

Second Quarter
2014
Financial highlights
July 24, 2014

A photograph of a male worker in a blue BASF uniform and white hard hat, focused on his work. He is wearing safety glasses and yellow gloves. The background shows a complex industrial facility with large white pipes and machinery. The BASF logo is visible on his hard hat and uniform.

**BASF increases earnings
considerably due to higher volumes**

 **BASF**
The Chemical Company

Cautionary note regarding forward-looking statements

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

BASF increases earnings considerably due to higher volumes

Business performance

	Q2'14	Q2'13	vs. Q2'13
▪ Sales	€18.5 billion	€18.4 billion	+1%
▪ EBITDA	€2.7 billion	€2.5 billion	+9%
▪ EBIT before special items	€2.1 billion	€1.8 billion	+12%
▪ EBIT	€2.0 billion	€1.8 billion	+14%
▪ Net income	€1.3 billion	€1.2 billion	+12%
▪ Reported EPS	€1.41	€1.26	+12%
▪ Adjusted EPS	€1.54	€1.40	+10%
▪ Operating cash flow	€0.9 billion	€2.0 billion	(53%)

Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q2'14 vs. Q2'13	↑ 6%	↓ (2%)	↑ 1%	↓ (4%)

Portfolio optimization



Sale of 50% share in Styrolution to Ineos



**Strengthen competitiveness of
Performance Products**



**Enlarged production footprint
in Asia Pacific to support growing demand**

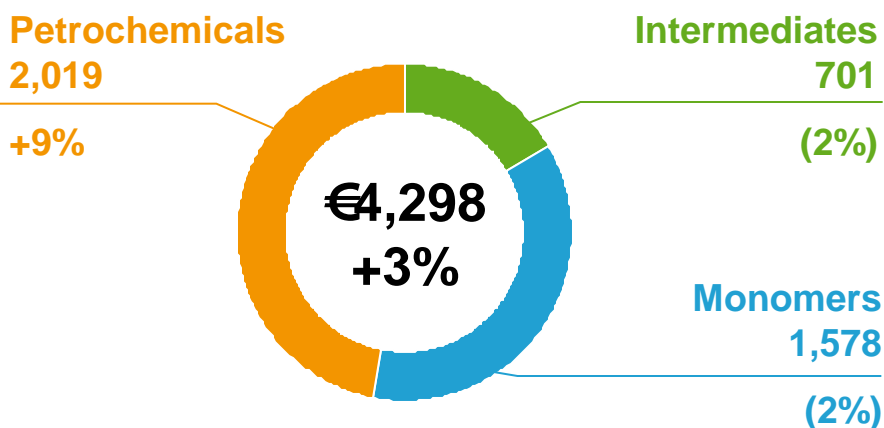


**Capacity expansions in
Functional Materials and Solutions**

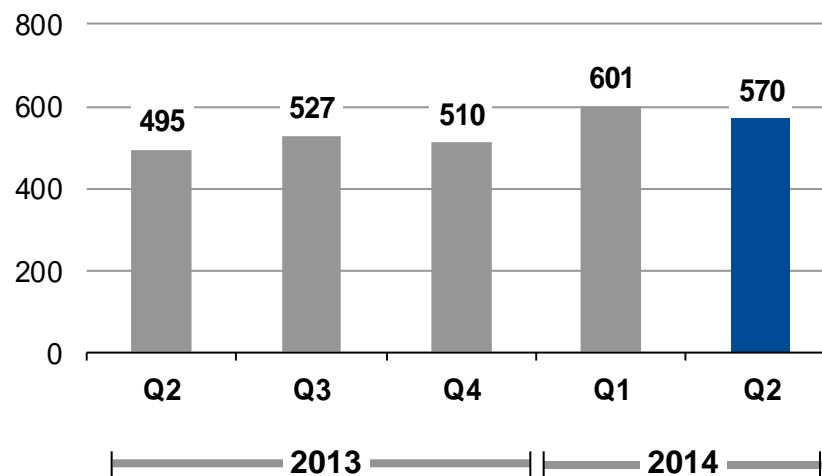
Chemicals

North America drives volume and profit growth

Q2'14 segment sales (million €) vs. Q2'13



EBIT before special items (million €)



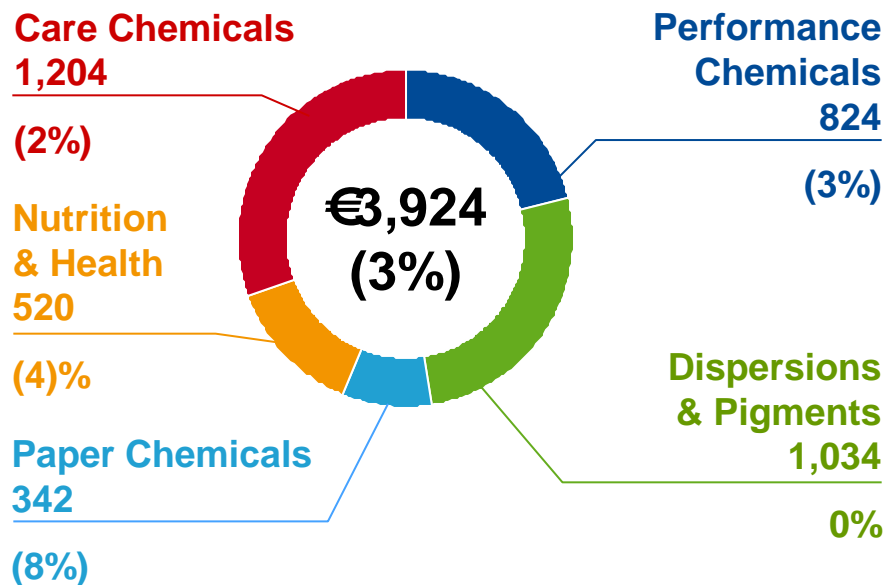
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q2'14 vs. Q2'13	↑ 9%	↓ (3%)	0%	↓ (3%)

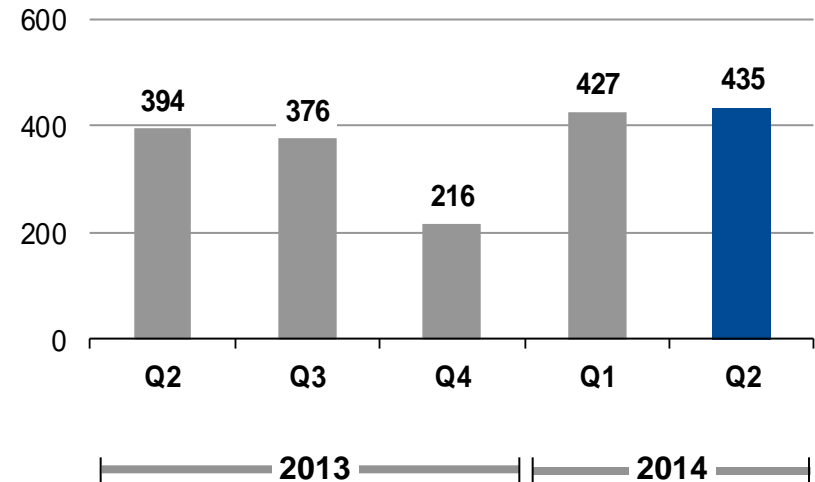
Performance Products

Restructuring measures increase earnings

Q2'14 segment sales (million €) vs. Q2'13



EBIT before special items (million €)



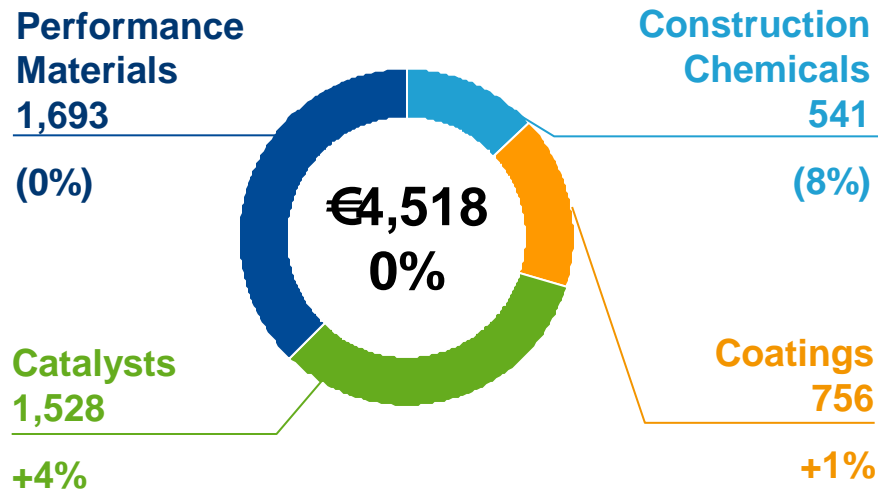
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q2'14 vs. Q2'13	↑ 1%	0%	0%	↓ (4%)

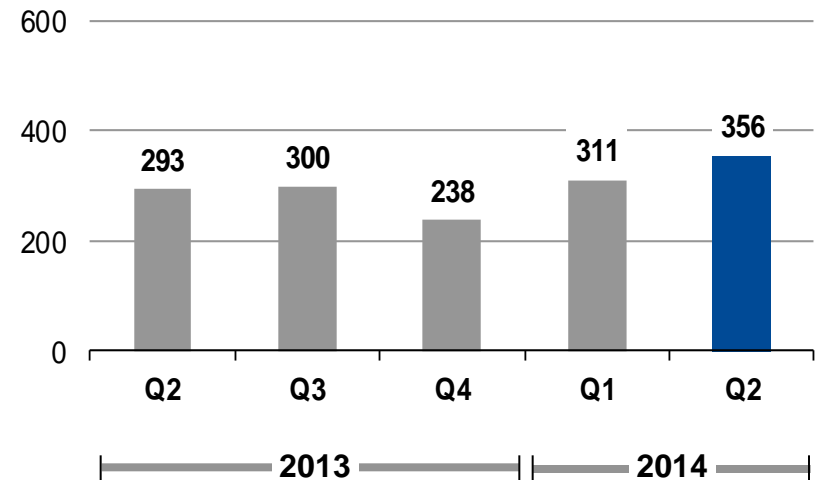
Functional Materials & Solutions

Continued good demand from automotive industry

Q2'14 segment sales (million €) vs. Q2'13



EBIT before special items (million €)



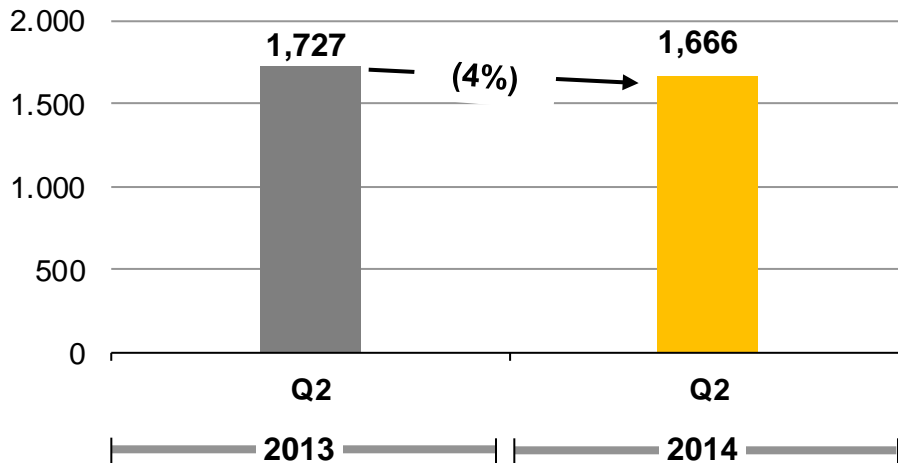
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q2'14 vs. Q2'13	↑ 6%	0%	↓ (1%)	↓ (5%)

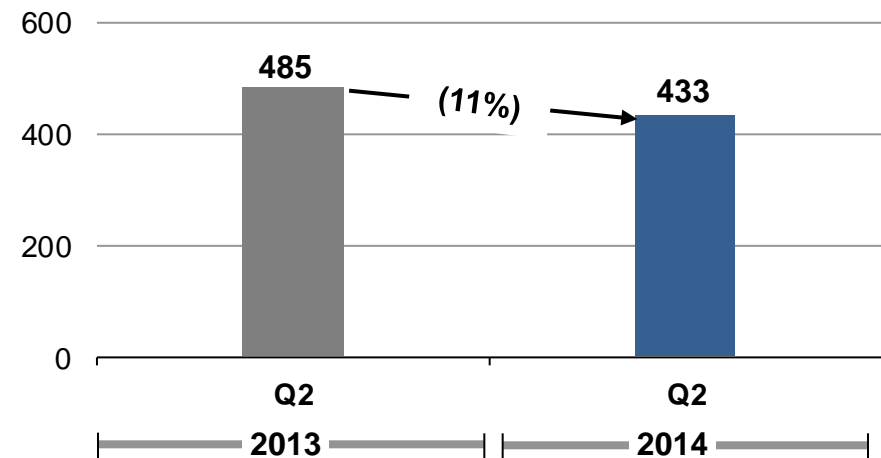
Agricultural Solutions

Exchange rate driven sales and earnings decrease

Q2'14 segment sales (million €) vs. Q2'13



EBIT before special items (million €)



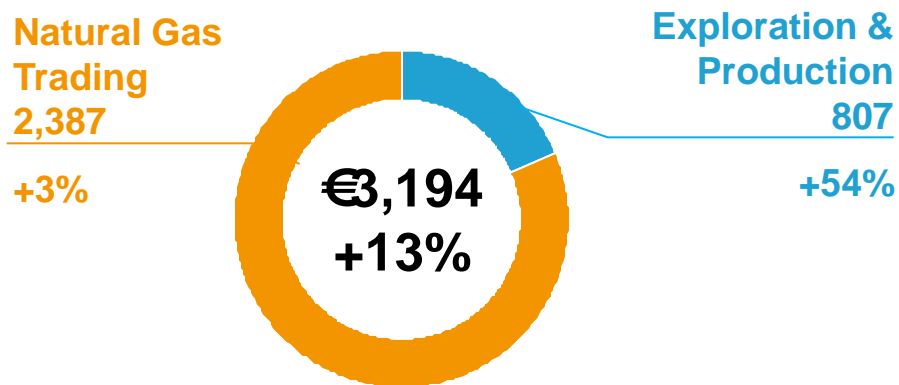
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q2'14 vs. Q2'13	0%	↑ 2%	0%	↓ (6%)

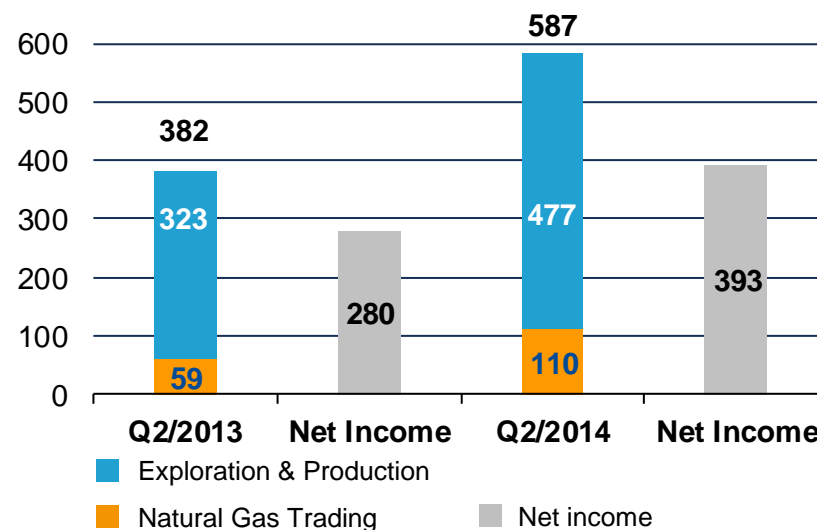
Oil & Gas

Higher production volumes drive earnings

Q2'14 segment sales (million €) vs. Q2'13



EBIT bSI/Net income (million €)



Sales development

Period	Volumes	Prices/Currencies	Portfolio
Q2'14 vs. Q2'13	↑ 24%	↓ 16%	↑ 5%

Review of “Other”

Million €	Q2'14	Q2'13
Sales	855	1,072
EBIT before special items	(328)	(217)
<i>thereof Corporate research</i>	<i>(97)</i>	<i>(97)</i>
<i>Group corporate costs</i>	<i>(57)</i>	<i>(58)</i>
<i>Foreign currency results, hedges and other measurement effects</i>	<i>(117)</i>	<i>(63)</i>
<i>Other businesses</i>	<i>37</i>	<i>37</i>
Special items	(12)	3
EBIT	(340)	(214)

Operating cash flow in H1 2014

Million €	H1'14	H1'13
Cash provided by operating activities	2,644	4,030
<i>thereof Changes in net working capital</i>	<i>(1,375)</i>	<i>(633)</i>
<i>Miscellaneous items</i>	<i>(153)</i>	<i>646</i>
Cash used in investing activities	(2,301)	(2,582)
<i>thereof Payments related to tangible / intangible assets</i>	<i>(2,125)</i>	<i>(1,884)</i>
<i>Acquisitions / divestitures</i>	<i>355</i>	<i>(516)</i>
Cash provided by financing activities	189	(823)
<i>thereof Changes in financial liabilities</i>	<i>2,781</i>	<i>1,762</i>
<i>Dividends</i>	<i>(2,592)</i>	<i>(2,585)</i>

Outlook 2014 confirmed

Outlook 2014

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

Assumptions 2014

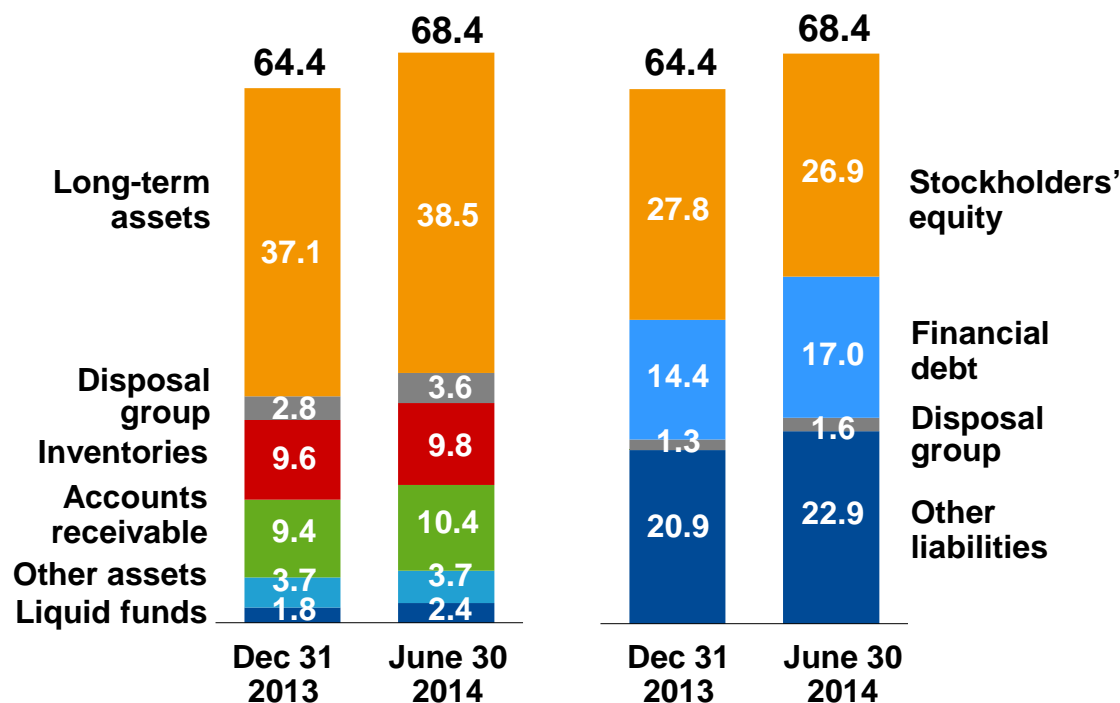
- GDP: +2.5% (previous: 2.8%)
- Industrial production: +3.7%
- Chemical production: +4.4%
- US\$ / Euro: 1.35 (previous: 1.30)
- Oil price (US\$ / bbl): 110



The Chemical Company

Balance sheet remains strong

Balance sheet June 30, 2014 vs. December 31, 2013 (billion €)



Highlights June 30, 2014

- Short-term assets increased by €2.6 billion:
 - Accounts receivables grew seasonally by €1.0 billion
 - Liquid funds up by €0.6 billion
- Net debt increased to €14.6 billion
- Equity ratio: 39%