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Dr. Kurt Bock, CFO
February 21, 2008

Looking with confidence to 2008

 **BASF**
The Chemical Company



BASF posts new records

Financial performance 2007

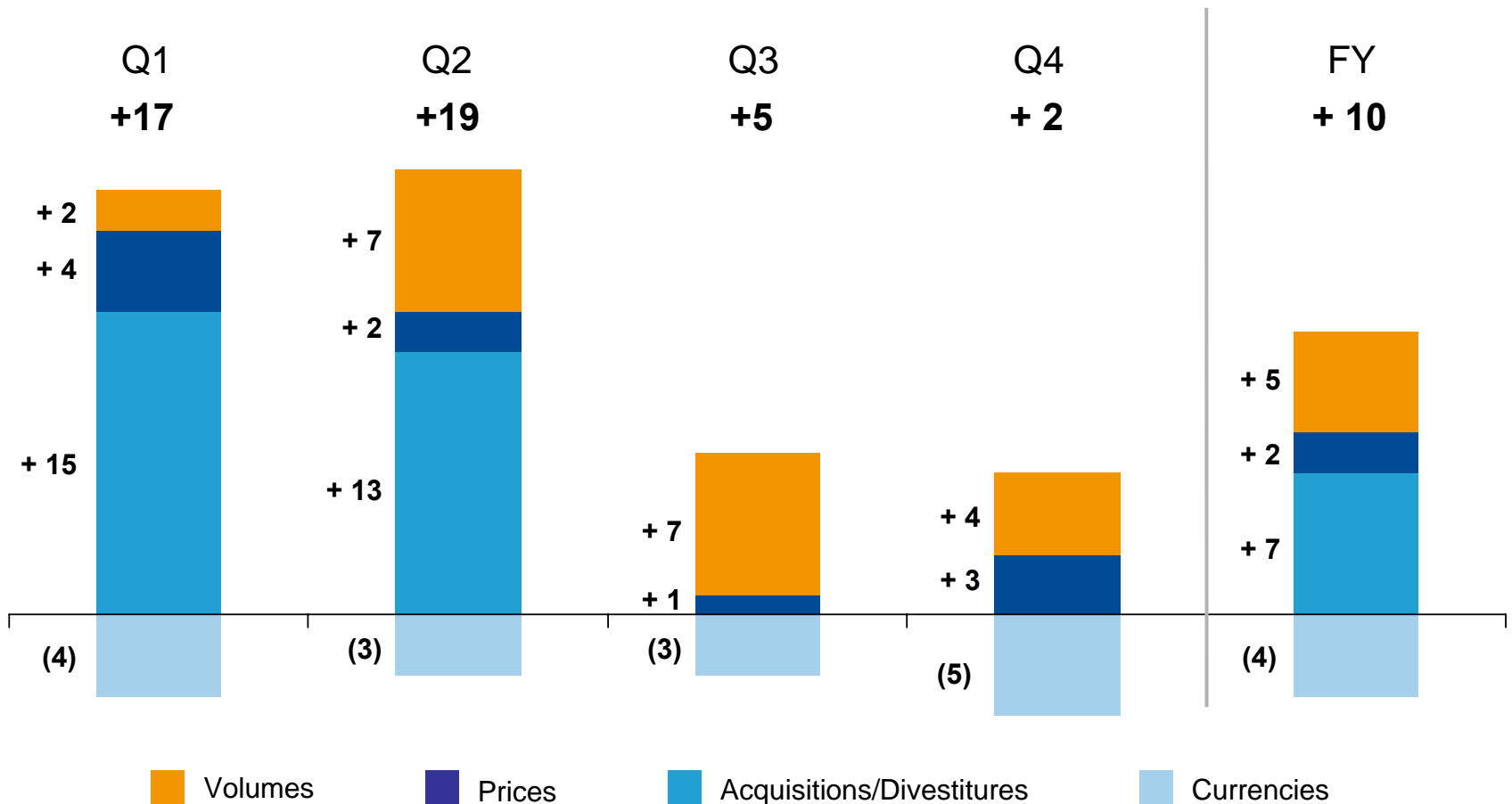
- Sales up by 10% to €58 billion
- EBIT before special items of €7.6 billion
- EPS up by 31% to €8.32
- Operating cash flow of €5.8 billion
- Premium on cost of capital of €2.9 billion

Shareholder return

- Proposed dividend of €3.90 per share (up by 30%)
- Largest amount ever spent on share buybacks (€1.9 billion)
- Proposed 1:2 stock split

Components of sales development

Change in % (2007 vs. 2006)



Income statement highlights I

Million €

	Q4 2007	Δ%	FY 2007	Δ%
Sales	14,700	+2	57,951	+10
EBITDA	2,534	(2)	10,225	+5
EBIT before special items	1,763	(6)	7,614	+5
Special items	(153)	+24	(298)	+41
EBIT	1,610	(3)	7,316	+8

Income statement highlights II

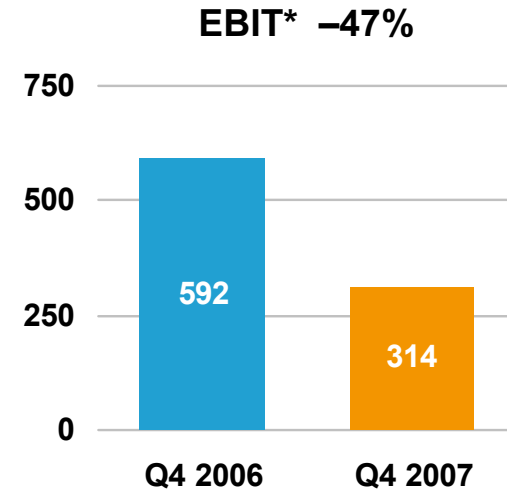
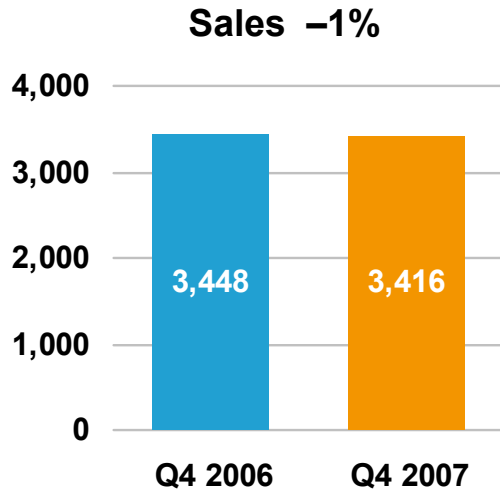
Million €

	Q4 2007	Δ%	FY 2007	Δ%
EBIT	1,610	(3)	7,316	+8
Financial result	(117)	+13	(381)	(71)
Thereof:				
Income from participations	(6)	-	84	+17
Interest result	(114)	+11	(472)	(27)
Other financial results	3	-	7	(91)
Income before taxes and minority interests	1,493	(3)	6,935	+6
Net income	793	+8	4,065	+26
EPS* (reported) in €	1.65	+13	8.32	+31

* Based on an average of 489 million shares outstanding in 2007 (average 2006: 504 million shares)

Chemicals

Q4 2007 vs. Q4 2006, in million €

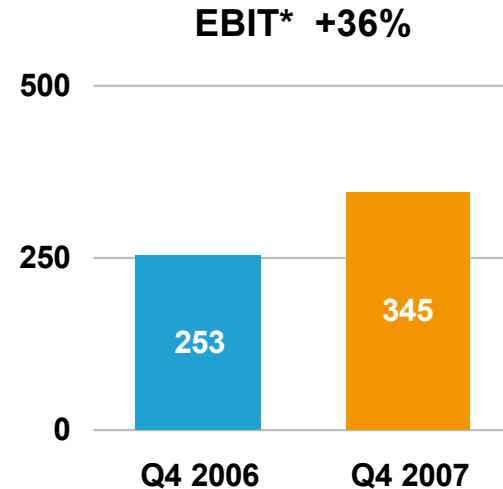
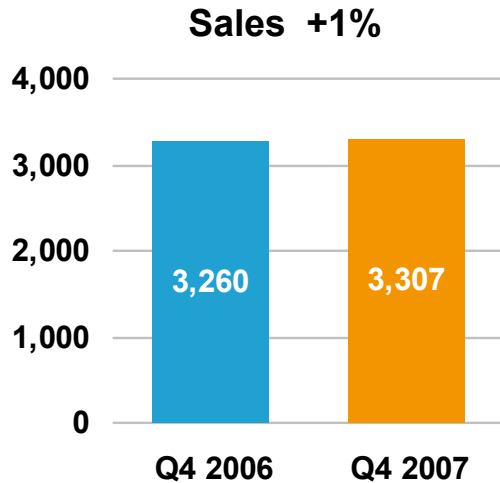


- Strong market environment
- Volumes -8%, prices +14%, currencies -7%
- Longer than expected plant turnarounds reduced earnings by €150 million
- Higher raw material costs impacted margins, especially in naphtha crackers
- 2006 earnings positively impacted by fair value accounting of precious metals

* Before special items

Plastics

Q4 2007 vs. Q4 2006, in million €

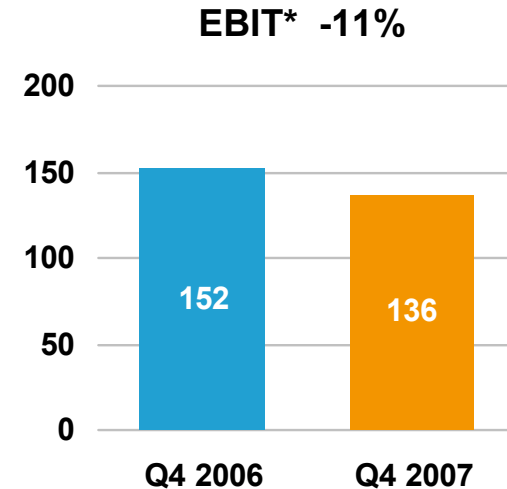
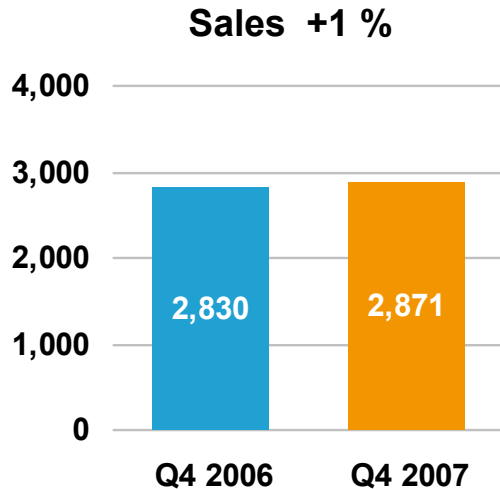


- Strong market environment, but weaker demand in the U.S. housing and automotive industries
- Volumes +10%, prices -4%, currencies -5%
- Strong sales and earnings increase in Polyurethanes
- Improved earnings on lower sales in Styrenics

* Before special items

Performance Products

Q4 2007 vs. Q4 2006, in million €

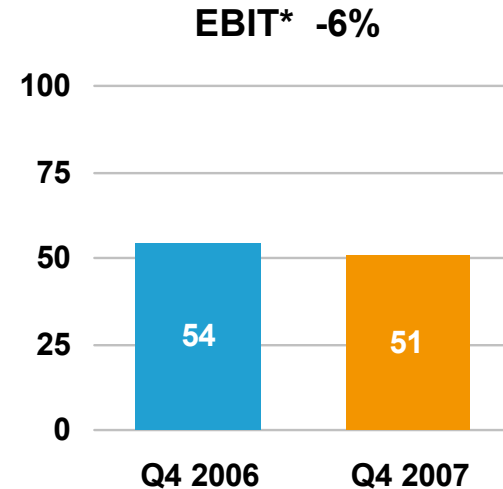
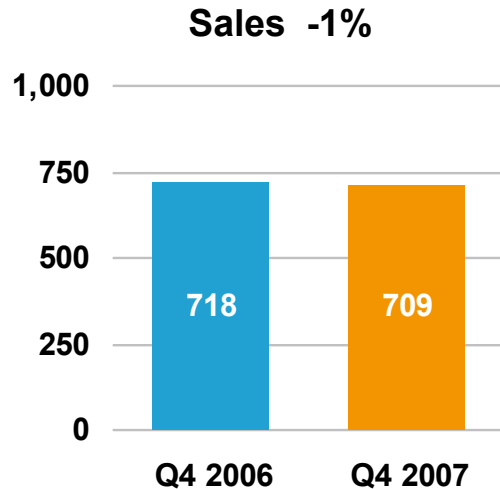


- Uneven market environment
- Volumes +2%, prices +2%, portfolio +1%, currencies -4%
- Integration costs for acquired businesses reduced earnings
- Higher raw material costs impacted earnings, especially in acrylic monomers

* Before special items

Agricultural Products

Q4 2007 vs. Q4 2006, in million €

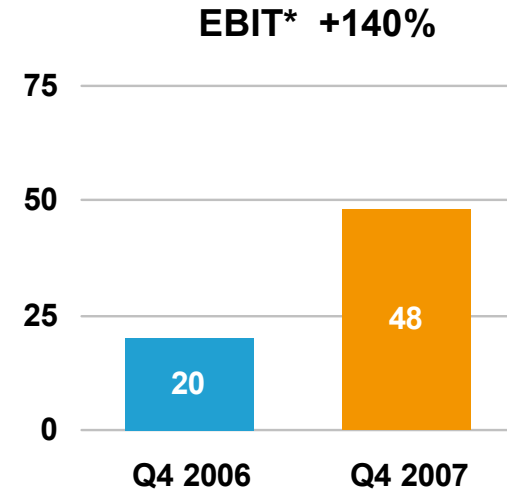
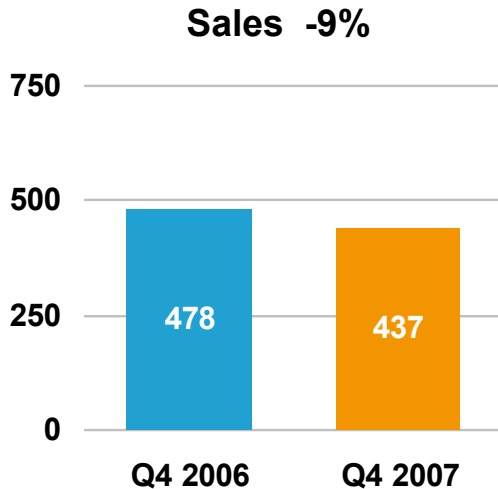


- Weaker European business, growth in Asia, early start to season in North America and continuously positive market development in South America
- Volumes +4 %, prices +2 %, portfolio -1 %, currencies -6 %
- Weak U.S. dollar negatively impacted sales and earnings
- Increase in R&D expenditure

* Before special items

Fine Chemicals

Q4 2007 vs. Q4 2006, in million €

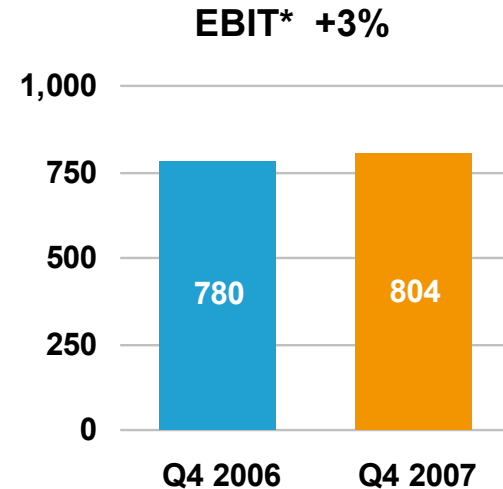
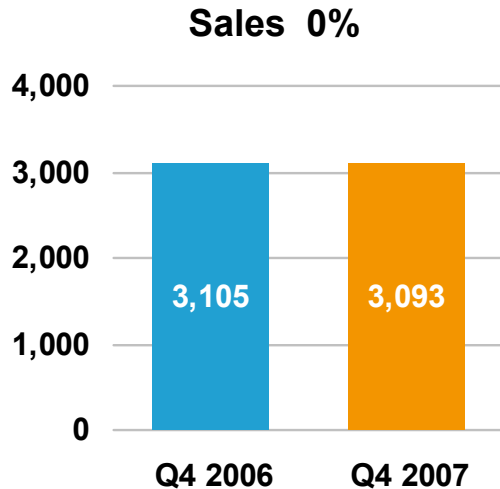


- Positive market environment
- Prices +5 %, portfolio -9 %, currencies -5 %
- Sales declined due to portfolio changes, partly offset by higher sales of vitamins
- Earnings increased as a result of successful restructuring and higher sales prices for vitamins

* Before special items

Oil & Gas

Q4 2007 vs. Q4 2006, in million €



- Volumes +8%, prices/currencies -8%
- Increase in E&P, mainly due to Yuzhno Russkoye despite higher costs in the industry
- Higher volumes in natural gas trading could not make up for margin deterioration due to time-lag effects

* Before special items

Segment performance

FY 2007 vs. FY 2006

Million €

	Sales	Δ%	EBIT*	Δ%
Chemicals	14,162	+22	2,014	+18
Plastics	13,496	+6	1,327	+9
Performance Products	11,697	+15	842	(1)
Agricultural Products & Nutrition	4,989	+1	653	+50
thereof Agricultural Products	3,137	+2	499	+32
Fine Chemicals	1,852	0	154	+170
Oil & Gas	10,517	(2)	3,014	(7)
thereof Exploration & Production	4,365	(4)	2,470	(6)
Gas Trading	6,152	0	544	(10)
Other	3,090	+23	(236)	(24)

* Before special items

Statement of cash flows I

Million €

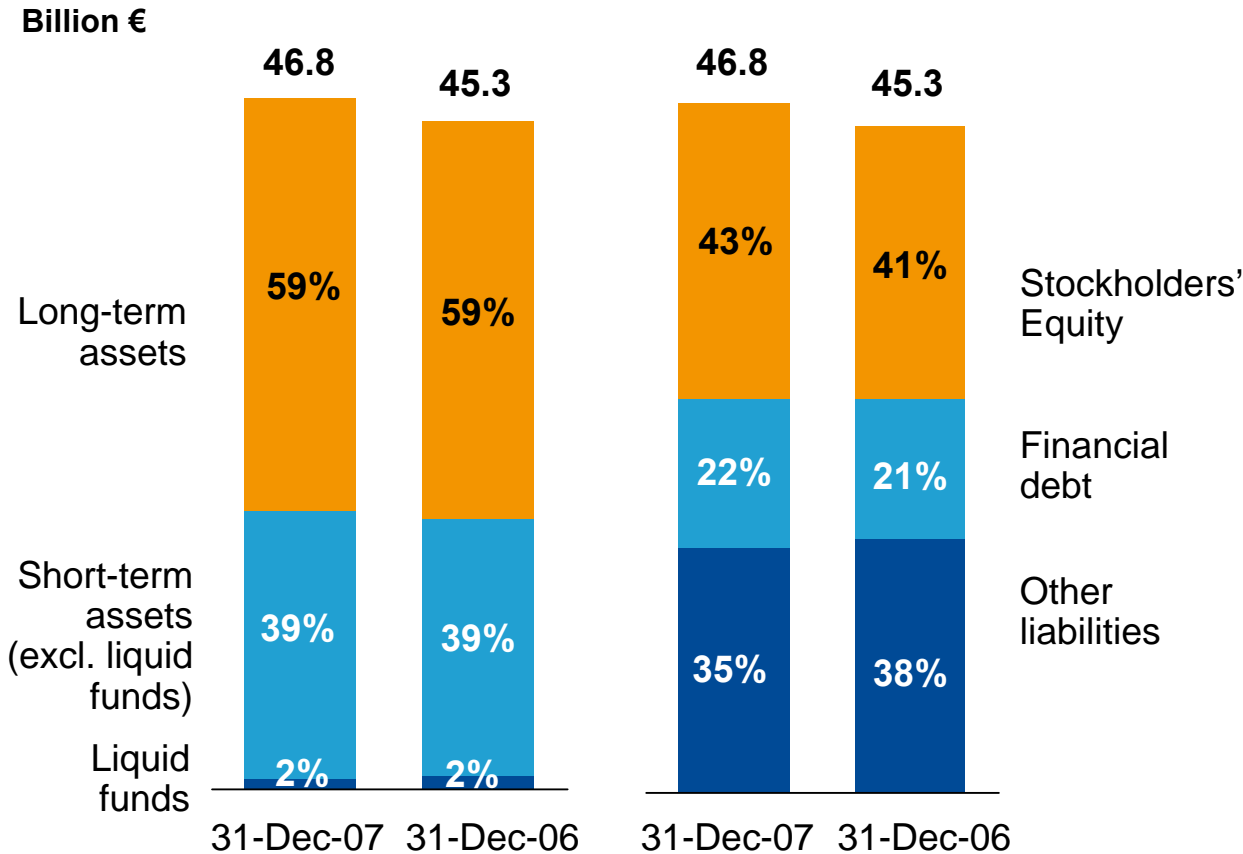
	FY 2007	FY 2006
Cash provided by operating activities	5,807	5,940
Net income	4,065	3,215
Depreciation and amortization of long-term assets	2,947	2,994
Changes in net working capital	(999)	10
Miscellaneous items	(206)	(279)

Statement of cash flows II

Million €

	FY 2007	FY 2006
Cash used in investing activities	(3,612)	(8,414)
Payments related to tangible and intangible assets	(2,562)	(2,411)
Acquisitions / divestitures	(536)	(6,240)
Financial investments and other items	(514)	237
Cash (used in) / provided by financing activities	(2,236)	2,421
Proceeds from capital increases / repayments	(1,749)	(920)
Changes in financial liabilities	1,137	4,574
Dividends	(1,624)	(1,233)

Balance sheet



Financial debt as of December 31, 2007:

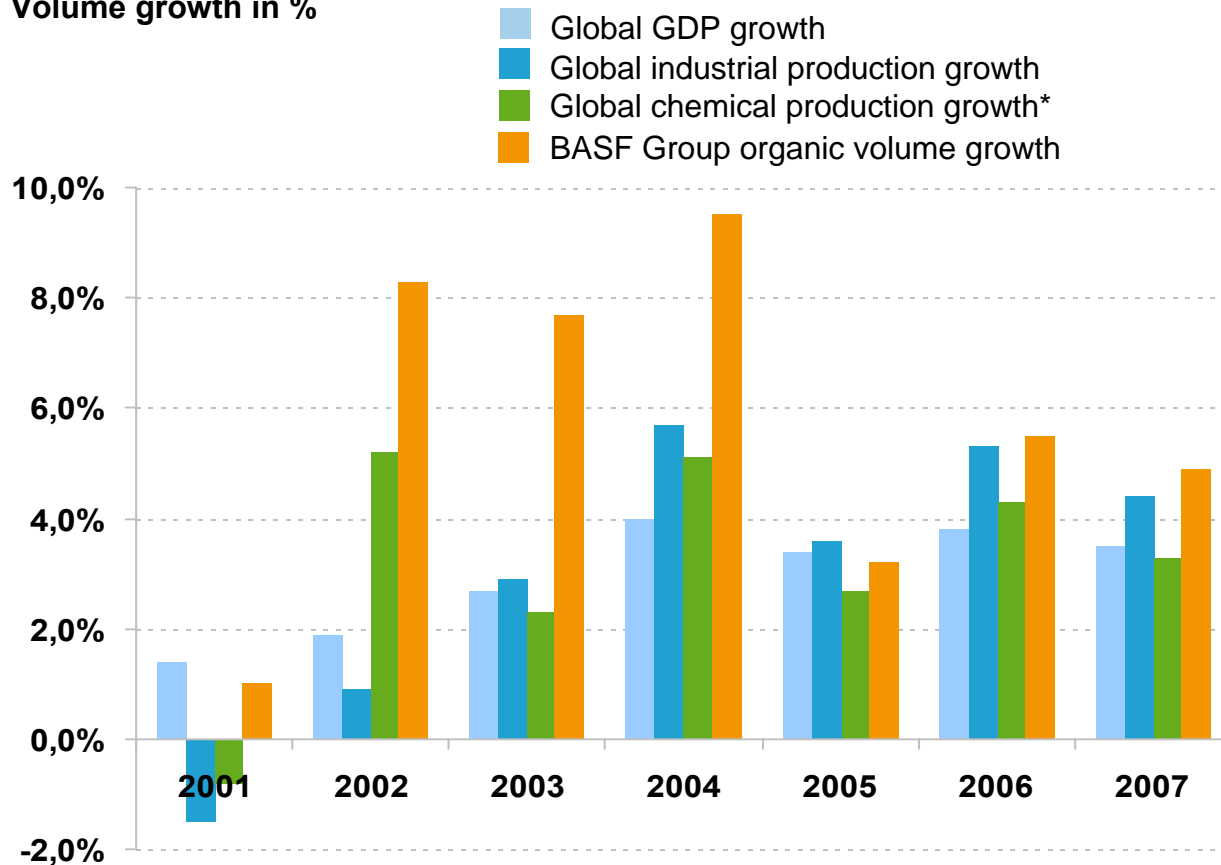
- Commercial paper: €1.9 billion
- Bonds: €7.1 billion
- Net debt: €9.3 billion

Rating:

- Standard & Poor's: AA- (stable outlook) A-1+
- Moody's: Aa3 (negative outlook) P-1

Outperforming market growth

Volume growth in %



CAGR 2001-2007:

Market:

- Global GDP: 3.2%
- Global industrial production: 3.7%
- Global chemical production*: 3.8%

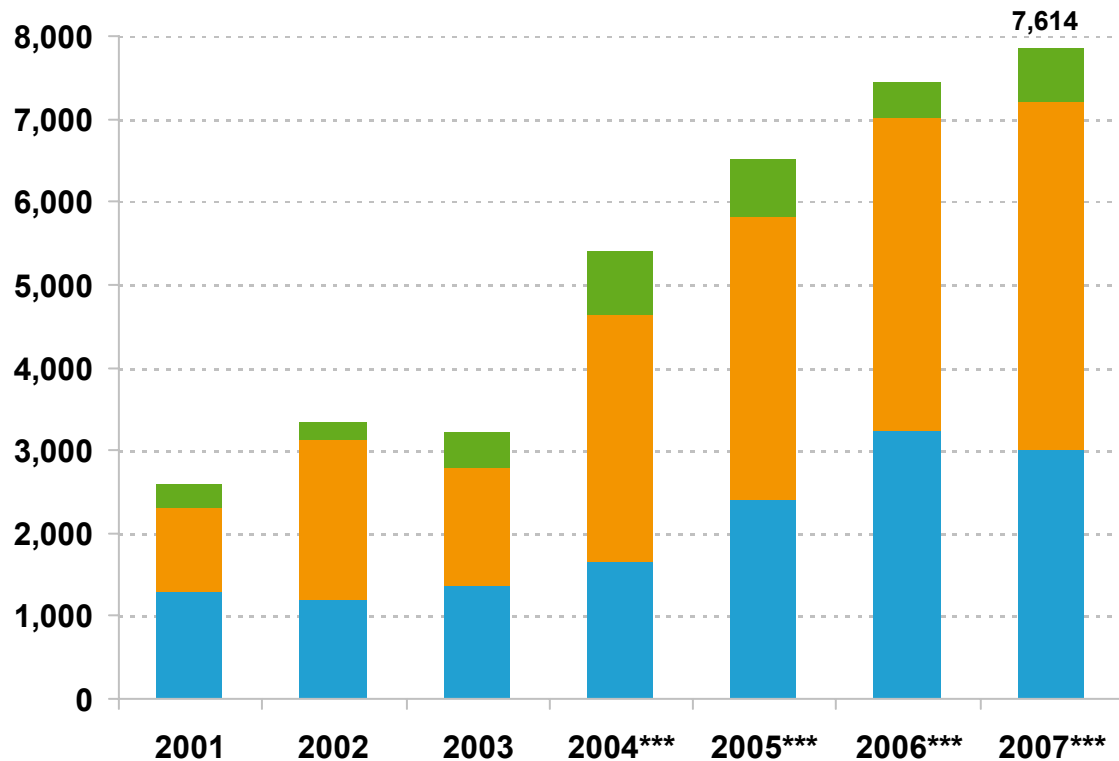
BASF:

- BASF Group organic volume: 6.5%

* Without pharma

Excellent earnings track record

EBIT* by activity in million €



■ Chemical activities**
 ■ Agricultural Products & Nutrition**
 ■ Oil & Gas

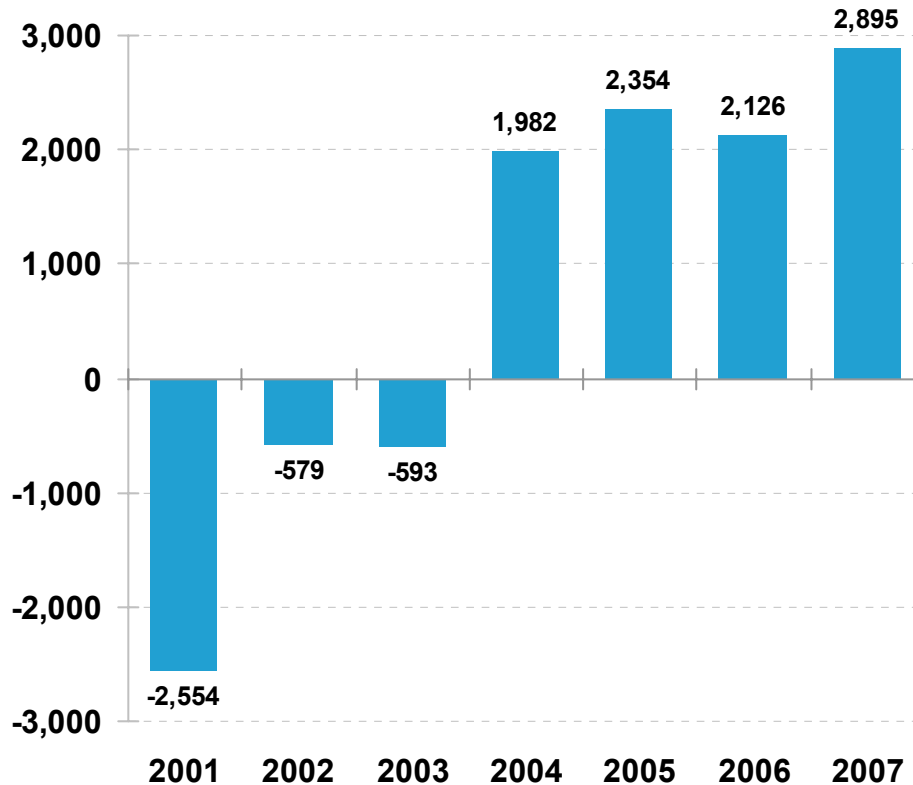
* Before special items ** excl. pharma, polyolefins *** based on IFRS

CAGR 2001-2007:

- EBIT* BASF Group: 22%
- EBIT* BASF Group excl. non-deductible oil-taxes: 23%
- EBIT* Oil&Gas: 15%
- EBIT* Chemical activities: 27%
- EBIT* Ag&Nutrition: 16%

High premium on our cost of capital

Premium on cost of capital
in million €



As of 2004, according to IFRS

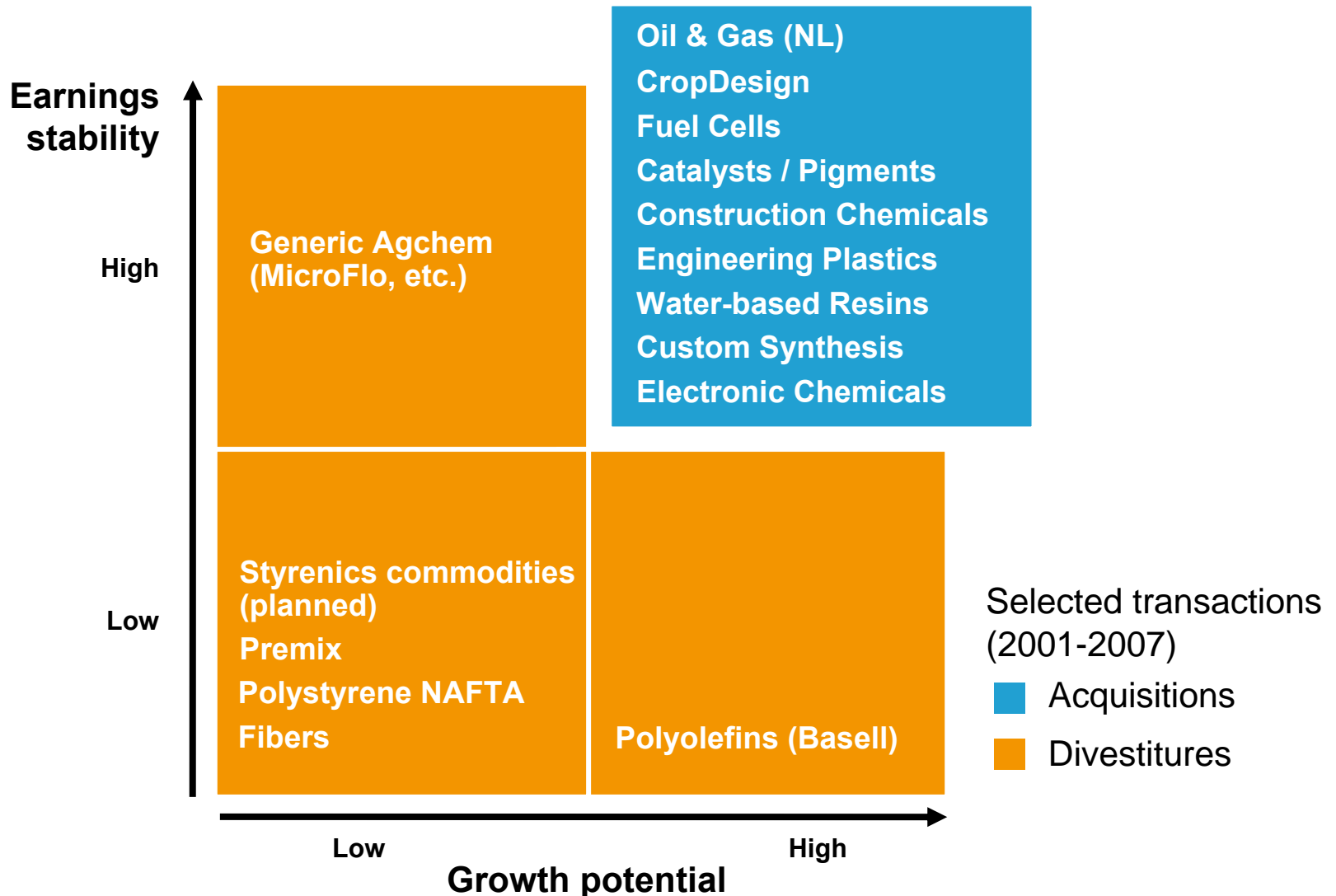
Calculation of EBIT after cost of capital:

Million €	2007
EBIT BASF Group	7,316
minus EBIT for activities not assigned to the segments*	(293)
minus noncompensable foreign income taxes for oil production	1,302
minus cost of capital**	3,412
EBIT after cost of capital	2,895

* This net expense is already provided for in the cost of capital percentage

** 9% on the average operating assets of the segments

Ongoing portfolio management towards higher returns and reduced cyclicality



All acquisition integration projects are on target

Million EUR

	Targeted synergies by 2007	Achievements by 2007	Expected synergies by 2010
Engelhard	50%	Slightly ahead of target, mainly due to higher than expected cost savings	160
Construction Chemicals	35%	On target	100
Johnson Polymer	60%	On target	30
Total			290

Responsible use of cash continues

R&D expenses

- Planned R&D expenditures for 2008: €1.45 billion

Capex below the level of depreciation

- Planned capex for 2008: €2.3 billion

Portfolio optimization

- Selected acquisitions
- Strict financial criteria

Dividends

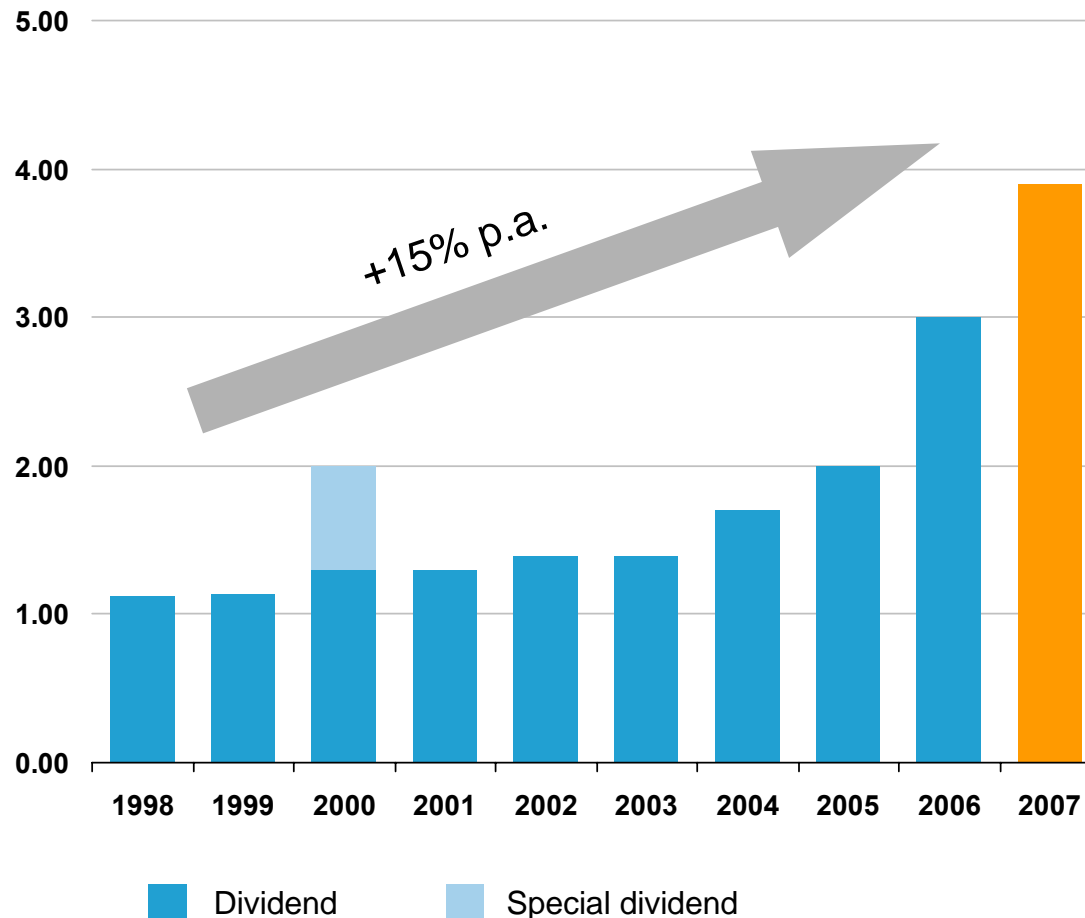
- Dividend per share to be further increased (or at least to be maintained)

Share buybacks

- €3 billion share buyback program will be completed in 2008 as scheduled, thereafter continuation planned

Ambitious dividend policy

Dividend in € per share



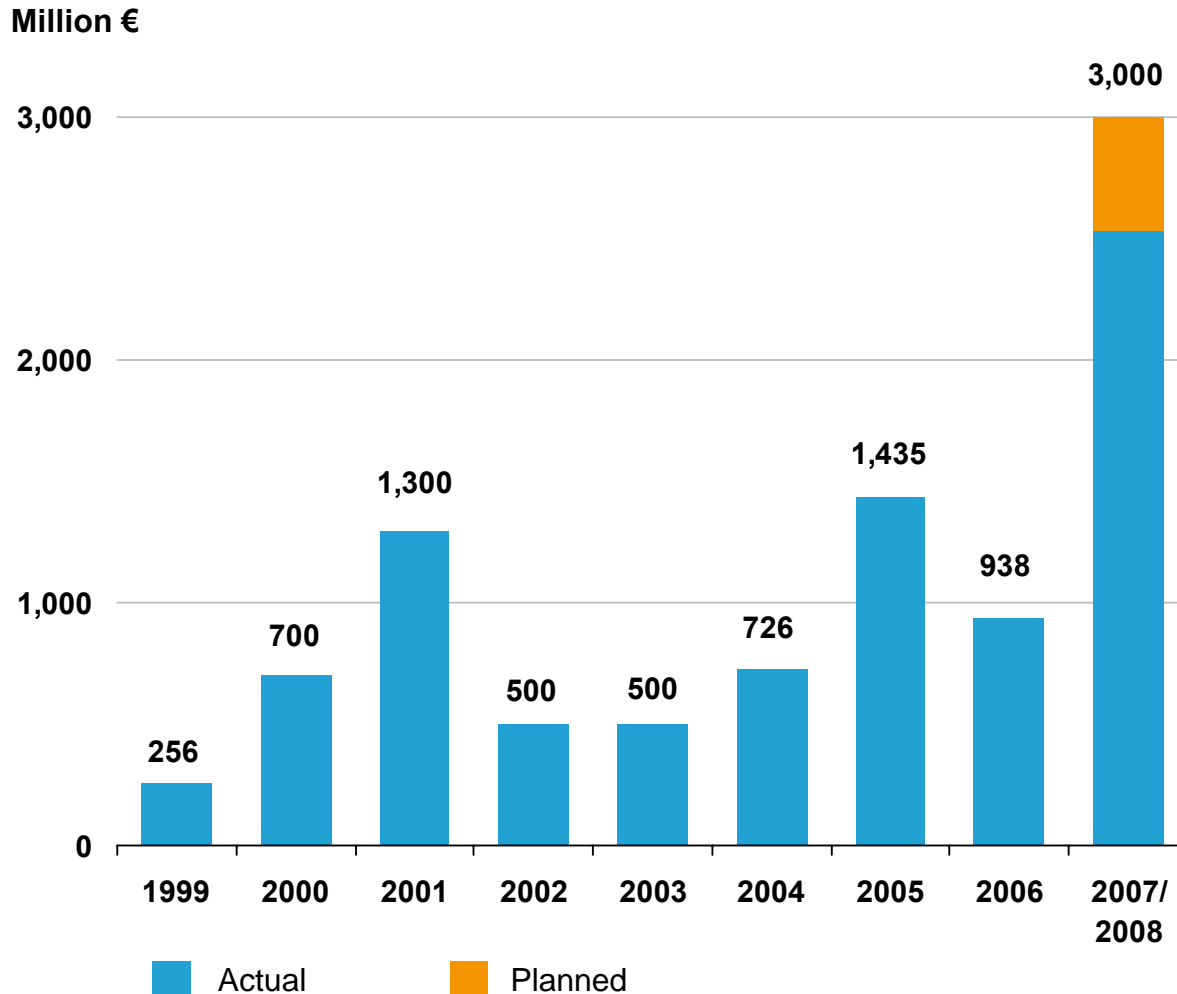
- Dividend increased in 11 of the last 13 years, unchanged in remaining 2 years
- Dividend increase of 30% to €3.90 per share for 2007
- Attractive dividend yield of 3.8% in 2007*

Dividend Policy:

- **We aim to increase our dividend each year, or at least maintain it at the previous year's level**

* Based on the share price of December 31, 2007 (€101.41)

Increased share buyback program



- 25.6% of shares outstanding bought back for €8.3 billion from 1999 to 2007
- €1.9 billion spent on buybacks in 2007
- €635 million spent on buybacks from Jan 1 to Feb 20, 2008
- €3 billion planned for buybacks in 2007 and 2008
- Continuation of share buybacks

Proposal of 1:2 stock split

- Stock split of 1:2 will be proposed to the Annual Meeting on April 24, 2008
- Subject to approval, stock split to be performed within three months following the AGM
- Reflects our confidence that our earnings-oriented growth will continue to be the basis for the positive development of the stock.
- BASF shares will be made available to an even broader spectrum of investors

What are the near term challenges?



BASF answers

Weak U.S. dollar

- Negative currency effects, partly offset by hedging

Higher oil and raw material prices

- Natural hedge of E&P business
- Supply/demand balances in chemical businesses
- Effective centralized procurement

Weakness in customer industries

- Regional diversification
- Favorable growth rates in other specialty businesses
- Innovative product offerings

Cyclicality in commodities

- Limited petrochemicals exposure
- Planned divestiture of Styrenics commodities
- Increasing share of specialties

Risk of overpriced acquisitions

- Strict financial acquisition criteria
- Excellent track record
- Reduced competition from private equity

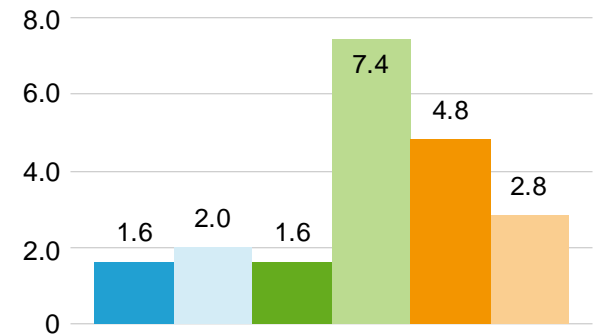
Positive outlook 2008

Basic assumptions for 2008:

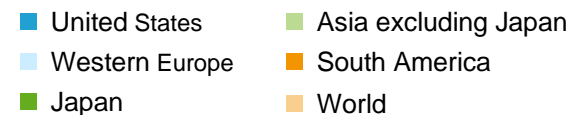
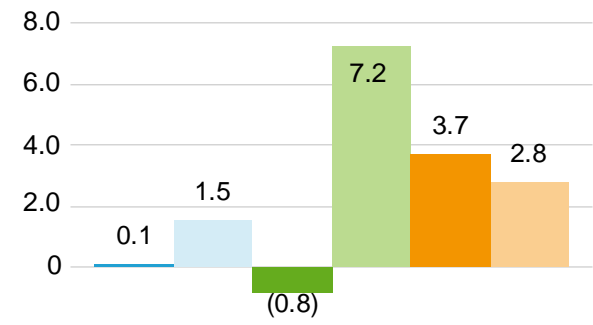
- Global GDP and chemical production growth of 2.8%
- Declining interest rates in the U.S. in the course of 2008 with moderate knock-on effects for Europe
- Average exchange rate of \$1.45 per €
- Average oil prices of \$78/bbl

In 2008, assuming there are no changes made to our portfolio, we aim to increase sales and improve EBIT before special items slightly.

Gross domestic product forecast* (%)



Chemical production forecast* (%)



* Real changes compared with 2007

In the following years we expect to grow sales on average by two percentage points per year above chemical market growth*.

We expect to earn at least our cost of capital in any given year.

We strive to earn our cost of capital in all segments in any given year.

* Real growth of chemical market is expected to be around 3% until 2010

Appendix Agricultural Products

Agricultural Products

Performance Q1-Q4 2007

Million €

	Q4 2007	Q4 2006	Δ%	FY 2007	FY 2006	Δ%
Sales	709	718	(1)	3,137	3,079	+2
EBITDA*	105	112	(6)	702	594	+18
EBITDA*-margin	14.8%	15.6%	-	22.4%	19.3%	-
EBIT*	51	54	(6)	499	378	+32
EBIT*-margin	7.2%	7.5%	-	15.9%	12.3%	-
EBIT	46	58	(21)	489	447	+9
Assets (31.12.)	-	-	-	4,157	4,458	(7)

* before special items

Agricultural Products

Sales per region

Million €

	Q4 2007	Δ% (as reported)	Δ% (CER, continued portfolio*)	FY 2007	Δ% (as reported)	Δ% (CER, continued portfolio*)
Europe	303	(5)	(2)	1,441	+4	+4
NAFTA	119	+13	+27	789	(11)	+1
South America	221	(6)	+5	640	+21	+27
Asia-Pacific	66	+12	+19	267	(3)	+3
TOTAL	709	(1)	+6	3,137	+2	+7

* Constant exchange rates, adjusted for acquisition/divestment effects

Agricultural Products

Sales per indication

Million €

	Q4 2007	Δ% (as reported)	Δ% (CER, continued portfolio*)	FY 2007	Δ% (as reported)	Δ% (CER, continued portfolio*)
Fungicides	325	(4)	+2	1,256	+8	+11
Herbicides	209	+7	+16	1,167	(4)	+2
Insecticides / Others	175	(5)	+3	714	+3	+10
TOTAL	709	(1)	+6	3,137	+2	+7

* Constant exchange rates, adjusted for acquisition/divestment effects

Disclaimer

This presentation may contain forward-looking statements. These statements are based on current expectations, estimates and projections of BASF management and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict and are based upon assumptions as to future events that may not prove to be accurate.

Many factors could cause the actual results, performance or achievements of BASF to be materially different from those that may be expressed or implied by such statements. Such factors include those discussed in BASF's Financial Report 2006 on pages 72ff. We do not assume any obligation to update the forward-looking statements contained in this presentation.



The Chemical Company