

# News Release



## **BASF announces offering of bonds with non-dilutive warrants**

- **BASF offers US\$600 million bonds with non-dilutive (cash-settled) warrants due 2023**
- **Senior unsecured bonds to carry a coupon of 0.425% – 0.925% p.a. and to be issued at a price of 100% of the bond nominal amount**
- **Warrants cash settled only with an initial premium of 25% – 30%**

Ludwigshafen, Germany – March 2, 2017 – BASF announces the offering of US\$600 million bonds with non-dilutive warrants due 2023. Each “unit” comprises one senior, unsecured bond and one detachable senior, euro-denominated, unsecured cash-settled warrant.

BASF will purchase cash-settled call options to hedge its economic exposure in case of exercise of the warrants. The warrants will be cash settled only and will thus not result in the creation of new shares or the delivery of existing shares of BASF SE upon exercise.

BASF intends to use the net proceeds of the issuance for general corporate purposes.

The “units” will be offered via an accelerated bookbuilding, through a private placement to institutional investors outside the United States of America, Australia, Canada, Japan and South Africa only.

No prospectus, offering circular or similar document will be prepared in connection with the offering. The bonds are expected to be rated and settlement is expected to occur on or about March 9, 2017.

March 2, 2017  
P146/17e

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The bonds will have a nominal value of US\$250,000 per bond.

**Pricing to be announced later today**

The coupon, premium and issue price of the bonds will be announced after pricing (expected later today) via a separate news release. The exact ratio of shares per warrant will depend on the share reference price which – by applying the conversion premium – will determine the exercise price of the warrant and the resulting ratio of shares per warrant. Both will be announced at the end of the reference period, expected to occur on or about March 16, 2017. The share reference price will be the arithmetic average of BASF's daily volume-weighted average XETRA price per share over a period of ten consecutive XETRA trading days, expected to commence on March 3, 2017. It is anticipated that the hedge counterparties to the call options will enter into transactions to hedge their respective positions under the call options through the purchase or sale of BASF shares or any other transactions, in the market and off-market, at any time, and in particular during the reference period and at or around the exercise or redemption of the warrants.

It is intended to apply for the "units", the bonds, and the warrants to be traded on the Open Market segment of the Frankfurt Stock Exchange (Freiverkehr).

Deutsche Bank AG is acting as sole global coordinator and sole bookrunner for the offering.

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This announcement is for information purposes only and does not constitute or form part of, and should not be construed as an offer or the solicitation of any offer to buy or subscribe for, any securities. In connection with this transaction there has not been, nor will there be, any public offering of the bonds with warrants, bonds ex warrants or warrants. No prospectus will be prepared in connection with the offering of the bonds with warrants, bonds ex warrants or warrants. The bonds with warrants, bonds ex warrants or warrants may not be offered to the public in any jurisdiction in circumstances which would require the Issuer of the bonds with warrants, bonds ex warrants or warrants to prepare or register any prospectus or offering document relating to the bonds with warrants, bonds ex warrants or warrants in such jurisdiction.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy, shares or the bonds with warrants, bonds ex warrants or warrants to any person in the United States of America, Australia, Canada, Japan or South Africa or in any jurisdiction to whom or in which such offer or solicitation is unlawful. The bonds with warrants, bonds ex warrants or warrants referred to herein have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or under the applicable securities laws of Australia, Canada, Japan or South Africa. The bonds with warrants, bonds ex warrants or warrants referred to herein may not be offered or sold in the United States of America unless registered under the Securities Act or offered in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. Any public offering of securities to be made in the United States of America must be made by means of a prospectus that may be obtained from the issuer and that contains detailed information about the company and management, as well as financial statements. Subject to certain exceptions, the securities referred to may not be offered or sold in Australia, Canada, Japan or South Africa or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, Japan or South Africa. There will be no public offer of the bonds with warrants, bonds ex warrants or warrants in the United States of America, Australia, Canada, Japan or South Africa.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Issuer's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions. Forward-looking statements speak only as of the date they are made. Each of the Issuer and the Sole Bookrunner and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness. The information in this announcement is subject to change.

The date of admission of the bonds with warrants, bonds ex warrants or warrants to trading may be influenced by things such as market conditions. There is no guarantee that admission will occur and you should not base your financial decisions on the Issuer's intentions in relation to admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the offering of the bonds with warrants, bonds ex warrants or warrants. The value of securities can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the offering of the bonds with warrants, bonds ex warrants or warrants for the person concerned.

**About BASF**

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 114,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into five segments: Chemicals, Performance Products, Functional Materials & Solutions, Agricultural Solutions and Oil & Gas. BASF generated sales of about €58 billion in 2016. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (BAS). Further information at [www.basf.com](http://www.basf.com).