IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OR TO U.S. PERSONS OR OTHERWISE THAN TO PERSONS TO WHOM IT CAN LAWFULLY BE DISTRIBUTED

IMPORTANT: You must read the following disclaimer before continuing: The following disclaimer applies to the attached Offering Circular and you are advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Offering Circular. In accessing the Offering Circular you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. The attached Offering Circular is intended for the addressee only.


THE ATTACHED OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THIS OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view the attached Offering Circular or make an investment decision with respect to the securities described in the attached Offering Circular, investors must comply with the following provisions. You have been sent the following Offering Circular on the basis that you have confirmed to Crédit Agricole Corporate and Investment Bank, ING Bank N.V., J.P. Morgan Securities plc, Mitsubishi UFJ Securities International plc and Standard Chartered Bank (together the "Joint Lead Managers"), being the senders of the attached Offering Circular that you are: (a) both a person that is: (i) outside the United States (within the meaning of Regulation S under the Securities Act); and (ii) not a U.S. person (within the meaning of Regulation S under the Securities Act) and the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. its territories (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) any State of the United States or the District of Columbia; (b) if in the United Kingdom, a relevant person (as defined below); and (c) if outside the United Kingdom, a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accepting this e-mail and accessing the attached Offering Circular, you shall be deemed to have made the above representation and that you consent to delivery of such Offering Circular by electronic transmission.

In addition, in the United Kingdom, the attached Offering Circular is being distributed only to and is directed only at investors: (a) who are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); or (b) who are high net worth entities falling within Article 49 of the Order; and (c) other persons to whom it may otherwise lawfully be communicated under the Order, (all such person together referred to as "relevant persons"). Any investment or investment activity to which the attached Offering Circular relates is available only to in the United Kingdom, relevant persons, and will be engaged in only with such persons.

This Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of SABIC Capital I B.V. (the "Issuer"), Saudi Basic Industries Corporation (the "Guarantor") nor the Joint Lead Managers, or any person who controls them, or any director, officer, employee or agent of any of them, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between this Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

You are reminded that the information contained in the attached Offering Circular is not complete and may be changed, and that no representation or warranty, expressed or implied, is made or given by or on behalf of the Joint Lead Managers, nor any person who controls them or any director, officer, employee or agent of any of them, or affiliate of any such person as to the accuracy, completeness or fairness of the information or opinions contained in this Offering Circular and such persons do not accept responsibility or liability for any such information or opinions.

Neither this electronic transmission nor the attached Offering Circular constitutes or contains any offer to sell or invitation to subscribe or make commitments for or in respect of any securities in any jurisdiction where such an offer or invitation would be unlawful and the attached Offering Circular is subject to correction, completion, modification and amendment in its final form.
SABIC CAPITAL I B.V.
(incorporated with limited liability (besloten vennootschap met beperkte aansprakelijkheid) in The Netherlands)

EUR750,000,000 2.750 per cent. Guaranteed Bonds due 2020

Guaranteed by
SAUDI BASIC INDUSTRIES CORPORATION
(a joint stock company incorporated under the laws of the Kingdom of Saudi Arabia)

The issue price of the EUR750,000,000 2.750 per cent. Guaranteed Bonds due 2020 (the "Bonds") of SABIC Capital I B.V. (the "Issuer") is 99.280 per cent. of their principal amount. This Offering Circular describes the Bonds which will be issued by the Issuer. It is expected that the Bonds will be delivered on 20 November 2013 (the "Issue Date"). The Bonds will be unconditionally and irrevocably guaranteed by Saudi Basic Industries Corporation (the "Guarantor" or "SABIC"). Interest on the Bonds is payable in arrear on 20 November in each year. Payments on the Bonds will be made without withholding or deduction for or on account of taxes of The Netherlands to the extent described under Condition 7 (Taxation). The Guarantor will unconditionally and irrevocably guarantee the due and punctual payment of all amounts at any time becoming due and payable in respect of the Bonds (the "Guarantee"). If payments of any amount by the Guarantor in respect of the Bonds or the Guarantee are subject to any withholding or deduction on account of Saudi tax, as described further in the Taxation and Zakat section, the Guarantor shall pay such additional amounts as will result in the holders of the Bonds receiving the amounts which they would have received if no such withholding or deduction was payable, as described further under Condition 7 (Taxation).

Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed on 20 November 2020 at their principal amount, together with accrued interest. See "Terms and Conditions of the Bonds – Condition 5 (Redemption and Purchase)". The Bonds are subject to redemption in whole but not in part, at their principal amount, together with accrued interest, at the option of the Issuer at any time in the event of certain changes affecting taxes of The Netherlands or Saudi Arabia. See "Terms and Conditions of the Bonds– Condition 5 (Redemption and Purchase)". This Offering Circular is issued in compliance with the listing rules made under Section 73A of the Financial Services and Markets Act 2000 (the "FSMA") by the Financial Conduct Authority (the "FCA") in its capacity as competent authority (the "UK Listing Authority"). Application has been made to the UK Listing Authority under the FSMA for the Bonds to be admitted (as a single class) to listing on the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for the Bonds to be admitted (as a single class) to trading on the London Stock Exchange's Professional Securities Market (the "Market"). The Market is not a regulated market for the purposes of Directive 2004/39/EC (the "Markets in Financial Instruments Directive"). References in this Offering Circular to the Bonds being "listed" (and all related references) shall mean that such Bonds have been admitted to the Official List and have been admitted to trading on the Market.

The Bonds will initially be represented by interests in a global bond certificate (the "Global Bond Certificate"), registered in the name of a nominee of a common depositary on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") on or about 20 November 2013. Individual bond certificates ("Bond Certificates") will only be available in certain limited circumstances. See "Summary of Provisions relating to the Bonds in Global Form". The denomination of the Bonds shall be EUR 100,000 and integral multiples of EUR 1,000 in excess thereof. The Bonds are expected to be rated A+ by Fitch Ratings Ltd ("Fitch"), A+ by Standard & Poor's Rating Services, a division of The McGraw Hill Companies Inc. ("Standard & Poor's") and A1 by Moody's Investors Service Limited ("Moody's"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Community and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "CRA Regulation") unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. Credit ratings included or referred to in this Offering Circular have been or, as applicable, may be, issued by Fitch, Moody's and Standard & Poor's, each of which is a credit rating agency established in the European Union and registered under the CRA Regulation.

Investors should have regard to the factors described under the section headed "Risk Factors" in this Offering Circular.

The Bonds and the Guarantee thereof have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. The Bonds are being offered outside the United States by the Joint Lead Managers (as defined in "Subscription and Sale") in accordance with Regulation S under the Securities Act ("Regulation S"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

JOINT LEAD MANAGERS
Crédit Agricole CIB ING J.P. Morgan Mitsubishi UFJ Securities Standard Chartered Bank

The date of this Offering Circular is 18 November 2013

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IMPORTANT NOTICES

This Offering Circular comprises the listing particulars given in compliance with the listing rules made under Section 73A of the FSMA by the UK Listing Authority for the purpose of giving information with regard to the Issuer, the Guarantor, and those of its subsidiaries whose financial statements are, in accordance with generally accepted accounting principles in Saudi Arabia, consolidated with those of the Guarantor, taken as a whole (the "SABIC Group") and the Bonds and the Guarantee of the Bonds which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor and the SABIC Group and of the rights attaching to the Bonds and the Guarantee of the Bonds. Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of each of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where information contained in this Offering Circular is derived from third party sources, such sources are indicated. In such cases, neither the Issuer nor the Guarantor accepts any responsibility for the accuracy of such information, nor have the Issuer or the Guarantor independently verified any such information. The Issuer and the Guarantor confirm that this information has been accurately reproduced, and so far as the Issuer and the Guarantor are aware and are able to ascertain from information available from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer and the Guarantor have confirmed to the Joint Lead Managers named under "Subscription and Sale" below that this Offering Circular: (i) contains all information with respect to the Issuer, the Guarantor and the SABIC Group and to the Bonds and the Guarantee of the Bonds which is material in the context of the issue and offering of the Bonds (including all information required by applicable laws and the information which, according to the particular nature of the Issuer, the Guarantor, the SABIC Group, the Bonds and the Guarantee of the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer, the Guarantor and the SABIC Group and of the rights attaching to the Bonds and the Guarantee of the Bonds); (ii) the statements contained in this Offering Circular are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer, the Guarantor and the SABIC Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Guarantor, the SABIC Group, the Bonds or the Guarantee of the Bonds the omission of which would, in the context of the issue and offering of the Bonds or the giving of the Guarantee of the Bonds, make any statement in this Offering Circular misleading; (v) all reasonable enquiries have been made by the Issuer in respect of itself and the Bonds and by the Guarantor in respect of itself, the Issuer, the SABIC Group, the Bonds and the Guarantee of the Bonds to ascertain such facts and to verify the accuracy of all such information and statements; and (vi) this Offering Circular does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantor, the Joint Lead Managers or Citicorp Trustee Company Limited as trustee (the "Trustee", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed). The delivery of this Offering Circular at any time does not imply that the information contained in it is correct as at any time subsequent to its date. This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Information Incorporated by Reference"). This Offering Circular should be read and construed on the basis that such documents are incorporated in and form part of the Offering Circular.

Neither the Joint Lead Managers nor the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer or the Guarantor in connection with the offering of the Bonds. None
of the Joint Lead Managers nor the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer or the Guarantor in connection with the offering of the Bonds or their distribution.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Bond shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Guarantor or the SABIC Group since the date of this Offering Circular. The Joint Lead Managers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer, the Guarantor or the SABIC Group during the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention.

This Offering Circular does not constitute an offer of, or an invitation to subscribe for or purchase, any Bonds.

The distribution of this Offering Circular and the offering, sale and delivery of Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, the Joint Lead Managers and the Trustee to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Bonds and on distribution of this Offering Circular and other offering material relating to the Bonds, see "Subscription and Sale".

In particular, the Bonds and the Guarantee have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to U.S. persons.

The Bonds may not be a suitable investment for all investors. Each potential investor in any Bond must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Bonds and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;

(iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

KINGDOM OF SAUDI ARABIA NOTICE

This Offering Circular may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "Capital Market Authority").

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Offering Circular, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Offering Circular. Prospective purchasers of the Bonds should conduct their own due diligence on the accuracy of the information relating to the Bonds. If a prospective purchaser does not understand the contents of this Offering Circular he or she should consult an authorised financial adviser.
NOTICE TO BAHRAIN RESIDENTS

In relation to investors in the Kingdom of Bahrain, the Bonds issued in connection with this Offering Circular and related offering documents may only be offered in registered form to existing account holders and accredited investors as defined by the Central Bank of Bahrain (the "CBB") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.$100,000 or any equivalent amount in other currency or such other amount as the CBB may determine.

This Offering Circular does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Offering Circular and any related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, the Bonds may not be offered, sold, or made the subject of an invitation for subscription or purchase, nor will this Offering Circular or any other related document or material be used in connection with any offer, sale or invitation to purchase the Bonds, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Offering Circular or related offering documents and it has not in any way considered the merits of the Bonds to be offered for investment whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Offering Circular and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this document. No offer of the Bonds will be made to the public in the Kingdom of Bahrain and this Offering Circular must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

In this Offering Circular, unless otherwise specified, references to a "Member State" are references to a Member State of the European Economic Area, references to "Saudi Arabia" are to the Kingdom of Saudi Arabia, references to "U.S.S", "USD" "U.S. dollars" or "dollars" are to United States dollars, references to "EUR" or "euro" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended and references to "SAR" or "Saudi riyals" are to Saudi Arabian Riyals.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In connection with the issue of the Bonds, ING Bank N.V. (the "Stabilising Manager") (or persons acting on behalf of the Stabilising Manager) may over allot Bonds or effect transactions with a view to supporting the price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.
INFORMATION INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Circular and have been filed with the FCA shall be incorporated in, and form part of, this Offering Circular:

(i) the unaudited interim consolidated financial statements, the notes to the interim consolidated financial statements and the independent auditors' limited review report for the interim consolidated financial statements of the Guarantor for the nine month period ended 30 September 2013; and

(ii) the consolidated financial statements, the notes to the consolidated financial statements and the independent auditors' reports for the consolidated financial statements of the Guarantor for the years ended 31 December 2011 and 2012.

Any information contained in any document referred to herein which is not incorporated by reference is either deemed not relevant for a prospective investor or is otherwise covered elsewhere in this Offering Circular.

Any statement contained in any document incorporated by reference in, and forming part of, this Offering Circular shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such statement.


Further, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), such documents incorporated by reference will be made available, for inspection at the place of business of the Issuer and copies can be ordered from the Issuer at SABIC Capital I B.V., World Trade Centre, Tower H, 27th Floor, Zuidplein 216, 1077 XV Amsterdam, The Netherlands (email: investors@sabic-europe.com; Facsimile: +31 (0)20 3333040, telephone: +31 (0)20 3333030).

For ease of reference, the tables below set out the relevant page references for: (i) the unaudited interim consolidated financial statements, the notes to the interim consolidated financial statements and the independent auditors' limited review report for the interim consolidated financial statements of the Guarantor for the nine month period ended 30 September 2013; and (ii) the consolidated financial statements, the notes to the consolidated financial statements and the independent auditors' reports for the consolidated financial statements of the Guarantor for the years ended 31 December 2011 and 2012, in each case as set out in the respective annual reports.

The financial statements of the Issuer have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union and with Part 9, Book 2 of the Dutch Civil Code. The financial statements of the Guarantor have been prepared in accordance with generally accepted accounting standards in Saudi Arabia (Article 123 of the Regulations for Companies) which differ from IFRS and US GAAP. See "Risk Factors - Factors Related to SABIC and the SABIC Group's Business - SABIC applies the generally accepted accounting standards in Saudi Arabia as issued by the Saudi Organization for Certified Public Accountants ("SOCPA"), which differ from IFRS and US GAAP".

Saudi Basic Industries Corporation

Unaudited Interim Consolidated Financial Statements for the nine month period ended 30 September 2013

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If documents which are incorporated by reference into this Offering Circular themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents shall not form part of this Offering Circular, except where such information or other documents are specifically incorporated by reference into this Offering Circular.
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OVERVIEW OF THE OFFERING

Words and expressions defined in the "Terms and Conditions of the Bonds", ("Conditions"), below or elsewhere in this Offering Circular have the same meanings in this overview.

The Issuer: SABIC Capital I B.V.
The Guarantor: Saudi Basic Industries Corporation
Joint Lead Managers: Crédit Agricole Corporate and Investment Bank, ING Bank N.V., J.P. Morgan Securities plc, Mitsubishi UFJ Securities International plc and Standard Chartered Bank
Trustee: Citicorp Trustee Company Limited
The Bonds: EUR750,000,000 2.750 per cent. Guaranteed Bonds due 2020
Issue Price: 99.280 per cent. of the principal amount of the Bonds
Issue Date: Expected to be on or about 20 November 2013.
Use of Proceeds: The proceeds of the Bonds will be used by the Issuer for general corporate purposes, including to repay certain of its outstanding indebtedness to third parties, and to extend loans to other SABIC Group companies outside the Middle-East and the United States for their respective general corporate purposes and/or for refinancing certain of their existing indebtedness. See "Use of Proceeds".
Interest: The Bonds will bear interest from 20 November 2013 at a rate of 2.750 per cent. payable in arrear on 20 November in each year commencing 20 November 2014.
Status and Guarantee: The Bonds constitute direct, unconditional and (subject to Condition 3 (Negative Pledge)) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, subject as aforesaid and save for such exceptions as may be provided by applicable legislation, at all times rank equally with all its respective other present and future unsecured and unsubordinated obligations.

The Guarantee of the Bonds constitutes direct, general, unconditional and (subject to Condition 3 (Negative Pledge)) unsecured obligations of the Guarantor which will at all times rank at least pari passu with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Form and Denomination: The Bonds will be issued in registered form in the denominations of EUR100,000 and integral multiples of EUR1,000 in excess thereof.
Final Redemption: Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 20 November 2020.
Redemption for Change of Control: A Bondholder shall have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) all but not some only of that holder's Bonds at their principal amount, together with any interest accrued up to (but excluding) the Put Date, upon the occurrence of a Change of Control Event as further described in Condition 5(c) (Redemption and Purchase – Redemption at the Option of the Holders upon a Change of Control...
Event).

**Tax Redemption:** The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 15 (Notices) (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption) in the event of certain changes in Dutch or Saudi Arabian taxation, as further described in Condition 5(b) (Redemption and Purchase – Redemption for Taxation Reasons) of the Terms and Conditions of the Bonds.

**Negative Pledge:** The Bonds will contain a negative pledge provision as further described in Condition 3 (Negative Pledge).

**Cross Default:** The Bonds will contain a cross default provision as further described in Condition 8(c) (Events of Default – Cross Default).

**Rating:** The Bonds are expected to be rated A+ by Fitch, A+ by Standard & Poor's and A1 by Moody's.

**Governing Law:** The Bonds, the Trust Deed, the Agency Agreement and the Subscription Agreement will be governed by English law.

**Listing and Trading:** Applications have been made for the Bonds (as a single class) to be admitted to listing on the Official List of the UK Listing Authority and to trading on the Professional Securities Market of the London Stock Exchange.

**Clearing Systems:** Euroclear and Clearstream, Luxembourg.

**Selling Restrictions:** See "Subscription and Sale".

**Risk Factors:** Investing in the Bonds involves risks. See "Risk Factors".

**Financial Information:** See "Information Incorporated By Reference", "Description of the Guarantor and the SABIC Group" and "Financial Statements and Independent Auditors' Reports of the Issuer".
RISK FACTORS

Each of the risks highlighted below could have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer or the Guarantor which, in turn, could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Bonds. In addition, each of the risks highlighted below could adversely affect the trading price of the Bonds or the rights of investors under the Bonds and, as a result, investors could lose some or all of their investment.

Prospective investors should note that the risks described below are not the only risks the Issuer and the Guarantor face. The Issuer and Guarantor have described only those risks that they consider to be material. There may be additional risks that the Issuer or the Guarantor do not currently consider to be material or of which the Issuer and the Guarantor are not currently aware, and any of these risks could have the effects set forth above.

Factors Related to Saudi Arabia

Economic and political risks related to the Middle East and Saudi Arabia in particular

SABIC is majority-owned by the Government of Saudi Arabia (the "Saudi Government"), a significant portion of the asset base of SABIC and the SABIC Group resides in Saudi Arabia and the majority of the revenues of SABIC and the SABIC Group as a whole are generated in connection with these assets (see further "Description of the Guarantor and the SABIC Group"). As a result, SABIC's and the SABIC Group's business, operating results and growth are and will be affected in general by financial, economic and general political developments in or affecting Saudi Arabia.

Although Saudi Arabia continues to pursue a policy of economic diversification to enhance the contribution of the non-oil sector to its gross domestic product, oil income will continue to have a pivotal role in its economic planning and development. Consequently, any sustained down-turn in oil prices will have a negative impact on the country's overall economy. Historically, the price of oil has been volatile. Such volatility in oil prices will likely continue in the future. The price of oil may fluctuate in response to various factors including economic and political developments in oil producing regions, the strength of the global economy, the ability of the Organisation of the Petroleum Exporting Countries and other oil producing nations to agree upon and maintain production levels and prices, the impact of international environmental regulations designed to reduce carbon emissions and prices and the availability of alternative fuels. Any significant decline in the prices of oil could materially adversely affect the economy of Saudi Arabia and therefore materially adversely affect the Guarantor's business, financial condition and operating results.

Since early 2011, a number of countries in the Middle East and North Africa region (including Algeria, Bahrain, Egypt, Iran, Jordan, Libya, Oman, Syria, Tunisia and Yemen) have been facing political and social unrest, particularly prevalent in Egypt and Syria at present. Saudi Arabia faces a number of challenges arising mainly from the relatively high levels of unemployment among the Saudi youth population, requests for political and social changes, and the security threat posed by certain groups of extremists. Should Saudi Arabia experience similar political and social unrest as found in other countries in the Middle East, the Saudi Arabian economy could be adversely affected, SABIC's operations could be temporarily disrupted or materially adversely affected and its business and operating results could be materially adversely affected. Furthermore, Saudi Arabia may be affected by events in the bordering countries and the rest of the region and any external action taken in the region by other countries or any international organisations in connection with such events, which could also adversely affect the Saudi Arabian economy and, as a consequence, SABIC's business, financial condition and operating results.

Investors in emerging markets should also be aware that these markets are subject to greater risks than more developed markets, including in some cases significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investments in emerging markets are only suitable for sophisticated investors who fully appreciate the significance of the risk involved in such markets, which include risks related to political, social and economic issues; external acts of warfare and clashes; governmental actions or interventions, including tariffs, protectionism, subsidies, expropriation of assets and cancellation of contractual rights; changes in, or in
the interpretation, application or enforcement of, law and regulation; difficulties and delays in obtaining new permits and consents for business operations or renewing existing ones; and a potential lack of reliability as to title to property.

**Governing law and enforceability of judgments**

SABIC is a Saudi joint stock company and is incorporated in, and a significant proportion of its assets and operations are located in, Saudi Arabia. If investors were to seek enforcement of an English judgment in Saudi Arabia, or to bring proceedings in relation to the Guarantee of the Bonds in Saudi Arabia, then the limitations described below would apply.

The Bonds and the Guarantee of the Bonds are expressed to be governed by English law and provide for the jurisdiction of the courts of England. Despite this, the courts and judicial committees of Saudi Arabia may not recognise the choice of English law or submission to jurisdiction of the English courts. Accordingly, in any proceedings relating to the Bonds or the Guarantee of the Bonds in Saudi Arabia, *Shari'a* law, as interpreted in Saudi Arabia, may be applied by the relevant court or judicial committee. The courts and judicial committees of Saudi Arabia have the discretion to deny the enforcement of any contractual or other obligations, if, in their discretion, the enforcement thereof would be contrary to the principles of *Shari'a* law. The ability of the Trustee or any Bondholder to exercise remedies under the Bonds or the Guarantee of the Bonds upon the occurrence of a default or breach, other than a failure to pay principal upon the due date for a payment of principal, is uncertain under the laws of Saudi Arabia.

In Saudi Arabia, the Committee for the Resolution of Securities Disputes (the "Committee") is responsible for the settlement of disputes arising under the Capital Market Law and its implementing regulations. The decisions of the Committee are subject to appeal before an appeal panel (the "Appeal Panel") consisting of three members representing the Ministry of Finance, the Ministry of Commerce and Industry and the Bureau of Experts at the Council of Ministers. The decisions of the Appeal Panel are final.

It is uncertain in the absence of precedent whether the Committee or the Appeal Panel would accept jurisdiction over any claim relating to the Bonds or what decisions the Committee or the Appeal Panel would come to.

Further, in relation to a claim under the Guarantee of the Bonds, as the claim would not be directly related to an instrument that is considered a 'security' under the Capital Market Law, it is uncertain in the absence of precedent whether the Committee or the Appeal Panel would accept jurisdiction over any claim relating to the Guarantee of the Bonds or what decisions the Committee or the Appeal Panel would come to.

Disputes of a commercial nature in Saudi Arabia are heard before a court called the Grievances Board, which strictly applies *Shari'a* law. In addition, the Grievances Board has the exclusive jurisdiction to hear claims against Saudi Arabian government bodies.

The Saudi Government has approved a restructuring of the judiciary system, including the establishment of a supreme court ("Supreme Court") as well as commercial, personal status and labour tribunals. The Judiciary Law and Grievances Board Law were enacted by Royal Decree No (M/78) dated 19/9/1428H (corresponding to 1 October 2007) but are yet to be fully brought into force. Under the Judiciary Law, the Supreme Court will take over all the functions other than certain administrative responsibilities of the Supreme Judiciary Council, which currently serves as Saudi Arabia's highest tribunal. The Grievances Board's current jurisdiction over commercial disputes will also pass to a new Commercial Court as part of this restructuring. It is not clear at this stage what the outcome of this reform of the judicial system will be and its impact, if any, on the Bonds or the Guarantee of the Bonds or any claim under the Bonds or the Guarantee of the Bonds.

Pursuant to the Enforcement Law issued by Royal Decree No. M/53 dated 13 Shaban 1433H (corresponding to 3 July 2012) and its Implementing Regulations issued by Ministerial Resolution No. 9892 dated 17 Rabi Thani 1434H (corresponding to 27 February 2013) (the "Implementing Regulations"), foreign judgments and arbitral awards are capable of being enforced by an enforcement judge in Saudi Arabia if the relevant conditions are satisfied.
The conditions which need to be satisfied include (amongst others) reciprocity, competence and public policy tests, as well as it being established that the defendant had an adequate opportunity to be represented and that the judgment or arbitral award is final. The reciprocity test would be satisfied upon the enforcement judge's verification that, pursuant to an official confirmation from the Ministry of Justice, the country/state in which the foreign judgment or arbitral award was rendered would reciprocally enforce the judgments of the courts and judicial committees of Saudi Arabia. The public policy requirement is specifically interpreted in the Implementing Regulations to mean compliance with Sharia law.

In addition, even if Bondholders were able to meet this requirement, they should be aware that if any terms of the Bonds or the Guarantee of the Bonds (including any provisions relating to the payment of profit) were found to be inconsistent with Sharia law, they would not be enforced by the Grievances Board. See "Factors Related to Saudi Arabia - Enforcement of profit, interest and other provisions".

Secondary market purchasers

The trading of debts is, generally, prohibited under Sharia law. Accordingly, if a secondary market purchaser of a Bond were to take direct action against SABIC in Saudi Arabia (under the Guarantee of the Bonds), there is a possibility (although, as far as SABIC is aware, no such matter has been the subject of adjudication before a Saudi court or judicial committee) that the Saudi courts would consider such claim to be void. Notwithstanding the foregoing, the Saudi Capital Market Law contemplates the trading of debt securities and provides for the establishment of the Committee to hear disputes, among others, relating to debt securities. However, no assurance can be given as to how the Committee would treat secondary market purchases of the Bonds, and no assurance can be given that the Committee would accept a claim under the Guarantee of the Bonds.

Enforcement of profit, interest and other provisions

An obligation to pay a sum in the nature of interest (howsoever described, and whether described as a discount, premium or otherwise), is not enforceable under Sharia law, which is the paramount body of law in Saudi Arabia. It follows that provisions for the payment of sums in the nature of interest pursuant to the Guarantee of the Bonds in respect of Bonds issued by the Issuer will not be enforced by a court or judicial committee in Saudi Arabia applying Sharia law. In particular, a court or judicial committee in Saudi Arabia may, on the application of the payer of sums in the nature of interest, only give judgment in respect of principal sums found by such court or judicial committee to be due and payable less the amount of sums in the nature of interest previously paid by the payer to the payee. Any amounts previously paid by and/or on behalf of SABIC and/or the Issuer in respect of sums in the nature of interest would therefore reduce the amount receivable by Bondholders in relation to payments of principal.

In addition, there is a risk that a Saudi court or judicial committee (as the case may be) will not give effect to an event of default other than the non-payment of principal.

To the extent any proceedings relating to the insolvency or bankruptcy of SABIC are held in Saudi Arabia, such proceedings may be resolved before the Grievances Board. Further, it is not certain which Saudi court would have jurisdiction over proceedings relating to the Guarantee of the Bonds brought in Saudi Arabia, as it may fall under the Committee and the Appeal Panel, the Grievances Board or the general courts. See "Factors Related to Saudi Arabia — Governing law and enforceability of judgments" above.

Enforcement of the Guarantee of the Bonds

Under Saudi Arabian law, there is no distinction between a guarantee as a secondary obligation and an indemnity as a primary obligation, and it is likely that a court or judicial committee in Saudi Arabia would treat both obligations as being in the nature of a guarantee. In the event that any obligation of the Issuer, as the primary obligor in respect of which a guarantee is given, proves to be illegal or unenforceable under Saudi Arabian law, the guarantee in question would, in respect of those underlying illegal or unenforceable obligations, also be unenforceable before the courts or judicial committees of Saudi Arabia. The obligations of SABIC under the Guarantee of the Bonds may not be stricter than the obligations of the Issuer under the Bonds. In the event that the obligations which SABIC is guaranteeing under the Guarantee of the Bonds are amended without SABIC's consent, the Guarantee of the Bonds would not cover such amendments.
In addition, it is uncertain under the laws of Saudi Arabia whether the obligations of SABIC incurred following its bankruptcy would be enforceable with respect to SABIC, as the debt owed by SABIC would become due at the time of the bankruptcy. Therefore, it is unclear whether, in any particular case, the Guarantee of the Bonds would continue to be effective after the bankruptcy of SABIC and bind the liquidator in respect of advances made thereunder.

If Bondholders, as the beneficiaries of the Guarantee of the Bonds, release the Issuer from an obligation, SABIC would also be released from that obligation under the Guarantee of the Bonds.

Furthermore, any payment made by the Issuer for the Holders' account may automatically be deemed to discharge the corresponding guaranteed obligations and to reduce SABIC's liability in respect of such amounts, notwithstanding any provision to the contrary.

Guarantees are viewed under Saudi Arabian law as 'voluntary obligations' and as a result it is likely that a court or judicial committee in Saudi Arabia would construe the terms and conditions of the Guarantee of the Bonds in favour of SABIC. For instance, commentators understand that it is the practice of certain courts and judicial committees in Saudi Arabia to consider a creditor filing a claim against the original obligor without joining the guarantor as a party to the action to have waived his rights to claim against the guarantor, unless the claim expressly preserves the creditor's rights to claim against the guarantor. Additionally, if a creditor delays in exercising its right against a guarantor in respect of unpaid amounts for a long period of time, in the view of the relevant courts and judicial committees, the relevant courts and judicial committees may construe this delay as a waiver of the creditor's right.

SABIC applies the generally accepted accounting standards in Saudi Arabia as issued by the Saudi Organization for Certified Public Accountants ("SOCPA"), which differ from IFRS and US GAAP

SABIC's consolidated financial statements are prepared in conformity with the generally accepted accounting standards in Saudi Arabia as issued by SOCPA (consistently applied during the periods stated, except as provided in the relevant consolidated financial statements of SABIC) or, in absence of accounting standards issued by SOCPA on any specific accounting matter, in accordance with IFRS, as prescribed by SOCPA itself. Accounting standards issued by SOCPA differ from IFRS as adopted by the European Union and other accounting principles with which prospective investors may be familiar in other countries, including the United States and United Kingdom. No attempt has been made in this Offering Circular to highlight any difference between the accounting standards issued by SOCPA and IFRS or US GAAP or to reconcile any of the information given in this Offering Circular to IFRS or US GAAP or any other generally accepted accounting principles. In addition, investors should be aware that there may be less publicly available information about Saudi public companies, such as SABIC, than is regularly made available by public companies in other countries.

Foreign exchange control risks

The Saudi Government and monetary authorities may impose (as some have done in the past) foreign exchange controls that could adversely affect an applicable foreign exchange rate or SABIC's ability to make payments of interest or principal under the Guarantee.

Factors related to the SABIC Group structure

The Saudi Government's shareholding in SABIC

The Saudi Government controls 70 per cent. of the share capital of SABIC, via the Public Investment Fund. The remaining 30 per cent. is owned by other investors, including certain institutions (among which the General Organization for Social Insurance, which is controlled by the Saudi Government) and private investors. Although the Saudi Government owns indirectly the majority of the share capital of SABIC, SABIC does not benefit from any direct or indirect legally enforceable guarantee by the Saudi Government. Accordingly, SABIC's financial obligations, including its obligations under the Guarantee, are not, and should not be regarded as, obligations of the Saudi Government. SABIC's ability to make payments under the Guarantee is solely dependent on SABIC's ability to fund such obligations from its operating cash flows and borrowings. Furthermore, although the Saudi Government shareholding in SABIC has not changed since 1984 and SABIC is not aware of any decision to change it in the future, there can be no assurance that no such change will occur in the future. If in the future the shareholding of
the Saudi Government in SABIC decreases below its current level, the credit rating of SABIC and the value in the secondary market of any securities guaranteed by SABIC may be adversely affected.

**Risks related to SABIC as a holding company**

The operations of the SABIC Group are conducted through companies and joint-ventures with third-parties. In accordance with applicable accounting standards in Saudi Arabia, SABIC's consolidated financial statements include the assets, liabilities and financial results of a number of fully-owned subsidiaries, joint-ventures in which SABIC holds a controlling majority shareholding and joint-ventures in which SABIC holds a minority shareholding but over which it has direct control. However, each of such companies remains a separate legal entity and, therefore, the Bondholders and other creditors of SABIC would not have a direct claim over any of such company's assets, even if such assets appear in the consolidated financial statements of SABIC. As a holding company, SABIC relies entirely on dividends from its subsidiaries and joint-ventures, interest on intercompany loans extended to its subsidiaries and joint-ventures, fees it charges to its subsidiaries and joint-ventures for the sale of their products and for technology licences and catalyst supplies, and other fees and charges it generates from certain administrative and other technical services it provides to its subsidiaries and joint-ventures. There can be no assurance as to the future performance of any of SABIC's subsidiaries and joint ventures. Any declining profitability of these subsidiaries and joint-ventures could affect their ability to pay dividends, interest and/or make other payments to SABIC and in turn would negatively impact the financial results of SABIC.

**Risks related to SABIC's joint-venture operations**

A significant part of the operations of the SABIC Group in Saudi Arabia are conducted through joint-ventures with third-parties, which are further disclosed in "Description of the Guarantor and the SABIC Group - Overview of the SABIC Group". According to applicable accounting standards, such joint-ventures are fully consolidated in the audited and unaudited consolidated financial statements of SABIC for the relevant period which are incorporated in this Offering Circular. Each of such joint-venture companies is managed by its own board of directors, that makes business, financial and management decisions taking into account the corporate interest of the joint-venture company and which may reflect also the interest of the other joint-venture partners. There can be no assurance as to the future performance of any of such joint ventures.

**Risks related to the structural subordination of the Guarantee of the Bonds**

Some of SABIC's subsidiaries are parties to credit agreements and joint venture agreements that may contain financial covenants and other restrictions on their ability to distribute dividends and make other payments to SABIC. The Guarantee of the Bonds will be structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of SABIC's subsidiaries, and to all secured creditors of SABIC and its subsidiaries. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding-up of the business of any subsidiary of SABIC, creditors of such subsidiary generally will have the right to be paid in full before any distribution is made to SABIC.

**Factors related to SABIC's and the SABIC Group's business**

*The global economic downturn and the cyclical nature of the SABIC Group's businesses*

SABIC and the SABIC Group operate in industry sectors where, historically, growth has been dependent on general macro-economic growth and its fluctuations. Moreover, such industry sectors are cyclical in nature and subject to demand and price volatility. Since 2008, the global economy has been experiencing a period of protracted economic crisis characterised by low level of growth (with negative rates in parts of Europe and North America), increased unemployment and uncertainties in the financial markets. The economic outlook for the next few years remains uncertain, with economic growth in Europe and North America at risk of stagnation and a slow recovery in developing regions. Furthermore, global credit markets, particularly in the United States and Europe, have experienced difficult conditions of varying intensity which have resulted and are still resulting, at times, in certain regions, in reduced liquidity, greater volatility and widening of financing costs. A further protracted economic downturn or any worsening of general global economic conditions or any change in investment markets, including, but not limited to, changes in international, regional or local growth rates, could adversely affect the growth and profitability of the petrochemical, plastic, fertilisers and metal industries and consequently the business
and operating results of SABIC and the SABIC Group. Furthermore, SABIC and the SABIC Group may continue to experience periodic fluctuations in their future financial results reflecting such industry-wide conditions and their development.

**Access to competitively priced feedstock**

A key element of the profitability of SABIC and the other manufacturing companies of the SABIC Group in Saudi Arabia is the access to feedstock (which includes ethane, propane and methane) from the Saudi Arabian Oil Company ("Saudi Aramco") at competitive prices (available also to other producers in Saudi Arabia, both Saudi and non-Saudi owned), which are lower than those available in the international markets. Any changes to the terms on which feedstock is available (including pricing terms) would have an adverse effect on SABIC and the SABIC Group's profitability. Furthermore, at present there are significant changes in the global energy market as a result of the availability of unconventional sources of gas (such as shale gas, particularly in the United States). Such sources of gases are enhancing the competitive advantage of industries and companies in certain regions, including SABIC's competitors. SABIC and the SABIC Group's future ability to maintain their present level of profitability in such a competitive environment will be dependent upon maintaining access to feedstock in Saudi Arabia at current prices, gaining access to new sources of gas in other regions, offsetting decreases in the sale prices and profit margins by improving production efficiency and volume, shifting to production of higher margin products and/or improving existing products through innovation and research and development, none of which can be assured. If SABIC and the SABIC Group are unable to respond effectively to such circumstances, they could lose market share to competitors and their business prospects, financial conditions and results of operations could be materially adversely affected.

**Dependence on key supplies of feedstock and utilities**

In Saudi Arabia, SABIC and the SABIC Group purchase the vast majority of the feedstock required for their manufacturing operations from Saudi Aramco. The SABIC Group's operations may be interrupted or otherwise adversely affected by any material delays in Saudi Aramco supplying feedstock to the SABIC Group, though Saudi Aramco has never failed to supply the SABIC Group with feedstock in the past. Furthermore, the SABIC Group's manufacturing business is dependent upon the supply of electricity to meet its energy needs. The Saudi Electricity Company supplies electricity in Saudi Arabia. At present, MARAFIQ, a utility company in which SABIC has an equity stake of 25 per cent., is the only utility company which supplies water and sewage disposal services within the industrial cities of Yanbu and Jubail, where most of the SABIC Group's manufacturing facilities are located. Any material increase in the tariffs charged by these two utility companies or material interruptions in their supplies could have an adverse effect on the SABIC Group's profitability.

**Risks related to projects under development**

SABIC and a number of companies of the SABIC Group are currently carrying out significant capital projects (such as investment in new production plants, expansion of existing plants, and the upgrading of existing plants) (see further "Description of the Guarantor and the SABIC Group - The SABIC Group: main projects under development "). Other additional capital projects may be undertaken during the term of the Bonds. Each of such projects entails a number of risks during construction such as the risk of investment cost overrun, the risk of delayed or incomplete start-up, the risk of any default by any appointed contractor or sub-contractor or their ability to comply with their contractual obligations, shortages or increases in the costs of equipment, breakdown or failure of equipment, processes or technology, difficulties in connecting any related upstream or downstream facility, timely availability of the required feedstock at the time of commencement of commercial operations, start-up or commissioning problems, problems with effective integration of operations, increased operating costs, exposure to unanticipated liabilities, difficulties in achieving projected efficiencies, synergies and cost savings, and changes in market conditions. If any of these risks materialise, the overall profitability of the relevant project would be materially adversely affected. If any new project fails to achieve the expected levels of performance or profitability, this could have a material adverse effect on the operating results and financial condition of SABIC and the SABIC Group.

**Risks associated to competition in international markets**

SABIC and the SABIC Group operate in a highly competitive market. New projects by competitors may lead to an oversupply of products in certain regions or product markets and result in competitive pressure
on prices. Competitors' pricing decisions could compel SABIC and the SABIC Group to decrease their prices, which could reduce their margins of profitability and have a material adverse effect on their business prospects, financial condition and results of operations.

**Risks associated with global operations**

The SABIC Group has significant manufacturing and commercial operations around the world. Some of these operations are based in the emerging markets and/or in jurisdictions with unstable political or economic conditions. There are inherent risks in international operations, including risks of foreign exchange controls and currency restrictions, currency fluctuations and devaluations, tariffs and trade barriers, export duties and quotas, changes in local economic conditions, changes in law and regulations, exposure to possible expropriation or other government actions, hostility from local populations, civil unrest, riots, terrorism or wars, the ability to legally enforce contractual rights and judgments and differing levels of protection of intellectual property. The deterioration of any of the above conditions in the jurisdictions where the SABIC Group operates could have a material adverse effect on the business, results of operations and financial condition of SABIC and the SABIC Group.

**Operating risk in manufacturing facilities**

The production facilities of the SABIC Group are subject to hazards associated with the manufacturing, handling, storage and transportation of chemical materials and products, including exposure to hazardous substances, pipeline leaks and ruptures, explosions, fires, extreme weather and natural disasters, mechanical failures, unscheduled downtime, transportation interruptions, remedial complications, chemical spills, discharges or releases of toxic or hazardous substances or gases, storage tank leaks and other environmental risks. If any of these risks materialise, the SABIC Group may be required to incur significant expenditure, which may require financial assistance from SABIC, and which in turn could have a material adverse impact on SABIC and the SABIC Group's financial results or operations. In addition, subsidiaries of the SABIC Group have a significant number of projects under development. The construction period and the period leading up to the commencement of operations of newly constructed plants involves a number of risks including (without limitation) engineering, procurement and construction cost overruns and delays, environmental issues and costs, start-up and commissioning problems. If any of the above risks materialise with respect to one or more important production facilities of the SABIC Group, the relevant companies may be required to incur significant expenditure, which may require financial assistance from SABIC, and which in turn could have a material adverse impact on SABIC and the SABIC Group's financial results or operations.

**Risks related to Information and Communication Technologies security**

Increased global information security threats and more sophisticated cyber-crimes pose a risk to the confidentiality, availability and integrity of data, operations and infrastructure of all companies worldwide. Systems, networks, facilities, products and services of companies within the SABIC Group remain potentially exposed to such threats. Depending on their nature and scope, should such threats overcome the information security measures implemented by the SABIC Group, they could potentially lead to the compromise of confidential information, improper use of systems and networks, manipulation and destruction of data, production downtimes and operational disruptions, which in turn could adversely impact the SABIC Group's results of operations.

**Environmental risks**

SABIC's and the SABIC Group's business involves the manufacturing and marketing of petrochemical, fertiliser and metals products, some of which entail the use of toxic, hazardous, inflammable or volatile products and processes. As with any business that involves the handling, processing, transportation, storage, or manufacturing of potentially dangerous substances, the SABIC Group's business is exposed to environmental risks, accidents involving persons or property, plant and equipment and other liabilities, which may result in the shutting down of affected facilities and the imposition of civil or criminal penalties. Furthermore, the SABIC Group may be subject to future claims with respect to workplace exposure, exposure of contractors on its premises as well as other persons located nearby, workers' compensation and other matters. The occurrence of any of these events may disrupt production and have a negative effect on the productivity and profitability of a particular manufacturing facility and SABIC and the SABIC Group's operating results and cash flows.
Risks related to innovation

A component of SABIC’s strategy is to introduce new products and applications that offer distinct value for customers. Some products of certain SABIC Group companies are affected by rapid technological changes or by the introduction of new products by other industry players. SABIC and the SABIC Group intend to continue to devote substantial resources to the development of new technologically advanced products and processes and to continue to devote a substantial amount of expenditure to the research and development functions of its business. However, it cannot be assured that SABIC and the SABIC Group will be successful in developing new products or processes or bringing them to market in a timely manner, that products or technologies developed by others will not render SABIC and the SABIC Group's product offerings obsolete or non-competitive, that the market will accept SABIC and the SABIC Group's new products and innovations or that competitors will not be able to produce similar products at a lower cost. Failure to innovate and introduce successful new products could result in SABIC and the SABIC Group losing market share to competitors and could have a material adverse effect on the businesses, results of operations and financial condition of SABIC and the SABIC Group.

Product liability risks

A number of products produced by companies in the SABIC Group are developed from highly complex and technical manufacturing processes and, accordingly, there is a risk that defects may occur in any of such products. Such exposure is increased when customers integrate SABIC Group's products into consumer products, which are then in turn sold into the marketplace. Defects in such products can give rise to significant costs, including expenses relating to recalling products, replacing defective items, writing down defective inventory and loss of potential sales. In addition, the occurrence of such defects may give rise to product liability and warranty claims, including liability for damages caused by such defects. If any of these risks materialises, the business, financial condition and results of operations of SABIC and the SABIC Group could be materially adversely affected.

Regulatory risks and risk of change of laws

SABIC and other companies of the SABIC Group must comply with a broad range of regulatory controls on the manufacturing and marketing of many of their products and their operations are subject to a wide variety of environmental laws and regulations, including those governing emissions to air, discharges to waters, the generation, use, storage, transportation, treatment and disposal of hazardous materials and wastes, remediation of contaminated soil and groundwater and employee health and safety matters. Compliance with such laws and regulations can be costly, and the relevant companies of the SABIC Group incur and will continue to incur costs, including capital expenditures, to comply with these requirements. SABIC expects that environmental laws and regulations and product-related regulatory controls worldwide will become increasingly more demanding and require increasing capital expenditure and other costs to ensure compliance, which could affect the financial results of SABIC and the SABIC Group. Furthermore, failure to comply with such regulations or any changes to such regulations, including the introduction of additional regulations, could adversely impact the business and results of operations of SABIC and the affected companies of the SABIC Group.

Risks resulting from international trade controls

SABIC and the SABIC Group export products in countries which have adopted trade defence instruments such as anti-dumping and anti-subsidies laws and regulations. Failure to comply with such laws and regulations may result in anti-dumping or anti-subsidies duties being imposed on imports of products into such countries. SABIC considers that the use of trade defence measures by some countries is likely to increase in the future. The SABIC Group is exposed to such measures as its main products, plastics and chemicals, are often a prime target of such instruments, certain of SABIC's main export markets are recurrent users of trade defence measures and certain of SABIC's export markets are price-sensitive. Any trade defence measures imposed on imports from SABIC and the SABIC Group could adversely impact the business and financial results of SABIC and the SABIC Group.

Risks resulting from activities in Sanctioned Countries

The Guarantor conducts limited activities in certain countries that are subject to sanctions imposed by the United States of America and the European Union (see further "Description of the Guarantor and the SABIC group — Activities in Sanctioned Countries" below). In SABIC's assessment, such activities do
not violate any laws or regulations applicable to SABIC, as a Saudi Company. However, there can be no assurance that the scope of such laws and regulations (or the interpretation or enforcement thereof) will not change in the future, or that such change may adversely impact SABIC or such activities of SABIC.

**Risks related to intellectual property and technology licences**

SABIC and the SABIC Group depend upon a wide range of intellectual property to support their businesses and have obtained licences for certain technologies which are used in their manufacturing facilities. Any termination of a material technology licence or dispute related to its use could require the relevant subsidiaries to cease using the relevant technology and therefore possibly adversely affect such subsidiaries’ ability to produce the relevant products. SABIC’s inability to maintain any head licence which is the subject of a sub-license of technology to any subsidiary of the SABIC Group could require the relevant subsidiary to cease using the technology and to license such rights from other third parties on less favourable commercial terms, or obtain substitute technology of lower quality or performance standards at greater cost. Further, technologies and processes are being continuously developed in the petrochemical sector worldwide. Significant developments in technology could result in existing technologies and processes currently utilised by SABIC and the SABIC Group becoming less competitive and thereby impact adversely SABIC and the SABIC Group's business and results of operations.

**Insurance risk**

To protect the interests of the SABIC Group, SABIC procures comprehensive insurance coverage for construction and operations (as the case may be). The SABIC Group has a comprehensive insurance programme to cover the risk of property damage, business interruption resulting from, among other things, fire or machinery breakdown, and third party liability. There can be no assurance that such insurance coverage will be adequate to cover all losses which a company of the SABIC Group may incur in future periods, or that the liability imposed on such subsidiary will not exceed its total assets. If such company is required to meet the costs of claims which exceed its insurance coverage, the subsidiary's costs would increase and could, in turn, have an adverse effect on SABIC's and the SABIC Group's profitability and financial results.

**Reliance upon skilled personnel**

Competition for highly qualified management and technical personnel is intense in the industries in which the SABIC Group operates. The SABIC Group's businesses and operations are dependent upon its ability to recruit and retain skilled personnel. The continuity of recruiting and retaining skilled personnel is critical to the SABIC Group's operations. If at any time the SABIC Group is unable to recruit and maintain qualified management and technical personnel, this may have an adverse effect on the SABIC Group's operations and/or profitability.

**Risks related to debt financing and instability of the financial markets**

Any disruption in the global credit markets, re-pricing of credit risk and any difficulties in the conditions of the financial market may impact SABIC and the SABIC Group's ability to fund its businesses or projects in a similar manner, and at a similar cost, to the funding raised in the past. If the repayment of any loans or other debt instruments in respect of financing taken by SABIC or other companies of the SABIC Group cannot be refinanced or extended at acceptable terms, or paid with the proceeds of other transactions, SABIC's and the SABIC Group's cash flows and financial results would be materially adversely affected. If prevailing financing costs or other factors at the time of any such refinancing result in higher financing costs, such increased financing costs would adversely affect SABIC and the SABIC Group's financial results. Furthermore, any such event may adversely affect the timely completion of various projects in accordance with current plans.

**Risks related to financing new capital projects**

In the next few years, the significant capital projects planned by SABIC and the SABIC Group as well as possible acquisitions, partnerships or joint ventures will require that the SABIC Group make a significant cash investment and incur substantial debt. Any disruption in the global credit markets, re-pricing of credit risk and any difficulties in the conditions of the financial market may impact the financing of such projects and result in financing costs greater than expected and which would adversely affect SABIC and the SABIC Group's business and financial results.
Interest rate risks and foreign exchange risk

SABIC and the SABIC Group are subject to interest rate risks in the ordinary course of business. Part of such risk may be hedged through derivative instruments such as interest rate swaps. There can be no assurance, however, that such hedging strategy will be effective and that interest rate fluctuations will not adversely affect SABIC and the SABIC Group's results of operations. Although SABIC aims to limit the risk of default by entering into transactions only with selected financial institutions and by adhering to fixed limits, defaults by counterparties to significant contracts may adversely affect SABIC and the SABIC Group's financial results. Furthermore, SABIC and the SABIC Group conduct a significant portion of their sales and marketing activities in different countries and are therefore exposed to risks associated with the fluctuations of foreign currency exchange rates which may not be hedged and which may adversely affect the SABIC Group's results of operations.

Risks relating to Employee Benefits schemes

The SABIC Group has defined benefit pension plans in various countries (the largest of which are in The Netherlands, the United States, the United Kingdom and Germany). In the United States, certain SABIC companies also have post-retirement plans that provide certain medical benefits and life insurance for retirees and eligible dependents. The relevant SABIC employing company has funding and other obligations with respect to such pension or benefit plans in accordance with the rules applicable to the respective pension or benefit plan. The accounting for these plans requires that management makes certain assumptions relating to the long-term rate of return on plan assets, discount rates used to measure future obligations and expenses, salary scale inflation rates, health care cost trend rates, mortality and other assumptions. The selection of assumptions is based on historical trends and known economic and market conditions at the time of valuation. However, these estimates are highly susceptible to change from period to period based on the performance of plan assets, actuarial valuations, market conditions and contracted benefit changes. Unfavourable changes of those estimates, as well as actual results substantially different from the estimates, might result in a significant increase in the SABIC Group's obligations or future funding requirements. This in turn could have a material adverse impact on the SABIC Group's results of operations and cash flows.

Factors related to the Issuer and its lending activities

The Issuer is an indirect wholly-owned subsidiary of SABIC. Its principal activities consist of raising funds and on-lending the proceeds to companies of the SABIC Group outside the Middle-East and the United States. Such companies use the loans extended by the Issuer for their own operations or for financing their own subsidiaries via intercompany loans or equity.

Currently all funds raised by the Issuer in the banking and capital markets have been on-lent to SABIC International Holdings B.V. (see further "Description of the Issuer"), a wholly-owned subsidiary of SABIC incorporated in The Netherlands. SABIC International Holdings B.V. acts as holding company for almost all of the international operations of the SABIC Group outside the Middle-East (excluding the SINOPEC SABIC Tianjin Petrochemical Company) and has used such funds to finance its investments in wholly-owned subsidiaries and affiliated companies via intercompany loans or via equity.

The only material assets of the Issuer are receivables from such loans, and the revenues of the Issuer mainly consist of interest payments under such loans.

There is no assurance that SABIC International Holdings B.V. (or other SABIC Group companies to which the Issuer may on-lend funds in the future) will be able to generate sufficient revenues from their operations (or receive a sufficient amount of interest payments or dividends or other forms of distribution from their own subsidiaries) to pay interest on such loans and ultimately repay the principal amount of such loans extended to it by the Issuer.

In any of such cases, in order to pay interest on the Bonds, the Issuer would have to rely on its ability to access any banking facility agreement which is available to it at that time or, ultimately, on the financial support of SABIC.
**Risks related to the structure of the Bonds**

**Redemption by the Issuer**

The Issuer may, in the limited circumstances set out in Condition 5 (Redemption and Purchase), redeem the Bonds prior to their stated maturity date. Depending on prevailing market conditions at the time, an investor receiving the proceeds of an early redemption of the Bonds may not be able to reinvest those proceeds in a comparable security at an effective interest rate as high as that carried by the Bonds.

**Modification**

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The conditions of the Bonds also provide that the Trustee may, without the consent of Bondholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of or any failure to comply with, the provisions of the Bonds and/or the Trust Deed, in the circumstances described in Condition 12 (Meetings of Bondholders and Modification; Substitution).

**Integral multiples of less than EUR100,000**

Although the Bonds are required to have a minimum denomination of EUR100,000, it is possible that the Bonds may be traded in the clearing systems in amounts in excess of EUR100,000 that are not integral multiples of EUR100,000. In such case, should definitive Bonds be required to be issued, they will be issued in principal amounts of EUR100,000 and higher integral multiples of EUR1,000 but will in no circumstances be issued to Holders who hold Bonds in the relevant clearing system in amounts that are less than EUR100,000.

**European Union (EU) Savings Directive**

Under the European Community ("EC") Council Directive 2003/48/EC on the taxation of savings income (the "Directive"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State or to certain limited types of entity established in that other Member State. However, for a transitional period, Luxembourg and Austria may instead apply (unless during that period they elect otherwise) a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or, certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above (see also "Taxation and Zakat – the proposed financial transactions tax"). Investors who are in any doubt as to their position should consult their professional advisers.

**A change of law may adversely affect the Bonds**

The conditions of the Bonds are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.
Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, interest rate risk and credit risk:

The secondary market generally

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Although application has been made for the Bonds to be admitted to listing on the Official List and to trading on the Market, there is no assurance that such application will be accepted or that an active trading market will develop. Illiquidity may have a severely adverse effect on the market value of Bonds. Furthermore, the market value of the Bonds may be affected by the market value of other bonds that may in the future be issued by the Issuer and/or guaranteed by the Guarantor and that may have terms and conditions similar to or different from the terms and conditions of the Bonds.

Interest rate risks

Investment in the Bonds, which are fixed rate obligations, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Tax consequences of holding the Bonds

Potential investors should consider the tax consequences of investing in the Bonds and consult their tax advisors about their own tax situation. See "Taxation and Zakat" below.

Foreign exchange rate risks

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risks relating to foreign currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than Euro. These include the risk that foreign exchange rates may significantly change (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify foreign exchange controls. An appreciation in the value of the Investor's Currency relative to Euro would decrease; (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Bonds and (3) the Investor's Currency-equivalent market value of the Bonds.

Credit ratings may not reflect all risks

The Bonds are expected to be rated A+ by Fitch, A+ by Standard & Poor's and A1 by Moody's. The ratings assigned to the Bonds may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any adverse change in an applicable credit rating could affect the trading price for the Bonds.

As the Global Bond Certificate is registered in the name of a common depositary on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on the procedures of Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer

The Bonds will be represented by interests in a Global Bond Certificate and, except in certain circumstances, investors will not be entitled to receive Bond Certificates. The Global Bond Certificate will be registered in the name of a common depositary on behalf of Euroclear and Clearstream, Luxembourg. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Bond Certificate. While the Bonds are represented by the Global Bond Certificate, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer and the Guarantor will discharge their payment obligations under the Bonds by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the Global Bond Certificate must rely on the
procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Bond Certificate.

Holders of beneficial interests in the Global Bond Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

**Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) the Bonds are legal investments for it; (2) the Bonds can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.
TERMS AND CONDITIONS OF THE BONDS

The following is the text of the terms and conditions of the Bonds which (subject to amendment and other than the text in italics) will be endorsed on each Bond Certificate and will be attached (subject to the provisions thereof) to the Global Bond Certificate.

The EUR750,000,000 2.750 per cent. Guaranteed Bonds due 2020 which will be issued on 20 November 2013 (the "Issue Date") in an aggregate principal amount of EUR750,000,000 (the "Bonds", which expression shall in these Conditions, unless the context otherwise requires, include any further Bonds issued pursuant to Condition 14 (Further Issues) and forming a single series with the Bonds) of SABIC Capital I B.V. (the "Issuer") are constituted by, are subject to, and have the benefit of a trust deed dated 20 November 2013 (as amended or supplemented from time to time, the "Trust Deed") entered into by the Issuer, Saudi Basic Industries Corporation (the "Guarantor") and Citicorp Trustee Company Limited as trustee (the "Trustee", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of an agency agreement dated 20 November 2013 (as amended or supplemented from time to time, the "Agency Agreement") between the Issuer, the Guarantor, Citigroup Global Markets Deutschland AG as registrar (the "Registrar", which expression includes any successor registrar appointed from time to time in connection with the Bonds), Citibank N.A., London Branch as principal paying agent (the "Principal Paying Agent", which expression includes any successor principal paying agent appointed from time to time in connection with the Bonds), the transfer agents named therein (the "Transfer Agents", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Bonds) and the paying agents named therein (together with the Principal Paying Agent, the "Paying Agents", which expression includes any successor or additional paying agents appointed from time to time in connection with the Bonds) and the Trustee. References herein to the "Agents" are to the Registrar, the Principal Paying Agent, the Transfer Agents and the Paying Agents and any reference to an "Agent" is to any one of them. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. The Bondholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Bondholders during normal business hours at the office for the time being of the Trustee, being at the date hereof Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and at the Specified Offices (as defined in the Agency Agreement) of each of the Agents, the initial Specified Offices of which are set out below.

1. Form, Denomination, Title and Transfer

(a) **Form and denomination:** The Bonds are in registered form in the denominations of EUR100,000 and integral multiples of EUR1,000 in excess thereof (each an "Authorised Denomination").

(b) **Register:** The Registrar will maintain a register (the "Register") in respect of the Bonds in accordance with the Agency Agreement. In these Conditions, the "Holder" of a Bond means the person in whose name such Bond is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "Bondholder" shall be construed accordingly. A certificate (each, a "Bond Certificate") will be issued to each Bondholder in respect of its registered holding. Each Bond Certificate will be numbered serially with an identifying number which will be recorded in the Register.

(c) **Title:** The Holder of each Bond shall (except as otherwise required by law) be treated as the absolute owner of such Bond for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Bond Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Bond Certificate) and no person shall be liable for so treating such Holder.

(d) **Transfers:** Subject to paragraphs (g) (Closed Periods) and (b) (Regulations concerning transfers and registration) below, a Bond may be transferred upon surrender of the relevant Bond Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Bond may not be transferred unless the principal amount of Bonds transferred and (where not all
of the Bonds held by a Holder are being transferred) the principal amount of the balance of Bonds not transferred is an Authorised Denomination. Where not all the Bonds represented by the surrendered Bond Certificate are the subject of the transfer, a new Bond Certificate in respect of the balance of the Bonds will be issued to the transferor.

(c) **Registration and delivery of Bond Certificates:** Within five business days of the surrender of a Bond Certificate in accordance with paragraph (d) (Transfers) above, the Registrar will register the transfer in question and deliver a new Bond Certificate of a like principal amount to the Bonds transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "business day" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(f) **No charge:** The transfer of a Bond will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(g) **Closed periods:** Bondholders may not require transfers to be registered during the period of 15 days ending on an Interest Payment Date or the due date for any payment of principal in respect of the Bonds.

"Record Date" means with respect to any payment in respect of a Bond, the fifteenth day before the due date for the relevant payment.

2. **Status and Guarantee**

(a) **Status of the Bonds:** The Bonds constitute direct, unconditional and (subject to Condition 3 (Negative Pledge)) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, subject as aforesaid and save for such exceptions as may be provided by applicable legislation, at all times rank equally with all its respective other present and future unsecured and unsubordinated obligations.

(b) **Guarantee of the Bonds:** The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Bonds. The guarantee (the "Guarantee of the Bonds") constitutes direct, general, unconditional and (subject to Condition 3 (Negative Pledge)) unsecured obligations of the Guarantor which will at all times rank at least pari passu with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

3. **Negative Pledge**

So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor shall create or permit to subsist, any mortgage, charge, lien, pledge or other security interest including, without limitation, anything analogous to any of the foregoing under the law of any jurisdiction (other than arising solely by operation of law) (each a "Security Interest") other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or payment under any guarantee or indemnity granted by the Issuer or the Guarantor in respect of any Relevant Indebtedness without at the same time or prior thereto according to the Bonds (a) (to the satisfaction of the Trustee) the same security as is created or
subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (b) such other security or other arrangement which the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

For the purpose of these Conditions:

(a) "Indebtedness" means any present or future indebtedness of any person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(i) amounts raised under any note purchase facility;

(ii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(iii) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 days; and

(iv) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

(b) "Permitted Security Interest" means a Security Interest upon or over any of the Issuer's or, as applicable, the Guarantor's present or future assets or revenues or any part thereof which:

(i) is created pursuant to any asset-based financing (including, without limitation, a securitisation or project financing) where the primary source of payment of the obligations secured by such Security Interest is the assets or revenues subject to such Security Interest, without further recourse to the Guarantor;

(ii) is created pursuant to any Islamic financing arrangement other than a Sukuk Obligation where such Security Interests are created to secure the Issuer's or, as applicable, the Guarantor's payment obligations in respect of such Sukuk Obligation. For the avoidance of doubt, all the underlying assets, tangible and/or non-tangible, of any sukuk and/or such assets' rights of use, over which the sukukholders have and/or had an undivided actual or beneficial ownership interest, in connection with any sukuk issuance, shall be a Permitted Security Interest; or

(iii) in relation to the Guarantor, is created pursuant to any domestic issue of securities which is required by the Capital Market Authority in Saudi Arabia to be secured;

(c) "Relevant Indebtedness" means any Indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; and

(d) "Sukuk Obligation" means any undertaking or other obligation to pay any money given in connection with the issue of sukuk whether or not in return for consideration of any kind.

4. Interest

The Bonds bear interest from and including 20 November 2013 at the rate of 2.750 per cent. per annum, (the "Rate of Interest") payable in arrear on 20 November in each year (each, an "Interest Payment Date"), subject as provided in Condition 6 (Payments).

Each Bond will cease to bear interest from and including the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Bondholders that it has received all sums due in
respect of the Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

If interest is required to be paid in respect of a Bond on any other date other than an Interest Payment Date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the Authorised Denomination of such Bond divided by the Calculation Amount, where:

(i) "Calculation Amount" means EUR1,000;

(ii) "Day Count Fraction" means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

(iii) "Regular Period" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

5. Redemption and Purchase

(a) Final redemption: Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 20 November 2020. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition.

(b) Redemption for taxation reasons: The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 15 (Notices) (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption) if, immediately before giving such notice, the Issuer satisfies the Trustee that:

(A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (Taxation) as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 18 November 2013, and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(B) where applicable, (1) the Guarantor has or (if a demand was made under the Guarantee of the Bonds) would become obliged to pay additional amounts as provided or referred to in Condition 7 (Taxation) or, as the case may be, the Guarantor has or will become obliged to make any such withholding or deduction as is referred to in Condition 7 (Taxation) from any amount paid by it to the Issuer in order to enable the Issuer to make a payment of principal or interest in respect of the Bonds, in either case as a result of any change in, or amendment to, the laws or regulations of Saudi Arabia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 18 November 2013 and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, where applicable, the Guarantor would be obliged to pay such additional amounts or, where applicable, the Guarantor would be obliged to make such withholding or deduction were a payment in respect of the Bonds then due or (as the case may be) were a demand under the Guarantee of the Bonds then made. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by any signatory authorised to sign on behalf of the Issuer or, as the case may be, the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem
have occurred, and an opinion, in form and substance satisfactory to the Trustee, of independent legal advisers of recognised international standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts or (as the case may be) the Guarantor has or will become obliged to make such withholding or deduction as a result of such change or amendment.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in paragraphs (b)(A) and (b)(B) above, in which event they shall be conclusive and binding on the Issuer, the Guarantor and the Bondholders.

(c) Redemption at the option of the Holders upon a Change of Control Event: A "Put Event" will occur if while any of the Bonds remains outstanding (as defined in the Trust Deed):

(A) a Change of Control Event occurs; and

(B) at any time during the Change of Control Period:

(1) any Rating Agency which, at the commencement of the Change of Control Period, has assigned a rating to the Bonds above a non-investment grade rating downgrades such rating to a non-investment grade rating and such rating is not restored during the Change of Control Period above a non-investment grade rating by such Rating Agency (a "non-investment grade rating" being, in the case of Fitch Ratings Ltd, lower than BBB-, or, in the case of Moody's Investors Service Limited, lower than Baa3, or, in the case of Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc, lower than BBB-); or

(2) any Rating Agency which, at the commencement of the Change of Control Period, has assigned a rating to the Bonds above a non-investment grade rating withdraws its rating of the Bonds and that rating is not within the Change of Control Period replaced by an equivalent rating of another Rating Agency,

and in each case such downgrading or withdrawing Rating Agency announces or publicly confirms or informs the Trustee in writing that such downgrading or withdrawal of rating was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of the applicable Change of Control Event (whether or not the Change of Control Event shall have occurred at the time such rating is given or rating is withdrawn).

Further, if at the time of the commencement of the Change of Control Period the Bonds do not carry a rating above a non-investment grade rating from any Rating Agency, a Put Event will be deemed to occur upon the occurrence of a Change of Control Event alone.

If a Put Event occurs (unless the Issuer has given notice under Condition 5(b) (Redemption for taxation Reasons):

(i) the Issuer shall within 10 Business Days, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in nominal amount of the Bonds then outstanding, or if so directed by an Extraordinary Resolution of the Bondholders, the Trustee shall (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) after the occurrence of such Put Event, give notice (a "Put Event Notice") to the Bondholders in accordance with Condition 15 (Notices) and the Trustee specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 5(c) (Redemption of the option of the Holders upon a Change of Control Event); and

(ii) the Holder of each Bond will have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Bond on the Put Date (as defined below) at its principal amount, together with any interest accrued up to (but excluding) the Put Date.

For the purpose of this Condition 5(c) (Redemption at the option of the Holders upon a Change of Control Event):
"Affiliate" shall mean, with respect to the Guarantor, any person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the specified person or entity.

"Business Day" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

A "Change of Control Event" shall be deemed to have occurred each time that a person or group of persons acting in concert (other than any Affiliate/s of the Guarantor), or any person or persons acting on behalf of such persons, acquires or comes to own directly or indirectly a number of shares in the share capital of the Guarantor or a Holding Company carrying more than 50 per cent. of the voting rights normally exercisable in a general meeting of shareholders (or its equivalent) of the Guarantor or such Holding Company.

"Change of Control Period" means the period:

(a) commencing on the date that is one Business Day before the earlier of (a) the date of the relevant Change of Control Event and (b) the date of the earliest Relevant Potential Change of Control Announcement (if any); and

(b) ending 90 days after the date of the Change of Control Event or such longer period for which the Bonds are under consideration by a Rating Agency for rating or rating review (such consideration having been announced publicly within the period ending 90 days after the date of the Change of Control Event and such period not to exceed 60 days after the public announcement of such consideration).

"Holding Company" means any company of which the Guarantor is a Subsidiary.

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

"Rating Agency" means any of Fitch Ratings Ltd, Moody's Investors Service Limited, Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc and, in each case, their successors which, at the request of the Issuer, provide a rating for the Bonds.

"Relevant Potential Change of Control Announcement" means any formal public announcement or statement by or on behalf of the Guarantor, any Affiliate of the Guarantor, or any actual or potential bidder or any adviser thereto relating to any potential Change of Control Event where, within 90 days of the date of such announcement or statement, a Change of Control Event occurs.

"Subsidiary" means, in relation to any Person (the "first Person") at any particular time, any other Person (the "second Person"): 

(i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

(ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

Such option may be exercised by the Holder delivering its Bond(s), on any Business Day falling within the period (the "Put Period") of 45 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "Put Notice") and in which the Holder may specify a bank account (in the currency of the Bonds) to which payment is to be made under this Condition and the nominal amount thereof to be redeemed or purchased and, if less than the full nominal amount of the Bonds so surrendered to be redeemed, an address to which a new Bond Certificate in respect of the balance of such Bonds is to be sent subject and in accordance with the provisions of Condition 1 (Form, Denomination, Title and Transfer).
The Paying Agent to which such Bond Certificate and Put Notice are delivered will issue to the Holder concerned a non-transferable receipt in respect of the Bond Certificate(s) so delivered. Payment in respect of any Bond Certificate so delivered will be made, if the Holder duly specified a bank account (in the currency of the Bonds) in the Put Notice to which payment is to be made, on the date (the "Put Date") seven days after the expiry of the Put Period by transfer to that bank account and, in every other case, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Put Notice, once given, shall be irrevocable. For the purpose of Condition 6 (Payments) receipts issued pursuant to this Condition 5(c) (Redemption at the option of the Holders upon a Change of Control Event) shall be treated as though they were Bond Certificates. The Issuer shall redeem or, at the option of the Issuer, purchase (or procure the purchase of) the relevant Bonds on the Put Date at their principal amount, together with any interest accrued up to (but excluding) the Put Date unless previously redeemed or purchased.

(d) Redemption of the Issuer upon the occurrence of a Put Event: Upon a Put Event occurring, provided 75 per cent. or more in nominal amount of the Bonds outstanding immediately prior to the Put Date have been redeemed or purchased pursuant to the foregoing provisions of Condition 5(c) (Redemption at the option of the Holders upon a Change of Control Event), the Issuer may, on not less than 30 or more than 60 days' notice to the Holders given within 30 days after the Put Date, redeem, at its option, the remaining Bonds as a whole at a redemption price of the principal amount thereof plus interest accrued to but excluding the date of such redemption.

(e) Notice of redemption: All Bonds in respect of which any notice of redemption is given under this Condition shall be redeemed or purchased on the date specified in such notice in accordance with this Condition.

(f) Purchase: The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price.

(g) Cancellation: All Bonds so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries will be cancelled and may not be re-issued or resold.

6. Payments

(a) Method of Payment:

(i) Principal: Payments of principal in respect of the Bonds will be made on the due date for payment to the persons shown on the Register at the close of business on the relevant Record Date in respect of such payment. Payments of principal in respect of the Bonds will be made by Euro cheque drawn on, or, upon application by a Holder of a Bond to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Bond Certificates at the specified office of any Paying Agent.

(ii) Interest: Payments of interest in respect of the Bonds will be paid on the due date for payment to the persons shown on the Register at the close of business on the relevant Record Date in respect of such payment. Payments of interest on each Bond will be made by Euro cheque drawn on, or, upon application by a Holder of a Bond to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Bond Certificates at the specified office of any Paying Agent.

(b) Payments subject to Fiscal Laws: Without prejudice to the terms of Condition 7 (Taxation), all payments made in accordance with these Terms and Conditions shall be made subject to any fiscal or other laws and regulations applicable in the place of payment. No commissions or expenses shall be charged to the Bondholders in respect of such payments.
(c) **Payments on business days:** Where payment is to be made by transfer to a Euro account (or other account to which Euro may be credited or transferred), payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Bond Certificate is surrendered (or, in the case of part payment only, endorsed) at the specified office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Bond shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a business day or (B) a cheque mailed in accordance with this Condition 6 (Payments) arriving after the due date for payment or being lost in the mail. In this paragraph, "business day" means:

(i) in the case of payment by transfer to a Euro account (or other account to which Euros may be credited or transferred) as referred to above, any day which is a TARGET Settlement Day and a day on which banks are open for general business (including dealings in foreign currencies) in London; and

(ii) in the case of surrender (or, in the case of part payment only, endorsement) of a Bond Certificate, any day on which banks are open for general business (including dealings in foreign currencies) in the place in which the Bond Certificate is surrendered (or, as the case may be, endorsed).

(d) **Agents:** Each of the initial Agents and its initial specified office is listed below. The Issuer reserves the right (with the prior written approval of the Trustee) at any time to vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that it will maintain at all times (i) a principal paying agent and a registrar, (ii) a paying agent and a transfer agent having specified offices in at least one major European city (which will be London, so long as the Bonds are admitted to the Official List of the Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 and admitted to trading on the London Stock Exchange plc's Professional Securities Market) and (iii) a paying agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any change in any of the Agents or their specified offices will promptly be given to the Bondholders.

(e) **Record date:** Each payment in respect of a Bond Certificate will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment. Where payment in respect of a Bond is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

(f) **Interpretation:** In these conditions:

(A) "TARGET2" means the Trans European Automated Real Time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on 19 November 2007;

(B) "TARGET Settlement Day" means any day on which TARGET2 is open for the settlement of payments in euro; and

(C) "TARGET System" means the TARGET2 system.

7. **Taxation**

All payments of principal and interest by or on behalf of the Issuer or, where applicable, the Guarantor, in respect of the Bonds shall be made free and clear of, and without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within The Netherlands, in the case of payments by the Issuer, or Saudi Arabia, in the case of payments by the Guarantor, or any authority therein or thereof having power
to tax, unless such withholding or deduction is required by law. In that event the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

(a) *Other connection:* held by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with The Netherlands or Saudi Arabia other than the mere holding of the Bond; or

(b) *Presentation more than 30 days after the Relevant Date:* where (in the case of payment of principal or interest) the relevant Bond Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Bond for payment on the last day of such period of 30 days; or

(c) *Payment to individual:* where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) *Payment by another Paying Agent:* where (in the case of payment of principal or interest) the relevant Bond Certificate is surrendered for payment, by or on behalf of a Bondholder who would have been able to avoid such withholding or deduction by presenting the relevant Bond to another Paying Agent in a Member State of the European Union.

"Relevant Date" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received in London by the Principal Paying Agent or the Trustee on or prior to such due date, the date which is seven days after the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders in accordance with Condition 15 (*Notices*).

Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition or under any undertaking given in addition to, or in substitution for, this Condition in the Trust Deed.

8. **Events of Default**

If any of the following events occurs, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution, shall (subject, in the case of the happening of any of the events mentioned in paragraph (b) (*Breach of Other obligations*) below, to the Trustee having certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Bondholders and, in all cases, to the Trustee having been indemnified and/or prefunded and/or provided with security to its satisfaction) give written notice to the Issuer declaring the Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

(a) **Non-Payment:** if default is made in the payment of the principal of or any interest on any of the Bonds when due and such failure continues for a period of five days in the case of principal or seven days in the case of interest; or

(b) **Breach of Other Obligations:** the Issuer or, where applicable, the Guarantor does not perform or comply with any one or more of its other obligations in the Bonds, or as the case may be, the Guarantee of the Bonds or, in either case, the Trust Deed, which default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 30 days (or such longer period as the Trustee may agree) after the Trustee has given written notice thereof to the Issuer declaring the Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality;

(c) **Cross Default:** (i) any other present or future indebtedness of the Issuer or the Guarantor for or in respect of moneys borrowed or raised is declared to be or otherwise becomes due and payable prior to its stated maturity by reason of an event of default (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or the Guarantor fails to pay when due any amount payable by it under
any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, **provided that** the aggregate amount of the relevant indebtedness, guarantee and/or indemnity in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds U.S.$100,000,000 or its equivalent in other currency (on the basis of the middle spot rate for the relevant currency against the U.S. dollar, as quoted by any leading bank on the day on which this paragraph operates); or

(d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the Issuer or the Guarantor (other than in respect of property, assets and/or revenues with an aggregate value of not in excess of U.S.$100,000,000 or its equivalent in other currency (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates)) and is not discharged or stayed within 28 days; or

(e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or the Guarantor in respect of all or any material part of the property, assets or revenues of the Issuer or, as the case may be, the Guarantor becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person and such appointment is still in effect after 28 days); or

(f) **Insolvency:** (i) any corporate action, legal proceedings or other procedure, application or step is taken by the Issuer or the Guarantor for it being declared in bankruptcy (in the case of the Issuer, *faillissement*), or in relation to any suspension of payments (in the case of the Issuer, *surséance van betaling*), a court having jurisdiction imposes emergency measures (in the case of the Issuer, *noodregeling*) (within the meaning of Chapter 3.5.5 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) in the case of the Issuer) on the Issuer or the Guarantor or a similar situation under any applicable law or any other procedure having the effect that the Issuer or the Guarantor loses the free management or ability to dispose of its property is commenced by the Issuer or the Guarantor (irrespective of whether that procedure is provisional or final) or (ii) any legal proceedings or other procedure, application or step is taken by a third party for the Issuer or the Guarantor being declared in bankruptcy (in the case of the Issuer, *faillissement*), or in relation to any suspension of payments (in the case of the Issuer, *surséance van betaling*), special measures (in the case of the Issuer, *bijzondere voorzieningen*) or similar situation under any applicable law or any other procedure having the effect that the Issuer or the Guarantor loses the free management or ability to dispose of its property is commenced by a third party (irrespective of whether that procedure is provisional or final), unless such proceedings, procedure, application or step is discharged, stayed or set aside within 30 days of it being commenced or taken or (iii) the Issuer or the Guarantor offers or enters into a composition with all its creditors generally (in the case of the Issue, *buitengerechtelijk akkoord*) or similar measure under applicable law (including any arrangement under the Saudi Arabian Settlement to Avoid Bankruptcy Law as enacted by Royal Decree M/16 dated 4/9/1416H); or

(g) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution (ontbinding) of the Issuer or the Guarantor, or the Issuer or the Guarantor ceases or threatens to cease to carry on all or substantially all of its business or operations or the Issuer or the Guarantor transfers or threatens to transfer all or substantially all of its assets to another entity, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by an Extraordinary Resolution of the Bondholder; or

(h) **Breach of Obligations under the Guarantee:** the Guarantor disclaims, disaffirms, repudiates and/or challenges the validity of its obligations under the Guarantee of the Bonds; or

(i) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

9. **Prescription**
Claims in respect of principal and interest will become void unless the relevant Bond Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

10. **Replacement of Bond Certificates**

If any Bond Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar and the Transfer Agent having its specified office in London subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Bond Certificate must be surrendered before replacements will be issued.

11. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and/or prefunded and/or secured to its satisfaction and relieved from responsibility in certain circumstances including provisions relieving it from taking action and to be paid its costs and expenses in priority to the claims of the Bondholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity relating to the Issuer or the Guarantor without accounting for any profit.

In connection with the exercise by it of any trusts, powers, authorities and discretions (including without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders except to the extent already provided for in Condition 7 (Taxation) and/or any undertaking given in addition to, or in substitution for, Condition 7 (Taxation) pursuant to the Trust Deed.

In acting under the Agency Agreement and in connection with the Bonds, the Agents act solely as agents of the Issuer, the Guarantor and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Bondholders.

12. **Meetings of Bondholders and Modification; Substitution**

(a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions, the Agency Agreement or the Trust Deed. Such a meeting may be convened by the Issuer and the Guarantor (acting together) or by the Trustee and shall be convened by the Issuer upon the request in writing of Bondholders holding not less than one tenth of the aggregate principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding or, at any adjourned meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented by them; unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity date of the Bonds or the date on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on, the Bonds, (iii) to change the currency of payments of the Bonds, (iv) to modify any provision of the Guarantee of the Bonds or (v) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent. or, at any adjourned meeting, not less than 25 per cent. in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed and whether or not voting on the resolution).
(b) **Modification of Trust Deed:** The Trustee may agree, without the consent of the Bondholders, to any modification of, or any waiver or authorisation of any breach or proposed breach of any of these Conditions and/or any of the provisions of the Trust Deed and/or the Agency Agreement or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such **provided that**, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders, or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error. Any authorisation, waiver, determination or modification shall be binding on the Bondholders and, unless the Trustee agrees otherwise, shall be notified to the Bondholders as soon as practicable thereafter in accordance with Condition 15 (Notices).

(c) **Substitution:** The Trust Deed contains provisions under which the Guarantor or any Subsidiary of the Guarantor may, without the consent of the Bondholders, assume the obligations of the Issuer as principal debtor under the Trust Deed and the Bonds **provided that** certain conditions specified in the Trust Deed are fulfilled, including the Trustee being satisfied that the interests of the Bondholders are not materially prejudiced by the substitution and, in the case of a substitution of the Issuer by a company other than the Guarantor, a requirement that the Guarantee of the Bonds is fully effective in relation to the obligations of the new principal debtor under the Trust Deed and the Bonds. No Bondholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Bondholder, except to the extent provided for in Condition 7 (Taxation) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

13. **Enforcement**

The Trustee may at any time, at its discretion and without notice, institute such proceedings and/or take such other action as it thinks fit to enforce its rights under the Trust Deed in respect of the Bonds, but it shall not be bound to do so unless:

(a) it has been so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Bonds or has been so directed by an Extraordinary Resolution; and

(b) it has been indemnified and/or prefunded and/or provided with security to its satisfaction.

No Bondholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

14. **Further Issues**

The Issuer may from time to time, without the consent of the Bondholders, and in accordance with the Trust Deed, create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) or upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of bonds having the benefit of the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of the bonds of other series in certain circumstances where the Trustee so decides.

15. **Notices**

Notices to Bondholders will be valid if published in a leading newspaper having general circulation in London (which is expected to be the Financial Times) or, if such publication shall not be practicable, in an English language newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

16. **Contracts (Rights of Third Parties) Act 1999**
No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

17. **Governing Law**

(a) **Governing law:** The Bonds and the Trust Deed and any non-contractual obligations arising out of or in connection with the Bonds and the Trust Deed are governed by English law.

(b) **Jurisdiction:** Each of the Issuer and the Guarantor has in the Trust Deed (i) agreed for the benefit of the Trustee and the Bondholders that the courts of England shall have exclusive jurisdiction to settle any dispute (a "Dispute") arising out of or in connection with the Bonds (including any non-contractual obligation arising out of or in connection with the Bonds); (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; (iii) designated a person in England to accept service of any process on its behalf; (iv) consented to the enforcement of any judgment; and (v) to the extent that it may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), agreed not to claim and irrevocably waived such immunity to the full extent permitted by the laws of such jurisdiction. The Trust Deed also states that nothing contained in the Trust Deed prevents the Trustee or any of the Bondholders from taking proceedings related to a Dispute ("Proceedings") in any other courts with jurisdiction and that, to the extent allowed by law, the Trustee or any of the Bondholders may take concurrent Proceedings in any number of jurisdictions.

*There will appear at the foot of the Conditions endorsed on each Bond in definitive form the names and Specified Offices of the Registrar, Transfer Agents and the Paying Agents as set out at the end of this Offering Circular.*
SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Bonds will be represented by interests in the Global Bond Certificate which will be registered in the name of, or in the name of a nominee of, the common depositary for Clearstream, Luxembourg and/or Euroclear on or about the Issue Date.

For so long as any of the Bonds are represented by the Global Bond Certificate, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or any Alternative Clearing System (as defined below) as the holder of a particular principal amount of such Bonds must look solely to Euroclear, Clearstream, Luxembourg and/or such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer or the Guarantor to the registered holder of such Global Bond Certificate, subject to, and in accordance with, the respective rules and procedures of Euroclear, Clearstream, Luxembourg and/or such Alternative Clearing System (as the case may be).

1. Exchange

The Global Bond Certificate is exchangeable in whole but not, except as provided below, in part (free of charge to the holder) for the Bond Certificates: (i) if the Global Bond Certificate is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or (ii) if any of the circumstances in Condition 8 (Events of Default) occurs. Thereupon the holder or the Trustee may give notice to the Registrar of its intention to exchange the Global Bond Certificate for Bond Certificates on or after the Exchange Date (as defined below) specified in the notice.

If any of the circumstances in Condition 8 (Events of Default) occurs the holder of the Global Bond Certificate or the Trustee may by notice to the Registrar (which may but need not be the default notice referred to in "Default" below) require the exchange of a specified principal amount of the Global Bond Certificate (which may be equal to or (provided that, if the Global Bond Certificate is held by or on behalf of a clearing system, that clearing system agrees) less than the outstanding principal amount of Bonds represented thereby) for individual Bond Certificates on or after the Exchange Date (as defined below) specified in such notice.

On or after any Exchange Date the holder of the Global Bond Certificate may surrender the Global Bond Certificate or, in the case of a partial exchange, present it for endorsement to or to the order of the Principal Paying Agent. In exchange for the Global Bond Certificate, or the part thereof to be exchanged, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of Bond Certificates within five business days of the delivery, by or on behalf of the registered holder of the Global Bond Certificate, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Bond Certificates (including, without limitation, the names and addresses of the persons in whose names the Bond Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Bond Certificate at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Bonds scheduled thereto and, in particular, shall be effected without charge to any Holder or the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

"Exchange Date" means a day falling not less than 60 days, in the case of exchange pursuant to (i) above, or 30 days, in the case of the exchange pursuant to (ii) above after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to (i) above, in the cities in which the relevant clearing system is located. The Registrar will not register the transfer of or exchange of interests in the Global Bond Certificate for Bond Certificates for a period of 15 days ending on the due date for any payment of principal or seven days ending on any Record Date in respect of an Interest Payment Date.

2. Transfers of Interests in the Global Bond Certificate

Transfers of interests in the Global Bond Certificate within Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing system.
3. Modification

In addition, the Global Bond Certificate will contain provisions which modify the Terms and Conditions of the Bonds as they apply to the Bonds evidenced by the Global Bond Certificate. The following is a summary of certain of those provisions:

(a) Payments

Payments of principal and interest in respect of Bonds represented by the Global Bond Certificate will be made against presentation for endorsement and, if no further payment falls to be made in respect of such Bonds, surrender of the Global Bond Certificate to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the Global Bond Certificate, which endorsement will be prima facie evidence that such payment has been made in respect of such Bonds.

(b) Record Date

Each payment in respect of a Global Bond Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day prior to the due date for such payment (the "Record Date") where "Clearing System Business Day" means a day on which each clearing system for which the Global Bond Certificate is being held is open for business.

(c) Meetings

At any meeting of Bondholders the holder of the Global Bond Certificate will be treated as being two persons for the purposes of any quorum requirements and, at any such meeting, as having one vote in respect of each EUR1.00 in principal amount of Bonds represented thereby.

(d) Cancellation

Cancellation of any Bond represented by the Global Bond Certificate which is required by the Terms and Conditions of the Bonds to be cancelled will be effected by reduction in the principal amount of the relevant Global Bond Certificates and by a change to the Register.

(e) Notices

So long as the Bonds are represented by the Global Bond Certificate and the Global Bond Certificate is held on behalf of any one or more of Euroclear, Clearstream, Luxembourg or any other clearing system (an "Alternative Clearing System"), notices required to be given to Bondholders may be given by their being delivered to the relevant clearing system for communication by it to entitled accountholders in substitution for notification, as required by the Terms and Conditions. Any such notice shall be deemed to have been given to the Bondholders on the day on which such notice is delivered to the relevant clearing system as aforesaid.

(f) Put Option

For so long as all of the Bonds are represented by the Global Bond Certificate and such Global Bond Certificate is registered in the name of, or in the name of a nominee of, the common depositary for any relevant clearing system, the option of the Holders provided for in Condition 5(c) (Redemption at the option of the Holders upon a Change of Control Event) may be exercised by accountholders giving notice to the Principal Paying Agent in accordance with the standard procedures of the relevant clearing system (which may include notice being given on his instructions by any relevant clearing system for them to the Principal Paying Agent by electronic means) of the principal amount of the Bonds in respect of which such option is exercised.

The Issuer shall procure that any exercise of any option or any right under the Bonds, as the case may be, shall be entered in the records of the relevant clearing system and upon any such entry being made, the principal amount of the Bonds represented by the Global Bond Certificate shall be adjusted accordingly.
USE OF PROCEEDS

The net proceeds of the issue of the Bonds, expected to amount to EUR742,350,000 after deduction of the combined management, underwriting and selling commission and the other expenses incurred in connection with the issue of the Bonds, will be used by the Issuer for general corporate purposes, including to repay certain of its outstanding indebtedness to third parties, and to extend loans to other SABIC Group companies outside the Middle-East and the United States for their respective general corporate purposes and/or for refinancing the existing indebtedness of such SABIC Group companies.
DESCRIPTION OF THE ISSUER

Introduction

The Issuer was incorporated on 3 September 2008 as a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) in accordance with the laws of The Netherlands and was registered at the trade register of the Chamber of Commerce in The Netherlands on 4 September 2008, with registered number 14105351. The statutory seat of the Issuer is in Amsterdam. Its place of business is currently at World Trade Centre, Tower H, 27th Floor, Zuidplein 216, 1077 XV Amsterdam, The Netherlands and its telephone number is +31 20 333 3030.

The authorised share capital of the Issuer is EUR 90,000 divided into 90,000 ordinary shares of EUR1.00 each, of which 18,000 shares have been issued and fully paid and such that the paid up share capital of the Issuer is EUR 18,000. Transfer of the shares is subject to restrictions as this is required for private companies with limited liability according to the laws of The Netherlands.

Shareholding and Principal Activities

The following chart shows the current ownership structure of the Issuer:

```
  Saudi Basic Industries Corporation
      100%
    /     \
  SABIC Luxembourg S.à.r.l
      100%
    /     \
  SABIC Capital B.V.
      100%
    /     \
SABIC Capital I B.V.
```

The Issuer has no subsidiaries.

The Issuer operates in conformity with its articles of association and its principal activities consist of carrying on the business of a finance company for the operations of the SABIC Group outside the Middle-East and the United States.

The Issuer, together with its shareholder SABIC Capital B.V. and its sister company SABIC Capital II B.V., coordinate a global team of more than seventy senior professionals responsible for providing
support for SABIC businesses outside the Kingdom of Saudi Arabia in the field of international treasury, tax and financial reporting.

The Issuer raises money from time to time by entering into financing arrangements with banks and other financial institutions and by the issue of securities. The Issuer on-lends the proceeds to companies of the SABIC Group outside the Middle-East and the United States.

The revenues of the Issuer consist of interest payments received under such on-loans to SABIC Group companies and other interest income.

The Issuer has limited exposure to market risk and liquidity risk due to its operating model as such risks are primarily transferred to the companies of the SABIC Group to which it provides financing. The Issuer is, however, exposed to the credit risk of such companies as it relies on their ability to generate sufficient cash-flows from their operations, and/or to receive dividends from their subsidiaries, to pay interest and repay the principal of such loans to the Issuer.

The Issuer, therefore, relies on the financial support of SABIC. SABIC has entered into a guarantee agreement with the Issuer whereby SABIC has unconditionally and irrevocably undertaken to the Issuer, among others, that it will make available to the Issuer sufficient funds to meet its payment obligations as and when they become due and payable (the "Guarantee Agreement"). The Guarantee Agreement is not limited in time nor in amount and can only be terminated with the consent of both SABIC and the Issuer. The Guarantee Agreement is directly enforceable by only the Issuer and certain creditors of the Issuer as determined by a procedure set out in the Guarantee Agreement. The Guarantee Agreement provides the obligations of SABIC to the Issuer will not be discharged, impaired or otherwise affected by, among others, the winding up, administration, reorganisation, or moratorium of the Issuer.

As of the 10 June 2011, the Issuer (together with its shareholder, SABIC Capital B.V. and its shareholder's subsidiary, SABIC Capital II B.V.) is party to a five year multi-currency syndicated revolving credit facility, guaranteed by SABIC, with a number of financial institutions and with Citibank International plc as facility agent. Such guaranteed revolving credit facility provides the borrowers with up to U.S.$2 billion of committed credit in aggregate. As at 30 September 2013, no amounts were drawn by the Issuer under such revolving credit facility, under which approximately U.S.$1.8 billion was undrawn and available.

The following table summarises the total financial indebtedness of the Issuer as at 30 September 2013:

<table>
<thead>
<tr>
<th></th>
<th>U.S$ (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds(1)</td>
<td>2.02</td>
</tr>
<tr>
<td>Third party bank loans and overdrafts</td>
<td>0.04</td>
</tr>
<tr>
<td>Intercompany loans from SABIC</td>
<td>4.79</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6.85</strong></td>
</tr>
</tbody>
</table>

(1) EUR 750 million 4.5 per cent. bonds due 28 November 2013 (guaranteed by SABIC) and U.S.$1 billion 3 per cent. bonds (guaranteed by SABIC) due 2 November 2015. Amounts in Euro are converted into U.S.$ at the European Central Bank exchange rate as at 30 September 2013 (EUR = 1.3537 U.S.$).

As at 30 September 2013, all funds obtained by the Issuer under intercompany-loans from SABIC or from the issuance of securities have been on-lent by the Issuer to SABIC International Holdings B.V., an indirect wholly-owned subsidiary of SABIC in The Netherlands acting as holding company for almost all of the international operations of the SABIC Group outside the Middle East, at a higher interest rate than the one payable by the Issuer to SABIC. SABIC International Holdings B.V. has used such amount to finance its wholly-owned subsidiaries via interest-bearing intercompany loans or equity.

The following table reports the repayment schedule of the long-term debt obligations of the Issuer as at 30 September 2013. Amounts in Euro are converted into U.S.$ at the European Central Bank exchange rate as at 30 September 2013 (EUR = 1.3537 U.S.$).
**Repayment schedule Long-Term Debt**

<table>
<thead>
<tr>
<th>Year</th>
<th>Intercompany Debt due to SABIC (in billions)</th>
<th>Third Party Debt (in billions)</th>
<th>Total Debt due (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-</td>
<td>1.02</td>
<td>1.02</td>
</tr>
<tr>
<td>2014</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td>-</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2018</td>
<td>1.40</td>
<td>-</td>
<td>1.40</td>
</tr>
<tr>
<td>2019 and thereafter</td>
<td>3.39</td>
<td>-</td>
<td>3.39</td>
</tr>
</tbody>
</table>

(1) Excludes short-term debt in the form of overdrafts over bank accounts, which totalled U.S.$ 0.04 billion at 30 September 2013

(2) Includes bonds and bank loans

The Issuer is party to cash-pooling arrangements with a number of banks comprising bank accounts of the Issuer and of certain operating companies of the SABIC Group in Europe. Some arrangements provide that cash in the bank accounts of the operating companies is periodically swept into the bank accounts of the Issuer, acting as pool coordinator. Other arrangements provide that interest on any positive or negative balance is calculated notionally on the aggregate of the deposits and overdrafts on all accounts in the pool, with the Issuer acting as a pool coordinator. In a number of such arrangements, the Issuer acts as guarantor of the overdraft and related payment obligations of any pool participant. The total overdraft limit on all such cash pooling arrangements in aggregate and guaranteed by the Issuer is U.S.$181 million (with higher amounts available on an intra-day basis).

The Issuer is party to a number of uncommitted contingent liability facilities used for the issuance of bank guarantees and letters of credit for obligations of SABIC operating companies in the normal course of their businesses. The Issuer acts as guarantor for the obligations of the SABIC operating companies in relation to bank guarantees and letters of credit issued under the facilities. As at 30 September 2013, the aggregate amount available under such facilities was equivalent to U.S.$473 million, of which an amount equivalent to U.S.$354 million was utilisé and guaranteed by the Issuer.

**Directors**

The current managing director of the Issuer is SABIC Capital B.V. ("SABIC Capital"). The address of SABIC Capital is World Trade Centre, Tower H, 27th Floor, Zuidplein 216, 1077 XV Amsterdam, The Netherlands.

SABIC Capital's management structure consists of a board of managing directors (the "Managing Board") and a supervisory board (the "Supervisory Board"). The business address of the members of the Managing Board and the Supervisory Board is SABIC Capital B.V., World Trade Centre, Tower H, 27th Floor, Zuidplein 216, 1077 XV Amsterdam, The Netherlands.

The Managing Board of SABIC Capital consists of five members:

**Moazzam Ali Khan**

Mr. Khan is a member of the Managing Board and was appointed Chief Financial Officer of SABIC Capital in April 2009. He has been with the SABIC Group for over 20 years. During these years with the SABIC Group, Mr. Khan has performed various roles in financial and management reporting, treasury and financing, financial management, corporate ratings, mergers and acquisitions, corporate integration and restructurings, taxation, and SAP implementation. Mr. Khan is also a member of the Managing Board of SABIC Luxembourg S.á.r.l., SABIC International Holdings B.V. and SABIC Ventures B.V.. Mr. Khan is a fellow member of The Institute of Chartered Accountants in England and Wales and holds a bachelor's degree in Economics.

**Timothy George Brierley**

Mr. Brierley is a member of the Managing Board and the Senior Director of Global Tax of SABIC Capital. Mr. Brierley joined SABIC Capital in June 2012. Prior to that, Mr. Brierley was the Tax Director of GE Capital's European leasing business, which he joined in February 2006 from Deloitte in the
Netherlands, where he was a Tax Partner specialising in international tax and transfer pricing and was Deloitte Touche Tohmatsu's Global Lead Partner for Aviation Taxation. Previously, he has held positions in business, consulting, legal and tax research and publishing. Mr. Brierley is also a member of the Managing Board of SABIC Luxembourg S.à.r.l. Mr. Brierley holds a bachelor's degree (Honours) in Law from the University of Newcastle-upon-Tyne and is a member of the faculty of the Advanced International LL.M. course at the University of Leiden. He is a Solicitor of the Supreme Court of England & Wales.

**William Grant Cooper Dakin**

Mr. Dakin is a member of the Managing Board and the Senior Director of Global Treasury of SABIC Capital. He has served as Global Treasurer for SABIC Capital since April 2012. Prior to that, Mr. Dakin had served as SABIC Capital's Assistant Treasurer from September 2007. From September 2000 to August 2007, Mr. Dakin served in various corporate treasury roles at GE Plastics, a division of General Electric Company. Prior to that, he was a Vice President and Corporate Lending Officer at The Bank of New York, which he joined in June 1988. Mr. Dakin is also a member of the Managing Boards of SABIC Innovative Plastics Financing B.V. and SABIC Innovative Plastics Holding B.V. Mr. Dakin has a master's degree in Business Administration from Georgetown University and a BA from St. Lawrence University.

**Mark Roeland De Groot**

Mr. De Groot is a member of the Managing Board and the Senior Director of International Statutory Reporting. He has served as International Statutory Controller since 1 November 2009. He had previously served as SABIC Innovative Plastics Global Controller from September 2007 and held the same role in GE Plastics, a division of General Electric Company, from July 2006. Prior to that, Mr. De Groot, who joined GE Plastics in August 2003, was the Europe Controller for GE Plastics. Before joining General Electric Company, Mr. De Groot was with PricewaterhouseCoopers since 1991, where he left as an International Senior Audit Manager. Mr. De Groot is also a member of the Managing Boards of SABIC Luxembourg S.à r.l., SABIC Innovative Plastics Financing B.V., SABIC Innovative Plastics Holding B.V. and SABIC Innovative Plastics GP B.V.. Mr. De Groot holds a master's degree in Business Finance and Marketing from the RijksUniversiteit Groningen, The Netherlands and is a Dutch Certified Public Accountant (Registeraccountant).

**Frank Robert Elisabeth Mortier**

Mr. Mortier has been a member of the Managing Board of SABIC Capital since 2009. He is currently the Director of Commodity Risk Management of SABIC Capital, and has held the role since May 2013. Prior to that Mr. Mortier served as Director Investor Relations for SABIC Capital since 2009. From 2002 to 2009, he was Director Treasury for SABIC Europe B.V.. Prior to joining SABIC, Mr. Mortier served in banking, treasury, controller and consultancy roles with Kredietbank N.V., Campbell Soup Coordination Centre N.V., Biscuits Delacre N.V. and Van Den Boom Group Belgium N.V.. Mr. Mortier is also a member of the Managing Boards of SABIC Belgium N.V., SABIC SD IP B.V., SABIC SD Holding B.V., Trustee and Chairman of the Stichting Pensioenfonds of SABIC Innovative Plastics, and Trustee at the SABIC UK Pension Trustees Limited. Mr. Mortier holds a master's degree in Law from the University of Antwerp, Belgium.

The Supervisory Board of SABIC Capital consists of five members:

**Mutlaq Hamad Mutlaq Al-Morished**

Mr. Al-Morished is Chairman of the Supervisory Board of SABIC Capital, SABIC's Executive Vice President Corporate Finance, Chairman of the board of directors of Yanbu National Petrochemical Company (Yansab), Saudi Kayan Petrochemicals Company and SABIC Captive Insurance Company Limited, member of the board of directors of Aluminium Bahrain BSC (ALBA), SABIC Industrial Investments Company and The Saudi Fund for Development. Before taking up his current positions, Mr. Al-Morished was SABIC's Vice-President of Shared Services, Vice-President of the Metals SBU, President of the Saudi Petrochemical Company and President of the Saudi Iron and Steel Company. Mr Al-Morished studied in the United States where he earned an M.B.A. from Stanford University, a master's degree in nuclear engineering from Princeton University, and a bachelor's degree in nuclear physics and mathematics from the University of Denver.
Abdullah Mohammed Ibrahim Al-Issa

Mr. Al-Issa is a member of the Supervisory Board of SABIC Capital and member of the Board of SABIC. He is also member of the boards of directors of the Saudi companies Arabian Cement Company, Saudi Hotels and Resort Areas Company and Riyadh Bank. Furthermore, Mr. Al-Issa is the President of the A. M. Al-Issa Consulting Engineers and a member of the board of Mohammed Alissa and Sons. He is also the Chairman of the National Medical Care Company and the Cement Product Industry Company in Saudi Arabia. Mr. Al-Issa holds a bachelor's degree in Industrial Engineering and a master's degree in Engineering Management from the Southern Methodist University, United States of America.

Fawaz Mohammed Fawaz Al-Fawaz

Mr. Al-Fawaz is a member of the Supervisory Board of SABIC Capital and SABIC's Vice President, Finance. He is also a member of the Managing Board of Yanbu National Petrochemical Company (Yansab). Mr. Al-Fawaz has more than 25 years experience in managerial level positions in Shared Financial Services and Corporate Finance in SABIC. In his current role as Vice President, Finance, Mr. Al-Fawaz is responsible for the following functions in SABIC in Saudi Arabia: Corporate Control, Treasury, Global Management Reporting and Decision Support, Global Credit and Insurance, Investor Management, Zakat and Local Tax. Mr Fawaz holds a bachelor's degree in Accounting/Finance from the King Saud University, Saudi Arabia.

Matheus Wilhelmus Gerardus Litjens

Mr. Litjens is member of the Supervisory Board of SABIC Capital. From 2002 to 2010 he was member of the Managing Board of SABIC Europe B.V. and was the Chief Executive Officer and Chairman of the Board from 2006 to 2010. Before joining SABIC he held several top management positions for DSM, a Netherlands based global chemical company. Other positions currently held by Mr. Litjens are: executive advisor to the CEO and Vice-Chairman of SABIC, chairman of the executive board of Industriebank LIOF N.V. in The Netherlands, chairman of the executive board of Chemelot Campus B.V. in The Netherlands, chairman of the executive board of Maastricht Health Campus B.V. in The Netherlands, member of the board of the University of Maastricht, member of the board of the logistic company Bertschi in Switzerland. Mr. Litjens holds a degree in Business Economics from the University of Tilburg, The Netherlands.

Keith Joseph Smith

Mr. Smith is a member of the Supervisory Board of SABIC Capital and SABIC's Executive Vice President for the SBU Innovative Plastics. Prior to his current roles, Mr. Smith had been with DuPont since 1980. His most recent position with DuPont was Vice President, Sourcing and Logistics & Chief Procurement Officer, based in Wilmington, Delaware. Prior to this, he was Vice President and General Manager, DuPont Engineering Polymers, Wilmington, Delaware; Global Marketing, Sales and Development Director, DuPont Engineering Polymers, based in Geneva, Switzerland; and held other managerial and professional positions in TiO2, Advanced Fibres, Industrial Chemicals, Sales, Corporate Strategic Development and Research & Technology. Mr. Smith holds a bachelor's degree and master's degree in Chemical Engineering from the Rensselaer Polytechnic Institute in the United States of America.

As at the date of this Offering Circular, there are no potential conflicts of interest between any duties owed to the Issuer and the private interests or any other duties of SABIC Capital, or the Managing Board or Supervisory Board of SABIC Capital.
DESCRIPTION OF THE GUARANTOR AND THE SABIC GROUP

SABIC and the SABIC Group: key facts

Saudi Basic Industries Corporation ("SABIC") is a joint stock company incorporated under the laws of Saudi Arabia. The SABIC Group ranks amongst the world's major chemical companies.

SABIC was established pursuant to Royal Decree Number M/66 dated 6 September 1976 for a period of 99 years, expiring in 2075. The duration of the company may be extended by a resolution of an extraordinary General Assembly of SABIC's shareholders. The authorised share capital of SABIC is SAR30 billion fully paid in, divided into 3 billion ordinary shares of SAR10 each.

SABIC's commercial registration number is 1010010813. Its registered office and global headquarters is at Al-Qordoba District, P.O. Box 5101, Postal Code 11422, Riyadh, Saudi Arabia and its telephone number is +966 11 225 8000.

SABIC is the largest public company in Saudi Arabia and is listed on the Saudi Stock Exchange ("Tadawul").

SABIC was established by the Saudi Government as a 100 per cent. state owned company. The Saudi Government divested 30 per cent. of the share capital of SABIC through a public offering in 1984. Today the Saudi Government owns 70 per cent. of the share capital of SABIC, via the Public Investment Fund (which is solely owned and controlled by the Saudi Government) while the remaining 30 per cent. is owned by other investors, including certain institutions (among which the General Organization for Social Insurance, which is controlled by the Saudi Government) and private investors. The Saudi Government ownership has not changed since 1984 and SABIC is not aware of any decision to change it in the future.

Since its inception in 1976 SABIC has experienced over 35 years of sustained global growth. With over U.S.$ 50 billion of annual revenues and over U.S.$ 90 billion of total assets recorded in the financial year 2012, today the SABIC Group ranks as one of the largest diversified global chemical companies in the world.

At the end of 2012, SABIC had approximately 40,000 employees worldwide.

The SABIC Group's principal business is the manufacture and sale of chemicals, polymers, performance chemicals, innovative plastics, fertilisers and metals. It is one of the world's leading producers of basic chemicals, intermediates, polymers and engineering plastics.

The SABIC Group has a leading position in key market segments in the global chemical industry. Based on SABIC's own data on the production volumes of the SABIC Group and on multi-client market studies by third parties (such as ChemSystems from Nexant Inc. and IHS Inc.) reporting competitors' productions volumes, SABIC estimates the SABIC Group to be globally:

- the largest producer of mono-ethylene glycol, MTBE, polycarbonate, polyphenylene, polyetherimide and granular urea;
- the second largest producer of methanol; and
- the third largest producer of polyethylene, polybutylene terephthalate and engineering plastics and compounding.

Key elements of the profitability of SABIC, and the other manufacturing companies of the SABIC Group in Saudi Arabia, include access to competitively priced feedstock (which includes ethane, and propane and methane), proximity to high growth markets as well as an established track-record of high operating rates, operational excellence, low operating costs and a global marketing and distribution network.

SABIC has recently adopted its "2025 strategy" setting forth a roadmap for becoming the preferred world leader in chemicals by:

- increasing market share and competitiveness in existing and new market segments;
• pursuing investment opportunities to secure raw materials;
• transforming itself towards a more global, integrated, differentiated and market facing organisation;
• pursuing future growth driven by differentiated solutions with innovation and sustainability;
• forming strong partnerships to enhance worldwide strength and reach;
• aligning with Saudi Arabia's strategy and advancing the country's industrialisation and economic diversification;
• investing in innovation to distinguish product offering, reduce reliance on hydrocarbon resources and identify alternative feedstock;
• being innovative, efficient and sustainable in every activity; and
• nurturing its "people assets".

The SABIC Group: selected financial information

This section contains selected financial information related to the SABIC Group as provided in or resulting from SABIC’s audited or unaudited (as applicable) consolidated financial statements, which are prepared in conformity with generally accepted accounting standards issued by the Saudi Organisation for Certified Public Accountants (in this respect, see "Risk Factors - SABIC applies the generally accepted accounting standards in Saudi Arabia as issued by the Saudi Organization for Certified Public Accountants ("SOCPA"), which differ from IFRS and US GAAP").

All figures originally in Saudi Riyals are converted into U.S.$ at a rate of SAR3.75 to U.S.$1.00.

Revenues, Net Income and Total Assets

The following tables report the revenues, net income and total assets of the SABIC Group for the years 2008 to 2012 and for the nine-month period ended 30 September 2013 as provided in SABIC’s respective audited or unaudited consolidated financial statements:

<table>
<thead>
<tr>
<th>Year/Period</th>
<th>Revenues (in billions)</th>
<th>Equivalent in U.S.$ (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>150.81</td>
<td>40.22</td>
</tr>
<tr>
<td>2009</td>
<td>103.10</td>
<td>27.49</td>
</tr>
<tr>
<td>2010</td>
<td>151.97</td>
<td>40.53</td>
</tr>
<tr>
<td>2011</td>
<td>189.90</td>
<td>50.64</td>
</tr>
<tr>
<td>2012</td>
<td>189.03</td>
<td>50.41</td>
</tr>
<tr>
<td>For the nine month period ended 30 September 2013</td>
<td>140.55</td>
<td>37.48</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year/Period</th>
<th>Net Income (in billions)</th>
<th>Equivalent in U.S.$ (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>22.03</td>
<td>5.87</td>
</tr>
<tr>
<td>2009</td>
<td>9.07</td>
<td>2.42</td>
</tr>
<tr>
<td>2010</td>
<td>21.53</td>
<td>5.74</td>
</tr>
<tr>
<td>2011</td>
<td>29.24</td>
<td>7.80</td>
</tr>
<tr>
<td>2012</td>
<td>24.78</td>
<td>6.61</td>
</tr>
<tr>
<td>For the nine month period ended 30 September 2013</td>
<td>19.07</td>
<td>5.09</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year/Period</th>
<th>Total Assets (in billions)</th>
<th>Equivalent in U.S.$ (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2008</td>
<td>271.76</td>
<td>72.47</td>
</tr>
<tr>
<td>31 December 2009</td>
<td>296.86</td>
<td>79.16</td>
</tr>
<tr>
<td>31 December 2010</td>
<td>316.24</td>
<td>84.33</td>
</tr>
<tr>
<td>31 December 2011</td>
<td>332.78</td>
<td>88.74</td>
</tr>
<tr>
<td>31 December 2012</td>
<td>338.43</td>
<td>90.25</td>
</tr>
<tr>
<td>30 September 2013</td>
<td>329.56</td>
<td>87.88</td>
</tr>
</tbody>
</table>
Financial Performance Indicators

The following tables provide some key indicators of the financial performance of the SABIC Group in the years 2008 to 2012, as derived from figures extracted from SABIC's audited consolidated financial statements for each of the relevant periods, and for the nine-month period ended 30 September 2013 as derived from figures extracted from SABIC's unaudited consolidated financial statements for the nine-month period ended 30 September 2013:

Net Income Margin (*)

<table>
<thead>
<tr>
<th>Year/Period</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>-</td>
</tr>
<tr>
<td>2009</td>
<td>14.61</td>
</tr>
<tr>
<td>2010</td>
<td>8.80</td>
</tr>
<tr>
<td>2011</td>
<td>14.17</td>
</tr>
<tr>
<td>2012</td>
<td>15.40</td>
</tr>
<tr>
<td>For the nine month period ended 30 September 2013</td>
<td>13.11</td>
</tr>
</tbody>
</table>

(*) Net Income / Sales

EBITDA Margin (*)

<table>
<thead>
<tr>
<th>Year/Period</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>31.92</td>
</tr>
<tr>
<td>2009</td>
<td>28.69</td>
</tr>
<tr>
<td>2010</td>
<td>31.92</td>
</tr>
<tr>
<td>2011</td>
<td>31.94</td>
</tr>
<tr>
<td>2012</td>
<td>28.75</td>
</tr>
<tr>
<td>For the nine month period ended 30 September 2013</td>
<td>30.14</td>
</tr>
</tbody>
</table>

(*) EBITDA Margin: (Income from main operations plus depreciation, amortisation and impairment) divided by Sales.

Total Liabilities / Total Assets

<table>
<thead>
<tr>
<th>As at</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2008</td>
<td>0.46</td>
</tr>
<tr>
<td>31 December 2009</td>
<td>0.49</td>
</tr>
<tr>
<td>31 December 2010</td>
<td>0.47</td>
</tr>
<tr>
<td>31 December 2011</td>
<td>0.43</td>
</tr>
<tr>
<td>31 December 2012</td>
<td>0.41</td>
</tr>
<tr>
<td>30 September 2013</td>
<td>0.39</td>
</tr>
</tbody>
</table>

Total Debt / Equity

<table>
<thead>
<tr>
<th>As at</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2008</td>
<td>0.63</td>
</tr>
<tr>
<td>31 December 2009</td>
<td>0.70</td>
</tr>
<tr>
<td>31 December 2010</td>
<td>0.67</td>
</tr>
<tr>
<td>31 December 2011</td>
<td>0.58</td>
</tr>
<tr>
<td>31 December 2012 (*)</td>
<td>0.48</td>
</tr>
<tr>
<td>30 September 2013</td>
<td>0.40</td>
</tr>
</tbody>
</table>

(*) The 2012 ratio is based on the audited-consolidated financial statements of SABIC for 2012 and does not include the retroactive impact of the adoption of IAS 19 "Employee benefits" as of 1 January 2013.

Net Debt / EBITDA

<table>
<thead>
<tr>
<th>Year/Period</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.86</td>
<td>1.61</td>
<td>1.05</td>
<td>0.60</td>
<td>0.55</td>
</tr>
<tr>
<td>30 September 2013 (*)</td>
<td>0.34</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(*) EBITDA used for the September 2013 ratio has been annualised by multiplying the actual YTD EBITDA at September 2013 by 1.33.
Financial indebtedness

The following tables report the evolution of the annual Total Debt\(^*\) and Net Debt\(^{**}\) of the SABIC Group in the years 2008 to 2012, as extracted from SABIC's audited consolidated financial statements for each of the relevant periods, and for the nine-month period ended 30 September 2013 as extracted from SABIC's unaudited interim consolidated financial statements for the nine-month period ended 30 September 2013:

<table>
<thead>
<tr>
<th>Total Debt</th>
<th>SAR (in billions)</th>
<th>Equivalent in U.S.$ (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 December 2008</td>
<td>92.66</td>
<td>24.71</td>
</tr>
<tr>
<td>31 December 2009</td>
<td>107.01</td>
<td>28.54</td>
</tr>
<tr>
<td>31 December 2010</td>
<td>110.60</td>
<td>29.49</td>
</tr>
<tr>
<td>31 December 2011</td>
<td>102.50</td>
<td>27.33</td>
</tr>
<tr>
<td>31 December 2012</td>
<td>95.53</td>
<td>25.47</td>
</tr>
<tr>
<td>30 September 2013</td>
<td>81.56</td>
<td>21.75</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Debt</th>
<th>SAR (in billions)</th>
<th>Equivalent in U.S.$ (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 December 2008</td>
<td>41.63</td>
<td>11.10</td>
</tr>
<tr>
<td>31 December 2009</td>
<td>47.50</td>
<td>12.67</td>
</tr>
<tr>
<td>31 December 2010</td>
<td>51.08</td>
<td>13.62</td>
</tr>
<tr>
<td>31 December 2011</td>
<td>36.34</td>
<td>9.69</td>
</tr>
<tr>
<td>31 December 2012</td>
<td>29.71</td>
<td>7.92</td>
</tr>
<tr>
<td>30 September 2013</td>
<td>19.19</td>
<td>5.12</td>
</tr>
</tbody>
</table>

\(^*\) Total Debt: Short Term Borrowings plus Current Long-Term Debt and Long-Term Debt
\(^{**}\) Net Debt: Total Debt minus Cash and Cash equivalents and Short-Term Investments

The following terms have the meaning and/or include the items attributed to them in the relevant audited or unaudited consolidated financial statements of SABIC for the relevant period: Cash and Cash equivalents, Current Long-Term Debt, Long-Term Debt, Short-Term Borrowings, Short-Term Investments.

The following table reports the breakdown of the financial indebtedness of the SABIC Group as at 30 September 2013:

<table>
<thead>
<tr>
<th>Breakdown of financial Indebtedness as at 30 September 2013</th>
<th>SAR (in billions)</th>
<th>Equivalent in U.S.$ (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Investment Fund</td>
<td>6.64</td>
<td>1.77</td>
</tr>
<tr>
<td>Saudi Industrial Development Fund</td>
<td>3.37</td>
<td>0.90</td>
</tr>
<tr>
<td>Long Term Bank Facilities</td>
<td>50.83</td>
<td>13.56</td>
</tr>
<tr>
<td>Short Term Bank Facilities</td>
<td>3.19</td>
<td>0.85</td>
</tr>
<tr>
<td>Bonds</td>
<td>17.53</td>
<td>4.67</td>
</tr>
<tr>
<td>Total Debt</td>
<td>81.56</td>
<td>21.75</td>
</tr>
<tr>
<td>Less: Current portion</td>
<td>(12.29)</td>
<td>(3.28)</td>
</tr>
<tr>
<td>Non-current portion</td>
<td>69.27</td>
<td>18.47</td>
</tr>
</tbody>
</table>

The following table reports the repayment schedule of long term debt obligations of the SABIC Group as at 30 September 2013:

<table>
<thead>
<tr>
<th>Repayment schedule Long-Term Debt</th>
<th>SAR (in billions)</th>
<th>Equivalent in U.S.$ (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>6.17</td>
<td>1.65</td>
</tr>
<tr>
<td>2014</td>
<td>5.72</td>
<td>1.53</td>
</tr>
<tr>
<td>2015</td>
<td>13.93</td>
<td>3.71</td>
</tr>
<tr>
<td>2016</td>
<td>12.96</td>
<td>3.46</td>
</tr>
<tr>
<td>2017</td>
<td>11.83</td>
<td>3.15</td>
</tr>
<tr>
<td>2018 and thereafter</td>
<td>27.76</td>
<td>7.40</td>
</tr>
</tbody>
</table>

As at the date of this Offering Circular, SABIC does not have any mortgages, charges or other security on SABIC's properties other than mortgages in favour of the Saudi Industrial Development Fund, securing debt of approximately U.S.$747 million (SAR 2.8 billion).

Cash position

The following tables report the cash position and cash flows of the SABIC Group in the years 2008 to 2012 and in the nine-month period ended 30 September 2013 as provided in the relevant audited or unaudited consolidated financial statements of SABIC for the relevant period:
### Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>As at</th>
<th>SAR</th>
<th>Equivalent in U.S.$</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in billions)</td>
<td>(in billions)</td>
<td></td>
</tr>
<tr>
<td>31 December 2008</td>
<td>51.03</td>
<td>13.61</td>
</tr>
<tr>
<td>31 December 2009</td>
<td>57.20</td>
<td>15.25</td>
</tr>
<tr>
<td>31 December 2010</td>
<td>50.65</td>
<td>13.51</td>
</tr>
<tr>
<td>31 December 2011</td>
<td>50.39</td>
<td>13.44</td>
</tr>
<tr>
<td>31 December 2012</td>
<td>51.43</td>
<td>13.71</td>
</tr>
<tr>
<td>30 September 2013</td>
<td>51.81</td>
<td>13.82</td>
</tr>
</tbody>
</table>

### Short-Term Investments

<table>
<thead>
<tr>
<th>As at</th>
<th>SAR</th>
<th>Equivalent in U.S.$</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in billions)</td>
<td>(in billions)</td>
<td></td>
</tr>
<tr>
<td>31 December 2008</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>31 December 2009</td>
<td>2.31</td>
<td>0.62</td>
</tr>
<tr>
<td>31 December 2010</td>
<td>8.87</td>
<td>2.37</td>
</tr>
<tr>
<td>31 December 2011</td>
<td>15.78</td>
<td>4.21</td>
</tr>
<tr>
<td>31 December 2012</td>
<td>14.39</td>
<td>3.84</td>
</tr>
<tr>
<td>30 September 2013</td>
<td>10.56</td>
<td>2.82</td>
</tr>
</tbody>
</table>

### Net Cash from Operating Activities

<table>
<thead>
<tr>
<th>Year/Period</th>
<th>SAR</th>
<th>Equivalent in U.S.$</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in billions)</td>
<td>(in billions)</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>46.23</td>
<td>12.33</td>
</tr>
<tr>
<td>2009</td>
<td>26.83</td>
<td>7.16</td>
</tr>
<tr>
<td>2010</td>
<td>29.26</td>
<td>7.80</td>
</tr>
<tr>
<td>2011</td>
<td>42.14</td>
<td>11.24</td>
</tr>
<tr>
<td>2012</td>
<td>51.38</td>
<td>13.70</td>
</tr>
<tr>
<td>For the nine month period ended 30 September 2013</td>
<td>45.55</td>
<td>12.15</td>
</tr>
</tbody>
</table>

### Cash used in Investing and Financing Activities

<table>
<thead>
<tr>
<th>Year/Period</th>
<th>SAR</th>
<th>Equivalent in U.S.$</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in billions)</td>
<td>(in billions)</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>41.08</td>
<td>10.95</td>
</tr>
<tr>
<td>2009</td>
<td>20.66</td>
<td>5.51</td>
</tr>
<tr>
<td>2010</td>
<td>35.81</td>
<td>9.55</td>
</tr>
<tr>
<td>2011</td>
<td>42.40</td>
<td>11.31</td>
</tr>
<tr>
<td>2012</td>
<td>50.34</td>
<td>13.42</td>
</tr>
<tr>
<td>For the nine month period ended 30 September 2013</td>
<td>45.17</td>
<td>12.04</td>
</tr>
</tbody>
</table>

### The SABIC Group: history

SABIC was established by the Saudi Government in 1976 in furtherance of a government policy to diversify the Saudi industrial base outside the oil sector, and in order to make use of crude oil associated gases at well heads which had, until that point, been flared off. The intention was to build a chain of basic, large scale industries located close to or with easy access to, gas resources and to develop export oriented non-oil businesses of strategic importance to Saudi Arabia, including hydrocarbon based chemicals and basic metal industries.

In co-operation with the Royal Commission for Jubail and Yanbu, which built the surrounding infrastructure, SABIC transformed a fishing village on the coast of the Arabian Gulf, Al Jubail, into a modern world-class industrial city in the late 1970s and early 1980s, building a diversified portfolio of basic industries.

Most of SABIC’s early joint-ventures included some of the largest global petrochemical corporations, such as ExxonMobil, Shell and Mitsubishi, as joint-venture partners.

SABIC’s rapid ascent over the past 35 years has made it one of the leading chemical producers worldwide. Through green-field projects and various acquisitions, SABIC has extended its geographic reach with a diversified product portfolio. With worldwide operations and an increasingly diverse product range, SABIC is well positioned to continue its growth strategy in the future.

In 2002, SABIC acquired petrochemical facilities from DSM in Geleen, The Netherlands and in Gelsenkirchen, Germany, substantially expanding the company’s geographic coverage as well as its position in olefins and polyolefins in Europe.
In 2006, SABIC acquired Huntsman's chemicals and polymers business which consists of a steam cracker and aromatics facilities in Wilton and North Tees, United Kingdom.

In 2007, with the acquisition of GE Plastics (a division of General Electric Company), SABIC further widened its geographic reach and extended its product portfolio into specialty chemicals, engineering resins and film and sheet products. The acquisition included production facilities in the Americas, Western Europe and Asia Pacific and also enabled SABIC to take advantage of new technologies and operating processes for the development of its downstream industries in Saudi Arabia.

Overview of the SABIC Group

Operations in the Middle-East

The SABIC Group's operations in Saudi Arabia are conducted through a number of companies, including joint-ventures with some of the largest companies in the global chemical industry.

The following table presents the manufacturing companies of the SABIC Group in the Middle East and their product portfolio and indicates SABIC's total direct and indirect percentage of ownership in these companies as of the date of this Offering Circular.

<table>
<thead>
<tr>
<th>Name</th>
<th>Ownership Percentage (%)</th>
<th>Product</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arabian Petrochemical Company</td>
<td>100.00</td>
<td>Ethylene, Polyethylene, Butene-1, Styrene, Benzene, Polystyrene, Glycols, VCM, PVC, ABS</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>(Petrokemya)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saudi Iron and Steel Company</td>
<td>100.00</td>
<td>Steel and steel products</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>(Hadeed)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SABIC Industrial Catalysts (Sabcat)</td>
<td>100.00</td>
<td>Industrial catalysts</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Saudi Specialty Chemicals Company</td>
<td>100.00</td>
<td>Tri-Ethyl aluminium (TEAL), TPO/PP Compounds, PC Compounds, ABS Compounds, and Specialty Products</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>SABIC Carbon Fibre Company</td>
<td>100.00</td>
<td>Carbon Fibre (project under development)</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Saudi European Petrochemical Company (Ibn Zahr)</td>
<td>80.00</td>
<td>MTBE, Polypropylene</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Jubail United Petrochemical Company (United)</td>
<td>75.00</td>
<td>Ethylene, Polyethylene, Ethylene Glycols, Linear Alpha Olefins</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>National Chemical Fertiliser Company (Ibn Al-Baytar)</td>
<td>71.50</td>
<td>Ammonia, Urea, Other Fertilisers</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>National Industrial Gases Company (Gas)</td>
<td>70.00</td>
<td>Industrial gases (Oxygen, Nitrogen, Argon, Krypton)</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Yanbu National Petrochemical Company (Yansab)</td>
<td>51.95</td>
<td>Ethylene, Propylene, Polyethylene, Polypropylene, Ethylene Glycols, Butane-1/2, Benzene, Toluene, Xylene, MTBE</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Al-Jubail Fertiliser Company (Al-Bayroni)</td>
<td>50.00</td>
<td>Ammonia, Urea, 2-Ethyl Hexanol, DOP</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Al-Jubail Petrochemical Company (Kenny)</td>
<td>50.00</td>
<td>Ethylene and Polyethylene</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Eastern Petrochemical Company (Sharq)</td>
<td>50.00</td>
<td>Ethylene Glycols, Ethylene, Propylene, Polyethylene, Aromatics</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>National Methanol Company (Ibn Sina)</td>
<td>50.00</td>
<td>Methanol, MTBE</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Saudi Methanol Company (Ar-Razi)</td>
<td>50.00</td>
<td>Methanol</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Saudi Petrochemical Company (Sadaf)</td>
<td>50.00</td>
<td>Ethylene, Ethanol, Ethylene Dichloride, MTBE, Styrene, Caustic Soda, MTBE</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Saudi Yanbu Petrochemical Company (Yanpet)</td>
<td>50.00</td>
<td>Ethylene, Py-gas, Polyethylene, Ethylene Glycols, Propylene and Polypropylene</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Saudi Organometallic Chemicals Company (SOC)</td>
<td>50.00</td>
<td>Tri-ethyl aluminium</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Saudi Japanese Acrylonitrile Company (Shrouq)</td>
<td>50.00</td>
<td>Acrylonitrile and Sodium Cyanide (project under development)</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Arabian Industrial Fibre Company (Ibn Rushd)</td>
<td>47.26</td>
<td>Aromatics, PTA, PET, Acetic Acid</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Name</td>
<td>Ownership Percentage (*)</td>
<td>Product</td>
<td>Country</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>--------------------------</td>
<td>----------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Saudi Arabian Fertiliser Company (Safco)</td>
<td>42.99</td>
<td>Ammonia, Urea, Melamine, Sulphuric Acid</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Saudi Kayan Petrochemical Company (Saudi Kayan)</td>
<td>35.00</td>
<td>Ethylene, Propylene, Polyethylene, Polypropylene, Polycarbonate, Ethylene Glycols, PPE, ABS, PBT, LNP Compounds</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Saudi Butanol Company (SaBuCo)</td>
<td>35.00</td>
<td>Butanol (project under development)</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Ma'aden Phosphate Company (MPC)</td>
<td>30.00</td>
<td>Phosphates, Fertilisers</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Gulf Petrochemical Industries Company (GPIC)</td>
<td>33.33</td>
<td>Aluminium products</td>
<td>Bahrain</td>
</tr>
<tr>
<td>Gulf Aluminium Rolling Mill Company (GARMCO)</td>
<td>31.00</td>
<td>Aluminium products</td>
<td>Bahrain</td>
</tr>
<tr>
<td>Power and Water Utilities Company (Marafiq)</td>
<td>25.00</td>
<td>Utilities</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Aluminium Bahrain BSC (ALBA)</td>
<td>20.00</td>
<td>Aluminium</td>
<td>Bahrain</td>
</tr>
</tbody>
</table>

(*) The companies listed in this table and which are fully consolidated in the audited or unaudited financial statements of SABIC are specified in the relevant financial statements.

**International Operations**

Outside the Middle East, the SABIC Group operates in over 200 locations in Europe, the Americas and Asia Pacific.

As of 31 December 2012, the international operations of the SABIC Group, excluding the joint venture results related to SINOPEC SABIC Tianjin Petrochemical Co. Ltd ("SSTPC"), had total assets of U.S.$ 19.14 billion and net revenues of U.S.$ 29.15 billion (of which U.S.$ 13.18 billion related to products sourced from Saudi Arabia).

**Europe**

In Europe, the SABIC Group is a major producer of chemicals, polymers and engineering thermoplastics products. It operates thirteen production sites in The Netherlands, Germany, UK, Spain, France, Italy and Austria, including:

- **Geleen (The Netherlands):** The Geleen site is home to two naphtha crackers and seven polymerisation plants for the production of polyethylene and polypropylene. Geleen has a large production capacity of 1.250 ktpa of ethylene, 725 ktpa of propylene, 780 ktpa of polyethylene and 570 ktpa of polypropylene. The site can also produce up to 130 ktpa of butadiene, 300 ktpa of benzene and 165 ktpa of MTBE/ETBE. SABIC Geleen forms a major stop on the pipelines that connect Antwerp in Belgium and Rotterdam on the Dutch coast with inland sites in Germany.

- **Teesside (UK):** Operations in the Teesside region are primarily located in Wilton and North Tees. The Wilton site runs a world-scale naphtha cracker with capacities of 865 ktpa of ethylene and 400 ktpa of propylene. In addition, Wilton maintains a 100 ktpa butadiene plant and a new 400 ktpa world-scale low density polyethylene (LDPE) plant. The North Tees site includes an aromatics complex and an ethylene liquefaction facility. Both sites have substantial logistical facilities including major storage capacity, a cross-country ethylene pipelines network and substantial distribution and shipping services.

- **Gelsenkirchen (Germany):** The SABIC Group operates five plants for the production of polyethylene and polypropylene at the Gelsenkirchen site. The polyethylene and polypropylene production capacity on the site amount to 539 ktpa and 557 ktpa, respectively. Olefin feedstock is mainly provided by a third-party cracker on the site and, through the Northwest European ARG-pipeline from the SABIC Group's naphtha crackers in Geleen.

- **Bergen op Zoom (The Netherlands):** The Bergen op Zoom site includes four chemical operations plants with a resins production capacity of 269 ktpa and thirty-nine compounding lines with a capacity of 260 ktpa. The key products in the site product portfolio are Lexan, an amorphous engineering thermoplastic, XenoY, a blend of semi-crystalline polyester and polycarbonate, Noryl, an amorphous blend of polyphenylene ether resin and polystyrene, Valox, a semi-crystalline material.
based on polybutylene terephthalate and/or polyethylene terephthalate polymers, and polycarbonate sheet & film.

- **Cartagena (Spain):** The Cartagena site includes five chemical operations plants with resins production capacity of 280 ktpa and eleven compounding lines with a capacity of 49 ktpa. The site is engaged in the manufacturing of the above mentioned Lexan, as well as Cycoloy, a polycarbonate/acrylonitrile-butadiene-styrene high impact amorphous thermoplastic blend, and Ultem, an amorphous thermoplastic polyetherimide resin.

- **Other production sites in Europe:** SABIC Group companies operate relative small specialised production sites in Enkhuizen and Raamsdonksveer (the Netherlands), Thornaby (United Kingdom), Pontirolo and Olgiate Olona (Italy), Wiener Neustadt (Austria) and in Genk (Belgium).

The headquarters for the European operations and for the Polymers and Chemicals strategic business units is based in Sittard (The Netherlands). The Innovative Plastics strategic business unit has its main European office in Bergen op Zoom (The Netherlands).

Sales of chemicals, polymers and engineering thermoplastics are managed via an extensive network of local sales offices throughout Europe.

Some SABIC Group companies in Europe act as resellers of a significant volume of products manufactured by other companies of the SABIC Group in Saudi Arabia, particularly with respect to chemicals and polymers products. SABIC Group companies in Europe operate strategically located logistic hubs and storage tanks in key ports in the Netherlands, the United Kingdom, Belgium, Italy, Spain, Sweden, Poland, and Malta. These assets serve to optimise the supply chain and to assure an uninterrupted flow of products sourced from Saudi Arabia and marketed in Europe.

**Americas**

In the Americas, the SABIC Group has operational facilities in the United States, Canada, Mexico, Brazil, Argentina and Chile, including:

- **Mount Vernon, Indiana (United States):** Mount Vernon is one of the SABIC Group’s largest engineering thermoplastics sites, and contains three chemical operations plants and forty compounding lines, with a resins production capacity of 345 ktpa and compounding production capacity of 335 ktpa. In Mount Vernon, the SABIC Group manufactures the above mentioned Lexan, Cycoloy, Ultem, Valox and Xenoy. The site product portfolio includes also Xylex, a transparent blend of polycarbonate and amorphous polyesters. The SABIC Group has additional investments in the sheet and film extrusion business and also has an investment in a phenol joint venture partnership at this location.

- **Burkville, Alabama (United States):** The site includes four chemical operations plants, eleven compounding lines and three powders loading facilities, with resins production capacity of 292 ktpa and compounding production capacity of 337 ktpa. In Burkville, the SABIC Group mainly manufactures and supplies the above mentioned Lexan resin.

- **Ottawa, Illinois (United States):** The site includes one chemical operations plant with a resins production capacity of 103 ktpa and a compounding capacity of 124 ktpa. The site is mainly engaged in the manufacturing of the above mentioned Cycolac, and Cycoloy resins and of Geloy, an advanced amorphous terpolymer of acrylic-styrene-acrylonitrile resin.

- **Selkirk, New York (United States):** The site contains three chemicals operations and twenty seven compounding lines, with a resins production capacity of 80 ktpa and compounding production capacity of 64 ktpa. In Selkirk, the SABIC Group mainly manufactures Noryl GTX and PPX. GTX is a blend of polyamide and modified polyphenylene ether polymer technology, while PPX is an engineering thermoplastic olefin.

- **Other production sites in the Americas:** The SABIC Group runs several other relatively small sites in the United States in Wixom (Michigan), Bay St. Louis (Mississippi), Exton and Thorndale (Pennsylvania) and Washington (West Virginia). In Middle and South America the SABIC Group
has manufacturing sites in Tampico and San Luis Potosi (Mexico), Campinas (Brasil) and Tortuguitas (Argentina).

The SABIC Group can rely on an extensive network of local sales offices throughout the American continent to provide proximity to customers and effective supply chain management.

Saudi Arabian-sourced chemicals, polymers and fertiliser products are sold through SABIC Americas Inc, headquartered in Houston (Texas) which has an extensive sales network in the United States, Canada, Mexico, Central America, South America and the Caribbean.

Asia Pacific

In Asia Pacific, the SABIC Group has over 41 office locations within China, India, Japan, South Korea, Australia, Thailand, Malaysia, Singapore, Vietnam and Indonesia.

The SABIC Group also has ten manufacturing sites in China, Southeast Asia, South Korea and Japan. The manufacturing sites include compounding and extrusion operations capable of producing all of the major engineering thermoplastics major product lines. Total installed annual compounding capacity is currently 475 ktpa, and includes investment in 110 compounding lines in the region. The Group has also six T&I Centres in South Korea, Japan and India.

The regional headquarters in Singapore, along with other companies of the SABIC Group in Asia, act as resellers of a significant volume of products sourced by other companies of the SABIC Group in Saudi Arabia.

Within the activities of the SABIC Group in Asia-Pacific, SABIC’s operations in China are particularly important. SABIC has been active in China for over 30 years, having entered the China market in 1980. Today the SABIC Group has 18 offices in the Greater China region including Beijing, Shanghai, Chengdu, Chongqing, Dalian, Guangzhou, Hangzhou, Qingdao, Shenzhen, Xiamen, Tianjin, Hong Kong and Taipei, and two manufacturing plants in Shanghai and Guangzhou. With more than 1,000 employees in the Greater China region supporting manufacturing, technology and innovation, sourcing and sales and marketing, the SABIC Group is one of the top diversified chemicals companies in China and one of the largest suppliers of mono-ethylene glycols, polymers and innovative plastics in the region.

In 2009, SABIC and China Petrochemical Corporation (SINOPEC) formed a major manufacturing joint-venture, SINOPEC SABIC Tianjin Petrochemical Co.Ltd ("SSTPC"), capable of manufacturing 3.2 million-tons of ethylene per annum and downstream products including polyethylene, ethylene-glycol, polypropylene, butadiene, phenol and butene-1. SSTPC started commercial operation in May of 2010. SSTPC is the reflection of a strong cooperation between SINOPEC and SABIC. The company plans to expand its operations with the construction of a new polycarbonate production complex based on the world's leading polycarbonate technology. Polycarbonate is an essential plastic used for producing components for automotive parts, compact discs, and a variety of consumer products as well as other industrial components.

The SABIC Group also operates two compounding plants in Nansha, which started operations in 1996, and Shanghai, which started operations in 2000. A new plant in Chongqing is expected to be operational soon and will provide local service and delivery to customers in the southwest of China with high quality engineering thermoplastics solutions.

The SABIC Group: business operations

The SABIC Group's business is organised around six global Strategic Business Units ("SBUs") which are supported by global corporate functions. The six global SBUs are: Chemicals, Performance Chemicals, Innovative Plastics, Polymers, Fertilisers and Metals.

The following table reports a breakdown of production volumes by Strategic Business Unit in 2012 as reported in the audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2012.

<table>
<thead>
<tr>
<th></th>
<th>%</th>
<th>Million Metric Tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>64.07</td>
<td>46.12</td>
</tr>
<tr>
<td>Polymers</td>
<td>16.57</td>
<td>11.93</td>
</tr>
</tbody>
</table>
A breakdown of the SABIC Group revenues by product segment in the year 2012 is included in Section 25 - Segment Information of the audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2012.

**Chemicals**

The Chemicals SBU is the largest of SABIC's SBUs and it accounts for more than 60 per cent. of the SABIC Group's production by value. It manufactures most of the raw materials used by other major SBUs, such as Polymers and Performance Chemicals. The products of the Chemicals SBU are produced from hydrocarbons (including methane, ethane, propane, butane, and naphtha) and constitute the building blocks of a wide range of other chemicals, plastics and advanced materials, which ultimately enable the manufacturing of a diverse range of industrial and consumer goods. The products of the Chemicals SBU are divided into four groups: Olefins and Gases, Aromatics and Chlor-Alkali, Oxygenates, and Glycols. Olefins (ethylene, propylene, Butene-1 and Butadiene) are the petrochemical industry's most common building blocks, used in the production of many petrochemicals and plastic products. Aromatics (styrene, benzene, paraxylene and ethylene dichloride) are a group of hydrocarbon products that form the basis for commodity chemicals used in the production of clothing, paints, packaging and other products. Oxygenates (MTBE and Methanol) are a group of chemicals comprising ethers. Glycols are derived from ethylene and oxygen and are used in the production of polyesters, polyethylene terephthalate, solvents and antifreeze solutions. SABIC is one of the world's leading producers of MEG (mono-ethylene glycol), MTBE and Bio-MTBE, a second generation biofuel.

**Polymers**

The Polymers SBU produces mainly polyethylene and polypropylene. With approximately 12 million metric tonnes of products manufactured annually in Saudi Arabia, Europe and Asia, SABIC is one of the world's largest producers of polyethylene and polypropylene. These products have a wide variety of uses in the converter industry, including packaging, construction, agriculture and medical supplies as well as in the processes of blown films, injection moulding and roto-moulding. These polymers are used to make food packaging, bottles, car parts, building materials, water pipes, diapers and clothing. The Polymers SBU is currently organised in several business units: Low Density Polyethylene, High Density Polyethylene and Polypropylene. SABIC's polymer products include standard plastics as well as high-end specialised plastics, particularly for the automotive industry and for high pressure pipes.

**Performance Chemicals**

The Performance Chemicals SBU is leading the diversification of the SABIC Group's product portfolio from commodity chemicals toward a growing volume of higher value adding functional chemicals and polymers. The Performance Chemicals SBU is structured within three business units – Base Products, Functional Chemicals and Functional Polymers – with different product offering and target customer segments. Their current portfolio includes linear alpha olefins, oxo-alcohols, plasticizers, ethoxylates, ethanolamines, catalysts, acetic acid and acetone. Their portfolio will soon include polyurethane (isocyanates and polyls), carbon fibre, poly-methyl-methacrylate, polycetal, acrylonitrile, methyl-methacrylate, detergent alcohols and elastomeric products. Such products will be used in a wide range of industries, such as construction and insulation, households chemicals, sustainable energy generation, automotive, paints and coating and adhesives and personal care.

**Innovative Plastics**

The product portfolio of the Innovative Plastics SBU consists of polycarbonate, polyphenylene ether, polybutylene terephthalate, acrylonitrile butadiene styrene, styrene acrylonitrile, acrylonitrile styrene acrylate, polyetherimide resins, and polypropylene compounds, as well as engineering thermoplastics (film and sheet products) and specialty compounds and blends. The Innovative Plastics SBU is one of the world's leading producers of engineering thermoplastics, which are plastics with higher performance characteristics and represent an essential material in industries such as automotive, electronics,
infrastructure, consumer appliances, media and product security, healthcare and business equipment. Some common end-use applications are cell-phone cases, computer housings, CDs and DVDs, auto instrument panels, stadium roofs, ophthalmic lenses and aircraft interiors. In addition, the Innovative Plastics SBU manufactures and sells plastic sheet, film, rod and tube products as well as specialised polypropylene products for the automotive industry.

**Fertilisers**

SABIC is one of the world's leading fertiliser producers, with over 6.6 million tonnes of products produced annually in Saudi Arabia. Fertilisers are used in the agricultural industry for more efficient productions. SABIC serves the key fertiliser markets of Southeast Asia, North America, South Africa and the Indian subcontinent, with a comprehensive portfolio of fertilisers such as urea, ammonia and phosphate. SABIC's Fertilisers SBU is now one of the world's leading exporters of granular urea, with a strong presence in key markets such as the Indian subcontinent, South-East Asia, North America, and South Africa. SABIC is expanding its fertilisers business further into world markets with the launch of phosphate fertilisers, which are anticipated to open up more sales in South-East Asia, and give SABIC access to new markets in East Africa, reinforcing SABIC's position as a key provider of phosphate fertilisers and strengthening SABIC's position as a key supplier of primary nutrients.

**Metals**

SABIC, through its Metals SBU, is one of the largest manufacturers of steel in the Middle East and North Africa region, manufacturing high quality steel and has played a role in some of the most distinctive and technologically-advanced buildings in the world. SABIC produces a wide range of steel grades in both the long and flat steel markets. Long steel is used to construct a building's skeleton. SABIC's long product portfolio includes concrete reinforcement deformed bars, plain wire rods and rebar in coils. SABIC also supplies billets for downstream re-rolling mills. All these products are essential for the construction and manufacturing industry. Flat steel is used for pipes, cars and white goods. Flat steel products have many applications, including making pipes, tubes, electrical poles, drums and household appliances. They are also used to make body panels for pre-fabricated buildings, cars, trains and wheelbarrows.

**The SABIC Group: main projects under development**

The SABIC Group is undergoing a significant growth and expansion phase. In the past few years a number of projects have been initiated to expand the operations of some of SABIC's petrochemicals joint-ventures in addition to entering into new market segments and increasing the diversification of the product portfolio of the SABIC Group into speciality chemicals. Such projects are often in joint-venture with some of the market and technology leaders in the respective market segments. The following is a summary of the main projects currently under development.

**New synthetic rubbers project in Saudi Arabia**

Al-Jubail Petrochemical Company (Kemya), a joint-venture between SABIC and a subsidiary of ExxonMobil Chemical, is carrying out an expansion of its operations through a new synthetic rubbers project at its existing petrochemical site in Jubail. The project (which has an estimated total investment cost of approximately U.S.$3.2 billion) includes a 100,000 metric tonnes per annum ethylene propylene diene monomer / polyolefin elastomers plant, a 110,000 metric tonnes per annum halobutyl rubber plant, a 50 metric tonnes per annum carbon black plant, a 100,000 metric tonnes per annum poly-butadiene rubber / styrene-butadiene rubber plant, and a methyl-tertiary-butyl-ether decomposition unit. All technology, marketing and feedstock agreements required for the project have been signed. EPC contracts were awarded in July 2012 and financing agreements for the total required financing put in place in July 2013. The expansion project is expected to commence commercial operations at the end of 2015 / beginning of 2016. The project is of considerable strategic importance to the company and its shareholders as it provides an unparalleled opportunity to meet the growing demand for synthetic rubber products locally, in the Middle East and in Asia. The project will also support the development of several downstream industries in Saudi Arabia including the developing automotive industry and the new tyre industry in particular.
**New Acrylonitrile joint-venture project in Saudi Arabia**

In 2011, SABIC, Asahi Kasei Chemicals Corporation and Mitsubishi Corporation signed a partnership agreement to form a new joint-venture in Saudi Arabia named Saudi Japanese Acrylonitrile Company for building a plant for the manufacturing of acrylonitrile and sodium cyanide. The project includes two large-scale plants in Jubail Industrial City: a plant with the capacity to produce 200,000 metric tonnes of acrylonitrile annually and a plant with the capacity to produce 40,000 metric tonnes of sodium cyanide annually. Acrylonitrile and sodium cyanide are very important chemicals for downstream diversification into acrylonitrile butadiene styrene, carbon fibre and acrylamide which serve various industries such as the automotive, construction, water treatment, oil recovery, personal care, consumer goods, pharmaceuticals, electronics, gold mining and many others. In particular, sodium cyanide will support the local mining industry in Saudi Arabia. The total investment cost is currently estimated to be approximately U.S.$ 600 million. The start-up of the two plants is currently envisaged for 2016.

**New MMA and PMMA joint-venture project in Saudi Arabia**

In 2011, SABIC and Mitsubishi Rayon Company agreed to form a new joint venture in Saudi Arabia named Saudi Methacrylates Company, to build and operate two plants – one for the production of methyl-methacrylate, and the other for the production of poly-methyl-methacrylate in Jubail Industrial City. It is understood that the methyl-methacrylate plant once completed will be the largest in the world, with a 250,000 metric tonnes annual capacity. It will use the Alpha technology of Lucite International, a subsidiary of MRC. The poly-methyl-methacrylate plant will be based on Mitsubishi Rayon's technology and is planned to have an annual capacity of 50,000 metric tonnes. The project will contribute to the industrialisation of Saudi Arabia through the introduction of new high-value added products, which will be manufactured for the first time in the Middle East. The total investment cost is currently estimated to be approximately U.S.$ 1.3 billion. The plants are expected to become operational in 2016.

**New integrated carbon-fibre project in Saudi Arabia**

SABIC is planning the construction of an integrated carbon-fibre plant in Saudi Arabia. A technology agreement with the Italian company Montefibre S.p.A has been signed in 2011, granting SABIC and its subsidiaries an extensive global licence to use the carbon fibre technology developed by Montefibre S.p.A. and its partners. The new plant will serve the growing demand for carbon fibre and composites in fast-growing markets such as alternative energy, transportation and infrastructure. The project is currently in the engineering phase and is progressing towards final investment decision. Once complete, the carbon fibre project is expected to supply more than 3,000 metric tonnes per annum of industrial grade carbon fibre to serve emerging local markets in the Middle East as well as international markets. The start-up of the plants is currently planned for 2016.

**New polyacetal joint-venture project in Saudi Arabia**

National Methanol Company (Ibn Sina), a joint-venture between SABIC and CTE, a company owned by the US specialty materials company, Celanese Corporation, and Duke Energy, is constructing a new 50,000 metric tonnes polyacetal production facility in Jubail Industrial City in Saudi Arabia. The facility, with a total expected capital expenditure of around U.S.$500 million, is envisaged to go on-stream by 2016. Polyacetal is the commercial name of polyoxymethylene, which is mostly used in high added value applications such as small home appliances, bearings and gears, wear parts and automotive fuel systems because of its good resistance to abrasion and fatigue especially when in contact with oil and greases. Polyacetal is also widely used in surgery for hip and femoral junctions. Produced out of methanol as feedstock, polyacetal matches perfectly with the aims of Saudi Arabia to develop its petrochemical industry into higher added value chemical products.

**New ABS plant in Saudi Arabia**

Petrokemya, one of the joint-ventures of SABIC in Saudi Arabia, is planning the construction of a new acrylonitrile-butadiene-styrene plant. Acrylonitrile-butadiene-styrene is used by, among others, the automotive industry. The total investment cost is currently estimated to be around U.S.$ 700 million. The project is expected to have a production capacity of 140,000 tonnes per year and is expected to commence operation in 2014.
New butanol joint-venture project in Saudi Arabia

Saudi Kayan Petrochemical Company, an affiliate of SABIC, Sadara Chemical Company (a joint venture between Saudi Aramco and the Dow Chemical Company) and Saudi Acrylic Acid Company (owned by TSOC, an affiliate of National Industrialisation Company and Sahara Petrochemicals Company), have entered into a shareholders' agreement to establish the Saudi Butanol Company ("SaBuCo"). Each shareholder will have one third of the shares in SaBuCo. SaBuCo is a reflection of the strong cooperation between three leading Saudi petrochemical companies and their commitment to create economic value through efficient and effective utilisation of Saudi Arabia's natural resources. SaBuCo will own, manage and operate a new plant to produce butanol products in support of the continued growth of the paints and coatings industry in Saudi Arabia. It is understood that, upon completion SaBuCo's plant will be the first butanol plant in the Middle East and the largest butanol plant in the world. To be located at the Tasnee Petrochemicals Complex in Jubail Industrial City, the new plant, with a design capacity of 330,000 metric tonnes per annum of n-butanol and 11,000 metric tonnes per annum of iso-butanol, is expected to commence operations in 2015. Both n-butanol and iso-butanol are important intermediates for the construction industry, especially for paints and coatings. N-butanol is also used as a solvent and feedstock for the production of butyl acrylate and acetate. The butanol production capacity of the plant will be made available in equal proportions to the three shareholders, who will each be responsible for procuring and supplying propylene feedstock for production of their share of the butanol products. Commercial operations are expected to commence in 2015 and the total cost of the project is estimated to be around U.S.$500 million.

Progress on plans for expansion of SADAF joint-venture

SABIC and Royal Dutch Shell are progressing plans for various expansion projects involving their existing joint-venture company Saudi Petrochemical Company (Sadaf), including for production of a full range of polyols (a polyurethane building block) and styrene monomer propylene oxide at the existing site of the company, which is located in one of the world's largest and most competitive petrochemical complexes – the Al Jubail industrial zone on the Saudi Arabian east coast. SABIC and Shell will jointly conduct the necessary studies to implement the projects. The proposed polyol and SMPO plants would be the first of their kind in the Middle East. The assets are expected to employ Shell's proprietary polyl and SMPO technologies to produce chemical building blocks for the polyurethanes industry and petrochemicals sector in the Middle East and beyond.

New mining joint-venture and new phosphate mine and fertiliser project

SABIC, Ma'aden and the Mosaic Company have announced that they are considering the formation of a joint-venture to develop a fully integrated, world-class phosphate production facility in the Saudi Arabia. The estimated cost of the project would be approximately SAR 26 billion (U.S.$7 billion). Ma'aden would own 60 per cent., Mosaic 25 per cent, and SABIC 15 per cent. The new complex would be one of the largest integrated phosphate facilities in the world. The project would include new mining and processing plants in Saudi Arabia at Wa'ad Al Shamal Mineral Industrial City, as well as further processing plants at Ras Al Khair Mineral Industrial City. The two sites would be linked by the North-South Railway. Production at the new facilities is expected to commence in late 2016 with a total production capacity of approximately 16 million metric tonnes per year. The facilities would be able to produce, as a finished product, approximately 3 million metric tonnes of fertiliser products as well as approximately 440,000 metric tonnes per year of downstream products including purified phosphoric acid used in food industries, sodium tripolyphosphate used in detergent manufacturing, and dicalcium phosphate & monocalcium Phosphate used in the manufacturing of animal feed.

Expansion of petrochemical joint-venture in China

Sinopec SABIC Tianjin Petrochemical Company, a joint-venture between SABIC and China Petroleum & Chemical Corporation, plans to expand its operations in China with the construction of a new polycarbonate production complex. The new polycarbonate production complex, with an annual capacity of 260,000 metric tonnes, was approved by China's National Development and Reform Commission and its construction is currently expected to start in 2014, subject to the finalisation of an agreement with the local authorities on the construction location. The two sets of non-phosgene production systems, with an annual capacity of 130,000 metric tonnes each, would then be operational in 2016. The polycarbonate production complex will be able to produce four major classes of polycarbonate, including mixed grade, extrusion grade, optical grade, and moulding grade polycarbonate. Polycarbonate is an essential plastic
used for producing components for automotive parts, compact discs, and a variety of consumer products as well as other industrial components.

**New metal plant in Saudi Arabia**

In June 2013, SABIC concluded an agreement with the Ministry of Petroleum and Mineral Resources on the allocation of the required fuel for a project by SABIC’s subsidiary, Hadeed, to be implemented in Jubail Industrial City and in Rabigh-based King Abdullah Economic City. The part of the project in Jubail Industrial City will include a factory for production of heavy-duty plates with an annual capacity of about one and half million tons. It will serve specialist industries such as pipeline manufacturing, building of vessels, high-pressure tanks, constructional buildings and other applications. The part to be established in Rabigh-based King Abdullah Economic City will include a plant/complex for production of tin-plated metal sheets, cold-drawn rolled products, and galvanised iron coils with an annual production capacity amounting to about one million tons serving as structural frameworks for motor vehicle industries, canning of foods and beverages, house appliances and building materials. A detailed economic feasibility study for the project will be conducted by SABIC in the coming months. SABIC targets commercial production for the project to start in 2018.

**New carbon capture-and-use plant in Saudi Arabia**

United Jubail Petrochemical Company, an affiliate of SABIC, plans to build the world's largest plant for capturing and using carbon dioxide, a gas blamed for global warming. Once in operation, the carbon capture and utilisation plant would be expected to capture around 1,500 tons a day of carbon dioxide from ethylene plants of the SABIC Group in the industrial city of Jubail and purify it for use in some of its petrochemical plants. It is estimated that the plant will be able to capture about 500,000 tons a year of carbon dioxide and will be able to supply 200 tons a day of liquid CO₂ to the food and drinks industry. The construction contract has recently been awarded.

**Technology and Innovation and Intellectual Property**

SABIC Technology and Innovation department ("T&I") has a considerable and expanding impact on the development of SABIC businesses. SABIC T&I carries out research in the fields of chemicals, performance chemicals, polymers, innovative plastics, fertilisers and metals. With over 1,500 scientists and research staff working in 17 Technology and Application Centres and one Corporate Research & Innovation Centre, SABIC T&I works closely with the SBUs to improve existing manufacturing processes and products and to develop new technologies and products.

The focus of SABIC's T&I activities generally are fourfold:

(i) to provide support to the manufacturing plants of the SABIC Group with a view to improving existing processes, minimising production costs and maximise efficiency;

(ii) to develop new products and/or improve existing products;

(iii) to assist in selecting new technologies for the SABIC Group's manufacturing plants and in licensing out the use of technologies owned by SABIC (either in whole or in part) to other companies within and outside Saudi Arabia; and

(iv) to tap into new emerging technologies and investigate new strategic directions for long-term sustainable business.

The following are SABIC's principal T&I's centres:

- The STC Riyadh is one of SABIC's main T&I centres. It commenced operations in 1991, and employs more than 350 scientists, researchers and technicians. It is one of the largest research centres in the Middle East, containing many modern and high technology facilities allowing a full range of research into all of SABIC's product categories to be undertaken. At the same time SABIC is constructing an application centre for polymer, engineering thermoplastic and performance chemicals applications based on a large variety of application techniques.

- The STC Jubail was created in order to provide immediate and timely troubleshooting support to SABIC's manufacturing subsidiaries that are mostly clustered in the Jubail Industrial City. It has
about 90 employees with expertise ranging from materials and corrosion to metals technology, which is supported by its own small-scale analytical testing facilities.

- Two new centres were opened in Saudi Arabia in 2013. They are the Corporate Research & Innovation Centre (CRI) at King Abdullah University of Science and Technology (KAUST) in Thuwal, near Jeddah, and the other, the SABIC Plastic Applications Development Centre in Riyadh Techno Valley at King Saud University in Riyadh, Saudi Arabia.

- The STC in Houston is specialised in catalysis and chemicals research, modelling and simulation, and synthesis. The Houston STC has about 50 employees.

- In India, SABIC has two STCs one in Bangalore and the other in Vadodar. Currently more than 250 people are working for SABIC STC in India.

- In China, SABIC has constructed a new STC in Shanghai. The work in this STC is very much focused around application development of engineering thermoplastics. Currently more than 100 people are working for SABIC STC in China.

- In Europe, the STCs are located in Geleen and Bergen op Zoom in The Netherlands, and specialise their research in the areas of polyolefins, catalysis, feedstocks, chemicals, process technology, compounding and the automotive applications of polymers/plastics. The centres have about 90 employees and their facilities include bench scale reactors, pilot plant, compounding and profile fabrication and analytical and test equipment.

In addition, as part of SABIC’s research effort, SABIC collaborates with other corporations, universities and international research centres. This usually involves a joint initiation, funding, supervision and completion of the research, followed by a sharing of the resulting intellectual property rights. SABIC is currently working with partners across the globe and major partnerships are instituted in China, UK, Finland, Italy, Germany, Japan, Russia, United States and Canada.

SABIC has grown its intellectual property estate through the development and acquisition of patents, trademarks, copyrights, trade secrets and other forms of intellectual property. Intellectual property plays a vital role in the success of SABIC group globally by providing a competitive advantage against other major industry players. Through its technological innovations, SABIC’s intellectual property estate includes various technologies relating to the petrochemicals industry including polycarbonates, PPE, ABS, LDPE, acetic acid, linear alpha-olefins and butene-1.

SABIC has a broad intellectual property portfolio with over 3,450 issued patents and over 5,600 pending patent applications worldwide. SABIC has over 1,000 registered trademarks worldwide for marketing SABIC services, products and technologies.

Risk Management

The SABIC Group has in place a programme of risk management and legal compliance for the benefit of its subsidiaries in order to manage and provide cover against risks associated with its business and operations, including, risks of property damage, business interruption and legal and contractual liabilities to third party liabilities arising out of the SABIC Group's operations. SABIC is satisfied that the risk management programme that it presently has in place is adequate to identify material risks associated with its business and operations.

Compliance Programme

The SABIC Group believes that it can best succeed by having a culture based on integrity, being devoted to quality and innovation, and responsible for maintaining high standards for the environment, health and safety, fair employment and sustainability. The SABIC Group has designed a compliance program to fulfil these goals. The framework of the compliance programme of the SABIC Group lies in its Code of Ethics. In 2010, SABIC adopted a Code of Ethics that consists of 13 policies covering three broad areas: (1) Our Global Environment (addressing SABIC’s policies on Competition Laws (Antitrust), International Trade Controls, Product Risk Management, Third Party Business Dealings and Working With Governments); (2) Our Workplace (addressing SABIC’s policies on Environment, Health, Safety & Security, Fair Employment Practices, Conflicts of Interest, Privacy / Data Protection), and (3) Protecting

All employees of the SABIC Group are required to acknowledge their understanding of the Code of Ethics annually and to complete assigned training on the policies contained in the Code of Ethics every 2 years. Furthermore, the SABIC Group promotes and implements its compliance culture through a variety of processes: (a) a global organisation of Compliance Helpline Leaders who are responsible for receiving concerns and ensuring that all concerns are properly investigated and addressed, (b) Compliance Reviews, to periodically engage employees in bottom up reviews to assess compliance processes, prioritise key risks and develop mitigation plans to address those risks, (c) a network of regional Compliance Councils to identify any new significant compliance concerns, review the activities of the Compliance Helpline Leaders and monitor the completion of the integrity training, (d) Executive Level Training, delivered by senior leadership, with the support of the Legal team, designed to train senior management on the compliance responsibilities of a leader, emerging compliance risks, how to conduct compliance investigations and a review of the compliance infrastructure; and (e) extensive Compliance Trainings, including a comprehensive web-based compliance training program which reviews each policy of SABIC’s Code of Ethics in detail. Employees are required to take an average of approximately 20 online courses during a two year training cycle. Several compliance courses are available in the languages most commonly used by employees worldwide. The rate for the completion of required training in the last two years has been higher than 95 per cent. of all employees of the SABIC Group world-wide.

Activities in Sanctioned Countries

SABIC conducts limited sales activities in certain countries that are currently subject to sanctions imposed by the United States and the European Union as outlined below ("Sanctioned Countries"). SABIC maintains a small sales office in Iran, from which it sells products manufactured in Saudi Arabia. SABIC also makes some sales in Syria and Sudan. In 2012, total sales into Sanctioned Countries amounted to less than 1 per cent. of overall SABIC Group sales. SABIC may in the future conduct similarly limited sales activities in Sanctioned Countries when not in violation of any laws or regulations that may be applicable to SABIC, or the directors, officers and employees of SABIC involved in such activities.

In SABIC's assessment, such activities do not violate any laws or regulations applicable to SABIC nor any extra-territorial U.S. or EU laws or regulations applicable to SABIC as a Saudi company, or SABIC’s directors, officers and employees who are involved in such activities. No U.S. persons or U.S. products are involved in any such activities.

SABIC’s Legal Team monitors developments to sanctions laws so that it may advise the SBUs, and the SBUs may respond, in a timely manner to changes in sanctions laws.

Neither SABIC nor any of the members of the SABIC Group are currently subject to any investigation or proceedings by any authority in any country as a result of the activities in Sanctioned Countries described above. Neither SABIC nor any other member of the SABIC Group imports or trades in goods or services of any origin from a Sanctioned Country. No director, senior officer, owner or significant (>5 per cent.) shareholder of SABIC is a citizen, resident or governmental agency or authority of any Sanctioned Country.

The Issuer, as a company incorporated in The Netherlands, is subject to and complies with European Union sanctions laws.

The Issuer does not conduct directly or indirectly any activities in any Sanctioned Country. The proceeds from the issuances of the Bonds will not be made available to or used directly or indirectly for any activities in any Sanctioned Country.

Legal Proceedings

As at the date of this Offering Circular, companies of the SABIC Group are involved in certain legal proceedings, both as claimant and as defendant, all of which are in the ordinary course of business and none of which may have, or have had in the recent past, significant effects on the Issuer's, the Guarantor's or the SABIC Group's financial position or profitability.
Management

SABIC's management structure consists of a board of directors (the "Board") and a team of executive officers (the "Executive Committee"). The Board's main functions are to supervise the policy and general management of SABIC and to advise the Executive Committee. The Executive Committee is responsible for the day to day management of SABIC's operations. The business address of the members of the Board and Executive Committee is Saudi Basic Industries Corporation, Al-Qordoba District, P.O. Box 5101, Riyadh 11422, Saudi Arabia.

As at the date of this Offering Circular, there are no potential conflicts of interest between any duties owed to SABIC and the private interests or any other duties of the Board or the Executive Committee.

Board of Directors

The Board consists of nine members, five of whom represent the Saudi Government, including the Chairman and Vice Chairman, and four of whom are representatives from the private sector. Further to a rotation in the roles of certain Executive Vice Presidents effective as of 15 October 2013, the Board currently comprises:

His Highness Prince Saud bin Abdullah bin Thenayan Al-Saud, Chairman

In addition to his position as Chairman of the Board of SABIC, His Highness serves as Chairman of the Royal Commission for Jubail and Yanbu, Chairman of the Board of Directors of the Utility of Water and Electricity Company in Jubail and Yanbu, and Deputy Chairman of the Prince Salman Social Centre. He held various posts in the Saudi Government. He holds a degree in Civil Engineering from King Saud University in Saudi Arabia.

Directorships in other Saudi Joint Stock Companies: none.

Mr. Mohamed Hamad Al-Mady, Vice Chairman and Chief Executive Officer

Mr. Al-Mady has been Vice Chairman and Chief Executive Officer of SABIC since July 1998 and has been with SABIC since 1976.

Mr. Al-Mady also currently holds the following positions:

(i) Chairman and Managing Director, Saudi Arabian Fertiliser Company (SAFCO);
(ii) Chairman, Gulf Petrochemicals and Chemicals Association (GPCA);
(iii) Member of the International Business Council of the World Economic Forum and of the Board of the Boao Forum for Asia;
(iv) Member of the international advisory councils of the King Abdullah University of Science and Technology, the King Fahd University of Petroleum and Minerals and the Prince Mohammed bin Fahd University; and
(v) Member of the US – Saudi Arabian Business Council.

Mr. Al-Mady holds a master's degree in Chemical Engineering from the University of Wyoming, United States of America.

Directorships in other Saudi Joint Stock Companies: Chairman and Managing Director, Saudi Arabian Fertiliser Company ("SAFCO").

Dr. Abdulrahman Abdullah Al-Humaidi, Board Member

In addition to his position in SABIC, Mr. Al-Humaidi is also the Vice Governor of the Saudi Arabian Monetary Agency ("SAMA"). Before his current assignment, Al-Humaidi has held important positions, including Director of Training, SAMA; Director General, Economic Research & Statistics, SAMA; and Deputy Governor for Technical Affairs, SAMA. Mr Al-Humaidi has also taught economics at the King Saud University, Saudi Arabia. He has been a member of the Board of Directors of SAMA, the Saudi Industrial Development Fund, the Arab Monetary Fund in Abu Dhabi, the Saudi Fund for Development,
the Saudi Post Corporation, the Saudi Arabian General Investment Authority, the Council of Cooperative Health Insurance, and Tadawul (the Saudi Stock Exchange company). He holds a PhD in Economics from the University of Oregon, United States of America.

**Directorships in other Saudi Joint Stock Companies:** Tadawul (the Saudi Stock Exchange company).

**Mr. Abdullah Abdulrahman Al-Hamoodi, Board Member**

In addition to his position in SABIC, Mr. Al-Hamoodi is currently on the board of Tadawul (the Saudi Stock Exchange company) and the Riyadh Social Responsibility Council. He is also a senior consultant at King Abdullah City for Nuclear & Renewable Energy. Mr. Al-Hamoodi has had a long career starting as a specialist at the Saudi Arabian Standards Organisation, where he held a variety of roles, before moving to the Ministry of Commerce, initially in the role of general manager for foreign trade, and then becoming the acting Deputy Minister of Commerce for Technical Affairs and then Deputy Minister of Commerce for Foreign Trade. He holds a master's degree from Sam Houston University, United States of America.

**Directorships in other Saudi Joint Stock Companies:** Tadawul (the Saudi Stock Exchange company).

**Mr. Bandar bin Abdulaziz Al-Waeli, Board Member**

In addition to his position in SABIC, Mr. Al-Waeli is a deputy Minister of Planning, Ministry of Economy and Planning. Mr. Al-Waeli has been a board member of various organisations in Saudi Arabia, including the General Authority of Civil Aviation, the Higher Education Fund, the Saline Water Conversion Corporation, the Saudi Arabian Council of Competition Protection, the Real Estate Development Fund, and the National Centre for Youth Studies. He has also been a member in specialised government committees, such as the National Committee for Education, Culture and Science, and the Committee on Allocation in the Senior Economy Council. He holds a master's degree in pedagogy studies from the United States.

**Directorships in other Saudi Joint Stock Companies:** none.

**Mr. Mohammed Abdullah Al-Kharashi, Board Member**

In addition to his position in SABIC, Mr. Al-Kharashi is the Governor of The General Organisation for Pensions. Mr. Al-Kharashi has also represented Saudi Arabia at the OPEC Fund for International Development from 1991 to 2006. Between 2003 and 2006 he also represented the Ministry of Finance at the Arabian Bank's board of directors. He holds a master's degree in accounting.

**Directorships in other Saudi Joint Stock Companies:** Saudi Telecom Company, Saudi Group for Research & Marketing, Saudi Group for Industrial Investment, and the Saudi Arabian Mining Company.

**Mr. Abdullah Mohammed Al-Issa, Board Member**

In addition to his position in SABIC and as member of the Supervisory Board of SABIC Capital B.V., Mr. Al-Issa is the President of the A. M. Al-Issa Consulting Engineers and a member of the board of Mohammed Alissa and Sons. He is also the Chairman of the National Medical Care Company and the Cement Product Industry Company. Mr. Al-Issa holds a bachelor's degree in Industrial Engineering and a master's degree in Engineering Management from the Southern Methodist University, United States.

**Directorships in other Saudi Joint Stock Companies:** Arabian Cement Company, Saudi Hotels and Resort Areas Company and Riyadh Bank.

**Abdulaziz Habdan Alhabdan, Board Member**

In addition to his position in SABIC, Mr. Al-Habdan is the Assistant Governor of the General Organisation for Social Insurance and member of the board of Saudi Telecom Company and Banque Saudi Fransi. Mr. Al-Habdan holds a master's degree in Business Administration.

**Directorships in other Saudi Joint Stock Companies:** Saudi Telecom Company and Banque Saudi Faransy.

**Dr. Khaled Nahas, Board Member**
In addition to his position in SABIC, Mr. Nahas is the founder and developer of the snacks food company Tasali Foods. He is also a board member of Saudi Arabian Investment Company, National Water Company, Hasana Investment Company and Riyadh Bank. Mr. Nahas holds a PhD in Economic Engineering System.


**Mr. Abdullah Hassan Al-Sheikh, Secretary of the Board**

In addition to his position in SABIC, Mr. Al-Sheikh serves also as the General Manager for Mergers & Acquisitions in SABIC Corporate Finance. He is also a member of the board of directors of Jubail United Petrochemical Company.

**Executive Committee**

SABIC's Vice Chairman and Chief Executive Officer, Mr. Mohamed H. Al-Mady, leads an experienced team of executives.

**Mr. Mutlaq Al-Morished, Executive Vice President, Corporate Finance**

In addition to his position as Executive Vice President, Corporate Finance, Mr. Al-Morished is Chairman of the Supervisory Board of SABIC Capital BV, Chairman of the board of directors of Yanbu National Petrochemical Company (Yansab), Saudi Kayan Petrochemical Company and SABIC Captive Insurance Company Limited, and a member of the board of directors of Aluminium Bahrain BSC (ALBA), SABIC Industrial Investments Company and The Saudi Fund for Development. Before taking up his current position, Mr. Al-Morished was Vice-President of Shared Services, Vice-President of the Metals SBU, President of the Saudi Petrochemical Company and President of the Saudi Iron and Steel Company. Mr Al-Morished studied in the United States, where he earned an M.B.A. from Stanford University, a master's degree in nuclear engineering from Princeton University, and a bachelor's degree in nuclear physics and mathematics from the University of Denver.

**Mr. Yousef Al-Benyan, Executive Vice President, Chemicals**

Before his current post, Mr. Al-Benyan was Executive Vice President, Human Resources, and prior to that he was General Manager of SABIC’s Fibre Intermediates business. Previously he was General Manager of SABIC Americas, Inc. based in Houston from 2005 to 2007 and General Manager, SABIC Asia Pacific from 2002 to 2005. Mr. Al-Benyan holds a bachelor's degree in Economic and a master's degree in Industrial Management.

**Mr. Mosaed Al-Ohali, Executive Vice President, Polymers**

Before taking up his current post as Executive Vice-President, Polymers, Mr. Al-Ohali was the Executive Vice President, Manufacturing, and prior to that he was Chief Operating Officer of SABIC Europe B.V.. He has earlier held various positions in SABIC, including as Vice-President, Specialty Products and Vice-President, Fertilisers. Mr. Al-Ohali is currently the Chairman of the Board of Directors of SADAF, and is a member of a number of SABIC Executive Councils, including Sustainability, Technology & Innovation, EHSS, and Human Resources Talent Management. Mr Al-Ohali holds a master's degree in Chemical Engineering from the King Fahd University of Petroleum and Minerals, Saudi Arabia.

**Mr. Khaled Al-Mana, Executive Vice President, Fertilisers**

Mr. Al-Mana joined SABIC's marketing services and became the regional sales manager for SABIC Singapore in 1993 and the chief representative of SABIC Far East Limited, Taiwan office in 1996. He became the General Manager of SABIC Far East Limited in Hong Kong in 1998, and eventually the general manager of regional headquarters, SABIC Asia Pacific Limited, Singapore in 1999. Prior to his current position he was the Executive Vice President of the SBI Polymers and before that Vice President, Chemical Intermediates. Formerly, he was Chairman of Eastern Petrochemical Company (SHARQ) Board and Member of Hadeed and Scientific Design Boards. He currently serves as a Chairman of the Board for Arrazi, he is a member of SABIC Research and Technology Executive Committee and Vice President for SABIC China Investments Activities. Mr. Al-Mana holds a bachelor's degree in...
Engineering from the Meiji University in Tokyo, Japan and a MSc in Engineering from the National Taiwan University, Republic of China.

**Mr. Abdulaziz Al-Humaid, Executive Vice President, Metals**

Before taking up his current post as Executive Vice-President, Metals in April 2009, Mr. Al-Humaid was the President of Saudi Iron and Steel Company. Earlier he was the President of Al Jubail Petrochemical Company, and National Industrial Gases Company. From 1996 to 2000, he was the Senior Vice President of Arabian Petrochemical Company, where he started his career in 1981. He is currently the Chairman of the Board of Saudi Iron and Steel Co. and the National Industrial Gases Company. Mr. Al-Humaid is also on the board of Aluminium Bahrain, Gulf Aluminium Rolling Mill Co., Bahrain, and the Royal Commission Colleges and Institutes for Jubail and Yanbu. Mr. Al-Humaid holds a bachelor's degree in Chemical Engineering Science from the King Fahd University, Saudi Arabia.

**Mr. Abdullah Al-Rabeeah, Executive Vice President, Performance Chemicals**

During his career, Mr. Al-Rabeeah has held several positions in SABIC: Chairman of the Board of Directors of TAYF; Chairman of the Board of Directors of Ibn Rush; Chairman and initiator of SABIC Reliability Steering Committee; Chairman of Petrokemya's Business Management Committee; Chairman of Saudi Kayasen Business Management Committee; and Chairman of Ins Rush's Business Management Committee; Chairman of SABIC Global Shared Services Executive Committee. He was also member of the SABIC Mega and Major Project Management Improvements Study; member of the SABIC Research and Technology Executive Committee; and member of the SABIC Human Resources Talent Management Committee. Mr. Al-Rabeeah holds a degree in Chemical Engineering from the King Fahd University of Petroleum and Minerals, Saudi Arabia.

**Mr. Keith Smith, Executive Vice President, Innovative Plastics**

Mr. Keith Smith is also a member of the Supervisory Board of Directors of SABIC Capital. Prior to his current roles, Mr. Smith had been with DuPont since 1980. His most recent position with DuPont was Vice President, Sourcing and Logistics & Chief Procurement Officer, based in Wilmington, Delaware. Prior to this, he was Vice President and General Manager, DuPont Engineering Polymers, Wilmington, Delaware; Global Marketing, Sales and Development Director, DuPont Engineering Polymers, based in Geneva, Switzerland; and held other managerial and professional positions in TiO2, Advanced Fibres, Industrial Chemicals, Sales, Corporate Strategic Development and Research & Technology. Mr. Smith holds a bachelor's degree and master's degree in Chemical Engineering from the Rensselaer Polytechnic Institute in the United States of America.

**Awadh Al-Maker, Executive Vice President, Manufacturing**

Before his present assignment, Mr. Al-Maker held several positions in SABIC and its manufacturing affiliates. He joined SABIC’s manufacturing affiliate in Jubail, KEMYA, in August, 1989 where he held various posts at different times, the latest of which being General Manager, Manufacturing. Early 2003, he moved to IBN RUSHD in Yanbu as General Manager for a year, and was elevated to the post of President in 2004 with the specific goal of bringing in change for sustainable profitability. In November, 2009 he was appointed Manufacturing Vice President for Yanbu, leading the new organisation and working with the area sites and the Sinopec SABIC Tianjin Petrochemical Company to establish the new Manufacturing concept. In November, 2012 he moved to business as Polypropylene Business Vice President. In August, 2013 the PET Business Unit was added. He currently also serves as Chairman of the Board for IBN RUSHD. Mr. Al-Maker graduated as Chemical Engineer in 1989 from the King Saud University, Riyadh.

**Dr. Ernesto Occhiello, Executive Vice President, Technology & Innovation**

Prior to joining SABIC, Dr. Occhiello was a member of the Innovation and Growth Team for Dow Chemical Company in Switzerland where he contributed to the medium and long-term strategy of the company with other Executive leaders. In addition, he was responsible for R&D in Europe, Middle East, Africa and India. His career with Dow began in 2001 and includes many director roles in Research & Development with leadership roles in technology development for specialty and performance products. His experience also includes manufacturing leadership and acquisition integration. Dr. Occhiello holds a
Laurea in Chemistry with Honors from the University of Turin, Italy, where he was also contract professor of Chemistry of Materials.

Mr. Fahad Al-Sheaibi, Executive Vice President, Human Resources

Mr. Al-Sheaibi has held several position within SABIC’s various SBUs, including Executive Vice President of the SBU Fertilisers, Vice President Polymers, Vice President PVC and Polyester and Vice President Fertilisers. Mr. Al Sheaibi has been a member of several boards of directors, including: the Saudi Yanbu Petrochemicals Company, SABIC Europe B.V., and Chairman of Al-Jubail Fertiliser Company. He was also elected Chairman of the Arab Fertilisers Association. Mr. Al-Sheaibi holds a bachelor's degree in Business Administration from the King Saud University of Petroleum and Minerals, Saudi Arabia.

Mr. Omar Al-Amoudi, Executive Vice President, Shared Services

Prior to his present post, Mr. Omar A. Al-Amoudi was the President of Arabian Petrochemical Company (Petrokemya) and President and Ibn Zahr Company. He is the Chairman of the board of directors of Saudi Methacrylate Company, Eastern Petrochemical Company and Saudi Kayan Petrochemical Company. Mr. Al-Amoudi holds a bachelor's degree in Chemical Engineering from King Fahad University of Petroleum & Minerals, Saudi Arabia, and a master's degree in Chemical Engineering from the Drexel University, United States of America.

Mr. Yousef Al-Zamel, Executive Vice President, Corporate Strategy and Planning

Mr. Al-Zamel was one of SABIC's first employees, joining SABIC when it was formed in 1976. He has held various positions in SABIC's petrochemical, engineering, operations, and marketing departments – both in Saudi Arabia and the United States of America. Prior to his current position, he was Executive Vice President for SABIC's Chemicals SBU, Vice President for SABIC’s Fertilisers SBU and General Manager at the Saudi Arabian Fertiliser Marketing Company. Mr. Al-Zamel holds a degree in Chemical Engineering from the King Fahd University of Petroleum and Minerals, Saudi Arabia.
TAXATION AND ZAKAT

The following is a general description of certain Saudi Arabian and Dutch tax/Zakat considerations relating to the Bonds. It does not purport to be a complete analysis of all tax/Zakat considerations relating to the Bonds whether in those countries or elsewhere. Prospective purchasers of Bonds are recommended to consult their own professional advisers as to the consequences under the tax laws of the country of which they are resident for tax/Zakat purposes, The Netherlands and Saudi Arabia of acquiring, holding and disposing of Bonds and receiving payments of interest, principal and/or other amounts under the Bonds. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date.

Also investors should note that the appointment by an investor in Bonds, or any person through which an investor holds Bonds, of a custodian, collection agent or similar person in relation to such Bonds in any jurisdiction may have tax implications. Investors are recommended to consult their own professional tax advisers in relation to the tax consequences for them of any such appointment.

Saudi Arabia Taxation/Zakat

A. Bondholders who are Gulf Cooperation Council ("GCC") persons resident in Saudi Arabia

Bondholders who are GCC persons resident in Saudi Arabia, except for (a) and (b) below, are not subject to Saudi Arabian income tax, whether by withholding or direct assessment, in respect of any payment in the nature of interest or gain realised in respect of the Bonds. However, such Bondholders could be subject to Zakat.

(a) A citizen of a GCC country other than Saudi Arabia with a Permanent Establishment ("PE") in Saudi Arabia; and

(b) A legal entity established under the laws of a GCC country other than Saudi Arabia, with a PE in Saudi Arabia.

Generally, the taxability of a GCC citizen with a PE and a GCC legal entity with a PE in Saudi Arabia can be described as follows:

A PE of a GCC citizen and a PE of a GCC legal entity in Saudi Arabia (i.e. a taxable branch of a GCC legal entity) will be subject to Saudi Arabian income tax on the income attributable to the PE, including income (interest, gains realised etc) from the Bonds that is attributable to a PE.

All income in the nature of interest, gains etc. in respect of the Bonds to the above Bondholder will be part of the Bondholder's gross income, if such payment is attributable to the PE. The gross income less deduction of allowable costs will be subject to income tax at the current rate of 20%. Furthermore, the transfer of profit to the head office is considered a distribution of profit and will be subject to 5% withholding tax.

GCC person means (a) a citizen of any of the member countries of the Cooperation Council of the Arab States of the Gulf (namely, Saudi Arabia, the United Arab Emirates, the Kingdom of Bahrain, the Sultanate of Oman, the State of Qatar and the State of Kuwait) and (b) any legal entity owned by GCC citizens and established under the laws of a GCC country.

B. Bondholders who are non-GCC persons but treated as resident in Saudi Arabia for tax purposes

Bondholders who are non-GCC persons resident in Saudi Arabia, as defined in Article 3 of the Income Tax Law issued by the Kingdom of Saudi Arabia under Royal Decree No. M/1 dated 15/01/1425H (the "Income Tax Law") and Article 3 of its implementing Regulations issued under Ministerial Resolution No 1535 dated 11/6/1425H ("Income Tax Regulations"), will be subject to income tax.

All income in the nature of interest, gains etc. in respect of the Bonds to the above Bondholder will be part of the Bondholder's gross income. The gross income less deduction of allowable costs will be subject to income tax at the current rate of 20%.

Article 3 of the Income Tax Law defines Residency as follows:
(a) A natural person is considered resident in Saudi Arabia for a taxable year if he meets either of the two following conditions:

(i) he has a permanent place of residence in Saudi Arabia and resides in Saudi Arabia for a total of not less than thirty (30) days in the taxable year; or

(ii) he resides in Saudi Arabia for a period of not less than one hundred eighty three (183) days in the taxable year.

For the purposes of this paragraph, residence in Saudi Arabia for part of a day is considered residence for the whole day, except in the case of a person in transit between two points outside Saudi Arabia.

(b) A company is considered resident in Saudi Arabia during the taxable year if it meets either of the following conditions:

(i) it is formed in accordance with the regulations for companies issued by the Ministry of Commerce and Industry; or

(ii) its central management is located in Saudi Arabia.

A non-GCC person means a citizen or a legal entity other than a GCC person mentioned in paragraph A above.

C. Bondholders who are non-resident in Saudi Arabia

1. Payments by the Issuer in respect of a Bond to Bondholders who are resident outside Saudi Arabia should, prima facie, not be subject to Saudi Arabian Income Tax if such payment (i.e. interest) is not considered as Saudi Arabian-source income.

2. Payments by the Guarantor that are in the nature of interest in respect of a Bond, including a payment in respect of interest as provided by the terms and conditions of the Bonds, to a holder who is resident outside Saudi Arabia are subject to withholding tax at a rate of 5% in Saudi Arabia.

No withholding tax should apply on repayments of the principal. The DZIT is entitled to claim from a holder any withholding tax, if the person responsible for withholding has failed to withhold in accordance with Saudi Arabian tax law.

In a few limited instances, Bondholders may claim a refund of the withholding taxes where a double tax treaty is in place between Saudi Arabia and the country in which the Bondholder is resident for tax purposes and where such treaty provides for an exemption/lower tax rate.

3. The capital gains on a disposal of the Bonds by a holder who is resident outside Saudi Arabia is subject to 20% capital gains tax (in the event that income is considered to be derived from a Saudi source).

4. Bondholders who are non-residents with a PE in Saudi Arabia (as defined in Article 4 of the Income Tax Law) will be subject to Saudi Arabian income tax on a PE's income, including income from the Bonds which is attributable to a PE as mentioned in item A (ii) above.

Subject to the exceptions stipulated in the Income Tax Law, a PE includes a permanent enterprise of a non-resident in Saudi Arabia which represents a permanent place for the non-resident's activity where it conducts the activity either fully or partly; this also includes the activity conducted by the non-resident through a dependent agent as defined in the Income Tax Regulations.

D. General

Bondholders who are natural persons at the time of their death will not be subject to inheritance or other taxes of a similar nature in Saudi Arabia.
Bondholders will not be deemed to be resident, domiciled or carrying on business in Saudi Arabia solely by reason of holding any Bonds.

Under the Zakat regulations, which are in effect as at the date of this Offering Circular, long-term investments in Bonds are not deductible from the Zakat base of the investor.

**Dutch Taxation**

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Offering Circular and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Bond, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

Save as otherwise indicated, this summary only addresses the position of investors who for tax purposes do not have any connection with The Netherlands other than the holding of a Bond.

For the purpose of this summary it is assumed that no holder of a Bond has or will have a substantial interest, or in the case of the holder of a Bond being an entity, a deemed substantial interest, in the Issuer.

Generally speaking, an individual holding a Bond has a substantial interest in the Issuer if (a) such individual, either alone or together with his partner, directly or indirectly has, or (b) certain relatives of such individual or his partner directly or indirectly have, (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of the Issuer or the issued and outstanding capital of any class of shares of the Issuer, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of the Issuer.

Generally speaking, an entity holding a Bond has a substantial interest in the Issuer if such entity, directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of the Issuer or the issued and outstanding capital of any class of shares of the Issuer, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of the Issuer. An entity holding a Bond has a deemed substantial interest in the Issuer if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this summary refers to a holder of a Bond, an individual holding a Bond or an entity holding a Bond, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Bond or otherwise being regarded as owning a Bond for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the summary refers to "The Netherlands" or "Dutch" it refers only to the European part of the Kingdom of the Netherlands.

**Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of a Bond.**

**Withholding Tax**

All payments made by the Issuer of interest and principal under the Bonds can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.
**Taxes on Income and Capital Gains**

A holder of a Bond will not be subject to taxation on income or a capital gain derived from a Bond unless:

(i) the holder is, is deemed to be or, in case the holder is an individual, has elected to be treated as, resident in The Netherlands for the relevant tax purposes; or

(ii) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (vaste inrichting) or permanent representative (vaste vertegenwoordiger) in The Netherlands; or

(iii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (belastbaar resultaat uit overige werkzaamheden) in The Netherlands as defined in the Income Tax Act (Wet inkomstenbelasting 2001), including, without limitation, activities that exceed normal, active asset management (normaal, actief vermogensbeheer).

**Gift or Inheritance Taxes**

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Bond by way of gift by, or on the death of, a holder of a Bond, unless:

(i) the holder of a Bond is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

(ii) in the case of a gift of Bonds by an individual who, at the date of the gift was neither resident nor deemed to be resident in The Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in The Netherlands.

For purposes of Netherlands gift and inheritance tax, an individual with The Netherlands nationality will be deemed to be resident in The Netherlands if he has been resident in The Netherlands at any time during the ten years preceding the date of the gift or his death.

For purposes of Netherlands gift tax, an individual not holding The Netherlands nationality will be deemed to be resident in The Netherlands if he has been resident in The Netherlands at any time during the twelve months preceding the date of the gift.

For purposes of Netherlands gift and inheritance tax, a gift that is made under a condition precedent is deemed to have been made at the moment such condition precedent is satisfied. If the condition precedent is fulfilled after the death of the donor, the gift is deemed to be made upon the death of the donor.

**Value Added Tax**

The issuance or transfer of a Bond, and payments of interest and principal under a Bond, will not be subject to value added tax in The Netherlands.

**Other Taxes and Duties**

The subscription, issue, placement, allotment, delivery or transfer of a Bond will not be subject to registration tax, stamp duty or any other similar tax or duty payable in The Netherlands.

**Residence**

A holder of a Bond will not be, or deemed to be, resident in The Netherlands for tax purposes and, subject to the exceptions set out above, will not otherwise be subject to Dutch taxation, by reason only of acquiring, holding or disposing of a Bond or the execution, performance, delivery and/or enforcement of a Bond.

**European Union (EU) Savings Tax Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "Directive"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person
for, an individual resident or certain limited types of entity established in that other Member State. However, for a transitional period, Luxembourg and Austria may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or, certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

The proposed financial transactions tax ("FTT")

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances. Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.
SUBSCRIPTION AND SALE

Crédit Agricole Corporate and Investment Bank, ING Bank N.V., J.P. Morgan Securities plc, Mitsubishi UFJ Securities International plc and Standard Chartered Bank (the "Joint Lead Managers") have, in a subscription agreement dated 18 November 2013 (the "Subscription Agreement") and made between the Issuer, the Guarantor and the Joint Lead Managers upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Bonds at their issue price of 99.280 per cent. of their principal amount less a combined management, underwriting and selling commission. The Issuer (failing which, the Guarantor) has also agreed to reimburse the Joint Lead Managers for certain of their expenses incurred in connection with the management of the issue of the Bonds. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Bonds.

United Kingdom

Each Joint Lead Manager has represented, warranted and undertaken that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

United States of America

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

In addition, until 40 days after commencement of the offering, an offer or sale of Bonds within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Kingdom of Saudi Arabia

No action has been or will be taken in Saudi Arabia that would permit a public offering of the Bonds. Any investor in Saudi Arabia or who is a Saudi person (a "Saudi Investor") who acquires any Bonds pursuant to an offering should note that the offer of Bonds is a private placement under Article 10 or Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated 18 August 2008 (the "KSA Regulations"), through a person authorised by the Capital Market Authority ("CMA") to carry on the securities activity of arranging and following a notification to the CMA under the KSA Regulations.

The Bonds may thus not be advertised, offered or sold to any person in Saudi Arabia other than to "sophisticated investors" under Article 10 of the KSA Regulations or by way of a limited offer under Article 11 of the KSA Regulations. Each Joint Lead Manager has represented, warranted and agreed that any offer of Bonds to a Saudi Investor will be made in compliance with the KSA Regulations.
The offer of Bonds shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi investor who has acquired Bonds pursuant to a private placement may not offer or sell those Bonds to any person unless the offer or sale is made through an authorised person appropriately licensed by the CMA and: (a) the Bonds are offered or sold to a "sophisticated investor" under Article 10 of the KSA Regulations; (b) the price to be paid for the Bonds in any one transaction is equal to or exceeds Saudi Riyal 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Joint Lead Manager has undertaken that it will not offer or sell any Bonds directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Kingdom of Bahrain

This Offering Circular does not constitute an offer to: (i) the Public (as defined in Articles 142 – 146 of the Commercial Companies Law (Decree Law No. 21/2001 of the Kingdom of Bahrain)) in the Kingdom of Bahrain; or (ii) any person in the Kingdom of Bahrain who is not an "accredited investor".

For this purpose, an "accredited investor" means:

(a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more;

(b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000; or

(c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Each Joint Lead Manager has represented, warranted and agreed that it has not offered, and will not offer, Bonds: (i) to the Public in the Kingdom of Bahrain except pursuant to the provisions of Articles 80-85 of the Central Bank of Bahrain and Financial Institutions Law; and (ii) except on a private placement basis to persons in the Kingdom of Bahrain who are accredited investors.

The Netherlands

Each Joint Lead Manager has represented and agreed that the Bonds have not been and will not be offered to the public in The Netherlands unless in reliance on Article 3(2) of the Prospectus Directive and provided such offer is made exclusively to persons or entities which are qualified investors (as defined in the Dutch Financial Supervision Act (Wet op het financieel toezicht)) in the Netherlands.

General

Each Joint Lead Manager has represented, warranted and agreed that it has complied and will comply, to the best of its knowledge and belief in all material respects, after making reasonable investigations, with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses, distributes or publishes this Offering Circular or any other offering material relating to the Bonds. Persons into whose hands this Offering Circular comes are required by the Issuer, the Guarantor and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or possess, distribute or publish this Offering Circular or any other offering material relating to the Bonds, in all cases at their own expense.
GENERAL INFORMATION

1. The listing of the Bonds on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that listing of the Bonds on the Official List and admission of the Bonds to trading on the Market (as a single class) will be granted on or before 20 November 2013, subject only to the issue of the Global Bond Certificate. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for settlement in Euro and for delivery on the third working day after the day of the transaction. The estimated total expenses relating to the admission to trading of the Bonds on the Market are GBP 8,015.

2. The projected yield for the Bonds is 2.865 per cent. Such projection has been calculated based on the Issue Price as at the date of this Offering Circular and is not an indication of actual future returns for investors.

3. The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Bonds and the Guarantee of the Bonds as required under the laws of The Netherlands and Saudi Arabia (as applicable). The issue of the Bonds was authorised by a resolution of the Board of Directors of the Issuer dated 6 November 2013. The Guarantee of the Bonds was authorised by a resolution of the Board of Directors of the Guarantor dated 11 May 2007, as amended and supplemented by the resolution dated 20 October 2008.

4. Since 31 December 2012, there has been no material adverse change in the prospects of the Issuer and since 30 September 2013, there has been no significant change in the financial or trading position of the Issuer.

5. Since 31 December 2012, there has been no material adverse change in the prospects of SABIC or the SABIC Group and since 30 September 2013, there has been no significant change in the financial or trading position of SABIC or the SABIC Group.

6. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the 12 months before the date of this Offering Circular which may have, or have had in the recent past, significant effects on the Issuer's, the Guarantor's or the SABIC Group's financial position or profitability.

7. The Bonds have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 099581174. The International Securities Identification Number (ISIN) for the Bonds is XS0995811741.

8. The address of Euroclear is 1 Boulevard du Roi Albert II, B 1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L 1855 Luxembourg.

9. The audited financial statements of the Issuer as at and for the years ended 31 December 2012 and 31 December 2011 have been audited without qualification by Ernst & Young Accountants LLP of P.O. Box 455 5600 AL Eindhoven, The Netherlands. The registered accountants at Ernst & Young Accountants LLP are members of the NBA (Nederlandse Beroepsorganisatie van Accountants), the professional body for accountants in the Netherlands. Ernst & Young Accountants LLP have no material interest in the Issuer or the Guarantor.

10. The unaudited interim consolidated financial statements of the Guarantor for the nine-month period ended 30 September 2013 were reviewed by PricewaterhouseCoopers, Riyadh, KSA of P.O. Box 8282, Riyadh 11482, Kingdom of Saudi Arabia and licensed by the Saudi Organisation for Certified Public Accountants. The consolidated financial statements of the Guarantor as at and for the years ended 31 December 2012 and 2011 have been audited without qualification by Ernst & Young, Saudi Arabia of P.O. Box 2732, Riyadh 11461, Kingdom of Saudi Arabia. Ernst & Young, Saudi Arabia are licensed by the Saudi Organisation for Certified Public Accountants and have no material interest in the Issuer or the Guarantor.
11. Where information in this Offering Circular has been sourced from third parties this information has been accurately reproduced and as far as the Issuer and the Guarantor are aware and are able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

12. For the period of 12 months starting on the date on which this Offering Circular is made available to the public as required by the prospectus rules made by the FCA, copies of the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the place of business of the Issuer and copies can be ordered free of charge from the Issuer at SABIC Capital I B.V., World Trade Centre, Tower H, 27th Floor, Zuidplein 216, 1077 XV Amsterdam, The Netherlands (email: investors@sabic-europe.com; Facsimile: +31 (0)20 3333040, telephone: +31 (0)20 3333030):

(a) the articles of association of the Issuer;
(b) the bylaws of the Guarantor;
(c) the audited financial statements of the Issuer for the years ended 31 December 2012 and 31 December 2011, including the respective independent auditors' reports relating thereto;
(d) the unaudited interim condensed financial statements of the Issuer for the nine-month period ended 30 September 2013;
(e) the audited consolidated financial statements of the Guarantor for the years ended 31 December 2012 and 31 December 2011;
(f) the unaudited interim consolidated financial statements of the Guarantor for the nine-month period ended 30 September 2013;
(g) the Agency Agreement; and
(h) the Trust Deed.

13. Certain of the Joint Lead Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer, the Guarantor or their affiliates. The Joint Lead Managers have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of the Joint Lead Managers’ business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor or their affiliates. Certain underwriters or their affiliates that have a lending relationship with the Issuer, the Guarantor or their affiliates routinely hedge their credit exposure to the Issuer and/or the Guarantor consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities issued by the Issuer and/or the Guarantor, including potentially the Bonds offered hereby. Any such short positions could adversely affect future trading prices of the Bonds offered hereby. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

14. This Offering Circular will be published on the website of the Regulatory News Service operated by the London Stock Exchange at:

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS OF THE ISSUER

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Independent auditors' report and financial statements of the Issuer as at and for the year ended 31 December 2012 ........................................................................................................ F-14

Independent auditors' report and financial statements of the Issuer as at and for the year ended 31 December 2011 ........................................................................................................ F-45
SABIC Capital I B.V.

Unaudited Condensed Interim Financial Statements
for the nine month period ended September 30, 2013

Amsterdam, October 29, 2013
Prepared by its sole managing director SABIC Capital B.V. represented by:

/s/ M.A. Khan  /s/ M.R. De Groot

M.A. Khan, Director  M.R. De Groot, Director
SABIC Capital I B.V.
Condensed Interim Financial Statements
September 30, 2013

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Condensed Statement of Comprehensive Income 4
Condensed Statement of Financial Position 5
Condensed Statement of Changes in Equity 6
Condensed Statement of Cash Flows 7
Notes to the Condensed Interim Financial Statements 8
SABIC Capital I B.V.
Condensed Statement of Income
(In millions of US dollars)

<table>
<thead>
<tr>
<th></th>
<th>Nine months ended September 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013 (Unaudited)</td>
</tr>
<tr>
<td>Financial income</td>
<td>267</td>
</tr>
<tr>
<td>Financial expense</td>
<td>(263)</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td></td>
</tr>
<tr>
<td>Corporate income tax</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>

**Attributable to:**
Owner of the Company

3 3
SABIC Capital I B.V.
Condensed Statement of Comprehensive Income
(In millions of US dollars)

<table>
<thead>
<tr>
<th>Nine months ended September 30</th>
<th>2013 (Unaudited)</th>
<th>2012 (Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net result</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total items to be realized through the statement of income</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Total comprehensive income for the period, net of tax</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

**Attributable to:**
Owner of de Company

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>
SABIC Capital I B.V.
Condensed Statement of Financial Position
_(In millions of US dollars)_

<table>
<thead>
<tr>
<th>Note</th>
<th>September 30, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Unaudited)</td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td>3</td>
<td>5,786</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>5,786</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>3</td>
<td>1,262</td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td>128</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>591</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>1,981</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>7,767</td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity attributable to the owner of the Company</td>
<td>14</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td>14</td>
</tr>
<tr>
<td><strong>Non-current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest bearing loans and borrowings</td>
<td>4</td>
<td>5,782</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td></td>
<td>5,782</td>
</tr>
<tr>
<td>Current liabilities, interest bearing</td>
<td></td>
<td>1,811</td>
</tr>
<tr>
<td>Other payables</td>
<td></td>
<td>153</td>
</tr>
<tr>
<td>Derivatives</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>1,971</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>7,753</td>
</tr>
<tr>
<td><strong>Total liabilities and stockholder’s equity</strong></td>
<td></td>
<td>7,767</td>
</tr>
</tbody>
</table>
### SABIC Capital I B.V.
#### Condensed Statement of Changes in Equity

(In millions of US dollars)

#### Attributable to Owner of the Company (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Issued capital *</th>
<th>Contribution of share premium</th>
<th>Retained earnings</th>
<th>Other reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at January 1, 2013</strong></td>
<td>—</td>
<td>1</td>
<td>9</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td><strong>Net result for the period</strong></td>
<td>—</td>
<td>—</td>
<td>3</td>
<td>—</td>
<td>3</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>—</td>
<td>—</td>
<td>3</td>
<td>—</td>
<td>3</td>
</tr>
<tr>
<td><strong>Balance at September 30, 2013</strong></td>
<td>—</td>
<td>1</td>
<td>12</td>
<td>1</td>
<td>14</td>
</tr>
</tbody>
</table>

*18 thousand shares are issued with a par value of Euro 1.

#### Attributable to Owner of the Company (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Issued capital *</th>
<th>Contribution of share premium</th>
<th>Retained earnings</th>
<th>Other reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at January 1, 2012</strong></td>
<td>—</td>
<td>51</td>
<td>5</td>
<td>1</td>
<td>57</td>
</tr>
<tr>
<td><strong>Net result for the period</strong></td>
<td>—</td>
<td>—</td>
<td>3</td>
<td>—</td>
<td>3</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>—</td>
<td>—</td>
<td>3</td>
<td>—</td>
<td>3</td>
</tr>
<tr>
<td><strong>Dividend declared</strong></td>
<td>—</td>
<td>(50)</td>
<td>—</td>
<td>—</td>
<td>(50)</td>
</tr>
<tr>
<td><strong>Balance at September 30, 2012</strong></td>
<td>—</td>
<td>1</td>
<td>8</td>
<td>1</td>
<td>10</td>
</tr>
</tbody>
</table>

*18 thousand shares are issued with a par value of Euro 1.
### SABIC Capital I B.V.

**Condensed Statement of Cash Flows**

*(In millions of US dollars)*

<table>
<thead>
<tr>
<th>Nine months ended September 30</th>
<th>2013 (Unaudited)</th>
<th>2012 (Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net result for the period</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Add back: interest income and expense</td>
<td>(4)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Adjustments to reconcile net income to net cash /provided by operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercompany funding</td>
<td>1,253</td>
<td>(273)</td>
</tr>
<tr>
<td>Third party funding</td>
<td>(758)</td>
<td>368</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(95)</td>
<td>(81)</td>
</tr>
<tr>
<td>Interest received</td>
<td>106</td>
<td>86</td>
</tr>
<tr>
<td><strong>Changes in operating assets and liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Other payables</td>
<td>(1)</td>
<td>6</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>507</td>
<td>105</td>
</tr>
<tr>
<td>Increase in cash and cash equivalents</td>
<td>507</td>
<td>105</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of period</td>
<td>84</td>
<td>1</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, end of period</strong></td>
<td>591</td>
<td>106</td>
</tr>
</tbody>
</table>
1. General information

SABIC Capital I B.V. (hereafter referred to as “the Company”) was incorporated on September 3, 2008. The Company, having its legal seat in Amsterdam, The Netherlands, is a direct wholly-owned subsidiary of SABIC Capital B.V. and an indirect wholly owned subsidiary of Saudi Basic Industries Corporation (“SABIC” and, together with its subsidiaries, the “SABIC Group”) a Saudi Arabian joint stock company based in Riyadh, the Kingdom of Saudi Arabia. SABIC is a global manufacturer of chemicals and other basic materials.

The primary purpose of the Company is to act as a financing and investment company for (part of) the SABIC Group. The Company’s financing is ensured through equity contributions and intercompany loans as well as external financing. The Company has a guarantee from SABIC to receive sufficient funds to ensure compliance with all of its payment obligations to creditors.

The Company uses such funds for financing other companies of the SABIC Group outside of the Middle East and the United States. The Company’s revenues consists mainly of interests proceeds from such intercompany loans.

Unless stated otherwise, all amounts are in millions of US dollars, except for shares, share amounts and employee information.

These condensed interim financial statements of the Company have been prepared solely in connection with a proposed bond offering of the Company, guaranteed by SABIC, which is expected to be completed in 2013. The proceeds of the bond offering are expected to be used to be on-lent to SABIC International Holdings B.V., which will use the funds to repay certain of its outstanding debt to the Company, which will use such funds to repay the Company’s Eurobond which matures on November 28, 2013.

2. Basis of preparation and summary of significant accounting policies

(a) Basis of preparation

The unaudited condensed financial statements at and for the nine months ended September 30, 2013 complies with International Audit Standards (“IAS”) 34 “Interim Financial Reporting”. These interim financial statements should be read in conjunction with the Company’s financial statements for the year ended December 31, 2012 (“Annual Report”), which were prepared in accordance with International Financial Reporting Standards (“IFRS”) and its Interpretations as adopted by the International Accounting Standards Board (“IASB”) and endorsed by the European Union (“EU”).

These interim financial statements were prepared using the same accounting policies as those used to prepare the Annual Report; such significant accounting policies were disclosed in the Annual Report, except for those disclosed in Note 2(b).

(b) Adoption of new and revised International Financial Reporting Standards

The following amended standard is mandatory for the first time for the financial year beginning January 1, 2013:

- IAS 1 ‘Financial Statement Presentation – Presentation of Items of Other Comprehensive Income’: The amendment to IAS 1 changed the grouping of items presented in other comprehensive income (“OCI”), together with the tax impact, into items that could be realized (or ‘recycled’) through the statement of income at a future point in time and items that will never be realized to the statement of income. The amendment affected the presentation of the condensed statement of comprehensive income only and had no impact on the Company’s financial position or performance.

8
Other new and amended standards and interpretations issued, but not yet effective, are not considered applicable to the Company now and in the foreseeable future.

(c) Exchange rates of key currencies

The currency exchange rates in Euro versus the US dollar that are used for drawing up the condensed interim financial statements are:

<table>
<thead>
<tr>
<th>Condensed statement of financial position</th>
<th>Condensed statement of income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange rate at September 30, 2013</td>
<td>Exchange rate at December 31, 2012</td>
</tr>
<tr>
<td>Exchange rate at September 30, 2012</td>
<td>Exchange rate at December 31, 2012</td>
</tr>
<tr>
<td>Euro</td>
<td></td>
</tr>
<tr>
<td>0.7387</td>
<td>0.7586</td>
</tr>
<tr>
<td>0.7593</td>
<td>0.7801</td>
</tr>
</tbody>
</table>

3. Other financial assets

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Unaudited)</td>
<td>5,786</td>
<td>4,751</td>
</tr>
<tr>
<td>Loans to affiliated companies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans to third parties</td>
<td>5,786</td>
<td>4,813</td>
</tr>
<tr>
<td>Total non-current other financial assets</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SABIC Capital I B.V.
Notes to the Condensed Interim Financial Statements
(In millions of US dollars)

Loans to affiliated companies

<table>
<thead>
<tr>
<th>Effective interest rate</th>
<th>Maturity</th>
<th>September 30, 2013 (Unaudited)</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan to SABIC International Holdings B.V.</td>
<td>6.67%</td>
<td>2013</td>
<td>1,013</td>
</tr>
<tr>
<td>Loan to SABIC International Holdings B.V.</td>
<td>4.23%</td>
<td>2015</td>
<td>996</td>
</tr>
<tr>
<td>Loan to SABIC International Holdings B.V.</td>
<td>3.89% - 8.85%</td>
<td>2018</td>
<td>1,402</td>
</tr>
<tr>
<td>Loan to SABIC International Holdings B.V.</td>
<td>5.50% - 5.70%</td>
<td>2021</td>
<td>2,388</td>
</tr>
<tr>
<td>Loan to SABIC International Holdings B.V.</td>
<td>4.22%</td>
<td>2023</td>
<td>1,000</td>
</tr>
<tr>
<td>Cash pool</td>
<td></td>
<td></td>
<td>249</td>
</tr>
<tr>
<td>Floating inter-day</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total loans to affiliates</td>
<td></td>
<td>7,048</td>
<td>6,934</td>
</tr>
</tbody>
</table>

Less:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of long term loans</td>
<td></td>
<td>1,013</td>
</tr>
<tr>
<td>Cash pool</td>
<td></td>
<td>249</td>
</tr>
<tr>
<td>Total current other assets</td>
<td></td>
<td>1,262</td>
</tr>
</tbody>
</table>

Total non-current loans to affiliates

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,786</td>
</tr>
</tbody>
</table>

On June 10 and June 28, 2013, the Company extended two loans to related party SABIC International Holdings B.V. amounting to 600 and 400, respectively. The maturity dates of these borrowings are June 10 and June 28, 2023 and bear a fixed rate of 4.22%.

Cash pool
Since 2012, the Company serves as the head of a global cash pool for SABIC Group entities, outside of the Middle East and the United States, to provide sufficient funding for their operational cash flows.

Loan to third parties
The loan to third parties amounting to 62 at the end of 2012, represents a syndicated facility whereby the Company participated, jointly with other external lenders, in the senior secured term loan B of SABIC Innovative Plastics Holding B.V. and its subsidiaries. Due to the prepayment of the senior secured term loan B, on June 28, 2013, the related syndicated facility was prepaid as well.
4. Interest bearing loans and borrowings

<table>
<thead>
<tr>
<th>Effective interest rate %</th>
<th>Maturity</th>
<th>September 30, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Unaudited)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eurobond</td>
<td>5.64%</td>
<td>2013</td>
<td>1,013</td>
</tr>
<tr>
<td>US dollar bond</td>
<td>3.19%</td>
<td>2015</td>
<td>996</td>
</tr>
<tr>
<td>Multicurrency revolving credit facility</td>
<td>Libor/Euribor + 40 bps</td>
<td>2016</td>
<td>—</td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td></td>
<td></td>
<td>42</td>
</tr>
<tr>
<td><strong>External loans</strong></td>
<td></td>
<td></td>
<td><strong>2,051</strong></td>
</tr>
<tr>
<td>Intercompany loans from SABIC</td>
<td>3.86% - 8.82%</td>
<td>2018</td>
<td>1,398</td>
</tr>
<tr>
<td>Intercompany loans from SABIC</td>
<td>5.47% - 5.67%</td>
<td>2021</td>
<td>2,388</td>
</tr>
<tr>
<td>Intercompany loans from SABIC</td>
<td>4.19%</td>
<td>2023</td>
<td>1,000</td>
</tr>
<tr>
<td>Cash pool</td>
<td>Floating inter-day % - 25 bps</td>
<td></td>
<td>756</td>
</tr>
<tr>
<td><strong>Intercompany loans</strong></td>
<td></td>
<td></td>
<td><strong>5,542</strong></td>
</tr>
</tbody>
</table>
| **Total interest bearing loans and borrowings** | | **7,593** | **7,047** |}

**Less:**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of long term external loans</td>
<td>1,013</td>
<td>979</td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>42</td>
<td>80</td>
</tr>
<tr>
<td>Cash pool</td>
<td>756</td>
<td>420</td>
</tr>
<tr>
<td><strong>Total current liabilities, interest bearing</strong></td>
<td><strong>1,811</strong></td>
<td><strong>1,479</strong></td>
</tr>
<tr>
<td><strong>Total non-current interest bearing loans and borrowings</strong></td>
<td><strong>5,782</strong></td>
<td><strong>5,568</strong></td>
</tr>
</tbody>
</table>

On June 10 and June 28, 2013, the Company received two loans from its ultimate shareholder, SABIC, amounting to 600 and 400, respectively. The maturity dates of these loans are June 10 and June 28, 2023 and bear a fixed rate of 4.19%. These loans were subsequently lent on to SABIC International Holdings B.V.

**Cash pool**

Since 2012, the Company serves as the head of a global cash pool for some SABIC entities, outside of the Middle East and the United States, to provide sufficient funding for their operational cash flows.
5. Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Company’s financial instruments that are carried in the financial statements as of September 30, 2013 and December 31, 2012:

<table>
<thead>
<tr>
<th></th>
<th>Carrying amount</th>
<th></th>
<th>Fair value</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td>5,786</td>
<td>4,813</td>
<td>6,455</td>
<td>5,463</td>
</tr>
<tr>
<td>Other financial assets - current</td>
<td>1,262</td>
<td>2,183</td>
<td>1,319</td>
<td>2,244</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest bearing loans and borrowings</td>
<td>5,782</td>
<td>5,568</td>
<td>6,547</td>
<td>6,286</td>
</tr>
<tr>
<td>Current liabilities, interest-bearing</td>
<td>1,811</td>
<td>1,479</td>
<td>1,856</td>
<td>1,530</td>
</tr>
</tbody>
</table>

The fair value of the financial assets and liabilities is included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The fair value of the fixed rate financial assets and fixed rate borrowings is based on interest rate quotations in active markets at the balance sheet date. The fair value of unquoted instruments, loans from banks and other financial indebtedness, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.

6. Commitments and contingencies

On February 14, 2009, the Company entered into a guarantee agreement with SABIC, whereby SABIC guarantees that sufficient funds will be made available to the Company to meet any of its payment obligations. Such undertaking is not limited in time or amount. With respect to the lender group who provided the syndicated multi-currency revolver facility in 2011, SABIC issued a guarantee to the participating lenders for their part of the facility until maturity.

The Company is party to cash-pooling arrangements with a number of banks comprising bank accounts of the Company and of certain operating companies of the SABIC Group in Europe. Some arrangements provide that cash in the bank accounts of the operating companies is periodically swept into the bank accounts of the Company, acting as pool coordinator. Other arrangements provide that interest on any positive or negative balance is calculated notionally on the aggregate of the deposits and overdrafts on all accounts in the pool, with the Company acting as a pool coordinator. In a number of such arrangements, the Company acts as guarantor of the overdraft and related payment obligations of any pool participant. The total overdraft limit on all such cash pooling arrangements in aggregate and guaranteed by the Company is 181 (with higher amounts available on an intra-day basis).
The Company is party to a number of uncommitted contingent liability facilities used for the issuance of bank guarantees and letters of credit for obligations of SABIC operating companies in the normal course of their businesses. The Company acts as guarantor for the obligations of the SABIC operating companies in relations to bank guarantees and letter of credits issued under the facilities. At September 30, 2013, the aggregate availability under such facilities was equivalent to 473, of which 354 were utilized and guaranteed by the Company.

7. Subsequent events

There are no subsequent events.
SABIC Capital I B.V.

Financial Statements

For the year ended December 31, 2012
GENERAL INFORMATION

Director
SABIC Capital B.V.

Registered Office
Zuidplein 216
1077 XV Amsterdam
the Netherlands

Auditor
Ernst & Young Accountants LLP, the Netherlands
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</tr>
<tr>
<td><strong>Financial Statements</strong></td>
<td></td>
</tr>
<tr>
<td>Statement of Income</td>
<td>6</td>
</tr>
<tr>
<td>Statement of Comprehensive Income</td>
<td>7</td>
</tr>
<tr>
<td>Statement of Financial Position</td>
<td>8</td>
</tr>
<tr>
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<td>10</td>
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<tr>
<td>Notes to the Financial Statements</td>
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<tr>
<td><strong>Other Information</strong></td>
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<tr>
<td>Appropriation of result for the period</td>
<td>29</td>
</tr>
<tr>
<td>Subsequent Events</td>
<td>29</td>
</tr>
<tr>
<td>Independent Auditors’ Report</td>
<td>30</td>
</tr>
</tbody>
</table>
SABIC Capital I B.V.
Year ended December 31, 2012
All amounts are in millions of US dollars, except for shares and share amounts

Report by the Managing Board

General
SABIC Capital I B.V. (hereafter referenced to as “the Company”) is part of a group of companies headed by SABIC Capital B.V., which is part of Saudi Basic Industries Corporation, Riyadh, Kingdom of Saudi Arabia (hereafter referred to as “SABIC”), a global manufacturer of chemicals and other basic materials.

Business
The Company, together with SABIC Capital B.V and SABIC Capital II B.V., is engaged in financing and investment activities for SABIC, outside the Kingdom of Saudi Arabia (“KSA”). The Company’s financing is obtained through equity contributions and intercompany loans from SABIC as well as external financing.

SABIC has provided the Company with a guarantee under which SABIC undertakes to make available to the Company sufficient funds to meet its payment obligations. Such undertaking is not limited in time or amount. In addition, SABIC has provided guarantees directly to third party lenders in connection with specific long term debt obligations of the Company.

Financial review
The Company’s net financial income increased in 2012 to 5 compared to 3 in 2011 as a result of the overall increased financing activities by 1.3 billion compared to 2011.

Group liquidity
As of January 2012, the also Company serves as the head of a global cash pool for SABIC companies, outside the KSA. The cash pool is partially funded by the Company’s multi-currency revolver facility in order to provide SABIC operating entities with sufficient funding for their operational cash flows.

Corporate governance
The Company is managed by its direct parent SABIC Capital B.V., which is supervised by a Supervisory Board, which has met two times in 2012 to discuss the Company’s overall operations.

Risk management and financial instruments
As part of SABIC’s global Enterprise Risk Management assessment, the Company is assessing its internal and external risks regularly. The Group operates under these established policies, assessing its risks and developing action plans, which are reviewed and followed up as necessary in light of risk evaluations.

The Company has limited exposure to market risk, credit risk and liquidity risk on its own financing activities due to its operating model. The Company manages these risks for SABIC’s financing activities. The Company ensures that its financial risks are governed by appropriate policies and procedures. The Company further limits its foreign currency exposures through hedging transactions. The Company has derivative financial instruments at the end of 2012 amounting to 1,106 (2011: nil).

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company’s policy is to maintain between 50% and 100% of its borrowings at fixed rates. Treasury specialist with the appropriate skills, experience and supervision carry out all derivative activities. It is SABIC’s policy that no trading in derivatives for speculative purposes shall be undertaken. The Managing Board of the Company’s parent reviews and manages each of these risks related to its financing activities.

Human resources
The Company has no employees.
Industry outlook
The Company's ability to source financing is partially depending on the availability of funding in the market. The Company’s ability to borrow externally is strengthened by SABIC’s corporate guarantee to make available sufficient funds to the Company to meet its payment obligations.

Amsterdam, April 25, 2013

SABIC Capital I B.V.
represented by its sole Managing Director SABIC Capital B.V.

/s/ M.A. Khan /s/ M.R. De Groot

M.A. Khan M.R. De Groot
Financial Statements

For the year ended December 31, 2012
Statement of Income

For the year ended December 31, 2012

<table>
<thead>
<tr>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial income</td>
<td>3</td>
<td>326</td>
</tr>
<tr>
<td>Financial expense</td>
<td>4</td>
<td>(321)</td>
</tr>
<tr>
<td><strong>Income before taxes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>5</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Net income for the period</strong></td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

**Attributable to:**

| Owners of the Company | 4 | 2 |
| Net income | 4 | 2 |

See accompanying notes to the financial statements
Statement of Comprehensive Income

<table>
<thead>
<tr>
<th></th>
<th>For the year ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
</tr>
<tr>
<td>Net income</td>
<td>4</td>
</tr>
<tr>
<td><strong>Other comprehensive income:</strong></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total other comprehensive income, net of tax</strong></td>
<td>—</td>
</tr>
<tr>
<td><strong>Total comprehensive income, net of tax</strong></td>
<td>4</td>
</tr>
</tbody>
</table>

*Attributable to:*

|                                |       |       |
| Owners of the Company          | 4     | 2     |
| **Total comprehensive income, net of tax** | 4     | 2     |

*There is no tax impact on the (loss) gain available for sale investments and the foreign currency translation.

*See accompanying notes to the financial statements*
SABIC Capital I B.V.
Year ended December 31, 2012
All amounts are in millions of US dollars, except for shares and share amounts

Statement of Financial Position

<table>
<thead>
<tr>
<th>Notes</th>
<th>At December 31,</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>6</td>
<td>4,813</td>
<td>5,768</td>
</tr>
<tr>
<td>Current assets</td>
<td>6</td>
<td>2,183</td>
<td>—</td>
</tr>
<tr>
<td>Other receivables</td>
<td>7</td>
<td>18</td>
<td>65</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>84</td>
<td>84</td>
<td>1</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>2,285</td>
<td>66</td>
</tr>
<tr>
<td>Equity and liabilities</td>
<td></td>
<td>7,098</td>
<td>5,834</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Equity attributable to owners of the Company</td>
<td></td>
<td>11</td>
<td>57</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td>9</td>
<td>5,568</td>
</tr>
<tr>
<td>Interest bearing loans and borrowings</td>
<td></td>
<td>5</td>
<td>—</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td></td>
<td>5,568</td>
<td>5,766</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td>7,087</td>
<td>5,777</td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td></td>
<td>7,098</td>
<td>5,834</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements
Statement of Changes in Equity

<table>
<thead>
<tr>
<th></th>
<th>Issued capital</th>
<th>Share premium</th>
<th>Retained earnings</th>
<th>Other reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at January 1, 2011</strong></td>
<td>—</td>
<td>51</td>
<td>3</td>
<td>1</td>
<td>55</td>
</tr>
<tr>
<td>Net income for the year</td>
<td>—</td>
<td>—</td>
<td>2</td>
<td>—</td>
<td>2</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>—</td>
<td>—</td>
<td>2</td>
<td>—</td>
<td>2</td>
</tr>
<tr>
<td><strong>Balance as at December 31, 2011</strong></td>
<td>—</td>
<td>51</td>
<td>5</td>
<td>1</td>
<td>57</td>
</tr>
<tr>
<td>Net income for the year</td>
<td>—</td>
<td>—</td>
<td>4</td>
<td>—</td>
<td>4</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>—</td>
<td>—</td>
<td>4</td>
<td>—</td>
<td>4</td>
</tr>
<tr>
<td>Dividend declared</td>
<td>—</td>
<td>(50)</td>
<td>—</td>
<td>—</td>
<td>(50)</td>
</tr>
<tr>
<td><strong>Balance as at December 31, 2012</strong></td>
<td>—</td>
<td>1</td>
<td>9</td>
<td>1</td>
<td>11</td>
</tr>
</tbody>
</table>

*Issued capital amounts to €18,000.

See accompanying notes to the financial statements
Statement of Cash Flows

For the year ended December 31, 

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Add back: Interest revenue and expense</td>
<td>(5)</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Adjustments to reconcile income before tax to net cash flows:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization debt issuance costs related to other financial assets</td>
<td>(2)</td>
<td>(1)</td>
</tr>
<tr>
<td>Amortization fair value other financial assets for the period</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Amortization debt issuance costs charged related to interest bearing loans and borrowings</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Amortization fair value interest bearing loans and borrowings for the period</td>
<td>(10)</td>
<td>(10)</td>
</tr>
<tr>
<td><strong>Change in SABIC group funding:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds of intercompany funding</td>
<td>570</td>
<td>2,321</td>
</tr>
<tr>
<td>Repayment of intercompany funding</td>
<td>(1,204)</td>
<td>(2,471)</td>
</tr>
<tr>
<td>Proceeds of third party funding</td>
<td>690</td>
<td>211</td>
</tr>
<tr>
<td>Repayments of third party funding</td>
<td>—</td>
<td>(61)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(145)</td>
<td>(110)</td>
</tr>
<tr>
<td>Guarantee fee paid</td>
<td>—</td>
<td>(34)</td>
</tr>
<tr>
<td>Interest received</td>
<td>148</td>
<td>112</td>
</tr>
<tr>
<td>Guarantee fee received</td>
<td>20</td>
<td>34</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>83</strong></td>
<td><strong>1</strong></td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>83</td>
<td>1</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of financial period</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at December 31</strong></td>
<td><strong>84</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements
Notes to the Financial Statements

1. Corporate information

SABIC Capital I B.V. (hereafter referred to as “the Company”) was incorporated on September 3, 2008 as a private company with limited liability (“besloten vennootschap met beperkte aansprakelijkheid”) in accordance with the laws of The Netherlands and registered at the trade register of the Chamber of Commerce in the Netherlands with registered number 14105351. The Company, having its legal seat in Amsterdam, the Netherlands, is a direct wholly-owned subsidiary of SABIC Capital B.V. and an indirect wholly owned subsidiary of Saudi Basic Industries Corporation (“SABIC”) a Saudi Arabian joint stock company based in Riyadh, Kingdom of Saudi Arabia (“KSA”). SABIC is engaged in the manufacturing, marketing and distribution of chemical, fertilizer and metal products in global markets.

The primary purpose of the Company is to act as a financing and investment company for SABIC subsidiaries outside the KSA. The Company’s financing is ensured through equity contributions and intercompany loans as well as external financing. The Company has a guarantee from SABIC to receive sufficient funds to ensure compliance with all of its payment obligations to creditors.

The financial statements of the Company for the year ended December 31, 2012 were approved on April 25, 2013. The financial statements are subject to adoption by the Annual General Meeting of the Shareholder.

2. Basis of preparation and accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and its Interpretations as adopted by the International Accounting Standards Board (“IASB”) and endorsed by the European Union (“EU”) and in accordance with Part 9, Book 2 of the Dutch Civil Code.

The accounting principles used to prepare the financial statements are based on historical cost, unless stated otherwise.

An asset or liability is classified as current when it is expected to be realized or settled within 12 months after the balance sheet date.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of the Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.
2.3 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of previous year. The Company has not early adopted any of the following new and amended standards and interpretations issued, which potentially could be applicable to the Company but which are not effective for the financial year beginning January 1, 2012:

- IAS 1 ‘Financial Statement Presentation – Presentation of Items of Other Comprehensive Income’. The amendments to IAS 1 change the grouping of items presented in other comprehensive income (‘OCI’), together with the tax impact, into items that could be reclassified (or ‘recycled’) to profit or loss at a future point in time and items that will never be reclassified. The amendment affects presentation only and has no impact on the Company’s financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012 and will therefore be applied in the Company’s first financial statements after becoming effective.

- IAS 32 ‘Offsetting Financial Assets and Financial Liabilities’ – Amendments to IAS 32. These amendments to IAS 32 clarify the meaning of ‘currently has a legally enforceable right to set-off’. The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Company’s financial position or performance and become effective for financial periods beginning on or after January 1, 2014.

- IFRS 7 ‘Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities’ – Amendments to IFRS 7. The amendments require an entity to disclose information about rights to set-off and related arrangements (e.g. collateral agreements). The additional disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity’s financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 ‘Financial Instruments: presentation’. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the Company’s financial position or performance and become effective for annual periods beginning on or after January 1, 2013.

- IFRS 9 ‘Financial Instruments: Classification and Measurement’. IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but amendments to IFRS 9, Mandatory Effective Date of IFRS 9 and Transition Disclosures, moved the mandatory effective date to January 1, 2015. The adoption of the first phase of IFRS 9 could potentially have an effect on the classification and measurement of the Company’s financial assets, but is expected to have no impact on classification and measurement of financial liabilities. The Company will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

- IFRS 13 ‘Fair Value Measurement’. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is currently assessing the impact that this standard will have on the financial position and performance, but based on preliminary analysis, no material impact is expected. The standard becomes effective for annual periods beginning on or after January 1, 2013.
Annual Improvements May 2012
In May 2012, a number of improvements to existing standards were issued. These improvements are effective for annual periods beginning on or after January 1, 2013. These improvements will not have an impact on the Company’s financial position or performance.

Other new and amended standards and interpretations issued, but not yet effective, are not considered applicable to the Company now and in the foreseeable future.

2.4 Summary of significant accounting policies

Foreign currency translation
The Company’s financial statements are presented in US dollar, which is also the functional currency of the Company.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All the Company’s differences arising on settlement or translation of monetary items are recognised in the statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item.

Based on a management re-assessment of the Company’s currency cash flows, the Company has changed its functional currency as of January 1, 2012 from Euro into US dollar. The change of the functional currency had no significant impact on the statement of changes in equity and the statement of income as all loans received are offset by similar loans given. The balance sheet items at December 31, 2011 have been translated with the year end 2011 rate and the income statement items for the year ended at December 31, 2011 have been translated with the year 2011 average rate.

The functional currency spot rates of exchange of the Euro versus the US dollar used in drawing up the financial statements at December 31, 2012 is 1.32 (December 31, 2011: 1.29). The average currency rate of exchange of the Euro versus the US dollar for the year 2012 is 1.29 (2011: 1.39).

Financial income and expense
For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (‘EIR’), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income (or expense) is included in financial income (or expense) in the statement of income. Premiums, discounts and transaction costs on loans are carried as an adjustment to interest expenses, spread over the term of the loans concerned.

Expenses
Operating costs are recognized on a historical cost basis.


**Income taxes**
Together with related party SABIC Capital II B.V., the Company is part of a fiscal unity headed by SABIC Capital B.V. The standard conditions for a Dutch fiscal unity stipulate that all companies included in the fiscal unity are jointly and severally liable for all tax liabilities due by the tax parent company until the tax unity ceases. The Company’s individual corporate income tax is calculated on a stand-alone basis.

**Current income tax**
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred income tax**
Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all the Company’s taxable temporary differences.

Deferred tax assets, if any, are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of the Company’s unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets, if any, is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that the Company’s future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the statutory tax rate that is expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset in the Dutch fiscal unity, to the extent that these reverse in the same period.

**Total comprehensive income**
Total statement of comprehensive income consists of the Company’s net result.

**Financial assets**
Financial assets within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are classified as financial assets at fair value through statement of income, as loans and receivables, as held to maturity investments, as available for sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction cost, except in the case of financial assets recorded at fair value through profit or loss.

The Company’s financial assets include cash and cash equivalents, other receivables and loans.
Other financial assets
Other financial assets comprise of non-current loans and receivables. After initial measurement, loans and receivables are measured at amortized cost using the effective interest rate method, less impairment. Amortized cost is calculated taking into account any discount or premium at acquisition. Losses arising from impairment, if any, are recognized in financial expense.

Other receivables
Other receivables include current loans and receivables and are stated at amortized cost, using EIR, which generally corresponds to face value, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of income. Losses arising from impairment, if any, are recognised in the statement of income in finance costs.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less.

Impairment of financial assets
The Company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ‘loss event’) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment, if any, may include indications that debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter into bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial liabilities
Financial liabilities within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company’s financial liabilities include interest bearing loans and borrowings and other payables.

Interest bearing loans and borrowings
After initial measurement, interest bearing loans and borrowings are subsequently measured at amortized cost using EIR. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the statement of income.

Deferred debt issuance costs
Deferred debt issuance costs are accounted for in accordance with IAS 39 “Financial Instruments: Recognition and Measurement” and represent an adjustment to the initial carrying amount of debt. These costs are amortized over the life of the debt and increase the amount of interest expense recognized on the debt.
Other payables
Other payables are stated at amortized cost, which generally corresponds to face value.

De-recognition of financial assets and liabilities
Financial assets
A financial asset or, where applicable a part of a financial asset or part of a group of similar financial assets is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Company’s continuing involvement in the asset. In that case the Company also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Offsetting of financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Statement of cash flows
The Company uses the indirect method to prepare the statement of cash flows. Cash flows in foreign currencies are translated at average exchange rates.
3. Financial income

The statement of income includes the following financial income for the year ended December 31:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income related parties</td>
<td>323</td>
<td>252</td>
</tr>
<tr>
<td>Interest income third parties</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total financial income</strong></td>
<td>326</td>
<td>253</td>
</tr>
</tbody>
</table>

Included in interest income from related parties is a guarantee fee in the amount of 25 (2011: 34) to cover the guarantee support fee payable to SABIC (see also Note 4).

4. Financial expense

The statement of income includes the following financial expense for the year ended December 31:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expense related parties</td>
<td>208</td>
<td>127</td>
</tr>
<tr>
<td>Interest expense third parties</td>
<td>88</td>
<td>89</td>
</tr>
<tr>
<td>Guarantee support fee owed to SABIC</td>
<td>25</td>
<td>34</td>
</tr>
<tr>
<td><strong>Total financial expense</strong></td>
<td>321</td>
<td>250</td>
</tr>
</tbody>
</table>

5. Corporate income tax

In 2012, the current tax charge recorded in statement of income amounted to 1 (2011: 1). There is no difference between the domestic income tax charge of 25% (2011: 25%) and the effective tax charge.

The net deferred tax liability of 0.1 at December 31, 2012 (December 31, 2011: 0.1) consist of a deferred tax asset of 4.0 and a deferred tax liability of 4.0. The deferred tax liability relates to the tax effect on the difference between the amortized cost value and the nominal value of certain loans (reference is made to Note 6 and Note 9). The Company expects the deferred tax liability to be settled in the coming years.

6. Other financial assets

Other financial assets comprise of the following at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to affiliated companies</td>
<td>4,751</td>
<td>5,707</td>
</tr>
<tr>
<td>Loan to third parties</td>
<td>62</td>
<td>61</td>
</tr>
<tr>
<td><strong>Total other financial assets</strong></td>
<td>4,813</td>
<td>5,768</td>
</tr>
</tbody>
</table>
Loans to affiliated companies

<table>
<thead>
<tr>
<th></th>
<th>Effective interest rate</th>
<th>Maturity</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan to SABIC International</td>
<td>6.67%</td>
<td>2013</td>
<td>979</td>
<td>950</td>
</tr>
<tr>
<td>Loan to SABIC International</td>
<td>4.23%</td>
<td>2015</td>
<td>995</td>
<td>994</td>
</tr>
<tr>
<td>Loans to SABIC International</td>
<td>3.89% — 8.85%</td>
<td>2018</td>
<td>1,368</td>
<td>1,292</td>
</tr>
<tr>
<td>Loan to SABIC International</td>
<td>5.50% — 5.70%</td>
<td>2021</td>
<td>2,388</td>
<td>2,321</td>
</tr>
<tr>
<td>Revolving credit facility</td>
<td>Euribor + 250 bps</td>
<td>2013</td>
<td>—</td>
<td>150</td>
</tr>
<tr>
<td>Cash pool</td>
<td>Floating inter-day % + 25 bps</td>
<td>2013</td>
<td>1,204</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total loans to affiliated companies</strong></td>
<td></td>
<td></td>
<td>6,934</td>
<td>5,707</td>
</tr>
</tbody>
</table>

**Less:**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of long term loans</td>
<td></td>
<td>979</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Cash pool</td>
<td></td>
<td>1,204</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td><strong>Total current other financial assets</strong></td>
<td></td>
<td>2,183</td>
<td>—</td>
<td></td>
</tr>
</tbody>
</table>

Total non-current loans to affiliated companies 4,751 5,707

Other financial assets consist primarily out of intercompany loans to SABIC International Holdings B.V. (referred to as “SABIC International” and formerly known as SABIC Holding Europe B.V.), which are subsequently further lent on to SABIC operating companies, outside the KSA. The Company also holds a participation, jointly with external parties, in a syndicated facility extended to affiliated companies.

**Intercompany loans**

The Company’s € 750 intercompany loan (989), which matures on November 26, 2013, carries a fixed coupon of 5.53%. Based on the effective interest rate of 6.67% (which includes a guarantee fee), an amortization amount of 10 (2011: 10) was added to the carrying amount of the loan in the current financial year, resulting in an amortized cost for a net value of 979 (2011: 950). This loan matures in 2013 and is therefore reclassified to current receivables.

The Company’s 1,000 intercompany loan, which matures November 2, 2015, carries a fixed coupon of 4.03%. The effective interest rate was 4.23%. The revolver credit facility is accounted for using amortized costs with a net value of 995 (2011: 994). The difference is capitalized as debt issuance costs over which an amount of 2 was amortized in 2012 (2011: 1).

From December 2008 through April 2010 the Company issued intercompany loans to SABIC International amounting to 1,368 (2011: 1,292). All these borrowings have a maturity date March 31, 2018 and bear fixed rates varying from 7.18% to 8.85%. Two EUR denominated loans were converted into one US dollar denominated loan, whereby the new fixed rate was set at 3.89%. For accounting purposes, these modifications resulted in the de-recognition and recognition of the original loan and modified loan, respectively, with no impact to the statement of income.
During August and November 2011, the Company issued intercompany loans to SABIC International for an amount of 2,388 (2011: 2,321). All these borrowings have a maturity date December 31, 2021 and the interest rates are fixed varying from 5.50% to 5.70% and payable at every quarter. Interest payments (for an amount of 67) of the 3rd and 4th quarter 2012 were waived and capitalized to the loan amount.

**Intercompany revolving credit facility**
In September 2010, the Company has entered into a three-year intercompany committed unsecured revolving credit agreement with related party SABIC Innovative Plastics Holding B.V. (further referred to as SABIC Innovative Plastics) for a nominal amount of 1,000, which as per December 31, 2012, was unused (2011: 150).

**Cash pool**
Since the course of 2012, the Company serves as the head of a global cash pool for the SABIC entities outside the KSA. The cash pool is partially funded by the Company’s multi-currency revolver facility in order to provide SABIC operating entities with sufficient funding for their operational cash flows.

**Loan to third parties**
The loan to third parties amounting to 62 (2011: 61), represents a syndicated facility in which the Company participates, jointly with other external lenders, in the senior secured term loan B of SABIC Innovative Plastics and its subsidiaries. This syndicated facility was executed in August 2011 and bears interest at floating rate LIBOR for US dollar or EURIBOR for Euro, as appropriate, plus a specified margin of 125 bps. Based on its terms and conditions, the Company’s participation in the facility is considered a third party loan.

### 7. Other receivables

<table>
<thead>
<tr>
<th>Other receivables</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables from related parties</td>
<td>6</td>
<td>53</td>
</tr>
<tr>
<td>Accrued interest from related parties</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total other receivables</strong></td>
<td><strong>18</strong></td>
<td><strong>65</strong></td>
</tr>
</tbody>
</table>

The accrued interest from related parties relates to the interest to be received on intercompany loans (reference is made to Note 6). These receivables are not overdue.

### 8. Equity

At December 31, 2012 and 2011, respectively, the Company’s issued capital amounts to € 18,000, distributed over 18,000 ordinary shares with a par value of € 1 per share. The authorized share capital amounts to € 90,000 consisting of 90,000 ordinary shares with a par value of € 1 per share.

**Dividends paid**
The Company distributed a dividend of 50 in 2012 (2011: nil) to its parent.
9. Interest bearing loans and borrowings

<table>
<thead>
<tr>
<th>Description</th>
<th>Effective interest rate</th>
<th>Maturity</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eurobond</td>
<td>5.64%</td>
<td>2013</td>
<td>979</td>
<td>950</td>
</tr>
<tr>
<td>US dollar bond</td>
<td>3.19%</td>
<td>2015</td>
<td>995</td>
<td>994</td>
</tr>
<tr>
<td>Multicurrency revolving credit facility</td>
<td>Labor/Euribor + 40 bps</td>
<td>2016</td>
<td>820</td>
<td>211</td>
</tr>
<tr>
<td>Intercompany loans SABIC</td>
<td>3.86% — 8.82%</td>
<td>2018</td>
<td>1,365</td>
<td>1,290</td>
</tr>
<tr>
<td>Intercompany loans SABIC</td>
<td>5.47% — 5.67%</td>
<td>2021</td>
<td>2,388</td>
<td>2,321</td>
</tr>
<tr>
<td>Cash pool</td>
<td>Floating inter-day % - 25 bps</td>
<td></td>
<td>420</td>
<td>—</td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td></td>
<td></td>
<td>80</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total interest bearing loans and borrowings</strong></td>
<td></td>
<td></td>
<td>7,047</td>
<td>5,766</td>
</tr>
</tbody>
</table>

**Less:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of long term external loan</td>
<td>979</td>
</tr>
<tr>
<td>Cash pool</td>
<td>420</td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>80</td>
</tr>
<tr>
<td><strong>Current liabilities, interest-bearing</strong></td>
<td><strong>1,479</strong></td>
</tr>
</tbody>
</table>

| **Total non-current loans and borrowings**                | **5,568**|

*Eurobond*

The Eurobond of € 750 (989) is listed on the non-regulated market in London, United Kingdom, and is recorded at amortized cost for a net initial value of € 714. Based on the effective interest rate of 5.64% (excluding the guarantee fee to be paid to SABIC), an amortization amount of 10 (2011: 10) was added to the carrying amount of the loan in the current financial year, resulting in an amortized cost for a net value of 979 (2011: 950). The bond matures in 2013 and is therefore reported as part of current liabilities.

*US dollar bond*

The Company’s 1,000 US dollar bond, which matures on November 2, 2015, carries a coupon of 3% and is listed on the non-regulated market in London, United Kingdom. The effective interest rate, including amortization of debt issuance cost, is 3.19% (excluding the guarantee fee to be paid to SABIC). The bond is accounted for against amortized costs for a net value of 995 (2011: 994). The difference is capitalized as debt issuance costs of which an amount of 2 was amortized in 2012 (2011: 1).

*Multicurrency revolving credit facility*

In June 2011, the Company, together with SABIC Capital B.V. and SABIC Capital II B.V., entered into a five-year multicurrency revolving credit facility totalling 2,000 with a syndicate of banks. This facility bears interest at floating rate LIBOR for US dollar or EURIBOR for Euro, as appropriate, plus a specified margin. The Company as of December 31, 2012 has drawn 820 (2011: 211) on this facility. The total unused amount of this facility at the end of 2012 amounted to 857 (2011: 1,571).
Intercompany loans from SABIC
Since its inception, the Company received several intercompany loans from SABIC amounting to 1,365 (2011: 1,290). All these borrowings have a maturity date of March 31, 2018 and bear pay-in-kind fixed rates varying from 6.15% to 8.82%. Two EUR denominated loans were converted into one US dollar denominated loan whereby the new fixed interest rate was set at 3.86%. For accounting purposes, these modifications resulted in the de-recognition and recognition of the original loan and modified loan respectively, which had no impact on the income statement.

The intercompany loans received in August and November 2011, amounting to 2,388 (2011: 2,321), have a maturity date of December 31, 2021 and bear fixed rates varying from 5.47% to 5.67%. The interest is payable every quarter end. Interest payments (for an amount of 66) of the 3rd and 4th quarter 2012 were waived and capitalized to the loan amount.

Cash pool
Since 2012, the Company serves as the head of a global cash pool for SABIC entities, outside the KSA, to provide sufficient funding for their operational cash flows. The cash pool is partially funded by the Company’s multi-currency revolver facility.

10. Other payables

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax due to related party</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Payables to related parties</td>
<td>—</td>
<td>1</td>
</tr>
<tr>
<td>Guarantee fee</td>
<td>25</td>
<td>—</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total other payables</strong></td>
<td><strong>35</strong></td>
<td><strong>11</strong></td>
</tr>
</tbody>
</table>

The guarantee fee is payable to SABIC. Accrued interest relates to interest to be paid on the Eurobond and the US dollar bond.

11. Derivatives

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivatives assets</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Derivatives liabilities</td>
<td>5</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total current derivatives</strong></td>
<td><strong>5</strong></td>
<td><strong>—</strong></td>
</tr>
</tbody>
</table>

Current derivatives
The current derivative liability results from the Company’s foreign currency swap program with total open notional amounts of 158, € 620 and £ 80, entered into in December 2012. The objective of the program is to minimize the liquidity risk associated with the Company’s multi-currency global cash pool. The program consists of a series of rolling foreign currency swaps in which there is a simultaneous purchase or sale of a currency versus the USD with two different values dates (spot and forward). The only exposure on the net position is related to forward point differences.
12. Commitment and contingencies

Financial indebtedness and guarantees
On February 14, 2009, the SABIC Capital Group entered into a guarantee agreement with SABIC, whereby SABIC guarantees that sufficient funds will be available to meet any payment obligation. Such undertaking is not limited in time or amount.

In addition, third party lenders to the Group have received direct SABIC guarantees with respect to the €750 Eurobond and the 1,000 US dollar bond to the holders of the bonds until maturity. With respect to the syndicated lender group who provided the multi-currency revolver facility, SABIC issued guarantees to all individual participating lenders for their part of the facility until maturity.

The Company being part of a fiscal unity is jointly and severally liable for all tax liabilities due by the tax parent company until the tax unity ceases. The Company is also included in a Dutch Value Added Tax (“VAT”) unity headed by SABIC International.

The Company has provided bank guarantees in the amount of 247 on behalf of other SABIC operating companies outside the KSA.

13. Related party transactions

During 2012 and 2011, the Company has had regular and non-recurring business transactions with companies owned by its ultimate parent company, SABIC. These companies are being referred to as related parties. The majority of the transactions presented in the statement of income and the statement of financial position are with SABIC and SABIC International.

All relations and transactions with related parties, including but not limited to service fees for treasury, tax and group reporting activities, financial income and financial expenses, have been included as follows in the statement of income and the statement of financial position:

Statement of income:
For the year ended

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>298</td>
<td>218</td>
</tr>
<tr>
<td>Guarantee support fee received</td>
<td>25</td>
<td>34</td>
</tr>
<tr>
<td>Financial expense</td>
<td>(208)</td>
<td>(127)</td>
</tr>
<tr>
<td>Guarantee support fee</td>
<td>(25)</td>
<td>(34)</td>
</tr>
<tr>
<td>Cost recharged to other SABIC companies</td>
<td>1</td>
<td>—</td>
</tr>
</tbody>
</table>

Statement of financial position:
As of December 31

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other financial assets – loans receivable</td>
<td>4,751</td>
<td>5,707</td>
</tr>
<tr>
<td>Other financial assets – current</td>
<td>2,183</td>
<td>—</td>
</tr>
<tr>
<td>Other receivables</td>
<td>18</td>
<td>65</td>
</tr>
<tr>
<td>Loans payable</td>
<td>(3,753)</td>
<td>(3,611)</td>
</tr>
<tr>
<td>Current liabilities, interest-bearing</td>
<td>(420)</td>
<td>—</td>
</tr>
<tr>
<td>Income tax due to head of fiscal unity</td>
<td>(2)</td>
<td>(1)</td>
</tr>
<tr>
<td>Other payables</td>
<td>(25)</td>
<td>(1)</td>
</tr>
</tbody>
</table>
Terms and conditions of transactions with related parties
The transactions with related parties are made at terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

There have been no guarantees provided or charged on for any related party receivables or payables, other than disclosed in Note 12. For the year ended December 31, 2012, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2011: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

14. Financial risk management objectives and policies
The Company’s principal financial liabilities comprise loans and borrowings and other payables contracted to raise funding for further financing operations of SABIC, outside the KSA. The Company’s financial assets include intercompany loans and other receivables, participation in the Syndicated facility (Reference is made to Note 6), and cash and short-term deposits that arrive directly from its financing activities.

The Company has limited exposure to market risk, credit risk and liquidity risk on its own financing activities due to its operating model. The Company ensures that its financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk profile. The Company does have derivative financial instruments at the end of 2012 amounting to 1,106 (2011: nil).

The Board of Directors reviews and manages each of these risks, which are summarised below.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings and available for sale investment.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company’s policy is to maintain between 50% and 100% of its borrowings at fixed rates. To manage this, the Company may enter into interest rate swaps if necessary, in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

As per the end of 2012 and 2011, the Company had only limited exposure to the risk of changes in market interest rates as all the Company loans received and lent carried fixed interest rates, except for the multicurrency revolving credit facilities. Furthermore, the interest rate risk for the Company is limited as all loans are back to back using the same interest rate plus a mark-up for the interest on the loan receivables.

The interest rate exposure on the receivable in 2012 amounts to 34 (2011: 50). The interest rate is based on 1 month LIBOR.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company’s profit before tax.
Increase (decrease) in basis points | Effect on income (loss) before taxation
--- | ---
1 month LIBOR | 
December 31, 2011 versus December 31, 2012 | 9 | 0.03
1% charge | 100 | 0.34

* Effect on equity equals effect on income before taxation.

**Foreign currency risk**
The Company operates in international markets and is primarily exposed to foreign exchange risk arising from loan related EUR exposures. Foreign exchange risk arising from loans denominated in EUR is limited to the Company as the cash outflows or loans issued, are offset, through a natural hedge, by cash inflows and loans received. The effect of a reasonable change in result before taxation is assessed as not material. As of January 2012, the Company serves as the header of a global cash pool for SABIC companies outside the KSA. The cash pool is partially funded by the Company’s multi-currency revolver facility to provide SABIC operating entities with sufficient funding for their operational cash flows.

For the foreign currency risks resulting from the cash pool activities the Company has a currency swap program. The objective of the program is to minimize the liquidity risk associated with the Company’s multi-currency global cash pool. The program consists of a series of rolling foreign currency swaps in which there is a simultaneous purchase or sale of a currency versus the USD with two different values dates (spot and forward). The only exposure on the net position is related to forward points difference.

**Credit and counterparty risk**
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or contract, resulting in a financial loss. The Company is exposed to credit risk from its financing activities, including loans to other SABIC companies, outside the KSA, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company has a policy to manage exposure to counterparty risk represented by possible defaults on financial instruments by monitoring the concentration of risk that it has with any individual bank or counterparty and through the use of minimum credit quality standards for accepting counterparties. As per the end of 2012, the Company had financial instruments in place with third parties.

As of December 31, 2012, the Company has financing activities mainly with related parties, primarily through SABIC International. With respect to loans issued to related parties, the Company acts as intermediate between SABIC or the capital markets and the related party companies whereby it bears a pre-defined and limited credit risk.

With respect to the intercompany loans by the Company to SABIC International for which the Company has borrowed a corresponding amount from SABIC, individual limitation of recourse letters have been entered into between the three companies, whereby, among others, the Company’s exposure to a default of the borrower under the intercompany loan agreement is limited to the maximum amount of 3 (€ 2) per intercompany loan and the assignment of such intercompany loan to SABIC.

With respect to the issuance of the fixed rate Eurobond in December 2008 and the US dollar bond issuance during November 2010, SABIC has issued a direct guarantee for the benefit of the bondholders. With respect to the syndicated revolving credit facilities arranged in 2011, SABIC has issued a direct guarantee for the bank lenders.
Liquidity risk

The Company monitors its risk of a shortage of funds using forecasting models to model impacts of operational activities on overall liquidity availability. The Company’s objective is to maintain a balance between continuity of funding and flexibility through the use of various sources of liquidity.

The tables below summarize the maturity profile of the Company’s financial liabilities at December 31, based on undiscounted contractual payments:

<table>
<thead>
<tr>
<th></th>
<th>Within 1 year</th>
<th>Between 1 and 5 years</th>
<th>More than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At December 31, 2012</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest bearing loans and borrowings</td>
<td>1,197</td>
<td>2,412</td>
<td>4,768</td>
<td>8,377</td>
</tr>
<tr>
<td>Cash pool</td>
<td>420</td>
<td>—</td>
<td>—</td>
<td>420</td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>80</td>
<td>—</td>
<td>—</td>
<td>80</td>
</tr>
<tr>
<td>Other payables</td>
<td>35</td>
<td>—</td>
<td>—</td>
<td>35</td>
</tr>
<tr>
<td>Derivatives</td>
<td>1,106</td>
<td>—</td>
<td>—</td>
<td>1,106</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Within 1 year</th>
<th>Between 1 and 5 years</th>
<th>More than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At December 31, 2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest bearing loans and borrowings</td>
<td>300</td>
<td>3,218</td>
<td>4,379</td>
<td>7,897</td>
</tr>
<tr>
<td>Other payables</td>
<td>11</td>
<td>—</td>
<td>—</td>
<td>11</td>
</tr>
</tbody>
</table>

The increase in future undiscounted contractual payments is caused by the increase of interest bearing loans and borrowings and because all payable interest on the intercompany loans is being added to the principal amount of the loan. The capitalised interest is added to the principal loan amount and, as from that moment, also becomes interest bearing.

Capital management

Capital represents equity attributable to the owners of the Company. The primary objective to the Company’s capital management is to support SABIC’s business, outside the KSA, and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objective, policies or processes in 2012.

Fair values

The Company has categorized its financial assets and liabilities into a three-level fair value hierarchy, based on the nature of the inputs used in determining fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

Following is a description of each category in the fair value hierarchy and the financial assets and liabilities of the Company that are included in each category at December 31, 2012:

- Level 1: Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market.
- Level 2: Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3: Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management’s own assumptions about the assumptions a market participant would use in pricing the asset or liability.
All fair value measurements of financial assets and liabilities as reported in these financial statements can be categorized as Level 2.

Set out below is a comparison by class of the carrying amounts and fair value of the Company’s financial instruments that are carried in the financial statements as of December 31:

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>Carrying amount</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Other receivables</td>
<td>18</td>
<td>65</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>84</td>
<td>1</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>4,813</td>
<td>5,768</td>
</tr>
<tr>
<td>Other financial assets - current</td>
<td>2,183</td>
<td>—</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th>Carrying amount</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Other payables</td>
<td>35</td>
<td>11</td>
</tr>
<tr>
<td>Derivatives</td>
<td>5</td>
<td>—</td>
</tr>
<tr>
<td>Interest bearing loans and borrowings</td>
<td>5,568</td>
<td>5,766</td>
</tr>
<tr>
<td>Current liabilities, interest-bearing</td>
<td>1,479</td>
<td>—</td>
</tr>
</tbody>
</table>

The fair value of the financial assets and liabilities is included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents, other receivables and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of the fixed rate financial assets and fixed rate borrowing is based on interest rate quotations in active markets at the balance sheet date. The fair value of unquoted instruments, loans from banks and other financial indebtedness, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.

15. Employee information

The Company had no employees in 2012 (2011: nil).

Remuneration key management of the Company

The key management of the Company are remunerated for their services at SABIC Capital B.V.

Remuneration of the Managing Board

The sole Managing Director of the Company is its shareholder SABIC Capital B.V., whose Directors did not receive any remuneration for their services at SABIC Capital B.V. in 2012 (2011: nil).

16. Auditor’s fee

The independent auditors’ fee amounting 0.01 (2011: 0.01) are charged by the independent auditor of the Company.
Amsterdam, April 25, 2013

SABIC Capital I B.V.
represented by its sole Managing Director SABIC Capital B.V.

/s/ M.A. Khan  
M.A. Khan

/s/ M.R. De Groot  
M.R. De Groot
Other Information

Appropriation of result for the period

According to Article 14 of the Articles of Association of SABIC Capital I B.V. the profit is at the disposal of the General Meeting of Shareholders.

Subsequent events
There are no subsequent events.
INDEPENDENT AUDITORS’ REPORT

To: the Managing Board and Shareholder of SABIC Capital I B.V.

Report on the financial statements

We have audited the accompanying financial statements 2012 of SABIC Capital I B.V., Amsterdam, which comprise the statement of financial position as at December 31, 2012, the statement of income, the statement of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

Management’s responsibility
Management 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 by the managing board in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management 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 entity'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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 financial statements
In our opinion, the financial statements give a true and fair view of the financial position of SABIC Capital I B.V. as at December 31, 2012 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.

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 by the managing board, 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 by the managing board, 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.

Eindhoven, April 25, 2013

Ernst & Young Accountants LLP

/s/ P.J.A. Gabriëls
SABIC Capital I B.V.

Financial Statements

For the year ended December 31, 2011
GENERAL INFORMATION

Director
SABIC Capital B.V.

Registered Office
Zuidplein 216
1077 XV Amsterdam
The Netherlands

Auditor
Ernst & Young Accountants LLP, the Netherlands
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<td>Statement of Comprehensive Income</td>
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<td>Statement of Financial Position</td>
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<td>Statement of Changes in Equity</td>
<td>9</td>
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<td>10</td>
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<td>Notes to the Financial Statements</td>
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<tr>
<td>Other Information</td>
<td></td>
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<tr>
<td>Appropriation of result for the period</td>
<td>30</td>
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<td>30</td>
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<tr>
<td>Independent Auditors’ Report</td>
<td>31</td>
</tr>
</tbody>
</table>
Report by the Managing Board

General
SABIC Capital I B.V. (hereafter referenced to as “the Company”) is part of a group of companies headed by Saudi Basic Industries Corporation, Riyadh, Kingdom of Saudi Arabia (hereafter referred to as “SABIC” or “the SABIC Group”), a global chemical company.

The Company is considered and managed as part of a group of three financing companies headed by its immediate parent SABIC Capital B.V. (hereafter referred to as “the SABIC Capital Group”) and is engaged in financing and investment activities for SABIC Group subsidiaries that are located in Europe, Asia, and the Americas.

Business Review
The Company’s financing is obtained through indirect equity contributions and intercompany loans from SABIC as well as external financing. The Company’s borrowing is guaranteed by SABIC, which will make available to the Company sufficient funds to meet its payment obligations as and when the same become due and payable. Such undertaking is not limited in time or amount. The Company uses such funds for financing other companies of the SABIC Group.

Financial review
The Company is engaged in on-lending financing directly to related parties with a mark-up. The overall financial income and expense in 2011 increased by € 58 and € 57, respectively, compared to 2010 as a result of the additional financing.

Financing
In June 2011, the SABIC Capital Group entered into a five-year multicurrency revolving credit facility totaling $ 2,000 (€ 1,546) with a syndicate of banks. This facility bears an interest at floating rate LIBOR for US dollar or EURIBOR for Euro, as appropriate, plus a specified margin, and is equally available for all SABIC Capital Group members up to the total amount of the facility. The Company as of December 31, 2011 has drawn €163. The total unused amount at the end of 2011 for the total SABIC Capital Group amounted to approximately $ 1,571 (€ 1,214).

In August and November 2011, the Company received additional funding from SABIC by means of two fixed interest bearing loans in the amount of $ 1,021 (€ 789) and $ 1,300 (€ 1,005), respectively. Accordingly, these funds were lent on to the SABIC Group.

Corporate governance
The Company is part of three financing companies headed by SABIC Capital B.V., which is managed by a Supervisory Board, which has met two times in 2011 to discuss SABIC Capital Group’s financing strategy.

Risk management and financial instruments
As part of SABIC’s global Enterprise Risk Management assessment, SABIC Capital Group is assessing its internal and external risks regularly. The company operates under established policies, which are reviewed and adjusted as necessary in light of risk evaluations.

To date the Company has not entered into any derivatives.

Human resources
The Company has no employees.
Industry outlook
The Company’s ability to source financing is partially depending on the availability of funding in the market as well as the development of interest rates. Due to inflation in the current environment there is upward pressure on current interest rates. The Company’s ability to borrow externally is strengthened by SABIC’s corporate guarantee to make available sufficient funds to The Company to meet its payment obligations.

Amsterdam, April 5, 2012

SABIC Capital I B.V.
represented by its sole managing director SABIC Capital B.V.

/s/ M.A. Khan          /s/ M.R. De Groot
M.A. Khan              M.R. De Groot
Financial Statements

For the year ended December 31, 2011
Statement of Income

<table>
<thead>
<tr>
<th>Notes</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial income</td>
<td>3</td>
<td>181</td>
</tr>
<tr>
<td>Financial expense</td>
<td>4</td>
<td>(179)</td>
</tr>
<tr>
<td>Foreign currency results</td>
<td>5</td>
<td>—</td>
</tr>
<tr>
<td><strong>Income before taxes</strong></td>
<td></td>
<td><strong>2</strong></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>6</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net income for the period</strong></td>
<td></td>
<td><strong>2</strong></td>
</tr>
</tbody>
</table>

**Attributable to:**

<table>
<thead>
<tr>
<th></th>
<th>Owners of the Company</th>
<th></th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
<td>1</td>
<td><strong>2</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements
## Statement of Comprehensive Income

<table>
<thead>
<tr>
<th>Notes</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>Other comprehensive income:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total other comprehensive income, net of tax</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total comprehensive income, net of tax</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

**Attributable to:**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners of the Company</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Total comprehensive income, net of tax</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

*See accompanying notes to the financial statements*
## Statement of Financial Position

<table>
<thead>
<tr>
<th>Notes</th>
<th>Assets</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-current assets</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other financial assets</td>
<td>4,458</td>
<td>2,391</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,458</td>
<td>2,391</td>
</tr>
<tr>
<td></td>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other receivables</td>
<td>8</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Cash and cash equivalents</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>51</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>Total assets</td>
<td>4,509</td>
<td>2,439</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>Equity and liabilities</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Equity</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Equity attributable to owners of the Company</td>
<td>44</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td></td>
<td>44</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>Non-current liabilities</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interest bearing loans and borrowings</td>
<td>4,456</td>
<td>2,389</td>
</tr>
<tr>
<td></td>
<td>Deferred tax liabilities</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,456</td>
<td>2,389</td>
</tr>
<tr>
<td></td>
<td>Current liabilities</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Other payables</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Total liabilities</td>
<td>4,465</td>
<td>2,397</td>
</tr>
<tr>
<td></td>
<td>Total equity and liabilities</td>
<td>4,509</td>
<td>2,439</td>
</tr>
</tbody>
</table>

*See accompanying notes to the financial statements*
Statement of Changes in Equity

<table>
<thead>
<tr>
<th></th>
<th>Issued capital</th>
<th>Share premium</th>
<th>Retained earnings</th>
<th>Un-appropriated income for the year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at January 1, 2010</td>
<td>—</td>
<td>22</td>
<td>—</td>
<td>1</td>
<td>23</td>
</tr>
<tr>
<td>Net income for the year</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Appropriation of net income 2009</td>
<td>—</td>
<td>—</td>
<td>1</td>
<td>(1)</td>
<td>—</td>
</tr>
<tr>
<td>Capital contribution</td>
<td>—</td>
<td>18</td>
<td>—</td>
<td>—</td>
<td>18</td>
</tr>
<tr>
<td><strong>Balance as at December 31, 2010</strong></td>
<td>—</td>
<td>—</td>
<td>1</td>
<td>1</td>
<td>42</td>
</tr>
<tr>
<td>Net income for the year</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Appropriation of net income 2010</td>
<td>—</td>
<td>—</td>
<td>1</td>
<td>(1)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Balance as at December 31, 2011</strong></td>
<td>—</td>
<td>—</td>
<td>2</td>
<td>2</td>
<td>44</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements

---

1 Issued capital amounts to € 18,000.
SABIC Capital I B.V.
Year ended December 31, 2011
All amounts are in millions of Euros, except for shares and share amounts

### Statement of Cash Flows

<table>
<thead>
<tr>
<th>Operating activities</th>
<th>Notes</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td></td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Adjustments to reconcile income before tax to net cash flows</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td></td>
<td>(2,066)</td>
<td>(1,316)</td>
</tr>
<tr>
<td>Debt issuance costs related to other financial assets</td>
<td></td>
<td>—</td>
<td>6</td>
</tr>
<tr>
<td>Amortization debt issuance costs related to other financial assets</td>
<td></td>
<td>(1)</td>
<td>—</td>
</tr>
<tr>
<td>Amortization fair value other financial assets for the period</td>
<td></td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Interest bearing loans and borrowings</td>
<td></td>
<td>2,066</td>
<td>1,315</td>
</tr>
<tr>
<td>Proceeds bridge facility</td>
<td></td>
<td>—</td>
<td>565</td>
</tr>
<tr>
<td>Repayment bridge facility</td>
<td></td>
<td>—</td>
<td>(565)</td>
</tr>
<tr>
<td>Debt issuance costs charged related to interest bearing loans and borrowings</td>
<td></td>
<td>—</td>
<td>(6)</td>
</tr>
<tr>
<td>Amortization debt issuance costs charged related to interest bearing loans and borrowings</td>
<td></td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td>Amortization fair value interest bearing loans and borrowings for the period</td>
<td></td>
<td>(7)</td>
<td>(7)</td>
</tr>
<tr>
<td>Change in working capital:</td>
<td></td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td>(2)</td>
<td>(22)</td>
</tr>
<tr>
<td>Current liabilities – non-interest-bearing</td>
<td></td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Waiver guarantee fee</td>
<td></td>
<td>—</td>
<td>18</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td></td>
<td>1</td>
<td>—</td>
</tr>
</tbody>
</table>

| Net increase in cash and cash equivalents                |       | 1     | —    |
| Cash and cash equivalents at beginning of financial period |       | —     | —    |
| Cash and cash equivalents at December 31                 |       | 1     | —    |

See accompanying notes to the financial statements
Notes to the Financial Statements

1. Corporate information

SABIC Capital I B.V. (hereafter referred to as “the Company”) was incorporated on September 3, 2008 as a private company with limited liability (“besloten vennootschap met beperkte aansprakelijkheid”) in accordance with the laws of The Netherlands and registered at the trade register of the Chamber of Commerce in the Netherlands with registered number 14105351. The Company, having its legal seat in Amsterdam, The Netherlands, is a direct wholly-owned subsidiary of SABIC Capital B.V. and an indirect wholly owned subsidiary of Saudi Basic Industries Corporation (“SABIC” or “SABIC Group”) a Saudi Arabian joint stock company based in Riyadh, Kingdom of Saudi Arabia.

The primary purpose of the Company is to act as a financing and investment company for SABIC Group subsidiaries that are located in Europe, Asia, and the Americas. In this respect, the Company benefits of an undertaking by SABIC to provide the Company with sufficient funds to comply with any and all of its payment obligations to any creditors.

The Company’s financing is ensured through indirect equity contributions and intercompany loans from SABIC as well as external financing, currently from the capital markets. The Company uses such funds for financing other companies of the SABIC Group.

The financial statements of SABIC Capital I B.V. for the year ended December 31, 2011 were approved on April 5, 2012.

2. Basis of preparation and accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and it’s Interpretations as adopted by the International Accounting Standards Board (“IASB”) and endorsed by the European Union (“EU”) and in accordance with Part 9, Book 2 of the Dutch Civil Code.

The accounting principles used to prepare the financial statements are based on historical cost, unless stated otherwise.

An asset (liability) is classified as current when it is expected to be realized (settled) within 12 months after the balance sheet date.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of the Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.
The critical accounting policy involving a higher degree of judgment and complexity in applying principles of valuation is accounting for income tax.

2.3 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of previous year, except for the following new and amended standards and interpretations mandatory for the first time for the financial year beginning January 1, 2011:

- **Amendment IAS 24 ‘Related Party Transactions’**
  The amended standard clarifies the definition of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Company.

- **Amendment IAS 32 ‘Financial Instruments’**
  The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity’s non-derivative equity instruments, to acquire a fixed number of the entity’s own equity instruments for a fixed amount in any currency. The amendment has had no impact on the financial position or performance of the Company because the Company does not have these types of instruments.

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in updates to accounting policies, but no impact on the financial position or performance of the Company.

Other new and amended standards and interpretations issued and effective either had no impact on the accounting policies, financial position or performance or are not considered applicable to the Company now and in the foreseeable future.

The Company has not early adopted any of the following new and amended standards and interpretations issued but not effective for the financial year beginning January 1, 2011:

- **IAS 1 ‘Financial Statement Presentation – Presentation of Items of Other Comprehensive Income’**
  The amendments to IAS change the grouping of items presented in other comprehensive income into items that could be reclassified to profit or loss at a future point in time and items that will never be reclassified. The amendment becomes effective for annual periods beginning on or after July 1, 2012.

- **IFRS 7 ‘Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements’**
  The amendment requires additional disclosures about financial assets that have been transferred but not derecognized to enable user of the Company’s financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosure about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity’s continuing involvement in these derecognized assets. The amendment becomes effective for annual periods beginning on or after July 1, 2011 and affects disclosure only with no impact on the Company’s financial position or performance.
SABIC Capital I B.V.
Year ended December 31, 2011
All amounts are in millions of Euros, except for shares and share amounts

- IFRS 9 ‘Financial Instruments: Classification and Measurement’. IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard becomes effective for annual periods beginning on or after January 1, 2015. The adoption of the first phase of IFRS 9 will potentially have an effect on the classification and measurement of the Company’s financial assets, but will potentially have no impact on classification and measurement of financial liabilities.

- IFRS 13 ‘Fair Value Measurement’. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is currently assessing the impact that this standard will have on the financial position and performance. The standard becomes effective for annual periods beginning on or after January 1, 2013.

Other new and amended standards and interpretations issued, but not yet effective, are not considered applicable to the Company now and in the foreseeable future.

2.4 Summary of significant accounting policies

Foreign currency translation
The Company’s financial statements are presented in Euro, which is also the functional currency. Transactions in foreign currencies are initially recorded by the Company at their respective functional currency rates prevailing at the date the transaction first qualifies for recognition. Based on a management reassessment of the Company’s currency cash flows, the Company has changed its functional currency as of January 1, 2012 from Euro into US dollar. The change of the functional currency will have limited impact on equity and the statement of income as all loans received are offset by similar loans given.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item.

The functional currency spot rates of exchange of the Euro versus the US dollar used in drawing up the financial statements at December 31, 2011 is 0.77 (December 31, 2010: 0.75). The average currency rate of exchange of the Euro versus the US dollar for the year 2011 is 0.72 (2010: 0.75).

Financial income and expense
For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income (or expense) is included in financial income (or expense) in the statement of income.
Premiums, discounts and transaction costs on loans are carried as an adjustment to interest expenses, spread over the term of the loans concerned.

**Expenses**
Operating costs are recognized on a historical cost basis.

**Income taxes**
The Company is part of a Dutch fiscal unity together with related party SABIC Capital II B.V. and headed by SABIC Capital B.V., the Company’s immediate parent. The standard conditions for a Dutch fiscal unity stipulate that all companies included in the fiscal unity are jointly and severally liable for all tax liabilities due by the tax parent company until the tax unity ceases. The Company’s corporate income tax is calculated on a stand-alone basis.

**Current income tax**
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the statement of financial position date.

Current income tax relating to items recognised directly in equity is recognised in the statement of changes in equity and not in the statement of income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**
Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets, if any, are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets, if any, is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognized deferred tax assets are reassessed at each balance
sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the statutory tax rate that is expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax relating to items recognized in other comprehensive income is recognized in the statement of changes in equity and not in the statement of income. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset in the Dutch fiscal unity, to the extent that these reverse in the same period.

**Total comprehensive income**
Total statement of comprehensive income consists of net income (loss).

**Financial assets**
Financial assets within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available for sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction cost, except in the case of financial assets recorded at fair value through profit or loss.

The Company’s financial assets include cash and cash equivalents, other receivables and loans.

**Other financial assets**
Other financial assets comprise of non-current loans and receivables. After initial measurement, loans and receivables are measured at amortized cost using the effective interest rate method, less impairment. Amortized cost is calculated taking into account any discount or premium at acquisition. Losses arising from impairment are recognized in financial expense.

**Other receivables**
Other receivables include current loans and receivables and are stated at amortized cost, which generally corresponds to face value, less an adjustment for bad debts.

**Cash and cash equivalents**
Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less.

**Impairment of financial assets**
The Company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ‘loss event’) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter into bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.
Financial liabilities
Financial liabilities within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Company’s financial liabilities include interest bearing loans and borrowings and other payables.

Interest bearing loans and borrowings
After initial measurement, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium. Interest expenses are accrued and recorded in the statement of income for each period.

Deferred debt issuance costs are accounted for in accordance with IAS 39 “Financial Instruments: Recognition and Measurement” and represent an adjustment to the initial carrying amount of debt. These costs are amortized over the life of the debt and increase the amount of interest expense recognized on the debt.

Other payables
Other payables are stated at amortized cost, which generally corresponds to face value.

De-recognition of financial assets and liabilities

Financial assets
A financial asset or, where applicable a part of a financial asset or part of a group of similar financial assets is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognized to the extent of the Company’s continuing involvement in the asset. In that case the Company also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.
When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

**Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if:

- There is a currently enforceable right to offset the recognized amounts; and
- There is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

**Statement of cash flows**

The Company uses the indirect method to prepare the statement of cash flows. Cash flows in foreign currencies are translated at average exchange rates.
3. Financial income

The statement of income includes the following financial income for the year ended December 31, 2011 and December 31, 2010, respectively:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income related parties</td>
<td>157</td>
<td>105</td>
</tr>
<tr>
<td>Guarantee support fee from related party</td>
<td>24</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total financial income</strong></td>
<td><strong>181</strong></td>
<td><strong>123</strong></td>
</tr>
</tbody>
</table>

The guarantee fee paid by related parties is subsequently passed on to SABIC (see also Note 4).

4. Financial expense

The statement of income includes the following financial expense for the year ended December 31, 2011 and December 31, 2010, respectively:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expense related parties</td>
<td>91</td>
<td>58</td>
</tr>
<tr>
<td>Interest expense third parties</td>
<td>64</td>
<td>46</td>
</tr>
<tr>
<td>Guarantee support fee owed to SABIC</td>
<td>24</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total financial expense</strong></td>
<td><strong>179</strong></td>
<td><strong>122</strong></td>
</tr>
</tbody>
</table>

On February 14, 2009, SABIC has entered into a guarantee agreement with the Company whereby SABIC has undertaken to the Company, among others, that it will make available to the Company sufficient funds to meet its payment obligations as and when the same become due and payable. Such undertaking is not limited in time or amount.

5. Foreign currency results

The foreign currency results on the borrowed US dollar denominated other financial assets, amounting to €145 (2010: €46), are fully offset, through a natural hedge, as these assets are subsequently lend on as US dollar denominated interest-bearing loans and borrowings.

6. Corporate income tax

In 2011, a tax charge of €0.5 (2010: €0.4) was recorded in statement of income. There is no difference between the domestic income tax charge of 25% (2010: 25.5%) and the effective tax charge.

The deferred tax liability of €0.1 (December 31, 2010: €0.1) at December 2011 relates to the tax effect on the difference between the amortized cost value and the nominal value of the Eurobond and the €750 intercompany loan (reference is made to Note 7 and Note 10).

The Company expects the deferred tax liability to be settled in the coming years.
7. Other financial assets

<table>
<thead>
<tr>
<th>Effective interest rate</th>
<th>Maturity</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercompany loan SABIC Holding Europe B.V.</td>
<td>6.67%</td>
<td>2013</td>
<td>734</td>
</tr>
<tr>
<td>Intercompany revolving credit facility SABIC IP Holding B.V.</td>
<td>2.72%</td>
<td>2013</td>
<td>116</td>
</tr>
<tr>
<td>Intercompany loan SABIC Holding Europe B.V.</td>
<td>4.23%</td>
<td>2015</td>
<td>768</td>
</tr>
<tr>
<td>Intercompany loans SABIC Holding Europe B.V.</td>
<td>7.18% — 8.85%</td>
<td>2018</td>
<td>999</td>
</tr>
<tr>
<td>Intercompany loans SABIC Holding Europe B.V.</td>
<td>5.50% — 5.70%</td>
<td>2021</td>
<td>1,794</td>
</tr>
<tr>
<td><strong>Total intercompany loans</strong></td>
<td></td>
<td></td>
<td><strong>4,411</strong></td>
</tr>
<tr>
<td>Third party loan</td>
<td>Euribor + 125 bps</td>
<td>2014</td>
<td>47</td>
</tr>
<tr>
<td><strong>Total other financial assets</strong></td>
<td></td>
<td></td>
<td><strong>4,458</strong></td>
</tr>
</tbody>
</table>

Other financial assets consist of intercompany loans to related parties within the SABIC Holding Europe Group B.V., which are subsequently further lend on in the SABIC Group, as well as a participation, jointly with external parties, in a syndicated facility.

**Intercompany loans**

The Company’s € 750 intercompany loan, which matures on November 26, 2013, carries a fixed coupon of 5.53%. Based on the effective interest rate of 6.67% (including a guarantee fee), an amortization amount of € 7 (2010: € 7) was added to the carrying amount of the loan in the current financial year, resulting in an amortized cost for a net value of € 734.

**Intercompany revolving credit facility**

In September 2010, the Company has entered into a three-year intercompany committed unsecured revolving credit agreement with related party SABIC Innovative Plastics Holding B.V. for a nominal amount of $ 1,000 (€ 773), which as per December 31, 2011 was used for an amount of € 116 ($ 150).

The Company’s € 773 loan (principal loan amount of $ 1,000), which matures November 2, 2015 carries a fixed coupon of 4.03%. The intercompany loan is accounted for using amortized costs with a net value of € 768. The difference is capitalized as debt issuance costs over which an amount of € 1 was amortized in 2011.

From December 2008 through April 2010 the Company issued intercompany loans to SABIC Holding Europe B.V., a related party. All such borrowings prior to 2011 have a maturity date March 31, 2018 and bear pay-in-kind fixed rates varying from 7.18% to 8.85%.

The following 2011 loans have a maturity date on December 21, 2021 and bear fixed rates:

- An intercompany loan of $ 1,021 (Euro equivalent € 789) was issued to SABIC Holding Europe B.V. in August 2011. The interest rate is fixed at 5.70% and payable at every quarter end. The repayment is due on December 31, 2021.

- An intercompany loan of $ 1,300 (Euro equivalent € 1,005) was issued to SABIC Holding Europe B.V. in November 2011 (2 tranches) and December 31. The interest rate is fixed at 5.50% and payable at every quarter end. The repayment is due on December 31, 2021.
Third party loan
The third party loan represents a syndicated facility in which the Company participates, jointly with other external lenders, in the senior secured term loan B of SABIC Innovative Plastics Holding B.V. This syndicated facility was executed in August 2011 and bears interest at floating rate LIBOR for US dollar or EURIBOR for Euro, as appropriate, plus a specified margin of 125 bps. Based on its terms and conditions, the Company’s participation in the facility is considered a third party loan.

8. Other receivables

<table>
<thead>
<tr>
<th>Other receivables</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables from related parties</td>
<td>41</td>
<td>39</td>
</tr>
<tr>
<td>Accrued interest from related parties</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total other receivables</strong></td>
<td><strong>50</strong></td>
<td><strong>48</strong></td>
</tr>
</tbody>
</table>

The accrued interest from related parties relates to the interest to be received on intercompany loans (reference is made to Note 7). The receivables are not overdue.

9. Equity

Issued capital amounts to € 18,000 distributed over 18,000 ordinary shares with a par value of € 1 per share. The authorized share capital amounts to € 90,000 consisting of 90,000 ordinary shares with a par value of € 1 per share.

Nature and purpose of capital contributions
SABIC has entered into a guarantee agreement with the Company whereby it will guarantee to the Company, and certain of its creditors also part of this agreement, that it will make available to the Company sufficient funds to meet its payment obligations to the creditors in question. At the end of 2010 a fee of € 18 was due by the Company to SABIC under the guarantee agreement (mainly 1% of the € 750 Eurobond, 1% of the average outstanding amount of the multicurrency revolving syndicated credit facility of SABIC Europe B.V. and 1% of the $ 1,000 US dollar bond). For 2011 the fee amounted to € 25 and was fully paid by the SABIC Capital Group to SABIC. In 2010 SABIC agreed to unconditionally and irrevocably waive the payment of the fee. This amount was recorded through the consolidated statement of changes in equity as a shareholder’s contribution.

The tax impact of the movements directly recorded in equity in 2011 amount to nil (2010: nil).

Dividends paid
The Company has not paid any dividends in 2011 or 2010.
10. Interest bearing loans and borrowings

<table>
<thead>
<tr>
<th>Effective interest rate</th>
<th>Maturity</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eurobond</td>
<td>5.64%</td>
<td>2013</td>
<td>734</td>
</tr>
<tr>
<td>US dollar bond</td>
<td>3.19%</td>
<td>2015</td>
<td>768</td>
</tr>
<tr>
<td>Multicurrency revolving credit facility</td>
<td>Libor/Euribor + 40 bps</td>
<td>2016</td>
<td>163</td>
</tr>
<tr>
<td>Intercompany loans SABIC</td>
<td>6.15% — 8.82%</td>
<td>2018</td>
<td>997</td>
</tr>
<tr>
<td>Intercompany loans SABIC</td>
<td>5.47% — 5.67%</td>
<td>2021</td>
<td>1,794</td>
</tr>
<tr>
<td><strong>Total interest bearing loans and borrowings</strong></td>
<td></td>
<td><strong>4,456</strong></td>
<td><strong>2,389</strong></td>
</tr>
</tbody>
</table>

Eurobond
The Eurobond of € 750 is listed on the non-regulated market in London, United Kingdom. Based on the effective interest rate of 5.64% (excluding the guarantee fee to be paid to SABIC), an amortization amount of € 7 (2010: € 7) was added to the carrying amount of the loan in the current financial year, resulting in an amortized cost for a net value of € 734.

US dollar bond
The Company’s $ 1,000 (€ 773) bond, with maturity on November 2, 2015, carries a coupon of 3% and is listed on the non-regulated market in London, United Kingdom. The effective interest rate, including amortization of debt issuance cost, is 3.19% (excluding the guarantee fee to be paid to SABIC). The bond is accounted for against amortized costs for a net value of $ 991 (€ 768). The difference is capitalized as debt issuance costs over which an amount of € 1 was amortized in 2011.

Multicurrency revolving credit facility
In June 2011, the SABIC Capital Group entered into a five-year multicurrency revolving credit facility totalling $ 2,000 (€ 1,546) with a syndicate of banks. This facility bears interest at floating rate LIBOR for US dollar or EURIBOR for Euro, as appropriate, plus a specified margin, and is equally available for all SABIC Capital Group members up to the total amount of the facility. The Company as of December 31, 2011 has drawn €163. The unused amount at the end of 2011 amounted to approximately $ 1,571 (€ 1,215) for the SABIC Capital Group.

Intercompany loans from SABIC
On several occasions since its inception the Company received several intercompany loans from SABIC. All such borrowings prior to 2011 have a maturity date of March 31, 2018 and bear pay-in-kind fixed rates varying from 6.15% to 8.82%.

The following 2011 borrowings have a maturity date of December 31, 2021 and bear fixed rates:

- An intercompany loan of $ 1,021 (Euro equivalent € 789) was received from SABIC in August 2011. The interest rate is fixed at 5.67% and payable every quarter end. The repayment is due on December 31, 2021.
- An intercompany loan of $ 1,300 (Euro equivalent € 1,005) was received from SABIC in November 2011 (2 tranches) and December 2011. The interest rate is fixed at 5.47% and payable every quarter end. The repayment is due on December 31, 2021.
11. Other payables

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax due to related party</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Other payables due to related parties</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total other payables</strong></td>
<td><strong>9</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

Accrued interest relates to interest to be paid on the Eurobond and the US dollar bond.

12. Commitment and contingencies

Guarantees
The Company being part of a fiscal unity is jointly and severally liable for all tax liabilities due by the tax parent company until the tax unity ceases. The Company is also included in a Dutch Value Added Tax (“VAT”) unity headed by SABIC Holding Europe B.V., a related party.

Financial indebtedness and guarantees
The Company’s lending is guaranteed by SABIC, which will make available to the Company sufficient funds to meet its payment obligations as and when the same become due and payable. Such undertaking is not limited in time or amount. The Company uses such funds for financing other companies of the SABIC Group.

In November 2011, the € 1,250 multicurrency revolving syndicated credit facility of SABIC Europe was repaid to the lenders.

The two one-year revolving credit facility agreements with two third party lenders for a nominal amount of each $ 300, entered into by the Company in September 2010, terminated in 2011.

In September 2010, the Company, as lender, has entered into a $ 1,000 (€ 773) three-year intercompany committed unsecured revolving credit agreement with a related party, SABIC Innovative Plastics Holding B.V., as borrower.

In June 2011, the SABIC Capital Group entered into a five-year multicurrency revolving credit facility totalling $ 2,000 (€ 1,546) with a syndicate of banks. The unused amount at the end of 2011 amounted to approximately $ 1,571 (€ 1,214) for the SABIC Capital Group.
13. Notes to the statement of cash flows

The cash flows related to paid and received interest, guarantee fee and income tax as included in the net cash provided by operating activities is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest paid</td>
<td>(79)</td>
<td>(36)</td>
</tr>
<tr>
<td>Guarantee fee paid</td>
<td>(24)</td>
<td>—</td>
</tr>
<tr>
<td>Interest received</td>
<td>78</td>
<td>45</td>
</tr>
<tr>
<td>Guarantee fee received</td>
<td>24</td>
<td>—</td>
</tr>
<tr>
<td>Corporate income tax paid</td>
<td>(1)</td>
<td>—</td>
</tr>
</tbody>
</table>

14. Related party transactions

During the years 2011 and 2010, the Company has had regular and non-recurring business transactions with companies connected to SABIC. These companies are being referred to as related parties. The majority of the transactions presented in the statement of income and the statement of financial position are with SABIC and SABIC Holding Europe B.V.

All relations and transactions with related parties, including but not limited to fees, financial income and financial expenses, have been included as follows in the statement of income and the statement of financial position:

**Statement of income:**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance income</td>
<td>157</td>
<td>105</td>
</tr>
<tr>
<td>Guarantee support fee</td>
<td>24</td>
<td>18</td>
</tr>
<tr>
<td>Finance expense</td>
<td>(91)</td>
<td>(58)</td>
</tr>
<tr>
<td>Guarantee support fee</td>
<td>(24)</td>
<td>(18)</td>
</tr>
</tbody>
</table>

**Statement of financial position:**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other financial assets – intercompany loans receivable</td>
<td>4,411</td>
<td>2,391</td>
</tr>
<tr>
<td>Other receivables</td>
<td>50</td>
<td>48</td>
</tr>
<tr>
<td>Intercompany loans payable</td>
<td>(2,791)</td>
<td>(915)</td>
</tr>
<tr>
<td>Income tax due to related party</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Other payables</td>
<td>(1)</td>
<td>—</td>
</tr>
</tbody>
</table>

**Terms and conditions of transactions with related parties**

The transactions with related parties are made at terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables, other than disclosed in Note 12. For the year ended December 31, 2011, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2010: nil). This assessment is undertaken each
financial year through examining the financial position of the related party and the market in which the
related party operates.

15. Financial risk management objectives and policies

The Company’s principal financial liabilities comprise loans and borrowings and other payables contracted
to raise funding for further financing operations of SABIC Group subsidiaries that are located in Europe,
Asia and Americas. The Company’s financial assets include intercompany loans and other receivables,
participation in the Syndicated facility (reference is made to Note 7), and cash and short-term deposits that
arrive directly from its financing activities.

The Company is exposed to market risk, credit risk and liquidity risk.

The SABIC Capital group ensures that the Company’s financial risk-taking activities are governed by
appropriate policies and procedures and that financial risks are identified, measured and managed in
accordance with group policies and group risk profile. The Company does not have any derivative financial
instruments at the end of 2011 and 2010.

The Board of Directors reviews and manages each of these risks, which are summarised below.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because
of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and
other price risk. Financial instruments affected by market risk include loans and borrowings.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate
because of changes in market interest rates. The SABIC Capital group manages its interest rate risk by
having a balanced portfolio of fixed and variable rate loans and borrowings. The group’s policy is to
maintain between 50% and 100% of its borrowings at fixed rates.

To manage this, the group enters into interest rate swaps if necessary, in which the group agrees to exchange,
at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference
to an agreed-upon notional principal amount.

As per the end of 2011 and 2010, for interest bearing loans and borrowings the group had only limited
exposure to the risk of changes in market interest rates as all loans given and taken carry fixed interest rates,
except the multicurrency revolving credit facilities. Furthermore, the interest rate risk for the group is limited
as the loans are back to back using the same interest rate plus a mark-up for the interest on the loan
receivables.

The exposure is on the intercompany receivable (2011: € 39; 2010: € 35). The interest receivable on the
intercompany receivable is based on 1 month Euribor minus 0.125%.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all
other variables held constant, of the Company’s profit before tax (through the impact on floating rate
borrowings).
Foreign currency risk
The Company operates internationally and is primarily exposed to foreign exchange risk arising from loan related USD exposures. The foreign exchange risk arising from loans denominated in USD is limited to the Company as the cash outflows, loans issued, are offset, through a natural hedge, by cash inflows and loans received. The effect of a reasonable change in result before taxation is assessed as not material.

Credit and counterparty risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or contract, resulting in a financial loss. The Company is exposed to credit risk from its financing activities, including loans to other companies of the SABIC group, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company has a policy to manage exposure to counterparty risk represented by possible defaults on financial instruments by monitoring the concentration of risk that it has with any individual bank or counterparty and through the use of minimum credit quality standards for accepting counterparties. As per the end of 2011, the Company does not have financial instruments in place with third parties.

As per the end of 2011, the Company has financing activities mainly with related parties, primarily through SABIC Holding Europe B.V. With respect to loans to related parties, the Company acts as intermediate between its ultimate shareholder SABIC or the capital markets and the related party companies and bears a pre-defined and limited credit risk.

With respect to the intercompany loans by the Company to SABIC Holding Europe B.V. for which the Company has borrowed a corresponding amount from SABIC, individual limitation of recourse letters have been entered into between the three companies, whereby, among others, the Company’s exposure to a default of the borrower under the intercompany loan agreement is limited to the maximum amount of € 2 per intercompany loan and the assignment of such intercompany loan to SABIC.

With respect to the issuance of the fixed rate Eurobond in December 2008 and the US dollar bond issuance in November 2010, SABIC has issued a direct guarantee for the benefit of the bondholders.

Liquidity risk
The Company monitors its risk of a shortage of funds using forecasting models to model impacts of operational activities on overall liquidity availability. The Company’s objective is to maintain a balance between continuity of funding and flexibility through the use of various sources of liquidity.

The tables below summarize the maturity profile of the Company’s financial liabilities at December 31, based on undiscounted contractual payments:

<table>
<thead>
<tr>
<th>Increase (decrease) in basis points</th>
<th>Effect on income (loss) before taxation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 month Euribor</td>
<td></td>
</tr>
<tr>
<td>December 31, 2010 versus December 31, 2011</td>
<td>19</td>
</tr>
<tr>
<td>1% charge</td>
<td>100</td>
</tr>
</tbody>
</table>

1) effect on equity equals effect on income before taxation.
Interest bearing loans and borrowings 232 2,487 3,384 6,103
Other payables 9 — — 9

The increase in future undiscounted contractual payments is caused by the increase of interest bearing loans and borrowings and because all payable interest on the intercompany loans is being added to the nominal amount of the loan. The capitalised interest is added to the loan amount and as from that moment becomes interest bearing.

Capital management
Capital represents equity attributable to the owners of the Company. The primary objective to the Company’s capital management is to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objective, policies or processes in 2011.

Fair values
The Company has categorized its financial assets and liabilities into a three-level fair value hierarchy, based on the nature of the inputs used in determining fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

Following is a description of each category in the fair value hierarchy and the financial assets and liabilities of the Company that are included in each category at December 31, 2011:

- Level 1: Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market.
- Level 2: Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3: Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management’s own assumptions about the assumptions a market participant would use in pricing the asset or liability.

All fair value measurements of financial assets and liabilities as reported in these financial statements can be categorized as Level 2.

Set out below is a comparison by class of the carrying amounts and fair value of the Company’s financial instruments that are carried in the financial statements as of December 31:
### Financial assets

<table>
<thead>
<tr>
<th></th>
<th>Carrying amount</th>
<th></th>
<th>Fair value</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>4,458</td>
<td>2,391</td>
<td>4,998</td>
<td>2,649</td>
</tr>
<tr>
<td>Other receivables</td>
<td>50</td>
<td>48</td>
<td>50</td>
<td>48</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1</td>
<td>—</td>
<td>1</td>
<td>—</td>
</tr>
</tbody>
</table>

### Financial liabilities

<table>
<thead>
<tr>
<th></th>
<th>Carrying amount</th>
<th></th>
<th>Fair value</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Interest bearing loans and borrowings</td>
<td>4,456</td>
<td>2,389</td>
<td>4,957</td>
<td>2,644</td>
</tr>
<tr>
<td>Other payables</td>
<td>9</td>
<td>8</td>
<td>9</td>
<td>8</td>
</tr>
</tbody>
</table>

The fair value of the financial assets and liabilities is included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents, other receivables and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of the fixed rate financial assets and fixed rate borrowing is based on interest rate quotations in active markets at the balance sheet date. The fair value of unquoted instruments, loans from banks and other financial indebtedness, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.

#### 16. Employee information

The Company had no employees in 2011 (2010: nil).

**Remuneration key management of the Company**

The key management of the Company are remunerated for their services at SABIC Capital B.V. The remuneration for the whole SABIC Capital group is recorded in the financial statements of SABIC Capital B.V.

**Remuneration of the Managing Board**

The sole managing director of the Company is its shareholder SABIC Capital B.V., whose directors are remunerated for their services by SABIC Capital B.V.

#### 17. Auditor’s fee

The independent auditors’ fee amounting € 0.01 (2010: € 0.01) are charged by the independent auditor of the Company.
Amsterdam, April 5, 2012

SABIC Capital I B.V.
represented by its sole managing director SABIC Capital B.V.

/s/ M.A. Khan

M.A. Khan

/s/ M.R. De Groot

M.R. De Groot
Other Information

Appropriation of result for the period

According to Article 14 of the Articles of Association of SABIC Capital I B.V. the profit is at the disposal of the General Meeting of Shareholders.

Subsequent events

Based on a management re-assessment of the Company’s currency cash flows, the Company has changed its functional currency as of January 1, 2012 from Euro into US dollar. The change of the functional currency will have limited impact on equity and the statement of income as all loans received are offset by similar loans given.
INDEPENDENT AUDITORS’ REPORT

To: the Managing Board and Shareholder of SABIC Capital I B.V.

Report on the financial statements

We have audited the accompanying financial statements 2011 of SABIC Capital I B.V., Amsterdam, which comprise the statement of financial position as at December 31, 2011, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

Management's responsibility
Management 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 by the managing board in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management 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.

Auditors' 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 financial statements
In our opinion, the financial statements give a true and fair view of the financial position of SABIC Capital I B.V. as at December 31, 2011 and of its result and its cash flows for the year then ended in

**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 by the managing board, 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 by the managing board, 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.

Eindhoven, April 5, 2012

Ernst & Young Accountants LLP

\textit{\textasciitilde P.J.A. Gabriëls}
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