Second Quarter 2015
Financial highlights

July 24, 2015

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BASF increases sales and earnings slightly in the second quarter

Cautionary note regarding forward-looking statements

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BASF increases sales and earnings slightly in the second quarter

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Business performance	Q2'15	Q2'14*	vs. Q2'14
▪ Sales	€19.1 billion	€18.5 billion	+3%
▪ EBITDA	€3.0 billion	€2.7 billion	+11%
▪ EBIT before special items	€2.0 billion	€2.0 billion	+2%
▪ EBIT	€2.0 billion	€1.9 billion	+5%
▪ Net income	€1.3 billion	€1.3 billion	0%
▪ Reported EPS	€1.38	€1.37	+1%
▪ Adjusted EPS	€1.49	€1.53	(3%)
▪ Operating cash flow	€2.8 billion	€1.0 billion	+185%

Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q2´15 vs. Q2´14	↑ 2%	↓ (8%)	0%	↑ 9%

* Previous year values restated due to dissolution of disposal group "Natural Gas Trading"

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Important milestones in Q2 2015

Inauguration of first world-scale acrylics complex in South America

New chemical catalyst plant in China

New agricultural research station in India

Divestment of textile chemicals

Further divestments

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Chemicals

- **Stake in SolVin joint venture** (closed on July 1, 2015)

Performance Products

- **Custom synthesis business** (closing expected for Q4 2015)
- **Parts of active pharmaceutical ingredients business**

- **Paper hydrous kaolin** (closing expected for Q3 2015)

Oil & Gas

- **Selected assets on the Norwegian continental shelf** (closing expected for Q4 2015)

Chemicals

Higher fixed costs from start-ups impact earnings

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Q2'15 segment sales (in million €) vs. Q2'14

EBIT before special items (in million €)

Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q2'15 vs. Q2'14	0%	↓ (15%)	↓ (2%)	↑ 9%

Performance Products

Earnings impacted by challenging markets

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Q2'15 segment sales (in million €) vs. Q2'14

EBIT before special items (in million €)

Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q2'15 vs. Q2'14	↓ (1%)	↓ (5%)	0%	↑ 10%

Functional Materials & Solutions

Strong business with automotive and construction

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Q2'15 segment sales (in million €) vs. Q2'14

EBIT before special items (in million €)

Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q2'15 vs. Q2'14	0%	↓ (2%)	0%	↑ 11%

Agricultural Solutions

Half-year results on prior year level

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Segment sales

(Q2'15 vs. Q2'14 / H1'15 vs. H1'14; million €)

EBIT before special items

(Q2'15 vs. Q2'14 / H1'15 vs. H1'14; million €)

Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q2'15 vs. Q2'14	↓ (8%)	↑ 3%	0%	↑ 6%

Oil & Gas

Decrease in earnings driven by lower prices

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Q2'15 segment sales (in million €) vs. Q2'14

EBIT bSI*/Net income* (million €)

Sales development

Period	Volumes	Price/Currencies	Portfolio
Q2'15 vs. Q2'14	↑ 21%	↓ (9%)	↑ 3%

* Previous year values restated due to dissolution of disposal group "Natural Gas Trading"

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Review of 'Other'

Million €	Q2´15	Q2´14
Sales	**757**	**855**
EBIT before special items	**(63)**	**(328)**
Thereof corporate research costs	*(102)*	*(97)*
group corporate costs	*(64)*	*(57)*
currency results, hedges and other valuation effects	*151*	*(117)*
other businesses	*30*	*37*
Special items	(20)	(12)
EBIT	**(83)**	**(340)**

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Strong operating cash flow in H1 2015

Million €	H1'15	H1'14*
Cash provided by operating activities	**5,143**	**2,713**
Thereof changes in net working capital	*877*	*(1,251)*
miscellaneous items	*(32)*	*(261)*
Cash used in / provided by investing activities	**(3,331)**	**(2,376)**
Thereof payments related to tangible / intangible assets	*(2,845)*	*(2,201)*
acquisitions / divestitures	*(15)*	*355*
Cash used in financing activities	**(1,033)**	**189**
Thereof changes in financial liabilities	*1,723*	*2,781*
dividends	*(2,803)*	*(2,592)*

First half 2015

- Cash flow from operating activities nearly doubled to €5.1 billion
- Cash inflow from changes in net working capital of €0.9 billion
- Free cash flow improved from €0.5 billion to €2.3 billion, exceeding free cash flow of FY 2014

* Previous-year figures restated due to dissolution of disposal group "Natural Gas Trading"

Balance sheet remains strong

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Balance sheet June 30, 2015 vs. December 31, 2014*
(in billion €)

Highlights June 30, 2015

- Total assets increased by €4.3 billion due to:
  - FX-related effects
  - Investment projects
  - Accounts receivables
  - Liquid funds
- Inventories down by ~€1.0 billion
- Pension obligations down by €1.1 billion
- Net debt increased by €1.4 billion to €15.1 billion
- Equity ratio: 40.4%

* Previous year values restated due to dissolution of disposal group "Natural Gas Trading"

Outlook 2015 confirmed

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Outlook 2015

- We aim to increase volumes and sales excluding the effects of acquisitions and divestitures.
- Sales are expected to be slightly higher than in 2014, driven by higher sales in the Performance Products and Functional Materials and Solutions segments.
- EBIT before special items will likely match the level of 2014. We anticipate larger contributions from our chemicals and crop protection businesses, whereas earnings in the Oil & Gas segment are expected to decrease considerably due to the lower price of oil.
- We aim to earn again a substantial premium on our cost of capital, but on a lower level than in 2014.

Assumptions 2015

GDP:	+2.4% (+2.8%)
Industrial production:	+2.9% (+3.6%)
Chemical production (excl. pharma):	+3.8% (+4.2%)
US$ / Euro:	1.15 (1.20)
Brent oil price (US$ / bbl):	60-70

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