150 years

Reporting Factsheet
Q3 2015

BASF
We create chemistry

BASF Group (Million €)	Q3 2015	Q3+ 2014	Change (%)	*Q3 2015*	*Q2 2015*	*Change (%)*
Sales	**17,424**	18,312	(4.8)	*17,424*	*19,078*	*(8.7)*
Income from operations before depreciation and amortization (EBITDA)	**2,872**	2,514	14.2	*2,872*	*2,994*	*(4.1)*
Income from operations (EBIT) before special items	**1,603**	1,774	(9.6)	*1,603*	*2,043*	*(21.5)*
Income from operations (EBIT)	**1,889**	1,742	8.4	*1,889*	*2,039*	*(7.4)*
Financial result	**(175)**	(169)	(3.6)	*(175)*	*(152)*	*15.1*
Income before taxes and minority interests	**1,714**	1,573	9.0	*1,714*	*1,887*	*(9.2)*
Net income	**1,209**	1,014	19.2	*1,209*	*1,265*	*(4.4)*
Earnings per share (€)	**1.31**	1.11	18.0	*1.31*	*1.38*	*(5.1)*
Adjusted earnings per share (€)*	**1.07**	1.24	(13.7)	*1.07*	*1.49*	*(28.2)*
EBITDA in % of sales	**16.5**	13.7	20.4	*16.5*	*15.7*	*5.1*
Cash provided by operating activities	**3,351**	2,219	51.0	*3,351*	*2,753*	*21.7*
Additions to long-term assets**	**1,497**	1,398	7.1	*1,497*	*1,526*	*(1.9)*
Amortization and depreciation**	**983**	772	27.3	*983*	*955*	*2.9*
Segment assets (end of period)***	**61,188**	59,264	3.2	*61,188*	*64,334*	*(4.9)*
Personnel costs	**2,447**	2,224	10.0	*2,447*	*2,394*	*2.2*
Number of employees (end of period)	**112,981**	113,351	(0.3)	*112,981*	*113,539*	*(0.5)*

+) Q3 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		
3rd Quarter (Million €)	2015	2014+	Change (%)	2015	2014+	Change (%)	2015	2014+	Change (%)
Chemicals	**3,640**	**4,201**	(13.4)	**633**	**616**	2.8	**631**	**615**	2.6
Performance Products	**3,899**	**3,919**	(0.5)	**319**	**376**	(15.2)	**315**	**366**	(13.9)
Functional Materials & Solutions	**4,517**	**4,527**	(0.2)	**371**	**310**	19.7	**366**	**311**	17.7
Agricultural Solutions	**1,077**	**1,018**	5.8	**7**	**43**	(83.7)	**6**	**43**	(86.0)
Oil & Gas	**3,606**	**3,670**	(1.7)	**371**	**436**	(14.9)	**643**	**434**	48.2
thereof Exploration & Production	**667**	**611**	9.2	**292**	**260**	12.3	**484**	**258**	87.6
Natural Gas Trading	**2,939**	**3,059**	(3.9)	**79**	**176**	(55.1)	**159**	**176**	(9.7)
Other*	**685**	**977**	(29.9)	**(98)**	**(7)**	-	**(72)**	**(27)**	-
BASF Group	**17,424**	**18,312**	(4.8)	**1,603**	**1,774**	(9.6)	**1,889**	**1,742**	8.4

**) "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. Q3 2014+	Changes in sales Q3 2015	thereof Volumes	Prices	Currencies	Acqu./Divest.
Chemicals	(13)	(2)	(16)	7	(2)
Performance Products	(1)	(2)	(4)	6	(1)
Functional Materials & Solutions	0	(1)	(5)	6	0
Agricultural Solutions	6	6	10	(10)	0
Oil & Gas	(2)	2	(6)*		2
BASF Group	**(5)**	**(1)**	**(8)**	**4**	**0**

**) mix of price and currency effects*

Segments Q3 2015 vs. restated Q3 2014

Chemicals: (sales: (13)%; v: (2)%; p: (16)%; c: +7%; s: (2)%)* Sales came in considerably lower. Declining prices in all divisions, following the lower oil and raw material prices, impacted sales negatively. Volumes went slightly down mainly driven by Petrochemicals. Currency effects had a positive impact on sales. The divestment of our participation in the ELLBA Eastern joint operation negatively impacted sales. Strong cracker margins in Europe and higher equity results from BASF YPC in Nanjing more than compensated for start-up costs and contributed to a slight increase in EBIT bSI.

- Sales in *Petrochemicals* were considerably down as a result of declining prices in all product lines. This was largely an effect of significant drops in raw material prices, especially naphtha. Other factors weighing on sales were lower volumes of steam cracker products in North America, along with the disposal of our share in the Singapore-based Ellba Eastern joint operation at the end of 2014. Earnings grew considerably because of significantly higher margins for steam cracker products in Europe.
- Sales in *Monomers* decreased slightly. This was attributable to price declines resulting from lower raw material costs. Volumes and currency effects positively influenced sales. Higher sales volumes in the MDI and polyamide-6 extrusion polymers businesses more than compensated for the volume decline in TDI. Earnings decreased considerably due to higher fixed costs arising from the gradual startup of new production plants as well as lower margins for TDI.
- In *Intermediates* sales grew slightly as a result of positive currency effects and higher volumes in nearly every business area. Sales prices declined. Earnings were slightly up, driven by higher volumes and improved margins, especially for amines.

Performance Products: (sales: (1)%; v: (2)%; p: (4)%; c: +6%; s: (1)%)* Sales declined slightly. Positive currency effects were offset by lower volumes and prices. We experienced lower demand especially in the pigments, paper, as well as the oilfield solutions businesses. Intense competition in the vitamin business put pressure on prices. In addition, the divestiture of textile chemicals had a negative structural effect on sales. EBIT bSI declined significantly due to higher fixed costs caused by several new production start-ups.

- In *Dispersions & Pigments*, positive currency effects were the main driver behind a slight increase in sales. Prices fell as a result of the lower oil price. While demand weakened for paper chemicals and pigments, we achieved volume growth in the dispersions business. Earnings declined slightly as a consequence of higher fixed costs mainly arising from the startup of new plants in Freeport, Texas, and Dahej, India.
- Sales in *Care Chemicals* rose slightly. Positive currency effects and slightly higher volumes more than compensated for the price decline. The lower price levels reflected decreased raw material costs. The hygiene business faced intense competition. Earnings fell considerably attributable to increased fixed costs stemming from the startup of new plants, especially in Camaçari, Brazil, as well as lower plant capacity utilization.
- Sales in *Nutrition & Health* decreased slightly as a result of lower volumes and prices. More intense competitive pressure in the pharmaceuticals business was largely responsible for the decline in volumes. The reduction in prices was mostly attributable to ongoing pressure on vitamin prices, particularly for vitamin E, as well as lower raw material costs in the aroma chemicals business. The decline in volumes combined with margin pressure led to a considerable decrease in earnings.
- *Performance Chemicals'* sales were slightly lower. Highly positive currency effects were counterbalanced by a decline in volumes and prices. The disposal of our textile chemicals business in June 2015 additionally reduced sales. Demand fell sharply in the oilfied chemicals business due to the lower oil price. Earnings rose slightly due to margin improvements.

Functional Materials & Solutions: (sales: 0%; v: (1)%; p: (5)%; c: +6%; s: 0%)* Sales came in on the level of the prior year´s third quarter. We experienced high demand from the automotive and construction industries. Lower precious metals trading activities resulted in a slight decline of overall volumes. Price decreases mainly driven by precious metals were more than offset by favorable currency effects. EBIT bSI was considerably up, boosted by Performance Materials.

- Sales in *Catalysts* fell considerably. Precious metal trading saw a price and volume-related sales decline to €538 million (Q3 2014: €685 million). Sales volume of mobile emissions catalysts increased. Earnings decreased considerably due to the decline in the precious metal trading business and higher fixed costs arising in part from the startup of new plants.
- In *Construction Chemicals* we achieved a considerable sales increase, driven by volumes and currencies. North America showed significant sales growth. We also achieved considerably higher sales volumes in the Middle Eastern countries. Volumes and prices were slightly up in Europe. In Asia, positive currency effects and slightly higher volumes compensated for declining prices. Earnings improved considerably.
- Sales in *Coatings* grew slightly. This was largely the result of higher prices and positive currency effects. Volumes were slightly down. We achieved a considerable sales increase in the automotive OEM coatings business, primarily through higher volumes in Europe and North America. Sales in the automotive refinish coatings business declined slightly. The depreciation of the Brazilian real, together with weaker demand, considerably reduced sales in the decorative paints business in Brazil. Earnings declined slightly as South America observed lower volumes and negative currency effects in all business areas.
- In *Performance Materials*, positive currency effects in North America and Asia resulted in a slight sales increase. Volumes remained stable, but sales prices declined due to lower raw material costs. Our business with the automotive industry improved considerably, while sales to the construction industry decreased. We achieved considerable earnings growth due to the positive development of our specialties businesses.

Agricultural Solutions: (sales: +6%; v: +6%; p: +10%; c: (10)%; s: 0%)* Sales increased significantly, as pronounced negative currency effects were more than offset by higher volumes and prices. While our business in South America benefitted from early orders, global market conditions remained challenging. In Europe, volumes in the fungicide and canola herbicide businesses were down. In contrast, higher volumes and prices for fungicides and herbicides lifted sales in North America. EBIT bSI declined strongly, burdened by higher costs related to capacity increases and inventory reduction measures.

Oil & Gas: (sales: (2%); v: +2%; p/c: (6%); s: 2%)*. Sales were slightly down, driven by lower prices in Natural Gas Trading. Higher production volumes in E&P, including an offshore lifting in Libya and higher contributions from Norway led to a considerable increase in sales. The average price for Brent crude oil in euro decreased by 41 percent, coming in at 45 euros per barrel. EBIT bSI in E&P came in significantly above prior year, as we realized higher production in Libya and in Norway. EBIT bSI items in Natural Gas Trading was down significantly (in the prior year quarter we incurred positive effects from price revisions). Special items amounted to around 270 million euros, including a 331 million euros disposal gain from the asset swap with Gazprom. The positive special item was partially offset by impairment charges related to a gas development project in Norway. Net income came in at 625 million euros, an increase of around 390 million euros.

Other: Sales decreased significantly, mainly attributable to reduced sales from raw material trading activities as a result of lower raw material prices. The divestment of our shares in the ELLBA Eastern joint operation in Singapore also reduced sales. EBIT bSI was considerably down due to lower gains from the dissolution of provisions for our long-term incentive program.

***v=volume; p=price; c=currency; s=structure**

Financials

Q3 2015 vs, Q3 2014:

- Special items Q3 2015: plus around €290 million mainly attributable to the disposal gain following the asset swap with Gazprom.
- Income taxes Q3 2015: minus €445 million (Restated Q3 2014: minus €434 million).
- Tax rate Q3 2015: 26.0% (Restated Q3 2014: 27.6%). The tax rate decreased slightly due to the tax-free disposal gain.
- Cash provided by operating activities in Q3 2015: €3,351 million (Restated Q3 2014: €2,219 million).
- Capex in Q3 2015: €1,542 million (Restated Q3 2014: €1,386 million).
- Free cash flow in Q3 2015: €1,809 million (Restated Q3 2014: €833 million).
- Equity ratio 41.6% (September 30, 2015); net debt: €13.8 billion (FY 2014: €13.7 billion).

Outlook

Underlying assumptions for 2015:

- Global GDP: **+2.3%** (previous: +2.4%).
- Global industrial production: **+2.0%** (previous: +2.9%).
- Global chemical production (excl. pharma): **+3.5%** (previous: +3.8%).
- Average US$/€ exchange rate of **US$1.12/€** (previous: US$ 1.15/€).
- Average oil price of **US$55 per barrel (Brent)**; (previous: US$60-70 per barrel (Brent)).

Forecast 2015:

- We aim to increase volumes excluding the effects of acquisitions and divestitures.
- Due to the divestment of the gas trading and storage business as part of the asset swap with Gazprom and the lower oil price we expect sales to be slightly lower than in 2014.
- EBIT before special items is expected to be slightly below the level of 2014. The chemicals business is expected to provide a larger contribution than in 2014. Earnings from crop protection will most likely come in slightly below the level of 2014. In Oil & Gas, results will decline significantly caused by the lower oil price and the divestment of the gas trading and storage business.
- We aim to earn again a substantial premium on our cost of capital, but on a lower level than in 2014, when we had a higher amount of positive special items from divestitures.

Forward-looking statements
This factsheet 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 factsheet 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.statements. The information contained in this factsheet 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.