Interim Report
3rd Quarter 2015

Sales and EBIT before special items decline slightly in difficult environment

- Earnings increase in Chemicals and Functional Materials & Solutions
- Outlook 2015:
  - Subdued economy, oil price decline and asset swap with Gazprom to burden sales and earnings in fourth quarter
  - Slight decrease now expected in sales and EBIT before special items in 2015

150 years

BASF
We create chemistry

BASF Group
3rd Quarter 2015

		3rd Quarter			January – September		
		2015	2014[1]	Change %	2015	2014[1]	Change %
Sales	million €	17,424	18,312	(5)	56,569	56,279	1
Income from operations before depreciation and amortization (EBITDA)	million €	2,872	2,514	14	8,756	8,170	7
Income from operations (EBIT) before special items	million €	1,603	1,774	(10)	5,716	5,898	(3)
Income from operations (EBIT)	million €	1,889	1,742	8	5,923	5,896	0
Financial result	million €	(175)	(169)	(4)	(491)	(488)	(1)
Income before taxes and minority interests	million €	1,714	1,573	9	5,432	5,408	0
Net income	million €	1,209	1,014	19	3,648	3,737	(2)
Earnings per share	€	1.31	1.11	18	3.97	4.07	(2)
Adjusted earnings per share[2]	€	1.07	1.24	(14)	3.99	4.40	(9)
Cash provided by operating activities	million €	3,351	2,219	51	8,494	4,932	72
Additions to noncurrent assets[3]	million €	1,497	1,398	7	4,357	3,554	23
Research expenses	million €	487	488	0	1,456	1,402	4
Amortization and depreciation[3]	million €	983	772	27	2,833	2,274	25
Segment assets (as of September 30)[4]	million €	61,188	59,264	3	61,188	59,264	3
Personnel costs	million €	2,447	2,224	10	7,718	6,908	12
Number of employees (as of September 30)		112,981	113,351	0	112,981	113,351	0

[1] The figures for the third quarter of 2014 and from January to September 2014 have been adjusted to reflect the dissolution of the gas trading disposal group at the end of 2014. For more information, see the Interim Financial Statements from page 22 onward, as well as the "Restated Figures 2013 and 2014" brochure at basf.com/publications.

[2] For further information, see page 40.

[3] Intangible assets and property, plant and equipment (including acquisitions)

[4] Intangible assets, property, plant and equipment, inventories and business-related receivables

Sales
Change compared with 3rd quarter 2014

–5%

EBIT before special items
(Change compared with 3rd quarter 2014)
Million €

1,603 (–171)

Contents

Interim Management's Report

Interim Financial Statements

[5] This section is not part of the Interim Management's Report.

[6] This section is not part of the Interim Financial Statements.

← **On the cover:** Two chemical technicians at checkpoints in the Ludwigshafen hydrogen plant. The plant is an important provider of technical gases in BASF's Verbund.

BASF's Segments

Chemicals

The Chemicals segment comprises our business with basic chemicals and intermediates. Its portfolio ranges from solvents, plasticizers and high-volume monomers to glues and electronic chemicals as well as raw materials for detergents, plastics, textile fibers, paints and coatings, crop protection and medicines. In addition to supplying customers in the chemical industry and numerous other sectors, we also ensure that other BASF segments are supplied with chemicals for producing downstream products.

Page 5

Performance Products

Our Performance Products lend stability, color and better application properties to many everyday products. Our product portfolio includes vitamins and other food additives in addition to ingredients for pharmaceuticals, personal care and cosmetics, as well as hygiene and household products. Other products from this segment improve processes in the paper industry, in oil, gas and ore extraction, and in water treatment. They furthermore enhance the efficiency of fuels and lubricants, the effectiveness of adhesives and coatings, and the stability of plastics.

Page 6

Functional Materials & Solutions

In the Functional Materials & Solutions segment, we bundle system solutions, services and innovative products for specific sectors and customers, especially the automotive, electrical, chemical and construction industries, as well as for household applications and sports and leisure. Our portfolio comprises catalysts, battery materials, engineering plastics, polyurethane systems, automotive and industrial coatings and concrete admixtures as well as construction systems like tile adhesives and decorative paints.

Page 8

Agricultural Solutions

The Agricultural Solutions segment provides innovative solutions in the areas of chemical and biological crop protection, seed treatment and water management as well as solutions for nutrient supply and plant stress. Our research in plant biotechnology concentrates on plants for greater efficiency in agriculture, better nutrition, and use as renewable raw materials.

Research expenses, sales, earnings and all other data of BASF Plant Science are not included in the Agricultural Solutions segment; they are reported in Other.

Page 10

Oil & Gas

We focus on exploration and production in oil and gas-rich regions in Europe, North Africa, Russia, South America and the Middle East. Together with our Russian partner Gazprom, we are active in the transport of natural gas in Europe. At the end of the third quarter of 2015, we exited the natural gas trading and storage business previously operated together with Gazprom and, in exchange, further expanded our oil and gas production in western Siberia.

Page 11

BASF Innovations

A tablet coating of many talents

Tablet coatings no longer need to include a separate plasticizer, thanks to the polymer Kollicoat IR®. It provides particularly effective protection for the active ingredients in film-coated pharmaceutical tablets and nutritional supplements, while also allowing for more efficient and resource-saving production methods.

Innovative polymer structure

Tablets with readily soluble coatings ensure rapid uptake in the body while protecting the drugs inside from light, oxygen and moisture. To keep the coating stable at room temperature and prevent it from becoming brittle, pharmaceutical manufacturers generally need to add a plasticizer. Over the tablet's lifespan, this can seep from the coating to the inside and interfere with the active ingredients there. Kollicoat IR® is the first tablet coating that does not require a separate plasticizer. Its innovative polymer structure combines film-forming properties with plasticizing action, thus ruling out any damage to the drugs inside.

More efficient tablet production

The polymer's special structure also greatly reduces viscosity, providing pharmaceutical manufacturers with further benefits in processing: The coating can be applied much more rapidly, creating a smoothly homogenous, crack-free surface that protects the ingredients from outside influences. The entire process results in savings of up to 60% in terms of water, energy and time.

Improved shelf life

Kollicoat IR® furthermore serves as an effective bonding agent, ensuring that the active ingredients cohere solidly. Because the polymer neither contains nor creates peroxides on contact with oxygen, oxygen-sensitive ingredients maintain their shelf life even over longer storage periods. This property, along with the substance's extremely high cohesiveness, makes Kollicoat IR® unique in comparison with conventional binding agents and opens up new possibilities for pharmaceutical manufacturers, especially in formulations for such sensitive ingredients.

Image: Film-coated tablets covered with Kollicoat IR®

Interim Management's Report
BASF Group Business Review 3rd Quarter 2015

In a weaker economic environment than expected, our sales in the third quarter of 2015 were slightly below the level of the previous third quarter. The sharp drop in the price of oil led to significantly lower prices, which weighed down our sales in the chemicals business[1] and in the Oil & Gas segment. Income from operations before special items declined slightly. While we achieved a slight overall increase in the chemicals business, earnings fell considerably in the Oil & Gas and Agricultural Solutions segments as well as in Other.

Sales and income from operations before special items

- **Sales down by 5% to €17.4 billion**
- **Earnings decline by 10% to €1.6 billion**

Compared with the third quarter of 2014, our sales decreased by 5% to €17.4 billion, mostly due to lower prices in connection with the price of oil. This reduced sales in the chemicals business, particularly in the Chemicals segment. The Oil & Gas segment also saw a price-related sales decrease. Positive currency effects in nearly every division helped slow this decline.

We posted a €171 million decline in income from operations before special items, which amounted to €1.6 billion. In the chemicals business, the contribution from the Chemicals segment rose slightly while that of the Functional Materials & Solutions segment increased sharply, more than compensating for the significant decrease in the Performance Products segment. Earnings were considerably down in the Oil & Gas and Agricultural Solutions segments. The contribution from Other shrank considerably as a result of the lower amount of reversed provisions for our long-term incentive (LTI) program as compared with the previous year.

Factors influencing sales

Factors influencing sales in 2015 (% of sales)

	3rd Quarter	Jan. – Sep.
Volumes	(1)	2
Prices	(8)	(8)
Portfolio	0	0
Currencies	4	7
	(5)	**1**

Sales volumes were slightly lower than in the previous third quarter. Volumes were down in the chemicals business, but rose in the Agricultural Solutions and Oil & Gas segments. The sharp drop in the price of oil led to declining prices overall, primarily in the Chemicals and Oil & Gas segments. We observed positive currency effects in every division except Crop Protection. Sales were negatively impacted by reduced raw material trading in Other. Portfolio measures had no appreciable impact on sales development.

Sales and income from operations before special items in the segments

Sales in the **Chemicals** segment were considerably below the level of the previous third quarter. This was essentially due to lower prices on account of decreased raw material costs, especially in the Petrochemicals division. Sales were also reduced by the disposal of our share in the Singapore-based Ellba Eastern Private Ltd. joint operation at the end of 2014. These developments were partially countered by positive currency effects and volumes increases in the Intermediates and Monomers divisions. Earnings grew slightly, mostly as a result of higher margins in the Petrochemicals division.

Third-quarter sales (million €, relative change)

	Year	Sales	Change
Chemicals	**2015**	**3,640**	**(13%)**
	2014	4,201	
Performance Products	**2015**	**3,899**	**(1%)**
	2014	3,919	
Functional Materials & Solutions	**2015**	**4,517**	**0%**
	2014	4,527	
Agricultural Solutions	**2015**	**1,077**	**6%**
	2014	1,018	
Oil & Gas	**2015**	**3,606**	**(2%)**
	2014	3,670	
Other	**2015**	**685**	**(30%)**
	2014	977	

The **Performance Products** segment's sales declined slightly year-on-year. This was due to lower prices, weaker volumes and the lack of sales from the textile chemicals business sold in June 2015. Currency effects had a positive influence on sales in all divisions. Decreased sales volumes were brought about by lower volumes in the pigments business as well as weak demand in the oilfield chemicals business in connection with oil price developments. Intense competition in the vitamin business put pressure on our prices. The market environment for paper chemicals remained difficult. Earnings were considerably down as a consequence of higher fixed costs, stemming particularly from the startup of new plants as well as currency effects.

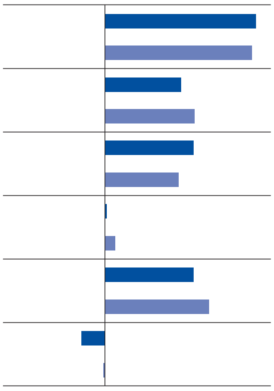
[1] Our chemicals business comprises the Chemicals, Performance Products and Functional Materials & Solutions segments.

In the **Functional Materials & Solutions** segment, sales matched the level of the third quarter of 2014. Positive currency effects counterbalanced lower prices and a slight decline in volumes. Continuing high demand from the automotive and construction industry was not able to fully offset lower sales volumes in precious metal trading. Earnings grew considerably, mainly thanks to an earnings increase in the Performance Materials division.

Compared with the previous third quarter, we were able to raise sales considerably in the **Agricultural Solutions** segment through higher volumes and prices. The sharp depreciation of the Brazilian real resulted in negative currency effects. Earnings fell considerably.

Third-quarter EBIT before special items
(Million €, absolute change)

Chemicals	**2015**	**633**	**17**
	2014	616	
Performance Products	**2015**	**319**	**(57)**
	2014	376	
Functional Materials & Solutions	**2015**	**371**	**61**
	2014	310	
Agricultural Solutions	**2015**	**7**	**(36)**
	2014	43	
Oil & Gas	**2015**	**371**	**(65)**
	2014	436	
Other	**2015**	**(98)**	**(91)**
	2014	(7)	



The **Oil & Gas** segment's sales were slightly down year-on-year, predominantly on account of a price-related sales decline in the Natural Gas Trading business sector. Despite a sharp drop in the price of oil, sales grew in the Exploration & Production business sector thanks to higher volumes and portfolio effects. The smaller contribution from Natural Gas Trading resulted in a considerable decrease in earnings.

Sales in **Other** fell considerably compared with the third quarter of 2014. Decreased raw material trading and the disposal of our share in the Ellba Eastern Private Ltd. joint operation at the end of 2014 were primarily responsible for this development. Income from operations before special items declined considerably, primarily because of fewer reversals in provisions for the long-term incentive program as compared with the prior third quarter.

Income from operations and special items

Special items in EBIT totaled €286 million in the third quarter of 2015, compared with minus €32 million in the third quarter of 2014. This was particularly the result of gains from the asset swap with Gazprom concluded at the end of September 2015.

Compared with the previous third quarter, **EBIT** grew by €147 million to €1,889 million. EBITDA grew by €358 million to €2,872 million. This was largely the result of a €211 million increase in depreciation, particularly in connection with investment projects.

Special items reported in earnings before taxes (million €)

	2015	2014
1st quarter	(75)	67
2nd quarter	8	(79)
3rd quarter	286	(29)
4th quarter		507
Full year		**466**

Financial result and net income

At minus €175 million, the **financial result** was slightly below the level of the third quarter of 2014 (minus €169 million) due to lower income from shareholdings.

At €1,714 million, **income before taxes and minority interests** was up by €141 million. The tax rate was 26.0% (third quarter of 2014: 27.6%).

Net income rose by €195 million to €1,209 million.

Earnings per share were €1.31 in the third quarter of 2015, compared with €1.11 in the same quarter of 2014. Adjusted for special items and amortization of intangible assets, earnings per share amounted to €1.07 (third quarter of 2014: €1.24).

Information on the calculation of adjusted earnings per share can be found on page 40

Adjusted earnings per share (€)

	2015	2014
1st quarter	1.43	1.63
2nd quarter	1.49	1.53
3rd quarter	1.07	1.24
4th quarter		1.04
Full year		**5.44**

BASF on the Capital Market

Overview of BASF shares

		3rd Quarter 2015	Jan. – Sep. 2015
Performance (with dividends reinvested)			
BASF	%	(13.3)	0.8
DAX 30	%	(11.7)	(1.5)
DJ EURO STOXX 50	%	(9.2)	1.0
DJ Chemicals	%	(15.1)	(9.9)
MSCI World Chemicals	%	(15.9)	(9.7)
Share prices and trading (XETRA)			
Average	€	75.03	81.15
High	€	85.25	96.72
Low	€	65.74	65.74
Close (end of period)	€	68.32	68.32
Average daily trade	million shares	3.4	3.4
Outstanding shares (end of period)	million shares	918.5	918.5
Market capitalization (end of period)	billion €	62.8	62.8

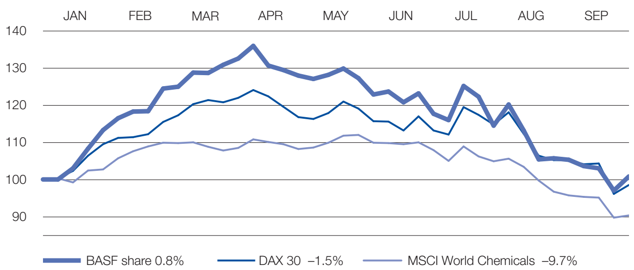
Share performance

- **Stock markets volatile, with losses at end of quarter**
- **BASF share price closes 13.3% below second quarter**

The third quarter initially began with recovery on the stock markets as European finance ministers approved the third bailout package for Greece, while the eurozone and United States showed robust economic figures. As the quarter progressed, weak economic data from China and the intensification of the recession in Brazil led to massive share price losses. The Chinese central bank helped stabilize the situation by relaxing the reserve requirement for commercial banks and reducing interest rates; however, the U.S. Federal Reserve's decision not to raise interest rates for the time being led to uncertainty on the market. As a result, stock markets once again took a dip toward the end of the quarter.

At €68.32, the BASF share traded 13.3% lower than its closing price in the second quarter of 2015, while the German stock index DAX 30 lost 11.7%. The European benchmark index DJ EURO STOXX 50 fell by 9.2% over the same period. The global industry indexes DJ Chemicals and MSCI World Chemicals declined by 15.1% and 15.9%, respectively.

Change in value of an investment in BASF shares (Jan. – Sep. 2015)
(With dividends reinvested; indexed)



For up-to-date information on BASF shares, visit basf.com/share

Good credit ratings and solid financing

BASF has good credit ratings, especially in comparison with competitors in the chemical industry. Rating agency Moody's last confirmed their rating of "A1/P-1 outlook stable" on May 5, 2015. Standard & Poor's adjusted their rating of "A+/A-1" to an outlook of "negative" on April 10, 2015. This was largely due to an increase in pension provisions as a result of lower capital market interest rates. We continue to have solid financing. Since the beginning of the year, net debt has increased by €98 million to €13.8 billion.

BASF a sustainable investment

In September, BASF shares were included in the Dow Jones Sustainability World Index (DJSI World) for the fifteenth year in succession. This year, analysts particularly praised our commitment to innovation management, environmental and social responsibility reporting, product stewardship and employee development. As one of the most well-known sustainability indexes, the DJSI World represents the top 10% of the 2,500 largest companies in the Dow Jones Global Index based on economic, environmental and social criteria.

Contact our Investor Relations team by phone at +49 621 60-48230 or email ir@basf.com

Significant Events

3rd Quarter 2015

- **Asset swap with Gazprom completed**
- **Nord Stream pipeline to be expanded**
- **Carve-out of pigment business announced**
- **MDI production begun in Chongqing, China**

On September 30, 2015, and financially retroactive to April 1, 2013, BASF and Gazprom completed the swap of assets of equivalent value that had originally been planned for the end of 2014. With the swap, BASF is further expanding its oil and gas production and has exited the gas trading and storage business. The transaction gives Wintershall an economic share of 25.01% in blocks IV and V of the Achimov formation of the Urengoy natural gas and condensate field in western Siberia. In return, Wintershall has transferred to Gazprom its share of the formerly jointly operated natural gas trading and storage business, including a 50% share in the gas storage companies WINGAS (Kassel, Germany), WIEH (Berlin, Germany) and WIEE (Zug, Switzerland). Gazprom will also hold 50% of Wintershall Noordzee B.V., which is active in the exploration and production of crude oil and natural gas in the southern North Sea. In 2014, these activities contributed a total of around €12.2 billion to sales and around €260 million to the EBITDA of the BASF Group. In the first three quarters of 2015, the contribution to sales was around €10.1 billion, and the contribution to EBITDA around €650 million. This EBITDA figure includes the special income from the asset swap with Gazprom.

At the beginning of September 2015, we signed a shareholder's agreement with Gazprom, E.ON, ENGIE, OMV and Shell on the expansion of the Nord Stream pipeline, which transports natural gas via the Baltic Sea from Russia to Germany. Gazprom will hold a 51% share in the project company, Nord Stream 2 AG; after approval from the relevant authorities, E.ON, OMV, Shell and the BASF subsidiary Wintershall will each acquire a share of 10% and ENGIE a share of 9%. Two further lines are to be built with a total capacity of up to 55 billion additional cubic meters of natural gas. The two existing lines, in which Wintershall holds a 15.5% share, have been in operation since October 2012.

Starting January 2016, BASF will combine all of its pigments activities into a new global business unit (GBU). The plan is then to carve out this business and establish separate legal entities. All employees in the pigments business will be part of the new GBU. This reorganization allows for better adaptation to the challenges in the pigment industry.

We began producing methylene diphenyl diisocyanate (MDI) in Chongqing, China, and are ramping up production. MDI is a central component of the plastic polyurethane, a substance that improves insulation and makes vehicle parts lighter. With the MDI plant, BASF will supply these key industries in western China.

Investor Day 2015

At our Investor Day in Ludwigshafen at the end of September 2015, we provided an overview of the implementation of the "We create chemistry" strategy introduced in 2011. Despite a more challenging environment, BASF is on track with its strategy. We have slightly reduced our expectations for the global economic environment from 2015 to 2020 (previous forecast in parentheses):

– Gross domestic product growth: 3.0% (3.2%)
– Growth in industrial production: 3.5% (3.7%)
– Growth in chemical production: 3.9% (4.0%)

Over the next few years, we aim to increase sales at a slightly faster rate than global chemical production; in terms of income from operations before depreciation and amortization (EBITDA), we want to grow considerably faster than global chemical production.

We also announced another project for operational excellence: "DrivE – Drive Efficiency," which will run from 2016 to 2018 and aims to contribute €1 billion to earnings each year as of the end of 2018.

For more information on our Investor Day 2015, visit basf.com/share

Chemicals

Segment data Chemicals (million €)

	3rd Quarter			January – September		
	2015	2014	Change in %	2015	2014	Change in %
Sales to third parties	3,640	4,201	(13)	11,481	12,897	(11)
Thereof Petrochemicals	1,411	1,913	(26)	4,606	6,029	(24)
Monomers	1,522	1,587	(4)	4,697	4,755	(1)
Intermediates	707	701	1	2,178	2,113	3
Income from operations before amortization and depreciation (EBITDA)	867	802	8	2,586	2,309	12
Income from operations (EBIT) before special items	633	616	3	1,907	1,787	7
Income from operations (EBIT)	631	615	3	1,905	1,751	9
Assets (September 30)	12,817	12,197	5	12,817	12,197	5
Research expenses	50	51	(2)	153	141	9
Additions to property, plant and equipment and intangible assets	524	570	(8)	1,342	1,319	2

3rd Quarter 2015

- **Considerable sales decline due mainly to lower prices**
- **Slight increase in earnings primarily attributable to higher margins in Petrochemicals division in Europe**

Sales in the Chemicals segment were considerably below the level of the previous third quarter (volumes –2%, prices –16%, portfolio –2%, currencies 7%). This was essentially due to lower prices on account of decreased raw material costs, especially in the Petrochemicals division. Sales were further reduced by the disposal of our share in a joint operation in Singapore. These developments were partially countered by positive currency effects and volumes increases in the Intermediates and Monomers divisions. Income from operations before special items grew slightly, primarily as a result of higher margins in the Petrochemicals division.

Petrochemicals

Sales were considerably down in the Petrochemicals division 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 Private Ltd. joint operation at the end of 2014. Currency developments were positive, however. Earnings considerably surpassed the level of the previous third quarter, especially because of significantly higher margins for steam cracker products in Europe.

Monomers

Compared with the third quarter of 2014, sales dipped slightly in the Monomers division. This was attributable to price declines resulting from lower raw material costs. Currency effects positively influenced sales. Volumes were slightly above the level of the previous third quarter. Higher sales volumes in the MDI and polyamide-6 extrusion polymers businesses more than compensated for the volumes decline in TDI. Earnings slipped considerably on account of higher fixed costs arising from the gradual startup of new production plants as well as lower margins for TDI.

Intermediates

In the Intermediates division, sales grew slightly year-on-year as a result of positive currency effects and higher volumes in nearly every business area. Sales prices declined. Earnings were slightly up compared with the third quarter of 2014, driven by higher volumes and improved margins, especially for amines.

Sales
Change compared with 3rd quarter 2014

–13%

EBIT before special items
(Change compared with 3rd quarter 2014)
Million €

633 (+17)

Performance Products

Segment data Performance Products (million €)

	3rd Quarter			January – September		
	2015	2014	Change in %	2015	2014	Change in %
Sales to third parties	3,899	3,919	(1)	12,021	11,715	3
Thereof Dispersions & Pigments[1]	1,176	1,161	1	3,586	3,468	3
Care Chemicals	1,218	1,203	1	3,732	3,671	2
Nutrition & Health	496	522	(5)	1,569	1,537	2
Performance Chemicals[1]	1,009	1,033	(2)	3,134	3,039	3
Income from operations before amortization and depreciation (EBITDA)	552	564	(2)	1,862	1,821	2
Income from operations (EBIT) before special items	319	376	(15)	1,138	1,238	(8)
Income from operations (EBIT)	315	366	(14)	1,174	1,234	(5)
Assets (September 30)	14,463	14,594	(1)	14,463	14,594	(1)
Research expenses	94	92	2	283	267	6
Additions to property, plant and equipment and intangible assets	255	237	8	706	564	25

[1] After dissolving the Paper Chemicals division as of January 1, 2015, we integrated its business into the Dispersions & Pigments and Performance Chemicals divisions. For better comparability, the figures for both divisions have been adjusted accordingly for 2014.

3rd Quarter 2015

- **Sales slightly below prior third-quarter level, particularly owing to price declines**
- **Earnings decrease considerably due to higher fixed costs, especially from plant startups**

The Performance Products segment saw a slight sales decline compared with the prior-year quarter due to lower prices, weaker volumes and the lack of sales from our textile chemicals business, which was sold in June 2015. Currency effects had a positive influence on sales in all divisions (volumes –2%, prices –4%, portfolio –1%, currencies 6%). Decreased volumes were brought about by lower volumes in the pigments business as well as weak demand in the oilfield chemicals business in connection with the price of oil. Intense competition in the vitamin business put pressure on our prices. The market environment for paper chemicals remained difficult. Income from operations before special items declined considerably owing to higher fixed costs, which arose particularly from the startup of new plants as well as negative currency effects.

Dispersions & Pigments

In the Dispersions & Pigments division, positive currency effects were the main driver behind a slight increase in sales. Prices fell as a result of the lower price of oil; volumes were slightly down. While demand weakened for paper chemicals and pigments, we achieved volumes growth in the dispersions business. Earnings declined slightly. This was a consequence of higher fixed costs arising mainly from the startup of new plants in Freeport, Texas, and Dahej, India, in addition to negative currency effects.

Sales

Change compared with 3rd quarter 2014

–1%

EBIT before special items

(Change compared with 3rd quarter 2014)
Million €

319 (–57)

Care Chemicals

Sales in the Care Chemicals division rose slightly compared with the third quarter of 2014. Positive currency effects and slightly higher volumes were able to more than compensate for the decline in prices. The lower price levels were mostly due to decreased raw material costs, in addition to intense competition. This primarily concerned the hygiene business. Earnings fell considerably despite overall higher margins. Significant factors here were increased fixed costs stemming from the startup of new plants, especially in Camaçari, Brazil, and from negative currency effects, as well as lower plant capacity utilization compared with the previous third quarter.

Nutrition & Health

Despite positive currency effects, sales decreased slightly in the Nutrition & Health division as a result of lower volumes and prices. More intense competitive pressure in the pharmaceutical 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. Narrower margins and the decline in volumes led to a considerable decrease in earnings. We were able to slightly reduce fixed costs through rigorous cost management.

Performance Chemicals

Sales in the Performance Chemicals division were slightly below the level of the previous third quarter. 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 price of oil. Earnings rose slightly. This was primarily the result of improved margins in all business areas following a decline in raw material costs.

Functional Materials & Solutions

Segment data Functional Materials & Solutions (million €)

	3rd Quarter			January – September		
	2015	2014	Change in %	2015	2014	Change in %
Sales to third parties	4,517	4,527	0	14,017	13,281	6
Thereof Catalysts	1,472	1,572	(6)	4,761	4,558	4
Construction Chemicals	614	565	9	1,742	1,549	12
Coatings	753	736	2	2,357	2,213	7
Performance Materials	1,678	1,654	1	5,157	4,961	4
Income from operations before amortization and depreciation (EBITDA)	510	434	18	1,708	1,326	29
Income from operations (EBIT) before special items	371	310	20	1,260	977	29
Income from operations (EBIT)	366	311	18	1,241	973	28
Assets (September 30)	13,383	13,033	3	13,383	13,033	3
Research expenses	98	99	(1)	288	279	3
Additions to property, plant and equipment and intangible assets	137	148	(7)	586	398	47

3rd Quarter 2015

- **Sales match prior third-quarter levels due to positive currency effects**
- **Earnings rise considerably, thanks mainly to contribution from Performance Materials**

In the Functional Materials & Solutions segment, sales matched the level of the third quarter of 2014. Positive currency effects counteracted lower prices and a slight decline in volumes. Continuing high demand from the automotive and construction industry was not able to fully offset lower sales volumes in precious metal trading (volumes –1%, prices –5%, currencies 6%). Income from operations before special items grew considerably. This was mainly an effect of the earnings increase in the Performance Materials division.

Catalysts

Despite increased sales volumes of mobile emissions catalysts and positive currency effects, sales in the Catalysts division fell considerably compared with the previous third quarter, especially as result of the decline in precious metal trading. Sales in precious metal trading saw a price and volumes-related decline to €538 million (third quarter of 2014: €685 million). This, together with higher fixed costs arising in part from the startup of new plants, led to a considerable earnings decrease.

Sales
Change compared with 3rd quarter 2014

0%

EBIT before special items
(Change compared with 3rd quarter 2014)
Million €

371 (+61)

Construction Chemicals

Compared with the third quarter of 2014, we achieved a considerable sales increase in the Construction Chemicals division, driven by volumes and currencies. Positive currency effects led to significant sales growth in North America. Sales also rose considerably in the region South America, Africa, Middle East. We achieved considerably higher sales volumes in the Middle Eastern countries in particular. Volumes and prices were slightly up in Europe. In Asia, positive currency effects and slightly higher volumes compensated for declining prices. Thanks to the volumes growth as well as to positive currency effects, earnings improved considerably.

Coatings

Sales in the Coatings division grew slightly compared with the third quarter of 2014. This was largely the result of higher prices and positive currency effects. Volumes were slightly down year-on-year. We achieved a considerable sales increase in the automotive OEM coatings business, primarily through higher volumes in Europe and North America and currency effects. Sales in the automotive refinish coatings business declined slightly owing to lower volumes. The industrial coatings business saw a slight increase in sales. 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.

Performance Materials

In the Performance Materials division, positive currency effects in North America and Asia resulted in a slight sales increase. Sales prices declined due to lower raw material costs, while volumes remained stable overall. Our business with the automotive industry improved considerably, while sales decreased to the construction industry. We achieved considerable earnings growth compared with the previous third quarter. This was partly attributable to the positive development of our specialties businesses.

Agricultural Solutions

Segment data Agricultural Solutions (million €)

	3rd Quarter			January – September		
	2015	**2014**	**Change in %**	**2015**	**2014**	**Change in %**
Sales to third parties	1,077	1,018	6	4,653	4,337	7
Income from operations before amortization and depreciation (EBITDA)	68	93	(27)	1,116	1,121	0
Income from operations (EBIT) before special items	7	43	(84)	946	986	(4)
Income from operations (EBIT)	6	43	(86)	944	986	(4)
Assets (September 30)	7,719	7,347	5	7,719	7,347	5
Research expenses	124	135	(8)	382	378	1
Additions to property, plant and equipment and intangible assets	102	107	(5)	293	275	7

3rd Quarter 2015

- **Higher volumes and prices lead to considerable sales growth**
- **Earnings decline considerably due to higher costs**

Compared with the previous third quarter, we raised sales considerably in the Agricultural Solutions segment through higher volumes and prices. The depreciation of local currencies in emerging markets led to negative currency effects (volumes 6%, prices 10%, currencies –10%).

Sales declined considerably in **Europe**, weighed down by lower volumes. In the fungicide business, volumes particularly fell in western Europe after the higher year-on-year demand we observed there in the first half of 2015. Volumes were down in the canola herbicides business due to increased competitive pressure.

Sales in **North America** rose considerably, mainly as a result of higher volumes and prices for fungicides and herbicides together with positive currency effects. In the fungicides business, volumes growth came primarily from a high fungal infection rate toward the end of the season; for herbicides, this development was due to increased demand for dicamba.

In **South America**, we posted considerable sales growth due to higher prices and volumes. In anticipation of further price hikes following the depreciation of local currencies, many customers put in their orders early. This trend more than compensated for negative currency effects and the impact of an increasingly difficult market environment.

Sales fell considerably in **Asia**, mainly as a result of a volumes decline in India. This was predominantly a consequence of the weaker business with soy herbicides brought about by a very dry growing season and increased competition from generic manufacturers.

Income from operations before special items declined considerably compared with the third quarter of 2014. This was largely the result of higher costs arising primarily from capacity increases and inventory reduction.

Sales
Change compared with 3rd quarter 2014

+6%

EBIT before special items
(Change compared with 3rd quarter 2014)
Million €

7 (–36)

Oil & Gas

Segment data Oil & Gas (million €)

	3rd Quarter			January – September		
	2015	**2014**	**Change in %**	**2015**	**2014**	**Change in %**
Sales to third parties	3,606	3,670	(2)	12,267	11,140	10
Thereof Exploration & Production	667	611	9	2,115	2,210	(4)
Natural Gas Trading	2,939	3,059	(4)	10,152	8,930	14
Income from operations before amortization and depreciation (EBITDA)	917	616	49	2,243	2,076	8
Thereof Exploration & Production	737	421	75	1,719	1,693	2
Natural Gas Trading	180	195	(8)	524	383	37
Income from operations (EBIT) before special items	371	436	(15)	1,239	1,448	(14)
Thereof Exploration & Production	292	260	12	856	1,124	(24)
Natural Gas Trading	79	176	(55)	383	324	18
Income from operations (EBIT)	643	434	48	1,509	1,530	(1)
Thereof Exploration & Production	484	258	88	1,046	1,206	(13)
Natural Gas Trading	159	176	(10)	463	324	43
Assets (September 30)	12,806	12,093	6	12,806	12,093	6
Thereof Exploration & Production	10,928	7,951	37	10,928	7,951	37
Natural Gas Trading	1,878	4,142	(55)	1,878	4,142	(55)
Exploration expenses	32	56	(43)	112	103	9
Additions to property, plant and equipment and intangible assets	445	290	53	1,346	878	53
Net income	625	236	165	1,234	1,018	21

3rd Quarter 2015

- **Slight sales decrease, primarily due to lower prices**
- **Earnings considerably down compared with prior third quarter owing to decline in gas trading business**

Sales in the Oil & Gas segment were slightly down compared with the previous third quarter (volumes 2%, prices/currencies –6%, portfolio 2%). This was mostly due to a price-related decrease in sales in the Natural Gas Trading business sector. In the Exploration & Production sector, volumes growth and portfolio effects more than offset the sharp drop in the price of oil. We posted a considerable decline in income from operations before special items because of the smaller contribution from Natural Gas Trading. Net income rose significantly as a result of gains from the swap with Gazprom of assets of equivalent value.

For more on net income in the Oil & Gas segment, see the Notes to the Interim Financial Statements on page 28

We saw a considerable sales increase in the **Exploration & Production** business sector. The main drivers here were an offshore lifting in Libya during the reporting period as well as higher volumes in Norway, mostly from the activities acquired from Statoil at the end of 2014. At $50 per barrel, the price of Brent blend crude oil in the third quarter of 2015 was half that of the third quarter of 2014. Earnings grew considerably, as increased production from Libya and Norway more than compensated for lower prices.

Sales in the **Natural Gas Trading** business sector declined slightly due to lower gas prices. Earnings fell considerably compared with the same period of the previous year. In the third quarter of 2014, earnings had been boosted primarily by procurement-end price revisions.

Sales
Change compared with 3rd quarter 2014

–2%

EBIT before special items
(Change compared with 3rd quarter 2014)
Million €

371 (–65)

Regional Results

Regions (million €)

	Sales by location of company			Sales by location of customer			EBIT before special items[1]		
	2015	2014	Change in %	2015	2014	Change in %	2015	2014	Change in %
3rd quarter									
Europe	9,676	10,303	(6)	9,422	9,782	(4)	1,079	1,062	2
Thereof Germany	7,344	7,921	(7)	3,421	4,062	(16)	426	592	(28)
North America	3,645	3,697	(1)	3,399	3,688	(8)	297	342	(13)
Asia Pacific	2,813	3,024	(7)	2,932	3,192	(8)	70	173	(60)
South America, Africa, Middle East	1,290	1,288	0	1,671	1,650	1	157	197	(20)
	17,424	**18,312**	**(5)**	**17,424**	**18,312**	**(5)**	**1,603**	**1,774**	**(10)**
January – September									
Europe	32,295	32,685	(1)	30,909	31,169	(1)	3,942	3,798	4
Thereof Germany	24,067	24,366	(1)	11,711	11,232	4	1,775	1,761	1
North America	12,182	11,756	4	11,975	11,603	3	1,201	1,299	(8)
Asia Pacific	8,841	8,733	1	9,313	9,282	0	307	519	(41)
South America, Africa, Middle East	3,251	3,105	5	4,372	4,225	3	266	282	(6)
	56,569	**56,279**	**1**	**56,569**	**56,279**	**1**	**5,716**	**5,898**	**(3)**

[1] By location of company

3rd Quarter 2015

Sales at companies located in **Europe** decreased by 6% compared with the third quarter of 2014. In the chemicals business[2] and the Oil & Gas segment, lower prices particularly reduced sales. Despite the earnings decline in the Oil & Gas segment, income from operations before special items surpassed the previous third quarter's level by €17 million, amounting to €1,079 million. This was mainly the result of a considerable earnings increase in the Chemicals segment.

In **North America**, lower raw material costs significantly reduced prices in the chemicals business, especially in the Petrochemicals division. The result was a drop in sales of 17% in local currency terms and 1% in euros. Partially countering this development was a sharp volumes increase in the Agricultural Solutions segment, along with positive currency effects. At €297 million, earnings were €45 million below the level of the previous third quarter. While we were able to considerably improve earnings in the Functional Materials & Solutions segment, earnings fell considerably in the Chemicals segment.

Sales in **Asia Pacific** dropped by 17% in local currency terms and by 7% in euro terms. Sales prices fell, especially in the Chemicals segment. Lower volumes and the disposal of our share in the Singapore-based Ellba Eastern Private Ltd. joint operation in 2014 also contributed to this decline. Positive currency effects supported sales development in all segments. Earnings decreased by €103 million to €70 million year-on-year; along with startup costs for new plants and the decline in prices and volumes, this development was mainly brought about by a lower currency result.

In **South America, Africa, Middle East**, sales rose by 14% in local currency terms while matching the previous third quarter's level in euro terms. Higher sales volumes and prices compensated for negative currency and portfolio effects. We were able to raise volumes and prices particularly sharply in the crop protection business. By contrast, we observed a considerable sales decline in our businesses with the automotive industry. Earnings fell by €40 million to €157 million, despite a higher contribution from the Agricultural Solutions segment. Earnings were considerably down in the chemicals business and in the Oil & Gas segment.

[2] Our chemicals business comprises the Chemicals, Performance Products and Functional Materials & Solutions segments.

Overview of Other Topics

Research and Development

- **Components made from Cellasto®, Ultramid® and Elastoflex® E high-performance plastics make vehicles lighter**
- **BASF and Fraunhofer IPMS CNT jointly develop electronic materials**
- **Innovative production method improves drug solubility for many applications**

Our customized high-performance plastics help automotive industry manufacturers reduce weight, thereby lowering fuel consumption. One current example is the new combination of Cellasto® and fiber-reinforced Ultramid®, which allows top mounts to be made entirely out of plastic for the very first time. Ultramid® is also the material used in the world's first plastic transmission crossbeam in the rear axis of vehicles. Both solutions save around 25% in weight compared with the usual versions made of die-cast aluminum. As an important element in the new lightweight roof of Daimler AG's smart fortwo, our Elastoflex® E polyurethane foam system makes this component 30% lighter than in the previous model.

BASF and Fraunhofer IPMS Center for Nanoelectronic Technologies (CNT) in Dresden, Germany, have joined forces to work on innovative materials for the semiconductor industry. BASF has installed a facility for electrochemical metal deposition at CNT, where electronic materials will be developed in pilot tests for customers in the semiconductor industry. The tailor-made production processes will then be ready for immediate customer use, saving costs and reducing development time for new microchip technologies.

In collaboration with researchers from the universities EPFL (Switzerland), Harvard and Yale (United States), we have developed a process that improves the bioavailability of ingredients in various applications, such as making the uptake of medicines in the human body more efficient. The innovative supersonic spray-drying process creates nanoparticles of drugs with improved solubility. Without such processing, drug molecules would arrange themselves into crystals, which are difficult to dissolve. The method can be used for both organic and inorganic substances and is therefore suitable for numerous applications, especially in pharmacology, the food industry and crop protection.

Employees

- **Number of employees decreases to 112,981**
- **Personnel expenses rise by 11.7%**

Compared with the end of 2014, the number of BASF Group employees declined by 311 to a total of 112,981 as of September 30, 2015. On this date, 62.6% were employed in Europe while North America accounted for 15.4% of employees, Asia Pacific for 15.4% and South America, Africa, Middle East for 6.6%.

From January to September 2015, personnel expenses rose by 11.7% to €7,718 million compared with the same period of 2014. This development was predominantly the result of currency effects.

Employees by region

	Sep. 30, 2015	Dec. 31, 2014
Europe	70,643	71,474
Thereof Germany	52,896	53,277
North America	17,428	17,120
Asia Pacific	17,433	17,060
South America, Africa, Middle East	7,477	7,638
	112,981	**113,292**

Outlook

In the first three quarters of 2015, growth in the global economy, global industrial production and the chemical industry remained considerably below our expectations. The economic environment clouded over in important emerging markets, especially in China.

For the 2015 business year, we now expect a more challenging economic environment than had been anticipated in the middle of the year. In addition to weaker economic development and the lower price of oil, the divestitures concluded in the third quarter of 2015 will put a strain on sales and earnings development. We are therefore adjusting our outlook for 2015. We now expect a slight decrease in sales and income from operations before special items.

Opportunities and Risks

- **Opportunities and risks to be found in overall economic development as well as in exchange rate and margin volatility**

In 2015, opportunities may arise for us from a revival of the global economy and from the development of key customer industries, as well as through exchange rate volatility and margin improvements.

We also see opportunities in the implementation of our "We create chemistry" strategy and in further improving our operational excellence, as well as strengthening research and development. We will continue to concentrate on expanding our business in growth markets as well as on innovations, portfolio optimization, restructuring and increasing efficiency. For example, our excellence program, STEP, serves to strengthen our competitiveness and profitability. Starting at the end of 2015, STEP is expected to contribute around €1.3 billion to earnings each year. STEP comprises over 100 individual projects and is running right on schedule.

Yet there are also risks to the development of our business. These include an economic slowdown in China and uncertainty as to growth in Europe. Risks also lurk in exchange rate and margin volatility as well as in the development of our key customer industries.

The statements on opportunities and risks made in the BASF Report 2014 remain valid.

More detailed information can be found in the BASF Report 2014, in the Opportunities and Risks Report on pages 111–118

Forecast

- **Slight decrease expected in sales and income from operations before special items**

We have further reduced our expectations for the global economy in 2015 (previous forecast in parentheses):

- Gross domestic product growth: 2.3% (2.4%)
- Growth in industrial production: 2.0% (2.9%)
- Growth in chemical production: 3.5% (3.8%)
- An average euro/dollar exchange rate of $1.12 per euro ($1.15 per euro)
- An average oil price for the year of $55 per barrel ($60 to $70 per barrel)

It is unlikely that the BASF Group will achieve the slight sales growth forecast for 2015. We now expect sales to decline slightly. This assumption is based on the divestiture of the gas trading and storage business concluded in the third quarter of 2015 as well as on the lower price of oil. Our continued aim is to raise our sales volumes, excluding the effects of acquisitions and divestitures.

Contrary to expectations, income from operations before special items in 2015 will probably not match the previous year's level and will instead see a slight decrease. We continue to anticipate larger contributions from our chemicals business, whereas earnings in the Oil & Gas segment will decrease considerably. In the crop protection business, the difficult market environment will likely result in earnings that, against expectations, come in slightly below the level of 2014. We still foresee a slight decline in income from operations for the BASF Group. In 2014, higher levels of special income arose primarily from the disposal of our 50% share in Styrolution Holding GmbH. As a result, there is likely to be a considerable decline in EBIT after cost of capital.

BASF Group Interim Financial Statements
Statement of Income

Statement of income (million €)

	Explanations in Note	3rd Quarter 2015	3rd Quarter 2014	3rd Quarter Change in %	January – September 2015	January – September 2014	January – September Change in %
Sales revenue		**17,424**	**18,312**	**(4.8)**	**56,569**	**56,279**	**0.5**
Cost of sales		(12,860)	(13,871)	7.3	(41,637)	(42,170)	1.3
Gross profit on sales		**4,564**	**4,441**	**2.8**	**14,932**	**14,109**	**5.8**
Selling expenses		(2,015)	(1,864)	(8.1)	(6,021)	(5,491)	(9.7)
General administrative expenses		(346)	(329)	(5.2)	(1,059)	(979)	(8.2)
Research expenses		(487)	(488)	0.2	(1,456)	(1,402)	(3.9)
Other operating income	[5]	895	288	210.8	1,652	964	71.4
Other operating expenses	[5]	(844)	(364)	.	(2,388)	(1,530)	(56.1)
Income from companies accounted for using the equity method	[6]	122	58	110.3	263	225	16.9
Income from operations		**1,889**	**1,742**	**8.4**	**5,923**	**5,896**	**0.5**
Income from other shareholdings		2	14	(85.7)	60	52	15.4
Expenses from other shareholdings		(8)	(3)	.	(37)	(8)	.
Interest income		48	64	(25.0)	162	137	18.2
Interest expense		(153)	(172)	11.0	(488)	(504)	3.2
Other financial result		(64)	(72)	11.1	(188)	(165)	(13.9)
Financial result	**[7]**	**(175)**	**(169)**	**(3.6)**	**(491)**	**(488)**	**(0.6)**
Income before taxes and minority interests		**1,714**	**1,573**	**9.0**	**5,432**	**5,408**	**0.4**
Income taxes	[8]	(445)	(434)	(2.5)	(1,494)	(1,414)	(5.7)
Income before minority interests		**1,269**	**1,139**	**11.4**	**3,938**	**3,994**	**(1.4)**
Minority interests	[9]	(60)	(125)	52.0	(290)	(257)	(12.8)
Net income		**1,209**	**1,014**	**19.2**	**3,648**	**3,737**	**(2.4)**
Earnings per share	**[10]**						
Undiluted (€)		1.31	1.11	18.0	3.97	4.07	(2.5)
Diluted (€)		1.31	1.11	18.0	3.97	4.07	(2.5)

Statement of Income and Expense Recognized in Equity

Income before minority interests and income and expense recognized directly in equity (million €)

	January – September	
	2015	**2014**
Income before minority interests	**3,938**	**3,994**
Remeasurement of defined benefit plans	(209)	(3,361)
Deferred taxes for items that will not be reclassified to the statement of income	55	990
Income and expense recognized directly in equity that will not be reclassified to the statement of income at a later date	**(154)**	**(2,371)**
Unrealized gains/losses from fair value changes in available-for-sale securities	2	9
Reclassifications of realized gains/losses recognized in the income statement	–	–
Fair value changes in available-for-sale securities, net	**2**	**9**
Unrealized gains/losses from future cash flow hedges	20	(182)
Reclassification of realized gains/losses recognized in the income statement	375	1
Cash flow hedges, net	**395**	**(181)**
Translation adjustment	660	978
Deferred taxes for items that will be reclassified to the statement of income	(111)	28
Income and expense recognized directly in equity that will be reclassified to the statement of income at a later date	**946**	**834**
Minority interests	184	29
Total income and expense recognized directly in equity	**976**	**(1,508)**
Income before minority interests and income and expense recognized directly in equity	**4,914**	**2,486**
Thereof attributable to shareholders of BASF SE	4,435	2,200
Thereof attributable to minority interests	479	286

Development of income and expense recognized directly in equity of shareholders of BASF SE (million €)

	Other comprehensive income					
	Remeasurements of defined benefit plans	Foreign currency translation adjustment	Fair value changes in available-for-sale securities	Cash flow hedges	Revaluation due to acquisition of majority of shares	Total income and expense recognized directly in equity
As of January 1, 2015	**(4,840)**	**(259)**	**20**	**(403)**	**–**	**(5,482)**
Changes	(112)[1]	660	2	395	–	945
Deferred taxes	31[1]	(10)	(7)	(94)	–	(80)
As of September 30, 2015	**(4,921)**	**391**	**15**	**(102)**	**–**	**(4,617)**
As of January 1, 2014	**(2,444)**	**(917)**	**15**	**(54)**	**–**	**(3,400)**
Changes	(3,361)	978	9	(181)	–	(2,555)
Deferred taxes	990	(14)	(1)	43	–	1,018
As of September 30, 2014	**(4,815)**	**47**	**23**	**(192)**	**–**	**(4,937)**

[1] Including transfer to retained earnings as per IAS 19.122; details in Note 13 on page 34

Balance Sheet

Assets (million €)

	Explanations in Note	Sep. 30, 2015	Sep. 30, 2014	Change in %	Dec. 31, 2014	Change in %
Intangible assets	[11]	12,718	12,473	2	12,967	(2)
Property, plant and equipment	[11]	23,778	21,412	11	23,496	1
Investments accounted for using the equity method	[11]	4,543	3,481	31	3,245	40
Other financial assets	[11]	562	824	(32)	540	4
Deferred tax assets		2,106	2,008	5	2,193	(4)
Other receivables and miscellaneous assets		2,003	1,632	23	1,498	34
Noncurrent assets		**45,710**	**41,830**	**9**	**43,939**	**4**
Inventories	[12]	9,714	11,320	(14)	11,266	(14)
Accounts receivable, trade	[12]	9,697	10,519	(8)	10,385	(7)
Other receivables and miscellaneous assets	[12]	4,294	3,777	14	4,032	6
Marketable securities	[12]	20	44	(55)	19	5
Cash and cash equivalents[1]	[12]	1,750	1,980	(12)	1,718	2
Assets of disposal groups		1,133	776	46	–	–
Current assets		**26,608**	**28,416**	**(6)**	**27,420**	**(3)**
Total assets		**72,318**	**70,246**	**3**	**71,359**	**1**

Equity and liabilities (million €)

	Explanations in Note	Sep. 30, 2015	Sep. 30, 2014	Change in %	Dec. 31, 2014	Change in %
Subscribed capital	[13]	1,176	1,176	–	1,176	–
Capital surplus	[13]	3,143	3,165	(1)	3,143	–
Retained earnings	[13]	29,777	27,365	9	28,777	3
Other comprehensive income		(4,617)	(4,937)	6	(5,482)	16
Equity of shareholders of BASF SE		**29,479**	**26,769**	**10**	**27,614**	**7**
Minority interests		602	758	(21)	581	4
Equity		**30,081**	**27,527**	**9**	**28,195**	**7**
Provisions for pensions and similar obligations	[14]	7,471	7,062	6	7,313	2
Other provisions	[15]	3,262	3,495	(7)	3,502	(7)
Deferred tax liabilities		3,364	2,824	19	3,420	(2)
Financial indebtedness	[16]	11,364	11,452	(1)	11,839	(4)
Other liabilities	[16]	812	1,263	(36)	1,197	(32)
Noncurrent liabilities		**26,273**	**26,096**	**1**	**27,271**	**(4)**
Accounts payable, trade		3,953	5,013	(21)	4,861	(19)
Provisions	[15]	3,011	2,980	1	2,844	6
Tax liabilities		1,264	1,008	25	1,079	17
Financial indebtedness	[16]	4,150	4,375	(5)	3,545	17
Other liabilities	[16]	3,053	3,089	(1)	3,564	(14)
Liabilities of disposal groups		533	158	237	–	–
Current liabilities		**15,964**	**16,623**	**(4)**	**15,893**	**0**
Total equity and liabilities		**72,318**	**70,246**	**3**	**71,359**	**1**

[1] For a reconciliation of the amounts in the statement of cash flows with the balance sheet item "cash and cash equivalents," see page 18.

Statement of Cash Flows

Statement of cash flows (million €)

	3rd Quarter		January – September	
	2015	**2014**	**2015**	**2014**
Net income	1,209	1,014	3,648	3,737
Depreciation and amortization of intangible assets, property, plant and equipment and financial assets	984	774	2,843	2,276
Changes in net working capital	1,623	351	2,500	(900)
Miscellaneous items	(465)	80	(497)	(181)
Cash provided by operating activities	**3,351**	**2,219**	**8,494**	**4,932**
Payments related to property, plant and equipment and intangible assets	(1,542)	(1,386)	(4,387)	(3,587)
Acquisitions/divestitures	242	–	227	355
Financial investments and other items	(324)	(23)	(795)	(553)
Cash used in investing activities	**(1,624)**	**(1,409)**	**(4,955)**	**(3,785)**
Capital increases/repayments, other equity transactions	(2)	–	45	–
Changes in financial liabilities	(2,372)	(1,120)	(649)	1,661
Dividends	(97)	(64)	(2,900)	(2,656)
Cash used in financing activities	**(2,471)**	**(1,184)**	**(3,504)**	**(995)**
Net changes in cash and cash equivalents	(744)	(374)	35	152
Cash and cash equivalents as of beginning of year and other changes	2,494	2,354	1,715	1,828
Cash and cash equivalents at end of quarter	**1,750**	**1,980**	**1,750**	**1,980**

3rd Quarter 2015

In the third quarter of 2015, cash provided by operating activities rose by €1,132 million to €3,351 million compared with the previous third quarter. The release of funds in net working capital in the third quarter of 2015 was particularly influenced by lower amounts of trade accounts receivable and other operating receivables. The line item “miscellaneous items” primarily contains the transfer of gains from the asset swap with Gazprom into cash used in investing activities.

Cash used in investing activities amounted to €1,624 million, compared with €1,409 million in the third quarter of 2014. At €1,542 million, payments related to property, plant and equipment and intangible assets were higher than in the previous third quarter.

Cash used in financing activities amounted to €2,471 million, compared with €1,184 million in the third quarter of 2014. Cash outflows resulted primarily from scaling back BASF SE’s U.S. dollar commercial paper program by nearly €2 billion.

January to September 2015

In the first three quarters of 2015, cash provided by operating activities rose year-on-year by €3,562 million to €8,494 million. The release of funds in net working capital in the amount of €2.5 billion in the first three quarters of 2015 arose predominantly from a decrease in inventories. Funds were additionally released by a decline in other operating receivables.

Investing activities led to a cash outflow of €4,955 million, compared with €3,785 million in the first three quarters of 2014. At €4,387 million, payments related to property, plant and equipment and intangible assets were higher than in the same period of the previous year. Acquisitions and divestitures resulted in net proceeds of €227 million in the first three quarters of 2015. The corresponding period of the previous year had included proceeds from the sale of shares in non-BASF-operated oil and gas fields in the British North Sea to the Hungarian MOL Group, as well as from the sale of the PolyAd services business to Cleveland, Ohio-based Edgewater Capital Partners, L.P.

Financing activities resulted in a cash outflow of €3,504 million, compared with an outflow of €995 million in the same period of the previous year. Financial liabilities were reduced by €649 million compared with the end of 2014. Dividends of €2,572 million were paid to shareholders of BASF SE, which was €92 million more than in the previous year. Payments of €328 million were made to minority shareholders of Group companies in the form of dividends.

A more detailed overview of the adjusted statement of cash flows by quarter in 2014 can be found at basf.com/publications

Statement of Changes in Equity

January – September 2015 (million €)

	Number of subscribed shares outstanding	Subscribed capital	Capital surplus	Retained earnings	Other comprehensive income[1]	Equity of shareholders of BASF SE	Minority interests	Equity
As of January 1, 2015	**918,478,694**	**1,176**	**3,143**	**28,777**	**(5,482)**	**27,614**	**581**	**28,195**
Effects of acquisitions achieved in stages	–	–	–	–	–	**–**	–	**–**
Dividends paid	–	–	–	(2,572)	–	**(2,572)**	(197)[2]	**(2,769)**
Net income	–	–	–	3,648	–	**3,648**	290	**3,938**
Change in income and expense recognized directly in equity	–	–	–	–	792	**792**	184	**976**
Changes in scope of consolidation and other changes	–	–	–	(76)	73[3]	**(3)**	(256)	**(259)**
As of September 30, 2015	**918,478,694**	**1,176**	**3,143**	**29,777**	**(4,617)**	**29,479**	**602**	**30,081**

January – September 2014 (million €)

	Number of subscribed shares outstanding	Subscribed capital	Capital surplus	Retained earnings	Other comprehensive income[1]	Equity of shareholders of BASF SE	Minority interests	Equity
As of January 1, 2014	**918,478,694**	**1,176**	**3,165**	**26,102**	**(3,400)**	**27,043**	**630**	**27,673**
Effects of acquisitions achieved in stages	–	–	–	–	–	**–**	–	**–**
Dividends paid	–	–	–	(2,480)	–	**(2,480)**	(176)[2]	**(2,656)**
Net income	–	–	–	3,737	–	**3,737**	257	**3,994**
Change in income and expense recognized directly in equity	–	–	–	–	(1,537)	**(1,537)**	29	**(1,508)**
Changes in scope of consolidation and other changes	–	–	–	6	–	**6**	18	**24**
As of September 30, 2014	**918,478,694**	**1,176**	**3,165**	**27,365**	**(4,937)**	**26,769**	**758**	**27,527**

[1] Details are provided in “Development of income and expense recognized directly in equity of shareholders of BASF SE” on page 16.

[2] Including profit and loss transfers

[3] Transfer to retained earnings as per IAS 19.122; details in Note 13 on page 34

Segment Reporting

3rd Quarter (million €)

	Sales			EBITDA			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2015	2014	Change in %	2015	2014	Change in %	2015	2014	Change in %	2015	2014	Change in %
Chemicals	3,640	4,201	(13)	867	802	8	633	616	3	631	615	3
Performance Products	3,899	3,919	(1)	552	564	(2)	319	376	(15)	315	366	(14)
Functional Materials & Solutions	4,517	4,527	0	510	434	18	371	310	20	366	311	18
Agricultural Solutions	1,077	1,018	6	68	93	(27)	7	43	(84)	6	43	(86)
Oil & Gas	3,606	3,670	(2)	917	616	49	371	436	(15)	643	434	48
Other	685	977	(30)	(42)	5	.	(98)	(7)	.	(72)	(27)	.
	17,424	**18,312**	**(5)**	**2,872**	**2,514**	**14**	**1,603**	**1,774**	**(10)**	**1,889**	**1,742**	**8**

3rd Quarter (million €)

	Research expenses			Assets			Additions to noncurrent assets[1]			Amortization and depreciation[2]		
	2015	2014	Change in %	2015	2014	Change in %	2015	2014	Change in %	2015	2014	Change in %
Chemicals	50	51	(2)	12,817	12,197	5	524	570	(8)	236	187	26
Performance Products	94	92	2	14,463	14,594	(1)	255	237	8	237	198	20
Functional Materials & Solutions	98	99	(1)	13,383	13,033	3	137	148	(7)	144	123	17
Agricultural Solutions	124	135	(8)	7,719	7,347	5	102	107	(5)	62	50	24
Oil & Gas	12	13	(8)	12,806	12,093	6	445	290	53	274	182	51
Other	109	98	11	11,130	10,982	1	34	46	(26)	30	32	(6)
	487	**488**	**0**	**72,318**	**70,246**	**3**	**1,497**	**1,398**	**7**	**983**	**772**	**27**

[1] Investments in intangible assets and property, plant and equipment (including acquisitions)

[2] Depreciation and amortization of property, plant and equipment and intangible assets

January – September (million €)

	Sales			EBITDA			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2015	2014	Change in %	2015	2014	Change in %	2015	2014	Change in %	2015	2014	Change in %
Chemicals	11,481	12,897	(11)	2,586	2,309	12	1,907	1,787	7	1,905	1,751	9
Performance Products	12,021	11,715	3	1,862	1,821	2	1,138	1,238	(8)	1,174	1,234	(5)
Functional Materials & Solutions	14,017	13,281	6	1,708	1,326	29	1,260	977	29	1,241	973	28
Agricultural Solutions	4,653	4,337	7	1,116	1,121	0	946	986	(4)	944	986	(4)
Oil & Gas	12,267	11,140	10	2,243	2,076	8	1,239	1,448	(14)	1,509	1,530	(1)
Other	2,130	2,909	(27)	(759)	(483)	(57)	(774)	(538)	(44)	(850)	(578)	(47)
	56,569	**56,279**	**1**	**8,756**	**8,170**	**7**	**5,716**	**5,898**	**(3)**	**5,923**	**5,896**	**0**

January – September (million €)

	Research expenses			Assets			Additions to noncurrent assets[1]			Amortization and depreciation[2]		
	2015	2014	Change in %	2015	2014	Change in %	2015	2014	Change in %	2015	2014	Change in %
Chemicals	153	141	9	12,817	12,197	5	1,342	1,319	2	681	558	22
Performance Products	283	267	6	14,463	14,594	(1)	706	564	25	688	587	17
Functional Materials & Solutions	288	279	3	13,383	13,033	3	586	398	47	467	353	32
Agricultural Solutions	382	378	1	7,719	7,347	5	293	275	7	172	135	27
Oil & Gas	37	37	–	12,806	12,093	6	1,346	878	53	734	546	34
Other	313	300	4	11,130	10,982	1	84	120	(30)	91	95	(4)
	1,456	**1,402**	**4**	**72,318**	**70,246**	**3**	**4,357**	**3,554**	**23**	**2,833**	**2,274**	**25**

[1] Investments in intangible assets and property, plant and equipment (including acquisitions)

[2] Depreciation and amortization of intangible assets and property, plant and equipment

Other[3] (million €)

		3rd Quarter			January – September		
		2015	2014	Change in %	2015	2014	Change in %
Sales		**685**	**977**	**(30)**	**2,130**	**2,909**	**(27)**
EBIT before special items		**(98)**	**(7)**	**.**	**(774)**	**(538)**	**(44)**
Thereof	Group corporate costs	(53)	(53)	–	(172)	(159)	(8)
	Corporate research expenses	(104)	(96)	(8)	(307)	(291)	(5)
	Currency results, hedges and other valuation effects	22	100	(78)	(209)	(112)	(87)
	Other business	30	23	30	95	110	(14)
Special items		26	(20)	.	(76)	(40)	(90)
EBIT		**(72)**	**(27)**	**.**	**(850)**	**(578)**	**(47)**

[3] Further information on Other can be found in the Notes to the Interim Financial Statements on pages 27 and 28.

Notes to the Interim Financial Statements

1 – Basis of presentation

Selected exchange rates

	Closing rates		Average rates January – September	
€1 equals	Sep. 30, 2015	Dec. 31, 2014	2015	2014
Brazil (BRL)	4.48	3.22	3.52	3.10
China (CNY)	7.12	7.54	6.96	8.35
United Kingdom (GBP)	0.74	0.78	0.73	0.81
Japan (JPY)	134.69	145.23	134.72	139.49
Malaysia (MYR)	4.92	4.25	4.21	4.39
Mexico (MXN)	18.98	17.87	17.35	17.77
Russian Federation (RUB)	73.24	72.34	66.55	48.02
Switzerland (CHF)	1.09	1.20	1.06	1.22
South Korea (KRW)	1,328.27	1,324.80	1,251.91	1,411.62
United States (USD)	1.12	1.21	1.11	1.35

The Consolidated Financial Statements of the BASF Group for the year ending December 31, 2014, were prepared in accordance with the International Financial Reporting Standards (IFRS) valid as of the balance sheet date. The Interim Financial Statements as of September 30, 2015, have been prepared in line with the rules of International Accounting Standard 34 in abbreviated form and, with the exception of the changes outlined below, using the same accounting policies. The Interim Financial Statements and Interim Management's Report have been neither audited nor have undergone an auditor's review.

The BASF Report 2014 containing the Consolidated Financial Statements as of December 31, 2014, can be found online at: basf.com/report

Change in presentation of joint operation sales in BASF Group Financial Statements

At its meeting on March 24, 2015, the IFRS Interpretation Committee (IFRIC) determined that, according to IFRS 11.20(d), a joint operator's share of the output purchased by another partner cannot be recognized as revenue as long as these sales correspond to the operator's share of ownership interest in the joint operation. As a consequence of this determination, this portion of the joint operation's sales to other partners ceased to be recognized as of January 1, 2015. Partners' share of the output purchased in excess of their ownership interest will continue to be shown in the BASF Group Financial Statements as sales to third parties. Intercompany sales from the joint operation will also continue to be eliminated.

Sales in the third quarter of 2014 and in the first three quarters of 2014 contained, respectively, €96 million and €370 million which, according to the new recognition method, would have been eliminated against cost of sales. For the full 2014 business year, this amount would have been €415 million. If the recognition method had remained unchanged, sales and cost of sales in the third quarter of 2015 would have been €19 million higher, or €56 million higher over the first three quarters of the year. A restatement of the prior-year figures was not necessary, as this change in recognition would have had no material impact on the presentation of the net assets, financial position and results of operations of the BASF Group in 2014.

Restatement of prior-year figures due to dissolution of natural gas trading business disposal group per December 31, 2014

BASF and Gazprom did not proceed with the asset swap at the end of 2014 as planned. The arrangement had been for Wintershall to give Gazprom its share in the jointly operated natural gas trading and storage business as well as a 50% share in Wintershall Noordzee B.V., Rijswijk, Netherlands. In return, BASF would have received 25% plus a share in blocks IV and V of the Achimov formation of the Urengoy natural gas and condensate field in western Siberia.

At the end of 2012, the assets and liabilities affected by the swap were reclassified into a gas trading business disposal group in the financial statements. As a result of the transaction's cancellation in December 2014, the reporting as a disposal group in accordance with the stipulations of International Financial Reporting Standard 5 – Noncurrent Assets Held for Sale and Discontinued Operations – was ceased, and the amortization and depreciation as well as equity-accounted income from the joint ventures that had been contained in the disposal group, and thus suspended since 2012, were accounted for.

Details on the restated prior-year figures due to the dissolution of the gas trading disposal group were published on February 27, 2015.

More information can be found in the "Restated Figures 2013 and 2014" flyer online at: basf.com/publications

The agreement to swap assets with Gazprom was renewed at the beginning of September and completed on September 30, 2015.

For more information, see Note 3 on page 25

The following tables show the effects on significant comparative figures of the restatements necessary for the third quarter of 2014 and from January to September 2014:

Overview of income statement information for the BASF Group

Income statement		3rd Quarter 2014			January – September 2014		
		restated	previous	change	restated	previous	change
Sales	million €	18,312	18,312	–	56,279	56,279	–
Income from operations (EBIT)	million €	1,742	1,810	(68)	5,896	6,078	(182)
Financial result	million €	(169)	(169)	–	(488)	(488)	–
Income from shareholdings	million €	11	11	–	44	44	–
Interest result	million €	(108)	(108)	–	(367)	(367)	–
Other financial result	million €	(72)	(72)	–	(165)	(165)	–
Income before taxes and minority interests	million €	1,573	1,641	(68)	5,408	5,590	(182)
Income taxes	million €	(434)	(465)	31	(1,414)	(1,497)	83
Minority interests	million €	(125)	(133)	8	(257)	(274)	17
Net income	million €	1,014	1,043	(29)	3,737	3,819	(82)
Earnings per share	€	1.11	1.14	(0.03)	4.07	4.16	(0.09)

Overview of balance sheet for the BASF Group (million €)

Assets	September 30, 2014		
	restated	previous	change
Noncurrent assets	41,830	40,676	1,154
Current assets	28,416	29,931	(1,515)
Total assets	**70,246**	**70,607**	**(361)**

Equity and liabilities	September 30, 2014		
	restated	previous	change
Equity	27,527	27,743	(216)
Noncurrent liabilities	26,096	25,708	388
Current liabilities	16,623	17,156	(533)
Total equity and liabilities	**70,246**	**70,607**	**(361)**

Overview of cash flows for the BASF Group (million €)

Statement of cash flows	3rd Quarter 2014			January – September 2014		
	restated	previous	change	restated	previous	change
Cash provided by operating activities	2,219	2,121	98	4,932	4,765	167
Cash used in investing activities	(1,409)	(1,324)	(85)	(3,785)	(3,625)	(160)
Cash used in financing activities	(1,184)	(1,184)	–	(995)	(995)	–

Change in presentation of hedges for financial receivables and payables in the statement of cash flows

The presentation in the statement of cash flows of hedges for financial receivables and payables was adjusted as of January 1, 2015. Without changing cash provided by operating activities, hedging is now better reflected by offsetting adjustment effects from underlying transactions with changes in the market value of hedging transactions in the line item “miscellaneous items.” The effects from hedging transactions were previously contained in the item “changes in net working capital.” The figures for 2014 have been adjusted accordingly.

In the third quarter of 2014, this led to a €121 million decrease in changes in net working capital and a €121 million increase in miscellaneous items. In the first three quarters of 2014, the adjustment meant a decrease of €196 million in changes in net working capital and an increase of €196 million in miscellaneous items.

For the full 2014 business year, the result was an increase of €76 million in changes in net working capital and a reduction of €76 million in miscellaneous items.

2 – Scope of consolidation

In addition to BASF SE, all material subsidiaries are included in the BASF Group Financial Statements on a fully consolidated basis. Joint arrangements that are classified as joint operations according to IFRS 11 are proportionally consolidated. Changes in the number of fully and proportionally consolidated companies are shown in the table.

The scope of consolidation has decreased by 19 companies since the beginning of 2015. Nine of these were divested, and 15 further companies were deconsolidated on account of mergers with other BASF companies, liquidations, or reduced materiality. Four companies were included in the scope of consolidation for the first time due to increased significance, and one company – BASF TODA Battery Materials, LLC, based in Tokyo, Japan – was acquired.

The number of companies accounted for using the equity method was reduced by two in 2015. The change was the result of six shareholding disposals. Countering this development were two acquisitions and two reclassifications.

Scope of consolidation

	2015	2014
As of January 1	281	309
Thereof proportionally consolidated	7	8
First-time consolidations	5	4
Thereof proportionally consolidated	–	–
Deconsolidations	24	18
Thereof proportionally consolidated	–	–
As of September 30	**262**	**295**
Thereof proportionally consolidated	7	8

Companies accounted for using the equity method

	2015	2014
As of January 1	34	34
As of September 30	**32**	**34**

3 – Acquisitions and divestitures

Acquisitions

BASF made the following acquisitions in the first three quarters of 2015:

On February 12, 2015, BASF concluded the acquisition announced on December 8, 2014, of the business from Taiwan Sheen Soon (TWSS) in Taiwan. TWSS is a leading manufacturer of precursors for adhesives based on thermoplastic polyurethanes. At BASF, the activities have been integrated in the Performance Materials division. The acquisition of further assets on the Chinese mainland to complete the transaction is dependent on authorities' approvals, and is expected to transpire in the course of the year.

On February 18, 2015, BASF took over technologies, patents and know-how for silver nanowires from Seashell Technology, based in San Diego, California. Through this acquisition, BASF has extended its product portfolio for displays in the Electronic Materials business unit, which is part of the Monomers division.

As announced on October 30, 2014, BASF acquired a 66% share from TODA KOGYO CORP., based in Tokyo, Japan, in a company to which TODA had contributed its business with cathode materials for lithium-ion batteries, patents and production capacities in Japan. The transaction was effective on February 24, 2015. The company will focus on the research, development, production, marketing and sales of a number of cathode materials. At BASF, the activities were assigned to the Catalysts division.

On March 31, 2015, BASF concluded the acquisition of the PU business from Polioles, S.A. de C.V., based in Lerma, Mexico, that was announced on July 10, 2014. Polioles is a joint venture with the Alpek Group in which BASF holds a 50% share and which is accounted for using the equity method. The acquisition comprised marketing and selling rights, current assets, and to a minor extent, production facilities. The business was assigned to the Performance Materials division.

On April 23, 2015, BASF concluded an agreement with Lanxess on the acquisition and use of technologies and patents for the production of high-molecular-weight polyisobutene (HM PIB). The transaction furthermore included the acquisition of selling rights and current assets as well as a manufacturing agreement in which Lanxess will produce HM PIB exclusively for BASF. The activities were allocated to the Performance Chemicals division.

The purchase prices for businesses acquired in the first three quarters of 2015 totaled €218 million; as of September 30, 2015, payments made for these amounted to €137 million. The purchase price allocations were carried out in accordance with IFRS 3 and are based on estimates. The resulting goodwill amounted to €18 million. The purchase price allocations should be regarded as preliminary and can be adjusted within one year after the acquisition.

Divestitures

BASF made the following divestitures in the first three quarters of 2015:

On March 31, 2015, BASF sold its business with white EPS (expandable polystyrene) in North and South America to the Alpek Group. The sale comprised customer lists and current assets in addition to production facilities in Canada, Brazil, Argentina and the United States. The disposed activities had been part of BASF's Performance Materials division. The shares in Aislapol S.A., based in Santiago de Chile, Chile, were also sold. Polioles, a joint venture accounted for using the equity method, transferred its white EPS business to Alpek.

On June 30, 2015, BASF concluded the divestiture announced on October 16, 2014, of its global textile chemicals business to Archroma. The portfolio comprises products for pretreatment, printing and coating. Archroma is a supplier of specialty chemicals for the textile, paper and emulsions industries and belongs to SK Capital Partners. The transaction furthermore involved the sale of the subsidiary BASF Pakistan (Private) Ltd., based in Karachi, Pakistan, completed in the third quarter of 2015. The textile chemicals business had been part of the Performance Chemicals division.

Effective July 1, 2015, BASF sold its 25% share in the SolVin joint venture to its partner, Solvay. SolVin was founded in 1999 as a joint venture between BASF and Solvay for polyvinyl chloride (PVC). At BASF, the SolVin investment and the income associated with it had been allocated to the Monomers division.

On September 30, 2015, BASF concluded the sale of portions of its pharmaceutical ingredients and services business to Siegfried Holding AG, based in Zofingen, Switzerland, as agreed on May 6, 2015. This involved the custom synthesis business and parts of the active pharmaceutical ingredients portfolio. The transaction comprised the divestiture of the production sites in Minden, Germany; Evionnaz, Switzerland; and Saint-Vulbas, France. At BASF, the activities had been allocated to the Nutrition & Health division.

Asset swap with Gazprom

In its Oil & Gas segment, BASF concluded the swap of assets of equal value with Gazprom on September 30, 2015, with retroactive economic effect to April 1, 2013. The transaction gives BASF an economic share of 25.01% in blocks IV and V of the Achimov formation of the Urengoy natural gas and condensate field in western Siberia. According to the development plan confirmed by Russian authorities, blocks IV and V have total hydrocarbon resources of 274 billion cubic meters of natural gas and 74 million metric tons of condensate. Production is scheduled to start up in 2018.

In return, BASF transferred its share in the previously jointly operated gas trading and storage business to Gazprom. This involves 50% shares in the natural gas trading companies WINGAS GmbH, Wintershall Erdgas Handelshaus GmbH & Co. KG, and Wintershall Erdgas Handelshaus Zug AG, including shares in the storage company astora GmbH & Co. KG, which operates natural gas storage facilities in Rehden and Jemgum, Germany, as well as shares in the storage facility in Haidach, Austria. Gazprom furthermore became a 50% shareholder in Wintershall Noordzee B.V. in Rijswijk, Netherlands, which is active in the exploration and production of natural gas and crude oil deposits in the North Sea. Because the transaction is economically retroactive to April 1, 2013, BASF will pay Gazprom a cash compensation estimated at €75 million. The calculation of disposal gains should therefore be viewed as preliminary.

As a result of its disposal of 50% of Wintershall Noordzee B.V., BASF no longer exerts control over the company alone, but rather shares joint control with Gazprom. According to IFRS 10, this means the reclassification of Wintershall Noordzee B.V. in the Consolidated Financial Statements from a fully consolidated company to a joint venture accounted for using the equity method as of the closing date.

The following table shows the balance sheet values of the assets and liabilities given to Gazprom through the swap, taking into account 100% of the balance sheet values of Wintershall Noordzee B.V., as of the point of transfer from full consolidation to the equity method:

Assets and liabilities transferred to Gazprom in the asset swap
(Wintershall Noordzee B.V. included at 100%) (million €)

	Sep. 30, 2015
Intangible assets	189
Property, plant and equipment	1,157
Inventories	710
Accounts receivable, trade	557
Positive fair values of derivatives	328
Other receivables and miscellaneous assets	465
Cash and cash equivalents	53
Assets	**3,459**
Provisions for pensions and similar obligations	29
Other provisions	394
Accounts payable, trade	561
Negative fair values of derivatives	376
Other liabilities	1,052
Liabilities	**2,412**
Income and expense recognized directly in equity (recognized in the income statement upon disposal)	77
Net assets	**1,124**
Minority interests	(344)
Proportion of net assets	**780**

The acquisition of the 25.01% economic share in blocks IV and V of the Achimov formation was conducted through a capital share in two Russian companies that will be equity-accounted as associated companies in BASF's Consolidated Financial Statements due to the material influence BASF exercises over them. As of September 30, 2015, both companies, together with the now-50% share in Wintershall Noordzee B.V., were measured at fair value and reported as investments accounted for using the equity method.

The following overview shows the individual components of BASF's profit realization from the asset swap with Gazprom and the reclassification of Wintershall Noordzee B.V.:

Profit realization from asset swap with Gazprom and reclassification of Wintershall Noordzee B.V. (million €)

	Sep. 30, 2015
Fair value 25.01% Achimov IV/V	779
Fair value 50% Wintershall Noordzee B.V.	407
Disposed proportion of net assets	(780)
Expected compensation payment and other expenses	(75)
Result of swap and reclassification	**331**

Agreed-upon transactions

On June 8, 2015, BASF announced the conclusion of an agreement with Paris, France-based Imerys on the sale of its global paper hydrous kaolin (PHK) business. The transaction includes the divestiture of the production site for kaolin processing in Wilkinson County, Georgia. BASF will continue to synthesize kaolin for process catalysts and industrial applications, and calcined kaolin for paper applications. Subject to approval by the relevant antitrust authorities, the transaction is expected to close in the fourth quarter of 2015. The activities are currently allocated to the Performance Chemicals division.

On June 18, 2015, BASF concluded an agreement to divest its assets in the four non-BASF-operated fields Knarr, Veslefrikk, Ivar Aasen and Yme on the Norwegian continental shelf to Tellus Petroleum AS, a 100% subsidiary of Sequa Petroleum N.V. At the same time, BASF will reduce its share in the BASF-operated Maria development by 15% to 35%. Shares in seven exploration licenses surrounding the Knarr, Maria and Ivar Aasen fields and in the Barents Sea, as well as investments in the Utsira High Gas Pipeline, Edvard Grieg Oil Pipeline and the Knarr Gas Pipeline, will also be sold to Tellus Petroleum. The purchase price agreed upon amounts to \$602 million. Depending on oil price developments in the period from 2016 to 2019, BASF can furthermore claim an additional payment of up to \$100 million. The transaction is expected to close at the end of 2015 with retroactive financial effect as of January 1, 2015, subject to approval by the relevant authorities. The assets and liabilities were reclassified into a disposal group on June 18, 2015.

4 – Segment reporting

Since January 1, 2015, BASF's business has been conducted by 13 operating divisions aggregated into five segments for reporting purposes. The divisions are allocated to the segments based on their business models.

The Chemicals segment entails the classical chemicals business with basic chemicals and intermediates. It forms the core of BASF's Production Verbund and is the starting point for a majority of the value chains. In addition to supplying the chemical industry and other sectors, the segment ensures that other BASF divisions are supplied with chemicals for producing downstream products. The Chemicals segment comprises the Petrochemicals, Monomers and Intermediates divisions.

Until the end of 2014, the Performance Products segment consisted of the Dispersions & Pigments, Care Chemicals, Nutrition & Health, Paper Chemicals and Performance Chemicals divisions. Customized products allow customers to make their production processes more efficient or to give their products improved application properties. The Paper Chemicals division was dissolved as of January 1, 2015. The paper chemicals business will be continued in the Performance Chemicals and Dispersions & Pigments divisions.

The Functional Materials & Solutions segment bundles system solutions, services and innovative products for specific sectors and customers, in particular for the automotive, electronic, chemical and construction industries. It is made up of the Catalysts, Construction Chemicals, Coatings, and Performance Materials divisions.

The Agricultural Solutions segment consists of the Crop Protection division, whose products secure yields and guard crops against fungal infections, insects and weeds, in addition to serving as biological and chemical seed treatments. Plant biotechnology research is not assigned to this segment; it is reported in Other.

Until September 30, 2015, the Oil & Gas segment comprised the Oil & Gas division with its Exploration & Production and Natural Gas Trading business sectors. At the end of the third quarter of 2015, we exited the natural gas trading and storage business, previously operated together with Gazprom, and starting October 1, 2015, are concentrating on the exploration and production of oil and gas as well as on the transport of natural gas.

Activities not assigned to a particular division are reported under Other. These include the sale of raw materials, engineering and other services, rental income and leases, the production of precursors not assigned to a particular segment, the steering of the BASF Group by corporate headquarters, and corporate research.

With cross-divisional corporate research, BASF is creating new businesses and ensuring its long-term competence with regard to technology and methods. This includes plant biotechnology research.

Earnings from currency conversion that are not allocated to the segments are also reported under Other, as are earnings from the hedging of raw material prices and foreign currency exchange risks. Furthermore, revenues and expenses from the long-term incentive (LTI) program are reported here.

Transfers between the segments are generally executed at adjusted market prices, which take into account the higher cost efficiency and lower risk of Group-internal transactions. Assets, as well as their depreciation and amortization, are allocated to the segments based on economic control. Assets used by more than one segment are allocated based on the percentage of usage.

In the third quarter of 2015, sales in Other amounted to €685 million compared with €977 million in the third quarter of 2014. In the period from January to September 2015, sales amounted to €2,130 million compared with €2,909 million in the same period of the previous year. The decline in sales was mainly attributable to decreased raw material trading and the disposal of our share in the Ellba Eastern Private Ltd. joint operation in Singapore, completed at the end of 2014. Sales were furthermore reduced by lower plant availability since June 2014 following a plant outage at the Ellba C.V. joint operation in Moerdijk, Netherlands.

Income from operations in Other decreased by €45 million to minus €72 million in the third quarter of 2015 as compared with the same quarter of the previous year. This was mainly attributable to fewer provision reversals for the long-term incentive program.

Income from operations fell in the period from January to September 2015 by €272 million to minus €850 million. Along with expenses for the anniversary bonus, the addition of provisions for the long-term incentive program contributed to this decline; the same period of the previous year had included income from their reversal. A further factor was the missing contribution from Styrolution Holding GmbH, after the sale of our 50% share in the fourth quarter of 2014.

Assets of Other (million €)

	Sep. 30, 2015	Sep. 30, 2014
Assets of businesses included under Other	2,241	3,154
Financial assets	562	824
Deferred tax assets	2,106	2,008
Cash and cash equivalents / marketable securities	1,770	2,024
Defined benefit assets	140	–
Miscellaneous receivables / prepaid expenses	4,311	2,972
Assets of Other	**11,130**	**10,982**

Reconciliation reporting for Oil & Gas (million €)

	3rd Quarter		January – September	
	2015	2014	2015	2014
Income from operations	**643**	**434**	**1,509**	**1,530**
Income from shareholdings	–	–	1	8
Other income	140	27	249	(37)
Income before taxes and minority interests	**783**	**461**	**1,759**	**1,501**
Income taxes	(143)	(169)	(416)	(424)
Income before minority interests	**640**	**292**	**1,343**	**1,077**
Minority interests	(15)	(56)	(109)	(59)
Net income	**625**	**236**	**1,234**	**1,018**

The reconciliation reporting for Oil & Gas reconciles the income from operations in the Oil & Gas segment with the contribution of the segment to the net income of the BASF Group.

Income from operations rose in the third quarter of 2015 by €209 million, largely due to special income from the asset swap with Gazprom and the associated reclassification of Wintershall Noordzee B.V.

The Oil & Gas segment's other income relates to income and expenses not included in the segment's income from operations, interest result and other financial result. As in the previous year, other income in the third quarter as well as the first three quarters of 2015 largely consisted of currency effects from Group loans.

Income tax fell in the third quarter of 2015 and in the first three quarters of 2015 compared with the corresponding periods of the previous year. In the third quarter of 2015, gains from the swap of assets with Gazprom did not result in tax burdens. The first three quarters of 2014 had included tax-free special income from the sale of shares in North Sea oil and gas fields to the MOL Group.

5 – Other operating income and expenses

Other operating income (million €)

	3rd Quarter		January – September	
	2015	2014	2015	2014
Income from the reversal of provisions	23	22	52	50
Revenue from miscellaneous revenue-generating activities	34	38	119	119
Income from foreign currency and hedging transactions	190	21	303	146
Income from the translation of financial statements in foreign currencies	4	36	89	60
Gains on the disposal of fixed assets and divestitures	398	7	540	188
Income from the reversal of valuation allowances for business-related receivables	17	11	38	32
Miscellaneous income	229	153	511	369
Other operating income	**895**	**288**	**1,652**	**964**

Other operating expenses (million €)

	3rd Quarter		January – September	
	2015	**2014**	**2015**	**2014**
Expenses from the LTI program as well as other personnel obligations	(34)	(115)	89	27
Restructuring measures	52	13	105	35
Environmental protection and safety measures, costs of demolition and removal, and project expenses related to capital expenditures that are not subject to mandatory capitalization	97	97	284	242
Amortization, depreciation and impairments of intangible assets and property, plant and equipment	86	6	162	63
Costs from miscellaneous revenue-generating activities	28	31	113	98
Expenses from foreign currency and hedging transactions	307	52	569	288
Losses from the translation of financial statements in foreign currencies	(3)	17	87	92
Losses from the disposal of fixed assets and divestitures	16	6	33	15
Oil and gas exploration expenses	32	57	112	104
Expenses from the addition of valuation allowances for business-related receivables	25	19	71	53
Expenses from the use of inventories measured at market value and the derecognition of obsolete inventory	58	45	168	115
Miscellaneous expenses	180	136	595	398
Other operating expenses	**844**	**364**	**2,388**	**1,530**

In the third quarter of 2015, the balance from hedging transactions declined by €42 million compared with one year earlier, from €3 million to minus €39 million; the period from January to September 2015 saw a year-on-year decline of €50 million, from minus €23 million to minus €73 million. This development was largely the result of oil swaps used by WINGAS GmbH, based in Kassel, Germany, to exchange variable prices for fixed prices in order to hedge trading margins.

The balance from foreign currency transactions decreased by €44 million compared with the previous third quarter, from minus €34 million to minus €78 million; in the period from January to September, it declined by €74 million year-on-year, from minus €119 million in 2014 to minus €193 million in 2015. This was primarily attributable to the depreciation of various emerging-market currencies.

The balance from the translation of financial statements in foreign currencies decreased by €12 million year-on-year, from €19 million to €7 million. At the same time, the balance from the translation of financial statements in foreign currencies rose by €34 million in the period from January to September, from minus €32 million in 2014 to plus €2 million in 2015. This was largely due to translation effects for subsidiaries outside of the eurozone that use the euro as their functional currency.

Gains on the disposal of fixed assets and divestitures in the third quarter of 2015 mainly pertained to the asset swap with Gazprom. The period from January to September 2015 included gains from the sale of the global textile chemicals business to Archroma.

Miscellaneous income rose in comparison with the same period of the previous year due to insurance compensation payments received for a plant outage at the Ellba C.V. joint operation in Moerdijk, Netherlands. Furthermore, higher income arose from the Argentinian government's price compensation for gas producers introduced in connection with the New Gas Price Scheme (NGPS) due to lower, in some cases locally regulated, gas prices.

Expenses from the valuation of long-term incentive (LTI) options declined in the third quarter of 2015 owing to the adjustment of provisions for the LTI program in both years. In the period from January to September 2015, expenses from the valuation of LTI options rose; the corresponding period of 2014 had included income from the reversal of LTI provisions.

The rise in amortization, depreciation and impairments of intangible assets and property, plant and equipment stems particularly from the impairment of a project for developing a gas field in Norway in the Oil & Gas segment.

Miscellaneous expenses rose in the period from January to September 2015. This was mainly the result of around €100 million in expenses for the anniversary bonus to employees on the occasion of BASF's 150th anniversary, as well as expenses arising from a plant outage at the Ellba C.V. joint operation in Moerdijk, Netherlands.

6 – Income from companies accounted for using the equity method

The largest portion of income from companies accounted for using the equity method stemmed from the Oil & Gas segment, especially from the companies GASCADE Gastransport GmbH, based in Kassel, Germany; Nord Stream AG, based in Zug, Switzerland; and OAO Severneftegazprom, based in Krasnoselkup, Russian Federation.

BASF's share in BASF-YPC Company Ltd. based in Nanjing, China, contributed significantly to earnings improvement in both the third quarter of 2015 and from January to September 2015 compared with the same periods of the previous year.

7 – Financial result

Million €	3rd Quarter		January – September	
	2015	2014	2015	2014
Dividends and similar income	1	8	34	41
Income from the disposal of shareholdings	2	5	23	5
Income from profit transfer agreements	(1)	1	2	5
Income from tax allocation to participating interests	–	–	1	1
Income from other shareholdings	**2**	**14**	**60**	**52**
Expenses from profit transfer agreements	(4)	(1)	(10)	(4)
Write-downs on / losses from the sale of shareholdings	(4)	(2)	(27)	(4)
Expenses from other shareholdings	**(8)**	**(3)**	**(37)**	**(8)**
Interest income from cash and cash equivalents	42	59	143	113
Interest and dividend income from securities and loans	6	5	19	24
Interest income	**48**	**64**	**162**	**137**
Interest expense	**(153)**	**(172)**	**(488)**	**(504)**
Net interest income from overfunded pension plans and similar obligations	1	–	2	1
Net interest income from other long-term employee obligations	–	–	–	–
Income from the capitalization of construction interest	37	39	115	111
Miscellaneous financial income	–	–	–	–
Other financial income	**38**	**39**	**117**	**112**
Write-downs on / losses from the disposal of securities and loans	–	(1)	(3)	(2)
Net interest expense from underfunded pension plans and similar obligations	(49)	(37)	(146)	(110)
Net interest expense from other long-term employee obligations	–	(3)	(4)	(8)
Interest accrued on other noncurrent liabilities	(17)	(20)	(52)	(58)
Miscellaneous financial expenses	(36)	(50)	(100)	(99)
Other financial expenses	**(102)**	**(111)**	**(305)**	**(277)**
Financial result	**(175)**	**(169)**	**(491)**	**(488)**

Compared with the same periods of the previous year, income from shareholdings was down by €17 million in the third quarter of 2015 and by €21 million in the first three quarters of 2015, amounting to minus €6 million and plus €23 million, respectively.

At minus €105 million, the interest result in the third quarter of 2015 matched the level of the third quarter of 2014 (minus €108 million). In the period from January to September 2015, the interest result improved to minus €326 million (same period of 2014: minus €367 million). The improvement came primarily from more favorable refinancing conditions.

Net interest expense from underfunded pension plans and similar obligations rose in the third quarter and from January to September 2015 compared with the same periods of the previous year, mainly as a result of the higher defined benefit obligation as of December 31, 2014.

Miscellaneous financial expenses in the third quarter and first three quarters of 2015 predominantly included hedging costs from the hedging of loans in U.S. dollars. In addition to expenses for hedging loans in U.S. dollars, the period from January to September 2014 had included an expense of €42 million from the market valuation of options for the disposal of shares in Styrolution. Effective as of November 17, 2014, BASF sold its share in Styrolution to the INEOS Group.

8 – Income taxes

Income before taxes and minority interests (million €)

	3rd Quarter		January – September	
	2015	2014	2015	2014
Germany	425	504	1,599	1,481
Foreign	1,289	1,069	3,833	3,927
Income before taxes and minority interests	**1,714**	**1,573**	**5,432**	**5,408**

Income taxes

		3rd Quarter		January – September	
		2015	2014	2015	2014
Germany	million €	114	124	476	481
Foreign	million €	331	310	1,018	933
Income taxes	**million €**	**445**	**434**	**1,494**	**1,414**
Tax rate	%	26.0	27.6	27.5	26.1

The tax rate in the first three quarters of 2015 increased by 1.4 percentage points compared with the same period of the previous year. This was particularly the result of higher deferred taxes in the Oil & Gas segment due to the currency-driven increase in temporary differences to the values used for the calculation of taxable income in Norway. The same period of the previous year had included tax-free foreign special income from the sale of shares in non-BASF-operated oil and gas fields in the British North Sea to the MOL Group.

In the third quarter of 2015, gains from the swap of assets with Gazprom did not result in tax burdens, and led to a reduction in the tax rate compared with the previous third quarter.

9 – Minority interests

Million €	3rd Quarter		January – September	
	2015	2014	2015	2014
Minority interests in profits	70	125	314	287
Minority interests in losses	(10)	–	(24)	(30)
Minority interests	**60**	**125**	**290**	**257**

There were lower minority interests in profits in the third quarter of 2015 compared with the same period of the previous year mainly at WINGAS GmbH, based in Kassel, Germany, and at BASF Total Petrochemicals LLC, based in Port Arthur, Texas. In the period from January to September 2015, both companies contributed substantially to the year-on-year rise in minority interests in profits through earnings increases in the first two quarters.

Minority interests in losses in the first three quarters of the current year arose particularly at Shanghai BASF Polyurethane Company Ltd., based in Shanghai, China. In the previous year, companies active in natural gas trading were the main contributors to minority interests in losses.

10 – Earnings per share

		3rd Quarter		January – September	
		2015	2014	2015	2014
Net income	million €	1,209	1,014	3,648	3,737
Number of shares outstanding (weighted average)	in thousands	918,479	918,479	918,479	918,479
Earnings per share	**€**	**1.31**	**1.11**	**3.97**	**4.07**

The calculation of earnings per share is based on the weighted average number of common shares outstanding. The calculation of diluted earnings per common share reflects all possible outstanding common shares and the resulting effect on income of the BASF employee incentive share program "*plus*."

There was no dilutive effect in the third quarter of 2015 and from January to September 2015, or in the corresponding periods of 2014; undiluted earnings per share were the same as the diluted value per share.

11 – Noncurrent assets

Development January – September 2015 (million €)

	Intangible assets	Property, plant and equipment	Equity-accounted investments	Other financial assets
Acquisition costs				
Balance as of January 1	16,325	64,414	3,270	747
Additions	208	4,149	829	32
Disposals	(397)	(4,628)	(127)	(41)
Transfers	(270)	(925)	499	15
Exchange differences	572	1,299	72	14
Balance as of September 30	**16,438**	**64,309**	**4,543**	**767**
Amortization and depreciation				
Balance as of January 1	3,358	40,918	25	207
Additions	489	2,344	–	10
Disposals	(183)	(3,327)	(25)	(3)
Transfers	(35)	(189)	–	(9)
Exchange differences	91	785	–	–
Balance as of September 30	**3,720**	**40,531**	**0**	**205**
Net carrying amount as of September 30	**12,718**	**23,778**	**4,543**	**562**

Development January – September 2014 (million €)

	Intangible assets	Property, plant and equipment	Equity-accounted investments	Other financial assets
Acquisition costs				
Balance as of January 1	15,420	57,190	4,174	837
Additions	117	3,437	24	181
Disposals	(246)	(849)	–	(24)
Transfers	77	23	(806)	33
Exchange differences	543	1,810	89	10
Balance as of September 30	**15,911**	**61,611**	**3,481**	**1,037**
Amortization and depreciation				
Balance as of January 1	3,096	37,961	–	194
Additions	441	1,833	–	2
Disposals	(172)	(618)	–	(13)
Transfers	15	18	–	30
Exchange differences	58	1,005	–	–
Balance as of September 30	**3,438**	**40,199**	**–**	**213**
Net carrying amount as of September 30	**12,473**	**21,412**	**3,481**	**824**

Significant investments in the first three quarters of 2015 were particularly related to the construction of the TDI complex in Ludwigshafen, Germany; the aroma ingredients complex in Kuantan, Malaysia; the production complex for acrylic acid and superabsorbents in Camaçari, Brazil; and oil and gas production facilities and wells in Europe and South America. Investments for expansion purposes were particularly made at the sites in Ludwigshafen, Germany; Freeport, Texas; Geismar, Louisiana; and Antwerp, Belgium.

Depreciation of property, plant and equipment in the first three quarters of 2015 included impairments of €124 million, particularly in connection with a project for developing a gas field in Norway in the Oil & Gas segment.

The amounts booked under transfers resulted primarily from the reclassification of intangible assets and property, plant and equipment to assets of disposal groups. Transfers under investments accounted for using the equity method resulted predominantly from the reclassification of Wintershall Noordzee B.V., Rijswijk, Netherlands, in the Oil & Gas segment from a fully consolidated company to a joint venture.

Disposals of property, plant and equipment and intangible assets were mostly attributable to the asset swap with Gazprom.

Exchange differences arose particularly from the appreciation of the U.S. dollar relative to the euro.

12 – Current assets

Million €	Sep. 30, 2015	Dec. 31, 2014	Sep. 30, 2014
Raw materials and factory supplies	3,015	2,814	2,958
Work-in-process, finished goods and merchandise	6,606	8,358	8,196
Advance payments and services-in-process	93	94	166
Inventories	**9,714**	**11,266**	**11,320**
Accounts receivable, trade	**9,697**	**10,385**	**10,519**
Other receivables and miscellaneous current assets	4,294	4,032	3,777
Marketable securities	20	19	44
Cash and cash equivalents	1,750	1,718	1,980
Assets of disposal groups	1,133	–	776
Other current assets	**7,197**	**5,769**	**6,577**
Current assets	**26,608**	**27,420**	**28,416**

Work-in-process, finished goods and merchandise are combined into one item due to the production conditions in the chemical industry. Work-in-process primarily relates to services not invoiced as of the balance sheet date. Inventories are valued using the weighted average cost method.

The decline in inventories compared with December 31, 2014, resulted predominantly from measures for inventory optimization and the asset swap completed with Gazprom on September 30, 2015, as well as the decreased price of crude oil and the seasonal reduction of inventories.

The lower amount of trade accounts receivable compared with December 31, 2014, is primarily attributable to the disposal of WINGAS GmbH as part of the asset swap completed with Gazprom on September 30, 2015.

13 – Equity

Authorized capital

At the Annual Shareholders' Meeting of May 2, 2014, shareholders authorized the Board of Executive Directors, with the approval of the Supervisory Board, to increase the subscribed capital by issuing new registered shares up to a total of €500 million against cash or contributions in kind through May 1, 2019. The Board of Executive Directors is empowered, following the approval of the Supervisory Board, to decide on the exclusion of shareholders' subscription rights for these new shares in certain predefined cases covered by the enabling resolution. Until now, this option has not been exercised and no new shares have been issued.

Retained earnings

Transfers from other retained earnings increased legal reserves by €54 million in the first three quarters of 2015.

Reserves (million €)

	Sep. 30, 2015	Dec. 31, 2014
Legal reserves	588	534
Other retained earnings	29.189	28.243
Retained earnings	**29.777**	**28.777**

Due to the disposal of the gas trading business, the pharmaceutical ingredient business and Solvin GmbH & Co. KG, an amount of €73 million resulting from the remeasurement of defined benefit plans was transferred from other comprehensive income into retained earnings.

Payment of dividends

In accordance with the resolution of the Annual Shareholders' Meeting on April 30, 2015, BASF SE paid a dividend of €2.80 per share from the retained profit of the 2014 fiscal year. With 918,478,694 shares entitled to dividends, this amounts to a total dividend payout of €2,571,740,343.20.

14 – Provisions for pensions

Assumptions used to determine the defined benefit obligation (in %)

	Germany		United States		Switzerland		United Kingdom	
	Sep. 30, 2015	Dec. 31, 2014	Sep. 30, 2015	Dec. 31, 2014	Sep. 30, 2015	Dec. 31, 2014	Sep. 30, 2015	Dec. 31, 2014
Discount rate	2.40	2.40	4.30	3.90	0.80	1.00	4.00	3.70
Projected pension increase	1.75	1.75	–	–	–	–	2.90	2.90

Assumptions used to determine expenses for pension benefits (from January 1 through September 30 of the respective year in %)

	Germany		United States		Switzerland		United Kingdom	
	2015	2014	2015	2014	2015	2014	2015	2014
Discount rate	2.40	3.90	3.90	4.80	1.00	2.40	3.70	4.40
Projected pension increase	1.75	2.00	–	–	–	–	2.90	3.10

The assumptions used to determine the defined benefit obligation as of December 31, 2014, are to be used in the 2015 reporting year to determine the expenses for pension plans.

The standardized return on plan assets is ascertained by multiplying plan assets at the beginning of the year with the discount rate used for existing obligations at the beginning of the year. This takes into account expected benefit and contribution payments made during the year.

The increase in the discount rate required in several currency zones as a result of capital market developments in the first three quarters of 2015 led to actuarial gains in the defined benefit obligation. Unfavorable stock market developments in the third quarter of 2015 were especially responsible for negative remeasurements amounting to €209 million, including the deviation between the actual and standardized return on plan assets, in the reporting period. These valuation effects were the main reason for the €158 million increase in pension provisions.

15 – Other provisions

Development January to September 2015 (million €)

	Jan. 1, 2015	Additions	Unwinding of discount	Utilization	Reversals	Other changes	Sep. 30, 2015
Restoration obligations	1,428	55	36	(52)	–	(452)	1,015
Environmental protection and remediation costs	621	122	5	(136)	(6)	15	621
Employee obligations	1,744	1,179	3	(1,263)	(44)	(32)	1,587
Sales and purchase risks	715	807	–	(248)	(33)	(19)	1,222
Restructuring measures	156	53	–	(47)	(10)	6	158
Litigation, damage claims, guarantees and similar obligations	112	31	–	(20)	(15)	(20)	88
Other	1,570	314	1	(251)	(47)	(5)	1,582
Total	**6,346**	**2,561**	**45**	**(2,017)**	**(155)**	**(507)**	**6,273**

On September 30, 2015, other provisions were €73 million below the level of year-end 2014. Provisions for restoration obligations decreased by €468 million as a result of the asset swap with Gazprom, the reclassification of Wintershall Noordzee B.V. to the equity method, and the transfer to the disposal group for the transaction agreed upon with Tellus Petroleum AS, based in Oslo, Norway.

Provisions for employee obligations decreased. In the first three quarters of 2015, utilization for paying out variable compensation for the past business year more than offset the corresponding additions to provisions for the current business year.

There was a seasonal increase in provisions for sales and purchase risks. By the end of the third quarter of 2015, additions to short-term provisions for rebates in the Agricultural Solutions segment considerably exceeded the utilization of prior-year provisions.

16 – Liabilities

Liabilities (million €)

	September 30, 2015		December 31, 2014		September 30, 2014	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Accounts payable, trade	**3,953**	**–**	**4,861**	**–**	**5,013**	**–**
Bonds and other liabilities to the capital market	3,010	9,648	2,368	10,180	3,237	9,702
Liabilities to credit institutions	1,140	1,716	1,177	1,659	1,138	1,750
Financial indebtedness	**4,150**	**11,364**	**3,545**	**11,839**	**4,375**	**11,452**
Tax liabilities	**1,264**	**–**	**1,079**	**–**	**1,008**	**–**
Advances received on orders	93	–	374	–	95	–
Negative fair values from derivatives and liabilities for precious metal obligations	311	77	1,190	64	839	52
Liabilities related to social security	154	19	148	23	141	19
Miscellaneous liabilities	2,338	538	1,698	931	1,883	993
Deferred income	157	178	154	179	131	199
Other liabilities	**3,053**	**812**	**3,564**	**1,197**	**3,089**	**1,263**
Liabilities	**12,420**	**12,176**	**13,049**	**13,036**	**13,485**	**12,715**

Financial indebtedness (million €)

					Carrying amounts based on effective interest method		
		Currency	Nominal value (million, in issuing currency)	Effective interest rate	Sep. 30, 2015	Dec. 31, 2014	Sep. 30, 2014
BASF SE							
Commercial paper		USD	2,504		2,229	124	1,033
4.5%	Bond 2006/2016	EUR	500	4.62%	500	499	499
variable	Bond 2013/2016	EUR	200	variable	200	200	200
4.25%	Bond 2009/2016	EUR	200	4.40%	200	199	199
variable	Bond 2014/2017	EUR	300	variable	300	300	300
5.875%	Bond 2009/2017	GBP	400	6.04%	540	512	513
4.625%	Bond 2009/2017	EUR	300	4.69%	300	300	299
1.375%	Bond 2014/2017	GBP	250	1.46%	338	320	–
variable	Bond 2013/2018	EUR	300	variable	300	300	300
1.5%	Bond 2012/2018	EUR	1,000	1.51%	1,000	1,000	1,000
1.375%	Bond 2014/2019	EUR	750	1.44%	748	748	748
variable	Bond 2013/2020	EUR	300	variable	300	300	300
1.875%	Bond 2013/2021	EUR	700	1.94%	697	697	697
2%	Bond 2012/2022	EUR	1,250	1.93%	1,257	1,257	988
2.5%	Bond 2014/2024	EUR	500	2.60%	496	496	496
3.675%	Bond 2013/2025	NOK	1,450	3.70%	152	160	178
3%	Bond 2013/2033	EUR	500	3.15%	490	490	490
2.875%	Bond 2013/2033	EUR	200	3.09%	198	198	198
3.25%	Bond 2013/2043	EUR	200	3.27%	199	199	199
3.89%	U.S. Private Placement Series A 2013/2025	USD	250	3.92%	223	205	198
4.09%	U.S. Private Placement Series B 2013/2028	USD	700	4.11%	624	575	555
4.43%	U.S. Private Placement Series C 2013/2034	USD	300	4.45%	267	246	238
BASF Finance Europe N.V.							
3.625%	Bond 2008/2015	CHF	200	3.77%	–	166	166
5.125%	Bond 2009/2015	EUR	2,000	5.07%	–	2,001	2,001
4.5%	Bond 2009/2016	EUR	150	4.56%	–	–	150
Ciba Specialty Chemicals Finance Luxembourg S.A.							
4.875%	Bond 2003/2018	EUR	477	4.88%	447	438	436
Other bonds					**653**	**618**	**558**
Bonds and other liabilities to the capital market					**12,658**	**12,548**	**12,939**
Liabiilties to credit institutions					2,856	2,836	2,888
Financial indebtedness					**15,514**	**15,384**	**15,827**

17 – Related-party transactions

The BASF Group maintains relationships with several related parties that can exert influence on the BASF Group or over which the BASF Group exercises control or joint control, or a significant influence. The following tables show the scope of the Group's transactions with related parties.

Sales and trade accounts receivable from and trade accounts payable to related parties mainly included business with own products, merchandise, agency and licensing businesses, and other operating business.

Other receivables and liabilities primarily arose from financing activities, profit-and-loss transfer agreements, and other finance-related and operating activities and events.

The year-on-year decline in sales to associated companies of €147 million in the third quarter of 2015 and of €1,306 million in the first three quarters of 2015 came primarily from the fact that transactions with Styrolution Group companies were to be classified as transactions with associated companies only until the sale of Styrolution in November 2014.

There were no reportable related-party transactions with members of the Board of Executive Directors or the Supervisory Board and their related parties during the reporting period.

Sales to related parties (million €)

	3rd Quarter		January – September	
	2015	2014	2015	2014
Nonconsolidated subsidiaries	74	94	306	384
Joint ventures	96	112	298	440
Associated companies	65	212	298	1,604

Trade accounts receivable from and trade accounts payable to related parties (million €)

	Accounts receivable, trade		
	September 30, 2015	December 31, 2014	September 30, 2014
Nonconsolidated subsidiaries	150	141	168
Joint ventures	49	145	101
Associated companies	68	88	155

	Accounts payable, trade		
	September 30, 2015	December 31, 2014	September 30, 2014
Nonconsolidated subsidiaries	60	62	46
Joint ventures	47	238	203
Associated companies	25	50	34

Other receivables from and other payables to related parties (million €)

	Other receivables		
	September 30, 2015	December 31, 2014	September 30, 2014
Nonconsolidated subsidiaries	188	204	233
Joint ventures	216	160	110
Associated companies	815	641	829

	Other payables		
	September 30, 2015	December 31, 2014	September 30, 2014
Nonconsolidated subsidiaries	145	120	109
Joint ventures	112	86	93
Associated companies	582	178	345

Calculation of adjusted earnings per share

		3rd Quarter		January – September	
		2015	2014	2015	2014
Income before taxes and minority interests	million €	1,714	1,573	5,432	5,408
Special items	million €	(286)	30	(219)	42
Amortization of intangible assets	million €	149	146	489	441
Amortization of intangible assets contained in special items	million €	–	–	(37)	–
Adjusted income before taxes and minority interests	**million €**	**1,577**	**1,749**	**5,665**	**5,891**
Adjusted income taxes	million €	(537)	(488)	(1,715)	(1,590)
Adjusted income before minority interests	**million €**	**1,040**	**1,261**	**3,950**	**4,301**
Adjusted minority interests	million €	(56)	(126)	(285)	(260)
Adjusted net income	**million €**	**984**	**1,135**	**3,665**	**4,041**
Weighted average number of shares outstanding	in thousands	918,479	918,479	918,479	918,479
Adjusted earnings per share	**€**	**1.07**	**1.24**	**3.99**	**4.40**

The earnings per share figure adjusted for special items and amortization of intangible assets has become internationally established as a key figure that can be compared over the course of time and is particularly suitable for forecasts of future earnings.

Special items arise from the integration of acquired businesses, restructuring measures, impairments, gains or losses resulting from divestitures and sales of shareholdings, and other expenses and income that do not arise in conjunction with ordinary business activities.

Intangible assets primarily result from the purchase price allocation following acquisitions. The amortization of intangible assets is therefore of a temporary nature.

The calculation of earnings per share in accordance with the International Financial Reporting Standards (IFRS) is presented in the Notes on page 32. Adjusted income before taxes and minority interests, adjusted net income and adjusted earnings per share are key ratios that are not defined under IFRS. They should not be viewed in isolation, but rather treated as supplementary information.

Forward-Looking Statements

This report contains forward-looking statements. These statements are based on current estimates and projections of BASF management and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict and are based upon assumptions as to future events that may not prove to be accurate. Many factors could cause the actual results, performance or achievements of BASF to be materially different from those that may be expressed or implied by such statements. Such factors include those discussed on pages 111 to 118 in the BASF Report 2014. The BASF Report can be found online at: basf.com/report. We do not assume any obligation to update the forward-looking statements contained in this report.

Full-Year Results 2015

February 26, 2016

Annual Shareholders' Meeting 2016 / Interim Report 1st Quarter 2016

April 29, 2016

Interim Report 1st Half 2016

July 28, 2016

Interim Report 3rd Quarter 2016

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Further Information

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