LyondellBasell Industries N.V.

Financial Report

For the Year Ended 31 December 2014

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1 Report of the Board of Management

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

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

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

1.1 About LyondellBasell

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

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

- **Olefins and Polyolefins–Europe, Asia, International ("O&P–EAI").** Our O&P–EAI segment produces and markets olefins, including ethylene and ethylene co-products, polyolefins and specialty products, including polybutene-1 and polypropylene compounds.

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

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

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

1.2 Our Strategy

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

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

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

We remain focused on disciplined capital allocation across all of our businesses. Our plans include capturing opportunities created by the recent expansion of shale gas production in the U.S., which is providing increasing amounts of low-cost feedstocks for our businesses. About half of our total capital is funding these discretionary growth projects, mainly focused in our O&P–Americas and I&D segments. We believe several of these projects can be completed and brought on-stream well ahead of our competition, as demonstrated by the restart of our Channelview, Texas methanol unit in late 2013 and the 2014 completion of the expansion of our LaPorte olefins and Matagorda polyethylene plants in Texas. We also continue to execute projects required to enhance reliability and maintain the overall asset portfolio. This includes key maintenance and repair activities ("turnarounds") in each segment and necessary regulatory and maintenance spending.

We continuously and carefully evaluate our asset portfolio and may initiate further rationalization or enter into investments and acquisitions depending on market conditions and opportunities. While we believe most of our growth projects that are currently in progress will be advantageous, we are reevaluating some future capital plans related to our new Gulf Coast polyethylene facility, based on the changes in energy prices and rising construction costs in the Gulf Coast.

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

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

1.3 Sustainability

Our approach to sustainability

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

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

The specifics of sustainability

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

As a significant participant in the global economy, our objectives are to:

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

We are global citizens

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

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

We are dedicated to safety excellence. In 2014, LyondellBasell continued to operate with industry leading safety performance. The Company's safety performance in 2014, measured by total recordable incident rate for employees and contractors, was 0.23. We utilize the U.S. Occupational Safety and Health Administration ("OSHA") definition for injury rate, which is the number of injuries recorded per 200,000 hours worked.

Our process safety is focused on the pro-active identification and management of hazards in our operations. It plays a significant role in our overall safety performance and in fulfilling our commitment to operate in a manner that protects our people, the environment and our business relationship with our customers. Our continuous improvement in process safety has resulted in an 89% reduction of incidents since 2009.

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

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

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

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

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

We are dedicated to minimizing our emissions and improving our energy efficiency. We are making the investments necessary to accomplish this goal through cost-effective compliance, business-driven improvement and science-based risk management. Since 2009, we have reduced energy consumption use for sites currently in operation by approximately 19%.

1.4 Research and Development

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

In 2014 and 2013, our research and development expenditures were $107 million and $121 million, respectively. A portion of these expenses are related to technical support and customer service and are allocated to the other business segments. In 2014, approximately 35% of all R&D costs were allocated to other business segments, while in 2013, the allocations approximated 30%.

1.5 Management's Discussion and Analysis of Results of Operations

Highlights for the period ended 31 December 2014:

- Net income of $3.9 billion ($3.8 billion in 2013);
- Issuance of $1.0 billion 4.875% guaranteed notes due 2044 ($0.75 billion 4% guaranteed notes due 2023 and $0.75 billion 5.25% guaranteed notes due 2043 in 2013);
- Entered into a commercial paper program under which we may issue up to $2.0 billion of privately placed, unsecured, short-term promissory notes ("commercial paper");
- Extended the maturity of our $2.0 billion Senior Revolving Credit Facility by one year until June 2019;
- Our corporate credit rating and our senior unsecured debt rating were raised by Standard & Poor's to BBB+ and BBB, respectively;
- Repurchased approximately 63.3 million of our ordinary shares (27.4 million ordinary shares in 2013);
- Increased our interim dividends in 2014 from $0.60 to $0.70 per share (from $0.40 to $0.60 per share in 2013);
- Paid dividends totaling $1.4 billion in 2014 ($1.1 billion in 2013);
- Continued an ethylene expansion project at our Channelview, Texas facility, completed an 800 million pound per year ethylene expansion at our La Porte, Texas facility in the last half of 2014 and a 220 million pound per year polyethylene ("PE") expansion of our Matagorda, Texas facility in the first quarter of 2014;
- Received a permit issued by the Environmental Protection Agency authorizing us to commence an ethylene expansion project at our Corpus Christi, Texas facility;
- Announced plans to build a world scale PO/TBA plant on the U.S. Gulf Coast with an annual capacity of 1 billion pounds of propylene oxide ("PO") and 2 billion pounds of tertiary butyl alcohol ("TBA") and its derivatives. Based on a preliminary timetable, the plant is currently slated to be operational in 2019;
- Announced that we are evaluating a 550 million pounds-per-year ethylene expansion project at our Channelview, Texas facility. Preliminary engineering work is underway to assess expansion feasibility. If we proceed with this project, the anticipated time frame for completion would be 2017; and
- Had liquidity of $4.3 billion ($7.9 billion in 2013), including cash of $1.0 billion ($4.5 billion in 2013) at year end.

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

	Year Ended 31 December	
Millions of U.S. Dollars (except for earnings per share amounts)	**2014**	**2013**
Results of Operations Data		
Revenue	$ 45,608	$ 44,071
Operating profit	5,484	4,893
Finance costs	425	262
Depreciation, amortization and impairments	1,032	1,007
Profit for the year	3,931	3,780
Earnings per share:		
Basic	7.57	6.67
Diluted	7.53	6.62
Balance Sheet Data		
Total equity	7,778	12,088
Borrowings	7,045	5,768
Cash and cash equivalents	(1,031)	(4,450)
Net debt	6,014	1,318
Trade and other receivables	4,298	4,748
Inventories	3,987	4,997
Trade and other payables	(4,357)	(4,739)
Net working capital	3,928	5,006
Cash Flow Data		
Net cash provided by (used in):		
Operating activities	5,930	4,667
Investing activities	(3,380)	(1,396)
Including purchase of property, plant and equipment	(1,499)	(1,561)
Financing activities	(5,940)	(1,627)

1.5.1 General

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

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

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

1.5.2 Overview of Results of Operations

We achieved record net income in 2014. We believe our industry position remains favorable and are confident in the fundamentals supporting our business. In 2014, we continued to focus on our back-to-basics strategy and high return growth projects, some of which are already contributing to earnings.

Significant items that affected 2014 results include:

- Improved O&P–Americas and O&P–EAI segment results on higher olefins and polyolefins margins, offset in part by lower North American volumes and supplemented by higher European olefins volumes;

- Steady I&D segment results reflect higher acetyls and PO and derivatives results offset in part by lower results for oxyfuels, styrene and EO and derivatives; and

- Improved refining margins and higher crude processing rates at our Houston refinery.

Revenues—We had revenues of $45,608 million in 2014 and $44,071 million in 2013. Revenues increased by $1,537 million in 2014 compared to 2013.

Higher sales volumes for acetyls, styrene, PO and derivatives and refining products, which were offset in part by lower volumes for U.S. olefins and EO and derivatives, contributed to higher revenues in 2014 compared to 2013. Higher acetyls sales volumes in 2014 benefited from the restart of our Methanol plant at Channelview, Texas in December 2013. Sales volumes for styrene improved in 2014 compared to 2013, which was affected by planned maintenance activities in the U.S. and Europe. Industry outages in Europe and Asia in 2014 led to higher volumes for PO and derivatives. An increase in sales volumes of refined products in 2014 reflects higher crude processing rates relative to 2013, which was negatively impacted by planned outages at our Houston refinery. Sales volumes for U.S. polyethylene were favorably affected by firm demand and the completion of an expansion and turnaround of our Matagorda, Texas polyethylene facility. These increases were offset in part by lower U.S. olefin sales volumes as volumes in 2014 were impacted by an expansion-related turnaround at our La Porte, Texas facility. Unplanned outages in 2014 resulted in lower EO and derivative volumes during that period.

In 2014, higher average sales prices for U.S. polyethylene, polypropylene (“PP”), PP compounds, PO and derivatives, except butanediol (“BDO”), and vinyl acetate monomer (“VAM”) were offset by lower average sales prices for European polyethylene, butanediol, oxyfuels, C4 chemicals and refining products.

Increased demand and industry supply issues in 2014 led to the increase in U.S. polyethylene prices. The improvements in polypropylene prices reflected more favorable market conditions in 2014 versus 2013. Global industry constraints and limited regional supply led to increased prices for VAM and all of our PO and derivatives products, except butanediol, which declined due to excess industry capacity in Asia and the Middle East. The lower average sales prices for oxyfuels in 2014 reflected the impact of lower Brent crude oil and gasoline prices which was partially offset by a higher octane blending premium. In 2014, the decline in C4 chemicals prices was driven by the lower energy profile while the average sales prices for refining products reflected the decline in crude oil prices during the fourth quarter.

Cost of Sales—Cost of sales were $39,313 million in 2014 and $38,152 million in 2013. In 2014, Cost of sales included $53 million of non-cash, lower of cost or market ("LCM") charges related to inventories. These charges were primarily driven by declines in the prices of crude oil and products derived from or correlated to crude oil.

Excluding these LCM adjustments, cost of sales increased $1,108 million in 2014 over 2013 primarily due to the impact of the higher sales volumes discussed above. This volume impact was reduced by the lower cost of crude oil and by the lower cost of ethylene production in the U.S. and Europe in 2014 compared to 2013.

Operating Profit—Our operating profit was $5,484 million and $4,893 million in 2014 and 2013, respectively. Operating profit increased by $591 million in 2014 compared to 2013, which includes the impact of the $53 million LCM inventory valuation adjustment discussed above. This increase primarily reflects the impact of the higher sales volumes discussed above and margins that benefited from lower feedstock costs.

Margins were higher in 2014 across all businesses in our O&P–Americas and O&P–EAI segments, for PO and derivatives and acetyls in our I&D segment. These higher margins were offset in part by lower margins for C4 chemicals, styrene, oxyfuels and EO and derivatives in our I&D segment and for refined products in our Refining segment. Our higher margins generally reflected our lower cost of ethylene production and the lower cost of crude oil but in some cases were driven by average sales prices that increased relative to the related feedstock costs. Lower margins for styrene and EO and derivatives reflected lower average sales prices compounded by higher feedstock costs and the lower C4 chemicals margins are attributed to falling energy prices.

Finance Costs—Finance costs were $425 million in 2014 and $262 million in 2013. The increase in interest expense in 2014 compared to 2013 was primarily due to the combinations of higher interest related to the July 2013 issuances of our 4% guaranteed notes due 2023 and 5.25% guaranteed notes due 2043 and the February 2014 issuance of our 4.875% guaranteed notes due 2044 and $59 million of unrealized losses related to the our cross currency swaps. These increases were partially offset by a $28 million net favorable adjustment related to our fixed-for-floating interest rate swaps. See Note 4 to the Consolidated Financial Statements for additional information on these cross-currency and fixed-for-floating interest rate swaps.

Share of Profit of Investments Accounted for Using the Equity Method—The Company had profit from investments accounted for using the equity method totaling $257 million in 2014 and $203 million in 2013. The $54 million increase in profit from investments accounted for using the equity method reflected higher margins for some of our joint ventures in the Middle East, Europe and Asia, the impact of better operating rates at two of our joint ventures in Asia and one of our joint ventures in the Middle East that experienced significant unplanned maintenance in 2013. In 2014, an improved supply of feedstock at one of our Asian joint ventures also contributed to the higher operating rates relative to 2013.

Income Tax—The weighted average applicable tax rates for 2014 and 2013 were 33.9% and 34.1%, respectively. The decrease was primarily attributable to the change in the geographical mix of income. Our effective income tax rate of 26.5% in 2014 and 22.0% in 2013 resulted in tax provisions of $1,419 million and $1,068 million, respectively. Compared to 2013 the 2014 effective income tax rate increased primarily due to the recognition of deferred tax assets in 2013 in France and other jurisdictions (in total $345 million) offset by an increase in exempted income in 2014. The 2013 effect on the effective tax rate of the recognition of deferred tax assets was approximately 7%.

Management's decision to recognize the deferred tax assets for France in 2013 was based on positive evidence from French operations, including cumulative book pre-tax income for the prior three years (2011 – 2013), taxable income for 2013 before utilization of tax loss carry forwards, and projections of significant pre-tax income and taxable income for future years. We continue to carry forward unrecognized deferred tax assets of $29 million for pre-acquisition French tax losses for which the Company does not expect to realize a future benefit due to limitations imposed by French tax law.

Other Comprehensive Income—We had Total comprehensive income of $2,922 million in 2014 and $4,316 million in 2013.

Comprehensive income decreased by $1,394 million in 2014 compared to 2013 primarily due to currency translation losses of foreign operations and decreases in the remeasurements of post-employment benefits obligations. These losses were offset in part by the increase in 2014 profit for the year over 2013. The predominant functional currency for our operations outside of the U.S. is the euro. Relative to the U.S. dollar, the value of the euro decreased in 2014 versus 2013, resulting in currency translation losses, which decreased Comprehensive income by $917 million. In 2014, we recognized a net loss on the remeasurement of post-employment benefits obligations of $436 million, which compares to a net gain of $493 million recognized in 2013. This $929 million decline in 2014 primarily reflects $734 million related to discount rate assumption changes and other immaterial liability experience gains and losses and $160 million related to actual asset return in excess of the expected return compared to 2013.

1.5.3 Segment Analysis

Our operations are managed through five operating segments: O&P–Americas; O&P–EAI; I&D; Refining; and Technology. Each of the operating segments is separately managed by a senior executive reporting directly to our Chief Executive Officer ("CEO"), the chief operating decision maker ("CODM"). Discrete financial information is available for each of the segments, and our CEO uses the operating results of each of the operating segments for performance evaluation and resource allocation.

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

- *Discontinued Operations—*The Financial Accounting Standards Board ("FASB"), in April 2014, issued Accounting Standards Update ("ASU") ASU 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*, which amended Accounting Standards Codification ("ASC") Topic 205, *Presentation of Financial Statements* ("ASC 205"). Under this new guidance, only disposals representing a strategic shift in operations that have or will have a major effect on a company's operations should be presented as discontinued operations. In 2014, we adopted this amendment prospectively.

  Prior to the issuance of ASU 2014-8, under U.S. GAAP, the results of operations of a component of an entity was reported in the discontinued operations if both of the following conditions were met: (a) the operations and cash flows of the component have been (or will be) eliminated from the ongoing operations of the entity as a result of the disposal transaction and (b) the entity will not have any significant continuing involvement in the operations of the component after the disposal transaction. The suspension of the Berre Refinery operations met these criteria and was treated as discontinued operations under U.S. GAAP. Under International Financial Reporting Standards ("IFRS") and this financial report, the suspension of the Berre Refinery operations has been accounted for under IFRS 5, *Non-current assets held for sale and discontinued operations* ("IFRS 5"). IFRS 5 defines a discontinued operation as a component of an entity that either has been disposed of or is classified as held for sale, and represents a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. For IFRS, the Berre Refinery did not meet the definition of a separate major line of business because the Company has not exited the refining business, and thus did not qualify for discontinued operations.

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

  Under U.S. GAAP we recognized lower of cost or market ("LCM") inventory valuation charges affecting all but the Technology segment in the third and fourth quarters of 2014 totaling $760 million, pretax ($483 million, after tax).

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

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

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

In 2014, the CODM began using earnings before interest, taxes and depreciation and amortization ("EBITDA") as the primary measure for reviewing our segments' profitability and therefore we have presented EBITDA for all segments. All periods have been restated to reflect this change. For additional information related to our operating segments, as well as a reconciliation of EBITDA to its nearest U.S. GAAP measure and to the IFRS Operating profit, see Note 31 of the Consolidated Financial Statements.

	Year Ended 31 December	
Millions of U.S. Dollars	**2014**	**2013**
Sales and other operating revenues:		
O&P–Americas segment	$ 13,948	$ 13,089
O&P–EAI segment	15,203	14,685
I&D segment	10,130	9,472
Refining segment	11,710	11,698
Technology segment	497	532
Other, including intersegment eliminations	(5,880)	(5,414)
Total	$ 45,608	$ 44,062
Share of profit of associates and joint ventures:		
O&P–Americas segment	$ 21	$ 25
O&P–EAI segment	229	174
I&D segment	7	4
Total	$ 257	$ 203
EBITDA:		
O&P–Americas segment	$ 3,911	$ 3,573
O&P–EAI segment	1,366	839
I&D segment	1,459	1,492
Refining segment	65	182
Technology segment	232	232
Other, including intersegment eliminations	17	(7)
Total	$ 7,050	$ 6,311

Olefins and Polyolefins–Americas Segment

Overview—In calculating the impact of margin and volume on EBITDA, consistent with industry practice, management offsets revenues and volumes related to ethylene co-products against the cost to produce ethylene. Volume and price impacts of ethylene co-products are reported in margin. Ethylene is a major building block of our olefins and polyolefins businesses and as such management assesses the performance of the segment based on ethylene sales volumes and prices and our internal cost of ethylene production.

Segment results were higher in 2014, primarily due to improved polyethylene and olefins results and to a lesser extent, higher polypropylene margins. Margin improvements and higher sales volumes in 2014 contributed to the increase in polyethylene results over 2013. Our 2014 olefins results reflected higher margins relative to 2013, offset in part by lower sales volumes from the outage at our La Porte, Texas facility prior to the completion of an 800 million pound ethylene expansion in September 2014. Our segment results were negatively impacted by a $279 million non-cash LCM inventory valuation adjustment, most of which was recognized in the fourth quarter. Absent this lower of cost or market inventory valuation adjustment, our fourth quarter 2014 segment results would have been similar to our strong third quarter 2014 results.

Prices for heavy liquids, NGLs and olefins declined significantly in December 2014, in many cases to levels that have not been seen in recent years. The price levels for these products were lower than the carrying value of our related inventories as of 31 December 2014 requiring us to record the LCM inventory valuation adjustment discussed above.

Ethylene produced from NGLs in North America has been much lower in cost than that produced from crude oil-based liquids. Naphtha and other crude oil-based liquids are the predominant feedstocks in the rest of the world. Margins in our olefins and polyethylene businesses in 2014 and 2013 have benefited from this advantage though that benefit may be diminished should the recent lower prices of naphtha and other crude-oil based liquids continue or decline further. In such an event, our olefins and polyethylene margins may be reduced from the record levels of 2014.

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

- NGLs, principally ethane and propane, the prices of which are generally affected by natural gas prices; and
- crude oil-based liquids (“liquids” or “heavy liquids”), including naphtha, condensates, and gas oils, the prices of which are generally related to crude oil prices.

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

Production economics for the industry favored NGLs during 2014 and 2013. As a result, we increased our use of NGLs and reduced liquids consumption at our U.S. plants in each year since 2011. During 2014 and 2013, approximately 90% 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. The table also shows the discounted U.S. benchmark prices for certain polyethylene and polypropylene products. These industry benchmark prices are third party estimates that are indicative of contract sales for some key product grades, but do not necessarily describe price trends for our full olefins or polymers product mixes. The benchmark weighted average cost of ethylene production, which reflects credits for co-product sales, is based on a third party consultant's estimated ratio of heavy liquid raw materials and NGLs used in U.S. ethylene production.

	Average Benchmark Price and Percent Change Versus Prior Year Average		
	Year Ended 31 December		
	2014	2013	Change
Crude oil, dollars per barrel:			
West Texas Intermediate ("WTI")	92.9	98.1	(5)%
Light Louisiana Sweet ("LLS")	96.9	107.3	(10)%
Natural gas (Henry Hub), dollars per million BTUs	4.5	3.8	19%
United States, cents per pound:			
Weighted average cost of ethylene production	15.4	16.2	(5)%
Ethylene	48.0	46.7	3%
Polyethylene (high density)	77.0	70.5	9%
Propylene - polymer grade	70.9	68.7	3%
Polypropylene	86.3	82.2	5%

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

	Year Ended 31 December	
Millions of U.S. Dollars	2014	2013
Sales and other operating revenues	$ 13,948	$ 13,089
Share of profit of associates and joint ventures	21	25
EBITDA	3,911	3,573

Revenues—Revenue increased by $859 million in 2014 compared to 2013.

The $859 million increase in revenues in 2014 is the result of higher average sales prices and higher sales volumes, which account for 6% and 1%, respectively, of the increase over 2013. Average sales prices in 2014 were higher across all products, particularly polyethylene. Higher average polyethylene prices in 2014 reflect increased demand and industry supply issues in the ethylene and polyethylene market. Average polypropylene prices also improved in 2014, reflecting a market environment that was more favorable than in 2013.

The increase in sales volumes in 2014 was primarily due to higher polyethylene sales volumes offset in part by lower ethylene volumes. Higher polyethylene sales volumes reflect the completion of an expansion-related turnaround at our Matagorda, Texas facility in the early part of 2014 and strong industry demand. Firm market demand throughout 2014 also contributed to the increase in polyethylene sales volumes over 2013. Ethylene volumes were negatively impacted by production constraints as a result of the turnaround at our La Porte, Texas facility during 2014. Polypropylene sales volumes were relatively unchanged between the 2014 and 2013 periods.

EBITDA—EBITDA increased by $338 million in 2014 compared to 2013.

The 9% improvement in EBITDA during 2014 reflects a 19% increase related to higher margins which was offset in part by a 2% decrease related to volumes and an 8% decrease related to the $279 million lower of cost or market inventory valuation adjustment discussed above.

Margins were higher across all products, especially for olefins and polyethylene. The combination of higher ethylene sales prices discussed above, the lower cost of NGLs and heavy liquids, and higher co-product credits resulted in an improvement in olefins margins in 2014 compared to 2013. Higher polyethylene margins in 2014 reflect higher average sales prices as discussed above offset in part by increases in ethylene feedstock costs. Polypropylene margins also improved in 2014 due to the continued strength in pricing that carried over from late 2013.

The decrease in EBITDA attributable to the lower volumes reflects a decline in olefins volumes which was partially offset by higher polyethylene volumes.

Olefins and Polyolefins—Europe, Asia, International Segment

Overview—Operating results in 2014 reflect improved results for our olefins and European polyolefins businesses and, to a lesser extent, better results for our joint ventures that are accounted for using the equity method. Higher margins and operating rates, which surpassed European average industry rates contributed to the higher olefins results in 2014. The improvement in our polyolefins results in 2014 reflected improved margins versus 2013 and higher polyethylene volumes. Although market conditions for European producers remain highly competitive, the increase in European demand for polyolefins is consistent with the modest overall economic recovery that has been evidenced in the region.

In the fourth quarter of 2014, the declining price of naphtha resulted in a market price lower than the carrying value of our related inventory. Accordingly, we recorded a $44 million non-cash LCM inventory valuation charge related to our olefins business. Despite this charge, our fourth quarter results remained consistent with our prior quarterly results during 2014. The fall of our product prices lagged behind the decline in feedstock prices throughout the latter part of 2014.

*Ethylene Raw Materials***—**In Europe, heavy liquids are the primary raw materials for our ethylene production. During 2014, we significantly increased the consumption of feedstocks other than naphtha, such as propane, butane and condensates, in our production process. The prices for these other feedstocks have been subject to declines that are of the same or greater magnitude as the declines in the crude oil prices.

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

	Average Benchmark Price and Percent Change Versus Prior Year Average		
	Year Ended 31 December		
	2014	2013	Change
Brent crude oil, dollars per barrel	99.5	108.7	(8)%
Western Europe benchmark prices, €0.01 per pound:			
Weighted average cost of ethylene production	29.2	34.7	(16)%
Ethylene	52.6	55.8	(6)%
Polyethylene (high density)	54.5	58.2	(6)%
Propylene	50.5	49.5	2%
Polypropylene (homopolymer)	59.9	57.9	3%
Average exchange rate, $US per €	1.3297	1.3280	0%

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

	Year Ended 31 December	
Millions of U.S. Dollars	2014	2013
Sales and other operating revenues	$ 15,203	$ 14,685
Share of profit of associates and joint ventures	229	174
EBITDA	1,366	839

Revenues—Revenues in 2014 increased by $518 million compared to 2013.

The increase in 2014 revenues comprises a 2% increase related to higher sales volumes and a 2% increase from higher average sales prices. Improved operations of our crackers in 2014 versus 2013 resulted in higher output, which led to higher olefins sales volumes. Higher polyethylene sales volumes reflect an increase in our low density polyethylene production capacity relative to 2013 due to operational issues during that time. Polypropylene sales volumes were lower in 2014 largely due to lower output as a result of turnaround activities at one of our joint ventures during the first quarter of 2014 and the closure of our Clyde production facility in Australia in late 2013.

In 2014, higher average prices for polypropylene and PP compounds were partially offset by lower average polyethylene prices. Increases in feedstock costs in 2014 led to the higher polypropylene and PP compounds sales prices compared to 2013. The lower polyethylene prices in 2014 reflect a decline in ethylene feedstock costs, primarily in Europe.

EBITDA—EBITDA increased by $527 million in 2014 compared to 2013.

The 63% improvement in 2014 EBITDA included a 51% increase related to margins, a 7% increase related to higher volumes and a 7% increase related to improvements in income from our equity investments. These increases were partially offset by a 2% decrease related to a net charge of $17 million discussed below. In 2014, EBITDA included a $52 million benefit associated with a settlement for certain existing and future environmental claims under a 2005 indemnification agreement from an insurance settlement, which was offset in part by a $44 million charge related to an LCM adjustment driven by a decline in naphtha prices. In 2013, EBITDA included a $25 million benefit from an insurance settlement related to the damage to our LDPE plant described below.

The increase in 2014 results was mainly driven by higher earnings in olefins and European polyolefins compared to 2013. Higher olefins results reflect margin improvements and the impact of higher volumes discussed above. Olefin margins were higher primarily due to the combination of the decline in naphtha feedstock prices during the second half of 2014, higher consumption of advantaged feedstocks and increased propylene sales prices driven by tightness in the European market. Polyethylene results improved during 2014 on higher sales volume, as discussed above, and on higher spreads, primarily due to lower ethylene feedstock costs. Polypropylene results increased in 2014 over the corresponding prior year period as the margin improvements from higher spreads more than offset the impact of the lower volumes discussed above.

The higher contribution to our results by certain of our joint ventures, which is reflected in Income from equity investments in 2014, is mainly driven by improved margins compared to 2013 as a result of favorable market price developments during 2014.

Intermediates and Derivatives Segment

Overview—Operating results for our I&D segment were slightly lower in 2014 compared to 2013 due to a $93 million non-cash LCM inventory valuation adjustment recognized in the fourth quarter of 2014. This adjustment was the result of the decline of prices for oxyfuels and the raw materials used to produce oxyfuels that fell to levels that were lower than the carrying value of our related inventories at 31 December 2014.

Absent this inventory valuation adjustment, results reflected improvements in acetyls and PO and derivatives that were offset in part by lower results for styrene, EO/EG, oxyfuels and C4 chemicals. Higher acetyls results were primarily driven by the restart of the Channelview, Texas methanol unit in December 2013. Industry outages and the delay of announced capacity additions contributed to the higher PO and derivatives results in 2014. Lower results for styrene in 2014 were driven by excess supply and higher feedstock prices compared to 2013. Unplanned maintenance in the last half of the year contributed to our lower EO/EG results in 2014. The decrease in oxyfuels and C4 chemicals results reflected the impact of lower oxyfuels sales volumes that was partially offset by slightly higher margins.

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

	Year Ended 31 December	
Millions of U.S. Dollars	**2014**	**2013**
Sales and other operating revenues	$ 10,130	$ 9,472
Share of profit of associates and joint ventures	7	4
EBITDA	1,459	1,492
Market margins, cents per gallon		
MTBE–NWE	94.0	79.1

Revenues—Revenues for 2014 increased by $658 million compared to 2013.

Sales volumes and average sales prices increased revenues by 6% and 1%, respectively, in 2014 compared to 2013. Higher sales volumes for acetyls, styrene and PO were offset in part by lower EO and derivatives and oxyfuels sales volumes. The 2014 increase in acetyls sales volumes was primarily driven by the December 2013 restart of our methanol plant in Channelview, Texas. Sales volumes for styrene were higher in 2014 as volumes in 2013 were negatively impacted by planned plant outages at our Channelview, Texas and Maasvlakte, The Netherlands facilities, which limited production capacity during that period. PO sales volumes were higher largely due to industry outages in Asia and Europe in 2014. Due to unplanned outages at our Bayport, Texas facility in 2014, available production capacity was limited, which resulted in lower EO derivatives volumes compared to 2013. Planned and unplanned production constraints in 2014 were also responsible for lower oxyfuels volumes compared to 2013.

In 2014, higher average sales prices for PO and derivatives and VAM were partially offset by declines in the average sales prices for oxyfuels and C4 chemicals in 2014 compared to 2013. Global industry supply constraints and limited regional supply capacity led to higher prices for PO and derivatives as well as VAM in 2014 compared 2013. Oxyfuels sales prices declined in 2014 relative to 2013 with lower Brent crude oil and gasoline prices, which were partially mitigated by an increase in the octane blend premium. Octane blend premiums remained strong in 2014, primarily due to industry supply constraints and regionally strong blending demand.

EBITDA—EBITDA decreased by $33 million in 2014 compared to 2013.

EBITDA decrease in 2014 as a result of the $93 million LCM inventory valuation adjustment in 2014 related to our oxyfuels business, which represented a 6% decrease in EBITDA compared to 2013. The impact of this charge was offset in part by a 2% increase in EBITDA related to 2013 charges totaling $26 million associated with the sale of our investment in Nihon Oxirane Company. In addition to these items, a 10% increase in EBITA related to higher volumes was offset in part by a decrease of 8% related to lower margins.

Apart from the one-time items discussed above, our 2014 results reflected improvements in PO and derivatives and acetyls, partially offset by lower results for oxyfuels, C4 chemicals, styrene and EO/EG compared to 2013.

Improved PO and derivative results for 2014 benefitted from Asian start-up delays, industry outages and European industry supply interruptions. These global factors collectively led to higher PO sales volumes and increases in average sales prices in 2014 compared to 2013. In addition, PO and derivatives, particularly propylene glycols, benefited from the unusually cold weather in early 2014 compared to 2013.

Higher acetyls results in 2014 primarily reflect higher methanol volumes due to the restart of our methanol plant in Channelview, Texas in December 2013 combined with improved VAM driven by industry outages and a reduction in overall market supply compared to 2013. Although operational issues during 2014 limited the benefit derived from the restart of our methanol plant discussed above, the plant added approximately 180 million gallons to the overall results during that period. Improved VAM margins in 2014, as increases in average sales prices were partly offset by higher feedstock costs, also contributed to the higher acetyls results compared to 2013.

The lower oxyfuels results were primarily due to decreases in sales volumes in 2014 as a result of planned and unplanned outages discussed above. Margins improved moderately in 2014 compared to 2013 as lower Brent crude oil and gasoline prices were more than offset by the improved spread between gasoline and crude oil, stronger octane blend premiums and lower feedstock prices. Margins were also negatively impacted by a shift in the level of sales between regions; in addition, C4 chemicals results declined on falling energy prices.

The decline in styrene results in 2014 compared to 2013 was attributed to lower margins that were partially offset by the impact of the higher sales volumes discussed above. Styrene margins decreased in 2014 compared to 2013 primarily due to lower average sales prices, reflecting weak demand and excess capacity, and higher benzene and ethylene feedstock prices.

EO/EG results in 2014 declined on lower margins and decreases in sales volumes relative to 2013.

Refining Segment

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

The results of our Refining segment in 2014 were significantly impacted by a year-end, non-cash charge of $344 million to reduce the carrying value of our inventories to market value at 31 December 2014. This inventory valuation charge was predicated on a near $50 per barrel decline in crude oil prices since the third quarter of 2014 and corresponding reductions in refined product prices.

Fourth quarter 2014 results were markedly lower than results in the prior three quarters of 2014 as refined product margins contracted, and the recognition of the LCM inventory valuation adjustment resulted in a loss for the quarter. Excluding this charge, 2014 segment EBITDA reflected an increase over 2013 as refining margins improved, operating rates were higher, and costs for RINs, a U.S. government established credit used to show compliance in meeting the Environmental Protection Agency's Renewable Fuel Standard, declined by $20 million.

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

	Year Ended 31 December	
Millions of U.S. Dollars	**2014**	**2013**
Sales and other operating revenues	$ 11,710	$ 11,698
EBITDA	65	182
Heavy crude processing rates (thousands of barrels per day)	259	232
Market margins, dollars per barrel		
Light crude oil—2-1-1	13.32	12.89
Light crude oil—Maya differential	11.11	10.05
Total Maya 2-1-1	24.43	22.94

Revenues—Revenues were nearly unchanged in 2014 compared to 2013.

Total revenues increased $12 million on increased sales volume, which were nearly offset by lower product prices. Sales volumes increased 8% in 2014 relative to 2013 on the benefit of near capacity crude processing rates during most of the year. Processing rates in 2014 reflect an 12% improvement over rates in 2013, which were negatively impacted by planned and unplanned maintenance. This increase was offset by a nearly 8% decrease in revenues driven by lower refined product prices attributable to lower crude oil prices in 2014.

EBITDA—EBITDA decreased $117 million in 2014 compared to 2013.

The $344 million LCM inventory valuation adjustment in 2014 represented a 189% decrease in EBITDA during the period. EBITDA was lower in 2014 relative to 2013 by an additional 7% due to a $14 million one-time recovery and settlement in 2013 discussed below. In addition to these items, our results reflected higher refining margins and higher volumes in 2014, which resulted in increases in EBITDA of 98% and 34%, respectively.

Higher refining margins in 2014 compared to 2013 were generated by improved average differentials between light and heavy crude oils, higher spreads between gasoline and diesel products versus light crude, improved by-product spreads to crude oil cost and lower costs for RINs.

Refinery crude oil processing rates in 2014 were maintained near capacity with the exception of rates in the first quarter of 2014. Processing rates in the first quarter of 2014 were negatively impacted by temporary reductions in coking capacity due to the repair of equipment necessitated by operational issues experienced in December 2013. Planned repairs on a process vessel in April 2014 also resulted in reduced crude processing during that time.

Technology Segment

Overview—The Technology segment recognizes revenues related to the sale of polyolefin catalysts, licensing of chemical, polyolefin and other process technologies and associated engineering and other services. These revenues are offset in part by the costs incurred in the production of catalysts, licensing and services activities and in research and development ("R&D") activities. In 2014, our Technology segment incurred approximately 65% of all R&D costs while in the corresponding period of 2013, it incurred approximately 70% of our R&D costs.

Operating results in 2014 were unchanged compared to 2013, reflecting lower R&D expenses and, to a lesser extent, higher catalyst results, offset by lower licensing and services revenues.

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

	Year Ended 31 December	
Millions of U.S. Dollars	**2014**	**2013**
Sales and other operating revenues	$ 497	$ 532
EBITDA	232	232

Revenues—Revenues in 2014 decreased by $35 million compared to 2013.

Lower licensing and services revenues contributed 7% to the decrease in revenues in 2014 compared to 2013, which benefited from the one-time, lump-sum settlement associated with a process license agreement discussed below. Higher average catalyst sales prices increased revenues by 1% in 2014 while catalyst sales volumes reflected a corresponding decrease compared to the prior year period.

EBITDA—EBITDA in 2014 and 2013 were comparable at $232 million.

EBITDA in 2014 reflects lower R&D expenses and moderately higher catalyst results, offset by lower licensing and services revenues as discussed above. The improvement in 2014 catalyst results over 2013 was the result of higher margins due to higher average sales prices and lower cost.

1.6 Outlook

Significant financial and strategic progress in 2015 has positioned us well to capture market opportunities and weather the impacts of global economic and industry cycles. Underpinning everything we do is a constant focus on operational excellence that drives our safety, environmental performance, and management of costs and reliability.

We expect to continue to deliver differential results in these areas in 2015. We are a much stronger company financially going forward due to accelerated progress with our capital structure and deployment, including establishing a sound and competitive dividend policy. In 2014 we repurchased over 63 million shares.

In 2014, our O&P–Americas business segment saw a substantial improvement in U.S. olefins and polymers margins as product price spreads over ethane and other raw material costs increased versus 2013 and demand remained strong. We also benefited from the completion and start-up of expansions at our LaPorte olefins and Matagorda polyethylene facilities. We will continue to capture value from the US NGL feedstock advantage with retooled assets and growth projects in progress at Channelview and Corpus Christi, although the recent major decline in oil prices is likely to reduce that advantage in 2015.

The earnings of our O&P–EAI business segment increased significantly in 2014 as the businesses benefited from steadily falling naphtha feedstock prices throughout the second half of the year, with product price declines lagging that trend. Higher volumes of price-advantaged feedstocks, including propane and butane, also contributed to the improvement. It is unlikely that these benefits will continue at the same magnitude, and the segment remains challenged by the relatively slow economic growth in Europe and the ongoing competition with Middle Eastern imports. However, the recent major declines in oil prices and the weaker Euro has improved the competitive position of O&P EAI as we enter 2015.

Our I&D business segment delivered strong 2014 results supported in part by the same high oil/gas price ratio that drove the improved 2014 earnings for the O&P–Americas business segment. Our propylene oxide and derivatives businesses improved due to strong demand and competitor plant outages. Acetyl earnings improved with the restart of an idled methanol plant in late 2013, although operating issues limited the benefits from that facility. The oxyfuels and C4s businesses declined slightly on lower volumes due to production constraints. Styrene results declined from a very strong 2013, as did our EO/EG business due to lower margins and an outage late in the year. Lower oil prices have resulted in weaker oxyfuels prices as we enter 2014. We expect to benefit from improved methanol and EO/EG operations in 2015.

While challenging market conditions persist in global refining, we have taken several important steps in our Refining business segment to improve the performance of the refinery, diversify its crude oil supply, and better capture market opportunities that develop in this volatile business. Results in 2014 increased, reflecting higher average crude oil throughput compared to 2013 rates that were reduced by a large turnaround early in that year. Benchmark industry margins for the major refined products also improved, and other byproduct values increased relative to crude oil. These benefits were largely offset by less favorable crude oil purchase price differentials relative to the Maya benchmark, and other negative operational effects related to lower crude oil prices. Lower oil prices and oversupply have continued to make the US refining market environment difficult as we enter 2015, but we will benefit from additional pipeline supplies of advantaged Canadian crude oil that began in late 2014.

We and our subsidiaries employed approximately 13,100 full-time and part-time employees at 31 December 2014 and approximately 13,300 full-time and part-time employees at 31 December 2013. In addition to our own employees, we also use the services of contractors in the routine conduct of our businesses. For changes in key management refer to 2.1, *Report by the Supervisory Board*. Going forward, we do not foresee any material turnover of key personnel.

1.7 Financial Condition

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

Millions of U.S. Dollars	Year Ended 31 December 2014	2013
Sources (uses) of cash:		
Operating activities	$ 5,930	$ 4,667
Investing activities	(3,380)	(1,396)
Financing activities	(5,940)	(1,627)

Operating Activities—Cash of $5,930 million provided in 2014 primarily reflected profit for the year, adjusted for non-cash items, and refunds totaling $232 million for value added taxes ("VAT") related to prior periods that were received from Italian tax authorities. Changes in the balances of the main components of working capital also contributed to our cash flow in 2014.

The main components of working capital provided cash of $729 million in 2014. This reflects decreases in Accounts receivable and Inventory of $368 million and $753 million, respectively, which were partly offset by a $392 million decrease in Accounts payables.

The decrease in inventories is primarily attributable to declines in raw material and to a lesser extent, finished product prices. This decrease was partially mitigated by higher olefins raw material inventories, which were partially offset by lower ethylene and propylene inventories due to turnaround activities at our La Porte, Texas facility, and higher levels of inventory for crude oil and work-in-process in our Refining segment. The decrease in accounts receivable primarily reflects lower ethylene prices in our O&P–EAI segment, lower oxyfuels prices in our I&D segment, lower average sales prices and year end volumes in North American polyolefins and lower prices for refining products. Also contributing to the decline was a larger than usual accounts receivable balance at the end of 2013 attributable to customer remittance timing. Accounts payable decreased due to lower feedstock costs in 2014 compared to 2013.

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

Investing Activities—Cash used in investing activities in 2014 primarily reflects capital expenditures of $1,499 million, partially offset by dividends of $156 million received from our investments in associates.

In 2014, we invested cash in investment-grade and other high-quality financial instruments that provide flexibility to redeploy funds as needed to meet our cash flow requirements while maximizing yield. We invested $3,439 million in securities deemed available-for-sale and classified as Short-term investments, and $425 million in tri-party repurchase agreements classified as short-term loans receivable. In 2014, we also received proceeds of $1,751 million and $75 million, respectively, upon the maturity of certain of our available-for-sale securities and repurchase agreements. See Note 4 to the Consolidated Financial Statements for additional information regarding these investments.

Cash used in investing activities in 2013 primarily reflects capital expenditures of $1,561 million, partially offset by dividends of $186 million received from our investments in associates.

The following table summarizes our capital expenditures plan for 2015 and actual capital expenditures for 2014 and 2013:

	Plan	Year Ended 31 December	
Millions of U.S. Dollars	**2015**	**2014**	**2013**
Capital expenditures by segment:			
O&P–Americas	$ 730	$ 912	$ 645
O&P–EAI	208	191	229
I&D	381	241	443
Refining	184	123	209
Technology	30	25	30
Other	29	7	5
	$ 1,562	$ 1,499	$ 1,561

Capital spending projected for 2015 is expected to increase over 2014 levels. The largest increases are projected for our I&D and Refining segments and include turnaround activities and environmental-related matters. We have also projected modest increases in 2015 capital spending for our O&P–EAI segment. This increased level of spending is offset in part by lower projected spending for our O&P–Americas segment as compared to 2014.

Completion of the ethylene expansion and associated turnaround at our LaPorte, Texas facility, a debottleneck at our Corpus Christi, Texas facility and the installation of new furnaces at our Channelview, Texas facility are reflected in the increase in 2014 capital spending for the O&P–Americas segment relative to 2013. This increase was offset in part by reduced capital spending for our I&D, Refining and O&P–EAI segments in 2014 relative to 2013 due primarily to the completion in 2013 of the restart of our methanol plant in Channelview, Texas, a major turnaround at our Houston, Texas refinery, and a butadiene expansion project in Wesseling, Germany, respectively.

Financing Activities—Financing activities used cash of $5,940 million and $1,627 million during 2014 and 2013, respectively.

We made payments totaling $5,788 million and $1,949 million in 2014 and 2013, respectively to acquire a portion of our outstanding ordinary shares. We also made dividend payments totaling $1,403 million and $1,127 million to our shareholders in 2014 and 2013, respectively.

In October 2014, we entered into a new commercial paper program. We received net proceeds of $262 million through the issuance and repurchase of commercial paper instruments under this program during 2014. See Note 24 to the Consolidated Financial Statements and the discussion of Liquidity and Capital Resources below for additional information related to our new commercial paper program.

In February 2014, we issued $1,000 million of 4.875% Notes due 2044 and received net proceeds of $978 million.

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

For additional information related to these financing activities, see Note 24 to the Consolidated Financial Statements.

Liquidity and Capital Resources

As of 31 December 2014, we had $2,624 million unrestricted cash and cash equivalents and marketable securities classified as Available-for-sale financial assets. For additional information related to our purchases of marketable securities, which currently include certificates of deposit, commercial paper and bonds, see the Investing Activities section above and Note 4 to the Consolidated Financial Statements.

At 31 December 2014, we had $433 million of cash in jurisdictions outside the U.S., principally in the United Kingdom. Approximately 3% of our outstanding cash balance is held in a country that has established government imposed currency restrictions that could impede the ability of our subsidiary to transfer funds to us. There are currently no other material or legal or economic restrictions that would impede our transfers of cash.

We also had total unused availability under our credit facilities of $3,253 million at 31 December 2014, which included the following:

- $1,712 million under our $2,000 million revolving credit facility, which backs our $2,000 million commercial paper program. Availability under this facility is net of outstanding borrowings, outstanding letters of credit provided under the facility and notes issued under our $2,000 million commercial paper program. At 31 December 2014, we had $262 million of outstanding commercial paper, no outstanding letters of credit and no outstanding borrowings under the facility.

- $994 million under our $1,000 million U.S. accounts receivable securitization facility. Availability under this facility is subject to a borrowing base of eligible receivables, which is reduced by outstanding borrowings and letters of credit, if any. This facility had no outstanding borrowings or letters of credit at 31 December 2014.

- €440 million and $13 million (totaling approximately $547 million) under our €450 million European receivables securitization facility. Availability under this facility is subject to a borrowing base, net of outstanding borrowings. There were no outstanding borrowings under this facility at 31 December 2014.

We also have outstanding letters of credit and bank guarantees totaling $688 million at 31 December 2014 issued under uncommitted credit facilities.

At 31 December 2014, we had total debt, net of unamortized discount costs, of $7,045 million. Such debt includes current maturities.

In accordance with our current interest rate risk management strategy and subject to management's evaluation of market conditions and the availability of favorable interest rates among other factors, we may from time to time enter into interest rate swap agreements to economically convert a portion of our fixed rate debt to variable rate debt or convert a portion of variable rate debt to fixed rate debt.

We entered into U.S. dollar interest rate swaps with an aggregate notional value of $2,000 million during 2014 as part of our current interest rate risk management strategy to achieve a desired proportion of variable versus fixed rate debt. The swaps, which have been designated as fair value hedges, effectively convert our $2,000 million 5% senior notes due 2019 to floating debt based on 3 month USD LIBOR. For additional information related to these swaps, see Note 4 to the Consolidated Financial Statements.

In October 2014, we entered into a commercial paper program under which we may issue up to $2,000 million of privately placed, unsecured short-term promissory notes ("commercial paper"). This program is backed by our $2,000 million Senior Revolving Credit Facility. Proceeds from the issuance of commercial paper may be used for general corporate purposes, including dividend payments and share repurchases. At 31 December 2014, we had $262 million of commercial paper outstanding.

In June 2014, we amended and restated our $2,000 million revolving credit facility to, among other things, reduce undrawn pricing and extend the term of the facility to June 2019.

In February 2014, our direct, 100% owned subsidiary, LYB International Finance B.V., issued $1,000 million of 4.875% Notes due 2044 at a discounted price of 98.831%. Proceeds from these notes were used for general corporate purposes, including repurchases of our ordinary shares. Interest payments under these notes commenced on 15 September 2014. These unsecured notes, which are fully and unconditionally guaranteed by LyondellBasell Industries N.V., rank equally in right of payment to all of LYB International Finance B.V.'s existing and future unsecured indebtedness and to all of LyondellBasell's existing and future unsubordinated indebtedness. The notes may be redeemed before the date that is six months prior to the scheduled maturity date at a redemption price equal to the greater of 100% of the principal amount of the notes redeemed and the sum of the present values of the remaining scheduled payments of principal and interest (discounted at the applicable Treasury Yield plus 20 basis points) on the notes to be redeemed. The notes may also be redeemed on or after the date that is six months prior to the final maturity date of the notes at a redemption price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest.

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

In April 2013, we amended and restated our €450 million European receivables securitization facility to obtain more favorable terms and conditions, including reduced pricing, and to extend the maturity date of the facility to April 2016.

For additional information related to our credit facilities and Notes discussed above, see Note 24 to the Consolidated Financial Statements.

During the second quarter of 2014, we concluded our share repurchase program announced in May 2013 under which we could repurchase up to 10% of our shares outstanding. We purchased 57,584,238 shares under this program for approximately $4,678 million.

In April 2014, we announced a new share repurchase program under which we may repurchase up to 10% of our shares outstanding over the next eighteen months for a total of approximately 53 million shares. Our share repurchase program does not have a stated dollar amount, and purchases may be made through open market purchases, private market transactions or other structured transactions. Repurchased shares could be retired or used for general corporate purposes, including for various employee benefit and compensation plans. As of 31 December 2014, we have purchased 33 million shares under this program for approximately $3,143 million. As of 13 February 2015, we had approximately 10 million shares remaining under the current authorization. The timing and amount of additional shares repurchased will be determined by our Management Board based on its evaluation of market conditions and other factors. For additional information related to our share repurchase programs, see Note 22 to the Consolidated Financial Statements.

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

We intend to continue to declare and pay quarterly dividends, with the goal of increasing the dividend over time, after giving consideration to our cash balances and expected results from operations.

We believe that our cash on hand, cash from operating activities and proceeds from our credit facilities provide us with sufficient financial resources to meet our anticipated capital requirements and obligations as they come due.

Contractual and Other Obligations—The following table summarizes, as of 31 December 2014, our minimum payments for long-term debt, including current maturities, short-term debt, and contractual and other obligations for the next five years and thereafter:

		Payments Due By Period					
Millions of U.S. Dollars	**Total**	**2015**	**2016**	**2017**	**2018**	**2019**	**Thereafter**
Total debt, nominal value	$ 7,157	$ 350	$ 5	$ 1	$ - -	$ 2,000	$ 4,801
Interest payment on total debt	4,535	360	360	360	360	310	2,785
Advances from customers	142	73	25	22	6	3	13
Other	1,538	1,172	55	30	19	16	246
Deferred income taxes	1,781	274	64	95	127	200	1,021
Purchase obligations:							
Take-or-pay contracts	11,027	3,046	1,890	1,897	1,802	1,451	941
Other contracts	14,650	4,320	2,880	2,570	1,792	1,053	2,035
Operating leases	1,805	333	271	236	207	142	616
Total	$ 42,635	$ 9,928	$ 5,550	$ 5,211	$ 4,313	$ 5,175	$ 12,458

Total Debt—Our debt includes unsecured senior notes, guaranteed notes and various other U.S. and non-U.S. loans. See Note 24 of the Consolidated Financial Statements for a discussion of covenant requirements under the credit facilities and indentures and additional information regarding our debt facilities.

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

Pension and Other Postretirement Benefits—We maintain several defined benefit pension plans, as described in Note 26 to the Consolidated Financial Statements. Many of our U.S. and non-U.S. plans are subject to minimum funding requirements; however, the amounts of required future contributions for all our plans are not fixed and can vary significantly due to changes in economic assumptions, liability experience and investment return on plan assets. As a result, we have excluded pension and other post retirement from the Contractual and Other Obligations table above. Our annual contributions may include amounts in excess of minimum required funding levels. Contributions to our non-U.S. plans in years beyond 2015 are not expected to be materially different than the expected 2015 contributions disclosed in Note 26 to the Consolidated Financial Statements. At 31 December 2014, the projected benefit obligation for our pension plans exceeded the fair value of plan assets by $960 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 $960 million, with interest, in future years. We contributed $94 million and $172 million to our pension plans in 2014 and 2013, respectively. We provide other postretirement benefits, primarily medical benefits to eligible participants, as described in Note 26 to the Consolidated Financial Statements. We pay other unfunded postretirement benefits as incurred.

Advances from Customers—We are obligated to deliver product in connection with long-term sales agreements under which advances from customers were received in prior years. These advances are treated as deferred revenue and will be amortized to earnings as product is delivered over the remaining terms of the respective contracts, which range predominantly from 4 to 8 years. The unamortized long-term portion of such advances totaled $69 million as of 31 December 2014.

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

Deferred Income Taxes—The scheduled settlement of the deferred tax liabilities shown in the table is based on the scheduled reversal of the underlying temporary differences. Actual cash tax payments will vary depending upon future taxable income. See Note 25 to the Consolidated Financial Statements for additional information related to our deferred tax liabilities.

Purchase Obligations—We are party to various obligations to purchase products and services, principally for raw materials, utilities and industrial gases. These commitments are designed to assure sources of supply and are not expected to be in excess of normal requirements. The commitments are segregated into take-or-pay contracts and other contracts. Under the take-or-pay contracts, we are obligated to make minimum payments whether or not we take the product or service. Other contracts include contracts that specify minimum quantities; however, in the event that we do not take the contractual minimum, we are only obligated for any resulting economic loss suffered by the vendor. The payments shown for the other contracts assume that minimum quantities are purchased. For contracts with variable pricing terms, the minimum payments reflect the contract price at 31 December 2014.

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

1.8 Risk Factors

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

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

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

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

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

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

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

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

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

A substantial decrease in the price of crude oil may adversely impact our results of operations.

Energy and feedstock costs generally follow price trends of crude oil and natural gas. These price trends may be highly volatile and cyclical. In the past, raw material and energy costs have experienced significant fluctuations that adversely affected our business segments' results of operations. For example, we continue to benefit from the favorable ratio of U.S. natural gas prices to crude oil prices. However, if the price of crude oil decreases relative to U.S. natural gas prices or if the demand for natural gas and NGLs increases, this may have a negative result on our results of operations.

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

The costs of raw materials and energy represent a substantial portion of our operating expenses. Due to the significant competition we face and the commodity nature of many of our products we are not always able to pass on raw material and energy cost increases to our customers. When we do have the ability to pass on the cost increases, we are not always able to do so quickly enough to avoid adverse impacts on our results of operations.

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

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

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

If our raw material or utility supplies were disrupted, our businesses may incur increased costs to procure alternative supplies or incur excessive downtime, which would have a direct negative impact on plant operations. Disruptions of supplies may occur as a result of transportation issues including, but not limited to, as a result of natural disasters and water levels that can affect the operations of vessels, barges, rails, trucks and pipeline traffic. These risks are particularly prevalent in the U.S. Gulf Coast area. Additionally, the export of NGLs from the U.S., greater restrictions on hydraulic fracturing or the lifting by the U.S. government of the ban on U.S. crude oil exports could restrict the availability of our raw materials, thereby increasing our costs.

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

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

Our results of operations can be materially affected by adverse conditions in the financial markets and depressed economic conditions generally. Economic downturns in the businesses and geographic areas in which we sell our products substantially reduce demand for our products and result in decreased sales volumes and increased credit risk. Recessionary environments adversely affect our business because demand for our products is reduced, particularly from our customers in industrial markets generally and the automotive and housing industries specifically, and may result in higher costs of capital. A significant portion of our revenues and earnings are derived from our business in Europe, including southern Europe. In addition, most of our European transactions and assets, including cash reserves and receivables, are denominated in euros.

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

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

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

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

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

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

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

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

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

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

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

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

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

- pipeline leaks and ruptures;
- explosions;
- fires;
- severe weather and natural disasters;
- mechanical failure;
- unscheduled downtimes;
- supplier disruptions;
- labor shortages or other labor difficulties;
- transportation interruptions;
- increased restrictions on, or the unavailability of, water for use at our manufacturing sites or for the transport of our products or raw materials;
- remediation complications;
- chemical and oil spills;

- discharges or releases of toxic or hazardous substances or gases;
- shipment of incorrect or off-specification product to customers;
- storage tank leaks;
- other environmental risks; and
- terrorist acts.

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

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

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

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

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

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

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

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

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

Changes in tax laws and regulations could affect our tax rate and our results of operations.

We are a tax resident in the United Kingdom and are subject to the United Kingdom corporate income tax system. However, as a holding company, our tax obligations are primarily incurred in the various jurisdictions in which our subsidiaries operate. Recently, there has been an increase in attention, both in the U.S. and in Europe, to the tax practices of multinational companies. Such attention may result in legislative changes that could affect our tax rate. In addition, certain jurisdictions in which we conduct business and incur a tax liability are considering proposals to change their tax laws. While we are not aware of any impending changes to legislation or tax regulations, any change in our tax rate would impact our results of operations.

Failure to comply with the Foreign Corrupt Practices Act and similar worldwide anti-bribery laws may have an adverse effect on us.

Our international operations require us to comply with a number of U.S. and international laws and regulations, including those involving anti-bribery and anti-corruption. In order to effectively operate in certain foreign jurisdictions, circumstances may require that we establish joint ventures with local operators or find strategic partners. As an issuer with securities listed on a United States stock exchange, we are subject to the regulations imposed by the Foreign Corrupt Practices Act (FCPA), which generally prohibits issuers and their intermediaries (including strategic or local partners or agents, even if those partners or agents are not themselves subject to the FCPA or other similar laws) from making improper payments to foreign officials for the purpose of obtaining or keeping business or obtaining an improper business benefit. We have an ongoing program to promote compliance with the FCPA and other similar anti-bribery and anti-corruption laws. Any determination that we have violated the FCPA or other similar laws could have a material effect on our business, results of operations, and cash flows.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We may use our five-year, $2 billion revolving credit facility, which backs our commercial paper program, to meet our cash needs, to the extent available. As of 31 December 2014, we had no borrowings or letters of credit outstanding under the facility and $262 million outstanding under our commercial paper program, leaving an unused and available credit capacity of $1,712 million. We may also meet our cash needs by selling receivables under our $1,000 million U.S. accounts receivable securitization facility or our €450 million European accounts receivable securitization facility. In the event of a default under our credit facility or any of our senior notes, we could be required to immediately repay all outstanding borrowings and make cash deposits as collateral for all obligations the facility supports, which we may not be able to do. Any default under any of our credit arrangements could cause a default under many of our other credit agreements and debt instruments. Without waivers from lenders party to those agreements, any such default could have a material adverse effect on our ability to continue to operate.

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

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

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

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

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

Changes in market conditions may impact any stock repurchases.

To the extent we engage in stock repurchases, such activity is subject to market conditions, such as the trading prices for our stock. Management, in its discretion, will determine the timing and manner of any repurchases in light of prevailing market conditions, our available resources and other factors that cannot be predicted.

Adverse results of legal proceedings could materially adversely affect us.

We are subject to and may in the future be subject to a variety of legal proceedings and claims that arise out of the ordinary conduct of our business. Results of legal proceedings cannot be predicted with certainty. Irrespective of its merits, litigation may be both lengthy and disruptive to our operations and may cause significant expenditure and diversion of management attention. We may be faced with significant monetary damages or injunctive relief against us that could materially adversely affect a portion of our business operations or materially and adversely affect our financial position and our results of operations should we fail to prevail in certain matters.

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

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

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

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

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

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

Certain of our current pension plans could have projected benefit obligations that exceed the fair value of the plan assets. As of 31 December 2014, the aggregate deficit was $960 million. Any declines in the fair values of the pension plans assets could require additional payments by us in order to maintain specified funding levels.

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

Our operations could be adversely affected by labor relations.

The vast majority of our employees located in Europe and South America are represented by labor unions and works councils. Approximately 820 of our employees located in North America are represented by labor unions.

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

1.9 Statement of the Board of Management

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

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

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

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

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

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

- operational review meetings of the Management Board with LyondellBasell's senior management on financial performance and realization of operational objectives and responses to emerging issues;
- monthly meetings with LyondellBasell's Chief Executive Officer, Chief Financial Officer and senior finance management focusing on monthly financial figures and internal control evaluations;
- monthly and quarterly financial reporting, mainly to LyondellBasell's senior management;
- letters of representation that are signed by LyondellBasell's key personnel on a quarterly basis in which they confirm that for their responsible area and based upon their knowledge (i) an effective system of

internal controls and procedures is maintained and (ii) the financial reports fairly present the financial position, results of operations and cash flows;

- assessments by LyondellBasell's Disclosure Committees with respect to the timely review, disclosure, and evaluation of periodic (financial) reports;
- discussions on management letters and audit reports provided by the Company's internal and external auditors within our Management Board and Supervisory Board;
- LyondellBasell's Code of Conduct;
- LyondellBasell's Financial Code of Ethics applicable to the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer;
- LyondellBasell's Ethics Hotline and whistleblower procedures; and
- LyondellBasell's Compliance programs and training, which facilitate the development of controls which will aid in prevention, deterrence and detection of fraud against LyondellBasell.

The Management Board acknowledges the importance of internal control and risk management systems. The Company has established a framework to properly manage internal controls over financial reporting so as to report its assessment for the fiscal year ended 31 December 2014, as required by Section 404 of the Sarbanes-Oxley Act of 2002. The results of LyondellBasell's assessment of the effectiveness of this framework, which is based on the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") model, as well as significant changes and improvements, are regularly reported to and discussed with LyondellBasell's Audit Committee and external auditors. The Audit Committee reports about these subjects to the Supervisory Board on a regular basis.

Summary

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

Evaluation of Disclosure Controls and Procedures

Employees within the Company, with the participation of our Chief Executive Officer (principal executive officer) and our Chief Financial Officer (principal financial officer) have evaluated the effectiveness of our disclosure controls and procedures in ensuring that the information required to be disclosed in reports in accordance with International Financial Reporting Standards as adopted by the European Union that we file or submit to the Chamber of Commerce in The Netherlands, as amended, is recorded, processed, summarized and reported within the time periods specified in the Dutch Law, including ensuring that such information is accumulated and communicated to management (including the principal executive and financial officers) as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive and financial officers have concluded that such disclosure controls and procedures were effective as of 31 December 2014, the end of the period covered by this annual report.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting in our fourth fiscal quarter of 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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

The Management Board,

/s/ Bhavesh (Bob) V. Patel (appointed 16 April 2014)

/s/ Karen F. Ovelmen (appointed 16 April 2014)

/s/ Patrick D. Quarles (appointed 16 April 2014)

/s/ Timothy D. Roberts (appointed 16 April 2014)

James L. Gallogly (retired 12 January 2015)

Craig B. Glidden (retired 28 February 2015)

London, 6 March 2015

2 Governance and Compliance

In this section we introduce our Supervisory Board and present their Report for 2014, as well as describing our remuneration and risk management policies. Details of our corporate governance structure can also be found in this section.

2.1 Report by the Supervisory Board

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

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

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

Our Supervisory Board is divided into three classes, each consisting of one-third of the total number of the members of the Supervisory Board. Robin Buchannan, Steven F. Cooper, Isabella ("Bella") D. Goren and Robert G. Gwin are each Class II directors whose terms expire at the Annual Meeting.

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

The table below shows the relevant information for each member of our Supervisory Board as of 6 March 2015.

Director Nominees

Robin Buchanan, British, 62, Class II Supervisory Director since May 2011

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

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

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

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

Stephen F. Cooper, American, 68, Class II Supervisory Director since July 2010

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

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

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

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

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

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

Isabella D. Goren, American, 54, Class II Supervisory Director since February 2014

Director of MassMutual Financial Group, a mutual life insurance company, whose major affiliates include Oppenheimer Funds, Inc. and Babson Capital Management LLC, among others, since December 2014.

Director of Gap Inc., a global retail company with a portfolio of brands, since August 2011.

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

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

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

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

Robert G. Gwin, American, 51, Class II Supervisory Director since May 2011

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

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

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

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

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

Supervisory Directors not standing for election

Information, as of 6 March 2015, with respect to the Supervisory Directors who are not up for election is as follows:

Jacques Aigrain, French-Swiss, 60, Class III Supervisory Director since May 2011

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

Director of Lufthansa German Airlines, since September 2007.

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

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

Chairman of LCH Clearnet Group, Limited, a clearinghouse group, from March 2010 to March 2015.

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

Director of Qatar Financial Centre Authority, the commercial arm of the Qatar Financial Centre, from April 2012 to February 2015.

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

Jagjeet S. Bindra, American, 67, Class I Supervisory Director since May 2011

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

Director of Transocean Ltd., an offshore drilling contractor and the provider of drilling management services, from 2011 to 2014.

Director of Larsen & Toubro, a technology, engineering, construction and manufacturing company, from 2009 to 2012.

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

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

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

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

Milton Carroll, American, 64, Class I Supervisory Director since July 2010

Chairman of CenterPoint Energy, a public utility holding company, since October 2002 and a Director since 1992.

Chairman of Health Care Service Corporation, a health benefits company, since 2002 and a Director since November 1998.

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

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

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

Chairman of Instrument Products, a private oil-tool manufacturing company, from October 1977 to 2014.

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

Nance K. Dicciani, American, 67, Class III Supervisory Director since September 2013

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

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

Director of Rockwood Holdings, a specialty chemicals and advanced materials company, from May 2008 to 2014.

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

Claire S. Farley, American, 56, Class I Supervisory Director since February 2014

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

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

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

Director of FMC Technologies, Inc., a global provider of technology solutions for the energy industry, since May 2009.

Director of Encana Corporation, a North American energy provider, from April 2008 to August 2014.

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

Bruce A. Smith, American, 71, Class III Supervisory Director since July 2010

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

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

Director of GEVO, Inc., a renewable chemicals and advanced biofuels company, from June 2010 to February 2015.

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

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

Rudy van der Meer, Dutch, 70, Class I Supervisory Director since July 2010

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

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

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

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

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

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

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

Board Leadership Structure

We have a two-tiered board, consisting of a Management Board, responsible for the management of the Company, and a Supervisory Board, responsible for the general oversight of the Management Board. Only executive officers of the Company may serve on the Management Board and only non-employees of the Company may serve on the Supervisory Board. Our Articles of Association provide that our CEO shall serve as the Chairman of the Management Board. When our previous CEO, Jim Gallogly, retired effective 12 January 2015, Bhavesh V. (Bob) Patel was appointed the Company's Chief Executive Officer and Chairman of the Management Board. In addition to Mr. Patel, the following individuals are the current members of our Management Board:

- Karyn F. Ovelmen, Executive Vice President and Chief Financial Officer,
- Timothy D. Roberts, Executive Vice President – Global Olefins & Polyolefins, and
- Patrick D. Quarles, Executive Vice President – Intermediates & Derivatives, Supply Chain & Procurement.

Craig B. Glidden, our former Executive Vice President and Chief Legal Officer, who was also a member of the Management Board, retired effective 28 February 2015. At the Annual Meeting, we are requesting shareholders to elect Kevin W. Brown, Executive Vice President – Manufacturing & Refining and Jeffrey A. Kaplan, Executive Vice President and Chief Legal Officer as members of our Management Board.

The principal responsibility of the Management Board is the overall management of the Company. This means, among other things, that the Management Board is responsible for implementing LyondellBasell's aims and strategy, managing the Company's associated risk profile, overseeing the operation of the business and addressing corporate responsibility issues relevant to the enterprise.

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

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

Role in Risk Oversight

While the Company's Management Board is responsible for the risk profile of the Company and managing the day-to-day of risks to the Company, the Supervisory Board has broad oversight as it relates to risk management. In this oversight role, the Supervisory Board is responsible for satisfying itself that the risk management processes designed and implemented by the Company's management are functioning and that necessary steps are taken to foster a culture of risk-adjusted decision-making throughout the organization. The Company believes that its leadership structure is conducive to sound risk management, and that the Supervisory Board's involvement is appropriate to ensure effective oversight.

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

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

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

The Company has an enterprise risk management function, which comprises a small group of employees fully dedicated to enterprise-wide risk management activities. The function is led by the Vice President of Enterprise Risk Management. The Management Board is responsible for overseeing the risk management programs of the Company generally, including approving risk tolerances, evaluating whether they are aligned with the Company's strategic goals, and defining the overall risk profile of the Company. The Management Board has delegated to a Risk Management Committee the authorization to review and approve transactions that are in furtherance of the strategies as approved by the Management Board. The standing members of the Risk Management Committee include the Company's CEO, Chief Financial Officer and Chief Legal Officer. Through a variety of policies and procedures, business leaders are required to identify, monitor, mitigate and report on risks under the supervision of the Management Board, which requires risk management plans from each business segment and function.

The results of the risk management processes are reported to the Audit Committee of the Supervisory Board, which is responsible for overseeing the design of the risk assessment process. Regular updates are given to the Supervisory

Board on material risks. In addition, the Audit Committee is responsible for ensuring that an effective risk assessment process is in place, and quarterly reports are made to the Audit Committee in accordance with NYSE requirements.

Independence of Supervisory Board Members

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

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

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

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

- purchase natural gas liquids from a subsidiary of Anadarko Petroleum, where Mr. Gwin serves as Executive Vice President and Chief Financial Officer;
- purchase electricity from a subsidiary of CenterPoint Energy, where Mr. Carroll serves as chairman;
- purchase engineering, construction and procurement services from Ventech Engineers, where Mr. Smith is a director;
- purchase industrial gases, including hydrogen and nitrogen, from Praxair, where Ms. Dicciani is a director; and
- purchase measurement products from a subsidiary of FMC Technologies, where Ms. Farley is a director.

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

Meetings and Board Committees

The Supervisory Board held four meetings in 2014, plus a two-day board retreat, where strategic planning for all aspects of the Company, including operations, succession planning and other matters, were reviewed. Each of the Supervisory Directors attended at least 75% of the meetings of the Supervisory Board and of each committee of which he was a member. The Company does not maintain a policy regarding Supervisory Board members' attendance at its annual general meetings. The Supervisory Board and its Committees regularly hold executive sessions, where members of management are not present. All such sessions are chaired by the respective Chairmen of the Supervisory Board or Committee, as applicable.

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

Audit Committee

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

Mr. Smith does not serve on any public company audit committees other than ours; Mr. Aigrain serves on two public company audit committees in addition to ours; Ms. Dicciani serves on two public company audit committees in addition to ours; and Ms. Goren serves on two public company audit committee in addition to ours.

The Audit Committee met five times during 2014. The Audit Committee generally is responsible for overseeing all matters relating to our financial statements and reporting; internal audit function and independent auditors; and our compliance function. As part of its function, the Audit Committee reports the results of its activities to the full Supervisory Board. Listed below are the general responsibilities of the Audit Committee. In addition to its oversight role of risk management as described above under "Role in Risk Oversight," the Audit Committee's duties are set forth in a written charter that was approved by the Supervisory Board. A copy of the charter can be found on our website at www.lyb.com.

Administrative Responsibilities	. Perform an annual self-assessment
Independent Auditor	. Engage external auditor and approve compensation
	. Review independence and establish policies relating to hiring of auditor employees
	. Pre-approval of all services
Internal Audit	. Review plans, staffing and activities as well as effectiveness
Financial Statements	. Review financial statements and earnings releases
	. Discuss and review accounting policies and practices and external auditor reviews

	• Discuss and review effectiveness of controls
Compliance	• Review plans, staffing and function of Compliance function
	• Establish and review procedures for complaints, including anonymous complaints regarding accounting, controls and auditing
	• Review Code of Conduct and system for monitoring compliance therewith

Compensation Committee

The current members of the Compensation Committee are Messrs. Aigrain (Chairman), Carroll and Smith and Ms. Goren. Each member is independent in accordance with the rules and regulations of the NYSE.

The Compensation Committee met four times in 2014. The Compensation Committee is responsible for overseeing our executive compensation programs and developing the Company's compensation philosophy generally. The Compensation Committee's written charter, which was approved by the Supervisory Board, can be found on our website at www.lyb.com.

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

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

Nominating & Governance Committee

The current members of the Nominating & Governance Committee are Messrs. Bindra (Chairman), Carroll and Van der Meer and Ms. Farley. Each member is independent in accordance with the rules and regulations of the NYSE.

The Nominating & Governance Committee met four times during 2014. One of the primary responsibilities of the Nominating & Governance Committee is to identify nominees for election to the Supervisory Board. As described in this proxy statement, the Supervisory Board has nominated Messrs. Buchanan, Cooper and Gwin and Ms. Goren for election at the Annual Meeting.

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

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

Potential Supervisory Director candidates are identified through various methods. The Nominating & Governance Committee welcomes suggestions from Supervisory Directors, members of management, and shareholders. From time to time, the Nominating & Governance Committee uses outside consultants to assist in identifying potential Supervisory Director candidates. The Supervisory Board and Nominating & Governance Committee do not have a policy specific to the candidates nominated by different parties and considers all nominees for vacancies on their merits without regard to the source of recommendation. The Supervisory Board has adopted a profile, which can be found on our website, which details the desired characteristics and experience of members of the Supervisory Board. The Nominating & Governance Committee considers this profile (in addition to any other factors it deems relevant) when considering candidates for nomination to the Supervisory Board. The Supervisory Board intends to maintain a manageable size as stated in our Corporate Governance Guidelines.

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

The Nominating & Governance Committee believes that the nominating process will and should continue to involve significant subjective judgments. To suggest a nominee to be potentially considered for nomination as a Class III Supervisory Director at the general meeting in 2016, you should submit your candidate's name, together with biographical information and his written consent to nomination to the Chairman of the Nominating & Governance Committee at the Company's offices in Houston, Texas, at 1221 McKinney Street, Suite 300, Houston Texas 77010, before 6 November 2015.

HSE Committee

The current members of the HSE Committee are Messrs. Van der Meer (Chairman) and Bindra, Ms. Dicciani and Ms. Farley. The HSE Committee met four times during 2014. The Committee has a written charter that has been approved by the Supervisory Board and can be reviewed by accessing our website, at www.lyb.com. It is the duty of the HSE Committee to assist the Supervisory Board in its oversight responsibilities by assessing the effectiveness of environmental, health and safety programs and initiatives that support the health, safety and environmental policy of the Company. In late 2014, the Supervisory Board approved extending the duties of the HSE Committee to cover reviewing the Company's material technologies and the risks relating to its technology portfolio. In fulfilling its duties, the HSE Committee has the following responsibilities:

Administrative	. Perform an annual self-evaluation
	. Review the status of the Company's health, safety and environmental policies and performance, including processes to ensure compliance with applicable laws and regulations
Performance	. Review and monitor the Company's health, safety and environmental performance statistics, provide oversight of the programs, initiatives and activities in the areas of technology and sustainability and review with management the existing and emerging technologies, and environment, health, safety, product stewardship and other sustainability issues, that can have a material impact on the Company; and review the status of our environment, health, safety, product stewardship and other sustainability policies, programs and practices;
Environmental Audit	. Review and approve the scope of the health, safety and environmental audit program and regularly monitor program results
	. Review and approve the annual budget for the health, safety and environmental audit program
Reporting	. Report periodically to the Supervisory Board on technology, health, safety and environmental matters affecting the Company

Related Party Transactions

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

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

- immediate family members of the foregoing; and
- entities, of which any of the foregoing own more than 10%.

The transactions covered by the policy are those which are:

- in the ordinary course of business but have an aggregate value of $25 million or more,
- not in the ordinary course of business, regardless of value, or
- any transaction where an officer or Supervisory Director of the Company has a direct or indirect material interest and the transaction has a value of $120,000 or more

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

Below is a description of related party transactions in existence since the beginning of the last fiscal year. Pursuant to SEC rules, we are required to disclose transactions that existed, even when the agreement is no longer in place, such as in the case of the tax cooperation agreement described below.

In 2010, we entered into certain agreements with affiliates of Access Industries. These agreements include a registration rights agreement obligating us to, at our own cost, register for resale equity securities owned by Access Industries or its affiliates and a nomination agreement. Pursuant to the nomination agreement, Access Industries has the right to nominate individuals for appointment to the Supervisory Board if certain ownership thresholds are met. Access Industries' nomination rights continue for so long as it owns at least 5% of our issued share capital. These transactions were approved by the bankruptcy court; they were not approved pursuant to the Related Party Transaction Policy, nor were they approved by our Audit Committee, as the Company entered into these agreements before the Related Party Transaction Policy was adopted and the Audit Committee was formed.

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

On an ongoing basis and in the ordinary course of business, the Company makes spot purchases of natural gas liquids ("NGLs"), raw materials used by the Company in production, from Anadarko Petroleum. Robert G. Gwin, the Chairman of our Supervisory Board, serves as Chief Financial Officer of Anadarko Petroleum. In July 2014, the disinterested members of the Audit Committee approved the Company making spot purchases from Anadarko as it deems appropriate. The determination was based on the fact the transactions were on terms no less favorable than those which could be obtained from non-related parties. The Company made purchases of $194 million for condensates feedstock from Anadarko in 2014. The Audit Committee considered whether such purchases would affect Mr. Gwin's independence. The Company does not believe that Mr. Gwin's position at Anadarko gives rise to a direct or indirect material interest in the transactions.

Compensation of the Members of the Supervisory Board

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

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

The 2014 Supervisory Board compensation program is set forth below and was approved by shareholders at the 2014 annual general meeting of shareholders. Our Articles of Association currently provide that the Supervisory Board may set its own compensation, as long as the aggregate compensation paid to any individual member does not exceed $2 million in any single year.

<u>Annual Retainer</u>

Cash	$115,000 ($215,000 for Chairman of the Board)
RSUs	Valued at $170,000 ($310,000 for Chairman of the Supervisory Board)

<u>Committee Retainer</u>

Members	$10,000 ($15,000 for Audit Committee)
Chairmen	$20,000 ($27,500 for Audit Chair)

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

Financial Statements

The Management Board has prepared the annual accounts and discussed these with the Supervisory Board. The Report of the Independent Auditor, PricewaterhouseCoopers Accountants N.V., is included in the 'Other Information' on page 169. The financial statements are being presented for adoption by shareholders at the Annual Meeting. The Supervisory Board recommends that shareholders adopt these financial statements.

Additional Information

For additional information, see the Corporate Governance Statement (page 60), which is deemed to be incorporated by reference herein.

London, 6 March 2015

The Supervisory Board

Robert G. Gwin (Chairman)

Jacques Aigrain

Jagjeet Bindra

Robin Buchanan

Milton Carroll

Stephen F. Cooper

Nance K. Dicciani

Claire S. Farley

Isabella D. Goren

Bruce A. Smith

Rudy M.J. van der Meer

2.2 Conformity Statement

The Management Board is responsible for the preparation of the Annual Accounts and the Annual Report of LyondellBasell N.V. for the year ended 31 December 2014 in accordance with applicable Dutch law and International Financial Reporting Standards ("IFRS") as adopted by the European Union, ("EU").

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

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

- the LyondellBasell N.V. 2014 Annual Accounts give a true and fair view of the assets, liabilities, financial position and profit or loss of LyondellBasell N.V. and the entities included in the consolidation taken as a whole;

- the LyondellBasell N.V. 2014 Annual Report gives a true and fair view of LyondellBasell N.V. and the entities included in the consolidation taken as a whole as at 31 December 2014 and the state of the affairs during the financial year to which the report relates and describes the principal risks facing LyondellBasell N.V.

London, 6 March 2015

/s/ Bhavesh (Bob) V. Patel (appointed 16 April 2014)

/s/ Karen F. Ovelmen (appointed 16 April 2014)

/s/ Patrick D. Quarles (appointed 16 April 2014)

/s/ Timothy D. Roberts (appointed 16 April 2014)

James L. Gallogly (retired 12 January 2015)

Craig B. Glidden (retired 28 February 2015)

2.3 Corporate Governance Statement

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

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

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

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

Any material changes in our corporate governance structure and/or our compliance with the Code will be discussed at LyondellBasell's 2015 Annual General Meeting of Shareholders as a separate agenda item. The Board of Management and the Supervisory Board are of the opinion that the company's corporate governance structure, as described here, is the most appropriate for LyondellBasell. With the exception of those aspects of our governance structure which can only be amended with the approval of the General Meeting of shareholders, the Board of Management and the Supervisory Board may make adjustments to the way the Code is applied as described below, if this is considered to be in the interest of the company. If adjustments are made, they will be published and reported in the annual report for the relevant year.

2.3.1 Management Board

Our Management Board is responsible for managing LyondellBasell, under the chairmanship of its CEO, Bhavesh (Bob) V. Patel. The following individuals are the current members of our Management Board:

Bhavesh (Bob) V. Patel, American, 48, Chief Executive Officer and Chairman of the Management Board since January 2015

Prior to being named Chief Executive Officer, Mr. Patel led our olefins and polyolefins businesses and oversaw the Company's manufacturing operations in Europe, Asia and other non-North American jurisdictions. He also was responsible for the Company's Technology business, which encompasses licensing and support of our technology. Mr. Patel was the Senior Vice President of O&P – EAI and Technology from November 2010 until October 2013 when he was promoted to Executive Vice President and given responsibility for the Company's manufacturing operations in addition to his other responsibilities.

From March 2010 until August 2011, Mr. Patel was SVP, O&P – Americas, where he was responsible for managing all of our North American and South American olefins and polyolefins operations. Prior to joining the Company, Mr. Patel was General Manager of Olefins & NGL for Chevron Phillips Chemical Co. LLC from June 2009 to March 2010.

Karyn F. Ovelmen, American, 51, Executive Vice President and Chief Financial Officer since November 2011

Ms. Ovelmen currently is responsible for the Company's Finance and IT functions and, as Chief Financial Officer, has general oversight responsibility for all aspects of the Company's tax, treasury, accounting and controlling functions.

Ms. Ovelmen has been EVP and CFO since November 2011. Before that, she served as Executive Vice President and Chief Financial Officer of Petroplus Holdings AG, an independent oil refiner, from May 2006 until September 2010.

Patrick D. Quarles, American, 47, Executive Vice President, I&D, Supply Chain & Procurement since January 2015

Mr. Quarles leads the Company's Intermediates and Derivatives business and is also responsible for the Company's supply chain and procurement functions. Mr. Quarles was Senior Vice President, I&D from September 2009 until January 2015.

Timothy D. Roberts, American, 51, Executive Vice President, O&P – Global since January 2015

Mr. Roberts leads our olefins and polyolefins businesses worldwide. Mr. Roberts was Executive Vice President, O&P Americas from October 2013 until January 2015. Prior to that, he served as Senior Vice President, O&P Americas from June 2011 until September 2013.

From February 2011 until May 2011, Mr. Roberts served as Vice President of Strategic and Corporate Planning for Chevron Phillips Chemical Co. LLC. Before that, he served as Chief Executive Officer of Americas Styrenics LLC from May 2008 until January 2011.

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

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

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

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

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

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

Appointment, Other Functions

Members of the Management Board are appointed by the General Meeting of Shareholders upon recommendation by the Supervisory Board. Each of the current members of the Management Board, was appointed effective 16 April 2014 for a period of four years, where after reappointment is possible for consecutive four-year terms.

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

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

No member of the Management Board is currently a Supervisory Board member of any listed company.

Code of Conduct

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

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

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

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

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

Conflicts of Interest

The Management Board's Rules prohibit members of the Management Board from participating in deliberations or decisions on a subject or transaction in relation to which he has a direct or indirect personal interest, which may conflict with the interests of the Company and its associated enterprise. Additionally, any payments to a member of the Management Board, other than regular salary payments, expense reimbursements and payments arising under the Company's benefit and compensation plans applicable to employees generally must be approved by the Supervisory Board. Finally, the Company maintains a Related Party Transaction Policy that requires Audit Committee approval of certain transactions between the Company and any officer, director or substantial shareholder. During the year 2014, no transactions occurred that could have given the appearance of conflicts of interests or that effectively involved conflicts of interests.

2.3.2 Dutch Corporate Governance Code

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

We conduct our operations in accordance with internationally accepted principles of good governance and best practice, while ensuring compliance with the corporate governance requirements applicable in the countries in which we operate. There is considerable overlap between the requirements we must meet under U.S. rules and regulations and the provisions of the Code and we apply almost all of the provisions of the Code. For clarity purposes, we have listed below deviations from the Code and our reasons for deviating.

II.2.4

The stock options we grant to our executive officers, including our Managing Directors, are exercisable before the third anniversary of the date of grant, which is contrary to best practices provision II.2.4 in the Code. The vesting terms of options to our Managing Directors vary depending on when they were granted. For certain stock options granted in 2010, the vesting began on the second anniversary of the date of grant, and for all options granted beginning in 2011, they begin vesting on the first anniversary of date of grant. We believe our vesting schedules are in line with the practices of our peer group used for executive compensation purposes and necessary to attract and retain the best people.

II.2.4/11.2.5

The number of options and shares that we grant to our executives are determined based on an overall target of equity based compensation, calculated as a percentage of base salary, rather than on the achievement of specified targets as is considered best practice under the Code. The targeted values of options and shares granted are determined based on peer group analyses to ensure competitive compensation for attracting and retaining our executives.

II.2.5

In contrast to best practices provision II.2.5 under the Code, we do not require all shares granted as compensation to be held for five years or until the end of employment. Instead, our Compensation Committee implemented share ownership requirements that restricts selling of shares unless certain levels of equity are held. We believe that the share ownership guidelines appropriately ensure executives retain enough equity to make certain their interests are aligned with shareholders while also allowing flexibility for diversification of personal wealth.

II.2.8

Certain of our Managing Directors are party to employment agreements that provide for severance payments that are in excess of one year's base salary. Specifically, in certain circumstances, the agreements provide for base salary plus the annual bonus at target. We believe that these severance arrangements are consistent with market practices and our peer group severance arrangements and are necessary at times to attract or retain qualified leaders.

III.2.1/III.2.3

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

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

III.3.5

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

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

III.7.1/III.7.2

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

The remuneration program of the Supervisory Board was recommended by the Supervisory Board and approved by the General Meeting of Shareholders in 2012, 2013 and 2014, and consists of both cash and shares. The Company believes that granting rights to acquire shares aligns the Supervisory Board members' interests with those of shareholders, thereby increasing the incentives to make decisions that create long-term value for the Company.

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

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

Gender Diversity

Effective 1 January 2013, Dutch law requires that companies whose boards do not meet a 30% gender diversity quota must disclose the reason for not having the specified diversity percentage as well as their efforts and intent to obtain such diversity. The Company's Supervisory Board currently consists of 11 members, 3 of whom are female. The Supervisory Board does not believe that increasing its size solely to meet the gender diversity requirement is in the best interest of the Company or its stakeholders. The Company's Management Board currently consists of 5 members, 1 of whom is female. Members of the Management Board were and will continue to be chosen from the executive officers of the Company based on their job responsibilities, regardless of gender.

2.3.3 Remuneration of the Management Board

The remuneration paid to each member of the Management Board is based solely on his respective duties as an executive of the Company and no member of the Management Board will receive (additional) compensation as managing directors. Each of Messrs. Patel, Glidden and Roberts were, and with the exception of Mr. Glidden who retired effective 28 February 2015, will continue to be, remunerated in accordance with the terms and conditions of an employment agreement.

In accordance with the requirements of the SEC, in its Proxy Statement for the Annual Meeting, the Supervisory Board has included a "Compensation Discussion and Analysis," approved by the Compensation Committee of the Supervisory Board. This Compensation Discussion and Analysis, or CD&A, provides detailed information with respect to the Company's compensation philosophy, programs and practices for certain "named executive officers" (as defined and identified under SEC regulations). Each of Messrs. Patel, Glidden and Roberts and Ms. Ovelmen was a named executive officer. In addition to the disclosure for named executive officers, the Company has provided comparable disclosure in the CD&A for Mr.Quarles, Mr. Brown and Mr. Kaplan, as the other member of and nominees to the Management Board.

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

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

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

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

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

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

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

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

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

Our executive compensation program currently consists of four principal components:

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

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

2.3.4 Internal Risk Management and Control Systems, External Factors

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

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

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

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

The Company publishes two annual reports in respect of the financial year 2014 Annual Reports"): (i) a Statutory Annual Report in accordance with Dutch legal requirements in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations as adopted by the European Union and (ii) an Annual Report on Form 10-K in accordance with U.S. securities laws, based on the United States of America Generally Accepted Accounting Principles ("U.S. GAAP"). Both 2014 Annual Reports include risk factors that are specific to the petrochemical industry, LyondellBasell and ownership of its shares. LyondellBasell also provides sensitivity analyses by providing:

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

In its "Statement of the Board of Management" (which is included on pages 41 through 43 hereof), the Management Board addresses the Company's internal risk management and control systems.

The Company's Annual Report on Form 10-K will include a report of management's assessment regarding internal control over financial reporting and an attestation report of our registered public accounting firm.

Additionally, we are required to conduct an evaluation, under the supervision and with the participation of our CEO and the CFO, of the effectiveness of the Company's internal control over financial reporting and, based on that evaluation, conclude whether the Company's internal control over financial reporting was effective as of 31 December 2014, providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. PricewaterhouseCoopers LLP, the Company's independent registered accounting firm under U.S. securities rules and regulations will also be required to confirm the effectiveness of the Company's internal control over financial reporting in its Consent of Independent Registered Public Accounting Firm as included in our 2014 Annual Report on Form 10-K for the year ended 31 December 2014.

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

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

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

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

2.3.5 Shareholders and General Meeting of Shareholders

Powers

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

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

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

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

Proposals placed on the agenda by the Supervisory Board, the Management Board, or at the request of shareholders, provided that they have submitted the proposals in accordance with the provisions of LyondellBasell's Articles of Association, will be discussed and resolved upon. Shareholders are entitled to request the Supervisory Board to place agenda items on the annual general meeting agenda at the latest sixty days before the meeting, and provided that they represent at least 1 percent of LyondellBasell's outstanding share capital or whose shares represent a value of at least €50,000,000. Additionally, under the rules of the SEC shareholders who want to have proposals included in our proxy statement for the 2014 meeting must have been the registered or beneficial owner of (a) at least 1% of our outstanding shares or (b) shares having a market value of at least $2,000 for at least one year before submitting the proposal. The shareholder must also continue to own the shares through the date of the 2015 meeting.

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

Logistics of the General Meeting of Shareholders

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

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

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

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

Information to the Shareholders

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

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

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

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

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

Relationship with Institutional Investors

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

2.3.6 Audit of Financial Reporting

Financial Reporting

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

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

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

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

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

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

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

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

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

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

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

Internal Audit Function

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

2.3.7 Takeover Directive; Anti-Takeover Provisions and Control

General

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

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

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

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

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF INCOME

Millions of U.S. Dollars, except per share data	Note	Year Ended 31 December 2014	2013
Revenue	5	$ 45,608	$ 44,071
Cost of sales	6	39,313	38,152
Gross profit		6,295	5,919
Selling costs	6	243	273
Administrative expenses	6	629	702
Other (income) expense, net		(61)	51
Operating profit		5,484	4,893
Finance income		34	14
Finance costs	10	(425)	(262)
Share of profit of investments accounted for using the equity method	15	257	203
Profit before income tax		5,350	4,848
Income tax expense	11	(1,419)	(1,068)
Profit for the year		$ 3,931	$ 3,780
Attributable to:			
Profit/(loss) attributable to			
- Owners of the Company		$ 3,937	$ 3,784
- Non-controlling interests		(6)	(4)
Total		$ 3,931	$ 3,780
Earnings per share:			
- Basic	12	$ 7.57	$ 6.67
- Diluted	12	$ 7.53	$ 6.62

The notes on pages 82 to 156 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Millions of U.S. Dollars	Note	Year Ended 31 December 2014	Year Ended 31 December 2013
Profit for the year		$ 3,931	$ 3,780
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of post-employment benefits obligations	26	(436)	493
Tax on remeasurements of post-employment benefits obligations	11	148	(167)
		(288)	326
Items that may be reclassified subsequently to profit or loss:			
Unrealized gains (losses) on available-for-sale securities:	18	(1)	(2)
Tax on (benefit from) on available-for-sale securities:	11	(1)	- -
		(2)	(2)
Net movement on financial derivatives	18	(17)	1
Tax on (benefit from) financial derivatives	11	4	- -
		(13)	1
Currency translation of foreign operations		(706)	207
Tax on currency translation of foreign operations	11	- -	4
		(706)	211
Other comprehensive income (loss), net of tax		(1,009)	536
Total comprehensive income		$ 2,922	$ 4,316
Attributable to:			
- Owners of the Company		2,928	4,320
- Non-controlling interests		(6)	(4)
		$ 2,922	$ 4,316

The notes on pages 82 to 156 are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

Millions of U.S. Dollars	Note	31 December 2014		2013	
Non-current assets:					
Intangible assets	13	$	1,129	$	1,275
Property, plant and equipment	14		9,166		8,893
Investments in associates and joint ventures	15		1,678		1,677
Deferred income tax assets	25		298		357
Derivative financial instruments	18		40		- -
Trade and other receivables	20		70		167
Total non-current assets			12,381		12,369
Current assets:					
Inventories	19		3,987		4,997
Trade and other receivables	20		4,298		4,748
Available-for-sale financial assets	18		1,593		- -
Derivative financial instruments	18		16		4
Income tax receivable			12		31
Cash and cash equivalents	21		1,031		4,450
Total current assets			10,937		14,230
Total assets		$	23,318	$	26,599

The notes on pages 82 to 156 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

EQUITY AND LIABILITIES

Millions of U.S. Dollars	**Note**	**31 December 2014**	**31 December 2013**
Equity attributable to the owners of the Company:	22		
Share capital		$ 31	$ 31
Share premium		10,304	10,343
Other reserves		(815)	194
Retained earnings		6,081	3,519
Treasury shares		(7,853)	(2,035)
		7,748	12,052
Non-controlling interests	23	30	36
Total equity		7,778	12,088
Non-current liabilities:			
Borrowings	24	6,695	5,709
Deferred income tax liability	25	1,781	2,027
Retirement benefit obligations	26	1,371	1,093
Provisions for other liabilities and charges	28	249	303
Accruals and deferred income		190	208
		10,286	9,340
Current liabilities:			
Trade and other payables	27	4,357	4,739
Income tax payable		461	249
Borrowings	24	350	59
Derivative financial instruments	18	35	26
Provisions for other liabilities and charges	28	51	98
		5,254	5,171
Total liabilities		15,540	14,511
Total equity and liabilities		$ 23,318	$ 26,599

The notes on pages 82 to 156 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Millions of U.S. Dollars	Note	Share Capital	Share Premium	Treasury Shares	Other Reserves	Retained Earnings	Equity Attributable to the Owners of the Company	Non-Controlling Interests	Total Equity
Balance at 1 January 2013		31	10,348	(106)	(342)	799	10,730	40	10,770
Transactions with owners:									
Shares purchased	22	- -	- -	(1,949)	- -	- -	(1,949)	- -	(1,949)
Warrants exercised		- -	1	- -	- -	- -	1	- -	1
Dividends paid relating to 2013	22	- -	- -	- -	- -	(1,127)	(1,127)	- -	(1,127)
Employees share-based payments:									
- Issuance of shares		- -	(6)	20	- -	- -	14	- -	14
- Tax credits related to share-based awards	11	- -	- -	- -	- -	63	63	- -	63
Total transactions with owners		31	10,343	(2,035)	(342)	(265)	7,732	40	7,772
Comprehensive income for the period:									
Profit/(loss) for the year		- -	- -	- -	- -	3,784	3,784	(4)	3,780
Other comprehensive income:									
Financial derivatives					1		1	- -	1
Available-for-sale securities					(2)		(2)	- -	(2)
Actuarial loss on post employment benefit obligations	11/26	- -	- -	- -	326	- -	326	- -	326
Currency translation differences		- -	- -	- -	211	- -	211	- -	211
Total Comprehensive income for the period		- -	- -	- -	536	3,784	4,320	(4)	4,316
Balance at 31 December 2013		$ 31	$ 10,343	$ (2,035)	$ 194	$ 3,519	$ 12,052	$ 36	$ 12,088

The notes on pages 82 to 156 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Millions of U.S. Dollars	Note	Share Capital	Share Premium	Treasury Shares	Other Reserves	Retained Earnings	Equity Attributable to the Owners of the Company	Non-Controlling Interests	Total Equity
Balance at 1 January 2014		$ 31	10,343	$ (2,035)	$ 194	$ 3,519	$ 12,052	$ 36	$ 12,088
Transactions with owners:									
Shares purchased	22	- -	- -	(5,873)	- -	- -	(5,873)	- -	(5,873)
Equity issuance cost, reversal of deferred tax asset		- -	(11)	- -	- -	- -	(11)	- -	(11)
Dividends paid relating to 2014	22	- -	- -	- -	- -	(1,403)	(1,403)	- -	(1,403)
Employees share-based payments:									
- Issuance of shares		- -	(28)	55	- -	- -	27	- -	27
- Tax credits related to share-based awards	11	- -	- -	- -	- -	28	28	- -	28
Total transactions with owners		31	10,304	(7,853)	194	2,144	4,820	36	4,856
Comprehensive income for the period:									
Profit/(loss) for the year		- -	- -	- -	- -	3,937	3,937	(6)	3,931
Other comprehensive income:									
Financial derivatives		- -	- -	- -	(13)	- -	(13)	- -	(13)
Available-for-sale securities		- -	- -	- -	(2)	- -	(2)	- -	(2)
Actuarial loss on post employment benefit obligations	11/26	- -	- -	- -	(288)	- -	(288)	- -	(288)
Currency translation differences		- -	- -	- -	(706)	- -	(706)	- -	(706)
Total Comprehensive income for the period		- -	- -	- -	(1,009)	3,937	2,928	(6)	2,922
Balance at 31 December 2014		$ 31	$ 10,304	$ (7,853)	$ (815)	$ 6,081	$ 7,748	$ 30	$ 7,778

The notes on pages 82 to 156 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF CASH FLOWS

Millions of U.S. Dollars	Note	Year Ended 31 December 2014	2013
Cash flows from operating activities:			
Profit before income tax		$ 5,350	$ 4,848
Adjustments for:			
Depreciation, amortization and impairments	6	1,032	1,007
Share based compensation	8	37	42
Finance cost, net		391	248
Other income (expense), net		(61)	51
Share of profit of investments accounted for using the equity method	15	(257)	(203)
Changes in working capital relating to:			
(Increase)/decrease in trade receivables		368	(69)
(Increase)/decrease in inventories		753	(66)
Increase/(decrease) in trade payables		(392)	275
Other		219	3
Cash generated from operations		7,440	6,136
Interest paid		(343)	(266)
Net income taxes paid		(1,167)	(1,203)
Net cash from operating activities		5,930	4,667
Cash flows from investing activities:			
Purchase of property, plant and equipment		(1,499)	(1,561)
Payments for repurchase agreements		(425)	- -
Proceeds from repurchase agreements		75	- -
Purchase of available-for-sale securities		(3,439)	- -
Proceeds from sale and maturities of available-for-sale securities		1,751	- -
Interest received		3	15
Dividends received from associates and joint ventures	15	156	186
Other investing costs		(2)	(36)
Net cash used in investing activities		(3,380)	(1,396)
Cash flows from financing activities:			
Repurchase of company ordinary shares		(5,788)	(1,949)
Proceeds from borrowings	24	974	1,450
Net proceeds from commercial paper	24	262	- -
Dividends paid	22	(1,403)	(1,127)
Other financing activities		15	(1)
Net cash used in financing activities		(5,940)	(1,627)
Net increase in cash and cash equivalents		(3,390)	1,644
Cash and cash equivalents at beginning of period		4,450	2,732
Exchange rate differences		(29)	74
Cash and cash equivalents at end of the period	21	$ 1,031	$ 4,450

The notes on pages 82 to 156 are an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General

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

LyondellBasell N.V. is a worldwide manufacturer of chemicals and polymers, a refiner of crude oil, a significant producer of gasoline blending components and a developer and licensor of technologies for production of polymers. LyondellBasell Industries N.V.'s shares are listed on the New York Stock Exchange ("NYSE"). The address of our Principal executive offices is 4th Floor, One Vine Street, London, W1J0AH, The United Kingdom; our registered office address is Stationsplein 45, 3013 AK Rotterdam, The Netherlands; and our other Principal office is 1221 McKinney St., Suite 300 Houston, Texas, USA 77010.

The Consolidated Financial Statements for the year ended 31 December 2014 of LyondellBasell N.V. were approved for issue by both the Supervisory Board and the Management Board on 6 March 2015.

The Consolidated Financial Statements are subject to adoption by the Annual General Meeting of Shareholders on 6 May 2015.

2 Summary of Significant Accounting Policies

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

Basis of Preparation and Consolidation

The Consolidated Financial Statements of LyondellBasell N.V. have been prepared from the books and records of LyondellBasell Industries N.V. and its subsidiaries in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations as adopted by the European Union. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. All inter-company transactions and balances have been eliminated in consolidation.

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

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

New and Amended Standards Adopted

We adopted the following standards for the first time for the financial year beginning on 1 January 2014:

IFRS 10, Consolidated Financial Statements—IFRS 10 as issued and amended, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included in the Consolidated Financial Statements of the parent company. The standard provides additional guidance to assist in the determination of control when control is difficult to assess. Adoption of this standard did not have a material impact on the presentation of our Consolidated Financial Statements.

IFRS 11, Joint Arrangements—IFRS 11 as issued and amended, considers and provides guidance on determining two types of joint arrangements; joint operations and joint ventures. A joint operator recognizes its share of assets, liabilities, revenues and expenses in accordance with applicable IFRSs, while a joint venture accounts for its interest using the equity method of accounting under IAS 28, *Investments in Associates and Joint Ventures*, thus eliminating the option of proportionate consolidation for interests in joint ventures. Adoption of this standard did not have a material impact on the presentation of our Consolidated Financial Statements.

IFRS 12, Disclosure of Interests in Other Entities—IFRS 12 as issued and amended, is a comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and off balance sheet vehicles. Under this standard an entity is required to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. Adoption of this standard did not have a material impact on our Consolidated Financial Statements, but resulted in increased disclosures of our subsidiaries and interests in associates and joint arrangements (see Note 15).

New standards, amendments and interpretations issued but not effective for the financial year 2014 and we have not elected early adoption.

IFRS 9, Financial Instruments—IFRS 9, issued in July 2014, which replaces the guidance in IAS 39, *Financial Instruments: Recognition and Measurement,* includes revised guidance on classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. This standard is effective for annual periods beginning on or after 1 January 2018 but is available for early adoption. The standard has not currently been endorsed by the EU.

We are currently assessing the impact of the adoption of this standard on our consolidated financial statements and will determine an adoption date.

IFRS 15, Revenue from Contracts with Customers—IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

This revenue standard, which is applicable to all entities, will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The standard has not currently been endorsed by the EU.

We are currently assessing the impact of the adoption of IFRS 15 on our consolidated financial statements and will determine an adoption date.

Amendments to IFRS 11, Joint Arrangements: Accounting for Acquisitions of Interests—The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply IFRS 3, *Business Combinations*. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. A scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. The standard has not currently been endorsed by the EU.

These amendments are not expected to have a material impact on our Consolidated Financial Statements.

All other standards, amendments and interpretations are not expected to materially impact our Consolidated Financial Statements.

Goodwill

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

Investments in Associates and Joint Arrangements

Investments in entities over which we have the right to exercise significant influence but not control are classified as associates. Arrangements under which we have contractually agreed to share control with another party or parties are joint arrangements. Under IFRS 11, *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations that each investor has, rather than the legal structure of the joint arrangement. The Company has assessed the nature of its joint arrangements and determined that it has both joint operations and joint ventures.

Interests in associates and joint ventures are accounted for using the equity method. Under the equity method of accounting, the investment is initially recognized at cost and subsequently adjusted for our share of comprehensive income, dividends received and by loans of a long-term investment nature. Interests in joint operations are recognized by including our share of assets, liabilities, income and expenses on a line-by-line basis in accordance with our accounting policies. Unrealized gains and losses on other transactions between the Group and its associates and joint arrangements are eliminated to the extent of our interest in them.

At each reporting date, we determine whether there is any objective evidence of impairment of our investments in associates or joint ventures. If an impairment is indicated, we calculate the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognize the amount adjacent to Share of profit/(loss) of investments accounted for using the equity method in the Consolidated Statement of Income.

Foreign Currency Translation

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

Transactions and balances—Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Statement of Income, except when deferred in Other comprehensive income as qualifying cash flow hedges.

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

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

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

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

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

Revenue Recognition

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

Segment Reporting

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

Share-Based Compensation

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

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

Leases

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

Intangible Assets

Intangible Assets—Intangible assets primarily consist of emission allowances, various contracts, research and development and software costs. These assets are amortized using the straight-line method over their estimated useful lives or over the term of the related agreement, if shorter. We evaluate definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable.

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

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

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

Property, Plant and Equipment

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

- 25 years for major manufacturing equipment
- 30 years for buildings

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

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

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

Impairments of Non-Financial Assets

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

Offsetting Financial Instruments

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

Derivative Financial Instruments and Hedging Activities

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

All financial instruments are measured at amortized cost except derivatives.

Derivatives are initially recognized at fair value on the inception date and are subsequently re-measured at fair value as of each reporting date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

a. hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge); or

b. hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

At the inception of the transaction, the Company documents the relationship between the hedging instrument and the hedged item, its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivative that is used in the hedging transaction is highly effective in offsetting changes in the fair value or cash flow of the hedged item.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 18. The full fair value of the derivatives is classified as a non-current asset or liability if the remaining maturity of the derivative is more than 12 months and as a current asset or liability if the remaining maturity is less than 12 months.

(a) Fair value hedge

Changes in the fair value of a derivative that is designated and qualifies as a fair value hedge are recorded in the Consolidated Statement of Income, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The Company applies fair value hedge accounting for hedging the changes in fair value of fixed rate borrowings. The gain or loss relating to the effective and ineffective portion of interest rate swaps hedging fixed rate borrowings is recognized in the Consolidated Statement of Income in Finance costs. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognized in the Consolidated Statement of Income in Finance costs.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to profit or loss over the period to maturity.

(b) Cash flow hedge

The effective portion of changes in the fair value of a derivative that is designated and qualifies as cash flow hedge is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the Consolidated Statement of Income in Other (income) expense, net.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecasted sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in the Consolidated Statement of Income in Finance income/costs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecasted transaction is ultimately recognized in the Consolidated Statement of Income. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Consolidated Statement of Income in Other (income) expense, net.

Inventories

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

Current Trade Receivables

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

Cash Equivalents

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

Borrowings

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

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Income Taxes

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

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

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

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

Employee Benefits

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

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

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

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

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

Other Provisions

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

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

3 Critical Accounting Estimates and Judgments

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

Critical Accounting Estimates and Assumptions

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

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

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

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

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

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

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

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

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

Joint Arrangements—We are a party to several joint arrangements. The Company has joint control over these arrangements as unanimous consent is required from all parties to the agreements to direct the activities that significantly affect the returns of the arrangement, such as annual production budgets, capital expenditures, incurrence of indebtedness, election of key management team members, approval of pricing policies and admission of new parties.

The classification of these joint arrangements as either a joint operation or a joint venture is driven by the rights and obligations of the parties arising from the arrangement rather than the legal form of the arrangement.

The Company’s joint ventures are structured as limited companies and provide the Company and the parties to the agreements with rights to the net assets of the limited companies under the arrangements. The parties are not substantially the only source of cash flows contributing to the continuity of the operations of the joint venture.

The output of the Company’s joint operations is for the sole use of the parties to the joint arrangement. The parties are substantially the only source of cash flows contributing to the continuity of the operations of the joint operation.

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

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

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

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

4 Financial Risk Management

We are exposed to market risks, such as changes in commodity pricing, currency exchange rates and interest rates. To manage the volatility related to these exposures, we selectively enter into derivative transactions pursuant to our risk management policies. Derivative instruments are recorded at fair value on the Consolidated Statement of Financial Position. Gains and losses related to changes in the fair value of derivative instruments not designated as hedges are recorded in earnings. For derivatives that have been designated as fair value hedges, the gains and losses of the derivatives and hedged items are recorded in earnings. For derivatives that have been designated as cash flow hedges, the effective portion of the gains and losses is recorded through Other comprehensive income (“OCI”). The ineffective portion of cash flow hedges is recorded in earnings.

Commodity Price Risk

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

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

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

	Open Commodity Contracts				
	31 December 2014				
		Notional Amounts			
Millions of U.S. Dollars	**Fair Value**	**Value**	**Volumes**	**Volume Unit**	**Maturity Dates**
Futures:					
Heating oil	$ (1)	$ 28	15	million gallons	January 2015
Crude oil	2	- -	- -	million gallons	February 2015
	$ 1	$ 28			
	31 December 2013				
		Notional Amounts			
	Fair Value	**Value**	**Volumes**	**Volume Unit**	**Maturity Dates**
Futures:					
Gasoline	$ (4)	$ 257	92	million gallons	February 2014 - March 2014
Heating oil	- -	11	4	million gallons	February 2014
Crude oil	- -	378	158	million gallons	February 2014 - May 2014
	$ (4)	$ 646			

The decreased level in open futures positions in 2014 is related to our strategies to manage the impact of future movements in the price of gasoline, distillates and crude oil on our realized product margins.

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

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

Using sensitivity analysis and hypothetical changes in market prices ranging from 12% to 31%, which represents a three month volatility range of the underlying products, the effect on our pretax income would be less than $1 million. The quantitative information about market risk is necessarily limited because it does not take into account the effects of the underlying operating transactions.

Foreign Exchange Risk

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

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

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

We maintain risk management control systems intended to monitor foreign currency risk attributable to inter-company and third party outstanding foreign currency balances. These practices involve the centralization of our exposure to underlying currencies that are not subject to central bank and/or country specific restrictions. By centralizing most of our foreign currency exposure into one subsidiary, we are able to take advantage of any natural offsets thereby reducing the overall impact of changes in foreign currency rates on our earnings. We enter into foreign currency forward contracts to reduce the effects of our net currency exchange exposures. At 31 December 2014, foreign currency forward contracts in the notional amount of $787 million, maturing in January 2015 to June 2015, were outstanding.

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

Our policy is to maintain an approximately balanced position in foreign currencies to minimize exchange gains and losses arising from changes in exchange rates. This position is monitored routinely. At 31 December 2014 and 2013, a 10% fluctuation compared to the U.S. dollar in the underlying currencies that have no central bank or other currency restrictions would result in an additional impact to earnings of no more than approximately $2 million.

Cross-Currency Swaps—In October 2014, to reduce our exposure to foreign currency exchange risk associated with certain intercompany loans, we entered into cross-currency swap contracts with an aggregate notional value of $2,000 million. Under the terms of these contracts, which have not been designated as hedges, we will make interest payments in euros and receive interest in U.S. dollars. Upon the maturities of these contracts, we will pay euros and receive U.S. dollars from our counterparties. In addition, the swaps will be marked-to-market each reporting period with the Euro notional values being measured using the current foreign exchange spot rate, and the resulting gains and losses will be classified as Other (income) expense, net.

	31 December 2014			
Millions of U.S. Dollars	Expiration Date	Average Interest Rate	Notional Value	Fair Value
Pay Euro	2021	4.55%	$ 1,000	$ 19
Receive U.S. dollars		6.00%		
Pay Euro	2024	4.37%	1,000	16
Receive U.S. dollars		5.75%		

Other (income) expense, net and Finance costs in the Consolidated Statement of Income reflected losses of $72 million and $5 million for the periods ended 31 December 2014 and 2013, respectively, related to changes in currency exchange rates and cross-currency swaps.

Interest Rate Risk

We are exposed to interest rate risk with respect to our fixed and variable rate debt. Fluctuations in interest rates impact the fair value of fixed-rate debt as well as pre-tax earnings stemming from interest expense on variable-rate debt.

Fixed-for-Floating Interest Rate Swaps—During the third quarter of 2014, we entered into fixed-for-floating interest rate swaps with third party financial institutions to mitigate changes in the fair value of our $2,000 million 5% senior notes due 2019 associated with the risk of variability in the 3 Month USD LIBOR rate (the benchmark interest rate). These interest rate swaps are used as part of our current interest rate risk management strategy to achieve a desired proportion of variable versus fixed rate debt.

Under these arrangements, we exchange fixed for floating rate interest payments to effectively convert our fixed rate debt to floating rate debt. The fixed and variable cash payments related to the interest rate swaps are net settled semi-annually and classified as Finance costs, net in the Cash flows from operating activities section of the Consolidated Statement of Cash Flows.

We have elected to designate these fixed-for-floating interest rate swaps as fair value hedges. We use the long haul-method to assess hedge effectiveness using a regression analysis approach. We perform the regression analysis over an observation period of three years, utilizing data that is relevant to the hedge duration. We use the dollar offset method to measure ineffectiveness.

Changes in the fair value of the derivatives and changes in the value of the hedged items based on changes in the benchmark interest rate are recorded as Finance costs in our Consolidated Statement of Income. We evaluate the effectiveness of the hedging relationship periodically and calculate the changes in the fair value of the derivatives and the underlying hedged items separately. During the year ended 31 December 2014, we recognized a net gain of $17 million, related to the ineffectiveness of our hedging relationships.

At 31 December 2014, we had outstanding interest rate swap agreements with notional amounts of $2,000 million, maturing on 15 April 2019. We estimate that a 10% change in market interest rates as of 31 December 2014 would change the fair value of our interest rate swaps outstanding, the fair value of our loan and affect our pretax income by approximately $13 million.

Variable-rate debt—Our variable rate debt consists of our $2,000 million Senior Revolving Credit Facility, our $1,000 million U.S. Receivables Securitization Facility and our €450 million European Receivables Securitization Facility. At 31 December 2014 and 2013, there were no outstanding borrowings under these facilities. We had

$262 million of commercial paper outstanding at 31 December 2014. We estimate that a 10% change in interest rates will not have a material impact on earnings.

Forward-Starting Interest Rate Swaps—In July 2013, we entered into forward-starting interest rate swaps with notional values totaling $1,500 million to hedge the intra-day risk of changes in the forward U.S. Treasury rates for fixed-rate debt issuances in 2013. These forward starting interest rate swaps were terminated contemporaneously with the pricing of $750 million of guaranteed notes due 2023 and $750 million of guaranteed notes due 2043. In February 2014, we entered into forward-starting interest rate swaps with a total notional value of $500 million to hedge the risk of fluctuations in the forward USD 30 Year LIBOR Swap rate for anticipated fixed-rate debt issuances in 2014. The swap was terminated upon issuance of the $1,000 million of guaranteed notes due 2044. We designated these forward-starting interest rate swaps as cash flow hedges.

We paid cash of $17 million to settle the liabilities related to these swaps agreements. The related deferred losses were recognized in OCI and are being amortized as an increase to interest expense over the life of the related guaranteed note issuances using the effective interest method.

As of 31 December 2014, less than $1 million (on a pretax basis) is scheduled to be reclassified as an increase to interest expense over the next twelve months.

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.

Marketable Securities—We invest cash in investment-grade securities for periods not exceeding two years. Investments in securities with original maturities of three months or less are classified as Cash and cash equivalents. At 31 December 2014 and 2013, we had marketable securities classified as Cash and cash equivalents of $431 million and $3,482 million, respectively.

We also have investments in marketable securities classified as available-for-sale. These securities, which are included in Available-for-sale financial assets on the Consolidated Statement of Financial Position, are carried at fair value with unrealized gains and losses recorded through OCI. We periodically review our available-for-sale securities for other-than-temporary declines in fair value below the cost basis, and when events or changes in circumstances indicate the carrying value of an asset may not be recoverable, the investment is written down to fair value, establishing a new cost basis.

Repurchase Agreements—In 2014, we invested in tri-party repurchase agreements. Under these agreements, we make cash purchases of securities according to a pre-agreed profile from our counterparties. The counterparties have an obligation to repurchase, and we have an obligation to sell, the same or substantially the same securities at a pre-defined date for a price equal to the purchase price plus interest. These securities, which pursuant to our policy are held by a third-party custodian and must generally have a minimum collateral value of 102%, secure the counterparty's obligation to repurchase the securities. Our investment in these tri-party repurchase agreements, which mature within the next twelve months, are treated as short-term loans receivable and are reflected in Trade and other receivables on our Consolidated Statement of Financial Position. The balance of our investment at 31 December 2014 was $350 million.

Available-for-Sale Securities—The following table summarizes the amortized cost, gross unrealized gains and losses, and fair value of available-for-sale securities measured on a recurring basis that are outstanding as of 31 December 2014.

	31 December 2014							
Millions of U.S. Dollars		**Cost**		**Gross Unrealized Gains**		**Gross Unrealized Losses**		**Fair Value**
Commercial paper	$	1,029	$	1	$	- -	$	1,030
Bonds		414		- -		(1)		413
Certificates of deposit		150		- -		- -		150
Total available-for-sale securities	$	1,593	$	1	$	(1)	$	1,593

As of 31 December 2014, the commercial paper securities held by the Company had maturities between one and twelve months, bonds had maturities between less than one and thirty-three months and certificates of deposit mature in thirteen months.

The fair value and unrealized losses related to available-for-sale securities that were in an unrealized loss position for less than twelve months as of 31 December 2014 were $489 million and $1 million, respectively.

We received gross proceeds of $1,751 million related to the maturity of certain available-for-sale securities during the year ended 31 December 2014. None of our available-for-sale securities were sold during 2014 and accordingly, there were no related realized gains or realized losses recognized during that time.

In addition, no losses related to other-than-temporary impairments of our available-for-sale investments have been recorded in OCI during the year ended 31 December 2014.

Capital Risk Management

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

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

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

Liquidity and Capital Resources—As of 31 December 2014, we had unrestricted cash and cash equivalents of $1,031 million ($4,450 million in 2013). In addition at 31 December 2014, we had total unused availability under our credit facilities of $3,253 million ($3,469 million in 2013) and $1,593 million marketable securities classified as Available-for-sale financial assets.

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

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

The table below provides a maturity analysis of the financial liabilities based on the remaining contractual maturities as of 31 December 2014.

Millions of U.S. Dollars	Total obligations	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years
31 December 2014					
Borrowings (excluding finance lease liabilities)	$ 7,152	$ 348	$ 3	$ 2,000	$ 4,801
Finance lease liabilities	5	2	2	1	- -
Interest payment on total debt	4,535	360	360	1,030	2,785
Trade and other payables	4,357	4,357	- -	- -	- -
Commodity derivatives	1	1	- -	- -	- -
	$ 16,050	$ 5,068	$ 365	$ 3,031	$ 7,586

Fair Value Estimates

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

Millions of U.S. Dollars	Total	Level 1	Level 2	Level 3
31 December 2014				
Assets -				
Derivatives:				
Cross-currency swaps	$ 35	$ - -	$ 35	$ - -
Commodities	2	2	- -	- -
Embedded derivatives	3	- -	3	- -
Derivatives used for hedging:				
Fixed-for-floating interest rate swaps	16	- -	16	- -
Non-derivatives:				
Available-for-sale securities	1,593	- -	1,593	- -
	$ 1,649	$ 2	$ 1,647	$ - -
Liabilities -				
Derivatives:				
Commodities	$ 1	$ 1	$ - -	$ - -
Written put option	21	- -	- -	21
Foreign currency	13	- -	13	- -
Non-derivatives:				
Performance share awards	36	36	- -	- -
	$ 71	$ 37	$ 13	$ 21

Millions of U.S. Dollars	Total	Level 1	Level 2	Level 3
31 December 2013				
Assets -				
Derivatives:				
Embedded derivatives	$ 3	$ - -	$ 3	$ - -
Foreign currency	1	- -	1	- -
	$ 4	$ - -	$ 4	$ - -
Liabilities -				
Derivatives:				
Commodities	$ 4	$ 4	$ - -	$ - -
Warrants	1	- -	1	- -
Written put option	21	- -	- -	21
Non-derivatives:				
Performance share awards	14	14	- -	- -
	$ 40	$ 18	$ 1	$ 21

The following table presents the carrying value and estimated fair value of our financial instruments that are not measured at fair value on a recurring basis as of 31 December 2014 and 2013. Short-term loans receivable and current and non-current borrowings are recorded at amortized cost in the Consolidated Statement of Financial Position. The carrying and fair value of current and non-current borrowings excludes finance lease liabilities and commercial paper.

	31 December 2014				
Millions of U.S. Dollars	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Non-derivatives:					
Assets:					
Short-term loans receivables	$ 350	$ 350	$ - -	$ 350	$ - -
Liabilities					
Current borrowings	$ 77	$ 74	$ - -	$ 74	$ - -
Non-current borrowings	6,692	7,527	- -	7,523	4
Total	$ 6,769	$ 7,601	$ - -	$ 7,597	$ 4

	31 December 2013				
Millions of U.S. Dollars	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Non-derivatives:					
Liabilities					
Current borrowings	$ 48	$ 45	$ - -	$ 44	$ 1
Non-current borrowings	5,705	6,382	- -	6,378	4
Total	$ 5,753	$ 6,427	$ - -	$ 6,422	$ 5

Fair value measurements are classified using the following hierarchy:

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

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

Level 3 – Model-derived valuations in which one or more significant inputs or significant value-drivers are unobservable. A detailed description of the valuation techniques used for the above valued level 3 put option can be found in Note 18. There was no change in the value of the put option between 2014 and 2013.

During the years ended 31 December 2014 and 2013, there were no transfers between Level 1, Level 2 and Level 3.

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

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

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

5 Revenue

Millions of U.S. Dollars	**2014**	**2013**
Sale of goods	$ 45,220	$ 43,659
Rendering of services	263	262
License income	125	150
Total revenue	$ 45,608	$ 44,071

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

6 Expenses by Nature

Millions of U.S. Dollars	**Note**	**2014**	**2013**
Change in inventories of finished goods and work in progress		$ (596)	$ 22
Raw materials and utilities		35,050	33,314
Employee benefit expense	7	2,403	2,273
Depreciation, amortization, and impairment charges	13/14	1,032	1,007
Distribution expenses		1,272	1,264
Other expenses		1,024	1,247
Total cost of sales, selling costs, and administration expenses		$ 40,185	$ 39,127

7 Employee Benefit Expenses

Millions of U.S. Dollars	Note	2014	2013
Wages and salaries		$ 1,857	$ 1,654
Social security		273	288
Share based compensation granted to directors and employees	8	37	42
Pension costs – defined benefit obligations	26	80	133
Pension costs – defined contribution obligations		44	41
Other post-employment benefits – defined benefit obligations	26	22	19
Other employee benefits		90	96
Total cost of employee benefits		$ 2,403	$ 2,273

8 Share-Based Compensation Granted to Directors and Employees

Under our Long-Term Incentive Plan ("LTI"), which was approved by shareholders in 2012, the Compensation Committee is authorized to grant restricted stock, restricted stock units, stock options, qualified performance awards, stock appreciation rights and other types of equity-based awards. The Compensation Committee determines the recipients of the equity awards, the type of award(s) made, the required performance measures, and the timing and duration of each grant. The maximum number of shares of LyondellBasell Industries N.V. stock reserved for issuance under the LTI is 22,000,000. As of 31 December 2014, there were 9,055,398 shares remaining available for issuance. Upon share exercise or payment, shares are issued from our treasury shares.

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

Millions of U.S. Dollars	2014	2013
Compensation expense:		
Restricted stock units	$ 11	$ 16
Stock options	5	10
Restricted stock	-	5
Qualified performance awards	15	11
Performance share units	6	-
	$ 37	$ 42
Tax benefit:		
Restricted stock units	$ 4	$ 6
Stock options	2	4
Restricted stock	-	2
Qualified performance awards	5	4
Performance share units	2	-
	$ 13	$ 16

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

The holders of RSUs are entitled to dividend equivalents to be settled no later than 15 March, following the year in which dividends are paid, as long as the participant is in full employment at the time of the dividend payment. See the "Dividend Distribution" section of Note 22 for the per share amount of dividend equivalent payments made during 2014 and 2013 to holders of RSUs. Total dividend equivalent payments were $4 million and $3 million for 2014 and 2013, respectively.

RSUs are valued at the market price of the underlying stock on the date of grant. The weighted average grant date fair value for RSUs granted during the years ended 31 December 2014 and 2013 was $91.66 and $63.26, respectively. The total fair value of vested RSUs was $30 million and $11 million for years then ended 31 December 2014 and 2013, respectively.

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

	2014		2013	
	Number of Units	**Weighted Average Grant Date Fair Value (per share)**	**Number of Units**	**Weighted Average Grant Date Fair Value (per share)**
Outstanding at 1 January	1,717	$ 23.00	1,930	$ 23.51
Granted	75	91.66	56	63.26
Paid	(329)	33.08	(170)	42.62
Forfeited	(38)	21.72	(99)	22.20
Outstanding at 31 December	1,425	$ 24.30	1,717	$ 23.00

As of 31 December 2014, the unrecognized compensation cost related to RSUs was $7 million, which is expected to be recognized over a weighted average period of one year.

Stock Options—Stock options are granted with an exercise price equal to the market price of our ordinary shares at the date of grant. The stock options are accounted for as an equity award with compensation cost recognized using the graded vesting method. We issued stock options to purchase 5,639,020 of our ordinary shares to our former Chief Executive Officer on 30 April 2010. These options vested in five equal, annual installments beginning on 14 May 2010 and may be exercised for a period ending 30 April 2017. The options were granted with an exercise price of $17.61 per share, which was the fair value of the Company's ordinary shares based on its reorganized value at the date of emergence. All other stock options granted before 4 May 2011 vest in equal increments on the second, third and fourth anniversary of the grant date, and options granted on and after 4 May 2011 vest in equal increments on the first, second and third anniversary of the grant date. These other options have a contractual term of ten years and are subject to customary accelerated vesting or forfeiture in the event of certain termination events. Exercise prices for these other options range from $11.95 to $113.03.

The fair value of each stock option award is estimated, based on several assumptions, on the date of grant using the Black-Scholes option valuation model. The principal assumptions utilized in valuing stock options include the expected stock price volatility (based on the historic average of the common stock of our peer companies and the

Company's historic stock price volatility over the expected term); the expected dividend yield; and the risk-free interest rate (an estimate based on the yield of United States Treasury zero coupon bond with a maturity equal to the expected life of the option).

The expected term of all options granted is an estimate based on a simplified approach. In 2010, when the majority of our options were granted, we determined that the simplified method was appropriate because of the life of the Company and its relative stage of development. Similarly, we did not possess exercise patterns in similar situations as the Company's situation. The option grants that have been made since 2010 have been limited in number, and those grants have occurred during a time of substantial share price escalation.

Weighted average fair values of stock options granted in each respective year and the assumptions used in estimating those fair values are as follows:

	2014	2013
Weighted average fair value:	$ 33.06	$ 22.16
Fair value assumptions:		
Dividend yield	3.00%	3.00%
Expected volatility	46.00-49.00%	51.00%
Risk-free interest rate	1.81-1.98%	0.95-1.27%
Weighted average expected term, in years	6.0	6.0

The following table summarizes stock option activity for the years ended 31 December 2014 and 2013 in thousands of shares for the non-qualified stock options:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Term	Aggregate Intrinsic Value (Millions of Dollars)
Outstanding at 1 January 2013	6,509	$ 14.51	- -	$ - -
Granted	97	60.60	- -	- -
Exercised	(1,362)	13.55	- -	- -
Forfeited	(29)	12.89	- -	- -
Outstanding at 31 December 2013	5,215	$ 15.62	5.3 years	$ 337
Exercisable at 31 December 2013	3,763	$ 14.76	3.6 years	$ 247
Outstanding at 1 January 2014	5,215	$ 15.62	- -	$ - -
Granted	143	92.72	- -	- -
Exercised	(1,169)	13.90	- -	- -
Forfeited	(4)	26.85	- -	- -
Outstanding at 31 December 2014	4,185	$ 18.74	3 years	$ 256
Exercisable at 31 December 2014	3,949	$ 15.20	2.7 years	$ 253

The range of exercise prices for options outstanding at the end of 31 December 2014 and 2013 was $12.61 to $113.03 and $12.37 to $66.65, respectively.

The aggregate intrinsic value of stock options exercised during the years ended 31 December 2014 and 2013 was $98 million and $71 million, respectively.

As of 31 December 2014, the unrecognized compensation cost related to non-qualified stock options was $2 million, which is expected to be recognized over a weighted average period of one year. During 2014, cash received from option exercises was $16 million and tax benefits realized from stock options exercised was $33 million.

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

Restricted stock was valued at the market price of the underlying stock on the date of grant. No restricted stock was granted during the years ended 31 December 2014 and 2013. The total fair value of restricted stock vested during the years ended 31 December 2013 was $69 million. As of 31 December 2013, all restricted stock shares were vested and fully expensed.

Medium-Term Incentive Program ("MTI"), Qualified Performance Awards ("QPA"), and Performance Share Units ("PSU")—Our MTI is designed to link the interests of senior management with the interests of shareholders by tying incentives to measurable corporate performance. The MTI awards provide payouts based on our return on assets and cost improvements over a three-calendar year performance period. Subject to customary accelerated vesting or forfeiture in the event of certain termination events, the awards will vest on the date following the end of the applicable performance period on which the Compensation Committee of the Supervisory Board certifies the performance results and will be paid by 31 March following the end of the applicable performance period. For grants made in 2012 and 2013, eligible employees other than executive officers could elect to receive share-based awards and executive officers were only eligible for the share-based awards. Beginning in 2014, all new awards under the program are share-based awards and are no longer elective. These awards are the same as the share-based QPA but are termed PSU. Shares issued in satisfaction of MTI awards are issued through QPA granted under our 2012 Amended and Restated Long-Term Incentive Plan, which was approved by shareholders at our 2012 Annual Meeting. Awards under the MTI are accounted for as a liability and classified in Accruals and deferred income on the Consolidated Statement of Financial Position. We recorded compensation expense for cash MTI awards of $9 million and $17 million for the years ended 31 December 2014 and 2013, respectively, based on the expected achievement of performance results.

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

Employee Stock Purchase Plan

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

9 Remuneration of the Management Board and Supervisory Board Members

Management Board Pay

Thousands U.S. Dollars	Base Salary	Stock Awards (2)	Stock Option Awards (3)	Non-equity Incentive Plan Compensation	Change in Pension Value (4)	All Other Compensation (5)(6)	Total (1)(6)
2014							
Chief Executive Officer							
Bhavesh (Bob) V. Patel	$ 609	$ 375	$ 75	$ 1,054	$ 14	$ 1,194	$ 3,321
James L. Gallogly [A]	1,594	5,209	3,146	3,191	16	37	13,193
Executive Vice Presidents							
Karyn F. Ovelmen	766	1,371	457	885	13	93	3,585
Craig B. Glidden [B]	657	352	- -	1,185	16	74	2,284
Timothy D. Roberts	609	788	262	924	14	52	2,649
Patrick D. Quarles	445	- -	- -	634	117	36	1,232
2013							
Chief Executive Officer							
James L. Gallogly [A]	$ 1,500	$ 1,500	$ - -	$ 5,625	$ 14	$ 501	$ 9,140

[A] *Retired on 12 January 2015*

[B] *Retired on 28 February 2015*

(1) Information is based on a full year compensation. Total expense recognized in the Consolidated Financial Statements was $25.6 million and $22.9 million in 2014 and 2013, respectively.

(2) For 2014, the stock awards include restricted stock units (RSUs) and performance share units (PSUs) for all executives other than Mr. Glidden and Mr. Quarles, who did not receive an RSU award in 2014. The RSUs granted under the LyondellBasell Long Term Incentive Plan (the "LTI"), entitle the recipient to an equal number of shares upon vesting. RSUs receive dividend equivalents. Amounts included in the table are the aggregate grant date fair values of the awards calculated in accordance with IFRS 2, *Share Based Payments* ("IFRS 2"). The PSUs are also granted under the LTI. The PSUs entitle the recipient to a number of shares equal to the granted share units, multiplied by an earned percentage, which can range from 0 – 200% of the targeted number of units. The 2013 stock award consisted of PSUs, which were formerly referred to as a qualified performance award.

(3) For 2014, the amounts of the stock option awards are the fair value on the date of grant, calculated in accordance with IFRS 2. The fair values of stock options were estimated using the Black-Scholes option-pricing model. We use the Black-Scholes formula to calculate an assumed value of the options for compensation expense purposes; because the formula uses assumptions, the fair values calculated are not necessarily indicative of the actual values of the stock options. The assumptions used for the grants to Mr. Gallogly were: a dividend yield of 3%; a risk-free interest rate of 1.828%; an expected life of 6 years; and a stock price volatility of 48%.The assumptions used for all other

grants were: a dividend yield of 3%; a risk-free interest rate of 1.862%; an expected life of 6 years; and a stock price volatility of 49%. For 2013, no stock options were granted to Mr. Gallogly, the sole member of the Management Board in 2013.

(4) All individuals have a cash balance accrual under the LyondellBasell Retirement Plan. Mr. Quarles also has a frozen benefit under a predecessor plan in addition to his cash balance accrual. The change in pension value for each individual includes the change in present value of the accrued benefits under LyondellBasell's Retirement Plan. Mr. Quarles' amount also includes the change in present value of his frozen benefits under the predecessor plan

(5) For 2014, amounts included in "All Other Compensation" in the table above include the following:

(A) Matching 401(k) contributions in 2014 for Gallogly, Ovelmen, Glidden, Patel, Roberts and Quarles of $15,600, $15,067, $15,419, $18,013, $14,024 and $15,605, respectively, which may include "true-up" matches for 2013 contributions.

(B) Company 401(k) and pension plan contributions under the restoration feature of the Deferral Plan in 2014 for Ovelmen, Glidden, Patel, Roberts and Quarles of $55,630, $43,691, $38,390, $38,385 and $20,403, respectively. Mr. Gallogly did not receive the Company contribution as he was not employed as of February 15, 2015, as required under the Deferral Plan.

(C) Payments to each of Mr. Gallogly, Ms. Ovelmen and Mr. Glidden of $15,000 for use in financial and tax planning services.

(D) Expatriate payments and benefits to Mr. Patel of $1,137,494. The Company from time to time makes "expatriate payments" for certain of its executives when they are asked to relocate to other jurisdictions. These payments, which include primarily housing, transportation and cost-of-living allowances, are intended to ensure that the executive does not suffer losses from his intended targeted compensation as a result of the relocation to another jurisdiction. Also included in the Company's expatriate package is a tax equalization component, pursuant to which the Company pays foreign income taxes for the expatriated executive so that his ultimate actual personal tax liability will be equal to his "stay at home" tax liability with respect to his compensation. In 2014, expatriate payments to Mr. Patel included $94,085 for housing costs; $25,587 for transportation costs; a cost-of-living allowance of $57,160; an expatriate premium of $45,479; school tuition costs of $56,694; and a home-leave allowance of $20,566. In addition to the expatriate benefits described, we paid $837,923 in tax equalization and gross-up payments as part of the expatriate package.

(E) Reimbursements and tax gross-up payments of $4,278 and $3,092, respectively for Ms. Ovelmen. The reimbursement was for state taxes owed by Ms. Ovelmen to the State of New York for LyondellBasell work performed in that state in 2013 and the tax-gross-up payment was to offset the increased tax liability to her as a result of the reimbursement. Ms. Ovelmen is resident in the State of Texas, which has no state income tax. Therefore, the income tax liability she incurred to the State of New York for travelling there on Company business was not able to be offset against their home state taxes. The Compensation Committee made the determination that she should not be financially penalized as a result of taxation by the State of New York on non-residents in determining to make these reimbursements and gross-up payments.

(6) For 2013, amounts include a Company matching contribution under the 401(k) plan of $15 thousand; matching 401(k) contribution and pension plan contributions under the restoration feature of the Deferral Plan of $137 thousand; $15 thousand for financial planning; and New York State income tax reimbursement and gross-up amounts of $334 thousand.

Equity Compensation of the Management Board Members

The following table shows the Management Boards' equity compensation activity during 2014:

	Stock Options (1)	**Restricted Stock Units (RSUs)** (2)	**Performance Share Units (PSUs)** (3)	**Qualified Performance Awards (QPAs)** (4)
Bhavesh V. Patel				
Outstanding at 1 January 2014	58,532	102,288	- -	6,232
Granted	2,418	875	3,497	- -
Vested/Exercised	58,532	2,978	- -	3,595
Outstanding at 31 December 2014	2,418	100,185	3,497	2,637

	Stock Options (1)	Restricted Stock Units (RSUs) (2)	Performance Share Units (PSUs) (3)	Qualified Performance Awards (QPAs) (4)
James L. Gallogly[A]				
Outstanding at 1 January 2014	4,011,216	57,381	- -	60,616
Granted	92,025	32,581	21,358	- -
Vested/Exercised	500,000	57,381	- -	35,826
Outstanding at 31 December 2014	3,603,241	32,581	21,358	24,790
Karyn F. Ovelmen				
Outstanding at 1 January 2014	133,673	28,667	- -	17,182
Granted	14,735	5,328	10,655	- -
Vested/Exercised	- -	1,922	- -	10,032
Outstanding at 31 December 2014	148,408	32,073	10,655	7,150
Craig B. Glidden[B]				
Outstanding at 1 January 2014	118,888	207,765	- -	13,344
Granted	- -	- -	4,099	- -
Vested/Exercised	79,879	6,049	- -	7,729
Outstanding at 31 December 2014	39,009	201,716	4,099	5,615
Timothy D. Roberts				
Outstanding at 1 January 2014	36,834	12,103	- -	6,510
Granted	8,463	3,060	6,119	- -
Vested/Exercised	12,637	673	- -	3,763
Outstanding at 31 December 2014	32,660	14,490	6,119	2,747
Patrick D. Quarles				
Outstanding at 1 January 2014	60,144	105,105	- -	4,707
Granted	- -	- -	1,502	- -
Vested/Exercised	60,144	3,060	- -	2,659
Outstanding at 31 December 2014	- -	102,045	1,502	2,048

[A] Retired on 12 January 2015

[B] Retired on 28 February 2015

(1) The stock options exercised by the Management Board members are as follows:

(A) Bhavesh V. Patel exercised 58,532 stock options during the year in three separate transactions as follows: 17,560 exercised at $98.76; 20,486 exercised at $102.00; and 20,486 exercised at $105.00. The exercises were all made pursuant to a pre-established 10b5-1 trading plan. Of the 2,418 options outstanding, 0 are currently vested. These unvested options will vest in equal installments on 20 February 2015, 2016 and 2017 and have an exercise price of $85.80. All stock options expire on 20 February 2024.

(B) James L. Gallogly exercised 500,000 stock options during the year in six separate transactions as follows: 83,333 exercised at $88.79; 83,333 exercised at $95.07; 83,334 exercised at $100.10; 83,334 exercised at $98.54; 83,333 exercised at $107.42; and 83,333 exercised at $114.19. The exercises were all made pursuant to a pre-established 10b5-1 trading plan. Of the 3,603,241 options outstanding, 3,511,216 are currently vested. Of these, 1,127,804 have an exercise price of $17.61 and 2,383,412 have an exercise price of $13.11. Of the remaining 92,025 options, 37,576 options will vest on 12 January 2015 and 54,449 options will be forfeited. Vested options from 30 April 2010 grants will expire on 30 April 2017 and vested options from 14 May 2014 grants will expire 12 January 2020.

(C) Karyn F. Ovelmen did not exercise any stock options during the year. Of the 148,408 options outstanding, 88,977 are currently vested. Of these, 39,782 have an exercise price of $23.74; 35,794 have an exercise price of $44.00 and 13,401 have an exercise price of $60.51. The remaining 59,431 options will vest as follows: 17,896 will vest on 28 February 2015 with an exercise price of $44.00; 26,800 will vest in equal installments on 12 February 2015 and 2016 and have an exercise price of $60.51; and 14,735 will vest in equal installments on 20 February 2015, 2016 and 2017 and have an exercise price of $85.80. Stock options expire as follows: 39,782 expire on 17 October 2021; 53,690 expire on 28 February 2022; 40,201 expire on 12 February 2023; and 14,735 expire on 20 February 2024.

(D) Craig B. Glidden exercised 79,879 stock options during the year in 6 separate transactions as follows: 14,861 exercised at $95.00; 13,003 exercised at $99.64; 13,004 exercised at $97.81; 13,004 exercised at $106.48; 13,004 exercised at $114.19; 13,003 exercised at $105.47. The exercises were all made pursuant to a pre-established 10b5-1 trading plan. Of the 39,009 options outstanding, all are currently vested with an exercise price of $13.11. All stock options expire on 28 February 2020.

(E) Timothy D. Roberts exercised 12,637 stock options during the year in two separate transactions as follows: 7,152 exercised at $93.66; 5,485 exercised at $93.66. Of the 32,660 options outstanding, 6,075 are currently vested with an exercise price of $37.20. The remaining 26,585 options will vest as follows: 7,152 will vest on 28 February 2015 with an exercise price of $44.00; 10,970 will vest in equal installments on 12 February 2015 and 2016 and will have an exercise price of $60.51; and 8,463 will vest in equal installments on 20 February 2015, 2016 and 2017 with an exercise price of $85.80. Stock options expire as follows: 6,075 expire on 2 June 2021; 7,152 expire on 28 February 2022; 10,970 expire on 12 February 2023; 8,463 expire on 20 February 2024.

(F) Patrick D. Quarles exercised 60,144 stock options during the year in a single transaction at $105.00.

(2) The vesting dates of the RSUs are as follows:

Name	Vesting Dates of RSUs
B. Patel	99,310 vest 30 April 2015 and 875 vest 20 February 2017
J. Gallogly	7,254 vest on 12 January 2015 and 25,327 will be forfeited
K. Ovelmen	910 vest 28 February 2015; 8,676 vest 17 October 2016; 5,328 vest 20 February 2017; 9,811 vest 28 February 2017; and 7,348 vest 12 February 2018
C. Glidden	194,993 vest on 28 February 2015 and 6,723 will be forfeited
T. Roberts	364 vest 28 February 2015; 4,137 vest 2 June 2016; 3,060 vest 20 February 2017; 3,921 vest 28 February 2017; and 3,008 vest 12 February 2018
P. Quarles	102,045 vest 30 April 2015

(3) The QPAs and PSUs represent qualified performance awards and performance share units with three-year performance period ending 31 December 2015 and 31 December 2016, respectively. We have assumed target performance criteria and target payout will be achieved for QPAs and PSUs. Payouts on QPAs and PSUs are made after the Company's financial results of operations for the entire performance period are reported and the Compensation Committee determines achievement of performance results and corresponding vesting, typically in mid to late February of the succeeding year. The QPAs for the performance period ended on 31 December 2014 are not included in the table as they are considered earned as of 31 December 2014 for disclosure purposes. The qualified performance awards and performance share units in the table include the following:

Three-Year Performance for the period ending 31 December

	QPAs 2015	PSUs 2016
Bhavesh V. Patel	2,637	3,497
James L. Gallogly	17,216	7,347
Karyn F. Ovelmen	7,150	10,655
Craig B. Glidden	4,056	1,595
Timothy D. Roberts	2,747	6,119
Patrick D. Quarles	2,048	1,502

Supervisory Board Pay—The members of our Supervisory Board receive equity and cash compensation for their service on the Supervisory Board and its committees. The Supervisory Directors' compensation is designed to provide a competitive package that will enable the Company to attract and retain highly skilled individuals with relevant experience.

Members of the Supervisory Board received grants of restricted stock units and cash retainers and fees. The Supervisory Board has determined that equity grants are appropriate to its members because they ensure the members' interests are aligned with other shareholders. The Supervisory Board compensation program effective as of April 2014 is set forth below.

Annual retainer:	
Cash	$115,000 ($215,000 for Chairman of the Board)
Restricted stock units	Valued at $170,000 ($310,000 for Chairman of the Board)
Committee retainer:	
Members	$10,000 ($15,000 for Audit Committee)
Chairmen	$20,000 ($27,500 for Audit and Compensation Chair)
Travel fees	$5,000 for each intercontinental round trip

Actual amounts earned by or paid to Supervisory Directors in 2014 and 2013 are in the following table below:

	2014				2013			
Thousands of U.S. Dollars	Fees Earned or Paid in Cash (1)	Stock Awards (2) (3)	All Other Compen-sation (1) (4) (5) (6)	Total	Fees Earned or Paid in Cash (1)	Stock Awards (2) (3)	All Other Compen-sation (1) (4) (5)	Total
Robert G. Gwin								
Chairman of the Board	$ 188	$ 310	$ 30	$ 528	$ 137	$ 152	$ 2	$ 291
Jacques Aigrain	146	170	13	329	113	135	2	250
Jagjeet S. Bindra	141	170	35	346	132	135	2	269
Robin W. T. Buchanan	108	170	14	292	95	135	2	232
Milton Carroll	128	170	15	313	129	135	2	266
Stephen F. Cooper	108	170	20	298	110	135	2	247
Nance K. Dicciani	132	170	23	325	44	94	- -	138
Claire S. Farley	113	204	18	335	- -	- -	- -	- -
Bella D. Goren	117	203	19	339	- -	- -	- -	- -
Bruce A. Smith	143	170	20	333	125	135	2	262
Rudy M. J. van der Meer	136	170	9	315	120	135	- -	255

2014

(1) Includes cash retainers for services and travel fees earned or paid through 31 December 2014 and 2013.

(2) For 2014, represents 1,899 RSUs for all Supervisory Directors, other than Mr. Gwin, Ms. Farley and Ms. Goren. Mr. Gwin received 3,462 RSUs as his compensation as Chairman of the Supervisory Board. Ms. Farley and Ms. Goren received grants of 393 RSUs as pro-rated payment of the Supervisory Director grant that vested in May 2014 when they joined the Supervisory Board in February 2014 in addition to the 2014 annual grant of the 1,899 RSUs. For 2013, represents 2,075 restricted stock units for all directors, other than: (i) Mr. Gwin, whose amount represents 2,075 restricted stock units and an additional 246 restricted stock units he was granted when he became Chairman of the Board; (ii) Mr. Schlanger, who received 2,459 restricted stock units for his role as Chairman of the Supervisory Board until September 2013; and (iii) Ms. Dicciani, who received 1,326 restricted stock units as pro-rated payment based on her joining the Supervisory Board in September 2013.

(3) The aggregate number of restricted stock units outstanding at fiscal year-end 2014 includes:

Robert G. Gwin, Chairman	6,829
Jacques Aigrain	1,899
Jagjeet S. Bindra	1,899
Robin W. T. Buchanan	5,266
Milton Carroll	1,899
Stephen F. Cooper.	5,266
Nance K. Dicciani.	1,899
Claire S. Farley	1,899
Bella D. Goren	1,899
Bruce A. Smith	1,899
Rudy M. J. van der Meer	1,899

The RSUs disclosed above vest as follows: 1) Mr. Gwin – 3,367 vest on 30 June 2015 and 3,462 vest on 15 April 2015; 2) Mr. Aigrain – 1,899 vest on 15 April 2015; 3) Mr. Bindra – 1,899 vest on 15 April 2015; 4) Mr. Buchanan – 3,367 vest on 30 June 2015 and 1,899 vest on 15 April 2015; 5) Mr. Carroll – 1,899 vest on 15 April 2015; 6) Mr. Cooper –3,367 vest on 30 June 2015 and 1,899 vest on 15 April 2015; 7) Ms. Dicciani – 1,899 vest on 15 April 2015; 8) Ms. Farley – 1,899 vest on 15 April 2015; 9) Ms. Goren – 1,899 vest on 15 April 2015; 10) Mr. Smith – 1,899 vest on 15 April 2015; and 11) Mr. van der Meer – 1,899 vest on 15 April 2015.

(4) For 2014, includes benefits in kind related to tax preparation and advice related to the Supervisory Directors' UK and Dutch tax returns and payments. The Company provides these services, through a third party, to the Supervisory Director because of our unique incorporation and tax domicile situation. The amounts included for each Supervisory Director include $4,832 for each of Mr. Gwin, Mr. Bindra, Mr. Carroll and Mr. Smith; $4,187 for Ms. Goren; $3,435 for Ms. Farley; $1,594 for each of Messrs. Aigrain and Buchanan; and $3,237 for each of Ms. Dicciani and Mr. Van der Meer. As of the date of this proxy statement, no amounts have been invoiced for services rendered to Mr. Cooper. For 2013, includes $2,008 of imputed income for each director other than Mr. van der Meer and Ms. Dicciani for professional services related to tax filings.

(5) The terms of the restricted stock unit awards granted to directors entitle them to dividend equivalent payments when and if dividends are paid on the Company's shares generally. Therefore, directors holding restricted stock units received dividend equivalent payments in 2014 and in 2013. The dividend equivalent payments are not included in the table above. In 2014, these payments included $14,808 to Messrs. Carroll and Bindra; $15,776 to Messrs. Cooper and Buchanan; $4,499 to Ms. Goren and Ms. Farley; $11,059 to Mr. van der Meer; $6,685 to Mr. Smith; $10,434 to Mr. Aigrain; $19,378 to Mr. Gwin; and $5,712 to Ms. Dicciani. In 2013, these payments included $15,816 to Messrs. Carroll, Bindra and van der Meer; $10,054 to Messrs. Cooper and Buchanan; $4,821 to Mr. Schlanger; $9,847 to Mr. Harris; $12,685 to Mr. Kleinman; $13,930 to Mr. Smith; $8,943 to Mr. Aigrain; $10,324 to Mr. Gwin; and $1,459 to Ms. Dicciani.

(6) Includes $1,497 and $2,332 for Messrs. Aigrain and Buchanan, respectively, as compensation for additional expenses they incurred as a result of the Company's tax residency in the United Kingdom.

10 Finance Costs

Millions of U.S. Dollars	Note	2014	2013
Interest expense on borrowings		$ 352	$ 303
Provisions for unwinding of discount	28	3	4
Foreign exchange (gain) loss from borrowings and cash		70	(45)
Total finance costs		$ 425	$ 262

11 Income Tax Expense

LyondellBasell N.V. moved its tax residence from The Netherlands, where LyondellBasell N.V. is incorporated, to the United Kingdom effective as of 1 July 2013 pursuant to a mutual agreement procedure determination ruling between the Dutch and United Kingdom competent authorities. Pursuant to this ruling, LyondellBasell N.V. is treated solely as a tax resident in the United Kingdom and is subject to the United Kingdom corporate income tax system. As a result of the United Kingdom tax residence, dividend distributions by LyondellBasell N.V. to its shareholders are not subject to withholding tax, as the United Kingdom currently does not levy a withholding tax on dividend distributions.

We, through our subsidiaries, have substantial operations world-wide and in recent years have earned significant income in the United States. Taxes are primarily paid on the earnings generated in various jurisdictions, including the United States, The Netherlands, Germany, Italy and other countries. LyondellBasell N.V. has little or no taxable income of its own because, as a holding company, it does not conduct any operations. Instead, the subsidiaries through which we operate incur tax obligations in the jurisdictions in which they operate. Our provision for income taxes as reported in our Consolidated Statements of Income for the year ended 31 December 2014 of $1.4 billion consists almost entirely of the income taxes owed by the subsidiaries of LyondellBasell N.V.

We monitor income tax legislative developments in countries where we are tax resident. Management does not believe that recent changes in income tax laws in our tax resident countries will have a material impact on our consolidated financial statements.

Millions of U.S. Dollars	Note	2014	2013
Current tax on profits for the year		$ 1,347	$ 1,169
Deferred tax - origination and reversal of temporary difference	25	72	(101)
Income tax expense		$ 1,419	$ 1,068

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

Millions of U.S. Dollars	**2014**	**2013**
Profit before tax	$ 5,350	$ 4,848
Tax calculated at domestic tax rates applicable to profits in the respective countries	1,814	1,655
Tax effects of:		
Non-taxable income	(238)	(76)
Tax losses for which no deferred income tax asset was previously recognized	3	(345)
U.S. manufacturing deduction	(106)	(96)
Other	(54)	(70)
Tax charge	$ 1,419	$ 1,068

The weighted average applicable tax rates for 2014 and 2013 were 33.9% and 34.1%, respectively. The decrease was primarily attributable to the change in the geographical mix of income. Our effective income tax rate of 26.5% in 2014 and 22.0% in 2013 resulted in tax provisions of $1,419 million and $1,068 million, respectively. The 2014 weighted average applicable tax rate decreased primarily due to the recognition of deferred tax assets in France. Compared to 2013 the 2014 effective income tax rate increased primarily due to the recognition of deferred tax assets in 2013 in France and other jurisdictions (in total $ 345 million), offset by an increase in exempted income in 2014. The 2013 effect on the effective tax rate of the recognition of deferred tax assets was approximately 7%.

Management's decision to recognize the deferred tax assets for France is based on positive evidence from French operations, including cumulative book pre-tax income for the prior three years (2011 – 2013), taxable income for 2013 before utilization of tax loss carry forwards, and projections of significant pre-tax income and taxable income for future years. We continue to carry forward unrecognized deferred tax assets of $29 million for pre-acquisition French tax losses for which the Company does not expect to realize a future benefit on due to limitations imposed by French tax law.

Current and deferred taxes related to items charged or (credited) directly to other comprehensive income during the period are as follows:

Millions of U.S. Dollars	**2014**	**2013**
Current tax:		
Retirement benefit obligation	$ (15)	$ --
Deferred tax:		
Retirement benefit obligation	(133)	167
Currency translation differences	--	(4)
Other	(3)	--
	$ (151)	$ 163

Current and deferred taxes credited directly to equity are as follows:

Millions of U.S. Dollars	Note	2014	2013
Current tax		$ (33)	$ (38)
Deferred tax:			
Share base payments	25	5	(25)
Other			
		$ (28)	$ (63)

12 Earnings Per Share

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

Millions, except per share data	2014	2013
Profit attributable to LyondellBasell N.V.	$ 3,937	$ 3,784
Profit attributable to participating securities	(12)	(11)
Profit attributable to equity holders of the Company	3,925	3,773
Basic weighted average common stock outstanding	518	566
Basic earnings per share	$ 7.57	$ 6.67

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

Millions, except per share data	2014	2013
Profit attributable to LyondellBasell N.V.	$ 3,937	$ 3,784
Profit attributable to participating securities	(12)	(11)
Profit attributable to equity holders of the Company	3,925	3,773
Basic weighted average common stock outstanding	518	566
Effect of dilutive securities:		
MTI, QPA and PSU awards	- -	1
Stock options	3	3
Dilutive potential shares	521	570
Diluted earnings per share	$ 7.53	$ 6.62
Participating securities	1.4	1.7
Interim dividend per share of common stock	$ 2.70	$ 2.00

13 Intangible Assets

Millions of U.S. Dollars	**Research and Development**	**Goodwill**	**Emission Allowances**	**Favorable Contracts and Other Intangibles**	**Total**
Balance at 1 January 2013	$ 119	$ 333	$ 535	$ 415	$ 1,402
Additions	8	- -	- -	- -	8
Transfers	10	- -	- -	(10)	- -
Amortization	(11)	- -	(68)	(58)	(137)
Impairment	(6)	- -	- -	(4)	(10)
Exchange differences	5	4	- -	3	12
At 31 December 2013	$ 125	$ 337	$ 467	$ 346	$ 1,275
At 31 December 2013					
Cost	$ 168	$ 337	$ 730	$ 673	$ 1,908
Accumulated amortization and impairment	(43)	- -	(263)	(327)	(633)
Closing balance	$ 125	$ 337	$ 467	$ 346	$ 1,275
Balance at 1 January 2014	$ 125	$ 337	$ 467	$ 346	$ 1,275
Additions	5	- -	5	1	11
Amortization	(11)	- -	(69)	(46)	(126)
Impairment	(1)	- -	(2)	- -	(3)
Exchange differences	(12)	(10)	(1)	(5)	(28)
At 31 December 2014	$ 106	$ 327	$ 400	$ 296	$ 1,129
At 31 December 2014					
Cost	$ 154	$ 327	$ 730	$ 649	$ 1,860
Accumulated amortization and impairment	(48)	- -	(330)	(353)	(731)
Closing balance	$ 106	$ 327	$ 400	$ 296	$ 1,129

Research and development—The carrying amounts of research and development with indefinite useful lives at 31 December 2014 and 2013 were $26 million and $23 million, respectively. Projects determined to be in a development stage are not amortized. Amortization expense would normally be recorded as part of Cost of sales. Research and development expenditures recognized as expense for 2014 and 2013 were $107 million and $121 million, respectively.

Goodwill—Goodwill is allocated and monitored by management into the following groups of cash generating units ("CGU"):

Millions of U.S. Dollars	**2014**	**2013**
Intermediates and Derivatives	$ 187	$ 196
Olefins and Polyolefins - Americas	131	131
Technology	9	10
Total	$ 327	$ 337

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on management approved financial budgets covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates described in the "Growth rate estimates" section below. Based on this analysis, the fair value of each of our reporting units was substantially in excess of their carrying value. Accordingly, no goodwill impairment was recognized in 2014 or 2013.

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

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

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

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

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

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

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

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

	2014		2013	
	Pre-tax Discount Rate	**Growth Rate**	**Pre-tax Discount Rate**	**Growth Rate**
Intermediates and Derivatives	13%	2%	12%	2%
Olefins and Polyolefins - Americas	16%	2%	15%	3%
Technology	20%	3%	15%	3%

14 Property, Plant and Equipment

Millions of U.S. Dollars	Land	Building and Equipment	Assets Under Construction	PO Assets	Other	Total
Balance at 1 January 2013	$ 310	$ 6,393	$ 985	$ 397	$ 4	$ 8,089
Additions	- -	34	1,531	23	- -	1,588
Transfers	7	1,534	(1,564)	27	(4)	- -
Disposals	(6)	(55)	- -	- -	- -	(61)
Depreciation	- -	(828)	- -	(32)	- -	(860)
Exchange differences	9	112	10	6	- -	137
At 31 December 2013	$ 320	$ 7,190	$ 962	$ 421	$ - -	$ 8,893
At 31 December 2013						
Cost	320	9,825	1,014	528	11	11,698
Accumulated amortization and impairment	- -	(2,635)	(52)	(107)	(11)	(2,805)
Closing balance	$ 320	$ 7,190	$ 962	$ 421	$ - -	$ 8,893
Balance at 1 January 2014	$ 320	$ 7,190	$ 962	$ 421	$ - -	$ 8,893
Additions	- -	48	1,542	1	- -	1,591
Transfers	- -	1,307	(1,316)	9	- -	- -
Disposals	- -	(12)	- -	- -	- -	(12)
Depreciation	- -	(863)	- -	(29)	- -	(892)
Impairment	- -	- -	(11)	- -	- -	(11)
Exchange differences	(23)	(328)	(34)	(18)	- -	(403)
At 31 December 2014	$ 297	$ 7,342	$ 1,143	$ 384	$ - -	$ 9,166
At 31 December 2014						
Cost	297	10,768	1,206	520	- -	12,791
Accumulated amortization and impairment	- -	(3,426)	(63)	(136)	- -	(3,625)
Closing balance	$ 297	$ 7,342	$ 1,143	$ 384	$ - -	$ 9,166

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

Millions of U.S. Dollars	2014	2013
Cost of sales	$ 1,019	$ 992
Selling costs	1	1
Administrative expenses	12	14
Total	$ 1,032	$ 1,007

PO Assets—We, together with Bayer AG and Bayer Corporation (collectively "Bayer"), share ownership in a U.S. propylene oxide ("PO") manufacturing plant (the "U.S. PO assets"). The U.S. PO assets consist of a PO/styrene monomer ("SM" or "styrene") and a PO tertiary butyl alcohol ("TBA") manufacturing facility. Bayer's ownership interest represents an undivided interest in certain U.S. PO assets with correlative PO capacity reservation that resulted in ownership of annual in-kind cost-based PO production of 1.5 billion pounds in 2014 and 2013. We take in kind the remaining cost-based PO and co-product production.

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

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

We account for both the U.S. PO assets and the European PO assets using the equity method. We report the cost of our product offtake as inventory and equity loss as cost of sales in our Consolidated Financial Statements. Related production cash flows are reported in the operating cash flow section of the Consolidated Statements of Cash Flows.

Our product offtake was 5,878 million and 4,986 million pounds of PO and its co-products for the years ended 31 December 2014 and 2013, respectively.

15 Investments in Associates and Joint Ventures

The Company does not have any joint ventures or associates that are considered individually material. None of the associates and joint ventures is listed on a stock exchange.

Summarized aggregate financial information of the joint ventures and associates are shown below.

The amounts recognized on our Consolidated Statement of Financial Position are as follows:

	31 December	
Millions of U.S. Dollars	**2014**	**2013**
Associates	$ 535	$ 576
Joint ventures	1,143	1,101
	$ 1,678	$ 1,677

The amounts recognized on our Consolidated Statement of Income are as follows:

	31 December	
Millions of U.S. Dollars	**2014**	**2013**
Associates	$ 73	$ 52
Joint ventures	184	151
	$ 257	$ 203

Associates

The changes in our Associates investments are as follows:

	31 December	
Millions of U.S. Dollars	**2014**	**2013**
Opening balance	$ 576	$ 536
Share in profit of associates, net of tax	73	62
Impairment	- -	(10)
	73	52
Dividends received	(51)	(38)
Divestitures	- -	(18)
Currency exchange differences	(63)	9
Other	- -	35
Closing balance	$ 535	$ 576

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

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

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

Summarized balance sheet information of associates are as follows:

	31 December	
Millions of U.S. Dollars	**2014**	**2013**
Current assets	$ 832	$ 666
Noncurrent assets	1,012	997
Total assets	1,844	1,663
Current liabilities	536	389
Noncurrent liabilities	302	297
Net assets	$ 1,006	$ 977

Summarized income statement information of associates are as follows:

Millions of U.S. Dollars	31 December 2014	31 December 2013
Revenues	$ 3,277	$ 4,288
Cost of sales	(2,936)	(3,996)
Gross profit	341	292
Net operating expenses	(65)	(95)
Operating profit	276	197
Finance income	3	3
Finance costs	(12)	(15)
Foreign currency translation	1	(10)
Other income (expense)	12	15
Profit before income tax	280	190
Income tax expense	(37)	(17)
Profit for the year	$ 243	$ 173

Joint Ventures

The changes in our Joint Venture investments are as follows:

Millions of U.S. Dollars	31 December 2014	31 December 2013
Opening balance	$ 1,101	$ 1,089
Share in profit of joint ventures, net of tax	184	151
	184	151
Dividends received	(105)	(148)
Currency exchange differences	(37)	9
Closing balance	$ 1,143	$ 1,101

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

Summarized balance sheet information of joint ventures are as follows:

Millions of U.S. Dollars	31 December 2014	31 December 2013
Current assets	$ 2,237	$ 2,383
Noncurrent assets	4,286	4,933
Total assets	6,523	7,316
Current liabilities	1,898	1,763
Noncurrent liabilities	1,906	2,069
Net assets	$ 2,719	$ 3,484

Summarized income statement information of joint ventures are as follows:

	31 December	
Millions of U.S. Dollars	**2014**	**2013**
Revenues	$ 6,547	$ 6,729
Cost of sales	(5,430)	(5,530)
Gross profit	1,117	1,199
Net operating expenses	(155)	(151)
Operating profit	962	1,048
Finance income	3	2
Finance costs	(71)	(82)
Foreign currency translation	(14)	8
Other income (expense)	15	10
Profit before income tax	895	986
Income tax expense	(192)	(212)
Profit for the year	$ 703	$ 774

Principal Subsidiaries

Information about principal subsidiaries at 31 December 2014 is set out in Appendix A.

16 Financial Assets and Liabilities by Category

Millions of U.S. Dollars	2014 Loans and Receivables	2014 Assets Held at Fair Value	2014 Derivatives Used for Hedging	2014 Total	2013 Loans and Receivables	2013 Assets Held at Fair Value	2013 Derivatives Used for Hedging	2013 Total
Financial assets at 31 December								
Trade and other receivables, excluding prepayments	$ 4,059	$ - -	$ - -	$ 4,059	$ 4,666	$ 14	$ - -	$ 4,680
Derivative financial instruments	- -	40	16	56	- -	4	- -	4
Available for sale investments	- -	1,593	- -	1,593	- -	- -	- -	- -
Cash and cash equivalents	1,031	- -	- -	1,031	4,450	- -	- -	4,450
Total	$ 5,090	$ 1,633	$ 16	$ 6,739	$ 9,116	$ 18	$ - -	$ 9,134

	2014 Other Financial Liabilities at Amortized Cost	2014 Liabilities at Fair Value through Profit and Loss	2014 Total	2013 Other Financial Liabilities at Amortized Cost	2013 Liabilities at Fair Value through Profit and Loss	2013 Total
Financial liabilities at 31 December						
Borrowings	$ 7,045	$ - -	$ 7,045	$ 5,768	$ - -	$ 5,768
Derivative financial instruments	- -	35	35	- -	26	26
Trade and other payables	4,321	36	4,357	4,725	14	4,739
Total	$ 11,366	$ 71	$ 11,437	$ 10,493	$ 40	$ 10,533

17 Credit Quality of Financial Assets

Investments in cash and cash equivalents and transactions involving derivative financial instruments are entered into with counterparties that have sound credit ratings and a good reputation. Available-for-sale investments consist of commercial paper, bonds and certificates of deposits with counterparties whose credit rating is investment grade or higher.

We have a global credit risk management policy to minimize credit losses due to non-performance of our customer base. We monitor our exposure to credit risk on an on-going basis through a team of credit professionals stationed in our key global markets. We have continued to manage our customer credit risk very closely by monitoring our aging analysis along with payment and financial performance. Where appropriate, additional security instruments, letters of credit or corporate guarantees, are secured. Due to our global breadth and scale, we do not have a significant concentration of customer risk. Our largest counterparty risk amounted to $115 million and $145 million at 31 December 2014 and 2013, respectively.

18 Derivative Financial Instruments

	31 December			
Millions of U.S. Dollars	**2014**		**2013**	
Assets				
Derivatives				
Designated as hedges:				
Fixed-for-floating interest rate swaps	$	16	$	- -
Not designated as hedges:				
Cross-currency swap		35		- -
Commodities		2		- -
Embedded derivatives		3		3
Foreign currency		- -		1
Non-derivatives:				
Available-for-sale securities		1,593		- -
Total	$	1,649	$	4
Liabilities				
Derivatives				
Not designated as hedges:				
Commodities	$	1	$	4
Foreign currency		13		- -
Warrants		- -		1
Written put option		21		21
Non-derivatives:				
Performance share awards		36		14
Total	$	71	$	40

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

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

19 Inventories

Millions of U.S. Dollars	**31 December 2014**	**31 December 2013**
Finished goods	$ 2,417	$ 2,948
Parts and materials	473	459
Raw materials and supplies	1,097	1,590
Total inventories	$ 3,987	$ 4,997

Cost of inventories of $39,313 million and $38,152 million in 2014 and 2013, respectively, has been recognized as expense and included in Cost of sales.

20 Trade and Other Receivables

Millions of U.S. Dollars	**31 December 2014**	**31 December 2013**
Trade receivables	$ 3,255	$ 3,872
Trade receivables on related parties	222	202
Less: provision for impairment of trade receivables	(28)	(44)
Trade receivables, net	3,449	4,030
Social security and other taxes	92	368
Prepaid expenses	309	235
Repurchase agreements	350	--
Other	168	282
Total	4,368	4,915
Less: non-current portion	(70)	(167)
Current portion	$ 4,298	$ 4,748

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

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

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

Millions of U.S. Dollars	**2014**	**2013**
Amounts undue	$ 3,264	$ 3,791
Past due 0-90 days	156	219
Past due 91-180 days	29	20
	$ 3,449	$ 4,030

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

Millions of U.S. Dollars	**2014**		**2013**	
	Gross	**Provision**	**Gross**	**Provision**
Amounts undue	$ - -	$ - -	$ - -	$ - -
Past due 0-90 days	- -	- -	- -	- -
Past due 91-180 days	28	28	44	44
	$ 28	$ 28	$ 44	$ 44

At 31 December 2014 and 2013, trade receivables of an initial value of $ 28 million and $ 44 million, respectively, were impaired and fully provided for. The movement in the provision for doubtful accounts is as follows:

Millions of U.S. Dollars	**2014**	**2013**
Balance, 1 January	$ 44	$ 28
(Write off) additions, net	(16)	16
Balance, 31 December	$ 28	$ 44

In 2014, we wrote off approximately $10 million of Accounts receivables reserved in prior periods.

Trade receivables secured by letters of credit were $126 million and $216 million at 31 December 2014 and 2013, respectively. The carrying amounts of trade and other receivables are denominated in the following currencies at 31 December:

Millions of U.S. Dollars	**2014**	**2013**
USD	$ 2,645	$ 2,588
EUR	1,369	1,945
Other	354	382
	$ 4,368	$ 4,915

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

21 Cash and Cash Equivalents

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

Millions of U.S. Dollars	**2014**	**2013**
Cash at bank and on hand	$ 951	$ 2,394
Short-term deposits	80	2,056
	$ 1,031	$ 4,450

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

22 Equity Attributable to the Owners of the Company

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

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

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

Millions of U.S. Dollars	Dividend Per Ordinary Share	Aggregate Dividends Paid	Date of Record
For the year 2014:			
March	$ 0.60	$ 327	3 March 2014
May	0.70	370	28 April 2014
September	0.70	358	25 August 2014
December	0.70	348	24 November 2014
	$ 2.70	$ 1,403	
For the year 2013:			
March	$ 0.40	$ 229	25 February 2013
June	0.50	288	3 June 2013
September	0.50	280	23 September 2013
December	0.60	330	25 November 2013
	$ 2.00	$ 1,127	

Shares Repurchase Programs—In May 2013, our Supervisory Board announced a share repurchase program ("May 2013 Share Repurchase Program"), under which we could repurchase up to 10% of our outstanding ordinary shares. During the second quarter of 2014, we completed the repurchase of shares authorized under this program. In April 2014, our shareholders approved a proposal to authorize us to repurchase up to an additional 10% of our outstanding ordinary shares through October 2015 ("April 2014 Share Repurchase Program"). These repurchases, which are determined at the discretion of our Management Board, may be executed from time to time through open market or privately negotiated transactions. The repurchased shares are recorded as Treasury stock and may be retired or used for general corporate purposes, including for various employee benefit and compensation plans.

The following table summarizes our share repurchase activity for the periods presented:

	2014		
Millions of U.S. Dollars, except shares and per share amounts	**Shares Repurchased**	**Average Purchase Price**	**Total Purchase Price, Including Commissions**
May 2013 Share Repurchase Program	30,225,236	$ 90.31	$ 2,730
April 2014 Share Repurchase Program	33,070,101	95.08	3,143
	63,295,337	$ 92.80	$ 5,873

	2013		
	Shares Repurchased	**Average Purchase Price**	**Total Purchase Price, Including Commissions**
May 2013 Share Repurchase Program	27,359,002	$ 71.22	$ 1,949

Due to the timing of settlements, total cash paid for share repurchases under the April 2014 Share Repurchase Program was $3,058 million.

Ordinary Shares—The changes in the outstanding number of ordinary and treasury shares are as follows:

	31 December	
	2014	**2013**
Ordinary shares outstanding:		
Beginning balance	548,824,138	575,216,709
Share-based compensation	1,411,837	931,125
Warrants exercised	1,116	7,666
Employee stock purchase plan	27,648	27,640
Purchase of ordinary shares	(63,295,337)	(27,359,002)
Ending balance	486,969,402	548,824,138
Ordinary shares held as Treasury shares:		
Beginning balance	29,607,877	3,206,033
Share-based compensation	(1,411,837)	(931,126)
Warrants exercised	- -	1,608
Employee stock purchase plan	(27,648)	(27,640)
Purchase of ordinary shares	63,295,337	27,359,002
Ending balance	91,463,729	29,607,877
Ordinary shares issued at end of period	578,433,131	578,432,015

23 Non-Controlling Interests

Non-controlling interests primarily represent the interest of unaffiliated investors in a partnership that owns our PO/SM II plant at the Channelview, Texas complex and a subsidiary owning an equity investment in Al-Waha Petrochemicals Ltd.

24 Borrowings

The carrying amounts of the borrowings and the fair value of the non-current borrowings as of 31 December are as follows:

Millions of U.S. Dollars	2014 Carrying Value	2014 Fair Value	2013 Carrying Value	2013 Fair Value
Non-current:				
Senior Notes due 2019, $2,000 million, 5.0%	$ 1,976	$ 2,187	$ 1,980	$ 2,216
Senior Notes due 2021, $1,000 million, 6.0%	988	1,165	987	1,153
Senior Notes due 2024, $1,000 million, 5.75%	989	1,135	988	1,123
Guaranteed Notes due 2044, $1,000 million, 4.875%	978	1,051	- -	- -
Guaranteed Notes due 2023, $750 million, 4.0%	736	765	732	743
Guaranteed Notes due 2043, $750 million, 5.25%	721	815	714	378
Guaranteed Notes due 2027, $300 million, 8.1%	300	405	300	765
Other	7	7	8	4
Total	$ 6,695	$ 7,530	$ 5,709	$ 6,382
Current:				
Other	$ 350	$ 347	$ 59	$ 55
Total borrowings	$ 7,045	$ 7,877	$ 5,768	$ 6,437

The fair values of the senior notes and guaranteed notes are based on data obtained from well-established and recognized vendors of market data for debt valuations. The fair value of the finance payable to investees and the Other equals the carrying amount, as the impact of discounting is not significant.

At 31 December 2014, our 5% Senior Notes due 2019 include a $7 million adjustment related to our fixed-for-floating interest rate swaps, which is recognized in Finance cost in the Consolidated Statement of Income.

The carrying amounts of our borrowings are denominated in the following currencies at 31 December:

Millions of U.S. Dollars	31 December 2014	31 December 2013
USD	$ 7,032	$ 5,754
EUR	7	10
Other	6	4
	$ 7,045	$ 5,768

Aggregate maturities of debt during the next five years are $350 million in 2015, $5 million in 2016, $1 million in 2017, $2,000 million in 2019 and $4,801 million thereafter. There are no scheduled maturities of debt in 2018.

Long-Term Debt

Guaranteed Notes due 2044—In February 2014, LYB International Finance B.V. ("LYB Finance"), a direct, 100% owned finance subsidiary of LyondellBasell Industries N.V., as defined in Rule 3-10(b) of Regulation S-X, issued $1,000 million of 4.875% Notes due 2044 at a discounted price of 98.831%.

These unsecured notes, which are fully and unconditionally guaranteed by LyondellBasell Industries N.V., rank equally in right of payment to all of LYB Finance's existing and future unsecured indebtedness and to all of LyondellBasell's existing and future unsubordinated indebtedness. There are no significant restrictions that would impede the Guarantor from obtaining funds by dividend or loan from its subsidiaries. Subsidiaries are generally prohibited from entering into arrangements that would limit their ability to make dividends to or enter into loans with the Guarantor.

The indenture governing these notes contains limited covenants, including those restricting our ability and the ability of our subsidiaries to incur indebtedness secured by significant property or by capital stock of subsidiaries that own significant property, enter into certain sale and lease-back transactions with respect to any significant property or enter into consolidations, mergers or sales of all or substantially all of our assets.

The notes may be redeemed before the date that is six months prior to the scheduled maturity date at a redemption price equal to the greater of 100% of the principal amount of the notes redeemed and the sum of the present values of the remaining scheduled payments of principal and interest (discounted at the applicable Treasury Yield plus 20 basis points) on the notes to be redeemed. The notes may also be redeemed on or after the date that is six months prior to the final maturity date of the notes at a redemption price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest.

Guaranteed Notes due 2023 and 2043—In July 2013, LYB Finance issued $750 million of 4% Notes due 2023 and $750 million of 5.25% Notes due 2043 at discounted prices of 98.678% and 97.004%, respectively.

These unsecured notes, which are fully and unconditionally guaranteed by LyondellBasell Industries N.V., rank equally in right of payment to all of LYB Finance's existing and future unsecured indebtedness and to all of LyondellBasell's existing and future unsubordinated indebtedness. There are no significant restrictions that would impede the Guarantor from obtaining funds by dividend or loan from its subsidiaries. Subsidiaries are generally prohibited from entering into arrangements that would limit their ability to make dividends to or enter into loans with the Guarantor.

The indenture governing these notes contains limited covenants, including those restricting our ability and the ability of our subsidiaries to incur indebtedness secured by significant property or by capital stock of subsidiaries that own significant property, enter into certain sale and lease-back transactions with respect to any significant property or enter into consolidations, mergers or sales of all or substantially all of our assets.

The notes may be redeemed and repaid, in whole or in part, at any time and from time to time prior to maturity at a redemption price equal to the greater of 100% of the principal amount of the notes redeemed, and the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed. Such interest will be discounted to the date of redemption on a semi-annual basis at the applicable Treasury Yield plus 25 basis points in the case of the 4% Notes due 2023 and plus 30 basis points in the case of the 5.25% Notes due 2043.

Senior Notes due 2019, 2021 and 2024—In April 2012, we issued $2,000 million aggregate principal amount of 5% senior notes due 2019 and $1,000 million aggregate principal amount of 5.75% senior notes due 2024, each at an issue price of 100%. In November 2011, we issued $1,000 million of 6% senior notes due 2021.

The indentures governing the 5%, 5.75% and 6% Senior Notes contain limited covenants, including those restricting the ability of our subsidiaries to incur indebtedness and our ability and the ability of our subsidiaries to incur indebtedness secured by any property or assets, enter into certain sale and lease-back transactions with respect to any assets or enter into consolidations, mergers or sales of all or substantially all of our assets. The covenants contained in the indentures governing the 5%, 5.75% and 6% Senior Notes are different and more restrictive than the covenants contained in the indenture governing the 4% and 5.25% Notes in certain respects.

These notes may be redeemed and repaid, in whole or in part, at any time and from time to time prior to the date that is 90 days prior to the scheduled maturity date of the notes at a redemption price equal to 100% of the principal amount of the notes redeemed plus a premium for each note redeemed equal to the greater of 1.00% of the then outstanding principal amount of the note and the excess of: (a) the present value at such redemption date of (i) the principal amount of the note at maturity plus (ii) all required interest payments due on the note through maturity (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (b) the outstanding principal amount of the note. These notes may also be redeemed, in whole or in part, at any time on or after the date which is 90 days prior to the final maturity date of the notes, at a redemption price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest and additional interest, if any, to, but not including, the applicable redemption date.

Short-Term Debt

Senior Revolving Credit Facility—In June 2014, we amended and restated our revolving credit facility to, among other things, reduce undrawn pricing and extend the term of the facility to June 2019. This facility, which may be used for dollar and euro denominated borrowings, has a $700 million sublimit for dollar and euro denominated letters of credit and supports our commercial paper program. The aggregate balance of outstanding borrowings and letters of credit under the facility may not exceed $2,000 million at any given time. Borrowings under the facility bear interest at a Base Rate or LIBOR, plus an applicable margin. Additional fees are incurred for the average daily unused commitments.

The facility contains customary covenants and warranties, including specified restrictions on indebtedness and liens. In addition, we are required to maintain a leverage ratio at the end of every quarter of 3.50 to 1.00 or less for the period covering the most recent four quarters. We are in compliance with these covenants as of 31 December 2014.

At 31 December 2014, availability under this facility, which backs our $2,000 million commercial paper program discussed below, was $1,712 million. Availability under this facility is reduced by outstanding borrowings, outstanding letters of credit provided under the facility and notes issued under our $2,000 million commercial paper program. There were no outstanding letters of credit and no outstanding borrowings under the facility.

U.S. Receivables Securitization Facility—In September 2012, we entered into a three-year, $1,000 million accounts receivable securitization facility. Pursuant to the facility, certain of our subsidiaries sell or contribute their trade receivables to a wholly-owned, bankruptcy-remote subsidiary on an ongoing basis and without recourse. The bankruptcy-remote subsidiary, which was formed solely to purchase or receive such contributions of receivables from these subsidiaries, may then, at its option and subject to a borrowing base of eligible receivables, sell undivided interests in the pool of trade receivables together with all related security and interests in the proceeds thereof to financial institutions participating in the facility. The receivables sold to the bankruptcy-remote subsidiary are reserved only to satisfy claims of its creditors and are not available to satisfy the claims of creditors of the company and its subsidiaries. In the event of a liquidation, the bankruptcy-remote subsidiary's assets will be used to satisfy the claims of its creditors prior to any assets or value in the bankruptcy-remote subsidiary becoming available to us. We are responsible for servicing the receivables. The facility also provides for the issuance of letters of credit up to

$200 million. The term of the securitization facility may be extended in accordance with the provisions of the agreement.

The facility is also subject to customary warranties and covenants, including limits and reserves and the maintenance of specified financial ratios. We are required to maintain a leverage ratio at the end of every fiscal quarter of 3.50 to 1.00 or less for the period covering the most recent four quarters. We are in compliance with these covenants as of 31 December 2014. Performance obligations under the facility are guaranteed by our parent company.

At 31 December 2014, availability under this facility was $994 million. There were no borrowings or letters of credit outstanding under the facility.

European Receivables Securitization Facility—In April 2013, we amended and restated our €450 million European receivables securitization facility to obtain more favorable terms and conditions, including reduced pricing, and to extend the maturity date of the facility to April 2016. Under the terms of the amendment, we must maintain a leverage ratio at the end of every fiscal quarter of 3.50 to 1.00 or less for the period covering the most recent four quarters. Failure to maintain the ratio within the stated parameters constitutes a termination event, which left uncured, may result in the termination of the program. We are in compliance with these covenants as of 31 December 2014.

At 31 December 2014, availability under this facility was $547 million.

Commercial Paper Program—In October 2014, we entered into a commercial paper program under which we may issue up to $2,000 million of privately placed, unsecured, short-term promissory notes (“commercial paper”). This program is backed by our $2,000 million Senior Revolving Credit Facility. Proceeds from the issuance of commercial paper may be used for general corporate purposes, including dividends and share repurchases. At 31 December 2014, we had $262 million of outstanding commercial paper.

Precious Metal Financings—We enter into lease agreements for precious metals which are used in our production processes. All precious metal borrowings are shown in Current liabilities, within Borrowings, on the Consolidated Statement of Financial Position.

25 Deferred Income Tax

The gross movement in the deferred income tax account is as follows:

		31 December	
Millions of U.S. Dollars	**Note**	**2014**	**2013**
Opening balance		$ 1,670	$ 1,651
Income statement charge	11	72	(101)
Tax charge/(credit) relating to components of other comprehensive income	11	(136)	163
Tax charge/(credit) directly relating to equity	11	5	(25)
Tax charge/(credit) relating to reclass from deferred tax liabilities		(100)	(30)
Currency translation adjustment		(28)	12
Deferred tax liabilities, net		$ 1,483	$ 1,670

The movement in deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Millions of U.S. Dollars	Retirement Benefit Obligation	Tax Losses	Other	Total
Deferred income tax assets:				
Balance at 1 January 2013	$ 531	$ 8	$ 251	$ 790
(Charged)/credited to the income statement	(48)	324	(22)	254
(Charged)/credited to other comprehensive income	(163)	- -	- -	(163)
(Charged)/credited to equity	- -	- -	25	25
(Charged)/credited for deferred tax liabilities and current tax liabilities reclass	(2)	(5)	(56)	(63)
Currency translation adjustment	- -	13	6	19
Balance at 31 December 2013	$ 318	$ 340	$ 204	$ 862
Balance at 1 January 2014	$ 318	$ 340	$ 204	$ 862
(Charged)/credited to the income statement	(7)	(30)	(2)	(39)
(Charged)/credited to other comprehensive income	133	- -	3	136
Reclass (to)/from deferred tax liabilities	132	14	(84)	62
(Charged)/credited to equity	- -	- -	(5)	(5)
(Charged)/credited for deferred tax liabilities and current tax liabilities reclass	4	(5)	(9)	(10)
Currency translation adjustment	(11)	(41)	(6)	(58)
Balance at 31 December 2014	$ 569	$ 278	$ 101	$ 948

Millions of U.S. Dollars	Intangible Assets	Accelerated Tax Depreciation	Inventory	Other	Total
Deferred income tax liabilities					
Balance at 1 January 2013	$ 395	$ 1,421	$ 569	$ 56	$ 2,441
Charged/(credited) to the income statement	(15)	219	(62)	11	153
(Charged)/credited for deferred tax assets and current tax liabilities reclass	2	(82)	(13)	- -	(93)
Currency translation adjustment	6	20	3	2	31
Balance at 31 December 2013	$ 388	$ 1,578	$ 497	$ 69	$ 2,532
Balance at 1 January 2014	$ 388	$ 1,578	$ 497	$ 69	$ 2,532
Charged/(credited) to the income statement	(49)	137	(128)	73	33
Reclass (to)/from deferred tax assets	(60)	(101)	- -	223	62
(Charged)/credited for deferred tax assets and current tax liabilities reclass	- -	(84)	(11)	(15)	(110)
Currency translation adjustment	(5)	(57)	(9)	(15)	(86)
Balance at 31 December 2014	$ 274	$ 1,473	$ 349	$ 335	$ 2,431

In the tables above, we reclassified our 2013 deferred tax effects to conform to our current year presentation.

Deferred tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. In 2013, we recognized deferred tax assets in France which were previously not recognized in 2012. This resulted in a tax benefit of $ 330 million coupled with other movements in the recognition of deferred tax assets of $ 15 million.

Management’s decision to recognize the deferred tax assets for France in 2013 is based on positive evidence from French operations including:

- Beginning the second quarter of 2013, we began generating cumulative book pre-tax income for the prior three years (2011 – 2013);
- In 2013 we had three consecutive quarters of cumulative three-year pre-tax income and have reported two consecutive years of pre-tax income, a sufficient trend of sustained profitability to establish an expectation that the valuation allowance may be utilized;
- Existence of cumulative pre-tax income from core operations for the prior three years (2011-2013); exclusive of results related to the Berre refinery;
- Existence of taxable income for 2013 before utilization of tax loss carry forward;
- Projections of significant pre-tax income for years 2014 – 2018; and

- Projections of significant taxable income for years 2014-2018, exclusive of reversing taxable temporary differences.

We continue to see positive results from our French operations into 2014, however, we continue to carry forward unrecognized deferred tax assets of $29 million on pre-acquisition French tax losses for which the Company does not expect to realize a future benefit due to limitations imposed by French tax law.

At 31 December 2014 and 2013, we had realizable tax losses available in the amount of $889 million and $1,124 million, respectively, for which a deferred tax asset was recognized at 31 December 2014 and 2013 of $278 million and $353 million, respectively.

Prior to the close of each reporting period, management considers the weight of all evidence, both positive and negative, to determine if the tax losses for each jurisdiction can be valued at full value. We place greater weight on historical evidence over future predictions of our ability to utilize net deferred tax assets. We consider future reversals of existing taxable temporary differences, future taxable income exclusive of reversing temporary differences, and taxable income in prior carryback year(s) if carryback is permitted under applicable law, as well as available prudent and feasible tax planning strategies that would, if necessary, be implemented to ensure realization of the net deferred tax asset.

The Company did not recognize deferred tax assets of $131 million and $160 million with respect to losses amounting to $451 million and $568 million and other temporary differences for the years ending 31 December 2014 and 2013, respectively, that can be carried forward against future taxable income. The expiration periods of the unrecognized tax losses and the related deferred tax asset as of 31 December 2014 are as follows:

Millions of U.S. Dollars	Gross Tax Losses	Deferred Tax on Tax Losses
In 2015	$ --	$ --
In 2016	4	1
In 2017	--	--
In 2018	31	12
In 2019	50	13
Thereafter	143	39
Indefinite	223	66
	$ 451	$ 131

During 2014, the change in the unrecognized tax losses primarily related to the expiration of $99 million of Canadian tax loss carry forwards for which $26 million of a deferred tax asset was not valuated as of 31 December 2013. Additionally, the amount of non-valued tax losses were impacted by adjustments related to current year activity.

As of each of 31 December 2014 and 2013, deferred taxes of $52 million have been provided on the unremitted earnings (to the extent such earnings are subject to taxation on their future remittance) of certain equity joint ventures and subsidiaries.

Contingencies— Certain income tax returns of LyondellBasell N.V. and its subsidiaries are under examination by tax authorities. These audits may result in proposed assessments by the tax authorities. The Company believes that its tax positions comply with applicable tax law and intends to defend its positions through appropriate administrative and judicial processes.

26 Retirement Benefit Obligations

Millions of U.S. Dollars	Note	2014	2013
Asset in the Consolidated Statement of Financial Position:			
Defined benefit pension plans		$ 4	$ 70
Liabilities in the Consolidated Statement of Financial Position:			
Defined benefit pension plans		$ 964	$ 742
Other post-employment benefit plans		407	351
Total liabilities		$ 1,371	$ 1,093
Net defined benefit liabilities		$ 1,367	$ 1,023
Income statement charge:	7		
Defined benefit pension plans		$ 80	$ 133
Other post-employment benefit plans		22	19
Total charges		$ 102	$ 152
Remeasurements recognized in the Consolidated Statement of Other Comprehensive Income (loss) in the period (before tax):			
Defined benefit pension plans		$ 381	$ (451)
Other post-employment benefit plans		55	(42)
Total recognized in Other Comprehensive Income in the period		$ 436	$ (493)

We have defined benefit pension plans which cover employees in various countries. We also sponsor postretirement benefit plans other than pensions that provide medical benefits to certain of our U.S., Canadian, and French employees. In Italy and Germany, we provide other post-employment benefits such as early retirement and deferred compensation severance benefits. We use a measurement date of 31 December for all of our benefit plans.

The U.S. defined benefit pension plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), including minimum funding requirements. The benefits under the U.S. defined benefit plans are determined either under a cash balance formula or another formula based on the participant’s earnings history or service or both. The benefit payments are made from a trust or insurance contract. The plans are administered by the Benefits Administrative Committee (“BAC”) and investment of the trust assets is directed by external investment managers hired and monitored by the Benefits Finance Committee (“BFC”). Both the BAC and BFC consist of individuals appointed by the Board of Directors of Lyondell Chemical Company, a wholly owned subsidiary of the Company.

The non-U.S. defined benefit pension plans are subject to the regulatory framework and minimum funding requirements of applicable jurisdictions in which the plans are operated. The benefits under the non-U.S. defined benefit pension plan are also generally calculated based on the participant’s earnings history or service or both. The benefit payments from certain non-U.S. plans are made from a trust or insurance contract; however, there are also a number of unfunded plans under which the Company meets each benefit payment obligation as it falls due. Management of non-U.S. plan assets is governed by local regulations and practice in each applicable jurisdiction.

Defined benefit pension plans

The amounts recognized in the Statement of Financial Position are determined as follows:

Millions of U.S. Dollars	**31 December 2014**	**31 December 2013**
Present value of benefit obligations	$ (3,586)	$ (3,294)
Fair value of plan assets	2,633	2,625
Deficit of defined benefit pension plans	(953)	(669)
Effect of asset limitation and minimum funding requirement	(7)	(3)
Net liability	$ (960)	$ (672)

The changes in the net defined benefit liability over the year are as follows:

Millions of U.S. Dollars	**Present value of obligation**	**Fair value of plan assets**	**Total**	**Effect of asset limitation and minimum funding requirement**	**Total**
At 1 January 2013	$ 3,443	$ (2,324)	$ 1,119	$ 15	$ 1,134
Current service cost	68	- -	68	- -	68
Past service cost	22	- -	22	- -	22
Interest expense (income)	125	(82)	43	- -	43
	215	(82)	133	- -	133
Remeasurements:					
- Return on plan assets (excluding interest income)	- -	(230)	(230)	- -	(230)
- Effect of changes in demographic assumptions	(20)	- -	(20)	- -	(20)
- Effect of changes in financial assumptions	(196)	- -	(196)	- -	(196)
- Effect of changes in experience adjustments	7	- -	7	- -	7
- Changes in asset ceiling (excluding interest income)	- -	- -	- -	(12)	(12)
	(209)	(230)	(439)	(12)	(451)
Exchange differences	40	(12)	28	- -	28
Contributions:					
- Employers	- -	(172)	(172)	- -	(172)
- Plan participants	3	(3)	- -	- -	- -
Payments from plans:					
- Benefit payments	(198)	198	- -	- -	- -
At 31 December 2013	$ 3,294	$ (2,625)	$ 669	$ 3	$ 672

Millions of U.S. Dollars	Present value of obligation	Fair value of plan assets	Total	Effect of asset limitation and minimum funding requirement	Total
At 1 January 2014	$ 3,294	$ (2,625)	$ 669	$ 3	$ 672
Current service cost	66	- -	66	- -	66
Past service cost	(9)	- -	(9)	- -	(9)
Interest expense (income)	136	(112)	24	- -	24
	193	(112)	81	- -	81
Remeasurements:					
- Return on plan assets (excluding interest income)	- -	(71)	(71)	- -	(71)
- Effect of changes in demographic assumptions	76	- -	76	- -	76
- Effect of changes in financial assumptions	379	- -	379	- -	379
- Effect of changes in experience adjustments	3	- -	3	- -	3
- Effect of business combinations/					
- Changes in asset ceiling (excluding interest income)	- -	- -	- -	4	4
	458	(71)	387	4	391
Exchange differences	(164)	74	(90)	- -	(90)
Contributions:					
- Employers	- -	(94)	(94)	- -	(94)
- Plan participants	3	(3)	- -	- -	- -
Payments from plans:					
- Benefit payments	(198)	198	- -	- -	- -
At 31 December 2014	$ 3,586	$ (2,633)	$ 953	$ 7	$ 960

The defined benefit obligation and plan assets are composed by country as follows:

	2014							
Millions of U.S. Dollars	U.S.	Canada	France	Germany	Netherlands	U.K.	Other	Total
Present value of obligation	$ 2,178	$ 104	$ 214	$ 429	$ 436	$ 184	$ 41	$ 3,586
Fair value of plan assets	(1,898)	(111)	(32)	- -	(410)	(178)	(4)	(2,633)
Effect of asset limitation and minimum funding requirement	- -	7	- -	- -	- -	- -	- -	7
Total	$ 280	$ - -	$ 182	$ 429	$ 26	$ 6	$ 37	$ 960

	2013							
Millions of U.S. Dollars	U.S.	Canada	France	Germany	Netherlands	U.K.	Other	Total
Present value of obligation	$ 1,932	$ 120	$ 215	$ 414	$ 385	$ 185	$ 43	$ 3,294
Fair value of plan assets	(1,958)	(123)	(4)	- -	(363)	(172)	(5)	(2,625)
Effect of asset limitation and minimum funding requirement	- -	3	- -	- -	- -	- -	- -	3
Total	$ (26)	$ - -	$ 211	$ 414	$ 22	$ 13	$ 38	$ 672

As of 31 December 2014, the present value of the defined benefit obligation was comprised of approximately $1,603 million relating to active employees, $794 million relating to vested deferred members and $1,190 million relating to members in retirement. As of 31 December 2013, the present value of the defined benefit obligation was comprised of approximately $2,050 million relating to active employees, $381 million relating to vested deferred members and $863 million relating to members in retirement.

The expected contributions to be paid to the defined benefit pension plans and the multi-employer plan during 2015 are $110 million and $7 million, respectively.

Our goal is to manage pension investments over the longer term to achieve optimal returns with an acceptable level of risk and volatility. The assets are externally managed by professional investment firms and performance is evaluated continuously against specific benchmarks. The Company or other oversight bodies actively monitor investment results. Investments are well diversified such that the failure of any single position would not have a material effect on the overall level of assets.

The actual return on plan assets was a gain of $183 million (a gain of $312 million in 2013).

The major categories of plan assets as a percentage of total plan assets are:

	2014	2013
Equity securities	45%	51%
Fixed income securities	40%	35%
U.S. government securities	5%	5%
Alternatives [(a)]	10%	9%

(a) Include investments in real estate, hedge funds, private equity and insurance annuity contracts.

The plan assets are summarized as follows at 31 December:

Millions of U.S. Dollars	2014 Quoted	2014 Unquoted	2014 Total	2013 Quoted	2013 Unquoted	2013 Total
Common and preferred stock						
Domestic	$ 404	$ - -	$ 404	$ 454	$ - -	$ 454
International	325	- -	325	158	- -	158
Fixed income securities						
Corporate bonds	566	- -	566	490	- -	490
Mortgage-backed securities	13	- -	13	16	- -	16
Municipal bonds	6	- -	6	7	- -	7
Foreign government issued bonds	10	- -	10	5	- -	5
Asset-backed securities	4	- -	4	2	- -	2
Commingled funds						
Domestic equity	105	- -	105	144	- -	144
International equity	388	- -	388	606	- -	606
Fixed income	420	- -	420	348	- -	348
Real estate	- -	89	89	- -	75	75
Hedge funds	- -	129	129	- -	124	124
Private equity	- -	32	32	- -	26	26
Convertible securities	1	- -	1	1	- -	1
U.S. government securities						
Agency securities	95	- -	95	67	- -	67
U.S. Treasury securities	41	- -	41	75	- -	75
Cash and cash equivalents	57	- -	57	52	- -	52
John Hancock GACs	- -	6	6	- -	6	6
Total Pension Assets	$ 2,435	$ 256	$ 2,691	$ 2,425	$ 231	$ 2,656

Our pension plans have not directly invested in securities of LyondellBasell Industries N.V. and there have been no significant transactions between any of the pension plans and the Company or related parties thereof.

The weighted average assumptions used to determine benefit obligations were as follows:

	2014	2013
Discount rate	3.57%	4.34%
Rate of salary increase	3.39%	3.70%
Rate of price inflation	2.32%	2.44%
Rate of pension increase	1.62%	1.94%

The weighted average assumptions used to determine net pension cost were as follows:

	2014	2013
Discount rate	4.34%	3.75%
Rate of salary increase	3.62%	3.61%
Rate of price inflation	2.34%	2.60%
Rate of pension increase	1.18%	2.12%

The sensitivity analysis presented in the following table is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The sensitivity of the benefit obligations to changes in the discount rate is as follows:

	Effects on benefit obligations in 2014	Change %	Effects on benefit obligations in 2013	Change %
Millions of U.S. Dollars				
Present value of obligations	$ 3,586		$ 3,294	
Discount rate increases by 50 basis points	(224)	-6.2%	(191)	-5.8%
Discount rate decreases by 50 basis points	253	7.1%	219	6.6%

Reasonably foreseeable changes to the other principal assumptions would not result in a material impact to the benefit obligations and the benefit costs of our pension plans.

The defined benefit pension plans and the other post-employment benefit plans are subject to a number of risks, the most significant of which are discussed below:

Market price risk – Significant changes in investment performance may result in corresponding increases and decreases in the value of the plan assets.

Changes in bond yields – A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan’s bond holdings.

Inflation risk – Some of the pension plans’ benefit arrangements are directly related to the salary levels so that a significant increase in salaries could lead to an increase in the pension obligations of the plans.

Life expectancy – Some plan obligations provide benefits for the lifetime of the member and so increases in life expectancy could result in an increase in the plans’ liabilities.

Multi-employer Plan—The Company participates in a multi-employer plan Pensionskasse der BASF WaG V.VaG, which provides for benefits to the majority of our employees in Germany. The plan provides fixed, monthly retirement payments on the basis of the credits earned by the participating employees. The plan information for the Pensionskasse der BASF WaG V.VaG is not publicly available and the plan is not subject to a collective-bargaining agreement. Up to a certain salary level, the benefit obligations are covered by contributions of the Company and the employees to the plan. To the extent that the plan is underfunded, the Company's future contributions to the plan may increase and may be used to fund retirement benefits for employees related to other employers. The plan was overfunded in 2014 and 2013. Contributions made to the multi-employer plan are expensed as incurred.

The amounts recognized in the Consolidated Statement of Income are as follows:

	31 December	
Millions of U.S. Dollars	**2014**	**2013**
Company contributions to Pensionskasse der BASF WaG V.VaG	$ 7	$ 8

The contribution payable was $9 million at 31 December 2014.

Other post-employment benefits plans

The amounts recognized in the Consolidated Statement of Financial Position are determined as follows:

	31 December	
Millions of U.S. Dollars	**2014**	**2013**
Present value of benefit obligations	$ 407	$ 351
Fair value of plan assets	- -	- -
Net liability	$ 407	$ 351

The changes in the net defined benefit liability over the year are as follows:

Millions of U.S. Dollars	**Present value of obligation**	**Fair value of plan assets**	**Total**
At 1 January 2013	$ 391	$ - -	$ 391
Current service cost	5	- -	5
Interest expense	14	- -	14
	19	- -	19
Remeasurements:			
- Effect of changes in demographic assumptions	3	- -	3
- Effect of changes in financial assumptions	(27)	- -	(27)
- Effect of changes in experience adjustments	(18)	- -	(18)
	(42)	- -	(42)
Exchange differences	1	- -	1
Contributions:			
- Employers	- -	(18)	(18)
- Plan participants	7	(7)	- -
Payments from plans:			
- Benefit payments	(25)	25	- -
At 31 December 2013	$ 351	$ - -	$ 351

Millions of U.S. Dollars	**Present value of obligation**	**Fair value of plan assets**	**Total**
At 1 January 2014	$ 351	$ - -	$ 351
Current service cost	5	- -	5
Past service cost	1	- -	1
Interest expense	16	- -	16
	22	- -	22
Remeasurements:			
- Effect of changes in demographic assumptions	21	- -	21
- Effect of changes in financial assumptions	49	- -	49
- Effect of changes in experience adjustments	(13)	- -	(13)
	57	- -	57
Exchange differences	(7)	- -	(7)
Contributions:			
- Employers	- -	(16)	(16)
- Plan participants	8	(8)	- -
Payments from plans:			
- Benefit payments	(24)	24	- -
At 31 December 2014	$ 407	$ - -	$ 407

The weighted average assumptions used to determine benefit obligations were as follows:

	2014	**2013**
Discount rate	3.71%	4.47%
Rate of salary increase	3.85%	3.91%
Rate of price inflation	2.00%	2.00%

The weighted average assumptions used to determine net benefit cost were as follows:

	2014	**2013**
Discount rate	4.47%	3.74%
Rate of salary increase	3.85%	3.93%
Rate of price inflation	2.00%	2.00%

The following table reflects the sensitivity of the benefit obligations of our other post-employment benefit plans to changes in the discount rate:

Millions of U.S. Dollars	Effects on benefit obligations in 2014	Change %	Effects on benefit obligations in 2013	Change %
Present value of obligations	$ 407		$ 351	
Discount rate increases by 50 basis points	(24)	-5.9%	(18)	-5.1%
Discount rate decreases by 50 basis points	27	6.6%	20	5.7%

Reasonably foreseeable changes to the other principal assumptions would not result in a material impact to the benefit obligations and the benefit costs of our other post-employment benefit plans.

The weighted average duration of the defined benefit obligation for the defined benefit pension plans and other post-employment benefit plans is 13.2 years and 12.4 years, respectively.

As of 31 December 2014, future expected benefit payments by our defined benefit pension plans and other post-employment benefit plans which reflect expected future service, as appropriate, are as follows:

Millions of U.S. Dollars	2015	2016	2017	2018	2019	Thereafter	Total
Defined benefit pension plans	$ 201	$ 200	$ 203	$ 203	$ 198	$ 2,581	$ 3,586
Other post-employment benefit plans	24	25	26	26	27	279	407
Total	$ 225	$ 225	$ 229	$ 229	$ 225	$ 2,860	$ 3,993

27 Trade and Other Payables

		31 December	
Millions of U.S. Dollars	Note	2014	2013
Trade payables		$ 2,239	$ 2,817
Amounts due to related parties	30	825	750
Social securities and other taxes		43	51
Accrued expenses		1,250	1,121
		$ 4,357	$ 4,739

28 Provisions for Other Liabilities and Charges

Millions of U.S. Dollars	Asset Retirement Obligation	Environmental	Restructuring	Other	Total
Balance at 1 January 2013	$ 127	$ 126	$ 172	$ 61	$ 486
Charged/(credited) to the income statement:					
Additional provisions	- -	- -	4	2	6
Unused amounts reversed	(4)	(5)	(17)	(6)	(32)
Unwinding of discount	4	- -	- -	- -	4
Changes in estimate	(5)	7	18	4	24
Used during the period	(14)	(12)	(63)	(7)	(96)
Exchange differences	4	4	3	(1)	10
Other	- -	- -	3	(4)	(1)
At 31 December 2013	$ 112	$ 120	$ 120	$ 49	$ 401
Of which:					
Non-current	$ 96	$ 110	$ 63	$ 34	$ 303
Current	16	10	57	15	98
Closing balance	$ 112	$ 120	$ 120	$ 49	$ 401
Balance at 1 January 2014	$ 112	$ 120	$ 120	$ 49	$ 401
Charged/(credited) to the income statement:					
Additional provisions	2	- -	4	- -	6
Unused amounts reversed	(6)	(3)	(3)	(3)	(15)
Unwinding of discount	1	- -	2	- -	3
Changes in estimate	24	6	1	10	41
Used during the period	(4)	(8)	(51)	(17)	(80)
Exchange differences	(12)	(9)	(8)	(8)	(37)
Other	- -	- -	- -	(19)	(19)
At 31 December 2014	$ 117	$ 106	$ 65	$ 12	$ 300
Of which:					
Non-current	$ 105	$ 96	$ 40	$ 8	$ 249
Current	12	10	25	4	51
Closing balance	$ 117	$ 106	$ 65	$ 12	$ 300

Asset retirement obligations—At some locations, we are contractually obligated to decommission our plants upon site exit. We have provided for the net present value of the estimated costs. Typically such costs are incurred within three years of a plant's closure.

Environmental remediation—Our accrued liability for future environmental remediation costs at current and former plant sites and other remediation sites totaled $106 million and $120 million as of 31 December 2014 and 2013, respectively. At 31 December 2014, the accrued liabilities for individual sites range from less than $1 million to

$21 million. The remediation expenditures are expected to occur over a number of years, and not to be concentrated in any single year. In our opinion, it is reasonably possible that losses in excess of the liabilities recorded may have been incurred. However, we cannot estimate any amount or range of such possible additional losses. New information about sites, new technology or future developments such as involvement in investigations by regulatory agencies, could require us to reassess our potential exposure related to environmental matters.

Restructuring—In connection with current restructuring activities, for year ended 31 December 2014 we recognized severance charges totaling $1 million and for year ended 31 December 2013 derecognized severance charges totaling ($13) million for the separation of employees. The restructuring cost primarily relates to the suspension of operations at the Berre refinery in France and optimization of our operations in Europe and North America. We may incur additional costs related to these activities that cannot be reasonably estimated at this time.

29 Contingencies and Commitments

Contingencies—Litigation and Other Matters

Access Indemnity Demand—In December 2010, one of our subsidiaries received demand letters from affiliates of Access Industries (collectively, "Access Entities"), a more than five percent shareholder of the Company, demanding indemnity for losses, including attorney's fees and expenses, arising out of a pending lawsuit styled *Edward S. Weisfelner, as Litigation Trustee of the LB Litigation Trust v. Leonard Blavatnik, et al.*, Adversary Proceeding No. 09-1375 (REG), in the United States Bankruptcy Court, Southern District of New York. In the *Weisfelner* lawsuit, the plaintiffs seek to recover from Access, the return of all amounts earned by the Access Entities related to their purchase of shares of Lyondell Chemical prior to its acquisition by Basell AF S.C.A.; distributions by Basell AF S.C.A. to its shareholders before it acquired Lyondell Chemical, and management and transaction fees and expenses. The trial that was scheduled for October 2011 has been postponed.

The Access Entities have also demanded $100 million in management fees under a 2007 management agreement between an Access affiliate and the predecessor of LyondellBasell AF, as well as other unspecified amounts relating to advice purportedly given in connection with financing and other strategic transactions. In June 2009, an Access affiliate filed a proof of claim in Bankruptcy Court against LyondellBasell AF seeking "no less than" $723 thousand for amounts allegedly owed under the 2007 management agreement. In April 2011, Lyondell Chemical filed an objection to the claim and brought a declaratory judgment action for a determination that the demands are not valid. The declaratory judgment action is stayed pending the outcome of the *Weisfelner* lawsuit.

We do not believe that the 2007 management agreement is in effect or that the Company or any Company-affiliated entity owes any obligations under the management agreement, including for management fees or for indemnification. We intend to vigorously defend our position in any proceedings and against any claims or demands that may be asserted.

We cannot at this time estimate the reasonably possible loss or range of loss that may be incurred in the *Weisfelner* lawsuit; therefore, we cannot estimate the loss that may be sought by way of indemnity.

Indemnification—We are parties to various indemnification arrangements, including arrangements entered into in connection with acquisitions, divestitures and the formation and dissolution of joint ventures. Pursuant to these arrangements, we provide indemnification to and/or receive indemnification from other parties in connection with liabilities that may arise in connection with the transactions and in connection with activities prior to completion of the transactions. These indemnification arrangements typically include provisions pertaining to third party claims relating to environmental and tax matters and various types of litigation. As of 31 December 2014, we had not accrued any significant amounts for our indemnification obligations, and we are not aware of other circumstances that would likely lead to significant future indemnification obligations. We cannot determine with certainty the potential amount of future payments under the indemnification arrangements until events arise that would trigger a liability under the arrangements.

As part of our technology licensing contracts, we give indemnifications to our licensees for liabilities arising from possible patent infringement claims with respect to certain proprietary licensed technologies. Such indemnifications have a stated maximum amount and generally cover a period of five to ten years.

Commitments

Purchase commitments—We have various purchase commitments for materials, supplies and services incident to the ordinary conduct of business, generally for quantities required for our businesses and at prevailing market prices. These commitments are designed to assure sources of supply and are not expected to be in excess of normal requirements. Our capital expenditure commitments at 31 December 2014 were in the normal course of business.

Financial Assurance Instruments—We have obtained letters of credit, performance and surety bonds and have issued financial and performance guarantees to support trade payables, potential liabilities and other obligations. Considering the frequency of claims made against the financial instruments we use to support our obligations, and the magnitude of those financial instruments in light of our current financial position, management does not expect that any claims against or draws on these instruments would have a material adverse effect on our Consolidated Financial Statements. We have not experienced any unmanageable difficulty in obtaining the required financial assurance instruments for our current operations.

Operating Leases—We lease office facilities, railcars, vehicles, and other equipment under operating leases. Some leases contain renewal provisions, purchase options and escalation clauses.

The operating lease expense for 2014 and 2013 totaled $412 million and $328 million, respectively.

The aggregate future estimated purchase obligations and minimum lease payments under non-cancellable operating leases are as follows:

	2014	
Millions of U.S. Dollars	**Purchase Obligations**	**Operating Leases**
No later than 1 year	$ 7,366	$ 333
Later than 1 year and no later than 5 years	15,335	856
Later than 5 years	2,976	616
Total	$ 25,677	$ 1,805

30 Related Parties

The Company has related party transactions with affiliates of one of our major shareholders, Access Industries ("Access") and with the Company's associates and joint ventures. We also had related party transactions with Apollo Management LLC ("Apollo"), who was a significant shareholder of the Company through the third quarter of 2013.

Access—In December 2010, we entered into a tax cooperation agreement with Access. The tax cooperation agreement allows either party to provide the other with information and support in connection with tax return preparation and audits on a time and materials basis through 2014. No payments were received from or paid to Access under this agreement during 2014 and 2013. The agreement terminated as of 31 December 2014.

In December 2010, one of our subsidiaries received demand letters from affiliates of Access demanding (i) indemnity for losses, including attorney's fees and expenses, arising out of a pending lawsuit and (ii) payment of (a) $100 million in management fees under a 2007 management agreement between an Access affiliate and the predecessor of LyondellBasell AF and (b) other unspecified amounts related to advice purportedly given in connection with financing and other strategic transactions. For additional information related to this matter, see Note 29.

Apollo—Transactions with Apollo affiliates include the sales of product under a long-term contract that renews automatically each year on 31 July, unless a 90 day notice of termination has been received and other product sales made on the spot market in the ordinary course of business.

Associates and Joint Ventures—The Company has related party transactions with its associates and joint ventures. These related party transactions include the sales and purchases of goods in the normal course of business as well as certain financing arrangements and are at arm's length basis. In addition, under contractual arrangements with certain of the Company's equity investees, we receive certain services, utilities and materials at some of our manufacturing sites and we provide certain services to our associates and joint ventures.

We have guaranteed €22 million ($27 million) of the indebtedness of one of our joint ventures as of 31 December 2014. In December 2013, we received payments totaling $9 million from our joint venture, Saudi Ethylene & Polyethylene Company Ltd. in connection with the repayment of a loan made in 2006.

The Related party transactions are summarized as follows:

Millions of U.S. Dollars	31 December 2014		31 December 2013	
The Company billed related parties for:				
Sale of products –				
Apollo affiliates	$	- -	$	224
Associates and Joint Ventures		894		786
Shared services agreements –				
Apollo affiliates		- -		7
Associates and Joint Ventures		18		19
Related parties billed the Company for:				
Sale of products –				
Associates and Joint Ventures	$	3,507	$	3,340
Shared services agreements –				
Associates and Joint Ventures		85		94
Year-end balances with related parties:				
Receivable from Associates and Joint Ventures	$	222	$	202
Loans to Associates and Joint Ventures		8		8
Loans from Associates and Joint Ventures		6		10
Payables to Associates and Joint Ventures		825		750

31 Segment and Related Information

Our operations are managed through five operating segments, as shown below. Each of the operating segments is separately managed by a senior executive reporting directly to our Chief Executive Officer, the chief operating decision-maker. Discrete financial information is available for each of the segments, and our Chief Executive Officer uses the operating results of each of the operating segments for performance evaluation and resource allocation. The activities of each of our segments from which they earn revenues and incur expenses are described below:

- Olefins and Polyolefins–Americas (“O&P–Americas”). Our O&P–Americas segment produces and markets olefins, including ethylene and ethylene co-products, and polyolefins.
- Olefins and Polyolefins–Europe, Asia, and International (“O&P–EAI”). Our O&P–EAI segment produces and markets olefins, including ethylene and ethylene co-products, polyolefins and specialty products, including polybutene-1 and polypropylene compounds.
- Intermediates and Derivatives (“I&D”). Our I&D segment produces and markets propylene oxide and its co-products and derivatives, acetyls, including methanol, ethylene oxide and its derivatives, ethanol and oxygenated fuels, or oxyfuels.
- Refining. Our Refining segment refines heavy, high-sulfur crude oils and other crude oils of varied types and sources available on the U.S. Gulf Coast.

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

In the first quarter of 2014, the chief operating decision maker began using EBITDA as the primary measure for reviewing our segments' profitability and therefore, we have presented EBITDA for all segments. We define EBITDA as earnings before interest, taxes and depreciation and amortization. All periods have been restated to reflect this change.

Intersegment eliminations and items that are not directly related or allocated to business operations are included in "Other." Sales between segments are made primarily at prices approximating prevailing market prices. Accounting policies for internal reporting are based on U.S. GAAP and are materially similar to those described in Summary of Significant Accounting Policies (see Note 2), except for:

Discontinued Operations—The Financial Accounting Standards Board ("FASB"), in April 2014, issued Accounting Standards Update ("ASU") ASU 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*, which amended Accounting Standards Codification ("ASC") Topic 205, *Presentation of Financial Statements* ("ASC 205"). Under this new guidance, only disposals representing a strategic shift in operations that have or will have a major effect on a company's operations should be presented as discontinued operations. In 2014, we adopted this amendment prospectively.

Prior to the issuance of ASU 2014-8, under U.S. GAAP, the results of operations of a component of an entity was be reported in the discontinued operations if both of the following conditions were met: (a) the operations and cash flows of the component have been (or will be) eliminated from the ongoing operations of the entity as a result of the disposal transaction and (b) the entity will not have any significant continuing involvement in the operations of the component after the disposal transaction. The suspension of the Berre Refinery operations met these criteria and was treated as discontinued operations under U.S. GAAP. Under IFRS and this financial report, the suspension of the Berre Refinery operations has been accounted for under IFRS 5, *Non-current assets held for sale and discontinued operations* ("IFRS 5"). IFRS 5 defines a discontinued operation as a component of an entity that either has been disposed of or is classified as held for sale, and represents a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. For IFRS, the Berre Refinery did not meet the definition of a separate major line of business because the Company has not exited the refining business, and thus did not qualify for discontinued operations.

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

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

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

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

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

	Year Ended 31 December 2014						
Millions of U.S. Dollars	**O&P – Americas**	**O&P – EAI**	**I&D**	**Refining**	**Technology**	**Other**	**Total**
Sales and other operating revenues:							
Customers	$ 9,608	$ 14,861	$ 9,985	$ 10,768	$ 385	$ 1	$ 45,608
Intersegment	4,340	342	145	942	112	(5,881)	- -
	13,948	15,203	10,130	11,710	497	(5,880)	45,608
Depreciation and amortization expense	316	248	225	169	61	- -	1,019
Other income, net	2	5	7	2	- -	22	38
Income from equity investments	21	229	7	- -	- -	- -	257
Capital expenditures	912	191	241	123	25	7	1,499
EBITDA	3,911	1,366	1,459	65	232	17	7,050

Millions of U.S. Dollars	O&P – Americas	O&P – EAI	I&D	Refining	Technology	Other	Total
	Year Ended 31 December 2013						
Sales and other operating revenues:							
Customers	$ 9,174	$ 14,480	$ 9,337	$ 10,656	$ 414	$ 1	$ 44,062
Intersegment	3,915	205	135	1,042	118	(5,415)	- -
	13,089	14,685	9,472	11,698	532	(5,414)	44,062
Depreciation and amortization expense	293	287	204	160	75	2	1,021
Other income (expense), net	2	1	(16)	- -	- -	(2)	(15)
Income from equity investments	25	174	4	- -	- -	- -	203
Capital expenditures	645	229	443	209	30	5	1,561
EBITDA	3,573	839	1,492	182	232	(7)	6,311

Reconciliation of EBITDA for reportable segments to the Company's Consolidated Statement of Income is summarized in the following table:

Millions of U.S. Dollars	31 December 2014	31 December 2013
EBITDA:		
Total segment EBITDA	$ 7,033	$ 6,318
Other EBITDA	17	(7)
	7,050	6,311
Less:		
Depreciation and amortization expense	(1,019)	(1,021)
Other income (expense), net	(38)	15
Income from equity investments	(257)	(203)
U.S. GAAP operating income	5,736	5,102
Measurement difference:		
Inventory valuation	(252)	(114)
Pension expense	(50)	(51)
Depreciation	- -	27
Classification difference:		
Impact of Berre refinery closure	(17)	(27)
Other income (expense), net	61	(51)
Other	6	7
Total Company's operating profit	$ 5,484	$ 4,893

Long-lived assets of continuing operations, including goodwill, are summarized and reconciled to consolidated totals in the following table:

Millions of U.S. Dollars	O&P – Americas	O&P – EAI	I&D	Refining	Technology	Other	Total
31 December 2014							
Property, plant, and equipment, net	$ 3,259	$ 2,117	$ 2,505	$ 1,036	$ 247	$ 2	$ 9,166
Equity and other investments	149	1,429	91	- -	- -	9	1,678
Goodwill	162	160	235	- -	9	- -	566
31 December 2013							
Property, plant, and equipment, net	$ 2,614	$ 2,425	$ 2,529	$ 1,045	$ 276	$ 4	$ 8,893
Equity and other investments	156	1,418	92	- -	- -	11	1,677
Goodwill	162	182	251	- -	10	- -	605

Reconciliation of Goodwill for reportable segments to the Consolidated Statement of Financial Position is summarized in the following table:

Millions of U.S. Dollars	O&P – Americas	O&P – EAI	I&D	Technology	Total
31 December 2014					
Goodwill for reportable segment	$ 162	$ 160	$ 235	$ 9	$ 566
Measurement period changes including exchange differences	(31)	(160)	(48)	- -	(239)
Total Company's goodwill	$ 131	$ - -	$ 187	$ 9	$ 327
31 December 2013					
Goodwill for reportable segment	$ 162	$ 182	$ 251	$ 10	$ 605
Measurement period changes including exchange differences	(31)	(182)	(55)	- -	(268)
Total Company's goodwill	$ 131	$ - -	$ 196	$ 10	$ 337

The following geographic data for revenues are based upon the delivery location of the product and for long lived assets, the location of the assets:

	Revenue	
Millions of U.S. Dollars	**2014**	**2013**
The Netherlands	$ 1,206	$ 1,049
United States	23,574	21,940
Germany	4,231	4,128
France	1,591	1,786
Italy	1,617	1,560
Mexico	1,361	1,478
Other	12,028	12,130
Total revenue	$ 45,608	$ 44,071

	Long-Lived Assets	
Millions of U.S. Dollars	**2014**	**2013**
United States	$ 6,657	$ 6,046
Germany	1,566	1,836
The Netherlands	709	767
France	521	590
Italy	415	506
Mexico	161	161
Other	1,617	1,602
Total	$ 11,646	$ 11,508

Long-lived assets include Property, plant and equipment, Intangible assets excluding goodwill and Investments in associates and joint ventures.

32 Subsequent Events

In February 2015, we issued $1,000 million of 4.625% senior notes due 2055 at a discounted price of 98.353%. Proceeds from these notes are expected to be used for general corporate purposes, including repurchases of our ordinary shares.

LyondellBasell Industries N.V.

Appendix - A

Entity Name	Jurisdiction of Formation
Subsidiaries	
Basell (Thailand) Holdings B.V.	Netherlands
Basell Advanced Polyolefins (Suzhou) Co. Ltd.	China
Basell Advanced Polyolefins (Thailand) Company Ltd.	Thailand
Basell Arabie Investissements SAS	France
Basell Asia Pacific Consulting (Shanghai) Co., Ltd.	China
Basell Asia Pacific Limited	Hong Kong
Basell Bayreuth Chemie GmbH	Germany
Basell Benelux B.V.	Netherlands
Basell Canada Inc.	Ontario
Basell Cayman Corporation	Cayman
Basell Chemie Köln GmbH	Germany
Basell Deutschland GmbH	Germany
Basell Europe Holdings B.V.	Netherlands
Basell France S.A.S.	France
Basell Germany Holdings GmbH	Germany
Basell Holdings Middle East GmbH	Germany
Basell Ibérica Poliolefinas Holdings S.L.	Spain
Basell International Holdings B.V.	Netherlands
Basell International Trading FZE	United Arab Emirates
Basell Italia S.r.l	Italy
Basell Mexico, S. de R.L. de C.V.	Mexico
Basell Moyen Orient Investissements SAS	France
Basell North America Inc.	Delaware
Basell Poliolefinas Comercial Espagnola S.L.	Spain
Basell Poliolefinas Iberica S.L.	Spain
Basell Poliolefinas Ltda.	Brazil
Basell Poliolefinas, S. de R.L. de C.V.	Mexico
Basell Poliolefine Italia S.r.l.	Italy
Basell Polyolefin Istanbul Ticaret Limited Sirketi	Turkey
Basell Polyolefine GmbH	Germany
Basell Polyolefines France S.A.S.	France
Basell Polyolefins Company BVBA	Belgium
Basell Polyolefins India Private Limited	India
Basell Polyolefins Korea Ltd.	Korea
Basell Polyolefins UK Limited	United Kingdom
Basell Sales & Marketing Company B.V.	Netherlands
Basell Service Company B.V.	Netherlands
Basell Slovakia s.r.o.	Slovakia
Basell Trading (Shanghai) Co. Ltd.	Shanghai
Basell UK Holdings Limited	United Kingdom
Basell UK Ltd.	United Kingdom

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Entity Name	Jurisdiction of Formation
Compagnie de Distribution des Hydrocarbures SAS	France
Compagnie Petrochimique de Berre SAS	France
Complejo Industrial Taqsa A.I.E.	Spain
Equistar Bayport, LLC	Delaware
Equistar Chemicals, LP	Delaware
Equistar GP, LLC	Delaware
Equistar LP, LLC	Delaware
Equistar Mont Belvieu Corporation	Delaware
Equistar Olefins G.P., LLC	Delaware
Equistar Olefins Offtake G.P., LLC	Delaware
Equistar Olefins Offtake LP	Delaware
GuangZhou Basell Advanced Polyolefins Co., Ltd.	China
Hisane A.I.E.	Spain
Houston Refining LP	Delaware
Industriepark Münchsmünster GmbH & Co. KG	Germany
Industriepark Münchsmünster Verwaltungsgesellschaft mbH	Germany
LaPorte Methanol Company, L.P.	Delaware
Limited Liability Company "LyondellBasell Polyolefins"	Tolyatti, Samara Region
LYB Americas Finance Company	Delaware
LYB Americas Finance Holdings B.V.	Netherlands
LYB Bermuda Ltd.	Bermuda
LYB Equistar Holdings LLC	Delaware
LYB Finance Company B.V.	Netherlands
LYB Financial Services LP	Delaware
LYB International Finance B.V.	Netherlands
LYB Ireland Limited	Ireland
LYB Luxembourg II S.à .r.l.	Luxembourg
LYB Luxembourg S.à r.l.	Luxembourg
LYB Receivables LLC	Delaware
LYB Trading Company B.V.	Netherlands
Lyondell Asia Holdings Limited	Hong Kong
Lyondell Asia Pacific, Ltd.	Delaware
Lyondell Centennial Corp.	Delaware
Lyondell Chemical Company	Delaware
Lyondell Chemical Espana Co.	Delaware
Lyondell Chemical Europe, Inc.	Delaware
Lyondell Chemical International Company	Delaware
Lyondell Chemical Overseas Services, Inc.	Delaware
Lyondell Chemical Pan America, Inc.	Delaware
Lyondell Chemical Products Europe LLC	Delaware
Lyondell Chemical Properties, L.P.	Delaware
Lyondell Chemical Technology 1 Inc.	Delaware
Lyondell Chemical Technology Management, Inc.	Delaware
Lyondell Chemical Technology, L.P.	Delaware

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Entity Name	Jurisdiction of Formation
Lyondell Chemie (PO-11) B.V.	Netherlands
Lyondell Chemie (POSM) B.V.	Netherlands
Lyondell Chemie Nederland B.V.	Netherlands
Lyondell Chimie France LLC	Delaware
Lyondell Chimie France SAS	France
Lyondell China Holdings Limited	Hong Kong
Lyondell Europe Holdings Inc.	Delaware
Lyondell France Holdings SAS	France
Lyondell Greater China Holdings Limited	Hong Kong
Lyondell Greater China Trading Limited	China
Lyondell Greater China, Ltd.	Delaware
Lyondell Japan, Inc.	Japan
Lyondell PO-11 C.V.	Netherlands
Lyondell POJVGP, LLC	Delaware
Lyondell POJVLP, LLC	Delaware
Lyondell POTechGP, Inc.	Delaware
Lyondell POTechLP, Inc.	Delaware
Lyondell Quimica do Brasil Ltda.	Brazil
Lyondell Refining Company LLC	Delaware
Lyondell Refining I LLC	Delaware
Lyondell South Asia Pte Ltd	Singapore
LyondellBasell Acetyls Holdco, LLC	Delaware
LyondellBasell Acetyls, LLC	Delaware
LyondellBasell Advanced Polyolefins Mexico, S.A. de C.V.	Mexico
LyondellBasell Australia (Holdings) Pty Ltd	Australia
LyondellBasell Australia Pty Ltd	Australia
LyondellBasell China Holdings B.V.	Netherlands
LyondellBasell F&F Holdco, LLC	Delaware
LyondellBasell Finance Company	Delaware
LyondellBasell Holdings France SAS	France
LyondellBasell Industries Holdings B.V.	Netherlands
LyondellBasell Investment LLC	Delaware
LyondellBasell Methanol GP, Inc.	Delaware
LyondellBasell Methanol LP, Inc.	Delaware
LyondellBasell Services France S.A.S.	France
LyondellBasell Subholdings B.V.	Netherlands
LyondellBasell Syrma SAS	France
OE Insurance Ltd	Bermuda
Olefins JV, LP	Delaware
Petroken Petroquimica Ensenada SA	Argentina
PO JV, LP	Delaware
PO Offtake, LP	Delaware
POSM II Limited Partnership, L.P.	Delaware
POSM II Properties Partnership LLC	Delaware

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Entity Name	Jurisdiction of Formation
Société du Noir d'Acétylene de l'Aubette SAS	France
Technology JV, LP	Delaware
TRV Thermische Rückstandsverwertung GmbH & Co. KG	Germany
TRV Thermische Rückstandsverwertung Verwaltungs-GmbH	Germany
Investments in Associates and Joint Ventures	
Basell Orlen Polyolefins Sp. Z.o.o.	Poland
PolyPacific Pty. Ltd.	Australia
SunAllomer Ltd.	Japan
Saudi Polyolefins Company	Kingdom of Saudi Arabia
Saudi Ethylene & Polyethylene Company Ltd.	Kingdom of Saudi Arabia
Al-Waha Petrochemicals Ltd.	Kingdom of Saudi Arabia
PolyMirae Co. Ltd.	South Korea
HMC Polymers Company Ltd.	Thailand
Indelpro S.A. de C.V.	Mexico
Ningbo ZRCC Lyondell Chemical Co. Ltd.	China
Ningbo ZRCC Lyondell Chemical Marketing Co.	China
NOC Asia Ltd.	Hong Kong
Geosel	France

Corporate Financial Statements

LyondellBasell Industries N.V.

CORPORATE STATEMENT OF INCOME

		Year Ended 31 December	
Millions of U.S. Dollars	**Note**	**2014**	**2013**
Income from Group companies after tax	2	$ 3,741	$ 3,828
Other income (expense), net of tax		196	(44)
Profit attributable to the equity holders		$ 3,937	$ 3,784

LyondellBasell Industries N.V.

CORPORATE STATEMENT OF FINANCIAL POSITION
Before appropriation of profit

Millions of U.S. Dollars	Note	31 December 2014	31 December 2013
Non-current assets			
Goodwill	2	$ 327	$ 337
Investments in Group companies	2	10,962	15,108
Long-term loans to Group companies	6	11,460	3,960
Other assets		3	4
Total non-current assets		22,752	19,409
Current assets			
Receivables from Group companies		55	54
Prepaid expense and other current assets		2	- -
Cash and cash equivalents	3	--	40
Total current assets		57	94
Total assets		**$ 22,809**	**$ 19,503**
Equity	4		
Share capital		$ 31	$ 31
Share premium		10,304	10,343
Legal reserves		(323)	645
Retained earnings		1,652	(716)
Profit for the year		3,937	3,784
Treasury shares		(7,853)	(2,035)
Total equity attributable to equity holders		7,748	12,052
Non-current liabilities			
Deferred tax liability		4	3
Long-term debt	5	3,954	3,955
Deferred income	7	8,607	--
Current liabilities			
Bank overdraft		359	8
Short-term loans from Group companies	6	2,000	3,430
Other liabilities		137	55
Total equity and liabilities		**$ 22,809**	**$ 19,503**

Notes to the Corporate Financial Statements

1 General

LyondellBasell Industries N.V. (the "Company" or "LyondellBasell N.V."), together with its consolidated subsidiaries (collectively, the "Group") applies the option provided in Section 2:362 (8) of the Dutch Civil Code for the principles applicable to the recognition and measurement of assets and liabilities and the determination of results for its Corporate Financial Statements. Accordingly, the principles for recognition and measurement of assets and liabilities and determination of results (hereinafter referred to as "accounting policies") of the Company's Corporate Statement of Financial Position are the same as those applied for the Consolidated Financial Statements under International Financial Reporting Standards ("IFRS"), as adopted by the European Union, for the periods ended 31 December 2014 and 2013, except as noted below:

- Investments in subsidiaries and other companies in which the Company has control are measured at net asset value, which is based on the net book value of assets, provisions and liabilities, in accordance with the accounting policies applied in the Consolidated Financial Statements.

- Goodwill presented in the Corporate Statement of Financial Position reflects the goodwill of subsidiaries directly acquired by the Company and is measured in accordance with the accounting policies of the Consolidated Financial Statements. Goodwill of subsidiaries indirectly owned (via intermediate subsidiaries) is recognized as part of the net asset value of such intermediate subsidiary.

At 31 December 2014 and 2013, the Company had fourteen full-time employees all located outside of The Netherlands.

2 Goodwill and Investments

Millions of U.S. Dollars	Goodwill	Investments
Balance at 1 January 2013	$ 333	$ 14,067
Income from investments, net of tax	- -	3,828
Equity settled transactions	- -	56
Equity contribution	- -	6,015
Dividends received	- -	(9,393)
Other	- -	3
Additions to other reserves	4	532
Balance at 31 December 2013	**$ 337**	**$ 15,108**
Balance at 1 January 2014	$ 337	$ 15,108
Income from investments, net of tax	- -	3,017
Equity settled transactions	- -	38
Equity contributions	- -	10
Dividends received	- -	(6,203)
Other	- -	(9)
Additions to other reserves	(10)	(999)
Balance at 31 December 2014	$ 327	$ 10,962

Equity settled transactions—Equity settled transactions represent share-based compensation granted to directors and employees.

Dividends received—In July 2014, the Company received a $14,250 million dividend from LyondellBasell Finance Company in the form of $7,500 million dividend notes (see Note 6 for further discussion of intercompany notes) and cash. The Company recorded the excess dividend received over the net asset value of its investment in LyondellBasell Finance Company ("LBFC") as deferred income (see Note 7).

The Company received a cash dividend of $988 million from LyondellBasell Subholdings B.V. in the second quarter of 2014.

During 2014, the Company received a $91 million 2013 final dividend and $205 million 2014 interim dividends from LyondellBasell Luxemburg II S.a.r.l.

Additions to other reserves—Primarily represents movements for Currency translation differences and remeasurements of post-employment benefits obligations, which are non-distributable.

3 Cash and Cash Equivalents

The Company's cash and cash equivalents are held by its in-house banking unit, LYB Finance Company B.V. The interest rate on the account with LYB Finance Company B.V. is subject to a floating interest rate, based on current market rates. At 31 December 2014, the lending rates were 0.01% and less than one basis point for the U.S. dollar and euro accounts, respectively, and the borrowing rates were 1.41% and 1.26% for the U.S. dollar and euro accounts, respectively. At 31 December 2013, the lending rates were 0.02% and less than one basis point for the

U.S. dollar and euro accounts, respectively, and the borrowing rates were 1.42% and 1.38% for the U.S. dollar and euro accounts, respectively.

4 Equity Attributable to Equity Holders

For a breakdown of Equity attributable to equity holders, reference is made to the Consolidated Statement of Changes in Group Equity and the notes thereto.

Share capital—Share capital is converted from euro to U.S. dollar with the month-end rate of euro 0.82 at 31 December 2014.

Legal reserves—Movements in legal reserves (net of tax), which cannot be distributed freely, are presented below:

Millions of U.S. Dollars	**Currency Translation Differences**	**Group Companies**	**Total**
Balance at 1 January 2013	$ 20	$ (27)	$ (7)
Net current period change	210	442	652
Balance at 31 December 2013	$ 230	$ 415	$ 645
Balance at 1 January 2014	$ 230	$ 415	$ 645
Net current period change	(721)	(247)	(968)
Balance at 31 December 2014	$ (491)	$ 168	$ (323)

The item "Group Companies" relates to the "*Wettelijke reserve deelnemingen,*" which is required by Dutch Law. This reserve relates to any legal or economic restrictions on the ability of group companies to transfer funds to the parent in the form of dividends.

Retained earnings—Movements in retained earnings are as follows:

	31 December	
Millions of U.S. Dollars	**2014**	**2013**
Opening balance	$ (716)	$ (2,115)
Dividend distribution	(1,403)	(1,127)
Previous year results	3,784	2,579
Additions to legal reserves	(41)	(116)
Tax credits related to share-based awards	28	63
Closing balance	$ 1,652	$ (716)

Pursuant to Dutch Law, limitations exist relating to the distribution of share capital of $31 million and Legal reserves of ($323) million at 31 December 2014 ($645 million in 2013).

In general, gains related to currency translation differences cannot be distributed as part of shareholders' equity as they form part of the legal reserves protected under Dutch Law. By their nature, losses related to currency translation differences and "group companies" reduce shareholders' equity and thereby distributable amounts.

The reconciliation of the Company's retained earnings to those of the Group reflected in the Group's Consolidated Statement of Financial Position is as follows:

	31 December			
Millions of U.S. Dollars	**2014**		**2013**	
Retained earnings as per Consolidated Statement of Financial Position	$	6,081	$	3,519
Non-distributable reserves of Group companies		(492)		(451)
Profit for the year		(3,937)		(3,784)
Retained earnings as per Corporate Statement of Financial Position	$	1,652	$	(716)

5 Long-term Debt

5% and 5.75% Senior Notes—In April 2012, the Company issued $2,000 million aggregate principal amount of 5% senior notes due 2019 and $1,000 million aggregate principal amount of 5.75% senior notes due 2024, each at an issue price of 100%.

6% Senior Notes—In November 2011, the Company issued $1,000 million of 6% senior notes due 2021. These notes, which mature on 15 November 2021, bear interest at 6% annum.

Senior Revolving Credit Facility—In June 2014, we amended and restated our revolving credit facility to, among other things, reduce undrawn pricing and extend the term of the facility to June 2019. This facility, which may be used for dollar and euro denominated borrowings, has a $700 million sublimit for dollar and euro denominated letters of credit and supports our commercial paper program. The aggregate balance of outstanding borrowings and letters of credit under the facility may not exceed $2,000 million at any given time. Borrowings under the facility bear interest at a Base Rate or LIBOR, plus an applicable margin. Additional fees are incurred for the average daily unused commitments.

At 31 December 2014, availability under this facility, which backs our $2,000 million commercial paper, was $1,712 million. Availability under this facility is reduced by outstanding borrowings, outstanding letters of credit provided under the facility and commercial paper issued by LyondellBasell Finance Company B.V., a wholly owned subsidiary, under our $2,000 million commercial paper program. At 31 December 2014, we had $262 million of outstanding commercial paper, no outstanding letters of credit and no outstanding borrowings under the facility.

6 Group Company Loans

Long-Term Loan Receivable from our Subsidiary—In July 2014, we and our wholly owned subsidiary, LyondellBasell Finance Company, entered into five separate notes with an aggregate principal amount of $7,500 million in lieu of a $7,500 million inter-company dividend. These notes consist of a $1,000 million 3.09% senior note due 1 July 2017; a $2,000 million 3.75% senior note due 1 July 2018; a $2,000 million 4.63% senior note due 1 July 2020; a $2,000 million 6.14% senior note due 1 July 2025 and a $500 million 6.30% senior note due 1 July 2026.

In April 2012, we and our indirectly wholly owned subsidiary, Lyondell Chemical Company ("Lyondell Chemical"), entered into a $1,974 million note receivable. The note bears per annum interest at 5.47% and matures on 15 April 2019. Interest is due semi-annually on 15 April and 15 October. In July 2012, we amended the terms of the note to include early prepayment restrictions and reduce the applicable interest. Lyondell Chemical may prepay all or part of the note at a specified redemption premium plus accrued and unpaid interest on the redemption date. At 31 December 2014 and 2013, the outstanding balance was $1,974 million.

In April 2012, we and Lyondell Chemical entered into another $986 million note receivable. The note bears per annum interest at 6.14% and matures on 15 April 2024. Interest is due semi-annually on 15 April and 15 October. In July 2012, we amended the terms of the note to include early prepayment restrictions and reduce the applicable interest. Lyondell Chemical may prepay all or part of the note at a specified redemption premium plus accrued and unpaid interest on the redemption date. At 31 December 2014 and 2013, the outstanding balance was $986 million.

In November 2011, we and Lyondell Chemical entered into a $1,000 million note receivable. The note bears interest at 6.45% per annum and matures on 15 November 2021. Interest is due semi-annually on 15 May and 15 November. In July 2012, the terms of the note were amended to include early prepayment restrictions. Lyondell Chemical may prepay all or part of the note at a specified redemption premium plus accrued and unpaid interest on the redemption date. At 31 December 2014 and 2013, the outstanding balance was $1,000 million.

Loans Payable to our Subsidiaries—In July 2014, we and our indirect, wholly owned subsidiary, LYB Americas Finance Company, entered into a $2,000 million loan, which matures on 31 July 2016. The loan is repayable on demand. The interest rate is equal to the Federal short-term rate determined under section 1274(d) of the Internal Revenue Code. At 31 December 2014, the outstanding balance was $2,000 million.

In March 2014, we and our indirect, wholly owned subsidiary, LYB Americas Finance Company, entered into a $2,500 million loan, which matures on 31 January 2015. The interest rate was equal to the Federal short-term rate determined under section 1274(d) of the Internal Revenue Code. During 2014, we borrowed $580 million under the loan which was fully repaid in July 2014.

In September 2013, we and our indirect, wholly owned subsidiary, LYB America Finance Company, entered into a $3,000 million loan, which matured on 30 September 2014. The interest rate was equal to the Federal short-term rate determined under section 1274(d) of the Internal Revenue Code. In July 2014, the outstanding balance of $3,000 million was repaid.

In August 2012, we and our indirect, wholly owned subsidiary, LYB America Finance Company, entered into a $1,500 million unsecured loan, which matured on 31 July 2014. In December 2012, we amended the loan facility to, among other things, (i) increase the size of the facility to $2,000 million; and (ii) extend the maturity date to 30 November 2014. In July 2014, the outstanding balance of $2,000 million was repaid.

In November 2011, we and our indirect, wholly owned subsidiary, LYB Finance Company B.V., entered into a $2,100 million unsecured loan, which matures on 3 October 2016. The loan bears interest at a variable rate, which is set for a period of 3 months, using the U.S. LIBOR rate, plus 300 basis points. In May 2013, LyondellBasell Subholdings B.V., a wholly owned subsidiary, assumed the $1,925 million outstanding balance of our $2,100 million unsecured loan in lieu of a $1,925 million inter-company dividend which was paid as a return of capital.

Movements in Group company loans are presented below:

Millions of U.S. Dollars	**Group Companies Loans**	
	Receivables	**Payables**
Balance at 1 January 2013	$ 3,960	$ 3,600
Borrowings	- -	1,430
Discharge and assignments	- -	(1,600)
Balance at 31 December 2013	$ 3,960	$ 3,430
Of which:		
Non-current	$ 3,960	$ - -
Current	- -	3,430
Balance at 31 December 2013	$ 3,960	$ 3,430
Balance at 1 January 2014	$ 3,960	$ 3,430
Borrowings	7,500	2,000
Discharge and assignments	- -	(3,430)
Balance at 31 December 2014	$ 11,460	$ 2,000
Of which:		
Non-current	$ 11,460	$ - -
Current	- -	2,000
Balance at 31 December 2014	$ 11,460	$ 2,000

7 Deferred Income

Deferred income represents the excess dividend paid by LBFC over its net asset value. This amount is reduced as the Company recognizes its share of LBFC's income. After the Deferred income is fully recognized, we will record our earnings from LBFC as additions to Investments in Group companies.

The movement in Deferred income, summarized below, represents our share of LBFC profit.

Millions of U.S. Dollars	**2014**
Balance at 1 January 2014	$ - -
Dividends from Group Companies paid in excess of net asset value	9,331
Income from Group Companies, net of tax	(724)
Balance at 31 December 2014	$ 8,607

8 Commitments and Contingencies not included in the Balance Sheet

The Company has entered into guarantee agreements with counterparties on behalf of some of its subsidiaries for the supply of raw materials. At 31 December 2014 and 2013, the total guaranteed amount was $16.3 billion and $13.2 billion, respectively.

The Company receives an annual fee of 0.17% for all outstanding guarantees as of 31 December 2014 and 2013.

The Company is jointly and severally liable, as intended in article 403, Book2, of the Dutch Civil Code for the following subsidiaries in the Consolidated Financial Statements:

- LyondellBasell Subholdings B.V.
- LYB Americas Finance Holdings B.V.
- Lyondell Chemie (POSM) B.V.
- LYB International Finance B.V.
- Basell International Holdings B.V.
- Basell Europe Holdings B.V.
- LyondellBasell Industries Holdings B.V.
- Lyondell Chemie (PO-11) B.V.

9 Auditor's Fee

The fees listed below relate to the procedures applied to the Company and its consolidated group entities by PricewaterhouseCoopers Accountants N.V., The Netherlands, the external auditor as referred to in section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta), as well as by other Dutch and foreign-based PricewaterhouseCoopers individual partnerships and legal entities, including their tax services and advisory groups:

	Year Ended 31 December	
Millions of U.S. Dollars	**2014**	**2013**
Financial statements audit fees	$ 8.7	$ 8.8
Other assurance fees	0.2	0.6
All other fees	0.2	0.4
	$ 9.1	$ 9.8

The total fees of PricewaterhouseCoopers Accountants N.V, The Netherlands, charged to the Company and its consolidated group entities amounted to $2.3 million in 2014 and 2013.

The financial statements audit fees above include the aggregate fees billed for professional services rendered for the audit of LyondellBasell Industries N.V.'s annual financial statements, annual statutory financial statements of subsidiaries and services that are normally provided by the auditor in connection with these audits. This category also includes services such as comfort letters, statutory audits, attest services, consents and assistance with and review of documents.

The other assurance fees include the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Group's financial statements and are not reported under audit services. This category includes fees related to the performance of audits of benefit plans, agreed-upon or expanded audit procedures relating to accounting records required to respond to or comply with financial, accounting or regulatory reporting matters and consultations as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by regulatory or standard setting bodies.

Other fees relate to permitted services that are not included in the above categories.

10 Directors' Remuneration

Reference is made to Note 9, Key Management Remuneration, of the Consolidated Financial Statements.

London, 6 March 2015

Supervisory Board

Robert Gwin

Jacques Aigrain

Jagjeet Bindra

Robin Buchanan

Milton Carroll

Stephen F. Cooper

Nance K. Dicciani

Bruce A. Smith

Rudy M.J. van der Meer

Claire S. Farley

Isabella D. Goren

Management Board

Bhavesh (Bob) V. Patel

Karen F. Ovelmen

Patrick D. Quarles

Timothy D. Roberts

Other Information

Proposed Appropriation of Result

Profit remaining after the appropriation to reserves shall be at the disposal of the general meeting (article 22 sub 3 Articles of Association). The Board of Management, with the approval of the Supervisory Board, may also appropriate the complete profit to the reserves.

The Management Board, with the approval of the Supervisory Board, paid an aggregate of $2.70 per share from its 2014 annual accounts. This included an interim dividend of $0.60 per share paid to shareholders of record on 3 March 2014; and an interim dividend of $0.70 per share paid to shareholders of record on 28 April 2014, 25 August 2014 and 24 November 2014. These dividend payments, totaling $1,403 million, have been charged to retained earnings.

The Management Board and the Supervisory Board will propose that the general meeting approve the dividends already paid, as described above.

Subsequent Events

In February 2015, we issued $1,000 million of 4.625% senior notes due 2055 at a discounted price of 98.353%. Proceeds from these notes are expected to be used for general corporate purposes, including repurchases of our ordinary shares.

Interim Dividend—The Supervisory Board has authorized the Management Board to declare an interim dividend of $0.70 per share to be paid on 16 March 2015 to shareholders of record as of 2 March 2015.

We have evaluated subsequent events through the date the financial statements were approved for issue.

Legal Structure

The list of our subsidiaries and associates is available at the Chamber of Commerce in Rotterdam, The Netherlands.

Independent auditor's report

To: the General Meeting of Shareholders of LyondellBasell Industries N.V.

Report on the financial statements

We have audited the accompanying financial statements 2014 of LyondellBasell Industries N.V., Rotterdam as set out on pages 74 to 167. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statements of income, other comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the corporate statement of financial position as at 31 December 2014, the corporate statement of income for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Management board's responsibility

The management board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Report of the Board of Management in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of LyondellBasell Industries N.V. as at 31 December 2014, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of LyondellBasell Industries N.V. as at 31 December 2014, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Report of the Board of Management, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the Report of the Board of Management, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Rotterdam, 6 March 2015

PricewaterhouseCoopers Accountants N.V.

A.F. Westerman RA