

Invitation to the Annual Shareholders' Meeting of BASF SE on May 12, 2017



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We drive digital transformation under the banner "BASF 4.0": In plants at the Ludwigshafen site, employees can access information at any time using special tablets and QR codes.

BASF SE Ludwigshafen/Rhine

Invitation

Dear Shareholders,

Please accept our cordial invitation to this year's Annual Shareholders' Meeting of BASF SE on Friday, May 12, 2017, 10:00 a.m., in the Congress Center Rosengarten, Rosengartenplatz 2, 68161 Mannheim, Germany.

I. Agenda

1. Presentation of the adopted Financial Statements of BASF SE and the approved Consolidated Financial Statements of the BASF Group for the financial year 2016; presentation of the Management's Reports of BASF SE and the BASF Group for the financial year 2016 including the explanatory reports on the data according to Sections 289(4) and 315(4) of the German Commercial Code; presentation of the Report of the Supervisory Board

The Supervisory Board approved the Financial Statements prepared by the Board of Executive Directors and the Consolidated Financial Statements of the BASF Group on February 22, 2017. Thus the Annual Financial Statements have been adopted according to Section 172 of the German Stock Corporation Act. Therefore, according to the statutory provisions, no resolution by the Annual Shareholders' Meeting is planned for Item 1 of the Agenda. The documents specified above have been published on our website and can be accessed at www.basf.com/generalmeeting.

2. Adoption of a resolution on the appropriation of profit

The Board of Executive Directors and the Supervisory Board propose to pay a dividend of €3.00 per qualifying share from the profit retained by BASF SE in the financial year 2016 in the amount of €2,808,567,295.65. If the shareholders approve this proposal, a total dividend of €2,755,436,082.00 will be payable on the 918,478,694 qualifying shares as of the date of adoption of the Financial Statements for the financial year 2016 (February 22, 2017).

The Board of Executive Directors and the Supervisory Board propose that the remaining profit retained of €53,131,213.65 be allocated to the retained earnings reserve.

In accordance with Section 58(4) of the German Stock Corporation Act in the version applicable as of January 1, 2017, claims to dividends are payable on the third day following the Annual Shareholders' Meeting, in this case May 17, 2017.

3. Adoption of a resolution giving formal approval to the actions of the members of the Supervisory Board

The Board of Executive Directors and the Supervisory Board propose that formal approval be given to the actions of the members of the Supervisory Board of BASF SE for the financial year 2016.

4. Adoption of a resolution giving formal approval to the actions of the members of the Board of Executive Directors

The Supervisory Board and the Board of Executive Directors propose that formal approval be given to the actions of the members of the Board of Executive Directors of BASF SE for the financial year 2016.

5. Appointment of the auditor for the financial year 2017

The Supervisory Board proposes – based on the recommendation of its Audit Committee – that KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, be appointed auditor of the Financial Statements and the Group Consolidated Financial Statements of BASF SE for the financial year 2017.

6. Authorization to buy back shares in accordance with Section 71(1) No. 8 of the German Stock Corporation Act and to put them to further use with the possibility of excluding shareholders' subscription rights, including the authorization to redeem bought-back shares and reduce capital

The Annual Shareholders' Meeting last authorized the Board of Executive Directors to buy back shares in 2012. This authorization expires on April 26, 2017. The possibility of buying back shares should once again be given in order to be able to further optimize the Company's capital structure, return capital to the shareholders, and further increase earnings per share in the interests of shareholders.

The Board of Executive Directors and Supervisory Board propose that the following resolution be adopted:

1. The Board of Executive Directors is authorized to buy back Company shares up to May 11, 2022 in an amount of up to 10 percent of the Company's share capital at the time that the resolution was passed, or – in the event this amount is lower – of the share capital at the time that the authorization is exercised.

The shares will be bought back at the discretion of the Board of Executive Directors (i) via the stock exchange, (ii) via a public purchase offer addressed to all shareholders, or (iii) via a public request to the shareholders to submit sales offers ((ii) and (iii) hereinafter referred to as "public purchase offer").

If the purchase is effected on the stock exchange, the purchase price per share paid by the Company (excluding incidental purchase costs) may not be more than 10 percent higher or lower than the price of a BASF share determined on the trading day by the opening auction in Xetra trading (or a comparable successor system at the Frankfurt Stock Exchange).

In the event of a public purchase offer, the Company can stipulate a fixed purchase price or a purchase price spread per share (excluding incidental purchase costs) within which it is willing to buy back shares. In the public purchase offer, the Company can specify a period for accepting or submitting the offer and the possibility of, and the conditions for, adjusting the purchase price spread during the period in the event of significant price changes. In the case of a purchase price spread, the purchase price will be determined using the sales prices specified in the shareholders' acceptance or submission declarations and the buy-back volume fixed by the Board of Executive Directors after the end of the offer period.

In the event of a public offer by the Company to buy back shares, the purchase price offered or a purchase price spread per BASF share may not be more than 10 percent higher or lower than the average closing price of a BASF share in Xetra trading (or a comparable successor system at the Frankfurt Stock Exchange) on the last three trading days prior to the day of the official announcement. In the event of an adjustment of the purchase price spread by the Company, the last three trading days before the public announcement of the adjustment will be decisive.

If shareholders are called on to submit offers for sale, the purchase price per BASF share determined on the basis of the submitted offers (excluding incidental purchase costs) may not be more than 10 percent higher or lower than the average closing price of a BASF share in Xetra trading (or a comparable successor system at the Frankfurt Stock Exchange) on the last three trading days prior to the day of the official announcement. In the event of an adjustment of the purchase price spread by the Company, the last three trading days before the public announcement of the adjustment will be decisive.

If the number of shares tendered by the shareholders in the case of a public purchase offer exceeds the purchase volume planned by the Company or fixed after the end of the offer period, the Company can exclude the shareholders' right to tender (a) for a preferential consideration of tenders with a low number of up to 100 shares per shareholder and (b) for an acquisition of shares in the ratio of the tendered shares.

2. The Board of Executive Directors is authorized to sell or transfer Company shares purchased on the basis of the above authorization

- a) via the stock exchange,
- b) through an offer addressed to all shareholders,
- c) with the approval of the Supervisory Board, to third parties in return for cash payment at a price that is not significantly lower than the stock exchange price of a BASF share at the time of the sale, or
- d) with the approval of the Supervisory Board, to third parties in return for non-cash benefits, particularly in connection with the acquisition of companies, parts of companies or participations in companies or in connection with corporate mergers.

In the cases specified under c) and d), the shareholders' subscription right is excluded. The Board of Executive Directors may only make use of the authorization under c) in such a way that the sum of the Company's own shares sold under exclusion of the subscription right according to Section 186(3) Sentence 4 of the German Stock Corporation Act and the shares issued during the term of this authorization from authorized capital with the exclusion of the subscription right according to Section 186(3) Sentence 4 of the German Stock Corporation Act in return for cash does not as a whole exceed 10 percent of the share capital at the time this authorization comes into force or – in the event this amount is lower – of the share capital at the time that the authorization is exercised.

3. The Board of Executive Directors is authorized to redeem the shares bought back by virtue of the authorization without a further resolution of the Annual Shareholders' Meeting and to reduce the share capital by the proportion of the share capital accounted for by the redeemed shares. The Board of Executive Directors can also redeem the shares by a simplified process without reducing the share capital so that the proportion of the other shares in relation to the share capital is increased through the redemption. In the event that the shares are redeemed by the simplified process without any reduction of the share capital, the Board of Executive Directors is authorized to adjust the number of shares in the Statutes.
4. The authorizations to buy back shares and to resell and redeem them according to Nos. 1 to 3 may be exercised wholly or partially one or more times. The authorizations to buy back Company shares and to resell them may also be carried out, at the discretion of the Board of Executive Directors, by companies of the BASF Group or by third parties for the account of the Company or Group companies.

7. Resolution on the authorization of the Board of Executive Directors to issue convertible bonds and bonds with warrants and to exclude shareholders' subscription rights as well as on the creation of Conditional Capital 2017 and related amendment to the Statutes

The Board of Executive Directors shall be authorized to issue convertible bonds and bonds with warrants. Simultaneously, conditional capital shall be created to grant shares to service the rights arising from the

future issuance of these convertible bonds and bonds with warrants.

The Board of Executive Directors and Supervisory Board propose that the following resolutions be adopted:

a) Authorization to issue convertible bonds and bonds with warrants and to exclude shareholders' subscription rights

aa) Bonds with warrants and convertible bonds

The Board of Executive Directors is authorized, with the approval of the Supervisory Board, up until May 11, 2022, on a one-off basis or in portions on more than one occasion to issue bearer or registered convertible bonds and/or bonds with warrants or combinations of these instruments (collectively "Debt Instruments") with or without maturity limitations with a total nominal value of up to €10,000,000,000 and to grant holders and/or creditors ("Holders") of these Debt Instruments conversion or option rights (also with conversion obligations) for up to 91,847,800 registered shares in the Company ("BASF shares") with a pro rata amount of share capital of up to €117,565,184 subject to the respective terms and conditions of the Debt Instruments. The Debt Instruments can be issued in exchange for contributions in cash, but also for contributions in kind, particularly shareholdings in other companies.

As well as being issued in euros, the Debt Instruments may also be issued in the legal

currency of an OECD country, subject to the euro-equivalent limit. They can also be issued by a dependent Group company in accordance with Section 18 German Stock Corporation Act ("Subsidiary"). In this case, the Board of Executive Directors is authorized, with the approval of the Supervisory Board, on behalf of the Company to take over the unconditional guarantee for the Debt Instruments of the Subsidiary, to grant option or conversion rights or obligations with respect to BASF shares to the Holders of these Debt Instruments, and to make any necessary declarations and take any necessary actions for a successful issuance.

bb) Warrant and conversion rights

When bonds with warrants are issued, one or more warrants will be attached to each bond entitling or obliging the holder to subscribe to BASF shares subject to the terms and conditions of the warrants as determined by the Board of Executive Directors. The relevant warrants may be detachable from the respective bonds. The terms and conditions of the warrants may provide that the option price can also be settled by transferring bonds (trade-in) and potentially with an additional cash payment. The subscription ratio is obtained by dividing the nominal amount or the lower issue price of a convertible bond by the respective conversion price stipulated for one BASF share; a provision may be made for an additional cash payment. If fractions of BASF shares arise, provisions may be made that these fractional shares can be added together resulting in the subscription of whole BASF shares in accordance with the warrant terms and conditions (possibly against an additional payment).

In the case of issuance of convertible bonds, the Holders of the convertible bonds have the right and/or the obligation to convert these into BASF shares in accordance with the terms and conditions of the convertible bonds as stipulated by the Board of Executive Directors. The conversion ratio is obtained by dividing the nominal amount or the lower issue price of a convertible bond by the respective conversion price stipulated for one BASF share; a provision may be made for an additional cash payment. Furthermore, it may also be specified that fractional shares are to be combined and/or compensated in cash.

The pro rata amount of the share capital represented by the BASF shares to be subscribed for each Debt Instrument must not exceed the nominal amount or the lower issue price of the Debt Instrument.

cc) Conversion obligation

The terms and conditions of the convertible bonds may stipulate a conversion obligation upon maturity of the bond (or at an earlier date or upon a specific event). The pro rata amount of the share capital of the BASF shares to be issued at conversion may not exceed the nominal value of the convertible bonds. Under the terms and conditions of the convertible bonds, the Company may be entitled to fully or partially compensate in cash any difference between the nominal value of the convertible bond and the product of the conversion price and the conversion ratio. Section 9(1) of the German Stock Corporation Act and Section 199(2) of the German Stock Corporation Act shall remain unaffected.

dd) Right to substitute

The bond terms of the convertible bonds and/or bonds with warrants may contain a provision entitling the Company to grant BASF shares to Holders of the bond in lieu of the cash payment due (or parts thereof).

The bond terms and conditions of convertible bonds and/or bonds with warrants may also provide that in the event of a conversion or the exercise of an option, the Company has the right, instead of granting BASF shares, to pay the cash equivalent of the BASF shares that would otherwise be delivered, calculated as the volume-weighted average price of BASF shares on the Xetra trading system (or a comparable successor system at the Frankfurt Stock Exchange) on ten trading days during a period stipulated in the bond terms and conditions.

The terms and conditions of the Debt Instruments may also provide that Debt Instruments with option rights or conversion rights or obligations may, at the Company's discretion, be converted into existing BASF shares rather than new BASF shares from conditional capital, or that the option rights can be settled by the delivery of such BASF shares. The terms and conditions of each Debt Instrument may also provide for a combination of these forms of settlement.

ee) Option and conversion price

The conversion or option price to be determined may not be below 80 percent of the price of BASF shares in Xetra trading (or a comparable successor system at the Frankfurt Stock Exchange). The calculation shall be based on the volume-weighted average price of the BASF share over the ten trading days prior to the final decision by the Board of Executive Directors on the submission of an offer for the subscription of Debt Instruments or on the Company's notice of acceptance following a public solicitation to submit subscription offers. In the event that subscription rights are traded, the relevant dates are the dates on which the subscription rights are traded with the exception of the last two days of subscription rights trading. In the event of the substitution right and the conversion obligation, the conversion or option price can in accordance with the more detailed bond terms and conditions be either at least the abovementioned minimum price or the volume-weighted average price of the BASF shares on the Xetra trading system (or a comparable successor system at the Frankfurt Stock Exchange) during the ten trading days before or after the date the Debt Instruments mature, even if this average share price is below the abovementioned minimum price (80 percent). Section 9(1) of the German Stock Corporation Act and Section 199(2) of the German Stock Corporation Act shall remain unaffected.

ff) Dilution protection

The authorization shall also include the option, subject to the terms and conditions of the respective bonds and/or warrants, to provide dilution protection or other adjustments in certain circumstances. Dilution protection or other adjustments may be provided for in particular if the Company changes its capital structure during the term of the bonds and/or warrants (e.g., through a capital increase, a capital decrease or a stock split), but also in connection with dividend payments, the issuance of additional convertible bonds or bonds with warrants, transformation measures, and in the case of other events affecting the value of the options or conversion rights that may occur during the term of the bonds and/or warrants (e.g., acquisition of control by a third party). Dilution protection and/or other adjustments may be provided in particular by granting subscription rights, by changing the conversion or option price, or by amending or introducing cash components. Section 9(1) of the German Stock Corporation Act and Section 199(2) of the German Stock Corporation Act shall remain unaffected.

gg) Terms and conditions of the Debt Instruments

The Board of Executive Directors is authorized to stipulate the further terms and conditions of the bonds and/or warrants with the approval of the Supervisory Board, or to establish such terms and conditions by mutual agreement with the corporate bodies of the respective issuing Subsidiary, in particular: issue currency, interest

rate, issue price, maturity and denomination, dilution protection terms, conversion and/or option price, and conversion and/or option period.

hh) Subscription right

If shareholders are not offered a direct subscription of the Debt Instruments, they are granted the statutory subscription right in such a way that the Debt Instruments are taken over by a credit institute, a consortium of credit institutes or companies in accordance with Section 186(5) Sentence 1 of the German Stock Corporation Act, with the obligation that the Debt Instruments are offered to shareholders for subscription (indirect subscription right). If the Debt Instruments are issued by a Subsidiary, the Company must ensure that the statutory subscription right of its shareholders is upheld under the terms of the previous sentence.

However, the Board of Executive Directors is authorized, with the approval of the Supervisory Board, to exclude the statutory subscription right of the shareholders

– provided that the Debt Instruments are issued in exchange for cash payment and, in the dutiful estimation of the Board of Executive Directors, the issue price of a Debt Instrument is not significantly lower than its theoretical fair value calculated using recognized mathematical valuation methods. The calculated portion of the share capital represented by the BASF shares to be issued in connection with the Debt Instruments issued under this authorization must not exceed 10 percent of the share capital, either at the time when such

authorization takes effect or – in the event this amount is lower – at the time this authorization is exercised. BASF shares that are sold during the term of this authorization until the date it is utilized with the exclusion of the subscription right according to Section 71(1) No. 8 Sentence 5 in combination with Section 186(3) Sentence 4 of the German Stock Corporation Act must be credited against the restriction of a maximum of 10 percent of the share capital. Those BASF shares that are issued during the term of this authorization until the date it is utilized from authorized capital with the exclusion of the subscription right according to Section 203(2) Sentence 1 in combination with Section 186(3) Sentence 4 of the German Stock Corporation Act must also be credited against the restriction of 10 percent of the share capital,

- insofar as it is necessary for fractional amounts resulting from the subscription ratio,
- insofar as it is necessary to grant the Holders of previously issued Debt Instruments with conversion or option rights and/or obligations subscription rights with respect to BASF shares in the scope to which they would have been entitled as shareholders following the exercise of these rights and/or fulfillment of these obligations, and
- if the Debt Instruments are issued in exchange for contributions or benefits in kind, especially in the context of mergers or for the (also indirect) acquisition of companies, operations, parts of companies, participations or other assets, or entitlements to purchase assets including receivables against the Company or its Subsidiaries.

Under this authorization, Debt Instruments may only be issued in exchange for cash or in-kind considerations with the exclusion of subscription rights if the total of the new BASF shares to be issued on the basis of such Debt Instruments does not exceed a calculated portion of 20 percent of the share capital, either at the time when this authorization takes effect or – in the event this amount is lower – at the time this authorization is utilized. The Company's shares that were issued during the term of this authorization based on other capital measures with the exclusion of shareholders' subscription rights shall be credited against this maximum amount of 20 percent. This includes in particular shares issued or granted from authorized capital or in connection with a Debt Instrument issued during the term of this authorization on the basis of the utilization of another authorization with the exclusion of the subscription right.

b) Creation of conditional capital

The share capital shall be increased conditionally by up to €117,565,184 by issuing a maximum of 91,847,800 new registered BASF shares ("Conditional Capital 2017"). The purpose of the conditional capital increase is to grant shares to Holders of convertible bonds or warrants attached to bonds with warrants issued by the Company or a Subsidiary based on the authorization granted to the Board of Executive Directors by the Annual Shareholders' Meeting of May 12, 2017 in effect until May 11, 2022, in accordance with the applicable terms and conditions of the Debt Instruments.

The conditional capital increase shall only be carried out to the extent to which Holders of convertible bonds or warrants attached to bonds with warrants issued until May 11, 2022 under the authorization of the Board of Executive Directors pursuant to a) above by the Company or one of its Subsidiaries exercise their conversion or option rights and/or fulfill their conversion or option obligations, and provided that no other forms of fulfillment of delivery are used. The new BASF shares shall be issued at the conversion or option prices determined in each case in the terms and conditions of the bonds and/or the warrants in accordance with the above-mentioned authorization. The new BASF shares issued under this provision shall participate in profits from the beginning of the financial year in which they are issued.

The Board of Executive Directors is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

c) Changes to the Statutes

Article 5 of the Statutes is to be supplemented by the following new No. 9:

„9. The share capital is increased conditionally by up to €117,565,184 by issuing a maximum of 91,847,800 new shares. The conditional capital increase shall only be carried out to the extent to which holders of convertible bonds or warrants attached to bonds with warrants issued by the Company or one of its subsidiaries up to May 11, 2022 under the

authorization granted to the Board of Executive Directors by the Annual Shareholders' Meeting of May 12, 2017 exercise their conversion or option rights, or – if they have conversion or exercise obligations – to the extent they fulfill their obligations to convert or exercise options, and provided that no other forms of fulfillment of delivery are used. The new shares shall be issued at the conversion or option prices determined in each case in the terms and conditions of the debt instruments and/or the warrants in accordance with the abovementioned authorization (“Conditional Capital 2017”). The shares issued under this authorization shall participate in profits from the beginning of the financial year in which they are issued. The Board of Executive Directors is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.”

d) Authorization to amend the Statutes

The Supervisory Board is authorized to amend Article 5 No. 9 of the Statutes to reflect any use of Conditional Capital 2017 as well as to make all other related amendments to the Statutes which only affect the wording. The same shall apply in the event that the authorization to issue convertible bonds and/or bonds with warrants has not been used upon expiration of the effective term of the authorization and in the event that the Conditional Capital 2017 has not been used or used fully after the expiration of all conversion or exercise periods.

8. Resolution on amending Article 14 of the Statutes (Compensation of the Supervisory Board)

The provisions adopted by resolution of the Annual Shareholders' Meeting of May 4, 2006 in Article 14 of the Company's Statutes on the compensation of the Supervisory Board currently stipulate that an ordinary member receives annual fixed compensation of €60,000 and performance-related variable compensation dependent on the earnings per share (EPS) of the financial year. The performance-related variable compensation is limited to a maximum of €120,000. In line with the recent development of the Supervisory Board compensation structures at large publicly traded companies in Germany, the compensation of the Supervisory Board shall be restructured to a purely fixed compensation and after more than ten years adjusted appropriately. The fixed compensation shall also be supplemented with a share purchase and shareholding component and the attendance fee shall be eliminated.

The Board of Executive Directors and Supervisory Board propose that the following resolutions be adopted:

Article 14 of the Statutes (Remuneration of the Supervisory Board) shall be amended, taking effect for the first time for the financial year starting January 1, 2017, and revised as follows:

"Article 14 Compensation of the Supervisory Board

1. Each member of the Supervisory Board shall receive annually a fixed compensation of €200,000.

The Chairman of the Supervisory Board receives two-and-a-half times and a deputy chairman one-and-a-half times the compensation of an ordinary member.

2. Members of the Supervisory Board who are members of a committee – with the exception of the Nomination Committee – shall receive a further compensation for this purpose in the amount of €12,500. For members of the Audit Committee, the further compensation shall be €50,000. The chairman of a committee shall receive twice and a deputy chairman one-and-half times the further compensation.
3. Each member of the Supervisory Board is obligated to use 25 percent of the compensation paid in accordance with No. 1 for the acquisition of Company shares and to hold these shares for the duration of his/her membership on the Supervisory Board. This obligation does not apply to the portion of the compensation that the Supervisory Board member pays to a third party pro rata for the fixed compensation received in accordance with No. 1 due to an obligation entered into before his/her appointment to the Supervisory Board. The obligation to purchase and hold shares in this case applies to 25 percent of the portion of the compensation remaining after the payment has been made. The Company shall withhold the abovementioned portion of the compensation and arrange for the acquisition of the shares on behalf of the members of the Supervisory Board on the first day of stock market trading after the compensation is payable. The acquired shares shall be deposited into a custody account in the name of the Supervisory Board member at a commercial bank in Germany

which is used exclusively to deposit and manage these shares. The portion of the compensation which is mathematically insufficient to acquire whole shares shall be paid out to the Supervisory Board member. Evidence of compliance with the holding obligation must be provided to the Company. The purchase obligation specified in Sentence 1 does not apply to the compensation that has not yet been paid at the time of departure from the Supervisory Board.

4. The entitlement to the component of the compensation specified in No. 3 Sentence 1 shall retroactively cease to apply if the Supervisory Board member partially or fully divests or pledges the acquired shares prior to leaving the Supervisory Board.
5. The Company shall reimburse the members of the Supervisory Board for out-of-pocket expenses and value added tax to be paid with regard to their activities as members of the Supervisory Board or of a committee. The Company shall include the performance of the duties of the members of the Supervisory Board in the coverage of a directors' and officers' loss liability insurance concluded by it.
6. Supervisory Board members or members of a committee, who served on the Supervisory Board or the committee for only part of a financial year, shall receive one twelfth of the compensation for each month or part of a month of service.
7. The compensation pursuant to Nos. 1 and 2 shall become due after the conclusion of the Annual Shareholders' Meeting to which the consolidated financial statements for the financial year for which the compensation is paid are submitted or which decides on the approval thereof."

II. Further details and instructions for the Annual Shareholders' Meeting

1. Requirements for attending the Annual Shareholders' Meeting and exercising voting rights and procedures for proxy voting

The only persons who are entitled – personally or through proxies – to attend the Annual Shareholders' Meeting and exercise their voting rights are those shareholders who have registered with the Board of Executive Directors of the Company not later than Friday, May 5, 2017 either at the following address

Hauptversammlung BASF SE
c/o ADEUS Aktienregister-Service-GmbH
20784 Hamburg
Germany
Fax: +49 69 256270-49
Email: hv-service@basf.com

or via the internet according to the procedure laid down by the Company at **www.basf.com/agm-service** and who are entered in the share register for the registered shares. For purposes of determining attendance and voting rights, the shares recorded in the share register at the end of May 5, 2017 are decisive.

Shareholders who would like to register via the internet require their shareholder number and the corresponding access password. Those shareholders who are registered for the email transmission of the invitation to the Annual Shareholders' Meeting receive their shareholder number with the email invitation to the Annual Shareholders' Meeting and must use the access password they chose at registration. All other shareholders entered in the share register receive their shareholder number and their access password by post with the letter of invitation to the Annual Shareholders' Meeting.

After registering, shareholders or their proxy holders are issued admission tickets to the Annual Shareholders' Meeting. Shareholders who register via the online service are able to print out their admission ticket directly or have the ticket sent to them via email. Unlike the registration for the Annual Shareholders' Meeting, the admission ticket is not a prerequisite for attendance but merely serves to simplify the procedure at the entrance to the Annual Shareholders' Meeting.

If a credit institution is registered in the share register, it can only exercise the voting rights for shares that do not belong to it by virtue of a proxy issued by the shareholder.

Applications for share transfers in the share register that are received by the Company after the end of May 5, 2017 (Technical Record Date) up to the end of the Annual Shareholders' Meeting on May 12, 2017 will be executed in the Company's share register and take effect only after the Annual Shareholders' Meeting on May 12, 2017.

Owners of American Depositary Shares (ADS) receive the documents for the issue of a proxy from Deutsche Bank Trust Company Americas (Depositary).

The shares are not blocked by registration for the Annual Shareholders' Meeting; shareholders therefore remain free to dispose of their shares even after registration.

2. Procedure for voting by a representative

Shareholders who are entered in the share register can exercise their voting rights themselves or have these exercised at the Annual Shareholders' Meeting by an authorized representative, such as a credit institution or an association of shareholders, or by Company-appointed proxies. In this case as well, the shareholder or the proxy holder must ensure that registration is carried out in good time.

Voting by a representative

A proxy, its revocation, and evidence of the authorization vis-à-vis the Company can be made in text form or issued via internet at **www.basf.com/agm-service**; in the case of an authorization of a credit institution, an association of shareholders, or any other person specified in Section 135(8) of the German Stock Corporation Act, the form of authorization is governed by the appropriate offer for exercising the voting right.

A proxy, its revocation, and evidence of the authorization vis-à-vis the Company can be sent to the Company at the following address

Hauptversammlung BASF SE
c/o ADEUS Aktienregister-Service-GmbH
20784 Hamburg
Germany
Fax: +49 69 256270-49
Email: hv-service@basf.com

or via the internet according to the procedure laid down by the Company at **www.basf.com/agm-service**.

Those credit institutions and associations of shareholders that participate in the Company's Online Service can also be authorized via the internet according to the procedure laid down by the Company at **www.basf.com/agm-service**.

Voting by Company-appointed proxy

As a service, we offer our shareholders the possibility of being represented at the Annual Shareholders' Meeting by proxies appointed by the Company. The proxies can be authorized in text form or via the internet at **www.basf.com/agm-service**. Beatriz Rosa Malavé and Annette Buchen have been appointed proxies with the sole right of proxy. The proxies exercise the voting right solely on the basis of the instructions issued by the shareholder. In the event that an individual vote takes place on an Item of the Agenda, any instruction issued for this purpose will apply to each individual sub-Item accordingly. Please note that the proxies appointed by the Company will not accept any instructions to speak, file opposition to resolutions by the Annual Shareholders' Meeting, ask questions or put forward motions on behalf of the shareholder.

Shareholders who would like to use the internet to authorize the proxies appointed by the Company or by credit institutions and associations of shareholders participating in the Online Service will require their shareholder number and the corresponding access password.

3. Forms provided by the Company for the registration and issuing proxies

For the registration or issuing proxies, the form prepared by the Company for this purpose can be used. Shareholders who are entered in the share register and have not signed up for the email transmission of the invitation to the Annual Shareholders' Meeting will receive the form by post. Shareholders who are entered in the share register and are registered for the email transmission of the invitation to the Annual Shareholders' Meeting can access the Online Service for the Annual Shareholders' Meeting via the link contained in the email to register and issue proxies. The registration and proxy form are also available online at www.basf.com/agm-service.

Furthermore, the authorization form on the admission ticket can also be used for issuing a proxy.

4. BASF Report and further documents

The reports and financial statements specified under Item 1 of the Agenda, the reports on Items 6 and 7 of the Agenda and further documents relating to the Annual Shareholders' Meeting 2017 have been published on the internet at www.basf.com/generalmeeting and may be accessed there.

A copy of the BASF Report 2016 with the BASF Group Consolidated Financial Statements for 2016 is sent to shareholders free of charge on request. To order a copy, please contact

BASF SE
Mediencenter – L 410
67056 Ludwigshafen
Germany
Phone: +49 621 60-99001
Email: mediencenter-02@basf.com
Internet: www.basf.com/mediaorders

5. Supplementary motions to the Agenda at the request of a minority according to Article 56 Sentence 2 and Sentence 3 of Regulation (EC) No. 2157/2001 (SE Regulation), Section 50(2) of the SE Implementation Act, and Section 122(2) of the German Stock Corporation Act

Shareholders whose holdings together reach the twentieth part of the share capital or the pro rata sum of €500,000 (this is equivalent to 390,625 shares) can request that Items be placed on the Agenda and announced. Each new Item must be accompanied by a reason or draft resolution. The request must have been received by the Company by the end of April 11, 2017. Supplements to the Agenda to be announced will – provided that they have not already been announced with the notice of meeting – be published in Germany's Federal Gazette and on the internet at www.basf.com/generalmeeting and announced and communicated to the shareholders promptly after the request has been received.

6. Motions and electoral proposals by shareholders according to Article 56 Sentence 2 and Sentence 3 of Regulation (EC) No. 2157/2001 (SE Regulation), Section 50(2) of the SE Implementation Act, and Sections 126(1) and 127 of the German Stock Corporation Act

Counter motions with reasons against a proposal by the Board of Executive Directors and the Supervisory Board on a specific item of the Agenda and electoral proposals for the election of members of the Supervisory Board or auditors must be sent to the following address only. Counter motions and electoral proposals sent to other addresses will not be taken into consideration.

BASF SE
G-FLL – D 100
67056 Ludwigshafen
Germany
Fax: +49 621 60-6641475
or +49 621 60-6643693
Email: hv2017@basf.com

Counter motions and electoral proposals that are to be made accessible according to the German Stock Corporation Act and are received up to the end of April 27, 2017 at the above address with evidence of shareholder status will be published promptly on the internet at **www.basf.com/generalmeeting**. Any replies from management will also be published at the above internet address.

7. Total number of shares and voting rights

At the time of this notice of meeting, all the 918,478,694 shares that have been issued hold attendance and voting rights.

8. Rights of the shareholder to information according to Article 56 Sentence 2 and Sentence 3 of Regulation (EC) No. 2157/2001 (SE Regulation), Section 50(2) of the SE Implementation Act and Section 131(1) of the German Stock Corporation Act

On request, any shareholder or shareholder's representative must be given information by the Board of Executive Directors at the Annual Shareholders' Meeting about Company matters, including the legal and business relations with associated companies and about the situation of the Group and the companies covered by the Group Consolidated Financial Statements, provided that the information is required for the factual assessment of the item of the Agenda.

9. Information on the Company's website

This notice of the Annual Shareholders' Meeting, the documents to be made accessible and motions of shareholders, as well as further information to be published according to Section 124(a) of the German Stock Corporation Act, can be found on the Company's website at **www.basf.com/generalmeeting**. The notice of the Annual Shareholders' Meeting will be published in Germany's Federal Gazette on March 31, 2017.

10. Internet broadcast of the Annual Shareholders' Meeting

The speech of the Chairman of the Board of Executive Directors of BASF SE will be broadcasted live on the internet on May 12, 2017 and will be accessible to all at **www.basf.com/generalmeeting**.

III. Reports of the Board of Executive Directors to the Annual Shareholders' Meeting on May 12, 2017

In regard to the Agenda Items 6 and 7, the Board of Executive Directors presents the following reports:

1. Report on Item 6 of the Agenda

Report of the Board of Executive Directors on the authorization to buy back and use the Company's own shares and on the exclusion of the subscription right in the reissue of Company shares in accordance with Article 9 of the SE Regulation in combination with Section 71(1) No. 8 and Section 186(4) Sentence 2 of the German Stock Corporation Act.

Under Item 6 of the Agenda, the Board of Executive Directors and the Supervisory Board propose that the Company should be authorized up to May 11, 2022 to buy back the Company's shares in the amount of up to 10 percent of the share capital at the time of the resolution by the Annual Shareholders' Meeting. This authorization shall enable the Company to buy back own shares. With a share capital at the level on the day of the approval of the Financial Statements for 2016 and unchanged on the day of the Annual Shareholders' Meeting, the Company could buy back a maximum of 91,847,869 of its own shares. Company shares may be bought back both by the Company itself and by dependent or majority-owned companies (Group companies) or by third parties acting for account of the Company or for account of Group companies.

Company shares can be bought back via the stock exchange or by way of a public purchase offer. The principle of the equal treatment of shareholders according to Section 53(a) of the German Stock Corporation Act must be safeguarded in the offer. The proposed buyback via the stock exchange or by way of the public purchase offer takes this into

account. In the event that, in the case of a public purchase offer, the number of tendered shares exceeds the purchase volume envisaged by the Company, the purchase will be effected proportionately according to the ratio of the tendered shares per shareholder. However, independently of the shares tendered by the shareholder, provisions can be made for a preferential purchase of small numbers up to 100 shares per shareholder. Shares with a tender price fixed by the shareholder at which the shareholder is willing to sell the shares to the Company and which is higher than the purchase price fixed by the Company will not be taken into consideration in the purchase.

The proposed authorization provides that purchased Company shares can be redeemed without a further authorization by the Annual Shareholders' Meeting or sold again on the stock exchange or by way of a public offer to all shareholders. As a rule, the redemption of the Company's own shares results in a reduction of the Company's share capital. However, the Board of Executive Directors is also authorized to redeem the Company's own shares without reducing the share capital according to Section 237(3) No. 3 of the German Stock Corporation Act. This would mean that the proportion of the other shares to the share capital would increase proportionately according to Section 8(3) of the German Stock Corporation Act (notional principle). The principle of equal treatment established under German stock corporation law is safeguarded in the case of both the above selling methods.

The Company's shares that have been bought back may also be sold to third parties by the Board of Executive Directors with the approval of the Supervisory Board in return for cash payments with the exclusion

of the shareholders' subscription rights, provided that the selling price per share is not significantly lower than the price of Company shares on the stock exchange at the time of the sale. With this authorization, use is made of the possibility of the simplified subscription right exclusion permitted in Section 71(1) No. 8 of the German Stock Corporation Act with appropriate application of Section 186(3) Sentence 4 of the German Stock Corporation Act. This enables the Board of Executive Directors to take advantage quickly and flexibly of the opportunities of favorable stock exchange situations and to achieve as high a resale price by means of a close-to-market price determination and thus to achieve as great a strengthening of the share capital as possible or to develop new groups of investors. The authorization is given with the provision that the shares issued with the exclusion of the subscription right may not as a whole exceed 10 percent of the share capital. Those shares that were issued during the term of the reselling authorization from authorized capital with the exclusion of the subscription right according to Section 186 (3) Sentence 4 of the German Stock Corporation Act must be credited against the above restriction. The shareholders' pecuniary and voting rights interests are appropriately safeguarded through this method of selling the Company's own shares. In principle, the shareholders can maintain their participation quota under comparable conditions by purchasing shares on the stock exchange.

The Board of Executive Directors, with the approval of the Supervisory Board, shall also be authorized to sell the bought-back Company shares in return for contributions in kind with the exclusion of the shareholders' subscription right. This will give the Company the opportunity, in suitable individual cases on the German market or international markets, to

quickly and successfully purchase companies, parts of companies or holdings in companies in exchange for Company shares or to participate in corporate mergers in return for transferring the Company's own shares. It is not an uncommon outcome of negotiations that shares are to be offered rather than cash as a consideration. The possibility of offering the Company's own shares as a consideration instead of or in addition to a cash payment for the acquisition of a company can thus provide an advantage in the case of competition for attractive acquisition objects and permits corporate acquisitions to be carried out while preserving liquidity. With the permission to reissue the Company's own shares to acquire companies with the exclusion of the subscription right, the Company receives an additional option that can help to shape an acquisition project successfully and thus to support the further development of BASF in the interests of both shareholders and the company. The Board of Executive Directors will study on a case-by-case basis whether the resale or transfer of the Company's own shares for the purpose of acquiring companies and the associated exclusion of the subscription right is also in the well-understood interests of the Company, taking the shareholders' interests into consideration. It will in particular ensure that, in specifying the pricing ratios, the shareholders' interests remain safeguarded.

2. Report on Item 7 of the Agenda

Report of the Board of Executive Directors on the exclusion of the subscription right upon issuance of convertible bonds and bonds with warrants in accordance with Article 9 of the SE Regulation in combination with Section 221(4) of the German Stock Corporation Act in combination with Section 186(4) Sentence 2 of the German Stock Corporation Act

The authorization proposed under Item 7 provides that Debt Instruments with a total nominal value of up to €10,000,000,000 can be issued with conversion or option rights and/or obligations with respect to BASF SE shares and that these can be exchanged for consideration in cash or in kind. For this purpose, up to 91,847,800 new registered BASF SE shares with no par value ("BASF shares") with a pro rata amount of share capital of up to €117,565,184 shall be available from the newly created Conditional Capital 2017. Full utilization of this authorization could result in the issue of Debt Instruments which when issued would grant subscription rights to BASF shares equivalent to as much as approximately 10 percent of the current share capital. The authorization expires on May 11, 2022.

Having appropriate capital resources and financing is an important foundation for the Company's business development. By issuing convertible bonds and/or bonds with warrants ("Debt Instruments"), according to the market situation and the Company's financing requirements, the Company can take advantage of attractive financing opportunities on the capital market, for example, to raise outside capital which may potentially be converted into equity and thus remain with the Company. Furthermore, the issuance of Debt Instruments, potentially also as a complement to the use of other instruments such as a capital increase, can enable the Company to tap into new groups of investors. The given possibility of establishing conversion obligations in addition to granting conversion and option rights expands the scope of this financing instrument. The proposed authorization gives the Company the necessary flexibility to place the Debt Instrument either itself or via a dependent Group company in the meaning of

Section 18 German Stock Corporation Act ("Subsidiary"). Debt Instruments can be issued in euros as well as in other legal currencies of OECD countries. Furthermore, the Debt Instruments can be settled by the delivery of BASF shares or the payment of an equivalent cash amount.

The conversion and/or option price may not be below a minimum issue amount whose calculation basis is precisely defined. The basis for the calculation in each case is the stock market price of the BASF shares prevailing at the time of placement of the bonds; alternatively, in case of conversion or option obligations, it is the stock market price of BASF shares prevailing at the time of the final maturity date of the bond or warrants. Without prejudice to Section 9(1) of the German Stock Corporation Act and Section 199(2) of the German Stock Corporation Act, the conversion and/or option price may be by virtue of a dilution protection or adjustment clause subject to a more precise definition of the respective Debt Instrument's terms and conditions if the Company, for example, changes its capital structure during the term of the bonds or warrants (e.g., through a capital increase, a capital decrease or a stock split). Furthermore, dilution protection or adjustments may be provided for in connection with dividend payments, the issuance of additional convertible bonds and/or bonds with warrants, restructuring/reorganization measures, and in the case of other events affecting the value of the conversion or option rights that may occur during the term of the bonds and/or warrants (e.g., acquisition of control by a third party). Dilution protection or adjustments may be provided for in particular by granting subscription rights, by changing the conversion or option price, or by amending or introducing cash components.

In principle, shareholders have a subscription right when Debt Instruments are issued. In order to simplify the transaction, the Company may also make use of the option to issue the Debt Instruments to credit institutions or companies as described in Section 186(5) Sentence 1 of the German Stock Corporation Act with the obligation that they offer the Debt Instruments to shareholders in accordance with their subscription rights. However, in the cases stipulated in the authorization, the Board of Executive Directors shall also be entitled to exclude the subscription right with the approval of the Supervisory Board.

Placing the Debt Instruments with the exclusion of shareholders' subscription rights enables the Company to take advantage of favorable capital market situations at short notice and thus achieve a larger and faster cash inflow than would be the case if subscription rights were granted. Due to uncertainty surrounding the exercise of subscription rights, the granting of subscription rights could jeopardize the success of a placement or could involve additional expense. Favorable conditions for the Company that are as close to the market as possible can be established only if the Company is not bound to them for an excessively long offer period. Otherwise, a significant safety margin would be required in order to ensure the attractiveness of the conditions and thus the chances of success of each issue over the entire offer period. Moreover, if foreign currencies are included, the effects of exchange rate fluctuations can be reduced if the subscription rights are excluded and the offer period is correspondingly reduced.

According to Section 221(4) Sentence 2 of the German Stock Corporation Act, Section 186(3) Sentence 4 of the German Stock Corporation Act applies mutatis

mutandis to the exclusion of subscription rights when convertible bonds or bonds with warrants are issued. The restriction of up to 10 percent of the share capital for the exclusion of subscription rights as set out in this provision will not be exceeded due to the express limitation of the authorization. The calculated portion of the share capital represented by the BASF shares to be issued on the basis of the Debt Instruments issued under this authorization must not exceed 10 percent of the share capital, either at the time when such authorization takes effect or – in the event this amount is lower – at the time this authorization is exercised. BASF shares that are sold during the term of this authorization until the date it is utilized with the exclusion of the subscription right according to Section 71(1) No. 8 Sentence 5 in combination with Section 186(3) Sentence 4 of the German Stock Corporation Act must be credited against the above restriction. Furthermore, those BASF shares that are issued during the term of this authorization from authorized capital with the exclusion of the subscription right according to Section 203(2) Sentence 1 in combination with Section 186(3) Sentence 4 of the German Stock Corporation Act are to be credited against the above restriction. These credits are applied in the interest of shareholders in order to ensure the smallest possible dilution of their shareholdings.

The interests of the shareholders are safeguarded by the fact that the Debt Instruments may not be issued substantially below their theoretical fair value. The theoretical fair value is to be determined using recognized mathematical valuation methods. In determining the price, the Board of Executive Directors will, taking into account the prevailing situation on the capital market, ensure that the discount on the fair value is as small as possible. This means that the

notional value of the right to subscribe to the Debt Instruments will fall to almost zero, so shareholders will not suffer any notable financial disadvantage as a result of the subscription rights exclusion. Furthermore, shareholders have the possibility to maintain their proportion of the Company's share capital by acquiring the necessary BASF shares on the stock exchange close to the time that the issue terms for the Debt Instrument are established.

The remaining proposed instances of exclusion of shareholders' subscription rights are designed to facilitate the issuance of Debt Instruments. The exclusion in the case of fractional amounts is reasonable and in line with the market situation in order to achieve a practicable subscription ratio. The customary exclusion of subscription rights for the benefit of Holders of previously issued Debt Instruments has the advantage that the conversion or option price for previously issued Debt Instruments, which often feature a built-in dilution protection mechanism, does not have to be discounted. This means that the Debt Instruments can be placed more attractively in several tranches, which enables the Company to achieve a higher cash inflow overall. The proposed subscription right exclusions are therefore in the interests of the Company and its shareholders.

Debt Instruments can also be issued in exchange for contributions in kind, provided this is in the Company's interest. In this case, the Board of Executive Directors is authorized, with the approval of the Supervisory Board, to exclude the subscription rights of shareholders provided that the value of the contribution in kind is appropriate in relation to the theoretical fair value of the Debt Instruments as calculated according to recognized principles of

financial mathematics. This creates the possibility of using Debt Instruments in suitable individual cases as currency for acquisitions, for example, in connection with the acquisition of companies, participations (although these can also be achieved via merger or other legal transformation measures) or other assets.

The option of offering Debt Instruments as a consideration is essential, especially amid the international competition for interesting acquisition targets, and creates the necessary scope to take advantage of opportunities arising to acquire companies, participations in companies or other assets while preserving liquidity. This can also be useful from the point of view of an optimal financing structure. In each individual case the Board of Executive Directors will carefully examine whether to use the authorization to issue Debt Instruments with conversion and option rights and/or obligations in exchange for contributions in kind, with the exclusion of subscription rights. The Board will only do so when it is in the interests of the Company and therefore its shareholders.

Under this authorization, Debt Instruments may only be issued in exchange for cash and in-kind considerations with the exclusion of subscription rights if the total of the new BASF shares to be issued on the basis of such Debt Instruments does not exceed in aggregate a calculated portion of 20 percent of the share capital, either at the time when such authorization takes effect or – in the event this amount is lower – at the time this authorization is utilized. The Company's shares that were issued during the term of this authorization based on other capital measures with the exclusion of shareholders' subscription rights should be credited against this maximum level of

20 percent. This includes in particular shares issued or granted from authorized capital or in connection with a Debt Instrument issued during the term of this authorization on the basis of the utilization of another authorization with the exclusion of the subscription right. Applying these credits limits a possible dilution of voting rights for the shareholders excluded from subscription rights.

The Conditional Capital 2017 is required in order to be able to settle the conversion and/or option rights and obligations or tender rights with respect to BASF shares in connection with Debt Instruments, unless other types of fulfillment are used to ensure delivery.

There are currently no concrete plans to utilize the authorization to issue convertible bonds and bonds with warrants. The Board of Executive Directors will carefully review in each case whether the use of the authorization is in the interests of the Company and its shareholders. It will only exclude the shareholders' subscription right when this is in the well-understood interests of the Company.

The Board of Executive Directors will inform the Annual Shareholders' Meeting about each use of this authorization at the subsequent Annual Shareholders' Meeting.

Ludwigshafen/Rhine, March 31, 2017

BASF SE

The Board of Executive Directors

BASF Group 2016 at a glance

		2016	2015	Change in %
Sales	million €	57,550	70,449	(18.3)
Income from operations before depreciation and amortization (EBITDA) and special items	million €	10,327	10,508	(1.7)
EBITDA	million €	10,526	10,649	(1.2)
Amortization and depreciation ¹	million €	4,251	4,401	(3.4)
Income from operations (EBIT)	million €	6,275	6,248	0.4
Special items	million €	(34)	(491)	93.1
EBIT before special items	million €	6,309	6,739	(6.4)
Financial result	million €	(880)	(700)	(25.7)
Income before taxes and minority interests	million €	5,395	5,548	(2.8)
Net income	million €	4,056	3,987	1.7
EBIT after cost of capital	million €	1,136	194	485.6
Earnings per share	€	4.42	4.34	1.8
Adjusted earnings per share	€	4.83	5.00	(3.4)
Dividend per share	€	3.00	2.90	3.4
Research and development expenses	million €	1,863	1,953	(4.6)
Personnel expenses	million €	10,165	9,982	1.8
Number of employees		113,830	112,435	1.2
Assets	million €	76,496	70,836	8.0
Investments ²	million €	7,258	6,013	20.7
Equity ratio	%	42.6	44.5	-
Return on assets	%	8.2	8.7	-
Return on equity after tax	%	13.3	14.4	-
Net debt	million €	14,401	12,935	11.3
Cash provided by operating activities	million €	7,717	9,446	(18.3)
Free cash flow	million €	3,572	3,634	(1.7)

¹ Amortization of intangible assets, depreciation of property, plant and equipment, impairments and write-ups

² Additions to intangible assets and property, plant and equipment (including acquisitions)

Segments

BASF Group

Chemicals

The Chemicals segment comprises our business with basic chemicals and intermediates. Its portfolio ranges from solvents and plasticizers to high-volume monomers and glues as well as raw materials for detergents, plastics, textile fibers, paints and coatings, crop protection and medicines. In addition to supplying customers in the chemical industry and numerous other sectors, we also ensure that other BASF segments are supplied with chemicals for producing downstream products.

Key data Chemicals (million €)

	2016	2015	Change in %
Sales	13,461	14,670	(8)
Thereof Petrochemicals	5,035	5,728	(12)
Monomers	5,745	6,093	(6)
Intermediates	2,681	2,849	(6)
EBITDA	3,169	3,090	3
Income from operations (EBIT)	1,983	2,131	(7)
EBIT before special items	2,064	2,156	(4)

Performance Products

Our Performance Products lend stability, color and better application properties to many everyday products. Our product portfolio includes vitamins and other food additives in addition to ingredients for pharmaceuticals, personal care and cosmetics, as well as hygiene and household products. Other products from this segment improve processes in the paper industry, in oil, gas and ore extraction, and in water treatment. They furthermore enhance the efficiency of fuels and lubricants, the effectiveness of adhesives and coatings, and the stability of plastics.

Key data Performance Products (million €)

	2016	2015	Change in %
Sales	15,002	15,648	(4)
Thereof Dispersions & Pigments	4,530	4,629	(2)
Care Chemicals	4,735	4,900	(3)
Nutrition & Health	1,932	1,998	(3)
Performance Chemicals	3,805	4,121	(8)
EBITDA	2,522	2,289	10
Income from operations (EBIT)	1,648	1,340	23
EBIT before special items	1,745	1,366	28

Functional Materials & Solutions

In the Functional Materials & Solutions segment, we bundle system solutions, services and innovative products for specific sectors and customers, especially the automotive, electrical, chemical and construction industries, as well as applications for household, sports and leisure. Our portfolio comprises catalysts, battery materials, engineering plastics, polyurethane systems, automotive coatings, surface treatment solutions and concrete admixtures as well as construction systems like tile adhesives and decorative paints.

Key data Functional Materials & Solutions (million €)

	2016	2015	Change in %
Sales	18,732	18,523	1
Thereof Catalysts	6,263	6,306	(1)
Construction Chemicals	2,332	2,304	1
Coatings	3,249	3,166	3
Performance Materials	6,888	6,747	2
EBITDA	2,906	2,228	30
Income from operations (EBIT)	2,199	1,607	37
EBIT before special items	1,946	1,649	18

Agricultural Solutions

The Agricultural Solutions segment provides innovative solutions in the areas of chemical and biological crop protection, seed treatment and water management as well as for nutrient supply and plant stress.

Key data Agricultural Solutions (million €)

	2016	2015	Change in %
Sales	5,569	5,820	(4)
EBITDA	1,305	1,321	(1)
Income from operations (EBIT)	1,037	1,083	(4)
EBIT before special items	1,087	1,090	0

Oil & Gas

In the Oil & Gas segment, we focus on exploration and production in oil and gas-rich regions in Europe, North Africa, Russia, South America and the Middle East. Together with our Russian partner Gazprom, we are also active in the transport of natural gas in Europe.

Key data Oil & Gas (million €)

	2016	2015	Change in %
Sales	2,768	12,998	(79)
EBITDA	1,596	2,587	(38)
Income from operations (EBIT)	499	1,072	(53)
EBIT before special items	517	1,366	(62)
Net income	362	1,050	(66)

Statement of income

BASF Group

Statement of income (million €)

	2016	2015
Sales revenue	57,550	70,449
Cost of sales	(39,265)	(51,372)
Gross profit on sales	18,285	19,077
Selling expenses	(7,764)	(8,062)
General administrative expenses	(1,337)	(1,429)
Research and development expenses	(1,863)	(1,953)
Other operating income	1,780	2,004
Other operating expenses	(3,133)	(3,640)
Income from companies accounted for using the equity method	307	251
Income from operations	6,275	6,248
Income from other shareholdings	54	80
Expenses from other shareholdings	(71)	(71)
Net income from shareholdings	(17)	9
Interest income	179	213
Interest expenses	(661)	(638)
Interest result	(482)	(425)
Other financial income	97	152
Other financial expenses	(478)	(436)
Other financial result	(381)	(284)
Financial result	(880)	(700)
Income before taxes and minority interests	5,395	5,548
Income taxes	(1,140)	(1,247)
Income before minority interests	4,255	4,301
Minority interests	(199)	(314)
Net income	4,056	3,987
Earnings per share (€)	4.42	4.34
Dilution effect (€)	(0.01)	(0.01)
Diluted earnings per share (€)	4.41	4.33

Balance sheet

BASF Group

Assets (million €)

	Dec. 31, 2016	Dec. 31, 2015
Intangible assets	15,162	12,537
Property, plant and equipment	26,413	25,260
Investments accounted for using the equity method	4,647	4,436
Other financial assets	605	526
Deferred tax assets	2,513	1,791
Other receivables and miscellaneous assets	1,210	1,720
Noncurrent assets	50,550	46,270
Inventories	10,005	9,693
Accounts receivable, trade	10,952	9,516
Other receivables and miscellaneous assets	3,078	3,095
Marketable securities	536	21
Cash and cash equivalents	1,375	2,241
Current assets	25,946	24,566
Total assets	76,496	70,836

Equity and liabilities (million €)

	Dec. 31, 2016	Dec. 31, 2015
Subscribed capital	1,176	1,176
Capital surplus	3,130	3,141
Retained earnings	31,515	30,120
Other comprehensive income	(4,014)	(3,521)
Equity of shareholders of BASF SE	31,807	30,916
Minority interests	761	629
Equity	32,568	31,545
Provisions for pensions and similar obligations	8,209	6,313
Other provisions	3,667	3,369
Deferred tax liabilities	3,317	3,381
Financial indebtedness	12,545	11,123
Other liabilities	873	869
Noncurrent liabilities	28,611	25,055
Accounts payable, trade	4,610	4,020
Provisions	2,802	2,540
Tax liabilities	1,288	1,082
Financial indebtedness	3,767	4,074
Other liabilities	2,850	2,520
Current liabilities	15,317	14,236
Total equity and liabilities	76,496	70,836

Statement of cash flows

BASF Group

Statement of cash flows (million €)

	2016	2015
Net income	4,056	3,987
Depreciation and amortization of intangible assets, property, plant and equipment and financial assets	4,291	4,448
Changes in inventories	(182)	1,094
Changes in receivables	(640)	1,463
Changes in operating liabilities and other provisions	926	(1,210)
Changes in pension provisions, defined benefit assets and other items	(547)	(317)
Gains (-) / losses (+) from disposal of noncurrent assets and securities	(187)	(19)
Cash provided by operating activities	7,717	9,446
Payments made for property, plant and equipment and intangible assets	(4,145)	(5,812)
Payments made for financial assets and securities	(1,389)	(920)
Payments made for acquisitions	(2,828)	(215)
Payments received for divestitures	664	651
Payments received from the disposal of noncurrent assets and securities	1,208	1,061
Cash used in investing activities	(6,490)	(5,235)
Capital increases/repayments and other equity transactions	28	66
Additions to financial and similar liabilities	7,533	6,937
Repayment of financial and similar liabilities	(6,954)	(7,870)
Dividends paid		
To shareholders of BASF SE	(2,664)	(2,572)
minority shareholders	(103)	(234)
Cash used in financing activities	(2,160)	(3,673)
Net changes in cash and cash equivalents	(933)	538
Change in cash and cash equivalents		
From foreign exchange rates	66	(19)
changes in scope of consolidation	1	4
Cash and cash equivalents at the beginning of the year	2,241	1,718
Cash and cash equivalents at the end of the year	1,375	2,241

Quarterly Statement, 1st Quarter 2017 / Annual Shareholders' Meeting 2017

April 27, 2017 / May 12, 2017

Half-Year Financial Report 2017

July 27, 2017

Quarterly Statement, 3rd Quarter 2017

October 24, 2017

Full-Year Results 2017

February 27, 2018

Quarterly Statement, 1st Quarter 2018 / Annual Shareholders' Meeting 2018

May 4, 2018



BASF supports the chemical industry's global Responsible Care initiative.

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