

LyondellBasell Industries N.V.

Form 10-12B/A

September 28, 2010

Table of Contents

Index to Financial Statements

As filed with the Securities and Exchange Commission on September 28, 2010

File No. 001-34726

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 4

to

Form 10

GENERAL FORM FOR REGISTRATION OF SECURITIES

PURSUANT TO SECTION 12(B) OR 12(G) OF

THE SECURITIES EXCHANGE ACT OF 1934

LYONDELLBASELL INDUSTRIES N.V.

(Exact name of registrant as specified in its charter)

The Netherlands
(State or other jurisdiction of
incorporation or organization)

98-0646235
(I.R.S. Employer
Identification No.)

Weena 737

3013AM Rotterdam

The Netherlands

31 10 275 5500

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of Each Class Registered	Name of Each Exchange on Which Such Class will be Registered
Class A ordinary shares	New York Stock Exchange
Class B ordinary shares	New York Stock Exchange

Securities to be registered pursuant to Section 12(g) of the Act:

None.

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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer
Smaller reporting company

Table of Contents

Index to Financial Statements

LyondellBasell Industries N.V. was formed on October 15, 2009 to serve as the parent holding company for certain subsidiaries of LyondellBasell Industries AF S.C.A. (LyondellBasell AF) after completion of proceedings under chapter 11 (Chapter 11) of title 11 of the United States Bankruptcy Code (the U.S. Bankruptcy Code). LyondellBasell AF 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). Additional subsidiaries of LyondellBasell AF were not involved in the Bankruptcy Cases. On April 23, 2010, the Bankruptcy Court approved our Third Amended and Restated Plan of Reorganization (the Plan of Reorganization) and we emerged from bankruptcy on April 30, 2010 (the date of our emergence from bankruptcy being the Emergence Date).

Prior to the Emergence Date, LyondellBasell Industries N.V. had not conducted any business operations. Accordingly, unless otherwise noted or suggested by context, all historical financial information and data and accompanying financial statements and corresponding notes, as contained in this Registration Statement, reflect the actual historical consolidated results of operations and financial condition of LyondellBasell AF for the periods presented and do not give effect to the Plan of Reorganization or any of the transactions contemplated thereby or the adoption of fresh-start accounting. Thus, such financial information may not be representative of our performance or financial condition after the Emergence Date. Except with respect to such historical financial information and data and accompanying financial statements and corresponding notes or as otherwise noted or suggested by the context, all other information contained in this Registration Statement relates to LyondellBasell Industries N.V. and its subsidiaries following the Emergence Date. When we use the terms LyondellBasell Industries N.V., we, us, our or similar words in this Registration Statement, unless the context otherwise requires, we are referring to LyondellBasell Industries N.V. and its subsidiaries following emergence from the Bankruptcy Cases. For more information on the Bankruptcy Cases, see Item 8. Legal Proceedings Bankruptcy Cases and Reorganization.

As of the Emergence Date, LyondellBasell AF'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 AF owned and operated prior to emergence from the Bankruptcy Cases. References herein to our historical consolidated financial information (or data derived therefrom) should be read to refer to the historical financial information of LyondellBasell AF.

Since the Emergence Date, there has been a limited market for our securities. LyondellBasell Industries N.V.'s class A ordinary shares and class B ordinary shares have been quoted on Pink OTC Market's electronic quotation and trading system under the symbols LALLF and LALBF, respectively, since emergence. We have applied for listing of our class A ordinary shares and our class B ordinary shares on the New York Stock Exchange (NYSE).

In reviewing this Registration Statement, you should carefully consider the matters described in the section entitled Risk Factors beginning on page 45 of this Registration Statement.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of any of the securities of LyondellBasell Industries N.V. or determined whether this Registration Statement is truthful or complete. Any representation to the contrary is a criminal offense.

This Registration Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Table of Contents

Index to Financial Statements

WHERE YOU CAN FIND MORE INFORMATION

Statements contained in this Registration Statement as to the contents of any contract or document referred to are not necessarily complete and in each instance, if the contract or document is filed as an exhibit to this Registration Statement, we refer you to the copy of the contract or other document filed as an exhibit to this Registration Statement. Each such statement is qualified in all respects by reference to the applicable document.

After the SEC declares this Registration Statement effective, we will file annual, quarterly and special reports, proxy statements and other information with the SEC. We intend to furnish our stockholders with annual reports containing combined financial statements audited by an independent registered public accounting firm. This Registration Statement is, and any of these future filings with the SEC will be, available to the public over the Internet on the SEC's web site at <http://www.sec.gov>. You may read and copy any filed document at the SEC's public reference rooms in Washington, D.C. at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information.

We maintain an internet site at <http://www.lyondellbasell.com>. Our web site and the information contained on that site, or connected to that site, are not a part of, or incorporated by reference into, this Registration Statement.

You should rely only on the information contained in this Registration Statement or to which we have referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this Registration Statement.

INDUSTRY AND MARKET DATA

This Registration Statement includes industry data that we obtained from periodic industry publications, including Chemical Marketing Associates, Incorporated (CMAI); Turner, Mason & Company; Platts (a reporting service of The McGraw-Hill Companies); SRI Consulting (SRI); Tecnon Orbicom; PIRA Energy Group; Chemical Market Resources; DeWitt & Company, Inc. (DeWitt); Oil and Gas Journal; Bloomberg L.P. (Bloomberg); Energy Information Administration (EIA); and internal company reports and estimates. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Additionally, the industry sources that we reference request or require that, if we reproduce the information they provide, we inform readers that they make no warranty, express or implied, as to the accuracy or completeness of, nor assume any liability for, such information. We believe that the industry data we obtained from industry publications is reliable and is the data commonly and regularly used for analysis of our industry. However, we have made no independent verification of the accuracy of this data.

Table of Contents

Index to Financial Statements

Table of Contents

Item 1.	<u>Business</u>	1
Item 1A.	<u>Risk Factors</u>	43
Item 2.	<u>Financial Information</u>	61
Item 3.	<u>Properties</u>	109
Item 4.	<u>Security Ownership of Certain Beneficial Owners and Management</u>	112
Item 5.	<u>Directors and Executive Officers</u>	116
Item 6.	<u>Executive Compensation</u>	122
Item 7.	<u>Certain Relationships and Related Transactions, and Director Independence</u>	153
Item 8.	<u>Legal Proceedings</u>	154
Item 9.	<u>Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters</u>	158
Item 10.	<u>Recent Sales of Unregistered Securities</u>	160
Item 11.	<u>Description of Registrant's Securities to be Registered</u>	161
Item 12.	<u>Indemnification of Directors and Officers</u>	170
Item 13.	<u>Financial Statements and Supplementary Data</u>	171
Item 14.	<u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	171
Item 15.	<u>Financial Statements and Exhibits</u>	172

This Registration Statement is being filed to register the class A ordinary shares and class B ordinary shares that were issued in connection with the Plan of Reorganization. It is not and is not to be construed as an inducement or encouragement to buy or sell any of our securities. You should be aware of certain risks relating to our business and ownership of our class A or class B ordinary shares, which are described under the heading Item 1A. Risk Factors.

You should not assume that the information contained in this Registration Statement is accurate as of any date other than the date set forth on the cover. Changes to the information contained in this Registration Statement may occur after that date, and we undertake no obligation to update the information, except in the normal course of our public disclosure obligations and practices.

All industry and statistical information included in this Registration Statement, other than information derived from our financial and accounting records, is presented as of December 31, 2009 unless otherwise indicated. Unless otherwise indicated, financial information and information derived from our accounting records which are presented as current are as of December 31, 2009.

Table of Contents

Index to Financial Statements

CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this Registration Statement are forward-looking statements within the meaning of the U.S. federal securities laws. Forward-looking statements can be identified by words such as estimate, believe, expect, anticipate, plan, may, should, other words that convey the uncertainty of future events or outcomes. Many of these forward-looking statements have been based on expectations and assumptions about future events that may prove to be inaccurate. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. Our actual results (including the results of our joint ventures) could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to:

our ability to comply with debt covenants and service our substantial debt,

availability of cash and access to capital markets,

the business cyclicity of the chemical, polymers and refining industries,

the availability, cost and price volatility of raw materials and utilities, particularly the cost of oil and natural gas,

competitive product and pricing pressures,

uncertainties associated with the U.S. and worldwide capital markets and economies,

operating interruptions (including leaks, explosions, fires, weather-related incidents, mechanical failure, unscheduled downtime, supplier disruptions, labor shortages, strikes, work stoppages or other labor difficulties, transportation interruptions, spills and releases and other environmental risks),

the supply/demand balances for our and our joint ventures products, and the related effects of industry production capacities and operating rates,

our ability to achieve expected cost savings and other synergies,

legal and environmental proceedings,

tax rulings, consequences or proceedings,

technological developments, and our ability to develop new products and process technologies,

current and potential governmental regulatory actions in the U.S. and in other countries, including potential climate change regulation,

political unrest and terrorist acts, and

risks and uncertainties posed by international operations, including foreign currency fluctuations.

Any of these factors, or a combination of these factors, could materially affect our future results of operations (including those of our joint ventures) and the ultimate accuracy of the forward-looking statements. These forward-looking statements are not guarantees of future performance, and our actual results and future developments (including those of our joint ventures) may differ materially from those projected in the forward-looking statements. Our management cautions against putting undue reliance on forward-looking statements or projecting any future results based on such statements or present or prior earnings levels.

All forward-looking statements in this Registration Statement are qualified in their entirety by the cautionary statements contained in this section and elsewhere in this Registration Statement. See [Item 1. Business](#), [Item 1A. Risk Factors](#) and [Item 2. Financial Information Management s Discussion and Analysis of Financial Condition and Results of Operations](#) for additional information about factors that may affect our

Table of Contents

Index to Financial Statements

businesses and operating results (including those of our joint ventures). Use caution and common sense when considering these forward-looking statements. We do not intend to update these statements unless applicable securities laws require us to do so.

In addition, this Registration Statement contains summaries of contracts and other documents. The summaries of contracts and documents that are filed as exhibits to this Registration Statement may not contain all of the information that is important to an investor and reference is made to the actual contract or document for a more complete understanding of what is discussed in this Registration Statement regarding the contract or document involved.

Table of Contents

Index to Financial Statements

ITEM 1. BUSINESS

LyondellBasell Industries N.V. is a public company with limited liability (*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 AF after completion of the Bankruptcy Cases. LyondellBasell AF and 93 of its subsidiaries were Debtors in jointly administered Bankruptcy Cases in the Bankruptcy Court. As of the Emergence Date, LyondellBasell AF'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 AF owned and operated prior to emergence from the Bankruptcy Cases, which business includes subsidiaries of LyondellBasell AF that were not involved in the Bankruptcy Cases.

LyondellBasell Industries N.V. is the successor to the combination in December 2007 of Lyondell Chemical Company (Lyondell Chemical) and Basell AF S.C.A. (Basell), which created one of the world's largest private petrochemical companies with significant worldwide scale and leading product positions.

Overview

We are the world's third largest independent chemical company based on revenues and an industry leader in many of our product lines. We are the world's largest producer of polypropylene and polypropylene compounds (PP compounds) and a top worldwide producer of propylene oxide (PO), polyethylene (PE), ethylene and propylene. Additionally, we are a leading provider of technology licenses and a supplier of catalysts for polyolefin production. Our refinery in Houston, Texas (the Houston Refinery) is among North America's largest full conversion refineries capable of processing significant quantities of heavy, high-sulfur crude oil. We participate in the full petrochemical value chain, from refining to specialized end uses of petrochemical products, and we believe that our vertically integrated facilities, broad product portfolio, manufacturing flexibility, superior technology base and operational excellence allow us to extract value across the full value chain.

We have the size and scale to compete worldwide:

For the year ended December 31, 2009, our revenues were \$30.8 billion.

As of December 31, 2009, our total assets were \$27.8 billion.

We are geographically diverse:

As of December 31, 2009, we manufactured products at 59 sites in 18 countries (including those operated through joint ventures).

We sell products in more than 100 countries.

For the year ended December 31, 2009, 54% of our revenues was generated from sales in North America, 35% from sales in Europe and 11% from sales in the rest of the world.

We participate in 16 significant manufacturing joint ventures, 11 of which are outside of Western Europe and the U.S., primarily in regions that have cost-advantaged raw materials or high growth rates, including Asia, the Middle East and Eastern Europe.

We have leading positions in our key products:

Edgar Filing: LyondellBasell Industries N.V. - Form 10-12B/A

As of December 31, 2009, we are the worldwide rated capacity leader in polypropylene, PP compounds, polyolefin licensing, polypropylene catalysts and oxyfuels.

Table of Contents

Index to Financial Statements

As of December 31, 2009, we ranked second, third, fourth and fourth in worldwide capacity in propylene oxide, PE, ethylene and propylene, respectively.

Our products are used in a broad range of applications and in products that people use every day, and have been increasingly in demand in developing markets:

Key end uses for our products include: rigid and flexible packaging, transportation fuels (gasoline and diesel), containers, plastic pipe, detergents, cosmetics, electronics, appliances, automotive parts, paints and coatings, furnishings, construction and building materials and many other industrial and consumer goods applications.

The diverse end-market uses for our products help to reduce volatility of demand for our products, and a majority of our revenues in 2009 was derived from sales of products utilized in consumable products (including fuels).

Our businesses and asset portfolio provide diversification and flexibility:

Our business portfolio of refining and oxyfuels, olefins and polyolefins, intermediate and derivative chemicals, and technology provides diversification and flexibility. Despite the current economic conditions generally and in our industry, parts of our businesses have performed in line with historical norms:

In 2009, the oxygenated fuels products within our refining and oxyfuels segment showed margins which were consistent with recent years, due in part to the significant differential between gasoline prices and butane costs, coupled with increasing worldwide biofuels demand.

The continued enhancement of feedstock flexibility in our North American olefin plants allowed us to improve the competitiveness of these assets in the current market conditions where natural gas liquids (NGLs) pricing has been much lower than most crude-oil-based feedstocks, partially offsetting the weak overall profit environment for producers using crude-oil-based feedstocks.

In our olefins and polyolefins segments, our North American PE business has benefitted from strong export demand driven by the Asian economy, competitors' project delays and relatively lower NGLs cost-based ethylene.

The PO business within our intermediates and derivatives segment demonstrated results in 2009 consistent with recent years.

Competitive Strengths

We believe that our key competitive strengths are:

Leading Positions in Worldwide Segments. We are the world's third largest independent chemical company based on revenues and an industry leader in many of our product lines. We are the world's largest producer of polypropylene, PP compounds and oxyfuels and a top worldwide producer of PO, PE, ethylene and propylene. Additionally, we are a leading provider of technology licenses and a supplier of catalysts for polyolefin production. Our Houston Refinery is among North America's largest full conversion refineries capable of processing significant quantities of heavy, high-sulfur crude oil.

Table of Contents**Index to Financial Statements****Worldwide Position by Product**

Products	Worldwide Rated Capacity (million lbs per year, unless noted)	Worldwide Position
Refining and Oxyfuels		
Oxyfuels (bbl/day)	75,000	#1
Olefins and Polyolefins		
Polypropylene	12,100	#1
Polyethylene	10,800	#3
Ethylene	14,400	#4
Propylene	8,800	#4
PP Compounds	2,300	#1
Intermediates and Derivatives		
Propylene Oxide	2,500	#2
Technology		
Polyolefin Licensing		#1
Polypropylene Catalysts		#1

Sources: CMAI, Chemical Market Resources, DeWitt and LyondellBasell AF's internal data.

Note: Capacities and worldwide capacity position are as of December 31, 2009, except for Technology worldwide capacity position, which is as of December 31, 2008, and include our pro rata share of joint ventures.

Geographic Diversity. Our worldwide manufacturing, sales and marketing network enables us to serve the needs of both local and worldwide customers. As of December 31, 2009, we operated (including through our joint venture network) 59 manufacturing sites in 18 countries. For the year ended December 31, 2009, 54% of our revenues was generated from sales in North America, 35% from sales in Europe and 11% from sales in the rest of the world. We market and sell our products in more than 100 countries, providing the opportunity to develop new markets for our products in higher-growth regions. We have worldwide exposure to many different economies as a result of our historical strength in Europe and the United States and our worldwide joint venture network. Our technology licensing platform has enabled us to make a number of investments in high-growth regions to broaden our worldwide reach.

Worldwide Network

	North America	Europe	Rest of World	Total
Manufacturing Facilities ⁽¹⁾	23	19	17	59
Employees ⁽²⁾	6,120	7,750	990	14,860
Revenues (millions) ⁽³⁾	16,566	10,931	3,331	30,828

Table of Contents

Index to Financial Statements

- (1) As of December 31, 2009. Includes joint ventures and wholly owned manufacturing facilities.
- (2) Approximate as of December 31, 2009.
- (3) Revenues for the year ended December 31, 2009 based on delivery location.

Participation in High-Growth, Low-Cost Markets through Joint Venture Relationships. We have pursued a strategy of leveraging our leading technology positions and worldwide marketing network to gain access to growing markets and low cost raw materials and feedstocks through the development of joint ventures. We participate in 16 significant manufacturing joint ventures in 11 countries throughout the world, most of which are in regions that have cost-advantaged feedstock or higher growth rates, including Asia, the Middle East and Eastern Europe, which have shown average annual GDP growth rates of 7% (outside of Japan), 5% and 4%, respectively, from 2005 through 2009. On a 100% basis, our joint ventures have 8.1 billion pounds of polypropylene capacity and 2.7 billion pounds of PE capacity. In 2007, 2008 and 2009 we received cash dividends from these joint ventures of \$148 million, \$98 million and \$26 million, respectively, in addition to benefitting from profits relating to licensing revenue, catalyst sales and marketing joint venture products. Since late 2008, we have begun production at two new Saudi Arabian joint ventures; expanded production at two joint ventures in Saudi Arabia and Mexico; started-up a new joint venture in China; and are adding capacity at another joint venture in Thailand. Our equity stakes allow us to participate in higher growth regions of the world without the significant expense of constructing wholly owned facilities.

Portfolio of Differentiated Products, Which Provides Premium Margins. We believe that our PP compounds, *Catalloy* process resins, polybutene-1 (PB-1), PO and intermediate products and our technology business help mitigate our exposure to the olefin and polyolefin cycles. The cycles for PO and its derivatives have historically tended to follow more independent supply and demand patterns than olefins and polyolefins. We also believe our technology and catalyst businesses further reduce the impact of petrochemical cycles on our operating results and provide a foundation for us to realize premium profit margins.

Significant Achievable Cost Savings in Process. From June 30, 2008 through the end of 2009, we reduced our workforce by approximately 2,370 employees and approximately 1,650 contractors. Additionally, since the end of 2007, we have significantly rationalized our asset footprint by shutting down underperforming assets with 4 billion pounds of annual capacity of polymers and chemicals. Management expects additional fixed cost savings by reducing staff, rationalizing our worldwide asset base, restructuring our contracts and realizing savings in procurement and logistics. Our senior management continues to focus on streamlining our worldwide fixed cost infrastructure.

We Operate One of the Largest High-Complexity Refineries in North America. We believe that our Houston Refinery is among the more flexible of major North American refineries with the ability to process 268,000 barrels per day of a wide array of feedstock grades, including heavy, high-sulfur crude oil. These grades of crude oil are more difficult to refine into gasoline than other high value fuel products, but have historically been less costly to purchase, giving us a cost advantage over many of our competitors. Processing heavy, high-sulfur crude oil in significant quantities requires a high-complexity refinery, which differentiates our Houston Refinery from the majority of competing facilities in the U.S. We currently are party to a crude supply agreement with PDVSA Petróleo S.A. (PDVSA Oil) to buy crude at market-based pricing for the majority of our supply. Our Houston Refinery also benefits from its strategic location near various North American pipeline systems and a major port on the Gulf of Mexico, with its proximity to Venezuela and Mexico, which are among the largest producers of heavy, high-sulfur crude oil.

Integrated Portfolio Structure. We participate in the full petrochemical value chain, from refining to specialized end uses of petrochemical products. We extract value from optimization across the refining and oxyfuels, olefins and polyolefins and intermediates and derivatives businesses. We operate several major integrated olefin and olefin derivative sites, which provide cost efficiencies through shared services

Table of Contents

Index to Financial Statements

and infrastructure, economies of scale and optimization. Additionally, oxygenated fuel products produced from chemical assets offer further integration benefits with the fuels business. We utilize our flexibility by leveraging a portfolio of mixed feedstock crackers across the U.S. to reduce our exposure to volatility in feedstock prices, enabling us to process lower cost feedstocks. On a worldwide basis, we produce in excess of 100% of our ethylene requirements and approximately 50% of our propylene requirements.

World Scale Diversified & Vertically Integrated Portfolio Structure

Superior Technology Platform. We are a technology-driven company that invests in research and development to maintain our leadership position, which we believe provides us with a significant competitive advantage. We estimate that approximately 43% of polypropylene and 35% of PE worldwide licensed capacity from 2003 through 2009 use our technologies. We believe that we are the global technologies leader in polyolefins. These proprietary technologies provide us with a cost-advantaged, market-preferred position.

Technology Portfolio

Polyolefins	Offering of complete polyolefin technology portfolio; proven processes with competitive capital and operating costs
Propylene Oxide	Proprietary technology basis for >30% of worldwide production
Propylene Oxide Derivatives	Environmentally advantaged solvents
Catalysts	Differentiated product portfolio at competitive use cost; ongoing innovation to enhance performance

We are a technological leader in the manufacture of PO, using our proprietary propylene oxide/styrene monomer (PO/SM) and propylene oxide/tertiary butyl alcohol (PO/TBA) processes. We continue to increase our expertise in the production of butanediol from PO. As of March 1, 2010, approximately 960 of our employees are engaged in research and development activities.

Table of Contents

Index to Financial Statements

Focused, Experienced Management Team. We are led by James L. Gallogly. Mr. Gallogly was appointed as Chief Executive Officer in May 2009. Mr. Gallogly has over 29 years of operating and leadership experience in chemical, refining and related industries. He formerly worked at ConocoPhillips, most recently serving as executive vice president of exploration & production from October 2008 to May 2009. For the preceding two years, he was executive vice president of refining, marketing and transportation. He was president and chief executive officer of Chevron Phillips Chemical Company from 2000 to 2006 and served as a member of its Board of Directors. Mr. Gallogly is supported by a senior management team that has extensive operational and financial experience in the chemical, polymers and refining industries. Our senior management team is focused on managing through this current cyclical trough by implementing extensive fixed cost reduction measures, optimal asset utilization and initiatives to increase operational reliability. For more information on our executive officers, see Item 5. Directors and Executive Officers Executive Officers.

Our Strategy

Our principal focus is on reducing our cost structure, improving operations and revenues and realizing the synergies from the December 2007 combination of Lyondell Chemical and Basell. Our efforts are directed by the following key business strategies:

Operational Excellence. Operational excellence, which includes a commitment to safety, environmental stewardship, and improved reliability, is key to our future success. We believe optimal operations can be achieved through a systematic application of standards and improved maintenance procedures, which is also expected to result in improved personnel and process safety and environmental performance. We continue to set new, stricter operational excellence targets for each of our facilities based on industry benchmarks.

Cost Reduction / Revenue Enhancement. We are pursuing cost reductions across our system with specific goals, based in large part on benchmarks of industry leading performance. We believe that our worldwide manufacturing scale provides the opportunity to minimize costs per unit, a critical operational measure for petrochemical and refining companies. We will continue to focus on upgrading our customer and product mix to realize premium pricing. By leveraging our leading technological platform, worldwide presence, strong customer relationships and reliability and quality, we also intend to increase our sales of value-added, differentiated products.

Capital Discipline. Additionally, we remain focused on disciplined capital allocation. We intend to optimize our capital spending to address projects required to enhance reliability and maintain the overall asset portfolio. This includes key maintenance and repair activities (turnarounds) in each segment, necessary regulatory and maintenance spending, as well as a limited number of high return debottlenecking and energy reduction projects.

Portfolio Management. We will also carefully manage our portfolio as demonstrated by the recent closure of certain underperforming assets. We continue to evaluate our asset portfolio and may initiate further rationalization, depending on market conditions.

Performance-Driven Culture. The benchmarking, goal setting and results measurement previously described as part of the cost reduction and revenue enhancement efforts are central to the new performance driven, accountability culture that we are instilling. We believe we have outstanding people and assets, and with the right performance expectations, can rapidly increase our competitiveness. We have reshaped the management team to initiate a refocused effort around these basic strategic elements.

Technology-Driven Growth. Our strong, industry leading technologies provide us with a platform for future growth. We intend to continue to improve our operations in the mature, highly sophisticated markets in Europe and North America, and, as our financial condition improves, we plan to grow in quickly developing markets like Asia and regions with access to low cost feedstocks.

Table of Contents

Index to Financial Statements

Segments

As of December 31, 2009, we began reporting our results of operations based on five business segments through which our operations are managed. These are our reportable segments:

Refining and Oxyfuels. Our Refining and Oxyfuels segment refines heavy, high-sulfur crude oil in the U.S. Gulf Coast, refines light and medium weight crude oil in southern France and produces oxyfuels at several of our olefin and PO units. Our Houston Refinery is among North America's largest full conversion refineries capable of processing significant quantities of heavy, high-sulfur crude oil. Our refinery in Berre, France (the Berre Refinery) processes light to medium weight crude oils, and provides raw material and site integration benefits to our olefin and polyolefin business in Europe. We are also a significant manufacturer of oxygenated fuels at several facilities within the U.S. and Europe. For the year ended December 31, 2009, our Refining and Oxyfuels segment generated \$10,831 million of revenues (excluding inter-segment revenue).

Olefins and Polyolefins Americas (O&P Americas). Our O&P Americas segment produces and markets polyolefins, ethylene and ethylene co-products. We are the largest polypropylene producer, the largest producer of light olefins (ethylene and propylene) and the third largest producer of PE in North America. In addition, we produce significant quantities of high-value specialty products such as *Catalloy* process resins. For the year ended December 31, 2009, our O&P Americas segment generated \$6,728 million of revenues (excluding inter-segment revenue).

Olefins and Polyolefins Europe, Asia, International (O&P EAI). Our O&P EAI segment produces and markets olefins (ethylene and ethylene co-products) and polyolefins. We are the largest producer of polypropylene and PE in Europe. We are also the largest worldwide producer of PP compounds, a high-value specialty product (global marketing of which is managed in our O&P EAI segment). We also produce significant quantities of other high-value specialty products such as *Catalloy* process resins and PB-1. For the year ended December 31, 2009, our O&P EAI segment generated \$9,047 million of revenues (excluding inter-segment revenue).

Intermediates and Derivatives (I&D). Our I&D segment produces and markets PO and its co-products and derivatives, acetyls, ethylene oxide and its derivatives, and flavor and fragrance chemicals. PO co-products include styrene monomer (SM) and C chemicals (tertiary butyl alcohol (TBA), oxyfuels (which is managed in our Refining and Oxyfuels segment), isobutylene and tertiary butyl hydroperoxide (TBHP)), and PO derivatives include propylene glycol (PG), propylene glycol ethers (PGE) and butanediol (BDO). We believe that our proprietary PO and acetyls production process technologies provide us with a cost advantaged position for these products and their derivatives. For the year ended December 31, 2009, our I&D segment generated \$3,777 million of revenues (excluding inter-segment revenue).

Technology. Our Technology segment develops and licenses industry leading polyolefin process technologies and provides associated engineering and other services. Our Technology segment further develops, manufactures and sells polyolefin catalysts. We market our process technologies and our polyolefin catalysts to external customers and also use them for our own manufacturing operations. For the year ended December 31, 2009, our Technology segment generated \$436 million of revenues (excluding inter-segment revenue).

Table of Contents**Index to Financial Statements**

The following chart sets forth our business segments and key products:

	O&P Americas		
	and		
Refining and Oxyfuels	O&P	EAI	I&D
Gasoline		Polyolefins	Propylene oxide, co-products and derivatives
		Polypropylene	Propylene oxide (PO)
Ultra low sulfur diesel			
Jet fuel		High density polyethylene (HDPE)	Styrene monomer (SM)
Lube oils		Low density polyethylene (LDPE)	Tertiary butyl alcohol (TBA)
Gasoline blending components		Linear low density polyethylene (LLDPE)	Isobutylene
Methyl tertiary butyl ether (MTBE)		Propylene-based compounds, materials and alloys (PP compounds)*	Tertiary butyl hydro-peroxide (TBHP)
Ethyl tertiary butyl ether (ETBE)		Catalloy process resins	Propylene glycol (PG)
		Polybutene-1 (PB-1)*	Propylene glycol ethers (PGE)
			Butanediol (BDO)
Alkylate		Ethylene and co-products	
Vacuum Gas Oil (VGO)		Ethylene	Acetyls
		Propylene	Vinyl acetate monomer (VAM)
		Butadiene	Acetic acid
		Benzene	Methanol
		Toluene	
			Ethylene derivatives
		Ethylene derivatives	Ethylene oxide (EO)
		Ethanol	Ethylene glycol (EG)
			EO derivatives
			Flavor and fragrance chemicals
			Polypropylene process technologies
			<i>Spheripol</i>
			<i>Spherizone</i>
			<i>Metocene</i>
			Polyethylene process technologies
			<i>Lupotech</i>
			<i>Spherilene</i>
			<i>Hostalen</i>
			Polyolefin catalysts
			<i>Avant</i>
			Selected chemical technologies

* O&P EAI only.

Our Corporate and Capital Structure

LyondellBasell Industries N.V. is a public company with limited liability (*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 the remaining subsidiaries of LyondellBasell AF after completion of the Bankruptcy Cases. LyondellBasell AF and 93 of its direct and indirect subsidiaries were Debtors in jointly administered Bankruptcy Cases in the Bankruptcy Court.

Upon the consummation of the Plan of Reorganization, LyondellBasell Industries N.V. became the successor to the combination in December 2007 of Lyondell Chemical and Basell, which created one of the world's largest private petrochemical companies with significant worldwide scale and leading product positions. Prior to the combination of Lyondell Chemical and Basell, Lyondell Chemical was the third-largest independent, publicly-traded chemical company in North America. It was a leading worldwide manufacturer of chemicals and plastics, a refiner of heavy crude oil and producer of fuel products. Since its spin-off from Atlantic Richfield Company (ARCO) in 1985, Lyondell Chemical had grown by strategic acquisitions of, among other assets, certain businesses and/or subsidiaries of ARCO, Millennium Chemicals Inc. (Millennium Chemicals), and Occidental Chemical Corporation, a subsidiary of Occidental Petroleum Corporation, as well as the non-Lyondell

Table of Contents

Index to Financial Statements

Chemical shares of joint ventures such as Equistar Chemicals, LP and Houston Refining LP, formerly known as Lyondell-CITGO Refining LP, which owned the Houston Refinery. Prior to the combination of Lyondell Chemical and Basell, Basell was the largest producer of polypropylene and advanced polyolefin products, a leading supplier of PE and catalysts, and the industry leader in licensing polypropylene processes. Basell was formed in September 2000 when BASF AG (BASF) and Shell Chemical Company (Shell) combined their respective polypropylene businesses with their then-existing PE joint venture.

Refining and Oxyfuels Segment

Overview

Our Refining and Oxyfuels segment refines heavy, high-sulfur crude oil in the U.S. Gulf Coast, refines light and medium weight crude oil in southern France and produces gasoline blending components at several of our olefin and PO units. In 2009, our Refining and Oxyfuels segment generated operating revenues of \$10.8 billion (excluding inter-segment revenue).

The Houston Refinery, which is located on the Houston Ship Channel in Houston, Texas, has a heavy, high-sulfur crude oil processing capacity of approximately 268,000 barrels per day on a calendar day basis (normal operating basis), or approximately 292,000 barrels per day on a stream day basis (maximum achievable over a 24 hour period). The Houston Refinery has a Nelson Complexity Index of 11.4. The Houston Refinery is a full conversion refinery designed to refine heavy (16 to 18 degrees API), high-sulfur crude oil. This crude oil is more viscous and dense than traditional crude oil and contains higher concentrations of sulfur and heavy metals, making it more difficult to refine into gasoline and other high-value fuel products. However, this crude oil has historically been less costly to purchase than light, low-sulfur crude oil. Processing heavy, high-sulfur crude oil in significant quantities requires a refinery with extensive coking, catalytic cracking, hydrotreating and desulfurization capabilities, i.e., a complex refinery. The Houston Refinery's complexity enables it to operate in full conversion mode, producing a slate of products that consists primarily of high-value, refined fuel products. The Houston Refinery's refined fuel products include gasoline (including blendstocks for oxygenate blending), jet fuel and ultra low sulfur diesel. The Houston Refinery's products also include heating oil, lube oils (industrial lubricants, white oils and process oils), carbon black oil, refinery-grade propylene, petrochemical raw materials, sulfur, residual fuel and petroleum coke. Houston Refining LP became a wholly owned consolidated subsidiary on August 16, 2006.

In April 2008, we acquired the Berre Refinery and related businesses in France from Société des Pétroles Shell. The Berre Refinery is designed to run light to medium sulfur crude oil and has a current capacity of approximately 105,000 barrels per day. It produces naphtha, vacuum gas oil, liquefied petroleum gas, gasoline, aviation fuel, diesel, bitumen and heating oil. The Berre Refinery provides raw material and site integration benefits for our operations in France and supports our polyolefin business in Europe. The Berre Refinery also provides us with access to significant logistics assets, including pipeline access, storage terminals and harbor access to the Mediterranean Sea. The Berre Refinery has a Nelson Complexity Index of 6.7.

The Refining and Oxyfuels segment also includes gasoline blending components such as methyl tertiary butyl ether (MTBE), ethyl tertiary butyl ether (ETBE) and alkylate. MTBE and ETBE are produced as co-products of the PO and olefin production process at four sites located in Texas, France and The Netherlands. In the fourth quarter of 2009, we completed a project to convert one of our MTBE units at Channelview, Texas to ETBE production. We currently have three sites that can produce either MTBE or ETBE with a combined capacity to produce 59,000 barrels per day of MTBE or ETBE; the Company's total capacity for MTBE or ETBE production is 75,000 barrels per day. Alkylate is produced at one facility located in Texas.

Table of Contents

Index to Financial Statements

The chart below shows our position and capacities in key Refining and Oxyfuels businesses:

Sources: EIA; DeWitt; CMAI; LyondellBasell AF's internal data

Note: Capacities are as of December 31, 2009. Positions are based on our wholly owned capacity and pro rata share of joint venture capacity.

(1) Thousands of barrels per day

(2) MTBE / ETBE split based on actual production at plants where there is swing capacity between the two fuels

The following table outlines:

the primary products of our Refining and Oxyfuels segment;

capacity as of December 31, 2009, unless otherwise noted; and

the primary uses for those products.

See Item 3. Properties for the locations where we produce the primary products of our Refining and Oxyfuels segment.