

Reporting Factsheet

Q3 2010



BASF Group						
(Million €)	Q3 2010	Q3 2009	Change (%)	Q3 2010	Q2 2010	Change (%)
Sales	15,781	12,798	23.3	15,781	16,214	(2.7)
Income from operations before depreciation and amortization (EBITDA)	2,934	1,993	47.2	2,934	2,867	2.3
Income from operations (EBIT) before special items	2,213	1,248	77.3	2,213	2,206	0.3
Income from operations (EBIT)	2,155	971	121.9	2,155	2,079	3.7
Financial result	(105)	(173)	39.3	(105)	(93)	(12.9)
Income before taxes and minority interests	2,050	798	156.9	2,050	1,986	3.2
Net income	1,245	237	425.3	1,245	1,183	5.2
Earnings per share (€)	1.35	0.26	419.2	1.35	1.29	4.7
Adjusted earnings per share (€)*	1.52	0.61	149.2	1.52	1.50	1.3
EBITDA in % of sales	18.6	15.6	-	18.6	17.7	-
Cash provided by operating activities**	2,586	1,312	97.1	2,586	1,709	51.3
Additions to long-term assets***	637	363	75.5	637	494	28.9
Excluding acquisitions	637	520	22.5	637	494	28.9
Amortization and depreciation***	779	1,022	(23.8)	779	788	(1.1)
Segment assets (end of period)****	43,291	40,934	5.8	43,291	45,549	(5.0)
Personnel costs	1,913	1,825	4.8	1,913	2,166	(11.7)
Number of employees (end of period)	103,800	105,858	(1.9)	103,800	103,284	0.5

*) Adjusted for special items and amortization of intangible assets ***) 2009 adjusted for reclassification of settlement payments for currency derivatives
 ****) Intangible assets and property, plant and equipment (including acquisitions); includes adjustment of investments following purchase price allocation for Ciba
 *****) Intangible assets and property, plant and equipment, inventories and business-related receivables

Segments	Sales			EBIT bef. special items			EBIT		
	2010	2009	Change (%)	2010	2009	Change (%)	2010	2009	Change (%)
3 rd Quarter (Million €)									
Chemicals	2,874	2,000	43.7	617	364	69.5	619	364	70.1
Plastics	2,598	1,967	32.1	371	216	71.8	371	216	71.8
Performance Products	3,206	2,651	20.9	370	286	29.4	377	125	201.6
Functional Solutions	2,591	1,888	37.2	158	106	49.1	159	86	84.9
Agricultural Solutions	832	623	33.5	66	21	214.3	66	21	214.3
Oil & Gas	2,228	2,389	(6.7)	573	550	4.2	573	550	4.2
<i>thereof Exploration & Production</i>	881	891	(1.1)	503	467	7.7	503	467	7.7
<i>Natural Gas trading</i>	1,347	1,498	(10.1)	70	83	(15.7)	70	83	(15.7)
Other*	1,452	1,280	13.4	58	(295)	-	(10)	(391)	97.4
BASF Group	15,781	12,798	23.3	2,213	1,248	77.3	2,155	971	121.9

*) "Other" includes the styrenics business, fertilizers activities, the sale of feedstock, engineering and other services, as well as rental income and leases. This item also includes foreign currency results from financial indebtedness and results from hedging for raw material prices that are not allocated to the segments.

Factors influencing sales changes in % vs. Q3 2009	Changes in sales Q3 2010	Thereof			
		Volumes	Prices	Currencies	Acqu./Divest.
Chemicals	44	10	25	9	0
Plastics	32	14	7	11	0
Performance Products	21	7	7	7	0
Functional Solutions	37	15	9	12	1
Agricultural Solutions	34	29	(6)	11	0
Oil & Gas	(7)	(23)	16*		0
BASF Group	23	5	10	8	0

*) mix of price and currency effects

Segments Q3 2010 vs. Q3 2009

Chemicals: Sales increased significantly due to improved product demand, higher prices and positive currency effects in all divisions. Earnings were significantly higher, mainly as a result of good capacity utilization rates and higher margins for many basic products. In *Inorganics*, earnings increased substantially, driven by higher volumes and higher margins for basic products such as ammonia. Thanks to generally favorable market conditions and good capacity utilization, earnings rose sharply in *Petrochemicals*. In *Intermediates*, the favorable volume and price trends, given continuous shortages, contributed to clearly higher earnings.

Plastics: Considerably higher sales due to strong demand and higher prices. Earnings grew substantially. In *Performance Polymers* earnings significantly improved, mainly as a result of high capacity utilization and a favorable business environment for polyamide monomers. The significant earnings growth in *Polyurethanes* was primarily a result of strong demand. In particular, our businesses with the automotive and construction industries developed favorably. Margins for the basic products MDI and TDI stabilized in the course of the third quarter.

Performance Products: Nearly all divisions reported higher volumes. Sales growth was also bolstered by positive currency effects and higher prices. Earnings increased substantially mainly due to higher sales volumes as well as our successful measures to integrate Ciba and restructure the combined businesses. In *Dispersions & Pigments*, earnings increased considerably as a result of higher sales volumes and prices. There continued to be limited availability of some raw materials and finished products. In *Care Chemicals*, earnings significantly increased thanks to strong demand, higher prices and a stronger US\$. In *Nutrition & Health*, earnings were lower as a result of a rise in fixed costs. Sales prices were nearly stable. In *Paper Chemicals* higher volumes, especially from Asia, led to an improvement in earnings. Despite a positive impact by substantially increased demand from the automotive and plastics processing industries and a stronger US\$, earnings in *Performance Chemicals* were lower owing to one-time expenses for write-downs of receivables related to long-term supply agreements.

Functional Solutions: Sales increased substantially due to improved business environment in the automotive industry in all regions. This was supported by positive currency effects and higher precious metals prices. Higher earnings in *Catalysts* thanks to stronger demand and the larger contribution from precious metals trading. Despite a difficult business environment, earnings in *Construction Chemicals* were stable thanks to the successful implementation of efficiency measures. Due to higher volumes of automotive OEM and refinish coatings, earnings in *Coatings* improved despite the negative impact of increased raw materials costs.

Agricultural Solutions: Strong growth in volumes in all regions, especially Europe and South America, contributed to the increase in sales. Prices declined as a result of intense competition but this was more than offset by positive currency effects. Higher sales in all indications, particularly for fungicides and herbicides. In South America, the new growing season started very well. Earnings improved significantly thanks to higher volumes.

Oil & Gas: Lower sales as declining volumes in oil production and natural gas trading were only partially offset by higher prices for crude oil. Earnings rose slightly. *Exploration & Production:* Despite higher oil prices, sales declined due to lower oil production in Libya as a result of ongoing OPEC restrictions. Earnings nevertheless increased slightly. *Natural Gas Trading:* Sales volumes in Natural Gas Trading declined in comparison with the exceptionally strong previous year's quarter. This led to a decrease in sales despite higher natural gas prices. The lower volumes were reflected in lower earnings.

Other: Sales grew substantially, mainly resulting from higher prices in the Styrenics business. Styrenics also improved its earnings. In addition, earnings of Other were driven by gains from hedges on foreign currency risks as well as the reversal of provisions for the BASF Option Program.

Financials Q3 2010

- Special items Q3 2010: -€58 million (Q3 2009: -€277 million, as a result of the Ciba integration).
- Income taxes Q3 2010: €684 million (Q3 2009: €482 million). Non-compensable oil taxes Q3 2010: €224 million (Q3 2009: €244 million). Tax rate Q3 2010: 33.4% (Q3 2009: 60.4%). Underlying tax rate Q3 2010: 25.2% (Q3 2009: 43.0%, one-off effects caused by the acquisition of Ciba Holding AG)
- Financial result Q3 2010: -€105 million (Q3 2009: -€173 million), improvement due to higher earnings from companies accounted for using the equity method.
- Cash provided by operating activities YTD 2010: €5,307 million (YTD 2009: €4,959 million). Increase in net working capital in YTD 2010: €783 million. Free cash flow YTD 2010: €3,789 million (YTD 2009: €3,131 million, adjusted for reclassification of settlement payments for currency derivatives).
- Capex YTD 2010: €1,518 million (YTD 2009: €1,828) below corresponding depreciation and amortization.
- As of September 30, 2010: Equity ratio 37%; net debt €11.4 billion.

Outlook

- We expect the good business development to continue in the fourth quarter of 2010.
- We expect sales of around €63 billion and EBIT before special items of more than €8 billion in 2010.
- We expect to earn a high premium on our cost of capital. We expect to increase the dividend.
- Our expectations for the global economy in 2010: GDP: 3%-4%; chemical production (excl. pharma): 7%-8%; US\$ average exchange rate of \$1.30 per euro; average annual oil price of \$75 per barrel in 2010.

Forward-looking statements

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