Agricultural Solutions
Sustainable growth through market-driven innovations

Markus Heldt
President Crop Protection
BASF Roundtable
Agricultural Solutions
New York & Monmouth
August 8, 2011
Disclaimer

This presentation includes 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. This presentation contains a number of forward-looking statements including, 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 with respect to future events and financial performance. Actual financial performance of the entities described herein 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.

Forward-looking statements represent estimates and assumptions only as of the date that they were made. 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.
1 | Introduction

2 | BASF Crop Protection

3 | BASF Plant Biotechnology

4 | Update Monsanto BASF Collaboration
Strategy: Creating farmer-focused solutions

BASF’s integrated solution offer...

- Chemical Crop Protection
- Innovation beyond crop protection
- Agricultural Solutions
- Traits & seed partnerships

... enables farmers to increase marketable yield sustainably

Improve profitability and sustainability of farming

- Crop Protection is the core of our solution offer
- We invest in innovation beyond crop protection
- Traits & seed partnerships to maximize the value of our solution offer
## Financial results H1 2011

<table>
<thead>
<tr>
<th>million €</th>
<th>H1 2011</th>
<th>H1 2010</th>
<th>Δ%</th>
<th>Δ% CER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales*</td>
<td>2,435</td>
<td>2,356</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>EBITDA**</td>
<td>757</td>
<td>739</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>EBITDA margin**</td>
<td>31.1%</td>
<td>31.4%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EBIT**</td>
<td>674</td>
<td>641</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>EBIT margin**</td>
<td>27.7%</td>
<td>27.2%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Assets (as of June 30)**</td>
<td>5,326</td>
<td>5,478</td>
<td>(3%)</td>
<td>4%</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>191</td>
<td>185</td>
<td>3%</td>
<td>4%</td>
</tr>
</tbody>
</table>

* sales drivers in H1 2011: volumes 7%, prices -1%, currencies -3%
** before special items
*** DSO 122 days (-16 days); DIV 166 days (-19 days); both as of June 30

### Solid sales and earnings growth, further working capital improvement
Sales by region H1 2011

Total sales H1 2011 to third parties in million €

<table>
<thead>
<tr>
<th>Region</th>
<th>Sales in million €</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>689 (-2%)</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>1,152 (+7%)</td>
<td></td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>283 (+17%)</td>
<td></td>
</tr>
<tr>
<td>South America, Africa, ME</td>
<td>311 (+12%)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,435 (+6%)</strong></td>
<td></td>
</tr>
</tbody>
</table>

Key facts

- **Europe:**
  Strong contribution from herbicides and Central/Eastern European growth markets

- **North America:**
  Sales reflecting weather-related acreage reductions along with competitive pricing in herbicides

- **South America, Africa, ME:**
  Intense use of Fipronil-based insecticides and high performance of AgCelence

- **Asia Pacific:**
  Strong herbicide business in India and favorable seasonal development in other growth markets

Growth from emerging markets, global volume growth

In brackets growth at constant exchange rates in % vs. prior year

BASF Roundtable Agricultural Solutions, August 8, 2011
Sales by indication H1 2011

Sales by indication in million €

- **Fungicides**: 1,122 (+12%)
- **Herbicides**: 893 (0%)
- **Insecticides/Other**: 420 (+5%)

Key facts

- **Fungicides**: Strong global volume gains and high demand supported by growth markets. Plant Health business in full swing.
- **Herbicides**: High demand across our portfolio compensating decline in North America based on product mix along with competitive pricing.
- **Insecticides**: Continued above-market growth of our portfolio driven by growth in seed treatment and soil applied products.

In brackets growth at constant exchange rates in % vs. prior year.

Significant growth in fungicides.
## Powerful Crop Protection pipeline 2011

Value up by €200 million to €2.4 billion

<table>
<thead>
<tr>
<th>Stage I*</th>
<th>Stage II*</th>
<th>Stage III*</th>
<th>Market segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>In development, 2011-2016</td>
<td>In launch, 2006-2010</td>
<td>Launched, 2002-2005</td>
<td></td>
</tr>
<tr>
<td>F 500® (F), Boscalid (F), Metrafenone (F), Dimoxystrobin (F), Tritosulfuron (H), Chlorfenapyr (I)</td>
<td>Oryzastrobin (F), F 500® seed treatment (F), Topramezone (H), Kixor® (H), Metaflumizone (I)</td>
<td><strong>Herbicide tolerance project Cultivance also reported in BASF Biotech Pipeline.</strong></td>
<td>Field crops, specialty crops, non-crop</td>
</tr>
<tr>
<td>Initium® (F), Xemium® (F), HT Project Cultivance**</td>
<td></td>
<td></td>
<td>Field crops, specialty crops, seed treatment</td>
</tr>
<tr>
<td>HT Project Dicamba</td>
<td></td>
<td></td>
<td>Field crops, specialty crops, seed treatment</td>
</tr>
<tr>
<td>1 Insecticide</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Peak sales potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>€700 million</td>
</tr>
</tbody>
</table>

* Launched: First registration in major market in 2002 (or more than 5 years before current year). In launch: First registration in major market 1 to 5 years prior to current year. In development: First registration in major market in current year or within next 5 years after current year. Points do not refer to exact launch year.

** Herbicide tolerance project Cultivance also reported in BASF Biotech Pipeline.

*** In Stage II and Stage III, 70% of peak sales already achieved.
Pipeline value development
BASF R&D investments continuously paying off

Total peak sales potential in billion €

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1.8</td>
</tr>
<tr>
<td>2009</td>
<td>2.1</td>
</tr>
<tr>
<td>2010</td>
<td>2.2</td>
</tr>
<tr>
<td>2011</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Pipeline value increased by >30% since 2008

Examples of innovations launched / in launch since 2002
- **Boscalid**
- Kixor herbicide
- Initium fungicide
- Cultivance
- Xemium fungicide

Rich portfolio of young products basis for further growth
Portfolio expansion: Xemium®

Projected global fungicide market*
in billion €

- 2010
- 2015
- 2020

Specialty crops
Field crops
Seed Treatment

Xemium® can be applied in all market segments

Xemium® key facts
- Next-generation carboxamide fungicide, ready for launch
- BASF is carboxamide pioneer, Xemium® strengthens lead
- Our 1st carboxamide fungicide for all market segments
- Data submission started; broad launch in >50 countries, >100 crops
- Market introduction from 2012
- Xemium® global peak sales potential: >€200 million

* Source: Philips McDougall, own estimation
World-wide launch of the Xemium® product family

**Xemium® key facts**

Xemium® provides protection against many fungal diseases in a wide range of crops:

- Effective preventative and curative control…
- …combined with long-lasting residual activity

**Key benefits for growers**

- Consistently higher yields with better quality
- More flexible use
- Convenience and versatility

---

**Portfolio expansion: Xemium®**

---

**Strategy** | **Results** | **Pipeline** | **Growth segments** | **Growth markets** | **Summary**
Success story in Plant Health continues

Key facts about AgCelence
- Market leadership position in the Americas since 2007
- Global roll-out in 2010:
  - Successful launch in Eastern European growth markets
  - Brand extension to AgCelence® production system in South America
- In 2011, further expansion in North America, growth markets and additional crops

Significant growth potential, global launch ongoing

* CAGR 2007-2010
**AgCelence® production system in Brazil**

**Key facts**

- AgCelence® production system for soybean growers in Brazil
- Standak® Top SeedSolutions innovation launched in Brazil:
  - Convenient insecticidal and fungicidal seed protection with benefits for plant health
  - Complements foliar offers (Comet®/Opera®)
- Successful launch in 2010: 1.2 million ha treated
SeedSolutions

Strong performance

- BASF has clearly outgrown the market (CAGR 17% vs. 9%)
- Ready-to-use insecticidal and fungicidal seed protection
- Focus on soybeans, cereals, corn, rice and vegetables
- Investments in new application technology facilities and product launches (e.g. Xemium® seed treatment) will support further growth in all regions

Since 2003, BASF more than doubled sales

BASF Roundtable Agricultural Solutions, August 8, 2011
Herbicide renaissance

BASF well positioned for growth

- Herbicide market is regrowing
- R&D strategies redirected after early adaption of HT* systems
- BASF re-focused R&D on novel chemistry
- Today, BASF’s herbicide portfolio contains 9 different modes of action
- Industry leading pipeline:
  - Kixor® in launch
  - Clearfield® expansion
  - Cultivance®
  - Promising pre-project candidates
  - Dicamba-tolerant cropping system in partnership with Monsanto

*B = Herbicide Tolerance

BASF Roundtable Agricultural Solutions, August 8, 2011
Herbicide portfolio expansion

**BASF strategic path in weed control**
in billion €

- **Key facts**
  - Kixor® global peak sales potential >€200 million
    - Largest U.S. herbicide launch in the last 20 years*
  - Clearfield® crop expansion for oilseeds in Europe in 2012
  - Cultivance® launch for soybeans in Brazil in 2013 delivers another solution for weed resistance management

* Source: GfK Kynetec

Significant growth driven by innovative solutions
Dicamba collaboration with Monsanto
Innovative new formulations, proven chemistry

2011 Soybean field trial results, North Carolina, USA*

Key facts
- Global herbicide licensing and supply agreement for the launch of the Dicamba tolerant system in major row crops
- Innovative formulations under development at BASF
- Complementing glyphosate with a different mode of action for weed resistance management
- U.S. launch planned in mid of this decade for soybeans and cotton. Other countries and crops to follow

* Monsanto field trial: Dicamba-tolerant Genuity Roundup Ready 2 Yield Soybeans, glyphosate-resistant palmer amaranth

Significant market expansion potential seen this decade in the Americas

Strategy | Results | Pipeline | Growth segments | Growth markets | Summary
Innovations beyond crop protection

Goals
- Support growers to increase marketable yields sustainably
- Reach higher profitability

Focus Areas
- Plant Health
- Nitrogen management
- Water management

Approach
- BASF broadening its view & offering solutions beyond Crop Protection
- Dedicated resources and structure established
- Profitable contribution from 2015 onwards

Leverage on Verbund products and technologies as unique competitive advantage
Strong expansion in emerging markets

Sales development in emerging markets (third parties) in billion €

Emerging markets

- CAGR +17% 2007-2010
- 2010: >40% of sales in emerging markets (2007: 35%)
- Sales from emerging markets expected >50% by 2015
- Proven track-record of tailored business models as basis for further expansion
- Ongoing increase of resources and R&D investments

BASF well-positioned to tap future growth potential

* Eastern Europe, South Africa, Asia (w/o Japan, Australia, New Zealand)
Asia – €1 billion rising

Sales development in Asia (third parties) in billion €

- Megatrends will increase the role of Asia in global economy with positive implication on Agriculture
- Strong yield increase and technification necessary to meet growing demand
- Target to reach €1 billion sales in Asia by 2020
- Particularly China and India have significant business opportunities and outstanding profitable growth potential

Target: €1 billion sales in 2020
Capturing growth opportunities in India

BASF prepared for future growth

- In 2010, India generated second highest sales in Asia
- BASF has been outgrowing the market since 2006, tripled sales
- Sales force extension supporting growth, ~ doubled since 2006
- India gained core strategic market status in 2010
- Investments in local technology platform planned
- Further significant growth potential

BASF outgrows the Indian market since 2006

CAGR +34%*
South East Europe and Black Sea

Market development driven by
- Area increases, especially in cereals and oilseeds
- Intensification of agriculture in terms of treated area and technological upgrades
- Good basis for agricultural development and productivity increase: e.g. access to Black Sea ports, high soil quality, improved liquidity

BASF growth pillars
- Further expand Clearfield® technology in oilcrops
- Leverage portfolio potential in cereal fungicides
- Launch of AgCelence®
- Sales force expansion

Potential to more than double sales by 2015
Increasing footprint in Africa/Middle East

Market development driven by
- Increase of cropped land: +30 million ha (2007-2013)**
- Increasing agricultural intensity/technification
- Need for productivity gains: Rising value of export crops
- High soft commodity prices attracting investments in agriculture

BASF growth built on stronger presence and innovations
- Strategy-shift and strong BASF investments since 2009
- Future sales growth and improved footprint supported by
  - Launch of innovations AgCelence® and Kixor®
  - Planned launch of HT* technology Clearfield®
  - Successful marketing of insecticide solutions
- Compared to 2008, sales will be doubled by end of 2011
- BASF targeting to triple sales by 2015

* HT = Herbicide Tolerance  ** source: FAO

BASF targeting to triple sales by 2015
Summary and outlook

- All regions and indications will contribute to profitable business growth in 2011
- We build on a solid basis in Crop Protection, including Seed Treatment and traits
- Untapped growth opportunities: innovation beyond crop protection
- We have the opportunity to grow and differentiate by evolving from offering products to solutions
- Continued commitment to R&D and investments in growth markets

For 2011, record sales and earnings expected