

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, JAPAN OR SOUTH AFRICA, OR IN ANY OTHER JURISDICTION IN WHICH OFFERS OR SALES WOULD BE PROHIBITED BY APPLICABLE LAW

News Release



BASF places bonds with non-dilutive warrants

- **BASF places US\$600 million bonds with non-dilutive warrants due 2023**
- **Warrants to be cash-settled only, with an initial 25% premium**
- **Bonds to carry a coupon of 0.925% p.a.**

Ludwigshafen, Germany – March 2, 2017 – BASF has placed US\$600 million bonds with non-dilutive warrants due 2023. Each “unit” comprises one senior, unsecured bond with a denomination of US\$250,000 and one detachable senior, euro-denominated, unsecured cash-settled warrant. Since they will be cash-settled only, the warrants will not result in the creation of new shares or the delivery of existing shares of BASF SE upon exercise. BASF has hedged the economic exposure under the warrants through the purchase of corresponding cash-settled call options.

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

The bond coupon has been set at 0.925% per annum and the exercise price of the warrants at a premium of 25% above the share reference price. The share reference price will be the arithmetic average of BASF’s daily volume-weighted average XETRA prices per share over a period of ten consecutive XETRA trading days, starting on March 3, 2017. The exact ratio of shares per warrant and the share reference price will be announced at the end of the reference period, expected to occur on March 16, 2017.

March 2, 2017
P147/17e

Media Relations

Juliana Ernst
Phone: +49 621 60-99123
juliana.ernst@basf.com

Investor Relations

Dr. Stefanie Wettberg
Phone: +49 621 60-48002
stefanie.wettberg@basf.com

BASF SE
67056 Ludwigshafen
Phone: +49 621 60-0
<http://www.basf.com>
Media Relations
Phone: +49 621 60-20916
Fax: +49 621 60-92693
presse.kontakt@basf.com

The units will be issued at a price of 100% of the nominal amount of the bonds, corresponding to an annual yield-to-maturity of the units of 0.925%. The exchange rate has been fixed at US\$1.00 equals €0.9488.

The units have a maturity of 6 years and the warrants can be exercised under the conditions set forth in the terms and conditions of the warrants.

The bonds are expected to be rated and settlement is expected to occur on or about March 9, 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 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 acted as sole global coordinator and sole bookrunner for the offering.

Disclaimer

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 authorized person specializing 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.