We add value as one company
Cautionary note regarding forward-looking statements

This presentation may contain forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realized from the proposals described herein. Forward-looking statements may include, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. BASF has based these forward-looking statements on its views and assumptions with respect to future events and financial performance. Actual financial performance could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. The information contained in this presentation is subject to change without notice and BASF does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.
Overview BASF

Business review

BASF strategy & growth targets

Strategic levers
We create chemistry for a sustainable future

- The #1 chemical company
- €74 billion sales, €7.2 billion EBIT bSI in 2013
- #1-3 in >75% of businesses, present in >200 countries
- 6 integrated Verbund sites, production in 60 countries

- A track record of strong sales and earnings growth
- 14% average annual dividend increase, >3% yield in every single year*
- >€75 billion market capitalization at end of May, 2014

- Chemistry as an enabler
- BASF has superior growth opportunities:
  – sustainable innovations
  – investments
  – emerging markets
- Ambitious financial targets
BASF today – a well-balanced portfolio
Total sales 2013: €74 billion

Percentage of sales 2013*

- **23%**
  - **Chemicals**
    - Petrochemicals
    - Monomers
    - Intermediates

- **21%**
  - **Performance Products**
    - Dispersions & Pigments
    - Care Chemicals
    - Nutrition & Health
    - Paper Chemicals
    - Performance Chemicals

- **23%**
  - **Functional Materials & Solutions**
    - Catalysts
    - Construction Chemicals
    - Coatings
    - Performance Materials

- **7%**
  - **Agricultural Solutions**
    - Crop Protection

- **20%**
  - **Oil & Gas**
    - Exploration & Production
    - and Natural Gas Trading

* Not depicted here: ~6% of Group sales reported as ‘Other’
Verbund generates >€1 billion p.a. global cost savings*, supports sustainability

- **Energy Verbund**: >€300 million annual cost savings
- **Logistics Verbund**: >€600 million annual cost savings
- **Infrastructure Verbund**: >€100 million annual cost savings

Global reduction in carbon emissions of 6.1 million metric tons/a. and reduction of waste

Example Ludwigshafen: avoidance of 7 million metric tons of freight/a. = 280,000 fewer truckloads

Shared use of on-site facilities: fire department, security, waste water treatment and analytics

* Savings include only tangible synergies. Additional (intangible) benefits and retained profits are not included.
Overview BASF

Business review

BASF strategy & growth targets

Strategic levers
Good start to the year in chemicals business, Oil & Gas considerably down

**Business performance**
- Sales
- EBITDA
- EBIT before special items
- EBIT
- Net income
- Reported EPS
- Adjusted EPS
- Operating cash flow

<table>
<thead>
<tr>
<th></th>
<th>Q1’14</th>
<th>Q1’13</th>
<th>vs. Q1’13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>€19.5 billion</td>
<td>€19.7 billion</td>
<td>(1%)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>€3.0 billion</td>
<td>€2.9 billion</td>
<td>+3%</td>
</tr>
<tr>
<td>EBIT before special items</td>
<td>€2.1 billion</td>
<td>€2.2 billion</td>
<td>(3%)</td>
</tr>
<tr>
<td>EBIT</td>
<td>€2.2 billion</td>
<td>€2.2 billion</td>
<td>+4%</td>
</tr>
<tr>
<td>Net income</td>
<td>€1.5 billion</td>
<td>€1.4 billion</td>
<td>+2%</td>
</tr>
<tr>
<td>Reported EPS</td>
<td>€1.61</td>
<td>€1.57</td>
<td>+3%</td>
</tr>
<tr>
<td>Adjusted EPS</td>
<td>€1.64</td>
<td>€1.67</td>
<td>(2%)</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>€1.7 billion</td>
<td>€2.0 billion</td>
<td>(17%)</td>
</tr>
</tbody>
</table>

**Sales development**

<table>
<thead>
<tr>
<th>Period</th>
<th>Volumes</th>
<th>Prices</th>
<th>Portfolio</th>
<th>Currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1’14 vs. Q1’13</td>
<td>↑ 4%</td>
<td>↓ (3%)</td>
<td>↑ 1%</td>
<td>↓ (3%)</td>
</tr>
</tbody>
</table>
BASF outperformed global chemical production by ~3 percentage points p.a.

Sales to third parties

billon €

<table>
<thead>
<tr>
<th>Year</th>
<th>Volumes</th>
<th>Prices</th>
<th>Currencies</th>
<th>M&amp;A</th>
<th>IFRS Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>33</td>
<td>16.6</td>
<td>20.7</td>
<td>-4.8</td>
<td>13.7</td>
</tr>
<tr>
<td>2012</td>
<td>79</td>
<td>72</td>
<td>-6.6</td>
<td>3.7</td>
<td>-0.5</td>
</tr>
<tr>
<td>2012 restated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>74</td>
<td></td>
<td></td>
<td>-2.0</td>
<td>0.6</td>
</tr>
</tbody>
</table>

BASF nominal growth 2001 - 2013 (BASF growth adj. for IFRS: ~8%) 7.1%

Global chemical production (CAGR 2001 – 2013) 3.8%
Strong and profitable growth in emerging markets

Sales BASF Group excl. Oil & Gas
billion € by location of customer

EBITDA BASF Group excl. Oil & Gas
billion € by location of customer

Emerging markets

Developed markets**

*Nominal CAGR

**BASF definition: Developed markets include EU15, Norway, Switzerland, North America, Japan, Australia, New Zealand
Strong track record of operational excellence

BASF Group 2001–2013

CAGR 2001 – 2013

- 8% EBITDA
- 7% Sales
- 2% Fixed costs

* IFRS restatement; numbers exclude Libya onshore, BASF YPC Nanjing
Strong free cash flow generation

Free cash flow*

in € billion

- Cash provided by operating activities less capex (in 2005 before CTA)
- 2009 adjusted for re-classification of settlement payments for currency derivatives
Attractive dividend yield

Dividend per share in €

CAGR 14%


0.85 1.00 1.50 1.95 1.95 1.70 2.20 2.50 2.60 2.70

Dividend payments

- Dividend of €2.70 per share for 2013, an increase of 3.8%
- 2004-2013: Average annual dividend increase of ~14%
- Attractive dividend yield of 3.5% in 2013**
- Dividend yield above 3% in any given year since 2004

Dividend yield*

3.2% 3.1% 4.1% 3.8% 7.0% 3.9% 3.7% 4.6% 3.7% 3.5%

* Dividend yield based on share price at year-end  ** Based on BASF share price of €77.49 on Dec. 30, 2013
Delivering consistent, long-term value

Average annual performance with dividends reinvested

**Last 10 years**
June 2004 – May 2014

- **BASF**: +19.0%
- **Euro Stoxx 50**: +4.8%
- **DAX 30**: +9.7%
- **MSCI World Chemicals**: +11.0%

**Last 5 years**
June 2009 – May 2014

- **BASF**: +26.8%
- **Euro Stoxx 50**: +9.2%
- **DAX 30**: +15.0%
- **MSCI World Chemicals**: +15.2%
Outlook 2014 confirmed

**Outlook 2014**

- We aim to increase our sales volumes excluding the effects of acquisitions and divestitures.
- Nonetheless, sales will decline slightly compared with 2013 due to the divestiture of the gas trading and storage business planned for mid-2014.
- We expect a slight increase in EBIT before special items, especially as a result of considerably higher contributions from the Performance Products and Functional Materials & Solutions segments.
- We aim to earn a high premium on our cost of capital once again in 2014.

**Assumptions 2014**

- **GDP:** +2.8% (2013 actual: +2.3%)
- **Industrial production:** +3.7% (2013 actual: +2.5%)
- **Chemical production:** +4.4% (2013 actual: +4.6%)
- **US$ / Euro:** 1.30 (2013 actual: 1.33)
- **Oil price (US$ / bbl):** 110 (2013 actual: 109)
Overview: BASF

Business review

BASF strategy & growth targets

Strategic levers
Demographic challenges
... set the stage for the future of the chemical industry

Nine billion people in 2050 but only one earth

Resources, Environment & Climate
Food & Nutrition
Quality of Life

Chemistry as enabler
Key financial targets 2015 / 2020 are ambitious

<table>
<thead>
<tr>
<th>Growth targets</th>
<th>Profitability targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Grow at least 2 percentage points above chemical production</td>
<td>▪ Earn a premium on cost of capital of at least €2.0 billion on average p.a.</td>
</tr>
<tr>
<td>▪ Sales ~€80 billion</td>
<td>▪ EBITDA ~€14 billion</td>
</tr>
<tr>
<td>▪ Sales ~€110 billion</td>
<td>▪ EPS ~€7.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales ~€80 billion</td>
<td>Sales ~€110 billion</td>
</tr>
<tr>
<td>EBITDA ~€14 billion</td>
<td>EBITDA ~€22 billion</td>
</tr>
</tbody>
</table>

BASF Capital Market Story June 2014
Overview BASF

Business review

BASF strategy & growth targets

Strategic levers

– Portfolio development
– Market approach
– Innovations for a sustainable future
– Investments
– Acquisitions
– Operational excellence
Portfolio development
We expand from chemicals to chemistry

- Chemistry as key enabler for functionalized materials & solutions
- Deep understanding of customer value chains required


New molecules

Improved applications

Functionalized materials & solutions

Batteries, membranes ...
A different look at our current portfolio...

**Oil & Gas**

Excellent position and growth opportunities; synergies with chemical businesses

Exploration & production of oil and gas, gas trading activities

**Classical Chemicals**

Chemical business based on our production Verbund

Cracker products, plastizicers, acrylic acid, MDI/TDI

**Customized Products**

Customer-oriented specialties, backward integration in Verbund value chains

PU systems, vitamins, personal care ingredients

**Functionalized Materials & Solutions**

Integration of competencies in chemistry: R&D, technology, market knowledge and global access to customer industries

Battery materials, water solutions, crop protection agents, engineering plastics
### Portfolio development
Moving downstream towards customer industries

<table>
<thead>
<tr>
<th>Year</th>
<th>Chemical Industry in % of sales**</th>
<th>First customer industries* in % of sales**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>~ 50%</td>
<td>~ 50%</td>
</tr>
<tr>
<td>2010</td>
<td>~ 40%</td>
<td>~ 60%</td>
</tr>
<tr>
<td>2020</td>
<td>~ 30%</td>
<td>~ 70%</td>
</tr>
</tbody>
</table>

** Sales excluding Oil & Gas. Targets were published on November 29, 2011.
Portfolio development
Towards more market driven and innovative businesses

**Acquisitions**
- Engineering plastics
- Electronic chemicals
- Catalysts
- Construction chemicals
- Water-based resins
- Pigments, plastic additives
- Oil & Gas
- Personal care & food
- Battery materials
- Functional crop care
- Omega-3 fatty acids
- Enzymes

**BASF core business**
Selected transactions 2001 – today*

**Strong partnerships**
- Gazprom
- Statoil
- Monsanto
- Petronas
- Shell
- Sinopec
- Total

**Divestitures**
- Pharma
- Fibers
- Printing systems
- Polyolefins
- Polystyrene Americas
- Agro generics
- Vitamins premix
- Fertilizers
- Styrenics (transferred into Styrolution JV on Oct. 1, 2011)
- Construction equipment, flooring systems

* Only closed deals have been considered
** Without Styrenics
Market approach
Cross-divisional customer industry approach

BASF sales by first customer industry*

- Consumer goods
  > 15 %
- Transportation
  > 15 %
- Construction
  > 10 %
- Energy & Resources
  < 10 %

Bubble Size: BASF divisional sales by first customer industry**

* Excluding Oil & Gas, Crop Protection and Other. 2012 numbers
** Nutrition & Health sales predominantly into Health & Nutrition market
Cross-divisional approach
BASF’s technology Verbund combined with customer know-how

- Lightweight tridion cell
- High performance foams
- Infrared-reflective film
- Infrared-reflective coating
- Solar roof with transparent organic solar panels and OLED modules
- E-textiles
- Multifunctional seat
- All-plastic wheel

Daimler & BASF concept car ‘Smart forvision’
Customer Verbund - adidas and BASF
Working together for disruptive innovation: Infinergy™

Target 2015
15 million pairs
Strong commitment to innovation
Innovations for a sustainable future

Key facts

- €1.8 billion R&D expenditure in 2013, further increase of R&D spending planned in 2014
- ~10,650 employees in R&D
- ~3,000 projects
- Research Verbund: Cooperations with ~600 excellent partners from universities, start-ups and industry
- Target 2015 and 2020:
  - €10 billion in sales from innovations younger 5 years
  - €30 billion in sales from innovations younger 10 years

R&D expenditures in € billion

- Corporate Research 21%
- Oil & Gas 3%
- Agricultural Solutions 26%
- Functional Mat. & Sol. 20%
- Performance Products 20%
- Chemicals 10%

Graph showing R&D expenditures from 2009 to 2013.
Chemistry-based innovations
Growth and technology fields

Global needs
- Resources, Environment & Climate
- Food & Nutrition
- Quality of Life

Key customer industries
- Transportation
- Construction
- Consumer Goods
- Health & Nutrition
- Agriculture
- Energy & Resources
- Electronics

Growth fields
- Batteries for Mobility
- Enzymes
- E-Power Management
- Functional Crop Care
- Heat Management for Construction
- Lightweight Composites
- Organic Electronics
- Plant Biotechnology
- Water Solutions
- Wind Energy
- …

Technology fields
- Materials, Systems & Nanotechnology
- Raw Material Change
- White Biotechnology
Enabling technology: Battery Materials
Driving the future of electromobility

Business potential 2020
- Strategic relevant market: >€5 billion globally (~€4 billion in Asia Pacific)
- Sales potential BASF: >€500 million globally (~€350 million in Asia Pacific)

BASF activities
- Start of business unit „Battery Materials“ in 2012
- Several technology-driven acquisitions undertaken
- Three-digit million euro invest for R&D and production
- R&D network with universities / industrial partners

BASF’s technology roadmap- Battery materials for today and tomorrow

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Li-ion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HE/HV Li-ion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Li-S</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From Li-ion to Lithium-sulfur

Driving range (km)*

* Driving range (km) of an electric car (with a 100kg battery)
# Investments

Capex budget 2014-2018 by segment and region*

## Capex budget 2014-2018 by segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Budget Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Products</td>
<td>15%</td>
</tr>
<tr>
<td>Functional Materials &amp; Solutions</td>
<td>12%</td>
</tr>
<tr>
<td>Agricultural Solutions</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>€20 billion</strong></td>
</tr>
</tbody>
</table>

## Capex budget 2014-2018 by region

<table>
<thead>
<tr>
<th>Region</th>
<th>Budget Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific</td>
<td>18%</td>
</tr>
<tr>
<td>South America</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
<tr>
<td>Europe</td>
<td>49%</td>
</tr>
<tr>
<td>North America</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>€20 billion</strong></td>
</tr>
</tbody>
</table>

* Source: BASF Report 2013
Investments
Major projects

- MTP complex
  US Gulf Coast*

- MDI plant
  Chongqing, China

- Acrylic acid complex
  Camacari, Brazil

- TDI plant
  Ludwigshafen, Germany

- Aroma Ingredients
  Kuantan, Malaysia

- Expansion oil & gas activities

* MTP = Methane-to-propylene; under evaluation
Sales share from emerging markets to further increase

**BASF definition: Developed markets include EU15, Norway, Switzerland, North America, Japan, Australia, New Zealand**

**Sales excluding Oil & Gas**

<table>
<thead>
<tr>
<th>Year</th>
<th>Developed markets</th>
<th>Emerging markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>~ 78%</td>
<td>~ 22%</td>
</tr>
<tr>
<td>2013</td>
<td>~ 67%</td>
<td>~ 33%</td>
</tr>
<tr>
<td>2020</td>
<td>~ 55%</td>
<td>~ 45%</td>
</tr>
</tbody>
</table>
Acquisitions
… will contribute to profitable growth in the future

We want to acquire businesses which …

- Generate profitable growth above the industry average
- Are innovation-driven
- Offer a special value proposition to customers
- Reduce earnings cyclicality

Strategic acquisition criteria

- Provide a minimum return on investment of 8% p.a. after tax
- Are EPS accretive by year three at the latest

Financial acquisition criteria
Operational excellence programs
STEP program on track: ~€1 billion earnings contribution by 2015

Annual earnings contribution in € million

<table>
<thead>
<tr>
<th>Year</th>
<th>Former cost saving programs</th>
<th>NEXT</th>
<th>STEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,000</td>
<td>1,000</td>
<td>3,000</td>
</tr>
<tr>
<td>2015</td>
<td>2,000</td>
<td>1,000</td>
<td>3,000</td>
</tr>
</tbody>
</table>

STEP program
- Targeted annual earnings contribution of ~€1 billion by end of 2015
- Optimization of processes and structures in all regions, e.g.
  - manufacturing, maintenance
  - supply chain
  - engineering, best-cost country sourcing
- Project timeline: 2012–2015
- Program is on track
- Total of ~€600 million achieved by the end of 2013
- One-time cost & investments: ~€1 billion
## Restructuring in Performance Products

Announced measures to strengthen competitiveness

<table>
<thead>
<tr>
<th>Business</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leather and textile chemicals</strong></td>
<td>- Establishment of global innovation center in China&lt;br&gt;- Optimization of various functions and relocation to Asia Pacific</td>
</tr>
<tr>
<td>(March 18, 2013)</td>
<td></td>
</tr>
<tr>
<td><strong>Water, oilfield and mining chemicals</strong></td>
<td>- Establishment of global business unit to realize synergies&lt;br&gt;- Divestment of industrial water management business</td>
</tr>
<tr>
<td>(March 27, 2013)</td>
<td></td>
</tr>
<tr>
<td><strong>Plastic additives and pigments</strong></td>
<td>- Adjustments at sites in the Basel area to adapt to changed market conditions&lt;br&gt;- Downsizing of R&amp;D activities</td>
</tr>
<tr>
<td>(April 23, 2013)</td>
<td></td>
</tr>
<tr>
<td><strong>Pigments</strong></td>
<td>- Optimization of global production network&lt;br&gt;- Closure, restructuring and evaluation of strategic options for production assets</td>
</tr>
<tr>
<td>(October 23, 2013)</td>
<td></td>
</tr>
<tr>
<td><strong>Paper chemicals</strong></td>
<td>- Shutdown of latex production in Europe&lt;br&gt;- Ongoing portfolio optimization</td>
</tr>
<tr>
<td>(January 23, 2014)</td>
<td></td>
</tr>
<tr>
<td><strong>Nutrition &amp; Health</strong></td>
<td>- Adjustment of product portfolio and business models to market needs</td>
</tr>
<tr>
<td>(April 25, 2014)</td>
<td></td>
</tr>
</tbody>
</table>

**Scope of announced measures:** Reduction of ~2,000 positions, €450-500m/a savings (by 2016), €250-300m one-time costs
Appendix:

Q1 2014 Reporting
Portfolio optimization & development

- Strengthening Verbund sites in Asia
- Strengthen competitiveness of Performance Products
- Portfolio optimization in Oil & Gas
- Increasing backward integration in the US
Chemicals
Continued volume increase, but lower prices

**Q1’14 segment sales** (million €) vs. **Q1’13**

<table>
<thead>
<tr>
<th>Segment</th>
<th>2014</th>
<th>2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediates</td>
<td>711</td>
<td></td>
<td>+2%</td>
</tr>
<tr>
<td>Monomers</td>
<td>1,590</td>
<td></td>
<td>(5)%</td>
</tr>
<tr>
<td>Petrochemicals</td>
<td>2,097</td>
<td></td>
<td>+4%</td>
</tr>
</tbody>
</table>

**EBIT before special items** (million €)

<table>
<thead>
<tr>
<th>Period</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>650</td>
<td>495</td>
<td>527</td>
<td>510</td>
<td>601</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sales development**

<table>
<thead>
<tr>
<th>Period</th>
<th>Volumes</th>
<th>Prices</th>
<th>Portfolio</th>
<th>Currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1’14 vs. Q1’13</td>
<td>↑ 8%</td>
<td>↓ (6%)</td>
<td>(0%)</td>
<td>↓ (2%)</td>
</tr>
</tbody>
</table>
Performance Products
Continued strong volume growth

Q1’14 segment sales (million €) vs. Q1’13

- Care Chemicals: 1,264 (1%)
- Nutrition & Health: 495 (0%)
- Paper Chemicals: 344 (5%)

Performance Chemicals: 818 (0%)
Dispersions & Pigments: 951 (+2%)

€3,872 (0%)

EBIT before special items (million €)

- Q1: 379
- Q2: 394
- Q3: 376
- Q4: 216
- Q1'14: 427

Sales development

<table>
<thead>
<tr>
<th>Period</th>
<th>Volumes</th>
<th>Prices</th>
<th>Portfolio</th>
<th>Currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1’14 vs. Q1’13</td>
<td>↑ 5%</td>
<td>↓ (1%)</td>
<td>0%</td>
<td>↓ (4%)</td>
</tr>
</tbody>
</table>

BASF Capital Market Story June 2014
Functional Materials & Solutions
Strong demand from automotive industry

Q1’14 segment sales (million €) vs. Q1’13

- Performance Materials: €1,614 million, +3%
- Catalysts: €1,458 million, 0%
- Construction Chemicals: €443 million, (3%)
- Coatings: €721 million, +3%
- Total: €4,236 million, +1%

EBIT before special items (million €)

- Q1 2013: €239 million
- Q2 2013: €293 million
- Q3 2013: €300 million
- Q4 2013: €238 million
- Q1 2014: €311 million

Sales development

<table>
<thead>
<tr>
<th>Period</th>
<th>Volumes</th>
<th>Prices</th>
<th>Portfolio</th>
<th>Currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1’14 vs. Q1’13</td>
<td>↑ 7%</td>
<td>↓ (1%)</td>
<td>0%</td>
<td>↓ (5%)</td>
</tr>
</tbody>
</table>
Agricultural Solutions
Good start to the year

Q1’14 segment sales vs. Q1’13 (million €)

Sales development

<table>
<thead>
<tr>
<th>Period</th>
<th>Volumes</th>
<th>Prices</th>
<th>Portfolio</th>
<th>Currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1’14 vs. Q1’13</td>
<td>↑ 9%</td>
<td>↑ 3%</td>
<td>0%</td>
<td>↓ (6%)</td>
</tr>
</tbody>
</table>
Oil & Gas
Lower sales and earnings, net income increased

Q1’14 segment sales (million €) vs. Q1’13

- Natural Gas Trading
  3,484
  (10%)
- Exploration & Production
  792
  0%

€4,276
-8%

EBIT bSI/Net income (million €)

Sales development

<table>
<thead>
<tr>
<th>Period</th>
<th>Volumes</th>
<th>Prices/Currencies</th>
<th>Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1’14 vs. Q1’13</td>
<td>↓ (7%)</td>
<td>↓ (4%)</td>
<td>↑ 3%</td>
</tr>
</tbody>
</table>
## Review of “Other”

<table>
<thead>
<tr>
<th>Million €</th>
<th>Q1’14</th>
<th>Q1’13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>1,077</td>
<td>1,065</td>
</tr>
<tr>
<td><strong>EBIT before special items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>thereof Corporate research</td>
<td>(203)</td>
<td>(182)</td>
</tr>
<tr>
<td>Group corporate costs</td>
<td>(102)</td>
<td>(98)</td>
</tr>
<tr>
<td>Currency results, hedges and other valuation effects</td>
<td>(49)</td>
<td>(56)</td>
</tr>
<tr>
<td>Styrenics, fertilizers, other businesses</td>
<td>(95)</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>50</td>
<td>59</td>
</tr>
<tr>
<td><strong>Special items</strong></td>
<td>(8)</td>
<td>(28)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>(211)</td>
<td>(210)</td>
</tr>
</tbody>
</table>
## Strong operating cash flow

<table>
<thead>
<tr>
<th>Million €</th>
<th>Q1’14</th>
<th>Q1’13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash provided by operating activities</strong></td>
<td>1,704</td>
<td>2,041</td>
</tr>
<tr>
<td>thereof Changes in net working capital</td>
<td>(1,052)</td>
<td>(713)</td>
</tr>
<tr>
<td>Miscellaneous items</td>
<td>578</td>
<td>615</td>
</tr>
<tr>
<td><strong>Cash used in investing activities</strong></td>
<td>(770)</td>
<td>(1,637)</td>
</tr>
<tr>
<td>thereof Payments related to tangible / intangible assets</td>
<td>(936)</td>
<td>(831)</td>
</tr>
<tr>
<td>Acquisitions / divestitures</td>
<td>263</td>
<td>(514)</td>
</tr>
<tr>
<td><strong>Cash provided by financing activities</strong></td>
<td>389</td>
<td>363</td>
</tr>
<tr>
<td>thereof Changes in financial liabilities</td>
<td>413</td>
<td>429</td>
</tr>
<tr>
<td>Dividends</td>
<td>(24)</td>
<td>(66)</td>
</tr>
</tbody>
</table>
Balance sheet remains strong

### Highlights March 31, 2014
- Short-term assets increased by €3.2 billion
- Inventories rose slightly by €0.3 billion
- Accounts receivables grew seasonally by €1.4 billion
- Liquid funds up by €1.3 billion
- Financial indebtedness rose by €0.6 billion to €15.1 billion
- Net debt reduced to €11.9 billion
- Equity ratio: 42%

### Balance sheet March 31, 2014 vs. December 31, 2013
(billion €)

<table>
<thead>
<tr>
<th></th>
<th>Dec 31 2013</th>
<th>Mar 31 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid funds</td>
<td>64.4</td>
<td>67.9</td>
</tr>
<tr>
<td>Other assets</td>
<td>3.7</td>
<td>3.9</td>
</tr>
<tr>
<td>Inventories</td>
<td>9.4</td>
<td>9.9</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>27.8</td>
<td>28.4</td>
</tr>
<tr>
<td>Disposal group</td>
<td>2.8</td>
<td>2.7</td>
</tr>
<tr>
<td>Long-term assets</td>
<td>37.1</td>
<td>37.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Dec 31 2013</th>
<th>Mar 31 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial debt</td>
<td>20.9</td>
<td>22.4</td>
</tr>
<tr>
<td>Disposal group</td>
<td>14.4</td>
<td>15.1</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1.3</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Stockholders' equity
Outlook 2014 confirmed

**Outlook 2014**
- We aim to increase our sales volumes excluding the effects of acquisitions and divestitures.
- Nonetheless, sales will decline slightly compared with 2013 due to the divestiture of the gas trading and storage business planned for mid-2014.
- We expect a slight increase in EBIT before special items, especially as a result of considerably higher contributions from the Performance Products and Functional Materials & Solutions segments.
- We aim to earn a high premium on our cost of capital once again in 2014.

**Assumptions 2014**
- GDP: +2.8%
- Industrial production: +3.7%
- Chemical production: +4.4%
- US$ / Euro: 1.30
- Oil price (US$ / bbl): 110
### Outlook 2014

**Expectations for the global economy**

<table>
<thead>
<tr>
<th></th>
<th>Forecast 2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GDP</strong></td>
<td>2.8%</td>
<td>2.3%</td>
</tr>
<tr>
<td><strong>Chemicals (excl. pharma)</strong></td>
<td>4.4%</td>
<td>4.6%</td>
</tr>
<tr>
<td><strong>Industrial production</strong></td>
<td>3.7%</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>US$ / Euro</strong></td>
<td>1.30</td>
<td>1.33</td>
</tr>
<tr>
<td><strong>Oil price: Brent (US$ / bbl)</strong></td>
<td>110</td>
<td>109</td>
</tr>
</tbody>
</table>
## Outlook 2014 by region
### Chemical production (excl. pharma)

<table>
<thead>
<tr>
<th>Region</th>
<th>Forecast 2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>4.4%</td>
<td>4.6%</td>
</tr>
<tr>
<td>EU</td>
<td>1.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>USA</td>
<td>2.8%</td>
<td>3.2%</td>
</tr>
<tr>
<td><strong>Asia (excl. Japan)</strong></td>
<td><strong>7.2%</strong></td>
<td><strong>8.5%</strong></td>
</tr>
<tr>
<td>Japan</td>
<td>2.5%</td>
<td>1.8%</td>
</tr>
<tr>
<td>South America</td>
<td>2.4%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>
Outlook 2014
Forecast by segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2013</th>
<th>Forecast 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>2,182</td>
<td>slight decrease</td>
</tr>
<tr>
<td>Performance Products</td>
<td>1,365</td>
<td>considerable increase</td>
</tr>
<tr>
<td>Functional Materials &amp; Solutions</td>
<td>1,070</td>
<td>considerable increase</td>
</tr>
<tr>
<td>Agricultural Solutions</td>
<td>1,222</td>
<td>slight increase</td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td>1,969</td>
<td>slight increase</td>
</tr>
<tr>
<td>Other</td>
<td>(618)</td>
<td>slight decrease</td>
</tr>
<tr>
<td><strong>BASF Group</strong></td>
<td>7,190</td>
<td>slight increase</td>
</tr>
</tbody>
</table>

With respect to EBIT before special items, “slight” means a change of 1-10%, while “considerable” is used for changes greater than 11%. “At prior-year level” indicates no change (+/-0%).
Appendix:
Investor Day Chemicals segment
Continuous development of Chemicals
global asset footprint

Major investments

- BASF Petronas, Kuantan
- Steam cracker, Port Arthur
- BASF-YPC, Nanjing
- Expansion BASF-YPC, Nanjing
- Isocyanates, China
- Expansion Antwerp cracker
- BASF Specialty Chemicals, Nanjing
- Feedflex, Port Arthur
- Polyamide fibers
- Minority share in 'Williams cracker'
- Styrenics
- Polyolefins
- Acrylonitrile, Seal Sands
- Fertilizers

Divestitures / Joint ventures
Balanced portfolio of products for internal supply and merchant market sales

Internal supply driven
- captive use only
  - Industrial gases
  - Acetylene
  - Purified ethylene oxide
  - Formaldehyde
  - Ammonia
  - Cracker products
  - Butanediol
  - Caprolactam
  - PBT** base resin
  - Acrylic acid
  - MDI

Merchant market driven
- TDI
- PolyTHF®
- Amines
- Higher alcohols
- Polyalcohols and specialties
- Formic acid
- Inorganic salts
- Glues and resins

** Polybutylene terephthalate
Chemicals segment grows by selling into the BASF Verbund and to the market

Sales Chemicals in million €

- CAGR 11% 2001-2013
- Volume CAGR 5% 2001-2013

* IFRS 10 & 11 impact: -€1.3Bn; Impact of new segment structure: +€5.3Bn
** Without Catalysts (now part of Functional Materials & Solutions segment)
Chemicals with stable profitability, little correlation to oil price

EBITDA margin Chemicals / oil price
Index 2001 = 100

* Without Catalysts (now part of Functional Materials & Solutions segment)
**EBIT after cost of capital**

in million €

**Chemicals earned a premium on cost of capital even during the 2008 / 2009 recession***

* EBIT after cost of capital concept was introduced in 2004.
** Without Catalysts (now part of Functional Materials & Solutions segment)
*** The former Plastics segment also earned a premium on cost of capital during the 2008 / 2009 recession.
Chemicals generates strong and steady free cash flow

Cash flow Chemicals in million €

Since 2001, Chemicals contributed ~€17 billion of free cash flow to BASF Group

* Without Catalysts (now part of Functional Materials & Solutions segment)
Increasing usage of alternative feedstock in global chemicals market

- Oil
- Natural gas
  - Shale gas
- Coal
- Renewables

Downstream Chemicals

- Ethylene
- Propylene
- C4 Olefins
- Aromatics
- Methanol
- Acetylene
- Ammonia
- Intermediates

future
Raw material supply and integration concepts will define competitiveness

**North America**
- New capacities based on shale gas
- Export of NGLs*/ LPG** and base-products

**China**
- Strong domestic demand will drive capacity additions
- Abundant coal reserves drive coal-to-chemicals investments
- Expected to remain a net importer of many basic chemicals

**Europe**
- Ongoing restructuring of olefins and polyolefins industry
- Focus on innovative chemistry
- Integrated production setups will remain competitive

**Middle East**
- Diminishing feedstock advantage due to shale gas (USA) and coal (China)
- Export hub for raw materials and base-products

**South America**
- Focus on renewable resources
- Will remain net importer of chemicals from the U.S.

* Natural Gas Liquids   ** Liquefied Petroleum Gas
Shale gas in the U.S.: Lower energy and feedstock cost

Price development of oil / natural gas

- Increased U.S. shale gas production disconnected crude oil prices from natural gas prices in North America
- Increased production of natural gas liquids (NGLs): ethane, propane, butane
- NGL price drop drives shift to lighter cracker feed slates
  - Improved profitability of light feed crackers
  - Narrow cracker output

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Natural gas price Germany: Statistisches Bundesamt "Grenzübergabepreis" Germany
Shale gas is beneficial for methane and ethane based chemistry

Natural Gas Liquids
- Ethane
- Propane
- Butane
- Cracker Feed

Composition of shale gas

Methane
- Power plants
- Ammonia
- Methanol

- Low transportability of ethane
  - Shift to ethane crackers
- Propane and butane easy to transport
  - Export with link to global market

- Very limited transportability of methane
- Methane to remain an abundant product with low pricing in North America (despite LNG projects)

Methane and ethane to retain their advantageous cost position in North America
Ammonia joint venture* enables low raw materials costs for BASF downstreams

- World-scale producer economics plant with focus on captive demand only (BASF)
- Site: BASF Verbund site Freeport, Texas
- Capacity: 750 kt p.a.
- Advantages of hydrogen & nitrogen based technology:
  - Lower capital investment
  - No greenhouse gas emissions
  - Faster execution

* Project under evaluation  
** Hydrogen and nitrogen are available in the Freeport area
Gas-to-propylene complex* covers internal demand at attractive conditions

Propylene supply North America

- Methane (from shale gas)
  - Methanol
  - Flexible feed (NGL’s, Naphtha)
  - Propylene (Port Arthur cracker)

From 2019

Cost leading gas-to-propylene technology covers supply gap

- U.S. Gulf Coast location
- World-scale plant
- Start-up: ~2019
- Port Arthur cracker and new on-purpose propylene complex to cover entire captive propylene demand
- Mid-term no sales to merchant market
- Lower cost than alternative PDH technology

* Project under evaluation
Chemicals is at the heart of the BASF Production Verbund

**Additional Verbund benefits**
- Flexible planning along value chains
- High security of supply, low logistics costs, no sales and sourcing costs
- Joint quality management
- Joint engineering and process development
- Cross-functional knowledge exchange
- Additional capacity at Verbund sites dilutes fixed costs

**Philosophy of transfer pricing**
- Safe and flexible supply at competitive prices
- Transfer prices linked to market prices
- No cross-subsidizing
- Value driven management in all steps of the value chain
Chemicals supplies key raw materials to BASF downstream segments

**Performance Products**
- Acrylic acid
- Acrylates
- Butadiene
- Ethylene oxide
- Propylene oxide
- Pyrrolidones
- Amines
- Isobutene
- Hydrochloric acid
- Sodium hydroxide

**Functional Materials & Solutions**
- MDI & TDI
- Polyamides
- Mono ethylene glycol
- PBT
- PolyTHF
- Propylene oxide
- Acrylic acid
- Acrylates
- Plasticizers
- TDI

**Agricultural Solutions**
- Solvents
- Specialty amines
- Ethylene glycol
- Nitrotoluene
- Alcohohlates

~40% of total raw materials supplied by Chemicals segment

~30% of total raw materials supplied by Chemicals segment

~35% of total raw materials supplied by Chemicals segment
Close to entire cracker output in Ludwigshafen is used within Verbund

- Ethylene
- Propylene
- Butadiene
- Raffinates
- Aromatics
- …

Cracker products Ludwigshafen

Merchant Market

Value chains of the BASF Verbund

BASF-YPC Nanjing supply for captive demand:

2006: 60%  
2014: 75%
Capex focused on organic growth as well as on bottom-line improving projects

Consolidated sales indexed
(2000 = 100)

Consolidated sales
Chemicals segment

Capex as % of sales

Chemicals segment

Capex outlook

* Without Catalysts (now part of Functional Materials & Solutions segment)
Cost curve case study: TDI Europe

TDI cash cost curve, Europe
average cash costs 2015 in US$/kg

New Ludwigshafen TDI plant will provide superior cost structure in Europe

- Leading single-train technology
- New TDI plant strengthens and benefits from Ludwigshafen Verbund
- Schwarzheide plant to be closed after start-up of new plant

New TDI plant re-balances competitive environment of European TDI market

Source: BASF estimate
BASF’s Chemicals segment: The success story continues!

Sales Chemicals in billion €

EBITDA Chemicals in billion €

Chemicals will continue to contribute to BASF profit

- Chemicals enable growth of downstream businesses
- Chemicals benefit from downstream growth
- Investment projects mainly improve cost positions

Key success factors

- Operational and commercial excellence
- Process innovation
- Focused and disciplined capex plan
- Further Verbund integration
BASF’s Chemicals segment is a strong cash and earnings contributor

We will
► continue to strengthen the Verbund, create synergies and add value
► maintain our high level of profitability through process innovations and stringent cost management
► grow externally with the chemicals market

Our strategic focus is to enable and support growth of
► BASF’s downstream segments
► BASF in emerging markets

Shale gas is an opportunity for BASF
Appendix:
Update Oil & Gas
Oil & Gas – Strong free cash flow contribution to BASF Group

Cash flow Oil & Gas* (million €)

~45% of operating cash flow delivered to BASF Group (Avg. 2003-2013)

* Wintershall cash flow, not BASF Group consolidated view
** Free cash flow: Operating cash flow less payments related to property, plant and equipment and intangible assets
Exploration & Production – Regional footprint 2013 (1)

Production by region 2013 (million boe)

- **Europe**: 18%
  - North Africa/Middle East: 9%
- **South America**: 20%

**Production**

- Russia stands for roughly 50% of total production
- In 2013, natural gas accounted for approx. 75% of total production

Proved 1P reserves by region 2013 (billion boe)

- **Europe**: 13%
- North Africa/Middle East: 9%
- **South America**: 13%

**Reserves**

- Russia provides strong reserve base
- Gas accounts for roughly 80% of total reserves
Europe account for around 40% of sales

Russia is strongest earnings contributor, including at-equity income of €82 million, mainly from Yuzhno Russkoye
Russia – Asset swap with Gazprom (Achimov Blocks IV and V)

- Expansion of successful partnership with Gazprom
- Strengthening of E&P activities by acquiring shares in Blocks IV and V in the huge Achimov formation
- Exit of natural gas trading and storage business by transferring Wintershall shares to Gazprom
- EU commission granted unconditional approval in December 2013
- Transaction financially retroactive to April 1, 2013. Closing expected to take place mid-2014
- Key field data:
  - Total resources: 2.4 billion boe
  - Plateau production: >8 million cubic meters natural gas*
  - Production start: 2016 planned
  - Wintershall share: 25% plus one share

* Russian Standard Conditions (RSC)
Exploration & Production – Excellent further growth opportunities

Production volumes (million boe)

- 2015 target maintained despite restatement in 2012 caused by changes in IFRS (Effect*: -18 million boe in 2012)
- Continue to significantly invest in core and development regions
- E&P Capex 2014-2018 ~€4 billion**

Key Facts

- Libya onshore production @51%
- Without Capex in financial participations

Production volumes:
- 2013:
  - South America: 50
  - Europe: 40
  - Russia: 42
  - North Africa/Middle East: 20
- 2015 target:
  - South America: 50
  - Europe: 40
  - Russia: 42
  - North Africa/Middle East: 20

* Libya onshore production @51%
** Without Capex in financial participations
BASF’s Oil & Gas division – Summary and roadmap 2015

- Ambitious growth target for 2015 despite restatement
- Strong portfolio with access to high potential acreage
- Solid project pipeline / focus on execution & operational excellence
- Low risk strategy with focus on regions of expertise and limited exploration risk
- Powerful partnerships in key regions
- Reduction of downstream / natural gas trading exposure