



Q4/FY'2012 Analyst Conference

Ludwigshafen, February 26, 2013

 **BASF**

The Chemical Company

Cautionary note regarding forward-looking statements

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BASF increased sales and earnings

Business performance	Q4'12	vs. Q4'11	FY'12	vs. FY'11
▪ Sales	€19.6 billion	+9%	€78.7 billion	+7%
▪ EBITDA	€2.7 billion	(8%)	€12.5 billion	+4%
▪ EBIT before special items	€1.8 billion	+18%	€8.9 billion	+5%
▪ EBIT	€1.6 billion	(16%)	€9.0 billion	+5%
▪ Net income	€1.0 billion	(13%)	€4.9 billion	(21%)
▪ Reported EPS	€1.06	(14%)	€5.31	(21%)
▪ Adjusted EPS	€1.35	+29%	€5.71	(9%)
▪ Operating cash flow	€1.6 billion	(24%)	€6.7 billion	(5%)

Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q4'12 vs. Q4'11	↑ 6%	↑ 1%	0%	↑ 2%
FY'12 vs. FY'11	↑ 3%	↑ 1%	↓ (1%)	↑ 4%

Ongoing portfolio development

Upstream



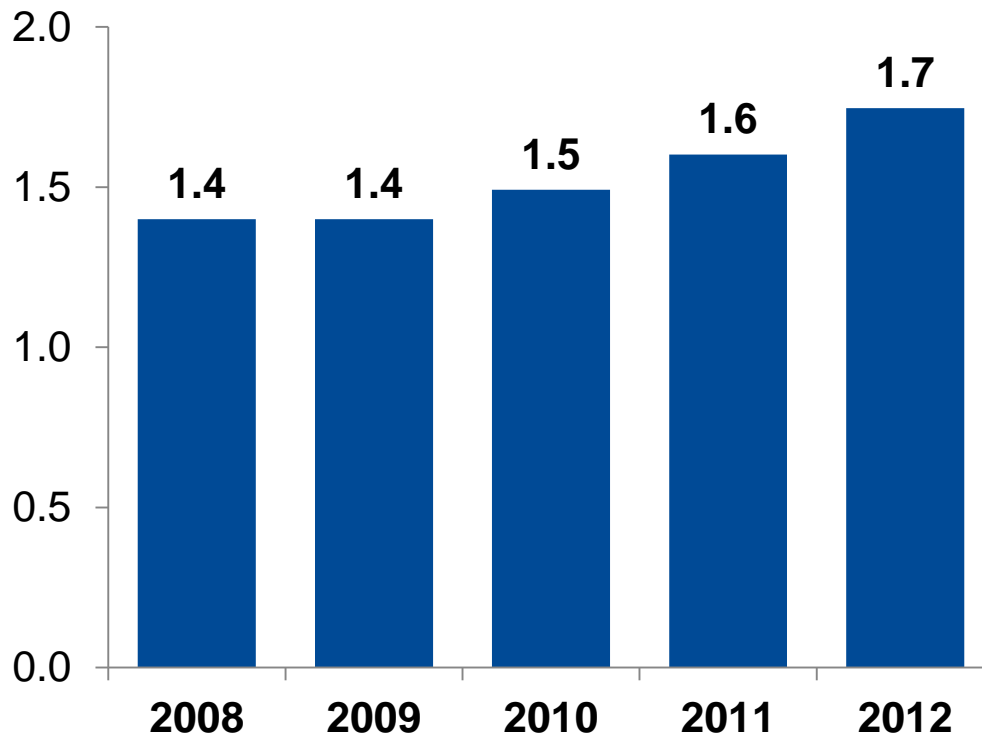
Downstream



Strong commitment to R&D

R&D expenditures

(billion €)



Key facts

- €1.7 billion R&D expenditures in 2012
- Increase of R&D spending planned for 2013
- ~10,500 employees in R&D
- ~3,000 projects
- Research Verbund:
About 1,950 partnerships with universities, start-ups and industry partners
- Target 2020:
€30 billion in sales from innovations younger than 10 years

Innovation example: BOOST™ cushioning material



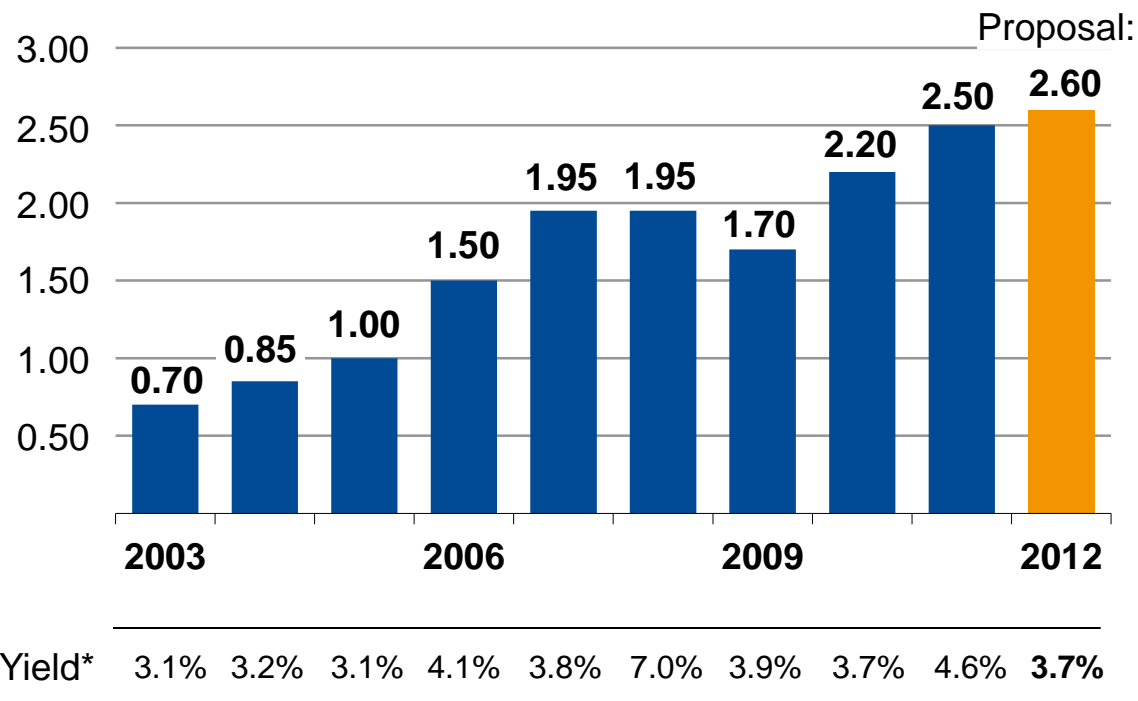
Photo: adidas

Key facts

- Joint development with adidas, illustrating our customer focus
- Revolutionary cushioning technology that provides highest energy return in the running industry
- Solid granular material (TPU) is literally blown up and turned into thousands of small energy capsules
- With their unique cell structure, these energy capsules store and unleash energy more efficiently in every stride

Attractive shareholder return

Dividend per share (€)



* Dividend yield based on share price at year-end

Key facts

- Dividend proposal of €2.60 per share (+4%)
- Average annual dividend increase of 15.7% (2003-2012)
- Attractive dividend yield of 3.7% in 2012**
- Dividend yield above 3% in any given year since 2003

** Based on BASF share price of €71.15 on Dec 28, 2012

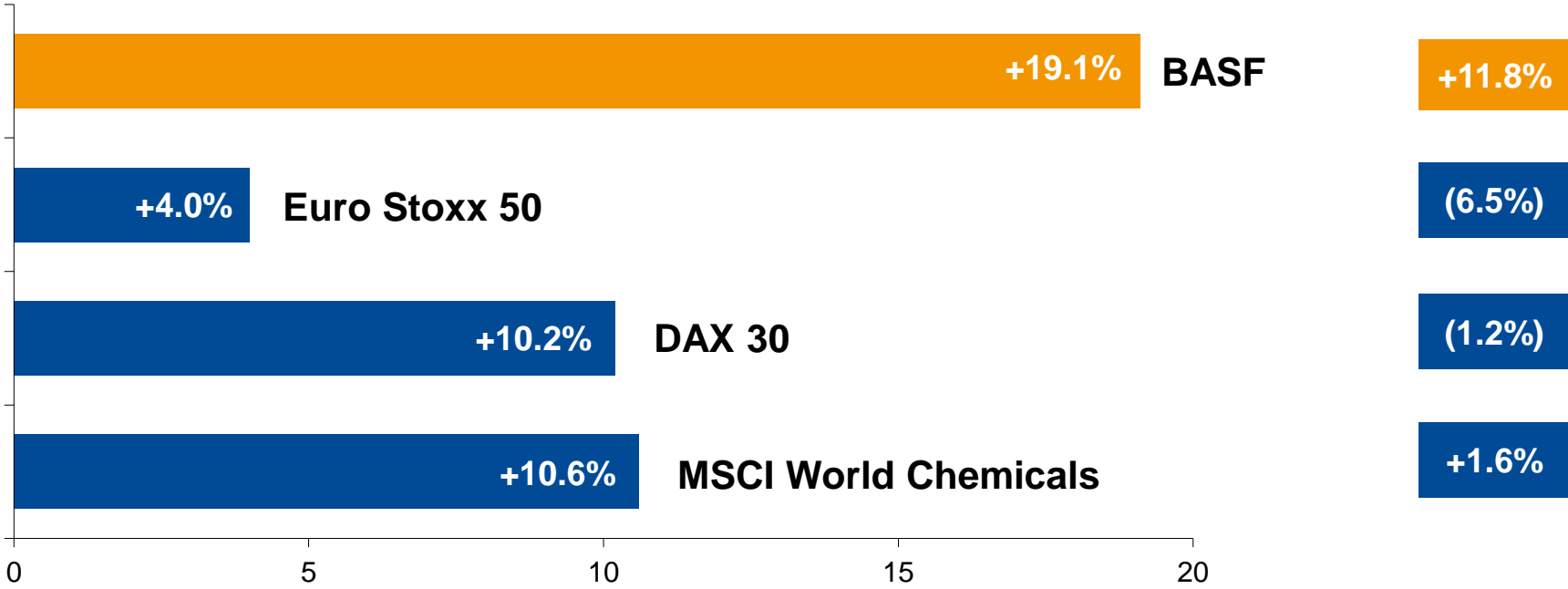
Delivering consistent, long-term value



Average annual performance with dividends reinvested

Last 10 years
January 2003 – December 2012

Last 5 years
January 2008 – December 2012



Outlook 2013

Expectations for the global economy

	2012	Forecast 2013
GDP	2.2%	2.4%
Chemicals (excl. pharma)	2.6%	3.6%
Industrial production	2.4%	3.4%
US\$ / Euro	1.28	1.30
Oil price: Brent (US\$ / bbl)	112	110

Outlook 2013 by region

Chemical production (excl. pharma)

	2012	Forecast 2013
World	2.6%	3.6%
EU-27	(1.4%)	0.3%
USA	2.5%	1.9%
Asia (excl. Japan)	7.7%	8.1%
Japan	(4.5%)	(0.6%)
South America	1.9%	3.7%

Outlook BASF Group 2013*

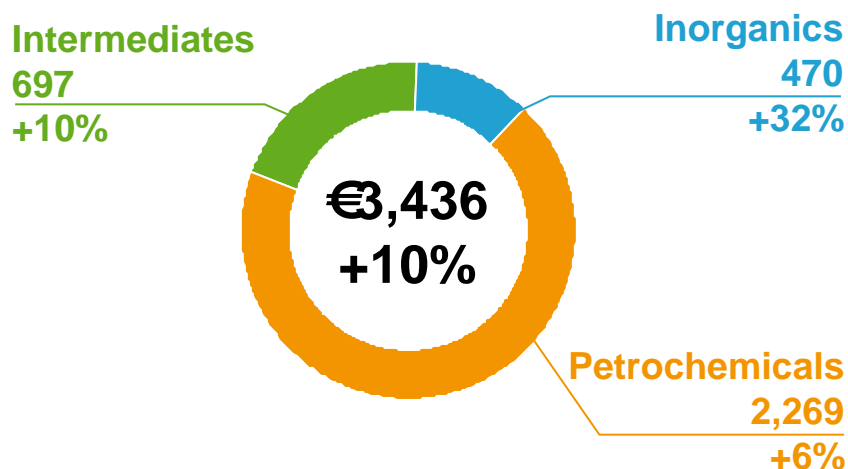
- Excluding the effects of acquisitions and divestitures, we strive to increase our sales volumes in 2013.
- We want to exceed the 2012 levels in sales and EBIT before special items.
- The expected increase in demand, together with our measures to improve operational excellence and raise efficiency, will contribute to this.
- We aim to earn a high premium on cost of capital once again in 2013.

* In our forecast, we have applied the previous consolidation method in order to ensure comparability with the prior year. Changes due to IFRS 10 and 11 are not considered yet. However, the qualitative statements made in our forecast remain valid.

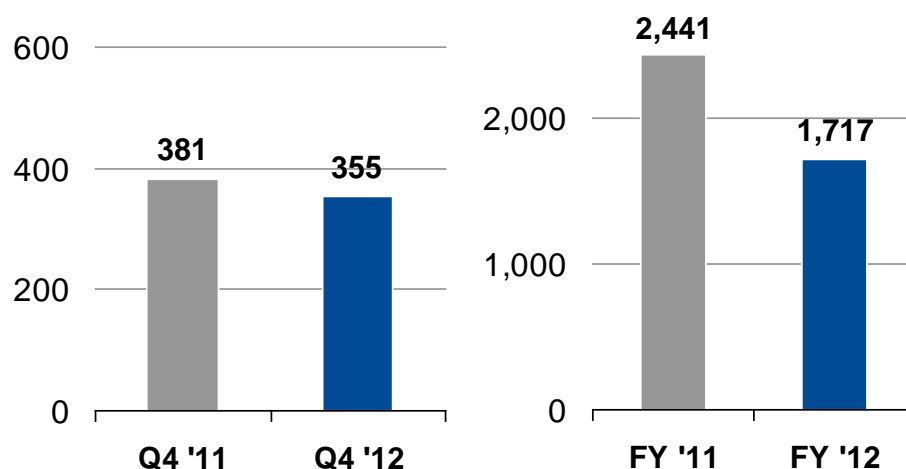
Chemicals

Lower margins and plant shutdowns

Q4'12 segment sales (million €) vs. Q4'11



EBIT before special items (million €)



Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q4'12 vs. Q4'11	↑ 2%	↑ 3%	↑ 3%	↑ 2%
FY'12 vs. FY'11	↓ (3%)	↓ (2%)	↑ 8%	↑ 4%

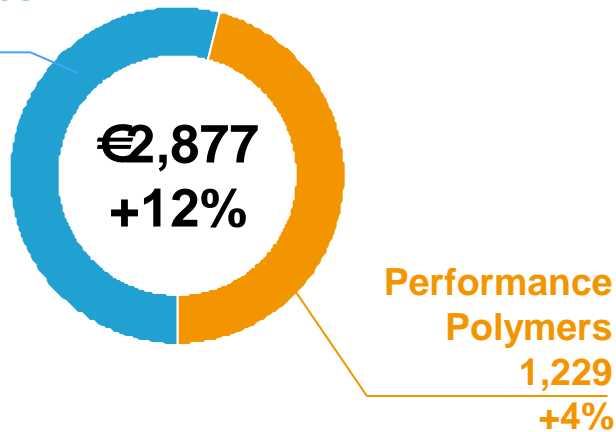
Plastics

Polyurethanes drive earnings

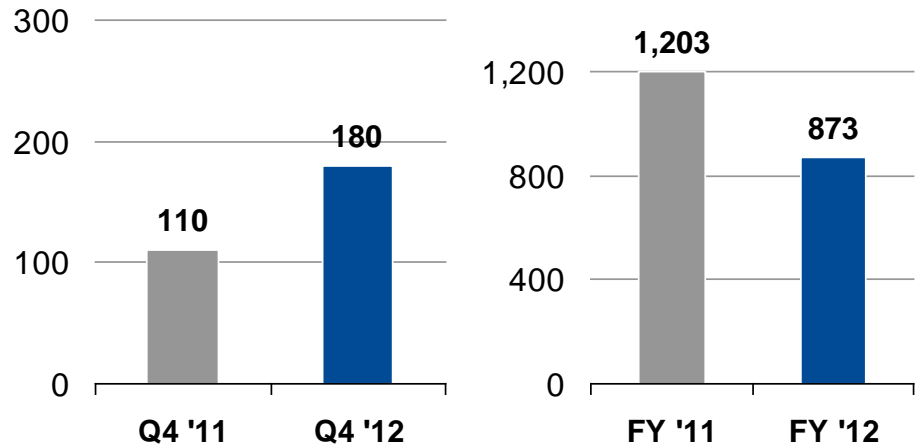
Q4'12 segment sales (million €) vs. Q4'11

Polyurethanes

1,648
+18%



EBIT before special items (million €)



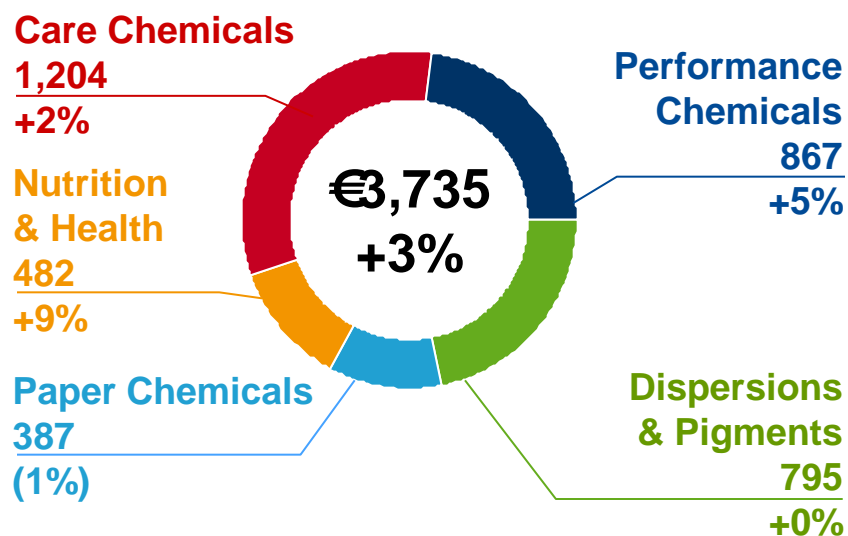
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q4'12 vs. Q4'11	↑ 4%	↑ 5%	0%	↑ 3%
FY'12 vs. FY'11	↓ (3%)	↑ 2%	↑ 1%	↑ 4%

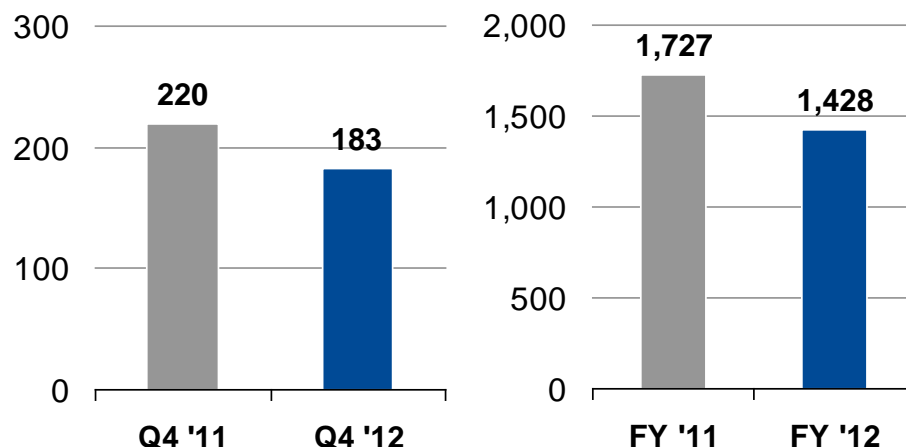
Performance Products

Lower margins and higher fixed costs impact earnings

Q4'12 segment sales (million €) vs. Q4'11



EBIT before special items (million €)



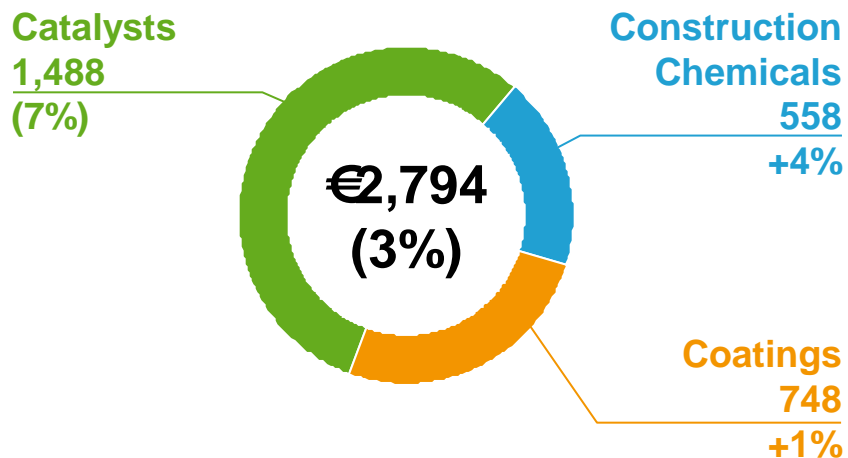
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q4'12 vs. Q4'11	↑ 4%	↓ (2%)	↓ (1%)	↑ 2%
FY'12 vs. FY'11	↓ (2%)	0%	0%	↑ 3%

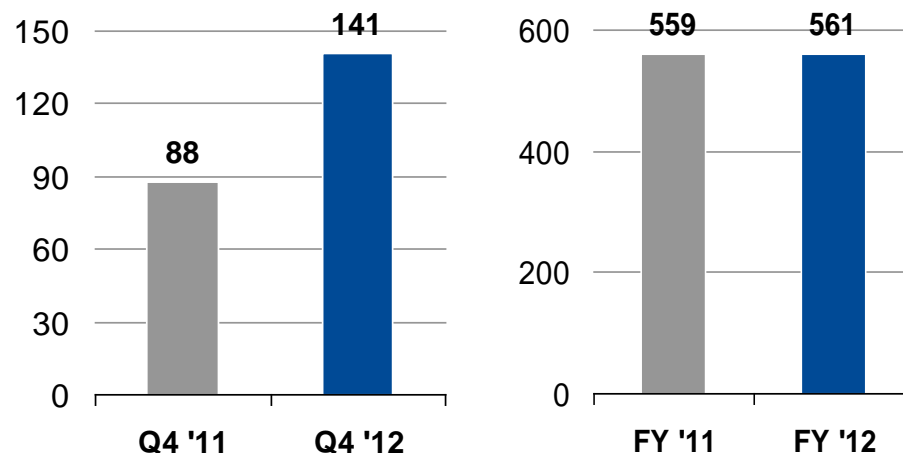
Functional Solutions

Strong automotive demand drives earnings

Q4'12 segment sales (million €) vs. Q4'11



EBIT before special items (million €)



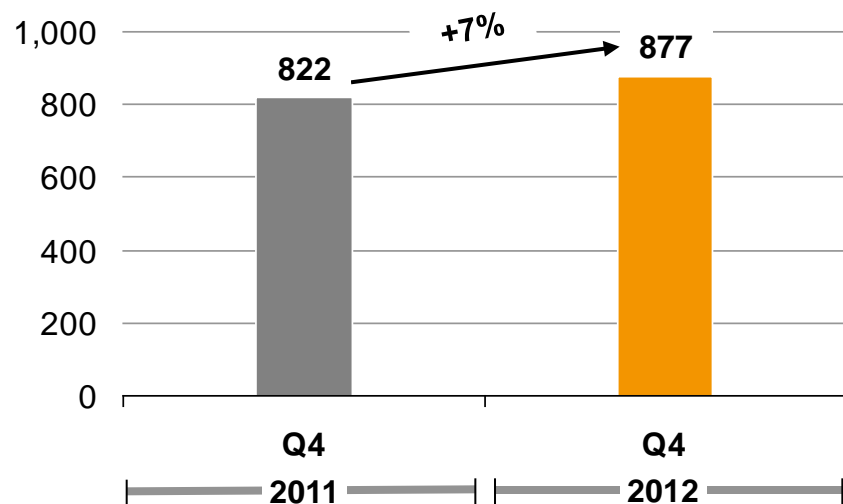
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q4'12 vs. Q4'11	↓ (5%)	↓ (1%)	↑ 2%	↑ 1%
FY'12 vs. FY'11	↓ (3%)	↓ (2%)	↑ 2%	↑ 4%

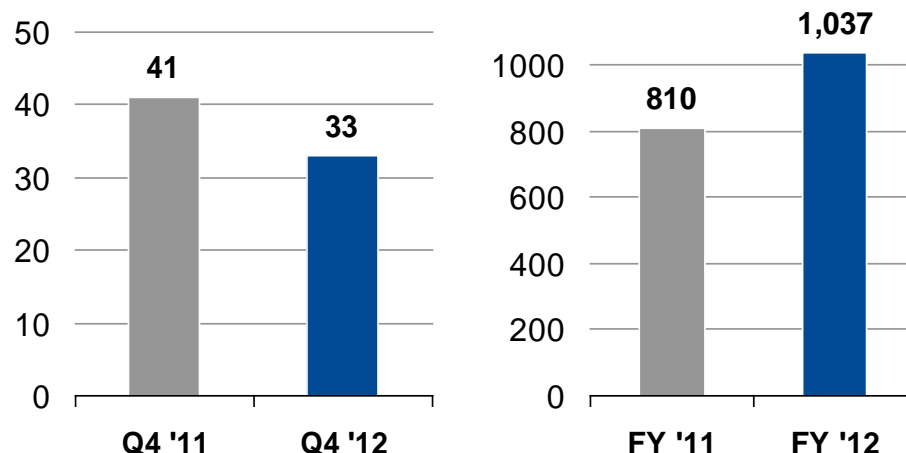
Agricultural Solutions

Record year with earnings above the €1 billion mark

Q4'12 segment sales (million €) vs. Q4'11



EBIT before special items (million €)



Sales development

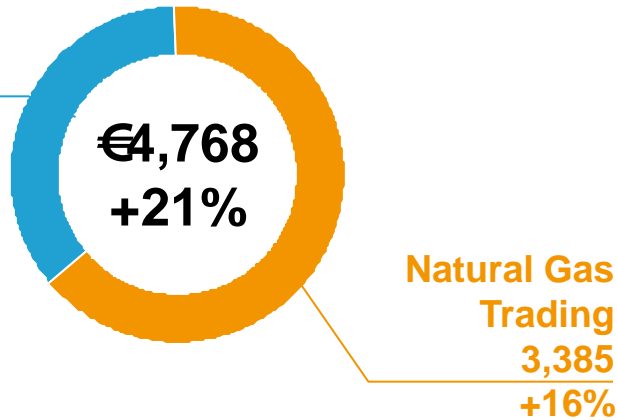
Period	Volumes	Prices	Portfolio	Currencies
Q4'12 vs. Q4'11	↑ 2%	↓ (1%)	↑ 2%	↑ 4%
FY'12 vs. FY'11	↑ 6%	↑ 1%	↑ 0%	↑ 5%

Oil & Gas

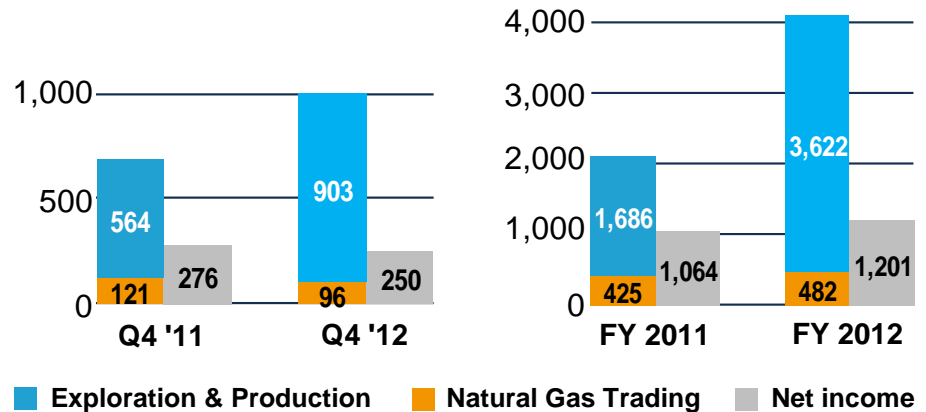
Significantly higher production

Q4'12 segment sales (million €) vs. Q4'11

Exploration & Production
1,383
+36%



EBIT before special items / Net income (million €)



Non-compensable oil taxes:
 Q4 2011: € 159 million
 Q4 2012: € 492 million
 FY 2011: € 439 million
 FY 2012: €1,880 million

Sales development

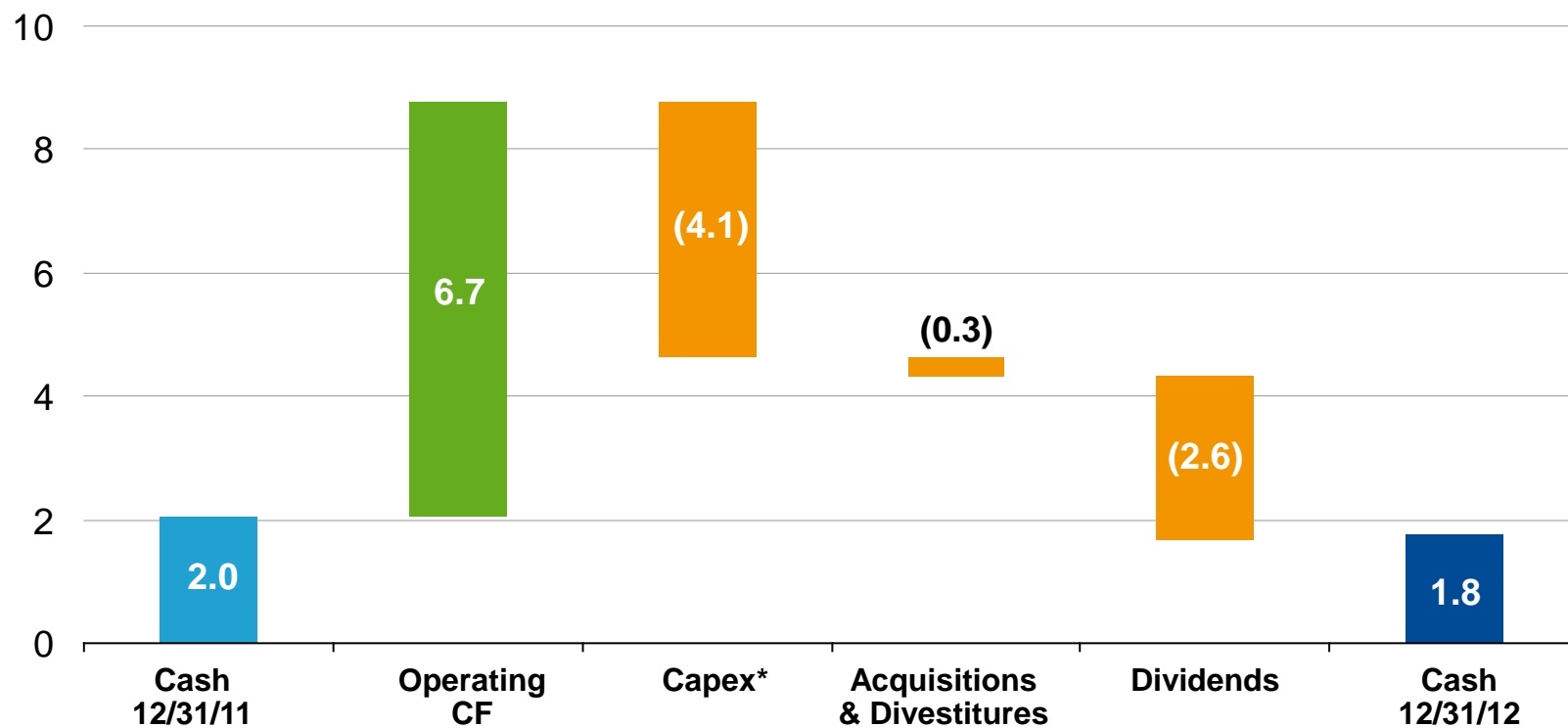
Period	Volumes	Price/Currencies	Portfolio
Q4'12 vs. Q4'11	↑ 18%	↑ 3%	0%
FY'12 vs. FY'11	↑ 29%	↑ 10%	0%

Review of 'Other'

(million €)	Q4 2012	Q4 2011	2012	2011
Sales	1,161	1,112	4,793	6,275
<i>thereof Styrenics</i>	—	—	—	2,393
EBIT before special items	(102)	(11)	(839)	(404)
<i>thereof Corporate research</i>	(105)	(92)	(391)	(348)
<i>Group corporate costs</i>	(73)	(74)	(255)	(246)
<i>Currency results, hedges and other valuation effects</i>	(92)	(107)	(460)	(199)
<i>Styrenics, fertilizers, other businesses</i>	18	65	183	408
Special items	154	623	572	582
EBIT	52	612	(267)	178

Strong operating cash flow in 2012

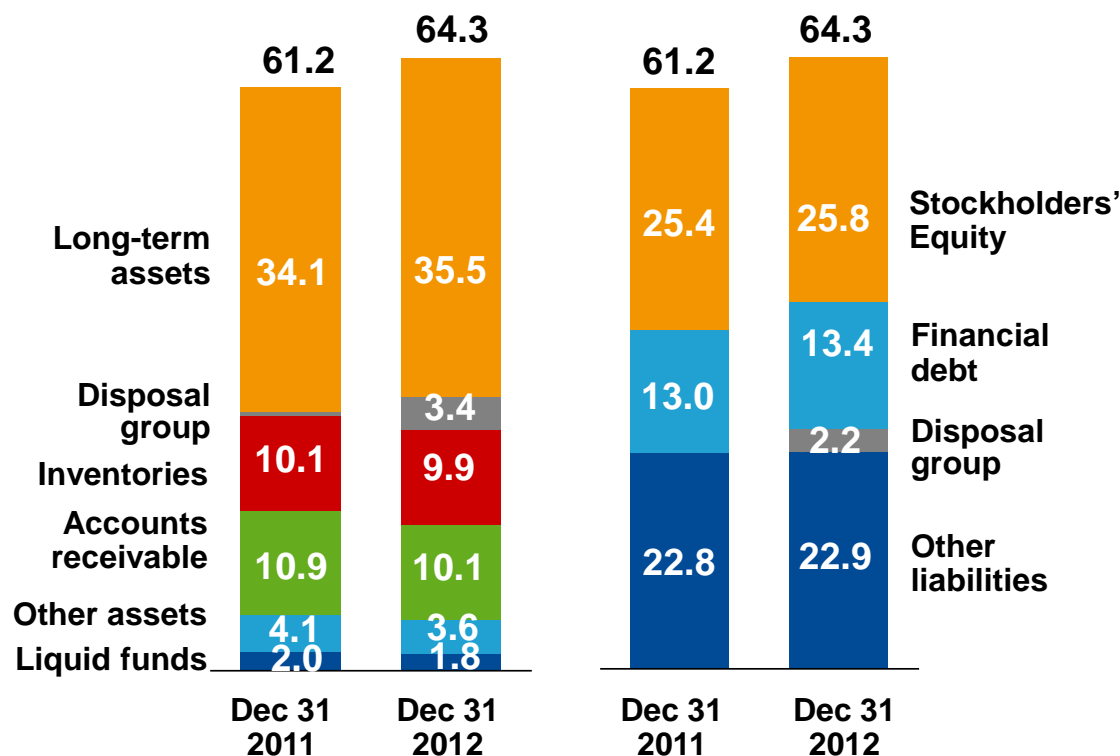
Full year 2012
(billion €)



* Payments related to intangible assets and property, plant and equipment

Balance sheet remains strong

Balance sheet 2012 vs. 2011 (billion €)



Highlights 2012

- Increase of long-term assets by €1.5 billion, mainly due to acquisitions
- Creation of disposal group for natural gas trading leads to lower inventories, receivables and payables
- Higher provisions for pension obligations due to reduced discount rates
- Equity ratio: 40%
- Net debt: €11.6 billion
- Net debt/EBITDA ratio: 0.9