

**BASF METAL FORWARDS LIMITED**  
**(formerly ENGELHARD INTERNATIONAL LIMITED)**

**Directors' report and financial statements for the year ended**

**31 December 2012**

Company Registration No 03101215

SATURDAY



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**BASF METAL FORWARDS LIMITED**  
**Registration Number: 03101215**  
**Directors' report for the year ended 31 December 2012.**

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**BASF METAL FORWARDS LIMITED**  
**Registration Number: 03101215**  
**Directors' report for the year ended 31 December 2012.**

The directors present their report and the financial statements of BASF Metal Forwards Limited (the Company) for the year ended 31 December 2012

**Principal activity**

The Company's principal activity is to facilitate platinum group hedging on behalf of its customers. The Company is authorised and regulated by the Financial Conduct Authority (previously known as the Financial Services Authority) to conduct investment business under the Financial Services and Markets Act 2000. The Company was an Associate Member of the London Platinum and Palladium Market during 2012, and became an Affiliate during 2013.

**Review of business and future developments**

*Overview*

The profit for the financial year was \$447,000 (2011: profit \$1,792,000). The equity shareholders' funds at the year end were \$53,472,000 (2011: \$53,025,000).

The Company intends to increase its customer base (that is the number of consumers that hedge their forward platinum group metals price exposure by way of cash settled hedging), thus expanding its own activities.

*Objectives*

The main objective of the Company is to grow its platinum group metals hedging services which in turn benefit the activities of other BASF group companies.

*Key Performance Indicators*

One of the main key performance indicators for the Company is the volume of platinum group metal traded. This benefits the activities of other BASF group companies and for this the Company earns a return. The volume of trades is impacted by the overall price environment for platinum group metals as well as the economic situation.

The other key performance indicator for the Company is profit before tax, with emphasis on dealing income and operating results.

## **BASF METAL FORWARDS LIMITED**

**Registration Number: 03101215**

**Directors' report for the year ended 31 December 2012 (continued)**

### ***Risks and Uncertainties***

Exposure to credit, market and liquidity risk arises in the normal course of the Company's business

#### **Credit risk**

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit.

Transactions involving derivatives are with counterparties with whom the Company has a signed netting agreement.

#### **Currency risk**

The Company is exposed to foreign exchange risk as a result of having financial assets and liabilities in foreign currencies. The Company enters into non-US dollar metal trades which are hedged using forward foreign currency contracts to minimise the exposure.

#### **Market risk**

Market risk is constantly monitored by a combination of reports and market information systems.

#### **Liquidity risk**

Liquidity is monitored daily to ensure the Company is able to honour all its financial liabilities as they fall due. The Company has access to a variety of deposit sources which provide access to considerable funding.

#### **Operational risk**

The Company seeks to minimise operational risk through clearly defined processes/responsibilities for management and staff. This is done through comprehensive daily risk monitoring and regular self-assessment of processes and controls to identify any weaknesses.

### **Dividends**

The directors do not recommend the payment of a dividend (2011: \$nil).

### **Directors**

The following persons have been directors of the Company during the year:

A C Dunne

T B Jensen

D Carter

J Metcalf

The directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

### **Political and charitable contributions**

The Company made no political or charitable donations or incurred any political expenditure during the year (2011: \$nil).

**BASF METAL FORWARDS LIMITED**

**Registration Number: 03101215**

**Directors' report for the year ended 31 December 2012 (continued)**

**Disclosure of information to auditors**

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

**Auditors**

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

ON BEHALF OF THE BOARD



A C Dunne  
Director

21<sup>st</sup> Floor  
Heron Tower  
110 Bishopsgate  
London  
United Kingdom  
EC2N 4AY

Date 23 April 2013

## **BASF METAL FORWARDS LIMITED**

**Registration Number: 03101215**

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

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

## **BASF METAL FORWARDS LIMITED**

**Registration Number: 03101215**

### **Independent auditor's report to the member of BASF Metal Forwards Limited**

We have audited the financial statements of BASF Metal Forwards Limited for the year ended 31 December 2012 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**SAMER HIGAZI**

**Samer Higazi (Senior Statutory Auditor)**

**For and on behalf of KPMG Audit Plc, Statutory Auditor**

**Chartered Accountants**

**15 Canada Square**

**London**

**E14 5GL**

**United Kingdom**

**23 April 2013**

**BASF METAL FORWARDS LIMITED****Registration Number: 03101215****Profit and loss account for the year ended 31 December 2012**

	<b>Note</b>	<b>2012 \$000</b>	<b>2011 \$000</b>
Dealing Income		7	-
Administrative expenses		(431)	(552)
Other operating income / (expenses)	3	133	(2)
		<hr/>	<hr/>
Operating loss	4	(291)	(554)
Interest receivable and similar income	5	-	80
		<hr/>	<hr/>
Loss on ordinary activities before tax		(291)	(474)
Tax on loss on ordinary activities	6	738	2,266
		<hr/>	<hr/>
Profit for the financial year		447	1,792
		<hr/> <hr/>	<hr/> <hr/>

There is no difference between the profit for the financial year as stated above and its historical cost equivalent with exception to the accounting for stocks and open contracts held for dealing purposes as detailed in Note 1(b).

The Company has no recognised gains or losses for the current and previous financial years other than those stated in the profit and loss account

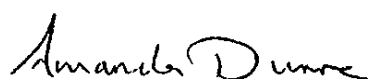
The accompanying notes from page 9 to 16 form an integral part of these financial statements



**BASF METAL FORWARDS LIMITED**  
**Registration Number: 03101215**  
**Balance Sheet - 31 December 2012**

	Note	2012 \$000	2011 \$000
Investments – Available for sale securities	7	7	7
<b>CURRENT ASSETS</b>			
Debtors amounts falling due within one year	8	4,490	15,132
Cash at bank and in hand		51,081	49,993
		<hr/>	<hr/>
		55,571	65,125
<b>CREDITORS</b>			
Amounts falling due within one year	9	(2,106)	(12,107)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		53,465	53,018
		<hr/>	<hr/>
<b>NET ASSETS</b>		53,472	53,025
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	41,750	41,750
Profit and loss account		11,722	11,275
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDER'S FUNDS</b>		53,472	53,025
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 23 April 2013 and were signed on its behalf by.



A C Dunne  
Director

The accompanying notes from page 9 to 16 form an integral part of these financial statements

**BASF METAL FORWARDS LIMITED****Registration Number: 03101215****Reconciliation of Movements in Shareholders' Funds - 31 December 2012**

	<b>2012</b> <b>\$000</b>	<b>2011</b> <b>\$000</b>
Balance at start of year	53,025	51,233
Profit for the financial year	447	1,792
	<hr/>	<hr/>
Balance at end of year	53,472	53,025
	<hr/>	<hr/>

The accompanying notes from page 9 to 16 form an integral part of these financial statements

# **BASF METAL FORWARDS LIMITED**

**Registration Number: 03101215**

**Notes to the financial statements - 31 December 2012**

## **1 ACCOUNTING POLICIES**

### **(a) Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom, except for the departure from the requirements of the Companies Act 2006 in order to give a true and fair view which is explained in notes 1(b) and 1(e). A summary of the significant accounting policies, which have been applied consistently throughout the year and preceeding years is set out below

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

The Company has taken advantage of the exemption from the disclosure requirements under FRS 29 on the grounds that its ultimate parent undertaking prepares consolidated financial statements, which are publicly available and will include the disclosure requirements of FRS 29 or its equivalent

As 100% of the Company's voting rights are controlled within the group headed by BASF Societas Europaea, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group

### **(b) Stocks**

Metal stocks are valued at market prices in accordance with established industry practice. Revaluation gains and losses resulting from the application of this policy are taken to the profit and loss account. This represents a departure, as far as gains are concerned, from the Companies Act 2006 and SSAP 9 – Stocks and long term contracts.

The directors consider that this departure is necessary in order that the financial statements should give a true and fair view of the results of the Company's dealing activities, in accordance with section 396(5) & 404(5) of the Companies Act 2006. The directors consider that it is not practicable, and moreover would be misleading, to quantify the effects of non-compliance with the Act.

### **(c) Going concern basis**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 1 to 3. The company has considerable financial resources and the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis for accounting in preparing the annual financial statements.

# **BASF METAL FORWARDS LIMITED**

**Registration Number: 03101215**

**Notes to the financial statements - 31 December 2012 (continued)**

## **1 ACCOUNTING POLICIES (continued)**

### **(d) Translation of foreign currencies**

The currency of the majority of trading transactions is the United States Dollar (US\$) and these financial statements are therefore denominated in that currency

Where contracts are entered into for the forward purchase or sale of other currencies, the related transactions are translated into US\$ at the contract rates. Where such currency contracts are not entered into, transactions other than US\$ are translated into US\$ at the rates of exchange prevailing at the time those transactions are accounted for.

Non-monetary assets and liabilities denominated in currencies other than US\$ are translated at their historical rate of exchange.

Other non-US\$ denominated assets and liabilities not covered by foreign currency contracts are translated into US\$ at the closing rates of exchange at the balance sheet date. All differences arising are taken to the profit and loss account. The exchange rate used at the year end was US\$1.617 £1 (2011: US\$1.549 £1).

### **(e) Dealing income/(loss)**

The directors believe that turnover and cost of sales do not have meaningful equivalents for the business of the Company and, in keeping with similar businesses, these items have not been separately disclosed in the profit and loss account. The directors consider that dealing income, which comprises profits and losses from dealing in metal commodities, is a more relevant measure of activity.

### **(f) Taxation**

Provision is made for corporation tax at current rates on the profits as adjusted for tax purposes.

### **(g) Deferred taxation**

Deferred tax is recognised in respect of all timing differences where transactions or events that have originated but not reversed at the balance sheet date result in an obligation to pay more tax in the future, or a right to pay less tax in the future.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

### **(h) Offsetting**

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

## **BASF METAL FORWARDS LIMITED**

Registration Number: 03101215

Notes to the financial statements - 31 December 2012 (continued)

### **1 ACCOUNTING POLICIES (continued)**

#### **(i) Financial instruments**

A financial instrument is recognised if the Company becomes party to the contractual provisions of the instrument. The company classifies its financial instruments as per the categories set out below. Management determines the classification of the financial instruments at initial recognition and re-evaluates this designation at every reporting date.

##### **(i) Held-for-trading**

Derivative financial assets comprise precious metal forwards, futures and options held for trading and foreign exchange forwards contracts. These are recognised at fair value with transaction costs being recognised in the profit and loss account. Gains and losses on these financial assets are recognised in the profit and loss account as they arise. All unrealised gains and losses from exchange traded futures, options, OTC options and forward exchange contracts represent mark-to-market assets and liabilities are included in debtors and creditors respectively. Market values of positions are determined using quoted prices and other market data which is a close approximation of fair value.

##### **(ii) Loans and receivables**

Non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market are classified as loans and receivables. They are initially recognised at fair value and subsequently carried at amortized cost using the effective interest rate method less any allowance for impairment.

##### **(iii) Available for sale**

Financial assets not classified as one of the above categories are classified as available for sale. Available for sale assets are initially recognised at fair value, and subsequently measured at fair value with gains and losses being charged to equity. Fair value is used except in instances where the fair value cannot be reliably determined.

##### **(iv) Financial liabilities**

Financial liabilities are initially recognised at fair value on the date the contract is entered into. Subsequently, with the exception of derivative financial liabilities, financial liabilities are measured at amortised cost.

#### **(j) Impairment losses on non derivative financial assets**

The Company assesses, as at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in FRS 26 ("Financial Instruments Recognition and Measurement") and the relevant implementation guidance.

#### **(k) Derecognition**

Financial assets and liabilities are recognised and derecognised according to the substance of the transactions.

Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire, or if the Company transfers the financial assets to another party without retaining control or substantially all risks and rewards of the assets. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

**BASF METAL FORWARDS LIMITED**

Registration Number: 03101215

Notes to the financial statements - 31 December 2012 (continued)

**2 SEGMENTAL ANALYSIS**

The Company had only one class of business, that of dealing in metal commodities and their derivatives. The directors are of the opinion that it would be seriously prejudicial to the interests of the Company to give separate disclosure of dealing income by destination.

**3 OTHER OPERATING INCOME / (EXPENSES)**

	<b>2012</b> <b>\$000</b>	<b>2011</b> <b>\$000</b>
Foreign exchange gain / (loss)	133	(2)
	<u>133</u>	<u>(2)</u>

**4 OPERATING LOSS**

Operating loss is stated after charging

	<b>2012</b> <b>\$000</b>	<b>2011</b> <b>\$000</b>
Auditors Remuneration		
Audit of financial statements pursuant to legislation:		
- Statutory	27	26
Audit of financial statements pursuant to legislation		
- Regulatory	13	13
	<u>40</u>	<u>39</u>

**5 INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2012</b> <b>\$000</b>	<b>2011</b> <b>\$000</b>
Group undertakings	-	45
Other loans and receivables	-	35
	<u>-</u>	<u>80</u>

**BASF METAL FORWARDS LIMITED**

Registration Number: 03101215

Notes to the financial statements - 31 December 2012 (continued)

**6 TAX ON LOSS ON ORDINARY ACTIVITIES**

	2012 \$000	2011 \$000
(a) Analysis of credit in year		
Current tax on income for the year	(96)	(125)
Adjustments in respect of previous periods	(642)	(2,141)
	<u>(738)</u>	<u>(2,266)</u>
Total current tax (note 6(b))	(738)	(2,266)
Deferred Tax		
Adjustment in respect of previous years	-	-
	<u>(738)</u>	<u>(2,266)</u>
	<u><u>(738)</u></u>	<u><u>(2,266)</u></u>
(b) Factors affecting tax credit for the year		
The current tax credit for the period is higher (2011 higher) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below		
Loss on ordinary activities before tax	(291)	(474)
	<u>(291)</u>	<u>(474)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	(72)	(126)
Effect of		
Expenses not deductible for tax purposes		1
Tax-free Income	(24)	-
Adjustments in respect of previous periods	(642)	(2,141)
	<u>(738)</u>	<u>(2,266)</u>
	<u><u>(738)</u></u>	<u><u>(2,266)</u></u>

The 2012 Autumn Statement on 5 December 2012 announced that the UK corporation tax rate will reduce to 21% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax.

**BASF METAL FORWARDS LIMITED**

Registration Number: 03101215

Notes to the financial statements - 31 December 2012 (continued)

**7 AVAILABLE FOR SALE SECURITIES**

The \$7,000 (2011 \$7,000) investment represents 5,185 (2011 5,185) €1 ordinary shares in LCH Clearnet Group Limited. The investment is treated as available for sale and is stated at historical cost, as its fair value cannot be reliably determined.

As at 31 December 2012, the company held 8,000 1p B shares in LME Holdings Limited, which were allocated to the Company for nil consideration when it was an Associate Broker Clearing Member.

The directors believe that since there is no active market for the shares, it is appropriate to record them at a carrying value of nil.

**8 DEBTORS: amounts falling due within one year**

	<b>2012</b>	<b>2011</b>
	<b>\$000</b>	<b>\$000</b>
Mark-to-market asset	1,763	12,045
Amounts owed by group undertakings	-	182
Other Debtors	2	-
Corporation tax receivable	2,725	2,905
	<u>4,490</u>	<u>15,132</u>

**9 CREDITORS: amounts falling due within one year**

	<b>2012</b>	<b>2011</b>
	<b>\$000</b>	<b>\$000</b>
Trade creditors	-	8
Mark-to-market liability	1,763	12,045
Amounts owed to group undertakings	343	54
	<u>2,106</u>	<u>12,107</u>

**10 CALLED UP SHARE CAPITAL**

	<b>2012</b>	<b>2011</b>
	<b>\$000</b>	<b>\$000</b>
Authorised, issued and fully paid 25,000,000 ordinary shares of £1 each	<u>41,750</u>	<u>41,750</u>



**BASE METAL FORWARDS LIMITED**

Registration Number: 03101215

Notes to the financial statements - 31 December 2012 (continued)

**11 DIRECTORS' EMOLUMENTS**

None of the directors were employed by the Company. T B Jensen and D Carter were employed by a subsidiary of the ultimate parent company and did not receive any emoluments for their services as directors of the Company. The emoluments of A C Dunne and J Metcalf attributable to the Company were as follows

	2012 \$000	2011 \$000
Aggregate emoluments	19	26
Company pension contributions to money purchase schemes	1	1
	<u>20</u>	<u>27</u>
Number of directors accruing retirement benefits		
Defined benefits scheme	-	-
Money purchase scheme	2	2
	<u>2</u>	<u>2</u>
<b>Highest Paid Director</b>		
Aggregate emoluments	19	26
Accrued pension	-	-
Company pension contributions to money purchase scheme	1	1
	<u>20</u>	<u>27</u>

**12 EMPLOYEE INFORMATION**

The Company does not have any employees. Staff are employed by a subsidiary of the ultimate parent company which recharges costs attributable to work undertaken for the Company

**13 CONTINGENT LIABILITIES**

As a result of group registration for UK VAT purposes the Company is contingently liable for the VAT liabilities of certain other group and associate undertakings. As at the balance sheet date the group is in a net reclaimable position with respect to VAT and therefore the maximum potential contingent liability of the Company is Nil (2011 Nil)

**14 COMMITMENTS**

The Company has financial commitments and contingencies which arise from forward foreign exchange, commodity options, forwards and future contracts entered into in the normal course of business

All other lease contracts are entered into by a fellow subsidiary of the ultimate parent company. The Company is recharged a proportion of these costs each month

## **BASF METAL FORWARDS LIMITED**

**Registration Number: 03101215**

**Notes to the financial statements - 31 December 2012 (continued)**

### **15 IMMEDIATE PARENT COMPANY**

The Company is a wholly owned subsidiary of BASF Catalysts UK Holdings Limited, a company registered in England and Wales. The directors of the Company consider BASF Catalysts UK Holdings Limited to be the Company's controlling party.

### **16 ULTIMATE PARENT COMPANY**

The Company's ultimate parent company is BASF Societas Europaea ("BASF SE"), (formerly BASF Aktiengesellschaft) a company incorporated in Germany. BASF SE is the largest and smallest group for which consolidated financial statements are prepared.

Copies of BASF SE's consolidated financial statements may be obtained from BASF Societas Europaea, D67056 – Ludwigshafen, Germany.

**BASF METAL FORWARDS LIMITED**  
**Registration Number: 03101215**  
**Unaudited Information - 31 December 2012**

Appendix A

***Pillar 3 disclosure***

Under Chapter 11 of the FSA's Prudential Sourcebook for Banks, Building Societies and Investment Firms ('BIPRU'), it requires Exempted BIPRU Commodities firms to make certain disclosures to market participants. These are known as Pillar 3 disclosures.

Disclosures are prepared by the Company in conjunction with preparation of the annual statutory accounts of 2012. A full copy of Pillar 3 Disclosure can be requested by writing to the Compliance Officer at 21<sup>st</sup> Floor, Heron Tower, Bishopsgate, EC2N 4AY, United Kingdom. It will be sent by mail or electronic format as requested by any interested parties.