



Capital Market Story

April 2014



We add value as *one* company

Cautionary note regarding forward-looking statements



This presentation may contain forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realized from the proposals described herein. Forward-looking statements may include, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. BASF has based these forward-looking statements on its views and assumptions with respect to future events and financial performance. Actual financial performance could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. The information contained in this presentation is subject to change without notice and BASF does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.

We create chemistry for a sustainable future

Positioning



- The #1 chemical company
- €74 billion sales, €7.2 billion EBIT bSI in 2013
- #1-3 in >75% of businesses, present in >200 countries
- 6 integrated Verbund sites, production in 60 countries

Performance



- A track record of strong sales and earnings growth
- 14% average annual dividend increase, >3% yield in every single year*
- ~€75 billion market capitalization at end of February, 2014

Perspective



- Chemistry as an enabler
- BASF has superior growth opportunities:
 - sustainable innovations
 - investments
 - emerging markets
- Ambitious financial targets

BASF today – a well-balanced portfolio

Total sales 2013: €74 billion

Percentage of sales 2013*

23%



Chemicals

- Petrochemicals
- Monomers
- Intermediates

21%



Performance Products

- Dispersions & Pigments
- Care Chemicals
- Nutrition & Health
- Paper Chemicals
- Performance Chemicals

23%



Functional Materials & Solutions

- Catalysts
- Construction Chemicals
- Coatings
- Performance Materials

7%



Agricultural Solutions

- Crop Protection

20%



Oil & Gas

- Exploration & Production and Natural Gas Trading

Business review

BASF strategy & growth targets

Strategic levers

BASF increased sales and earnings

Business performance	Q4'13	vs. Q4'12	FY'13	vs. FY'12
▪ Sales	€18.1 billion	+1%	€74.0 billion	+3%
▪ EBITDA	€2.6 billion	+26%	€10.4 billion	+4%
▪ EBIT before special items	€1.5 billion	+18%	€7.2 billion	+8%
▪ EBIT	€1.6 billion	+55%	€7.3 billion	+8%
▪ Net income	€1.1 billion	+16%	€4.8 billion	0%
▪ Reported EPS	€1.24	+16%	€5.27	0%
▪ Adjusted EPS	€1.02	(24%)	€5.37	(5%)
▪ Operating cash flow	€1.9 billion	+20%	€7.9 billion	+19%

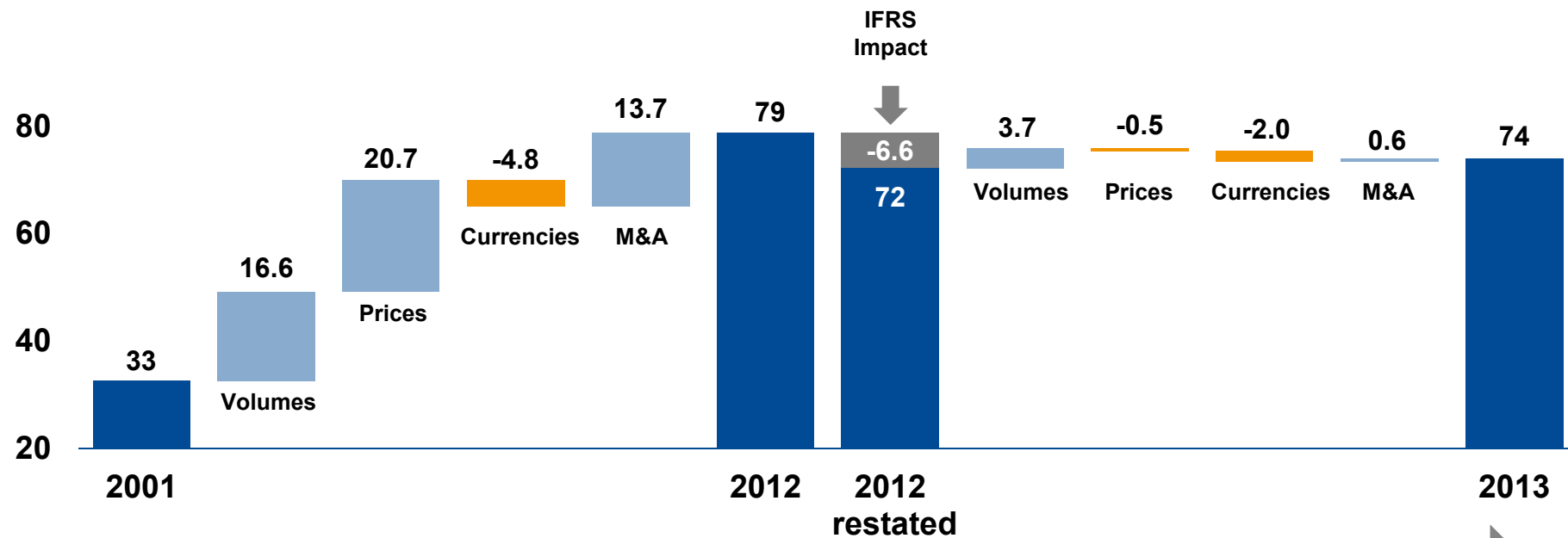
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q4'13 vs. Q4'12	↑ 5%	↓ (2%)	↑ 2%	↓ (4%)
FY'13 vs. FY'12	↑ 5%	0%	↑ 1%	↓ (3%)

BASF outperformed global chemical production by ~3 percentage points p.a.

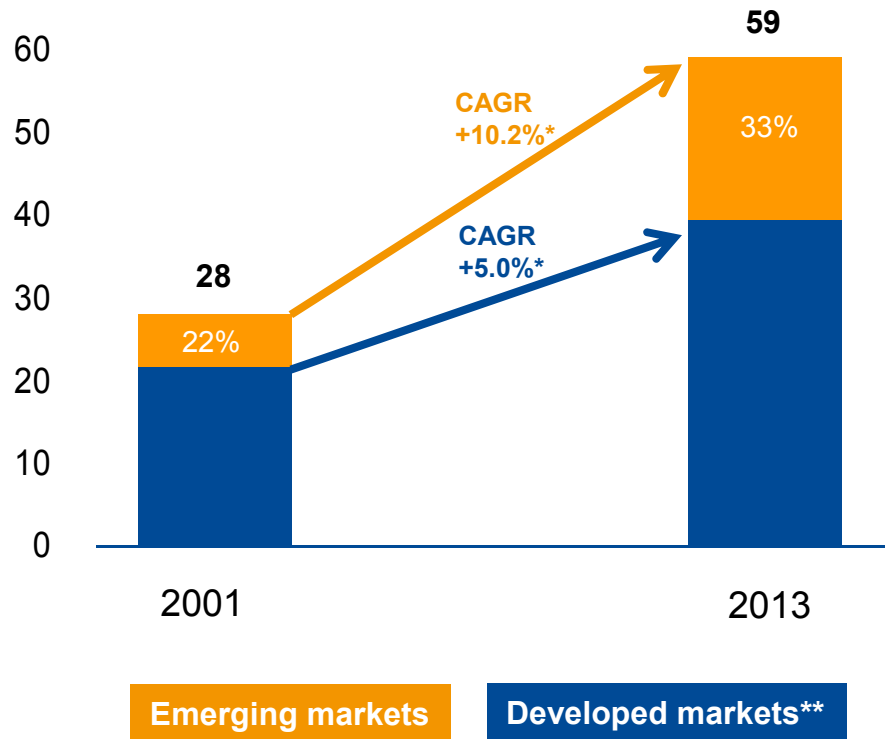


Sales to third parties billion €

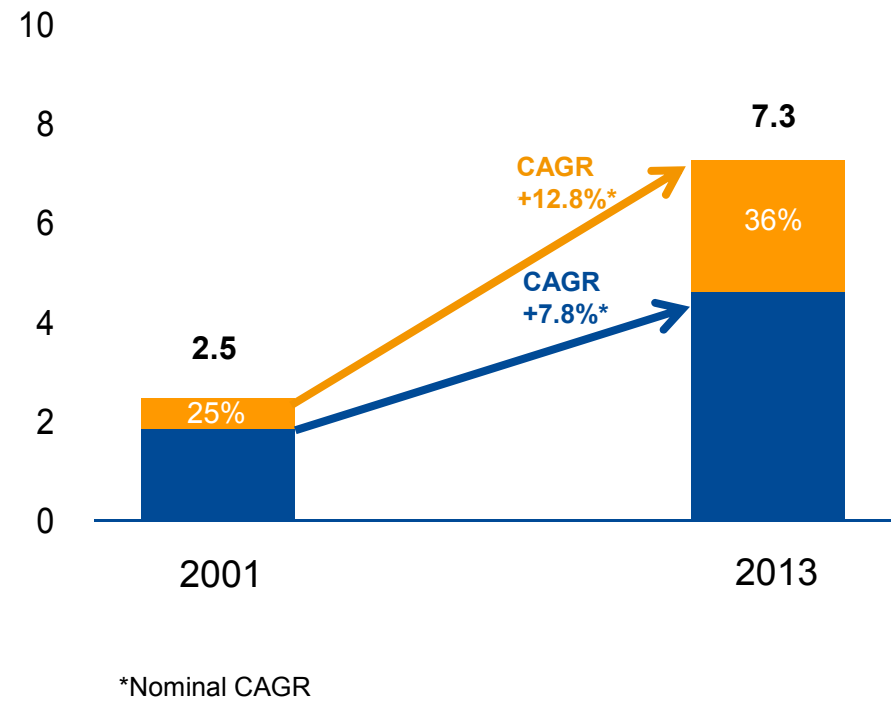


Strong and profitable growth in emerging markets

Sales BASF Group excl. Oil & Gas
billion € by location of customer



EBITDA BASF Group excl. Oil & Gas
billion € by location of customer



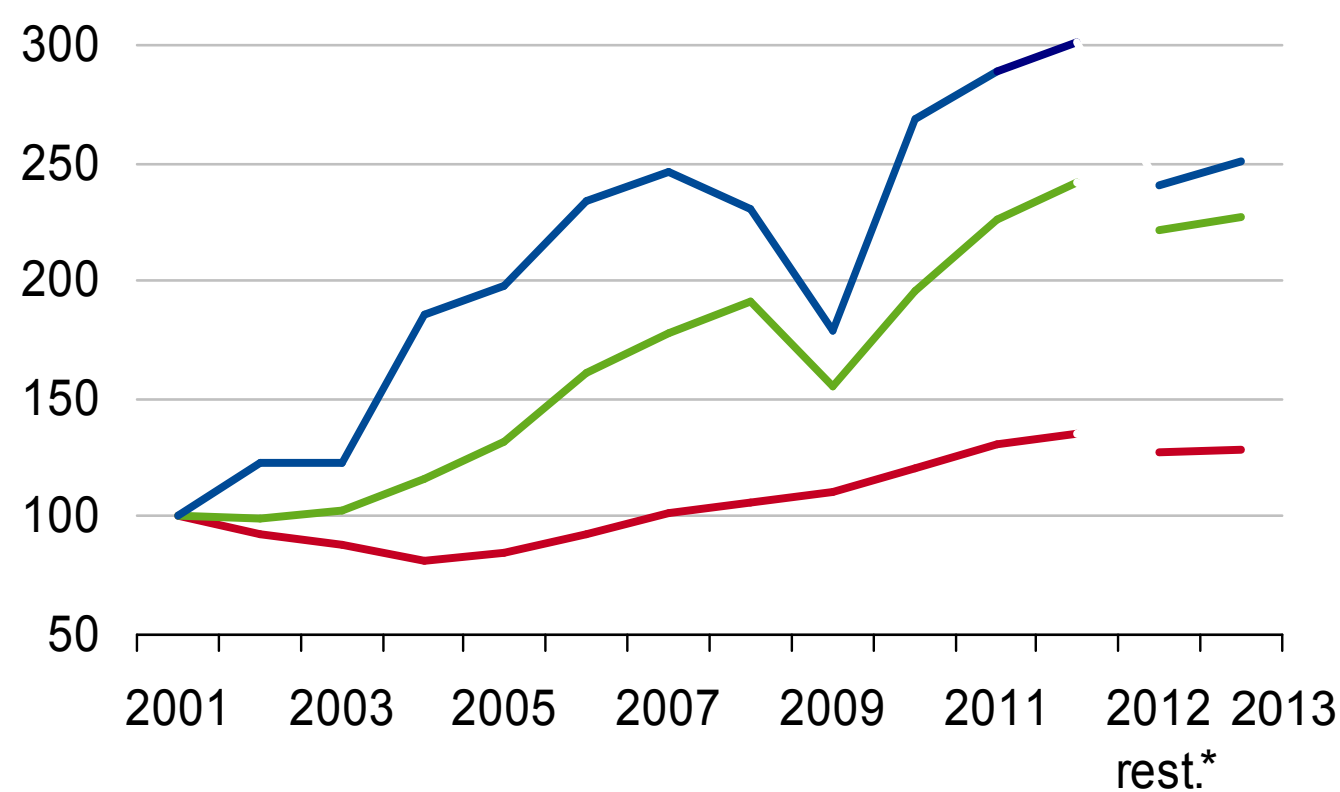
*Nominal CAGR

**BASF definition: Developed markets include EU15, Norway, Switzerland, North America, Japan, Australia, New Zealand

Strong track record of operational excellence



BASF Group 2001–2013 Index

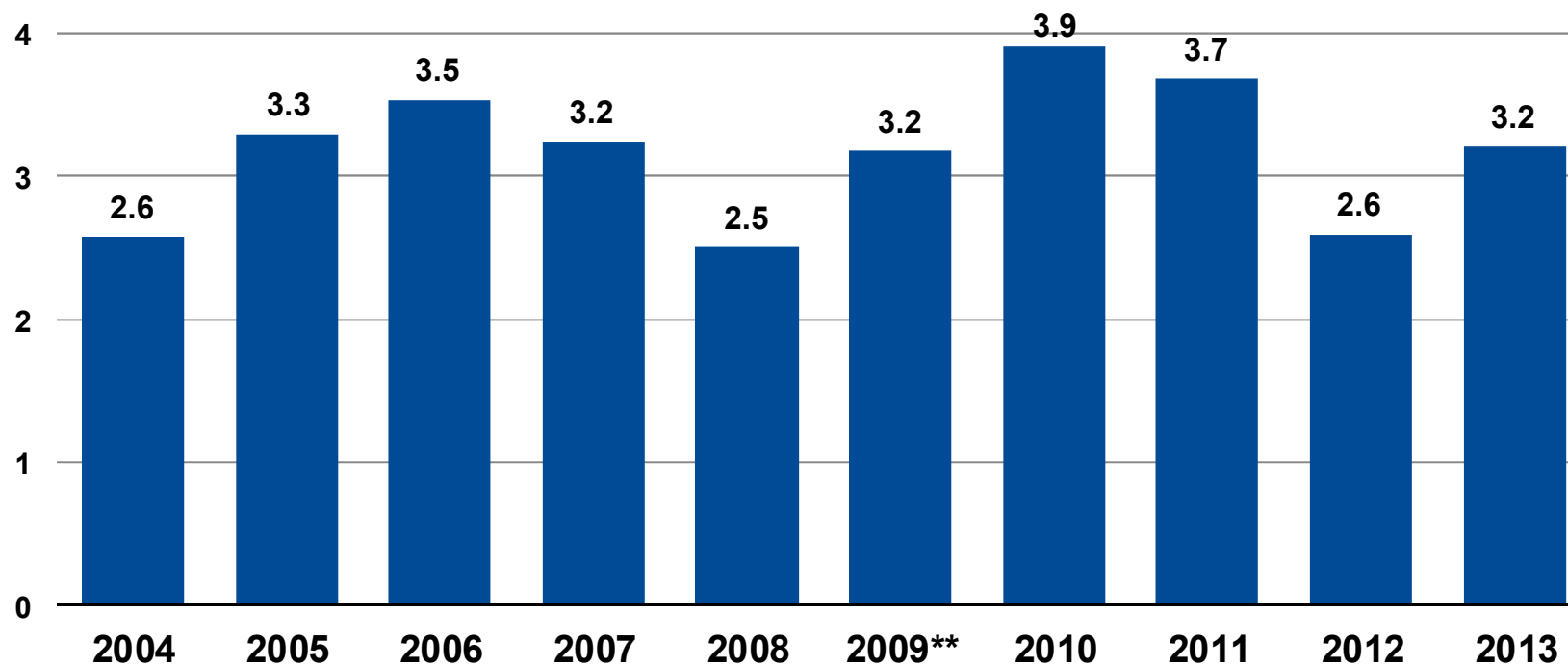


CAGR 2001 – 2013

8 %	EBITDA
7 %	Sales
2 %	Fixed costs

Strong free cash flow generation

Free cash flow*
in € billion

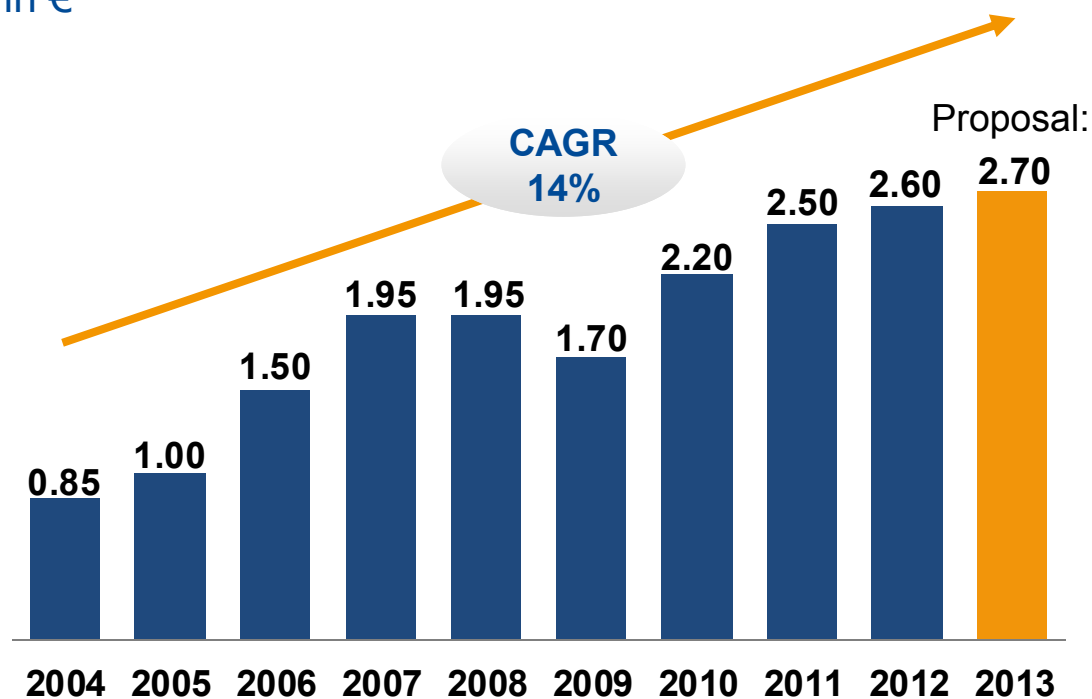


* Cash provided by operating activities less capex (in 2005 before CTA)

** 2009 adjusted for re-classification of settlement payments for currency derivatives

Attractive dividend yield

Dividend per share in €



Dividend yield*

3.2% 3.1% 4.1% 3.8% 7.0% 3.9% 3.7% 4.6% 3.7% **3.5%**

Dividend payments

- Dividend proposal of €2.70 per share for 2013, an increase of 3.8%
- 2004-2013: Average annual dividend increase of ~14%
- Attractive dividend yield of 3.5% in 2013**
- Dividend yield above 3% in any given year since 2004

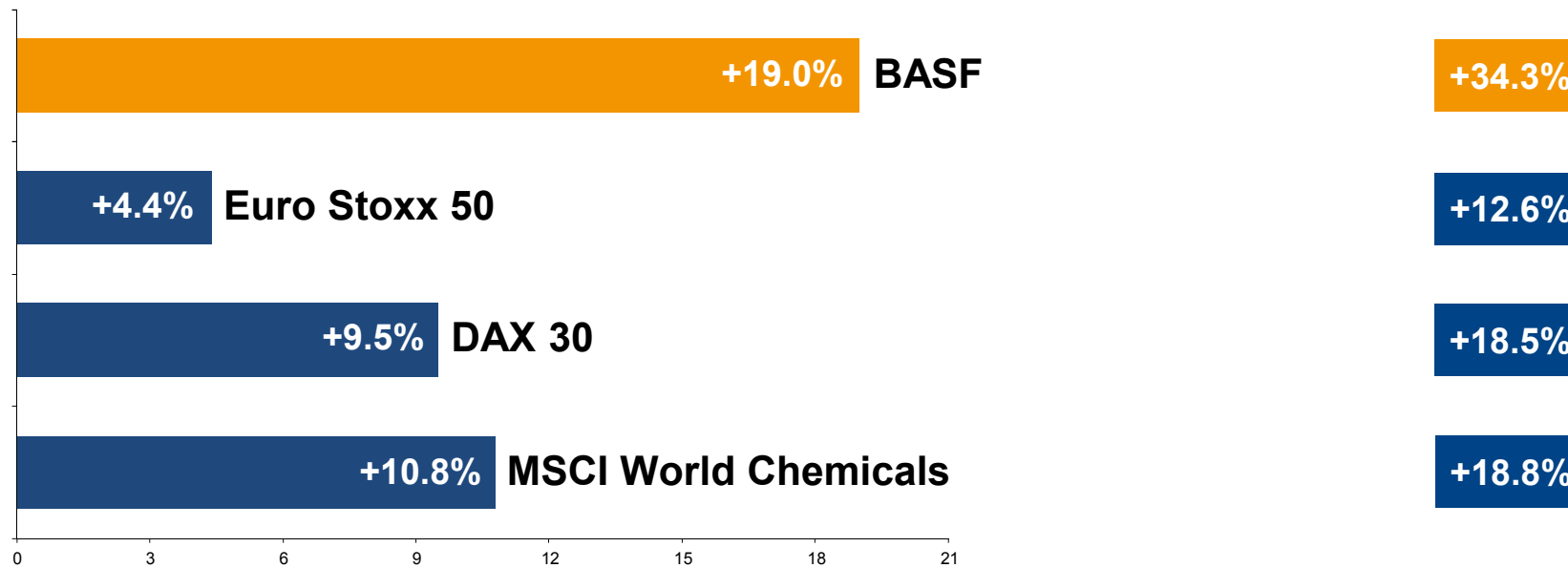
Delivering consistent, long-term value



Average annual performance with dividends reinvested

Last 10 years
April 2004 – March 2014

Last 5 years
April 2009 – March 2014



Outlook 2014

Outlook 2014

- We aim to increase our sales volumes excluding the effects of acquisitions and divestitures.
- Nonetheless, sales will decline slightly compared with 2013 due to the divestiture of the gas trading and storage business planned for mid-2014.
- We expect a slight increase in EBIT before special items, especially as a result of considerably higher contributions from the Performance Products and Functional Materials & Solutions segments.
- We aim to earn a high premium on our cost of capital once again in 2014.

Assumptions 2014

- | | | |
|---------------------------|-------|----------------------|
| ■ GDP: | +2.8% | (2013 actual: +2.3%) |
| ■ Industrial production: | +3.7% | (2013 actual: +2.5%) |
| ■ Chemical production: | +4.4% | (2013 actual: +4.6%) |
| ■ US\$ / Euro: | 1.30 | (2013 actual: 1.33) |
| ■ Oil price (US\$ / bbl): | 110 | (2013 actual: 109) |

Business review

BASF strategy & growth targets

Strategic levers

Demographic challenges

... set the stage for the future of the chemical industry

Nine billion people in **2050** but only one earth



Resources, Environment
& Climate



Food & Nutrition



Quality of Life

Chemistry as enabler

Key financial targets 2015 / 2020 are ambitious

	Growth targets	Profitability targets
	<ul style="list-style-type: none">Grow at least 2 percentage points above chemical production	<ul style="list-style-type: none">Earn a premium on cost of capital of at least €2.0 billion on average p.a.
2015	<ul style="list-style-type: none">Sales ~€80 billion	<ul style="list-style-type: none">EBITDA ~€14 billionEPS ~€7.50
2020	<ul style="list-style-type: none">Sales ~€110 billion	<ul style="list-style-type: none">EBITDA ~€22 billion

Business review

BASF strategy & growth targets

Strategic levers

- Portfolio development
- Market approach
- Innovations for a sustainable future
- Investments
- Acquisitions
- Operational excellence

A different look at our current portfolio...

Oil & Gas

Excellent position and growth opportunities; synergies with chemical businesses

Exploration & production of oil and gas, gas trading activities

Classical Chemicals

Chemical business based on our production Verbund

Cracker products, plasticizers, acrylic acid, MDI/TDI

Customized Products

Customer-oriented specialties, backward integration in Verbund value chains

PU systems, vitamins, personal care ingredients

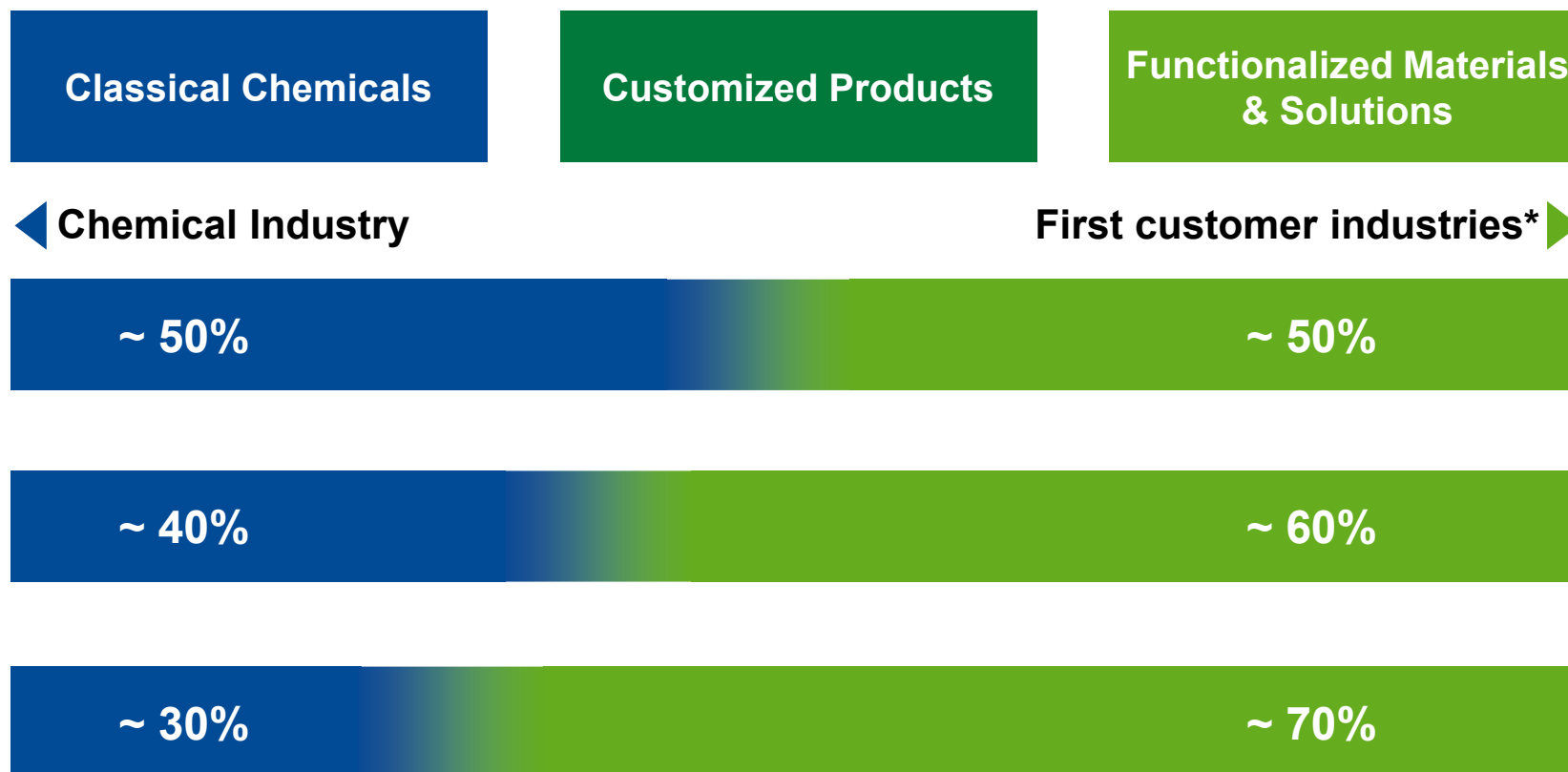
Functionalized Materials & Solutions

Integration of competencies in chemistry: R&D, technology, market knowledge and global access to customer industries

Battery materials, water solutions, crop protection agents, engineering plastics

Portfolio development

Moving downstream towards customer industries

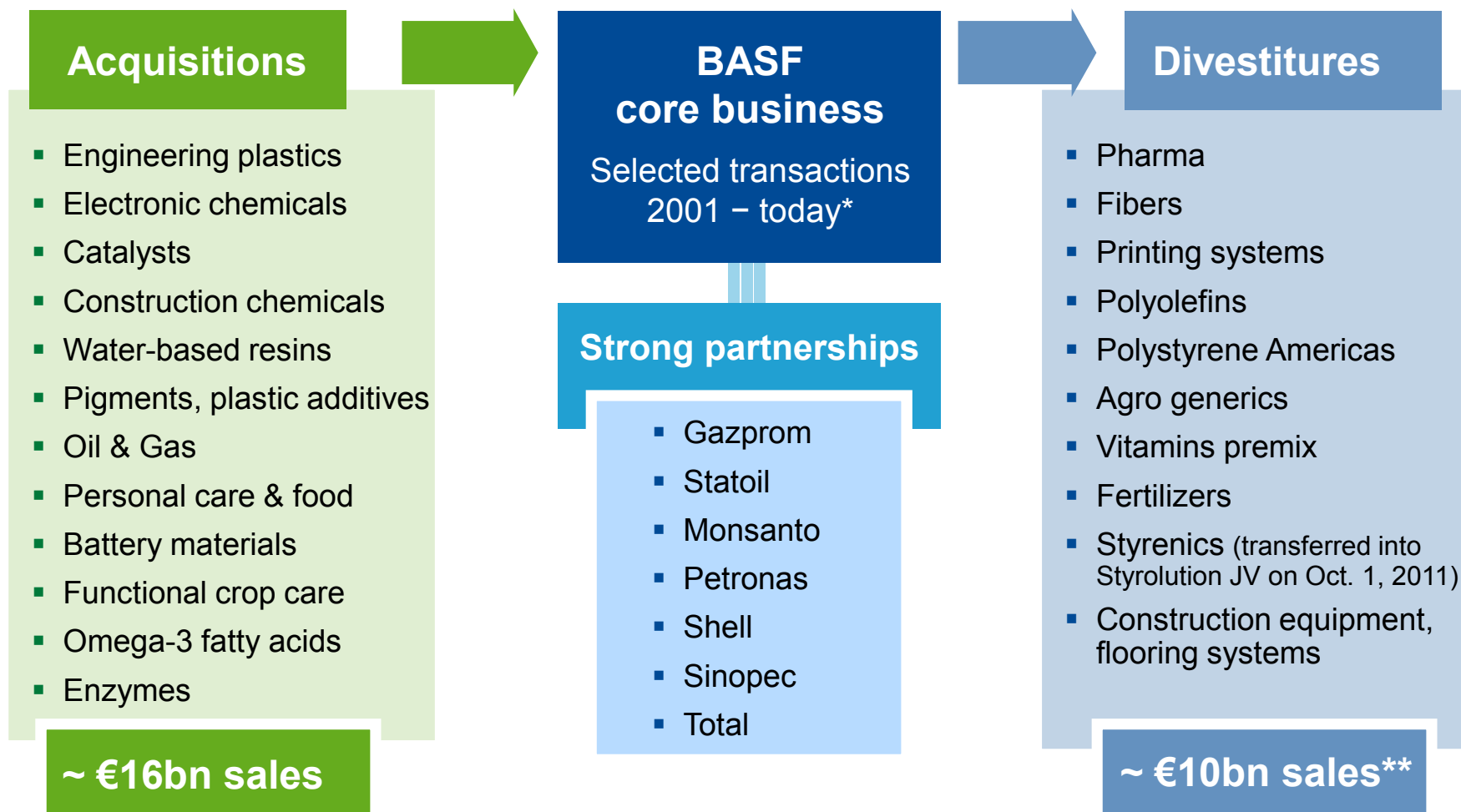


* Agriculture, Construction, Consumer Goods, Health & Nutrition, Electronics, Energy & Resources, Transportation

**Sales excluding Oil & Gas. Targets were published on November 29, 2011.

Portfolio development

Towards more market driven and innovative businesses



Market approach

Cross-divisional customer industry approach



BASF sales by first customer industry*

Consumer goods

> 15 %

Transportation

> 15 %

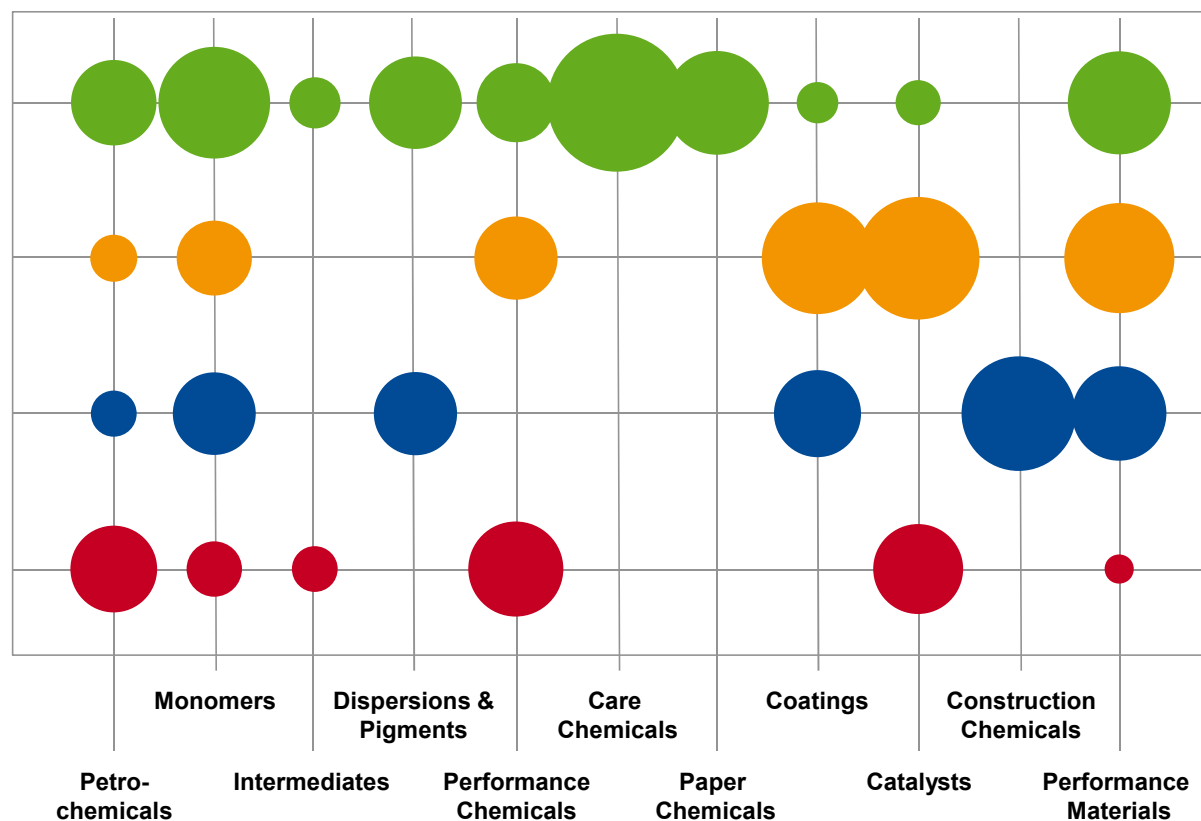
Construction

> 10 %

Energy & Resources

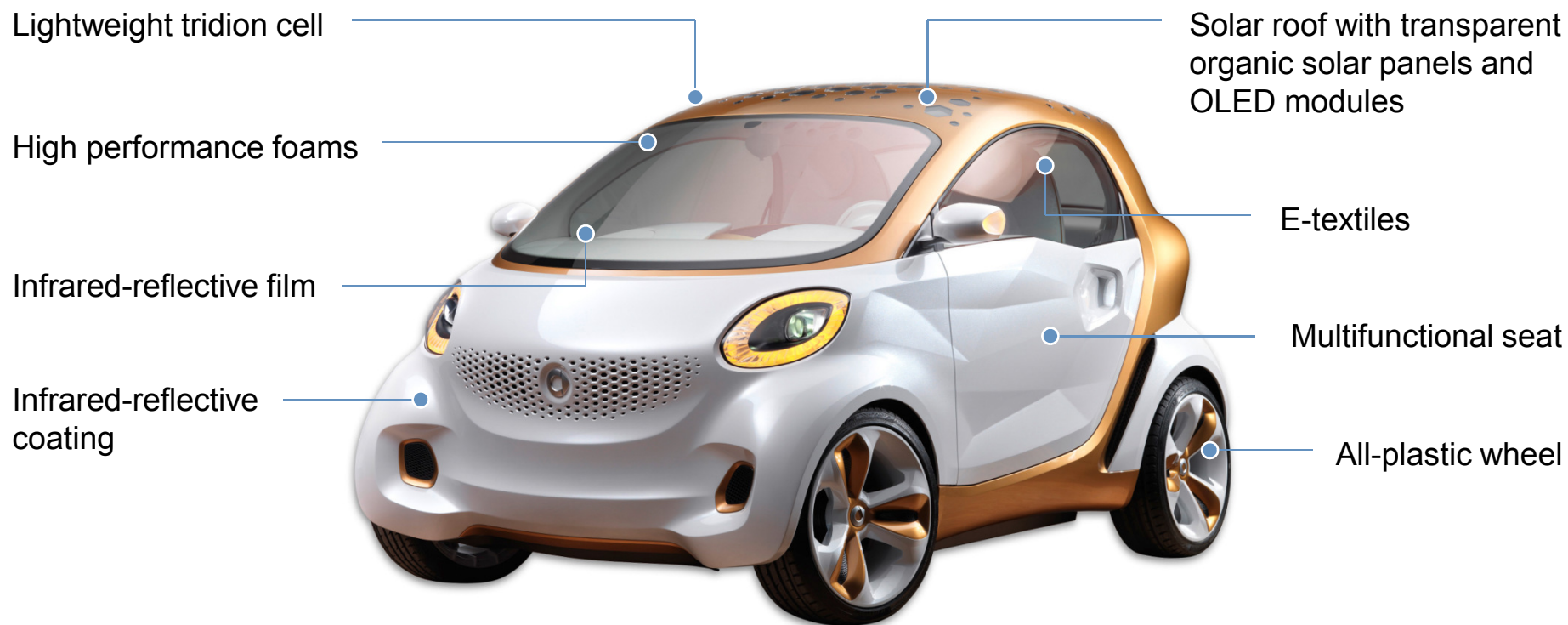
< 10 %

Bubble Size: BASF divisional sales by first customer industry**



Cross-divisional approach

BASF's technology Verbund combined with customer know-how



Daimler & BASF concept car 'Smartforvision'

Customer Verbund - adidas and BASF

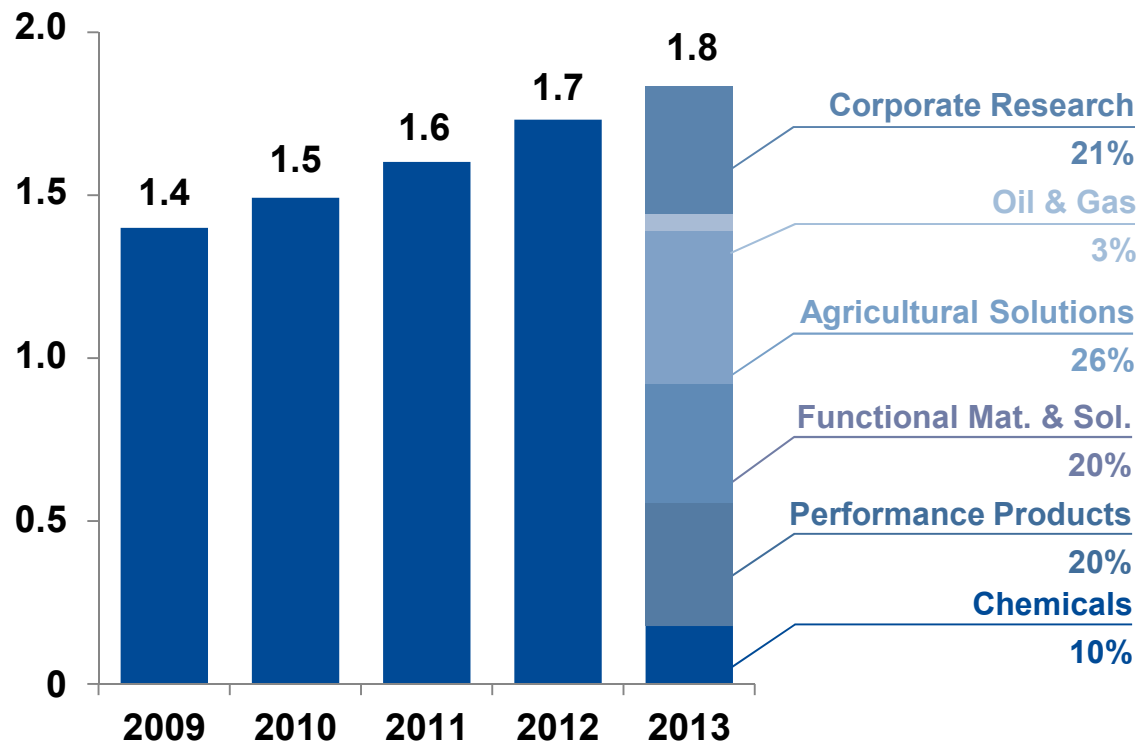
Working together for disruptive innovation: Infinergy™



Strong commitment to innovation

Innovations for a sustainable future

R&D expenditures in € billion



Key facts

- €1.8 billion R&D expenditure in 2013, further increase of R&D spending planned in 2014
- ~10,650 employees in R&D
- ~3,000 projects
- Research Verbund: Cooperations with ~600 excellent partners from universities, start-ups and industry
- Target 2015 and 2020:
 - €10 billion in sales from innovations younger 5 years
 - €30 billion in sales from innovations younger 10 years

Chemistry-based innovations

Growth and technology fields



Global needs

Key customer industries

Growth fields

Technology fields

Resources,
Environment
& Climate



Transportation



Agriculture



Construction



Energy & Resources

Food &
Nutrition



Consumer Goods



Electronics

Quality of Life



Health & Nutrition

Batteries for Mobility

Enzymes

E-Power Management

Functional Crop Care

Heat Management
for Construction

Lightweight Composites

Organic Electronics

Plant Biotechnology

Water Solutions

Wind Energy

...

Materials,
Systems &
Nanotechnology

Raw Material
Change

White
Biotechnology

Enabling technology: Battery Materials

Driving the future of electromobility

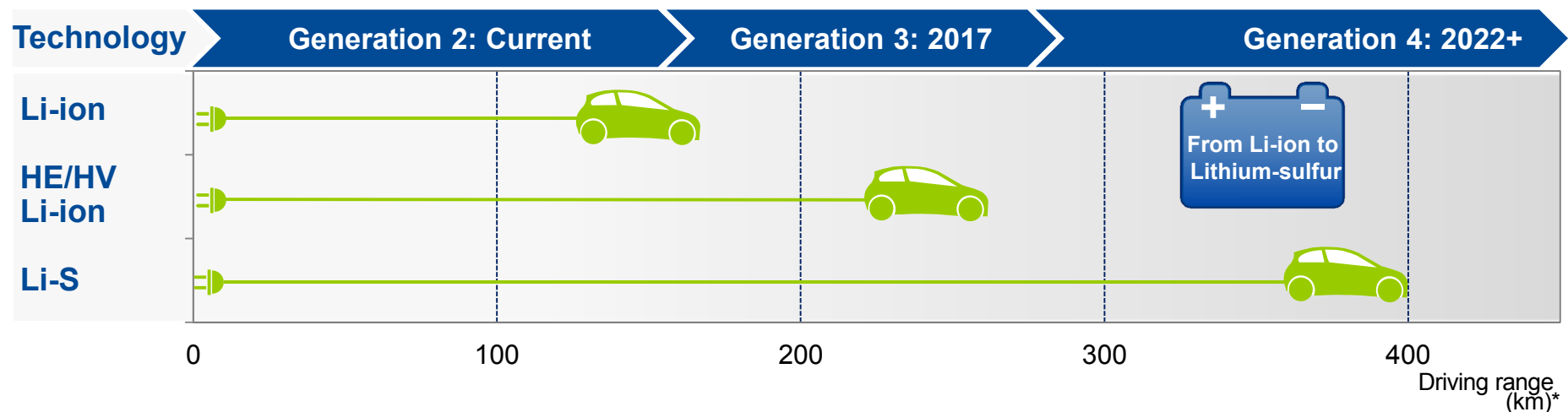
Business potential 2020

- Strategic relevant market: >€5 billion globally (~€4 billion in Asia Pacific)
- Sales potential BASF: >€500 million globally (~€350 million in Asia Pacific)

BASF activities

- Start of business unit „Battery Materials“ in 2012
- Several technology-driven acquisitions undertaken
- Three-digit million euro invest for R&D and production
- R&D network with universities / industrial partners

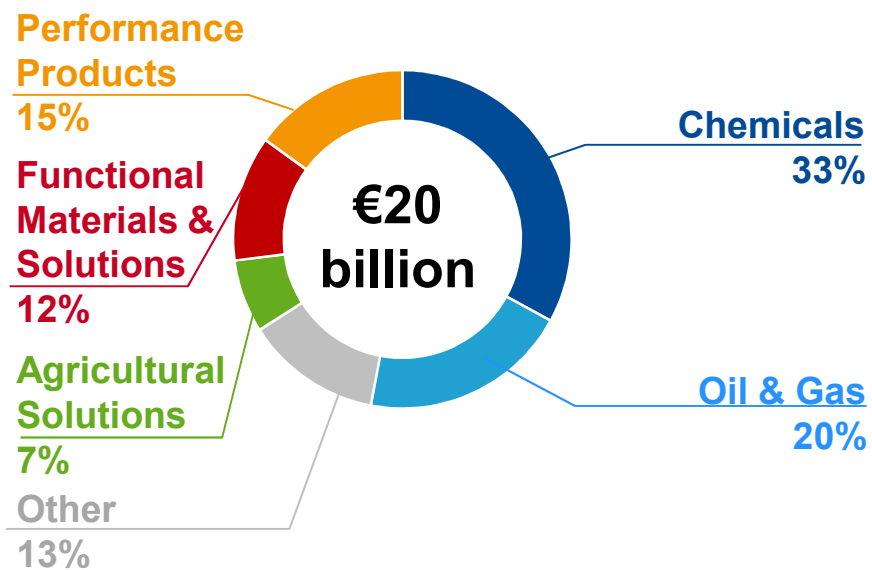
BASF's technology roadmap- Battery materials for today and tomorrow



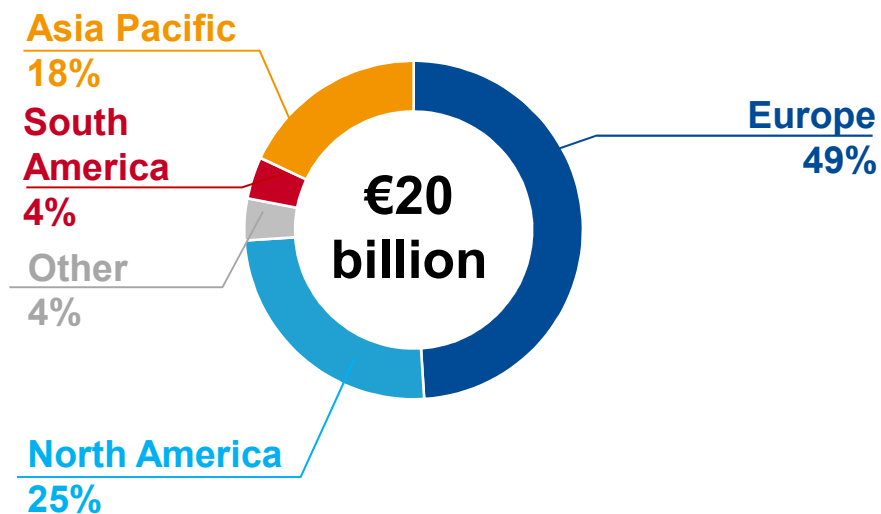
Investments

Capex budget 2014-2018 by segment and region*

Capex budget 2014-2018 by segment



Capex budget 2014-2018 by region



Investments

Major projects

Expansion Verbund site
Nanjing, China*



MDI plant
Chongqing, China



Acrylic acid complex
Camacari, Brazil



TDI plant
Ludwigshafen, Germany



Aroma Ingredients
Kuantan, Malaysia



Expansion oil & gas
activities



Sales share from emerging markets to further increase



*BASF definition: Developed markets include EU15, Norway, Switzerland, North America, Japan, Australia, New Zealand

** Sales excluding Oil & Gas

Acquisitions

... will contribute to profitable growth in the future

We want to acquire businesses which ...

- Generate profitable growth above the industry average
 - Are innovation-driven
 - Offer a special value proposition to customers
 - Reduce earnings cyclicality
- Provide a minimum return on investment of 8% p.a. after tax
 - Are EPS accretive by year three at the latest

Strategic acquisition criteria

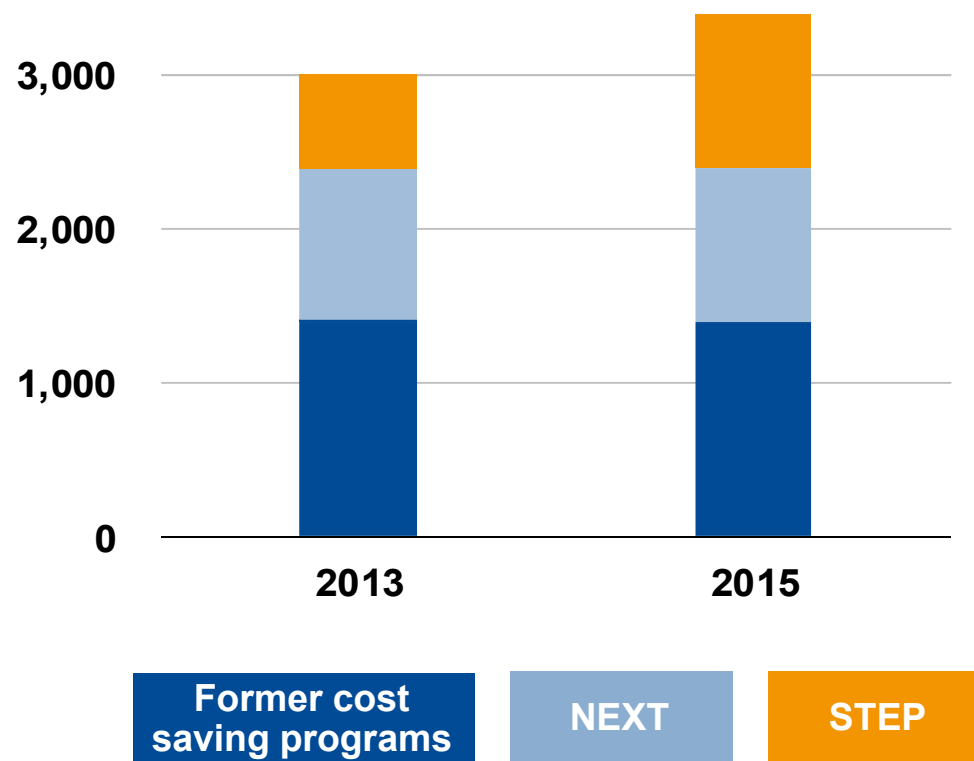
Financial acquisition criteria

Operational excellence programs

STEP program on track: ~€1 billion earnings contribution by 2015



Annual earnings contribution in € million



STEP program

- Targeted annual earnings contribution of ~€1 billion by end of 2015
- Optimization of processes and structures in all regions, e.g.
 - manufacturing, maintenance
 - supply chain
 - engineering, best-cost country sourcing
- Project timeline: 2012–2015
- Program is on track
- Total of ~€600 million achieved by the end of 2013
- One-time cost & investments: ~€1 billion

Restructuring in Performance Products

Announced measures to strengthen competitiveness



	Measures	
Leather and textile chemicals (March 18, 2013)	<ul style="list-style-type: none"> Establishment of global innovation center in China Optimization of various functions and relocation to Asia Pacific 	Reduction of ~500 positions by 2015
Water, oilfield and mining chemicals (March 27, 2013)	<ul style="list-style-type: none"> Establishment of global business unit to realize synergies Divestment of industrial water management business 	
Plastic additives and pigments (April 23, 2013)	<ul style="list-style-type: none"> Adjustments at sites in the Basel area to adapt to changed market conditions Downsizing of R&D activities 	
Pigments (October 23, 2013)	<ul style="list-style-type: none"> Optimization of global production network Closure, restructuring and evaluation of strategic options for production assets 	Reduction of ~650 positions by 2017
Paper chemicals (January 23, 2014)	<ul style="list-style-type: none"> Shutdown of latex production in Europe Ongoing portfolio optimization 	Reduction of ~250 positions by 2015

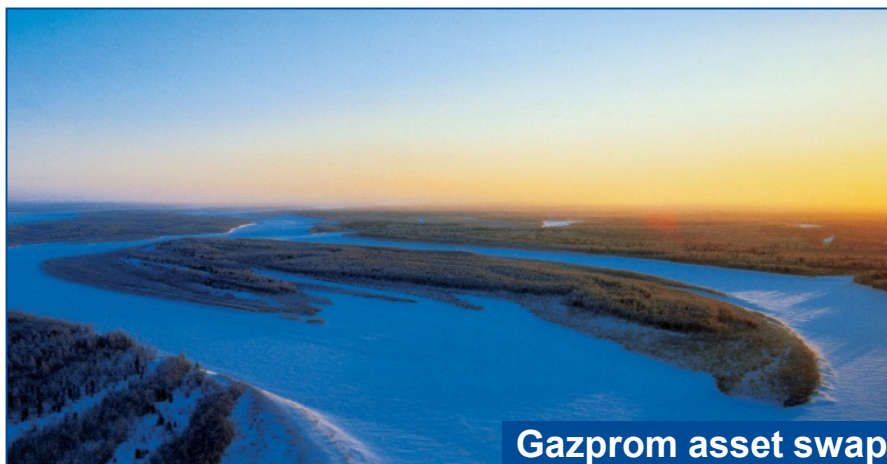
Appendix: Q4 2013 Reporting

Ongoing portfolio development

Upstream



Downstream

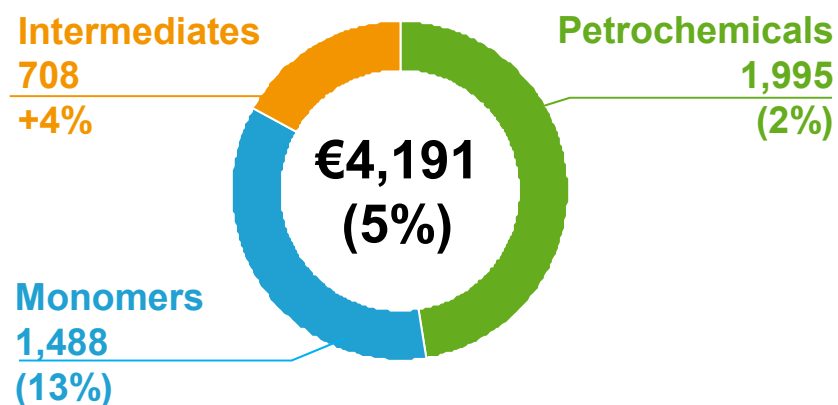


Chemicals

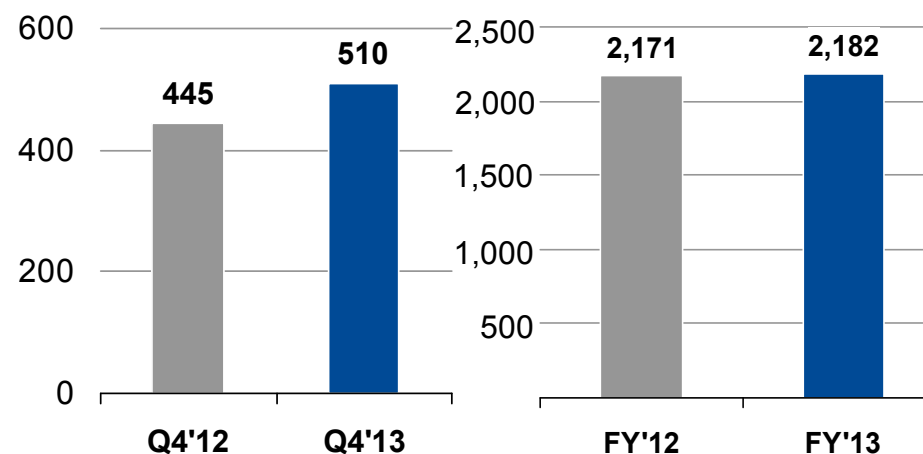
Significantly higher earnings due to better volumes and margins



Q4'13 segment sales (million €) vs. Q4'12



EBIT before special items (million €)



Sales development

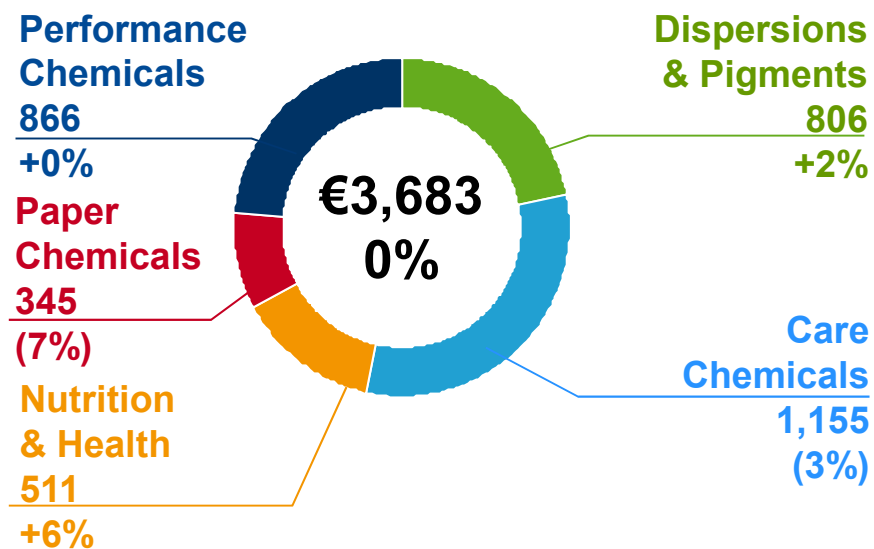
Period	Volumes	Prices	Portfolio	Currencies
Q4'13 vs. Q4'12	↑ 4%	↓ (6%)	0%	↓ (3%)
FY'13 vs. FY'12	0%	↓ (3%)	0%	↓ (2%)

Performance Products

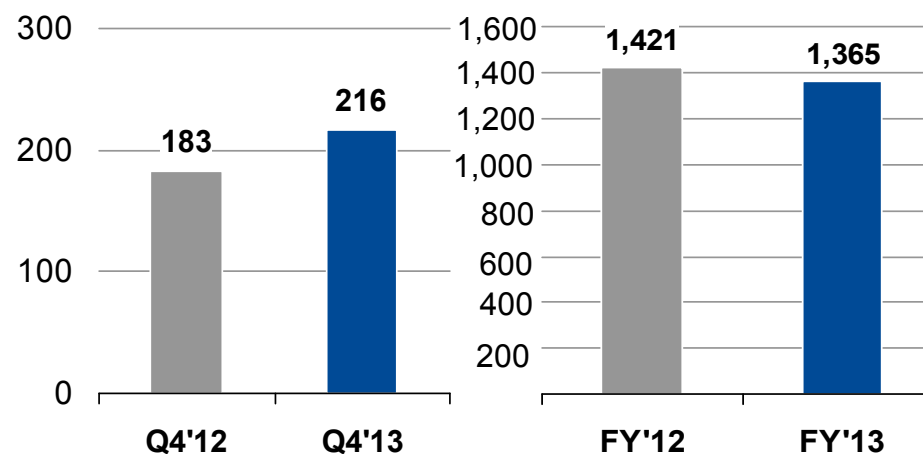
Volume growth and higher earnings despite currency headwinds



Q4'13 segment sales (million €) vs. Q4'12



EBIT before special items (million €)



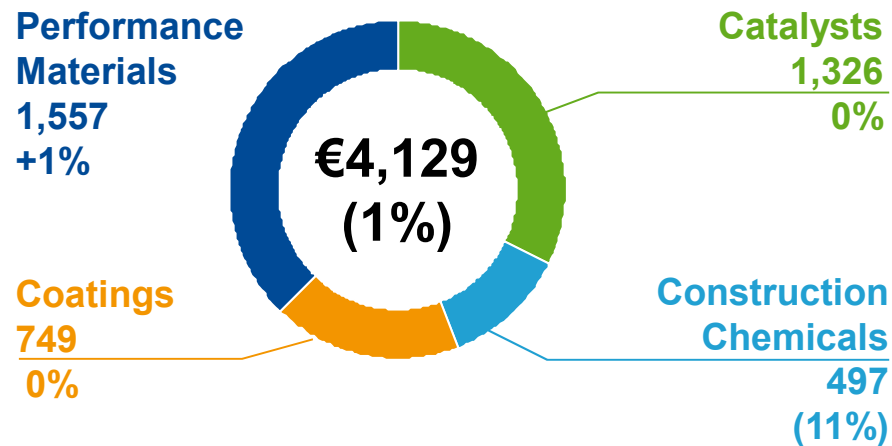
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q4'13 vs. Q4'12	↑ 5%	↓ (2%)	↑ 1%	↓ (4%)
FY'13 vs. FY'12	↑ 3%	↓ (2%)	↑ 1%	↓ (3%)

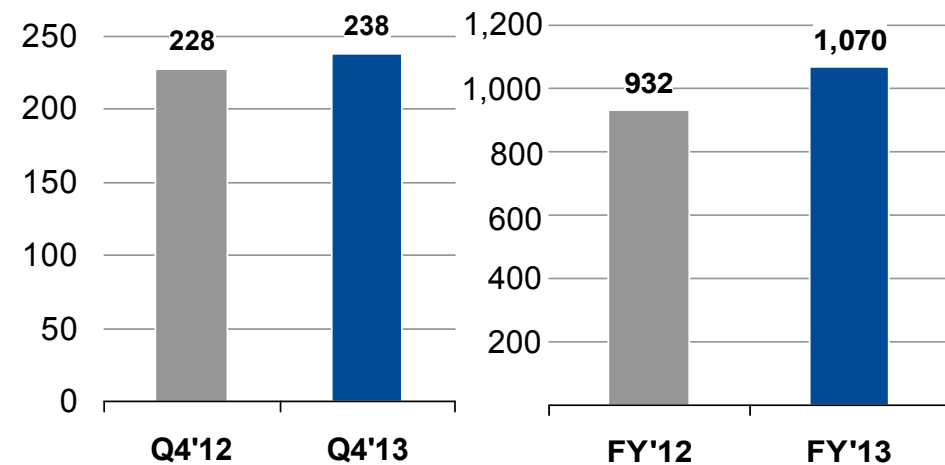
Functional Materials & Solutions

Strong automotive demand lifts volumes

Q4'13 segment sales (million €) vs. Q4'12



EBIT before special items (million €)



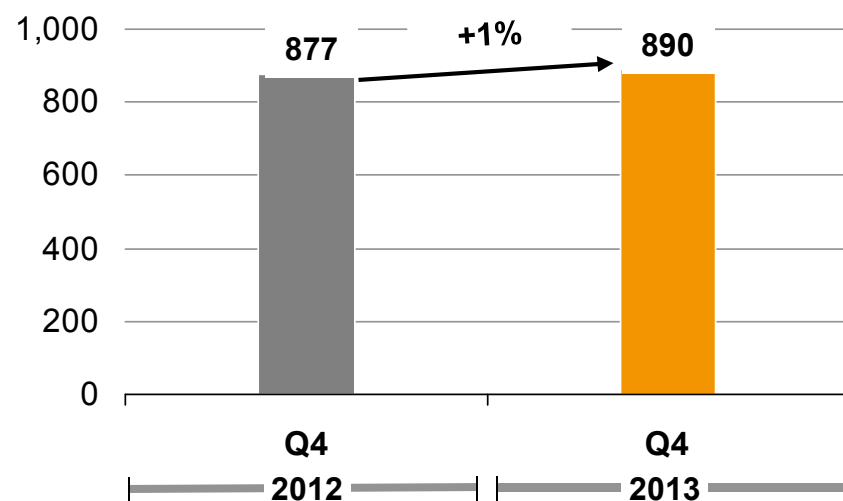
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q4'13 vs. Q4'12	↑ 5%	0%	↓ (1%)	↓ (5%)
FY'13 vs. FY'12	↑ 4%	↑ 1%	0%	↓ (4%)

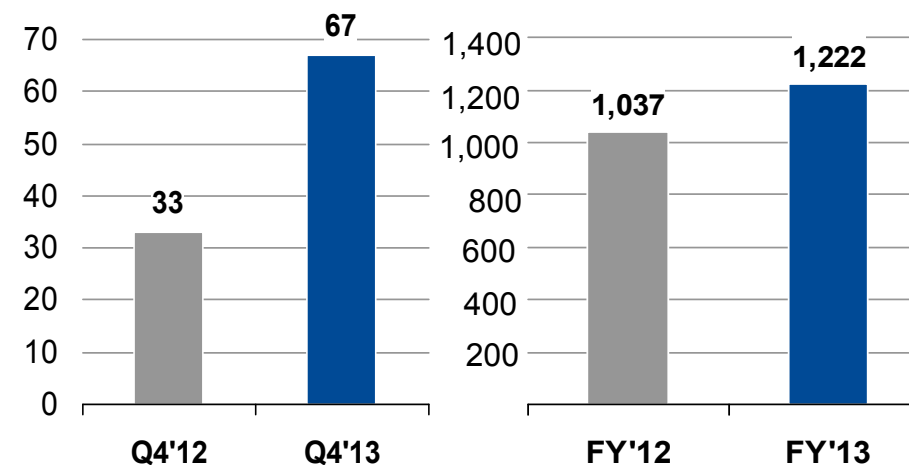
Agricultural Solutions

Successful fourth quarter: Earnings doubled

Q4'13 segment sales (million €) vs. Q4'12



EBIT before special items (million €)



Sales development

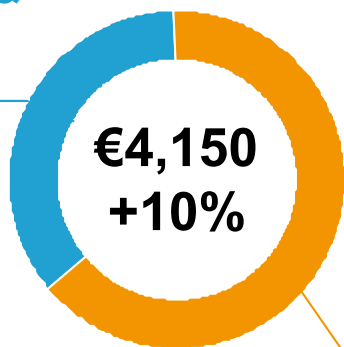
Period	Volumes	Prices	Portfolio	Currencies
Q4'13 vs. Q4'12	↑ 1%	↑ 2%	↑ 4%	↓ (6%)
FY'13 vs. FY'12	↑ 10%	↑ 3%	↑ 4%	↓ (5%)

Oil & Gas

Higher earnings due to increased production volumes

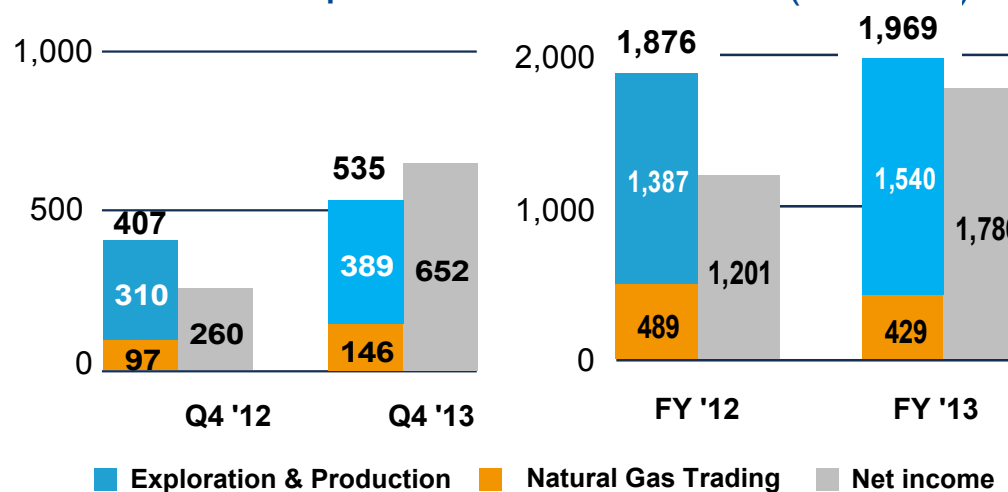
Q4'13 segment sales (million €) vs. Q4'12

Exploration & Production
861
+32%



Natural Gas Trading
3,289
+5%

EBIT before special items / Net income (million €)



Sales development

Period	Volumes	Price/Currencies	Portfolio
Q4'13 vs. Q4'12	↑ 7%	↓ (3%)	↑ 6%
FY'13 vs. FY'12	↑ 14%	↓ (1%)	↑ 3%

Review of 'Other'

(million €)	Q4 2013	Q4 2012	2013	2012
Sales	1,106	1,030	4,190	4,061
EBIT before special items	(114)	(67)	(618)	(790)
<i>Thereof corporate research</i>	<i>(102)</i>	<i>(105)</i>	<i>(386)</i>	<i>(391)</i>
<i>group corporate costs</i>	<i>(66)</i>	<i>(73)</i>	<i>(237)</i>	<i>(255)</i>
<i>currency results, hedges and other</i>	<i>(109)</i>	<i>(91)</i>	<i>(190)</i>	<i>(454)</i>
<i>valuation effects</i>				
<i>other businesses</i>	99	25	254	224
Special items	3	158	(46)	575
EBIT	(111)	91	(664)	(215)

Record operating cash flow in 2013

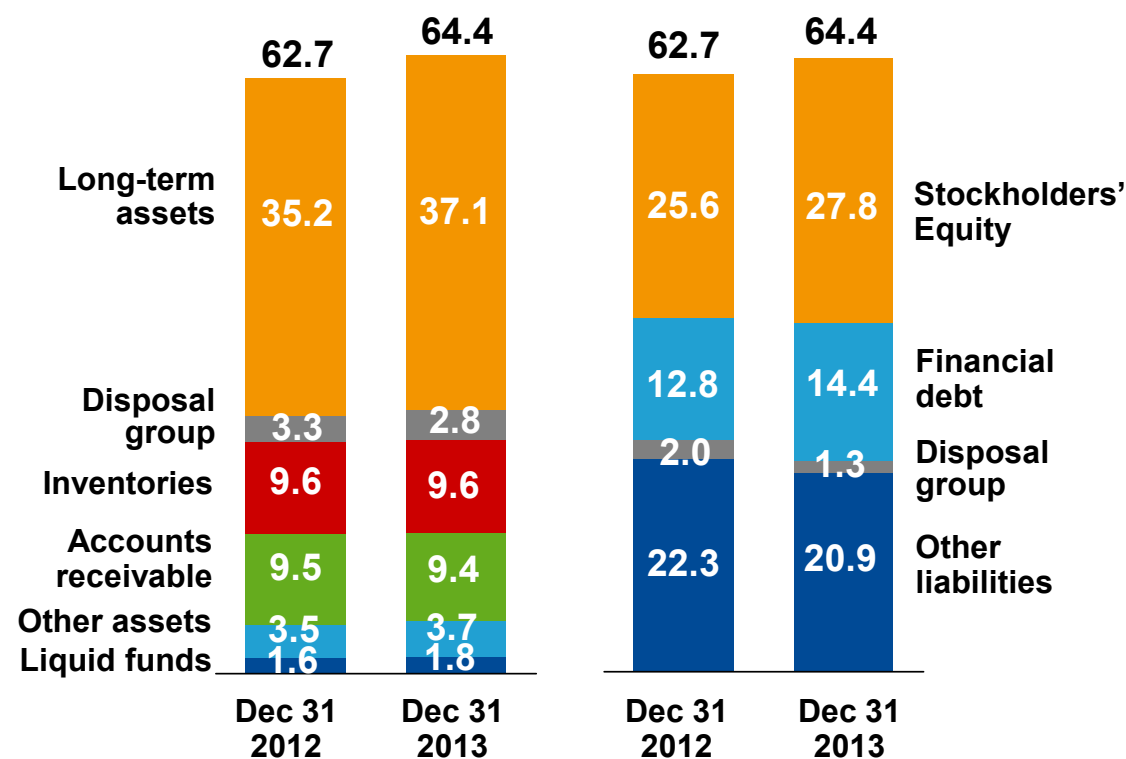
Million €	2013	2012
Cash provided by operating activities	7,870	6,602
<i>Thereof changes in net working capital</i>	805	(844)
<i>miscellaneous items</i>	(973)	(661)
Cash provided by investing activities	(5,769)	(3,977)
<i>Thereof payments related to tangible / intangible assets</i>	(4,660)	(4,015)
<i>acquisitions / divestitures</i>	(1,093)	(319)
Cash used in financing activities	(1,874)	(2,904)
<i>Thereof changes in financial liabilities</i>	828	(343)
<i>dividends</i>	(2,702)	(2,560)

2013

- Strong free cash flow of €3.2 billion, despite higher capex (+€0.6 billion)
- High shareholder remuneration; €2.7 billion paid in dividends to our shareholders and minority interest holders
- Increase in financial liabilities of ~€0.8 billion due to the issuance of several bonds as well as the \$1.25 billion US private placement at attractive rates

Balance sheet remains strong

Balance sheet 2013 vs. 2012 (billion €)



Highlights 2013

- Increase in long-term assets by €1.9 billion, due to capex and acquisitions
- Decline in pension provisions by €1.7 billion due to increased discount rates
- Financial debt increased by €1.6 billion reflecting issuance of bonds and private placements
- Net debt: €12.6 billion
- Net debt/EBITDA ratio: 1.2
- Equity ratio: 43.2% (2012: 40.8%)

Outlook 2014

Expectations for the global economy

	Forecast 2014	2013
GDP	2.8%	2.3%
Chemicals (excl. pharma)	4.4%	4.6%
Industrial production	3.7%	2.5%
US\$ / Euro	1.30	1.33
Oil price: Brent (US\$ / bbl)	110	109

Outlook 2014 by region

Chemical production (excl. pharma)

	Forecast 2014	2013
World	4.4%	4.6%
EU	1.1%	0.0%
USA	2.8%	3.2%
Asia (excl. Japan)	7.2%	8.5%
Japan	2.5%	1.8%
South America	2.4%	1.3%

Outlook 2014

Forecast by segment

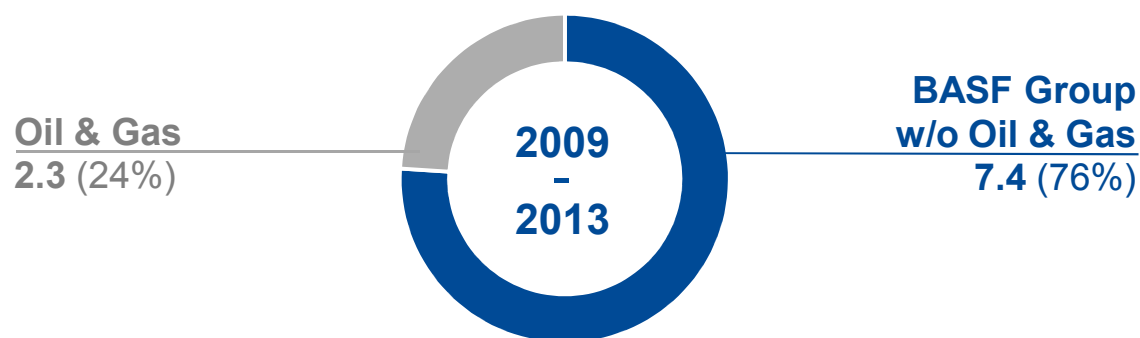
(million €)	EBIT before special items	
	2013	Forecast 2014
Chemicals	2,182	slight decrease
Performance Products	1,365	considerable increase
Functional Materials & Solutions	1,070	considerable increase
Agricultural Solutions	1,222	slight increase
Oil & Gas	1,969	slight increase
Other	(618)	slight decrease
BASF Group	7,190	slight increase

With respect to EBIT before special items, “slight” means a change of 1-10%, while “considerable” is used for changes greater than 11%. “At prior-year level” indicates no change (+/-0%).

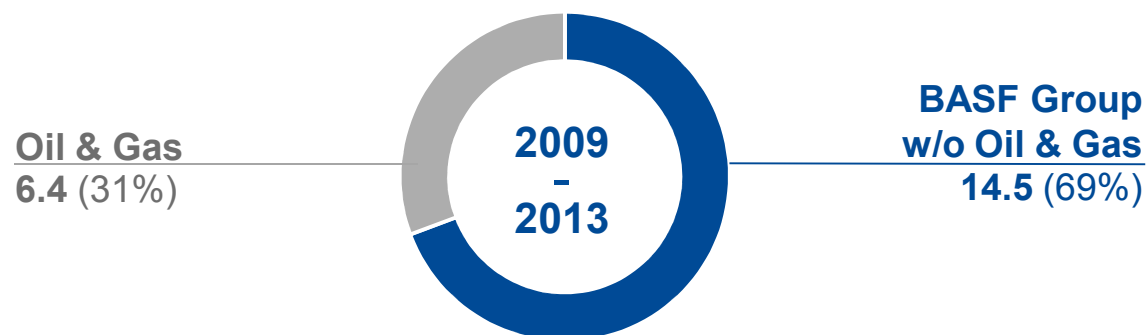
Appendix: Update Oil & Gas

EBITDA and capex share of Oil & Gas in BASF portfolio

Average EBITDA* 2009-2013 (billion €)



Cumulative capex** (plant, property, equipment)** (billion €)



Key facts

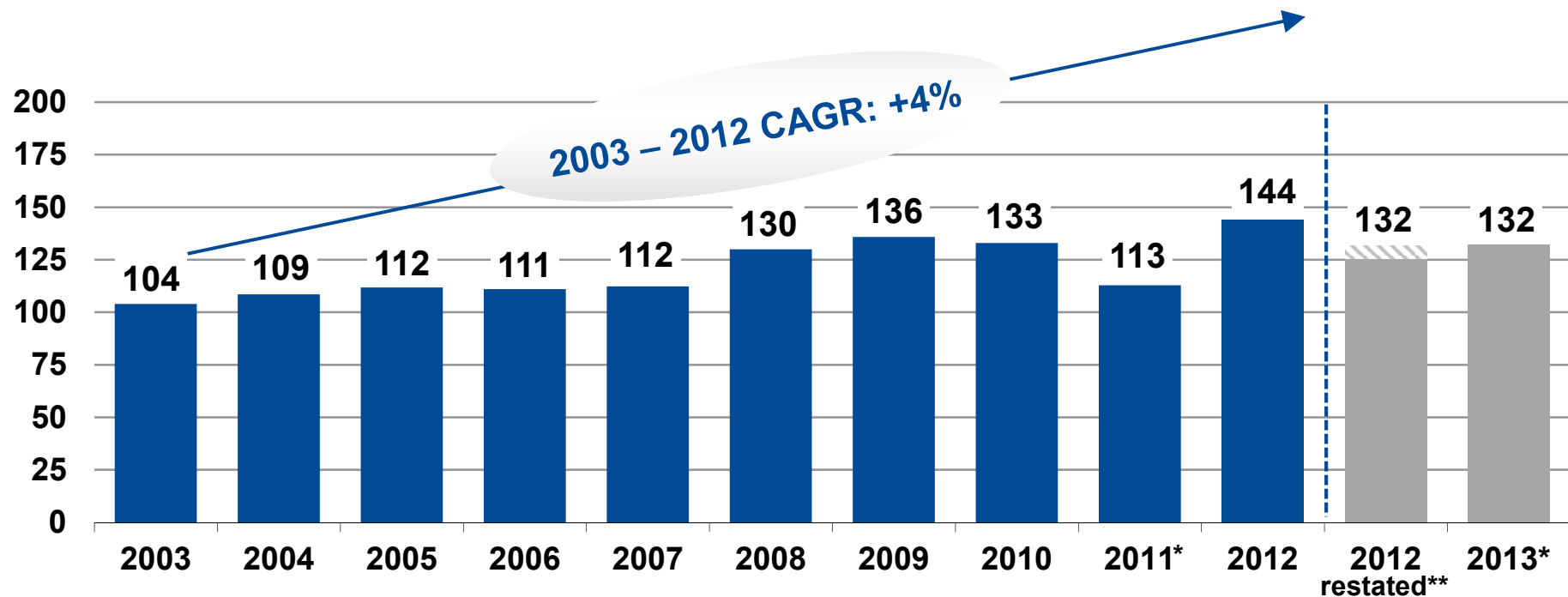
- 2009-2013:
 - Oil & Gas: Solid profit contributor to BASF Group
 - Oil & Gas accounted for 31% of BASF Group capex
- EBITDA share of Oil & Gas in BASF's portfolio expected to remain in the same order of magnitude in the upcoming years
- Capex share of Oil & Gas business in BASF portfolio will decline

* Excluding non-deductible oil taxes

** Including additions to property, plant, equipment resulting from acquisitions, capitalized exploration, restoration obligations and IT investments

Oil & Gas – Continuous production growth

Production (million boe)

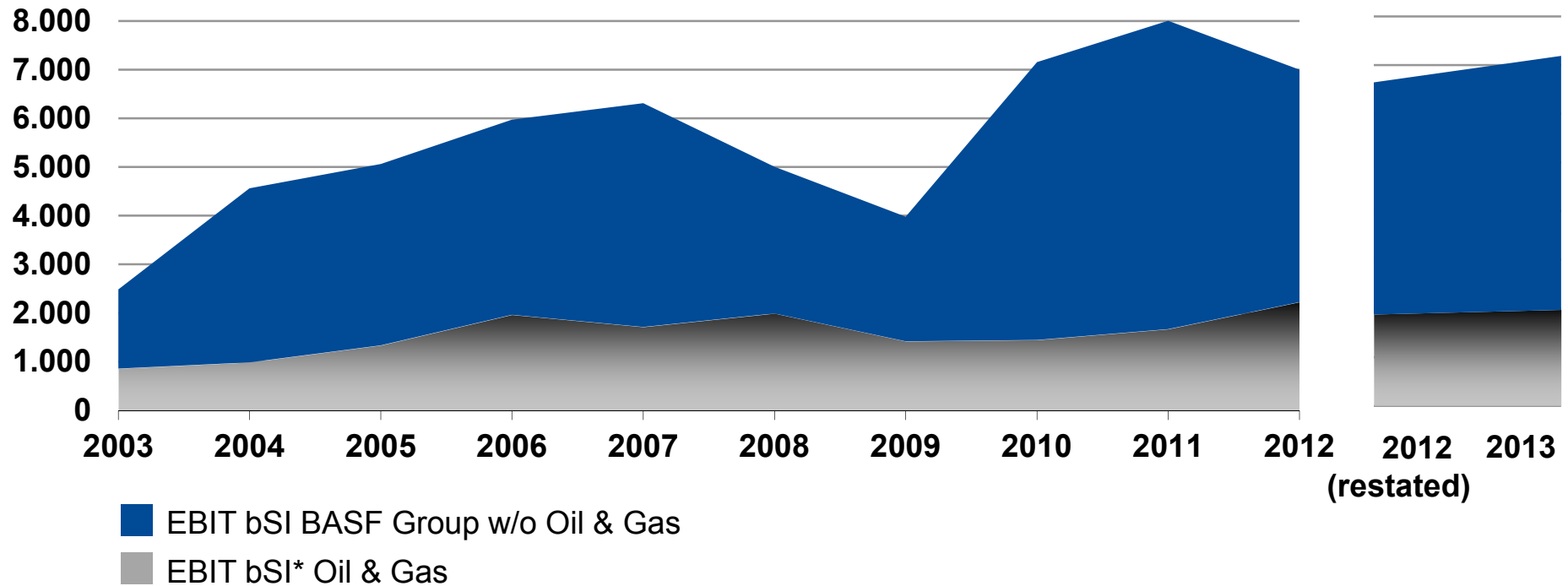


* Oil production in Libya suspended from February to October 2011 and in 2013 since end of July
** Restated figures for 2012 adjusted to changes in IFRS and adjusted to new conversion factor from m³ gas to barrel of oil equivalent (5,600 scf=1 boe instead of 6,000 scf=1 boe)

Oil & Gas provides earnings stability

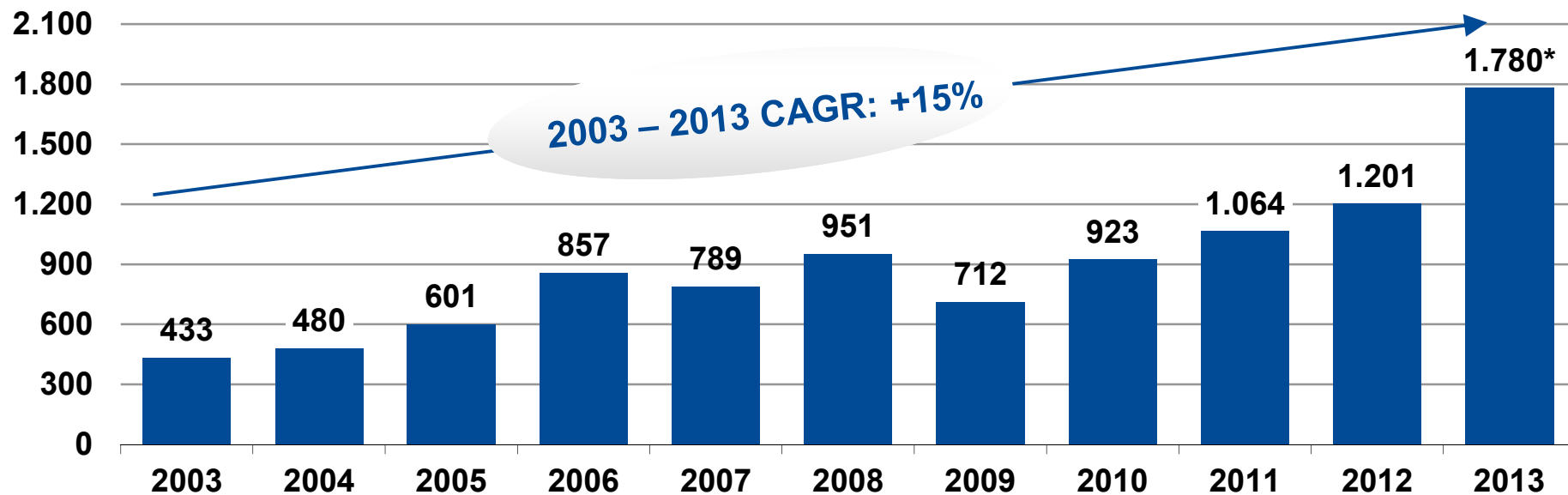
EBIT before special items BASF Group* (million €)

Excluding non-compensable taxes on oil production



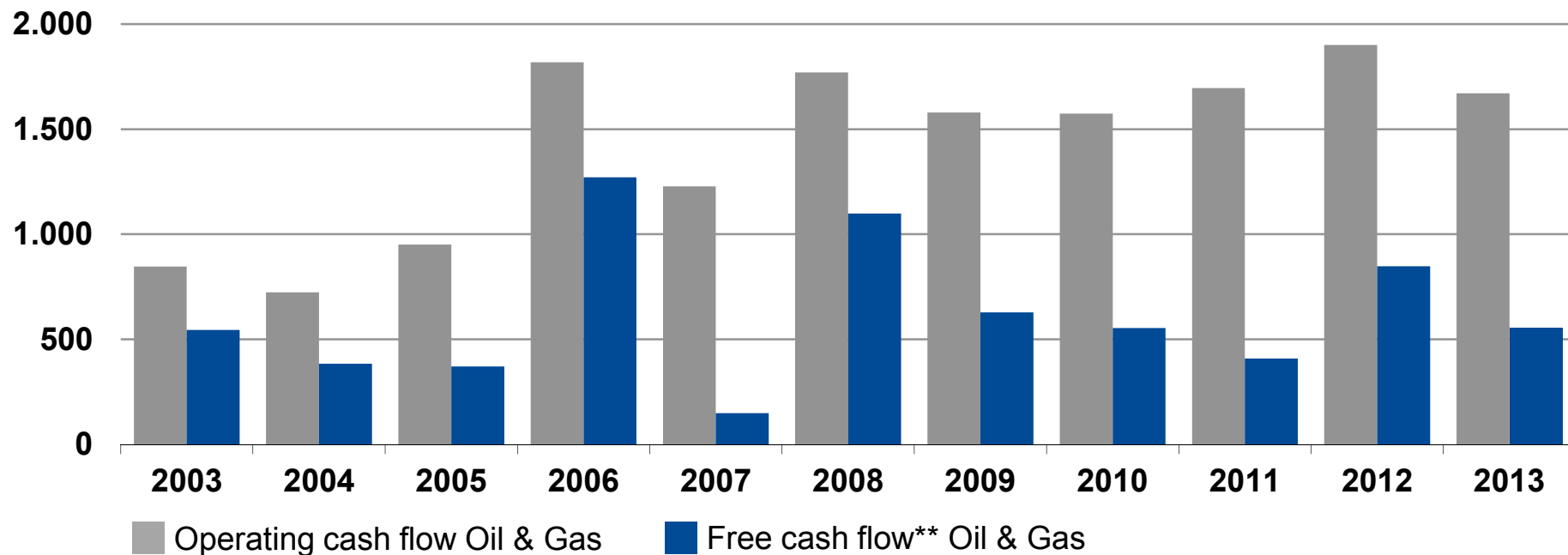
Strong earnings contribution from Oil & Gas

Net income Oil & Gas (million €)



Oil & Gas – Strong free cash flow contribution to BASF Group

Cash flow Oil & Gas* (million €)



~45% of operating cash flow delivered to BASF Group (Avg. 2003-2013)

Oil & Gas – Focus on upstream activities

Oil & Gas Value Chain

Upstream

Downstream

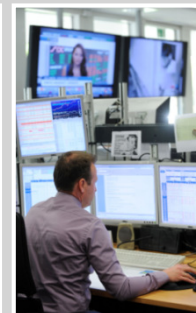
Exploration / Development / Production



Transport

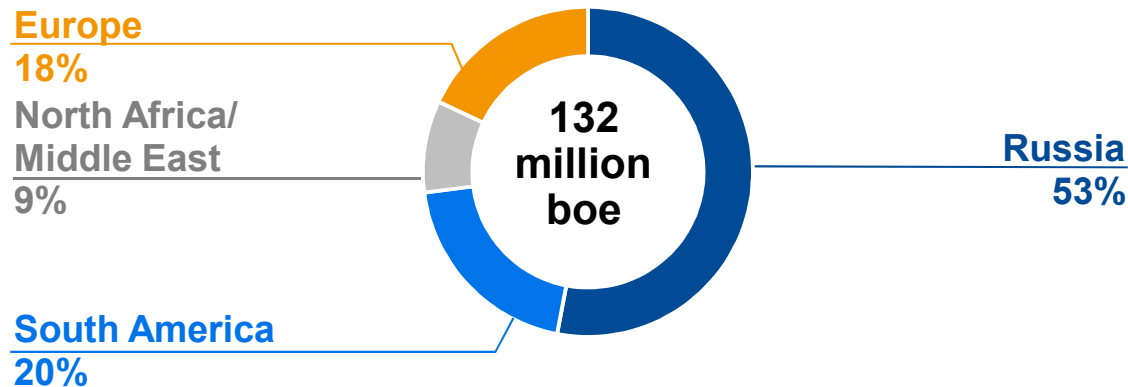


Storage / Trading

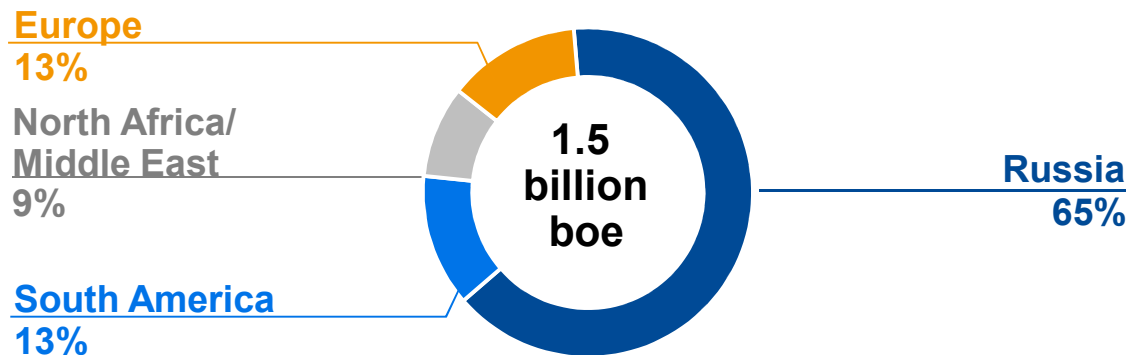


Exploration & Production – Regional footprint 2013 (1)

Production by region 2013 (million boe)



Proved 1P reserves by region 2013 (billion boe)



Production

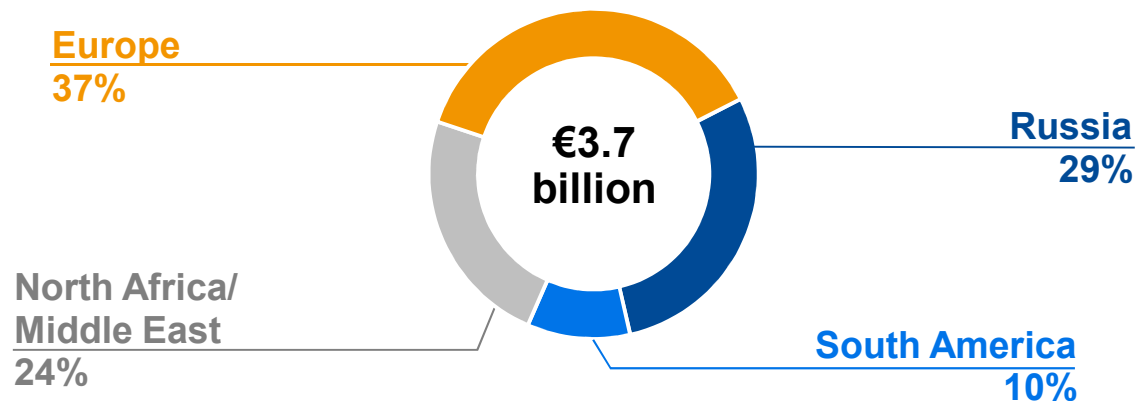
- Russia stands for roughly 50% of total production
- In 2013, natural gas accounted for approx. 75% of total production

Reserves

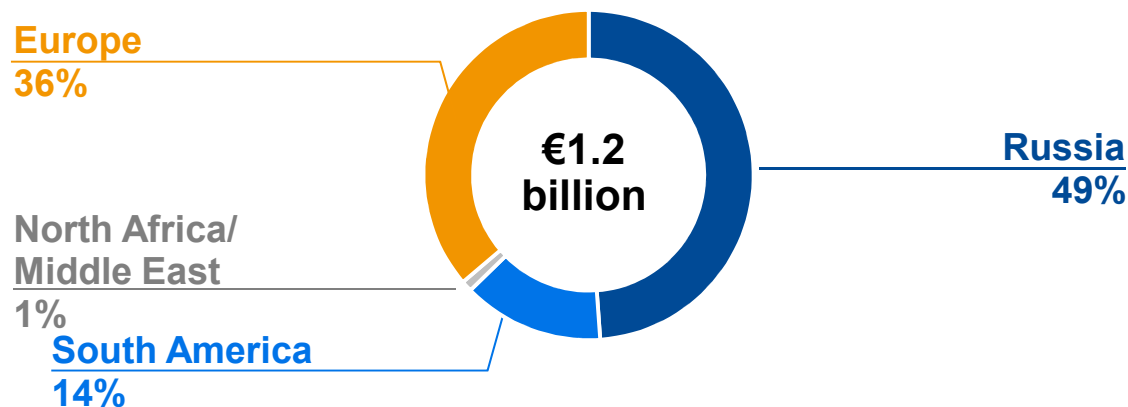
- Russia provides strong reserve base
- Gas accounts for roughly 80% of total reserves

Exploration & Production – Regional footprint 2013 (2)

Sales E&P by region 2013 (million €)



Net income E&P by region 2013 (million €)



Sales

- Europe account for around 40% of sales

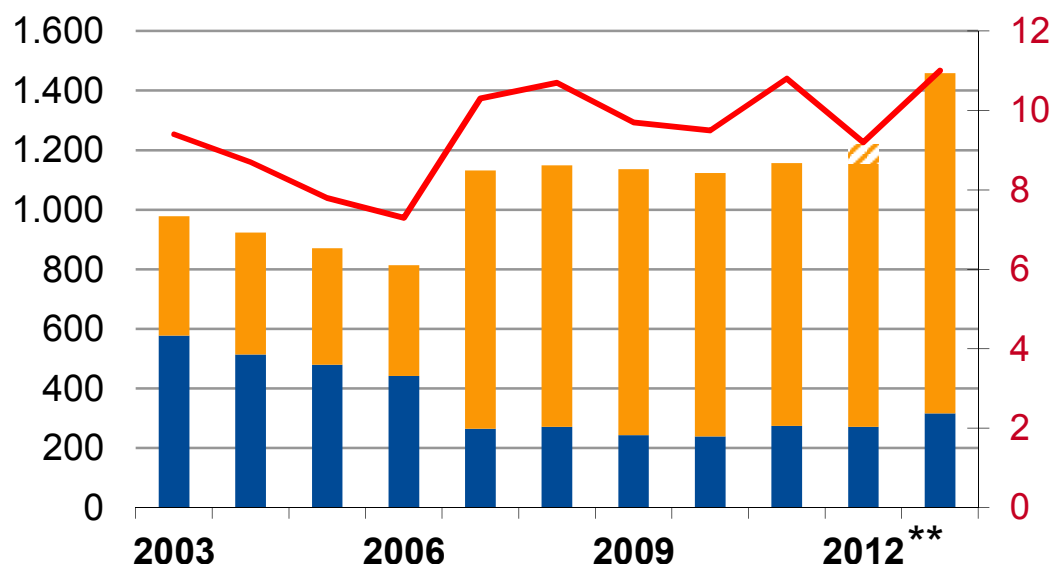
Net income

- Russia is strongest earnings contributor, including at-equity income of €82 million, mainly from Yuzhno Russkoye

Exploration & Production – Increased reserve base

1P Reserves* (million boe)

R/P (years)



Reserve Replacement Rate (RRR, in percent)

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
102	50	52	48	389	116	89	89	131	100	280

Oil Natural gas R/P

Key facts

- R/P ratio increased to 11 years
- Total 1P reserves (2013) 1,458 million boe
- Gas accounts for roughly 80% of total reserves
- Strong contribution to reserve replenishment from assets in Russia and Norway
- Participation in Yuzhno Russkoye led to strong increase in reserves in 2007
- Asset swap with Gazprom in 2007 reduced oil reserves significantly***

* According to SEC guidelines; Libya onshore 51%

** Adjusted to new conversion factor from m³ gas to barrel of oil equivalent (5,600 scf=1 boe instead of 6,000 scf=1 boe)

*** Gazprom received a minority interest of 49% in a subsidiary of Wintershall, which holds the rights of the onshore concessions (C96/C97) in Libya

Russia – Asset swap with Gazprom (Achimov Blocks IV and V)

- Expansion of successful partnership with Gazprom
- Strengthening of E&P activities by acquiring shares in Blocks IV and V in the huge Achimov formation
- Exit of natural gas trading and storage business by transferring Wintershall shares to Gazprom
- EU commission granted unconditional approval in December 2013
- Transaction financially retroactive to April 1, 2013. Closing expected to take place mid-2014
- Key field data:
 - Total resources: 2.4 billion boe
 - Plateau production: >8 million cubic meters natural gas*
 - Production start: 2016 planned
 - Wintershall share: 25% plus one share



Transaction with Statoil closed* – Significant increase in cash flow and EBIT

Production increase by
~37,000 boepd

Operatorship of
Brage platform



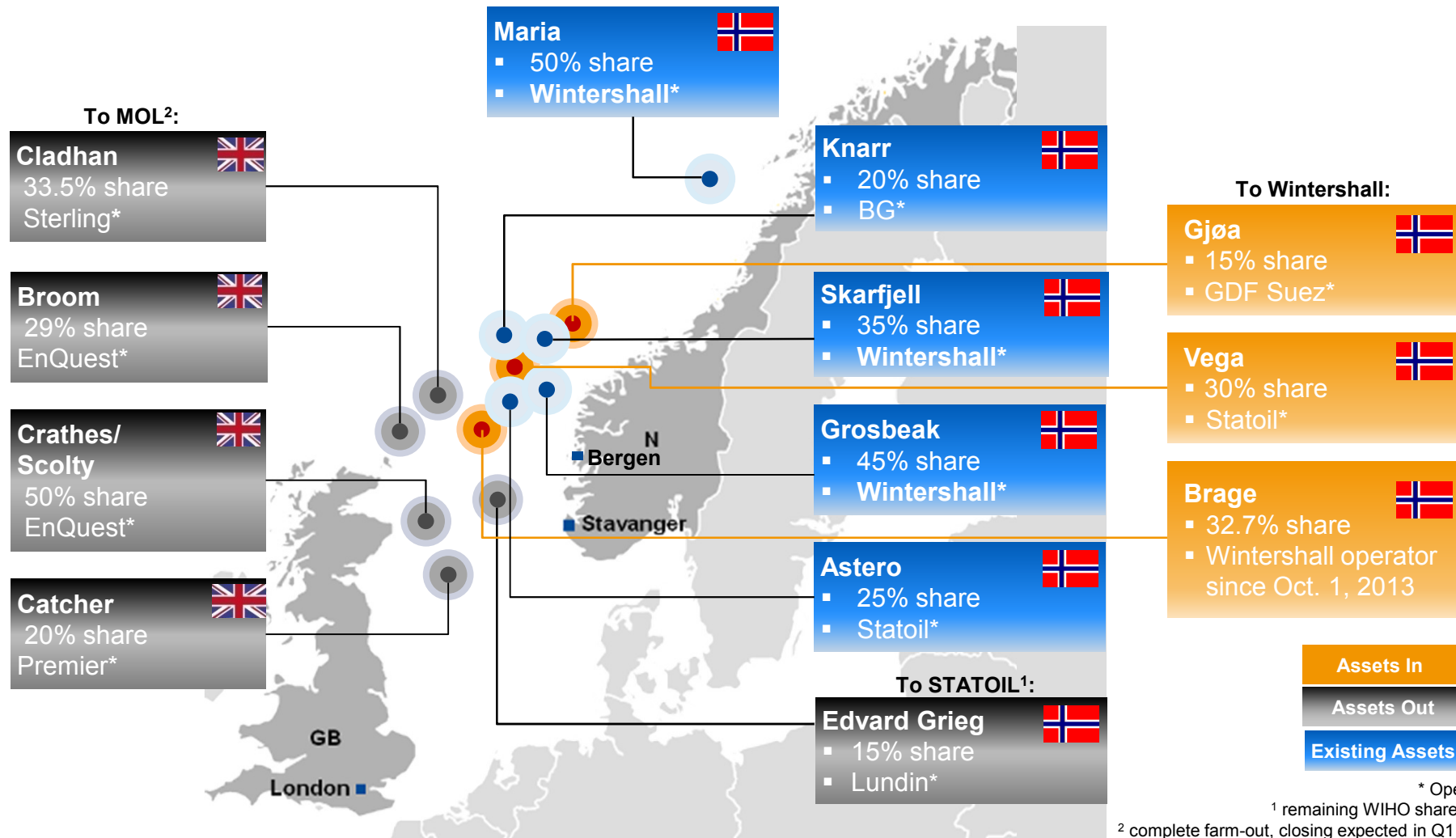
Compensation
payment
~€588 million**

* Closed on July 31, 2013

** Agreed upon compensation payment of €853 million reduced to €588 million by earnings of the three fields (Vega, Gjøa and Brage) generated in the first seven months of 2013.

In addition, Wintershall assumes a tax liability in 2014 of around \$300 million related to these profits.

Portfolio optimization in the northern North Sea



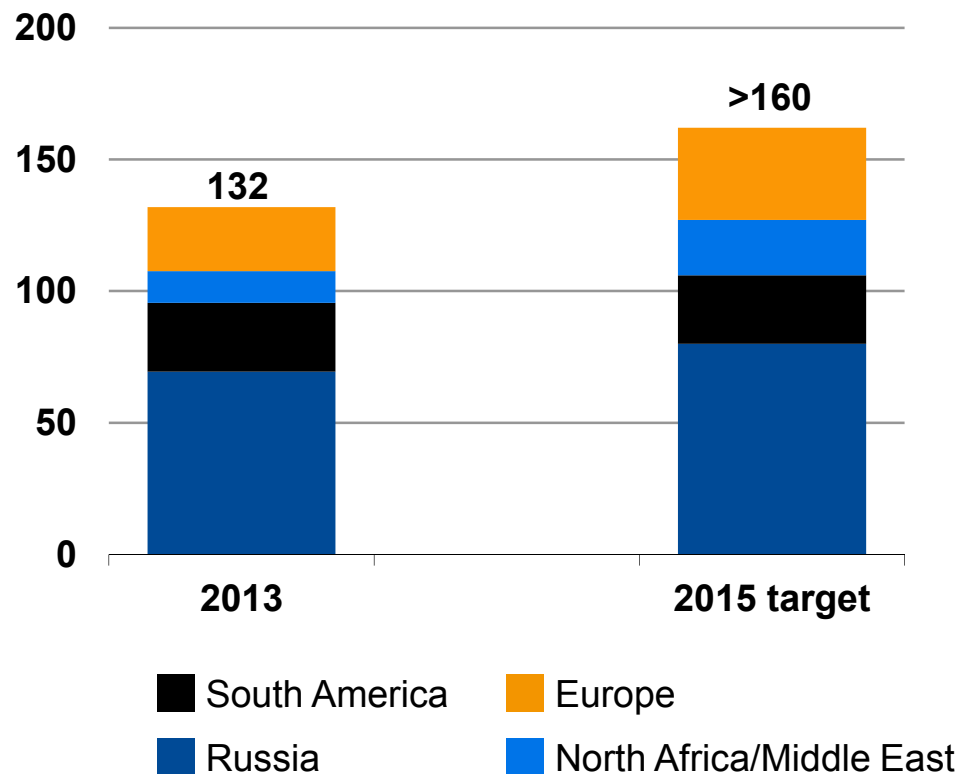
* Operator

¹ remaining WIHO share 15%

² complete farm-out, closing expected in Q1 2014

Exploration & Production – Excellent further growth opportunities

Production volumes (million boe)



Key Facts

- 2015 target maintained despite restatement in 2012 caused by changes in IFRS (Effect*: -18 million boe in 2012)
- Continue to significantly invest in core and development regions
- E&P Capex 2014-2018
~€4 billion**

* Libya onshore production @51%

** Without Capex in financial participations

BASF's Oil & Gas division – Summary and roadmap 2015

- **Ambitious growth target for 2015 despite restatement**
- **Strong portfolio with access to high potential acreage**
- **Solid project pipeline / focus on execution & operational excellence**
- **Low risk strategy with focus on regions of expertise and limited exploration risk**
- **Powerful partnerships in key regions**
- **Reduction of downstream / natural gas trading exposure**



The Chemical Company