF THE HOLDER HEREOF WAS AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY AT ANY TIME DURING THE THREE MONTHS PRECEDING THE OFFER OR TRANSFER (OR SUCH LATER DATE REFERRED TO ABOVE), IT WILL FURNISH TO THE COMPANY AND THE REGISTRAR SUCH CERTIFICATES AND OTHER INFORMATION AS THEY MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH RESALE OR TRANSFER IS MADE IN ACCORDANCE WITH THE FOREGOING RESTRICTIONS ON TRANSFER.

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraph (b)(iv), (c)(ii), (c)(iii), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) of this Section 2.07 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend and the Private Placement Legend may be removed from the Regulation S Global Notes upon completion of the Restricted Period.

(ii) *Global Note Legend*. Each Global Note representing Notes shall bear a legend in substantially the following form:

THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07(h) OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.07(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.10 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUER. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) (**DTC**) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

(h) *Cancellation and/or Adjustment of Global Notes*. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee and/or Registrar in accordance with Section 2.10 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Registrar or by the Depositary at the direction of the Registrar to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Registrar or by the Depositary at the direction of the Registrar to reflect such increase.

(i) *General Provisions Relating to Transfers and Exchanges*.

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.03 hereof or at the Registrar s request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.08, 3.08, 3.09, 4.06, and 9.05 hereof).

(iii) Neither the Registrar nor the Company shall be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(v) The Company shall not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.04 hereof and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part or (C) to register the transfer of or to exchange a Note between a Record Date and the next succeeding Interest Payment Date.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of (and premium, if any) and interest (including Additional Interest, if any) on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(vii) Upon surrender for registration of transfer of any Note at the office or agency of the Company designated pursuant to Section 4.09 hereof, the Company shall execute, and, upon receipt of an Authentication Order in accordance with Section 2.03 hereof, the Trustee shall authenticate and the Registrar shall mail, in the name of the designated transferee or transferees, one or more replacement Notes of any authorized denomination or denominations of a like aggregate principal amount.

(viii) At the option of the holder, Notes may be exchanged for other Notes of any authorized denomination or denominations of a like aggregate principal amount upon surrender of the Notes to be exchanged at such office or agency. Whenever any Global Notes or Definitive Notes are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and the Registrar shall mail, the replacement Global Notes and Definitive Notes which the holder making the exchange is entitled to in accordance with the provisions of Section 2.03 hereof.

(ix) All certifications, certificates, Officer s Certificates and Opinions of Counsel required to be submitted to the Registrar and/or Trustee pursuant to this Section 2.07 to effect a registration of transfer or exchange may be submitted by facsimile.

(x) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depositary Participants or beneficial owners of interests in any Global Notes) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof. Neither the Trustee nor any Agent shall have any responsibility for any actions taken or not taken by the Depositary.

(xi) Any request to the Trustee shall be in writing and may be transmitted electronically.

Section 2.08. *Replacement Notes.* If a mutilated Note is surrendered to the Registrar or if the holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Note if the requirements of Section 8-405 of the Uniform Commercial Code are met, such that the holder (a) satisfies the

Company and the Trustee within a reasonable time after such holder has notice of such loss, destruction or wrongful taking and the Registrar does not register a transfer prior to receiving such notification, (b) makes such request to the Company and the Trustee prior to the Note being acquired by a protected purchaser as defined in Section 8-303 of the Uniform Commercial Code (a **protected purchaser**) and (c) satisfies any other reasonable requirements of the Trustee. If required by the Trustee or the Company, such holder shall furnish an indemnity bond sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, a Paying Agent and the Registrar from any loss or liability that any of them may suffer if a Note is replaced and subsequently presented or claimed for payment. The Company and the Trustee may charge the holder for their expenses in replacing a Note (including without limitation, attorneys fees and disbursements in replacing such Note). In the event any such mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable, the Company in its discretion may pay such Note instead of issuing a new Note in replacement thereof.

Every replacement Note is an additional Obligation of the Company.

The provisions of this Section 2.08 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, lost, destroyed or wrongfully taken Notes.

Section 2.09. *Outstanding Notes.* Notes outstanding at any time are all Notes authenticated by the Trustee except for those canceled by the Trustee and/or Registrar, those delivered to it for cancellation and those described in this Section as not outstanding. Subject to Section 11.06, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note.

If a Note is replaced pursuant to Section 2.08 (other than a mutilated Note surrendered for replacement), it ceases to be outstanding unless the Trustee and the Company receive proof satisfactory to them that the replaced Note is held by a protected purchaser. A mutilated Note ceases to be outstanding upon surrender of such Note and replacement thereof pursuant to Section 2.08.

If a Paying Agent segregates and holds in trust, in accordance with this Indenture, on a redemption date or maturity date money sufficient to pay all principal and interest payable on that date with respect to the Notes (or portions thereof) to be redeemed or maturing, as the case may be, and no Paying Agent is prohibited from paying such money to the holders on that date pursuant to the terms of this Indenture, then on and after that date such Notes (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

Section 2.10. *Cancellation.* The Company at any time may deliver Notes to the Trustee and/or Registrar for cancellation. The Trustee and/or Registrar and each Paying Agent and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment or cancellation and shall dispose of canceled Notes in accordance with its customary procedures. The Trustee and/or Registrar and each Paying Agent shall give written notice to the Trustee of any Notes delivered to them and cancelled. Subject to Section 2.08, the Company may not issue new Notes to replace Notes it has redeemed, paid or delivered to the Trustee and/or Registrar for cancellation. The Trustee shall not authenticate Notes in place of canceled Notes other than pursuant to the terms of this Indenture. However, if the Company shall acquire any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Notes unless and until the same are surrendered to the Trustee for cancellation pursuant to this Section 2.10.

Section 2.11. *Defaulted Interest.* If the Company defaults in a payment of interest on the Notes, the Company shall pay the defaulted interest then borne by the Notes (*plus* interest on such defaulted interest to the extent lawful) in any lawful manner. The Company may pay the defaulted interest to the Persons who are holders on a subsequent special record date. The Company shall fix or cause to be fixed any such special record date and payment date to the reasonable satisfaction of the Trustee and shall promptly mail or cause to be mailed to each affected holder a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

Section 2.12. *CUSIP Numbers, ISINs, Etc.* The Company in issuing the Notes may use CUSIP numbers, ISINs and Common Code numbers (if then generally in use) and, if so, the Trustee shall use CUSIP numbers and ISINs in notices of redemption as a convenience to holders; *provided*, *however*, that any such notice may state that no representation is made as to the correctness of such numbers, either as printed on the Notes or as contained in any notice of a redemption that reliance may be placed only on the other identification numbers printed on the Notes and that any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall advise the Trustee of any change in the CUSIP numbers and ISINs.

Section 2.13. *Calculation of Principal Amount of Notes.* The aggregate principal amount of the Notes, at any date of determination, shall be the principal amount of the Notes at such date of determination. With respect to any matter requiring consent, waiver, approval or other action of the holders of a specified percentage of the principal amount of all the Notes, such percentage shall be calculated, on the relevant date of determination, by dividing (a) the principal amount, as of such date of determination, of Notes, the holders of which have so consented, by (b) the aggregate principal amount, as of such date of determination, of the Notes then outstanding, in each case, as determined in accordance with the preceding sentence, Section 2.09 and Section 11.06 of this Indenture. Any such calculation made pursuant to this Section 2.13 shall be made by the Company and delivered to the Trustee pursuant to an Officer s Certificate.

ARTICLE 3
Redemption

Section 3.01. *Optional Redemption.* The Notes may be redeemed, in whole, or from time to time in part, subject to the conditions and at the redemption prices set forth in Section 5 of the forms of Note set forth in Exhibit A hereto, which are hereby incorporated by reference and made a part of this Indenture, together with accrued and unpaid interest to the redemption date.

Section 3.02. *Applicability of Article.* Redemption of Notes at the election of the Company or otherwise, as permitted or required by any provision of this Indenture, shall be made in accordance with such provision and this Article.

Section 3.03. *Notices to Trustee.* If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 5 of the Note, it shall notify the Trustee, Registrar and each Paying Agent in writing of (a) the Section of this Indenture pursuant to which the redemption shall occur, (b) the redemption date, (c) the principal amount of Notes to be redeemed and (d) the redemption price. The Company shall give notice to the Trustee provided for in this paragraph at least 45 days but not more than 60 days before a redemption date if the redemption is pursuant to Section 5 of the Note, unless a shorter period is acceptable to the Trustee. Such notice shall be accompanied by an Officer s Certificate and Opinion of Counsel from the Company to the effect that such redemption will comply with the conditions herein, as well as such notice required to be delivered under Section 3.05 below. If fewer than all the Notes are to be redeemed, the record date relating to such redemption shall be selected by the Company and given to the Trustee, which record date shall be not fewer than 15 days after the date of notice to the Trustee. Any such notice may be canceled at any time prior to notice of such redemption being mailed to any holder and shall thereby be void and of no effect.

Section 3.04. *Selection of Notes to be Redeemed.* Selection of Notes for redemption will be made by the Trustee on a *pro rata* basis by lot or by such other method as the Trustee shall deem appropriate in accordance with industry standards at the time of such redemption or otherwise in accordance with the procedures of the Depository to the extent practicable; *provided* that no Notes of $200,000 principal amount or less shall be redeemed in part.

If less than all the Notes are to be redeemed at any time in connection with an optional redemption, the Trustee will select Notes for redemption as follows:

(i) if the Notes to be redeemed are listed, in compliance with the requirements of the principal national securities exchange on which such Notes are listed; or

(ii) if the Notes to be redeemed are not so listed, on a *pro rata* basis, by lot or by such method as the Trustee shall deem appropriate in accordance with industry standards at the time of such redemption.

Section 3.05. *Notice of Optional Redemption.*

(a) At least 30 days but not more than 60 days before a redemption date pursuant to Section 5 of the Note, the Company shall mail or cause to be mailed by first-class mail a notice of redemption to each holder whose Notes are to be redeemed. The Company may provide in any such notice that payment of the redemption price or performance of its obligations with respect to the redemption or purchase may be performed by another Person.

Any such notice shall identify the Notes to be redeemed and shall state:

(i) the redemption date, and any conditions precedent to such date;

(ii) the redemption price and the amount of accrued interest to the redemption date;

(iii) the name and address of the Paying Agent;

(iv) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price, *plus* accrued interest;

(v) if fewer than all the outstanding Notes are to be redeemed, the certificate numbers and principal amounts of the particular Notes to be redeemed, the aggregate principal amount of Notes to be redeemed and the aggregate principal amount of Notes to be outstanding after such partial redemption;

(vi) that, unless the Company defaults in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest on Notes (or a portion thereof) called for redemption ceases to accrue on and after the redemption date;

(vii) the CUSIP number, ISIN and/or Common Code number, if any, printed on the Notes being redeemed; and

(viii) that no representation is made as to the correctness or accuracy of the CUSIP number or ISIN and/or Common Code number, if any, listed in such notice or printed on the Notes.

(b) At the Company s request, the Registrar and each Paying Agent shall give the notice of redemption in the Company s name and at the Company s expense. In such event, the Company shall provide the Trustee, Registrar and each Paying Agent with the information required by this Section at least one Business Day prior to the date such notice is to be provided to holders in the final form such notice is to be delivered to holders and such notice may not be canceled.

Section 3.06. *Effect of Notice of Redemption.*

(a) Once notice of redemption is mailed in accordance with Section 3.05, Notes called for redemption become due and payable on the redemption date and at the redemption price stated in the notice. Upon surrender to the Paying Agent, such Notes shall be paid at the redemption price stated in the notice, *plus* accrued interest, to, but not including, the redemption date; *provided*, *however*, that if the redemption date is after a regular Record Date and on or prior to the Interest Payment Date, the accrued interest shall be payable to the holder of the redeemed Notes registered on the relevant Record Date. Failure to give notice or any defect in the notice to any holder shall not affect the validity of the notice to any other holder.

(b) Any notice of redemption may be given prior to the completion of any event or transaction related to such redemption, and any such redemption or notice may, at the Company s discretion, be subject to one or more conditions precedent. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Company s discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

Section 3.07. *Deposit of Redemption Price.* With respect to any Notes, prior to 11:00 a.m. New York City time, on each due date, the Company shall deposit with the Paying Agent U.S. Legal Tender funds sufficient to pay the principal of, plus accrued and unpaid interest and Additional Interest (if any) on, the Notes to be redeemed on that date. The Paying Agent shall promptly return to the Company any U.S. Legal Tender so deposited that is not required for that purpose, except with respect to monies owed as Obligations to the Trustee pursuant to Article 7.

Unless the Company fails to comply with the preceding paragraph and defaults in the payment of such redemption price, interest on the Notes to be redeemed will cease to accrue on and after the applicable redemption date, whether or not such Notes are presented for payment.

Section 3.08. *Notes Redeemed in Part.* Upon surrender of a Note that is redeemed or purchased in part, the Company shall issue and, upon receipt of an Authentication Order, the Trustee shall authenticate for the holder at the expense of the Company a new Note in a principal amount equal to the unredeemed portion of the original Note in the name of the holder thereof upon cancellation of the original Note. Notes called for redemption become due and payable on the date fixed for redemption. On and after such date, unless the Company defaults in payment of the redemption price on such date, interest ceases to accrue on the Notes or portions thereof called for such redemption so long as the Company has deposited with the Paying Agent, on or before the date fixed for redemption, funds sufficient to pay the redemption price, plus accrued and unpaid interest and Additional Interest, if any and Additional Amounts, if any, with respect to the Notes to be redeemed.

Section 3.09. *Redemption for Taxation Reasons.* The Company may redeem the Notes in whole, but not in part, at any time upon giving not less than 30 nor more than 60 days notice to the holders of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a **Tax Redemption Date**) (subject to the right of holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date) and all Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Company or any Guarantor determines in good faith that, as a result of:

(a) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or

(b) any change in, or amendment to, an official position or the introduction of an official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice) of a Relevant Taxing Jurisdiction,

(each of the foregoing in clauses (a) and (b), a **Change in Tax Law**), the Company or any Guarantor is, or on the next Interest Payment Date in respect of the Notes would be, required to pay any Additional Amounts or indemnification payments as described in Section 4.11, and such obligation cannot be avoided by taking reasonable measures available to the Company or Guarantor (including, for the avoidance of doubt, the appointment of a new paying agent where this would be reasonable but not including assignment of the obligation to make payment with respect to the Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at the date of the Offering Memorandum, such Change in Tax Law must become effective on or after the date of the Offering Memorandum.

In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after the date of the Offering Memorandum, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction, unless the Change in Tax Law would have applied to the predecessor of the successor company under Article 5.

No such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Company or any Guarantor would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company will deliver to the Trustee:

(i) an Officer s Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and that it would not be able to avoid the obligation to pay Additional Amounts or indemnification payments by taking reasonable measures available to it; and

(ii) a written opinion of an independent tax counsel of recognized standing to the effect that the Company or any Guarantor has or have been or will become obligated to pay Additional Amounts or indemnification payments as a result of a Change in Tax Law.

The Trustee will accept such Officer s Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the holders.

Section 3.10. *Mandatory Redemption.* The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

ARTICLE 4

Covenants

Section 4.01. *Payment of Notes.* The Company shall promptly pay the principal of and interest on the Notes on the dates and in the manner provided in the Notes and in this Indenture. An installment of principal of or interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent holds as of 11:00 a.m. Eastern time money sufficient to pay all principal and interest then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the holders on that date pursuant to the terms of this Indenture.

The Company shall pay interest on overdue principal at the rate specified therefor in the Notes, and it shall pay interest on overdue installments of interest at the same rate borne by the Notes to the extent lawful.

Section 4.02. *Reports and Other Information.*

(a) Notwithstanding that the Company may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or otherwise report on an annual and quarterly basis on forms provided for such annual and quarterly reporting pursuant to rules and regulations promulgated by the SEC, the Company shall file with the SEC (and provide the Trustee and holders with copies thereof, without cost to each holder, within 15 days after it files them with the SEC),

(i) within the time period specified in the SEC s rules and regulations for non-accelerated filers, annual reports on Form 10-K (or any successor or comparable form) containing the information required to be contained therein (or required in such successor or comparable form),

(ii) within the time period specified in the SEC s rules and regulations for non-accelerated filers, reports on Form 10-Q (or any successor or comparable form) containing the information required to be contained therein (or required in such successor or comparable form),

(iii) promptly from time to time after the occurrence of an event required to be therein reported (and in any event within the time period specified in the SEC s rules and regulations), such other reports on Form 8-K (or any successor or comparable form), and

(iv) any other information, documents and other reports which the Company would be required to file with the SEC if it were subject to Section 13 or 15(d) of the Exchange Act;

provided, *however*, that the Company shall not be so obligated to file such reports with the SEC if the SEC does not permit such filing, in which event, the Company will make available such information to prospective purchasers of Notes in addition to providing such information to the Trustee and the holders, in each case within 15 days after the time the Company would be required to file such information with the SEC if it were subject to Section 13 or 15(d) of the Exchange Act.

(b) The Company will make such information available to prospective investors upon request. In addition, the Company has agreed that, for so long as any Notes remain outstanding during any period when it is not subject to Section 13 or 15(d) of the Exchange Act, or otherwise permitted to furnish the SEC with certain information pursuant to Rule 12g3-2(b) of the Exchange Act, it will furnish to the holders of the Notes and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(c) Notwithstanding the foregoing, (i) the Company will be deemed to have furnished such reports referred to above to the Trustee and holders if the Company has filed such reports with the Commission via the EDGAR filing system or if the Company is not subject to reporting under Section 13 or 15(d) of the Exchange Act and are not permitted to file such reports with the Commission, if the Company posts such reports on its publicly-available website and (ii) at any time when the Company is not subject to the reporting requirements of Secti