

Annual Press Conference

BASF
We create chemistry

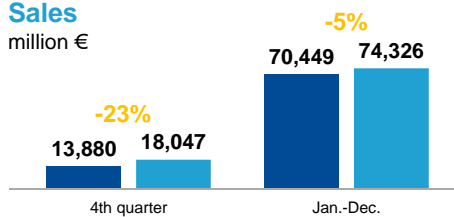
Ludwigshafen, February 26, 2016

Sales and earnings 2015 below prior-year level mainly due to lower oil and gas prices

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Sales

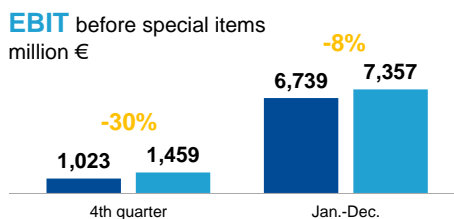
million €



- Decline of sales in the fourth quarter as well as in the full year 2015 mainly due to lower prices and the asset swap with Gazprom
- Slightly higher volumes and currency effects positively influenced sales

EBIT before special items

million €



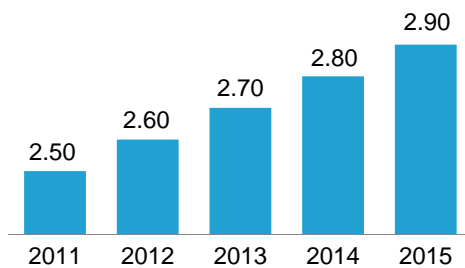
- Decline of EBIT before special items in the fourth quarter as well as in the full year 2015 due to significantly lower earnings in Oil & Gas and Other
- Significant increase in earnings in Functional Materials & Solutions in 2015

Higher dividend proposed

- Dividend proposal for 2015 of €2.90 per share (2014: €2.80)

Dividend per share

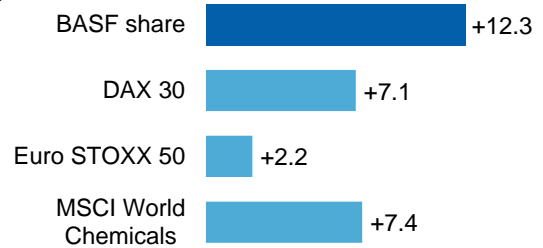
€



- Long-term performance of BASF shares over ten years still clearly surpasses benchmark indexes

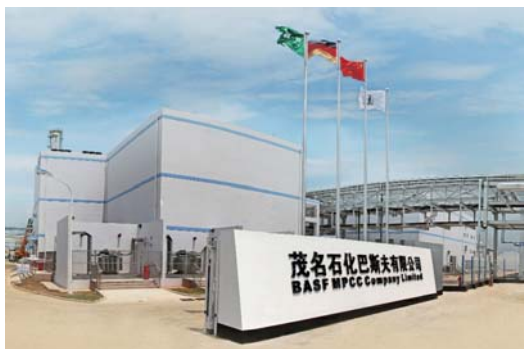
Performance of BASF shares compared with indexes (2005-2015)

%



3

“We create chemistry” strategy Competence in production



Further development of production processes
– Isononanol plant in Maoming, China

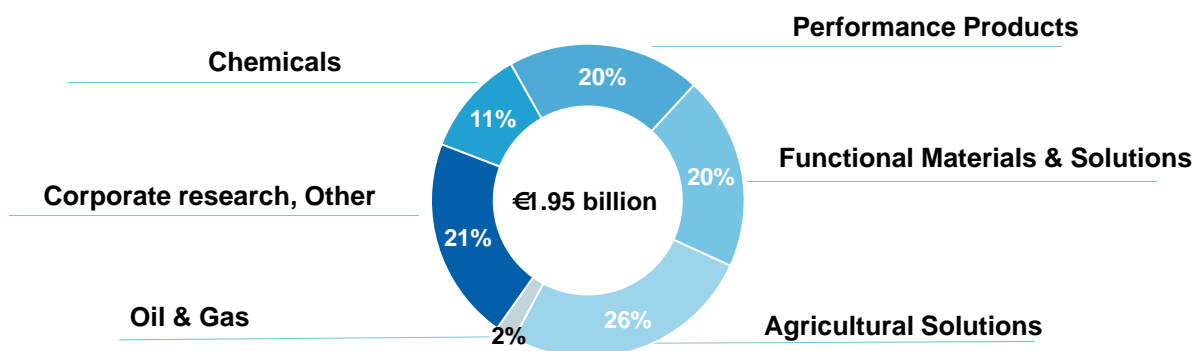


Improvement of existing products
– Ultrapure sulfuric acid for the electronics industry

4

“We create chemistry” strategy Competence in research and development (1)

Research and development expenses by segment



5

“We create chemistry” strategy Competence in research and development (2)



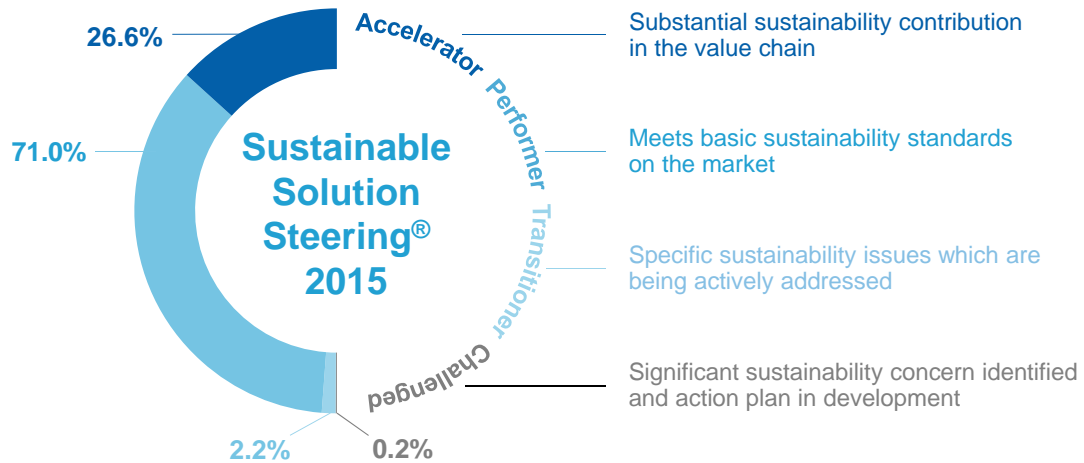
New applications based on local market needs
– Utility poles made with Elastolit® in Asia



Broad innovation pipeline for Agricultural Solutions
– Seltima®, a fungicide specifically for use in rice

6

“We create chemistry” strategy Contribution of our products to sustainability



As of December 2015

7

“We create chemistry” strategy Active portfolio management



Asset swap with Gazprom
– Expansion of oil and gas production in western Siberia



Acquisition Taiwan Sheen Soon
– Complete solutions for TPU and TPU adhesives

8

Outlook for BASF Group

Economic environment 2016

- GDP growth: +2.3%
- Growth in chemical production*: +3.4%
- Exchange rate: \$1.10 per euro
- Oil price (Brent): \$40 per barrel

Outlook for full year 2016

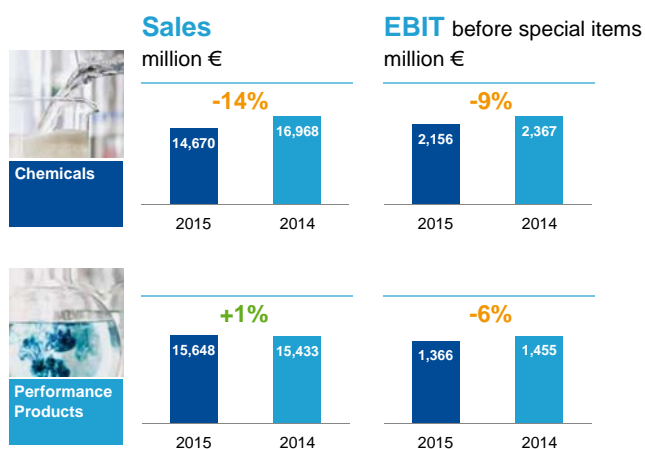
- Considerable sales decline due to divestiture of gas trading and storage business
- EBIT before special items expected at level slightly below 2015



*excluding pharmaceuticals

9

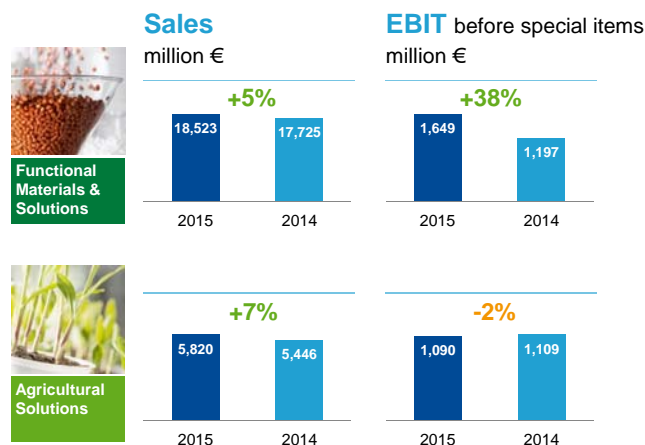
Slight decrease in EBIT before special items in Chemicals and Performance Products



- Sales declined largely due to lower prices on account of decreased raw material costs, especially in Petrochemicals
- Lower earnings primarily due to declining margins in Monomers as well as rising fixed costs from the startup of production plants
- Slight increase in sales due to positive currency effects
- Decline in earnings due to higher fixed costs, particularly from the startup of new plants, as well as inventory reductions

10

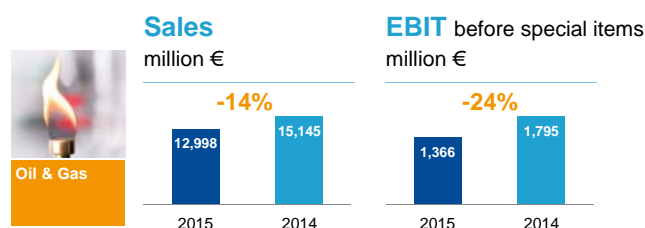
Earnings increase considerably in Functional Materials & Solutions, almost at prior year-level in Agricultural Solutions



- Slight increase in sales due to positive currency effects
- Earnings increased considerably, mainly because of the significant rise in earnings in Performance Materials and Construction Chemicals
- Sales increase primarily driven by higher sales prices
- Earnings almost at prior-year level, despite a slowdown in demand

11

Considerable decrease in sales and earnings in the Oil & Gas segment

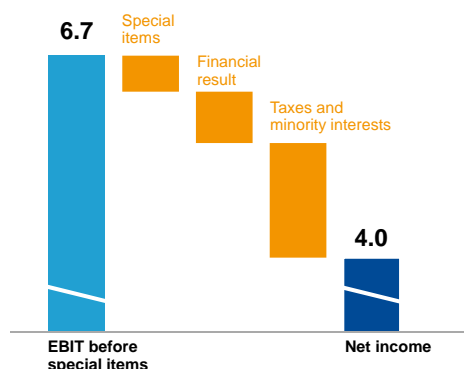


- Decrease in sales especially due to the asset swap with Gazprom completed end of September and the significant drop in the oil price
- Significant decline in earnings as a result of the drop in oil and gas prices

12

2015 reconciliation to net income

billion €

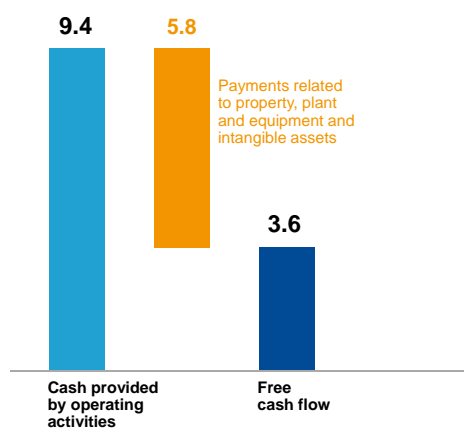


	million €	Δ% vs. 2014
EBIT before special items	6,739	-8
EBIT	6,248	-18
Financial result	-700	-65
Income before taxes and minority interests	5,548	-23
Net income	3,987	-23
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	€	Δ% vs. 2014
Earnings per share (EPS)	4.34	-23
Adjusted EPS	5.00	-8

13

Operating cash flow on record level

billion €



- At €9.4 billion, cash provided by operating activities significantly above previous year's level (2014: €7.0 billion)
- Free cash flow with €3.6 billion more than doubled (2014: €1.7 billion), despite higher payments for property, plant and equipment and intangible assets

14



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