

# News Release



## 1st quarter 2013/Annual Shareholders' Meeting

### **Solid first quarter of 2013 for BASF**

- **Sales €19.7 billion (plus 5%)**
- **EBIT before special items €2.2 billion (plus 10%)**
- **High earnings from Agricultural Solutions segment**
- **Dividend proposal €2.60 (previous year €2.50)**
- **Outlook for 2013 confirmed: increase in sales and earnings targeted**

Ludwigshafen/Mannheim, Germany – April 26, 2013 – BASF increased its sales and income from operations (EBIT) before special items in the first quarter of 2013. At €19.7 billion, sales exceeded the level of the previous first quarter by 5%. Sales volumes grew particularly as a result of intensified demand for crop protection products and increased volumes in the Oil & Gas segment. EBIT before special items rose by 10% to €2.2 billion.

“We have had a solid start to 2013. In particular, our business with crop protection products continued to be very successful,” said Dr. Kurt Bock, Chairman of the Board of Executive Directors of BASF SE, at the Annual Shareholders' Meeting in the Congress Center Rosengarten in Mannheim. The increase in EBIT before special items in the first quarter was also due to considerable earnings improvement in the Chemicals segment thanks to higher margins.

April 26, 2013  
P229/13e

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Compared with the previous first quarter, EBIT declined by €429 million to around €2.2 billion. Special income from the divestiture of the fertilizer business of €645 million in the first quarter of the previous year was primarily responsible for this reduction. Income from operations before depreciation and amortization (EBITDA) thus decreased by €450 million to around €2.9 billion. The financial result amounted to minus €126 million compared with minus €158 million in the first quarter of 2012.

Income before taxes and minority interests decreased by €397 million to €2.0 billion compared with the previous first quarter. Net income declined by €257 million to €1.4 billion. Earnings per share were €1.57 in the first quarter of 2013, compared with €1.85 in the same period of 2012. Adjusted for special items and amortization of intangible assets, earnings per share were €1.67, an increase of €0.13 compared with the first quarter of the previous year.

Cash provided by operating activities rose to over €2.0 billion in the first quarter of 2013, up by €502 million compared with the first quarter of the previous year. Net debt was reduced to about €10.9 billion as of the end of the first quarter of 2013, compared with about €11.2 billion as of December 31, 2012.

The Board of Executive Directors and the Supervisory Board proposed to the Annual Shareholders' Meeting that the dividend for the 2012 business year be increased by €0.10 to €2.60 per share. This represents a payout of almost €2.4 billion to shareholders. Based on the year-end share price for 2012, BASF shares thus offer a high dividend yield of 3.7%. BASF is part of the DivDAX share index, which contains the 15 companies with the highest dividend yield in the DAX 30. "We stand by our ambitious dividend policy and aim to increase our dividend each year, or at least maintain it at the previous year's level," said Bock.

## Outlook for 2013 confirmed

The company's expectations for the global economic environment in 2013 remain unchanged:

- Growth of gross domestic product: 2.4%
- Growth in industrial production: 3.4%
- Growth in chemical production: 3.6%
- An average euro/dollar exchange rate of \$1.30 per euro
- An average oil price for the year of \$110 per barrel

Bock: "We expect global economic growth to pick up only slightly in 2013. The chemical industry will increase production again compared to 2012 because the emerging markets are growing. However, we do not expect a straight-line trend. The market environment remains volatile." Economic growth would be impaired by an intensification of the debt crises in the eurozone and the United States as well as by lower demand in Asia.

"We stand by our outlook for 2013: We continue to aim to exceed the 2012 levels in sales and EBIT before special items," said Bock.

## Business development in the segments in the first quarter

The **Chemicals** segment posted a decline in sales in the first quarter. This was mostly due to lower sales volumes, which were mainly attributable to plant shutdowns in the Petrochemicals division. Sales volumes in the Monomers and Intermediates divisions increased thanks to higher demand. As a result of better margins, earnings considerably surpassed the level of the first quarter of 2012.

Sales declined in the **Performance Products** segment, largely because of lower sales prices and negative currency effects. While sales in the Nutrition & Health division saw a portfolio-driven increase, they fell in the Dispersions & Pigments and Paper Chemicals divisions, especially as a result of lower sales volumes.

Earnings did not match the level of the previous first quarter due mainly to lower margins resulting from higher raw material costs.

Sales in the **Functional Materials & Solutions** segment matched the level of the first quarter of 2012. Higher sales volumes compensated for negative currency effects. The Performance Materials division in particular posted an increase in volumes. By contrast, sales volumes declined in the Construction Chemicals division on account of weather conditions. Earnings for the segment decreased due to the lower contribution from the Catalysts division.

Sales rose significantly in the **Agricultural Solutions** segment. The very good start to the season in Europe and North America largely contributed to this. In addition to sharply increased sales volumes, sales growth was also boosted by higher prices as well as the acquisition of Becker Underwood. Earnings significantly increased thanks to higher volumes.

Despite lower crude oil prices, sales grew considerably in the **Oil & Gas** segment. This was mainly attributable to higher production and trading volumes. Pressure continued to rise on trading margins in the Natural Gas Trading business sector. Earnings for the segment therefore remained just below the level of the first quarter of 2012.

Sales in **Other** grew compared with the same quarter of the previous year. EBIT before special items improved, as well. This was essentially due to valuation effects for the long-term incentive program; provisions could be reversed in the first quarter of 2013 on account of BASF share price development.

### **Business development in the regions in the first quarter**

Sales at companies located in **Europe** grew by 8%, driven primarily by sales volumes. In the Oil & Gas segment, production volumes increased considerably. Sales volumes were also significantly above the level of the previous first quarter in the Agricultural Solutions segment and the Catalysts division. EBIT before special items grew

by €114 million to €1.5 billion. This was due to the successful business with crop protection products and lower expenses in Other.

In **North America**, sales fell by 2% both in U.S. dollars and in euro terms. Sales declined in the chemicals business (which comprises the Chemicals, Performance Products and Functional Materials & Solutions segments) mainly as a result of lower volumes. Plant shutdowns in the Petrochemicals division were largely responsible for this. However, volumes and sales significantly improved in the Agricultural Solutions segment. At €454 million, earnings surpassed the level of the previous first quarter by €88 million, thanks primarily to higher contributions from the Chemicals and Agricultural Solutions segments.

Sales in **Asia Pacific** grew by 6% in local-currency terms and by 4% in euro terms. Volumes were up in all segments compared with the first quarter of 2012. Negative currency effects and slightly declining sales prices weakened sales growth in the region. Earnings rose by €43 million to €245 million. This was mainly due to the significantly increased contribution from the Chemicals segment that resulted from better margins for basic products.

In **South America, Africa, Middle East**, sales improved by 2% in local currency terms, while they fell by 6% in euro terms. Higher sales prices could only partly offset negative currency effects and lower sales volumes. Particularly in the Catalysts division and the Agricultural Solutions segment, sales declined considerably. At €38 million, earnings were €41 million below the level of the previous first quarter. This was mainly due to lower contributions from the Agricultural Solutions and Performance Products segments.

**About BASF**

BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. We combine economic success with environmental protection and social responsibility. Through science and innovation, we enable our customers in nearly every industry to meet the current and future needs of society. Our products and solutions contribute to conserving resources, ensuring nutrition and improving quality of life. We have summed up this contribution in our corporate purpose: We create chemistry for a sustainable future. BASF had sales of €72.1 billion in 2012 and more than 110,000 employees as of the end of the year. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (AN). Further information on BASF is available on the Internet at [www.basf.com](http://www.basf.com).

You can obtain further information from the internet at the following addresses:

**Interim Report (from 7:00 a.m. CEST)**

[basf.com/interimreport](http://basf.com/interimreport) (English)  
[basf.com/zwischenbericht](http://basf.com/zwischenbericht) (German)

**Press Release (from 7:00 a.m. CEST)**

[basf.com/pressrelease](http://basf.com/pressrelease) (English)  
[basf.com/pressemitteilungen](http://basf.com/pressemitteilungen) (German)

**Live Transmission – Telephone conference for analysts and investors as well as information about BASF shares (from 8:30 a.m. CEST)**

[basf.com/share](http://basf.com/share) (English)  
[basf.com/aktie](http://basf.com/aktie) (German)

**Live Transmission – Speech Dr. Kurt Bock (from 10:00 a.m. CEST)**

[basf.com/shareholdermeeting](http://basf.com/shareholdermeeting) (English)  
[basf.com/hauptversammlung](http://basf.com/hauptversammlung) (German)

**Speech Dr. Kurt Bock – Print version (from 10:30 a.m. CEST)**

[basf.com/pcon](http://basf.com/pcon) (English)  
[basf.com/pk](http://basf.com/pk) (German)

**Current press photos from the Annual Shareholders' Meeting  
(from 1:00 p.m. CEST)**

[basf.com/pressphoto-database](http://basf.com/pressphoto-database) (English)  
[basf.com/pressefoto-datenbank](http://basf.com/pressefoto-datenbank) (German)

**General corporate press photos**

[basf.com/pressphotos](http://basf.com/pressphotos) (English)  
[basf.com/pressefotos](http://basf.com/pressefotos) (German)

**Current TV footage**

[tvservice.basf.com/en](http://tvservice.basf.com/en) (English)  
[tvservice.basf.com](http://tvservice.basf.com) (German)

**Forward-looking statements**

This release 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 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. BASF does not assume any obligation to update the forward-looking statements contained in this release.