150 years

Reporting Factsheet
Q2 2015

BASF
We create chemistry

BASF Group (Million €)	Q2 2015	Q2 2014+	Change (%)	Q2 2015	Q1 2015	Change (%)
Sales	**19,078**	18,455	3.4	*19,078*	*20,067*	*(4.9)*
Income from operations before depreciation and amortization (EBITDA)	**2,994**	2,705	10.7	*2,994*	*2,890*	*3.6*
Income from operations (EBIT) before special items	**2,043**	2,012	1.5	*2,043*	*2,070*	*(1.3)*
Income from operations (EBIT)	**2,039**	1,933	5.5	*2,039*	*1,995*	*2.2*
Financial result	**(152)**	(136)	(11.8)	*(152)*	*(164)*	*7.3*
Income before taxes and minority interests	**1,887**	1,797	5.0	*1,887*	*1,831*	*3.1*
Net income	**1,265**	1,259	0.5	*1,265*	*1,174*	*7.8*
Earnings per share (€)	**1.38**	1.37	0.7	*1.38*	*1.28*	*7.8*
Adjusted earnings per share (€)*	**1.49**	1.53	(2.6)	*1.49*	*1.43*	*4.2*
EBITDA in % of sales	**15.7**	14.7	-	*15.7*	*14.4*	*-*
Cash provided by operating activities	**2,753**	966	185.0	*2,753*	*2,390*	*15.2*
Additions to long-term assets**	**1,526**	1,207	26.4	*1,526*	*1,334*	*14.4*
Amortization and depreciation**	**955**	772	23.7	*955*	*895*	*6.7*
Segment assets (end of period)***	**64,334**	57,319	12.2	*64,334*	*67,050*	*(4.1)*
Personnel costs	**2,394**	2,360	1.4	*2,394*	*2,877*	*(16.8)*
Number of employees (end of period)	**113,539**	112,277	1.1	*113,539*	*113,896*	*(0.3)*

+) Q2 2014 figures in this Factsheet have been restated to reflect the dissolution of the disposal group "Natural Gas Trading"
*) Adjusted for special items and amortization of intangible assets **) Intangible assets and property, plant and equipment (including acquisitions)
***) Intangible assets, property, plant and equipment, inventories and business-related receivables

Segments	Sales			EBIT bef. special items			EBIT		
2nd Quarter (Million €)	2015	2014+	Change (%)	2015	2014+	Change (%)	2015	2014+	Change (%)
Chemicals	**3,975**	**4,298**	(7.5)	**548**	**570**	(3.9)	**548**	**536**	2.2
Performance Products	**4,084**	**3,924**	4.1	**304**	**435**	(30.1)	**368**	**454**	(18.9)
Functional Materials & Solutions	**4,916**	**4,518**	8.8	**458**	**356**	28.7	**411**	**351**	17.1
Agricultural Solutions	**1,678**	**1,666**	0.7	**365**	**433**	(15.7)	**365**	**433**	(15.7)
Oil & Gas	**3,668**	**3,194**	14.8	**431**	**546**	(21.1)	**430**	**499**	(13.8)
thereof Exploration & Production	**704**	**807**	(12.8)	**288**	**457**	(37.0)	**287**	**410**	(30.0)
Natural Gas Trading	**2,964**	**2,387**	24.2	**143**	**89**	60.7	**143**	**89**	60.7
Other*	**757**	**855**	(11.5)	**(63)**	**(328)**	80.8	**(83)**	**(340)**	75.6
BASF Group	**19,078**	**18,455**	3.4	**2,043**	**2,012**	1.5	**2,039**	**1,933**	5.5

**) "Other" includes 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. Q2 2014+	Changes in sales Q2 2015	Thereof Volumes	Prices	Currencies	Acqu./Divest.
Chemicals	(8)	0	(15)	9	(2)
Performance Products	4	(1)	(5)	10	0
Functional Materials & Solutions	9	0	(2)	11	0
Agricultural Solutions	1	(8)	3	6	0
Oil & Gas	15	21	(9)*		3
BASF Group	**3**	**2**	**(8)**	**9**	**0**

**) mix of price and currency effects*

Segments Q2 2015 vs. restated Q2 2014

Chemicals: (sales: (8)%; v: 0%; p: (15)%; c: +9%; s: (2)%)* Sales were considerably down compared with the second quarter of 2014. Lower raw material costs led to a sharp drop in prices. The disposal of our share in Ellba Eastern at the end of 2014 further reduced sales. Earnings declined slightly, primarily as a result of higher fixed costs from the gradual startup of new production facilities and a greater number of scheduled plant shutdowns.

- Sales in *Petrochemicals* came in considerably lower, despite positive FX effects. While volumes were down slightly, prices declined substantially, driven by lower feedstock costs. The divestiture of our participation in Ellba Eastern resulted in a slightly negative impact on sales. Cracker margins remained high in North America and improved significantly in Europe and Asia. Prices and margins for acrylics remained on a low level caused by overcapacities. Fixed costs went up driven by the start-up of new plants and unplanned outages. Earnings rose substantially.
- Sales in *Monomers* were flat. Prices, especially for isocyanates, came down significantly as we had to pass on lower raw material costs. This was more than offset by positive currency effects. Volumes were slightly down, due to planned turnarounds and plant outages. As we prepare for the start-up of our new MDI and TDI plants fixed costs increased considerably, which resulted in significantly lower earnings.
- In *Intermediates*, sales were slightly up. Positive foreign exchange effects and higher volumes, especially in amines and polyalcohols, more than compensated for lower prices. Fixed costs went up, driven by major planned turnarounds in Europe and Asia. Hence, earnings came in significantly lower.

Performance Products: (sales: +4%; v: (1)%; p: (5)%; c: +10%; s: 0%)* Positive currency effects led to a slight sales increase in the segment. Sales volumes were slightly down; this was mainly due to the unscheduled shutdown of a polyisobutene plant as well as weaker demand in the oilfield chemicals business. The market environment for paper chemicals remained difficult. Furthermore, our prices were negatively impacted by intense competition in the vitamin E business. The startup of new plants, reduction of inventory, and currency effects were largely responsible for an increase in our fixed costs. Earnings for the segment therefore declined considerably.

- In *Dispersions & Pigments*, sales were slightly up. Lower prices as well as lower volumes in particular for paper chemicals were more than offset by positive currency effects. Resins volumes were considerably up due to higher demand from the paints and coatings industries in Asia and Europe. Earnings decreased slightly due to higher fixed costs as a result of new plant start-ups in Asia and North America.
- Sales in *Care Chemicals* came in on prior year level. Positive currency effects compensated for significantly lower prices and slightly lower volumes. A force majeure in our ethylene oxide plant in Ludwigshafen resulted in product shortages for our surfactants. Earnings therefore decreased considerably.
- In *Nutrition & Health,* sales increased strongly thanks to higher volumes and positive currency effects. Prices were below prior year due to the ongoing decline of vitamin E prices. Earnings declined substantially as a result of lower margins and slightly higher fixed costs.
- *Performance Chemicals*' sales increased significantly. Positive currency effects more than compensated for lower volumes and prices. Adjusted for the unplanned production outage of our polyisobutene plant in Antwerp, volumes almost matched prior-year level. Automotive fluids and plastic additives showed good volume growth. In contrast, the market environment in oilfield solutions and paper chemicals saw a significant deterioration. Earnings decreased substantially due to higher fixed costs.

Functional Materials & Solutions: (sales: +9%; v: 0%; p: (2)%; c: +11%; s: 0%)* Sales considerably exceeded the level of the second quarter of 2014, mainly due to positive currency effects. While sales volumes to the automotive and construction industry grew, they declined in precious metal trading. We considerably raised our earnings, particularly through a strong contribution from the Performance Materials division.

- Sales in *Catalysts* came in considerably above the prior year level. This was mainly driven by positive currency effects and higher volumes in mobile emissions and chemical catalysts. Significantly lower trading volumes and softer precious metal prices were compensated by positive FX effects. Precious metal sales increased slightly to €666 million (Q2 2014: €659 million). Fixed costs went up after the start-up of new plants. Earnings decreased strongly due to higher fixed costs related to the new capacities as well as reduced precious metal trading margins.
- Sales in *Construction Chemicals* increased substantially, driven by positive FX effects as well as significantly higher volumes, especially in the Middle East, Southern and Eastern Europe, South America as well as Africa. Prices were slightly down. The favorable volume development led to considerably higher earnings.
- In *Coatings,* sales came in significantly above prior year as a result of slightly higher prices and positive currency effects. We realized good business with automotive OEM coatings in North America, Europe and Asia. Automotive refinish coatings developed well in Europe but experienced slightly lower volumes in North America and Asia. The market for decorative paints in Brazil remained challenging. Higher fixed costs related to the start-up of new resin and base coat plants in Asia resulted in slightly lower earnings.
- Sales in *Performance Materials* were up, driven by the favorable currency development and stable volumes. Our business with automotive OEMs developed well. We saw higher volumes in specialty and engineering plastics. The demand for styrenic foams decreased. Prices declined slightly due to lower raw material costs. Earnings increased substantially, also driven by a larger share of our specialty business.

Agricultural Solutions: (sales: +1%; v: (8)%; p: +3%; c: +6%; s: 0%)* Sales rose slightly in a challenging market environment. Positive currency effects and higher sales prices more than offset lower sales volumes in Europe and North America. Earnings nevertheless fell considerably. Aside from the decrease in volumes, this was also a result of increased fixed costs from the startup of new plants. Looking at the first half of 2015, sales increased by 8 percent. Earnings reached the same high level as in the prior year, despite a more challenging market environment.

Oil & Gas: (sales: +15%; v:+21%; p/c: (9)%; s: +3%)* Sales grew considerably compared with the second quarter of 2014, primarily attributable to sharply increased volumes in natural gas trading. The price of oil fell 44% in U.S. dollar terms which negatively impacted sales growth. Earnings decreased considerably. Earnings for the previous second quarter had included a contribution from an offshore lifting in Libya. Net income went down by 29 percent to €250 million. The next aperiodic offshore lifting is planned for Q3 2015.

Other: Sales decreased by 11 percent to 0.8 billion euros. Main reasons were the force majeure at the Ellba joint operation in Moerdijk as well as the divestiture of our 50 percent share in Ellba Eastern. Earnings came in at minus €63 million. The considerable improvement of €265 million compared to prior year was mainly driven by the dissolution of provisions in the amount of approximately €170 million for our long-term incentive program, which was triggered by the lower BASF share price. In addition, we incurred lower expenses from currency effects.
***v=volume; p=price; c=currency; s=structure**

Financials

Q2/H1 2015:

- Special items Q2 2015: minus €4 million (Restated Q2 2014: minus €79 million). Special items in Q2 2015 include a a positive disposal gain from the divestment of our textile chemicals business which was partly offset by restructuring costs and minor asset impairment measures. In the second quarter of 2014 we also incurred negative special items due to restructuring costs as well as impairments.
- Income taxes Q2 2015: €506 million (Restated Q2 2014: €468 million).
- Tax rate Q2 2015: 26.8% (Restated Q2 2014: 26.0%). Income taxes went up slightly to 506 million euros, because of higher pre-tax earnings.
- Financial result Q2 2015: minus €152 million (Restated Q2 2014: minus €136 million).
- Cash provided by operating activities in Q2 2015: €2,753 million (Restated Q2 2014: €966 million).
  Cash provided by operating activities in H1 2015: €5,143 million (Restated H1 2014: €2,713 million).
- Capex in Q2 2015: €1,567 million (Restated Q2 2014: €1,225 million).
  Capex in H1 2015: €2,845 million (Restated H1 2014: €2,201 million).
- Free cash flow in Q2 2015: €1,186 million (Restated Q2 2014: minus €259 million).
  Free cash flow in H1 2015: €2,298 million (Restated H1 2014: €512 million).
- Equity ratio 40.4% (June 30, 2015); net debt: €15.1 billion (FY 2014: €13.7 billion).

Outlook

Underlying assumptions for 2015:

- Global GDP: **+2.4%** (previous: +2.8%).
- Global industrial production: **+2.9%** (previous: +3.6%).
- Global chemical production (excl. pharma): **+3.8%** (previous: +4.2%).
- Average US$/€ exchange rate of **US$1.15/€** (previous: US$ 1.20/€).
- Average oil price of US$60-70 per barrel (Brent).
- Annual impact of 1 US$/bbl rise in average oil price (Brent) on segment Oil & Gas:
  Sales: +€20 million, EBIT: +€20 million.

Forecast 2015:

- We aim to increase our sales volumes 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 & 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.