

150 years

 **BASF**

We create chemistry

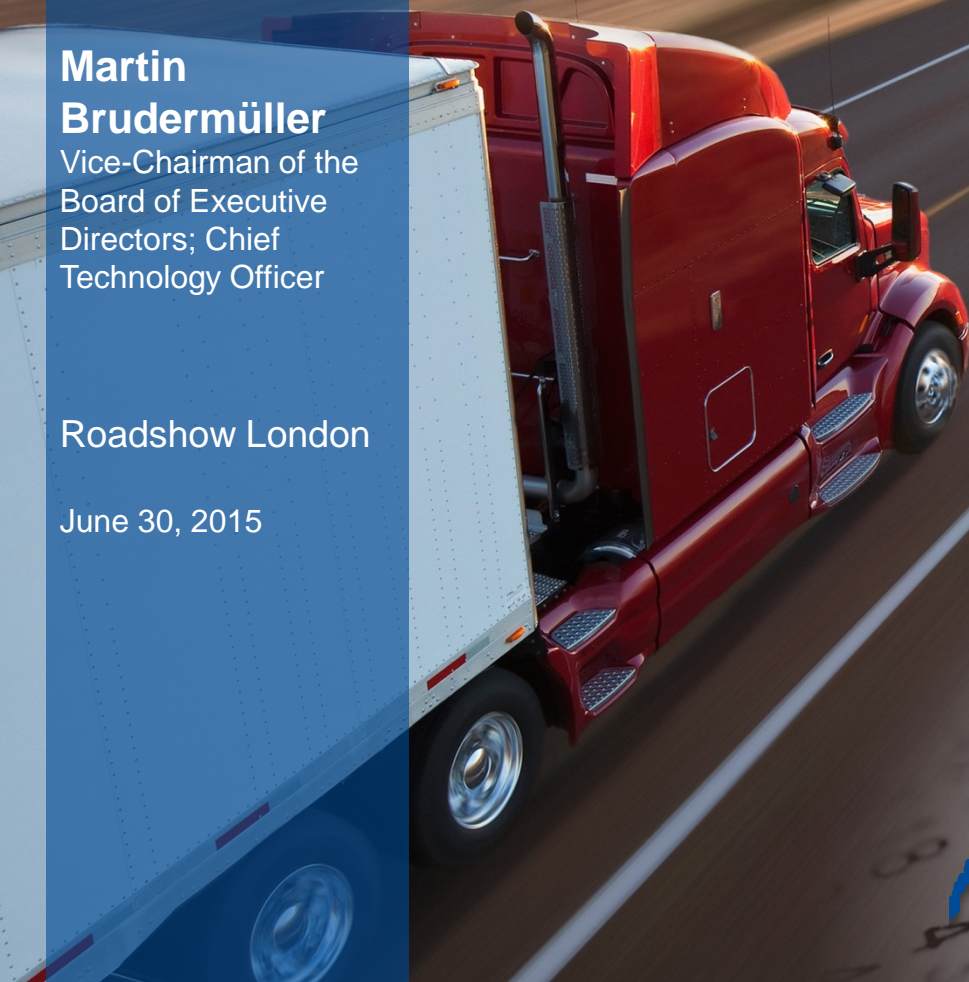
We add value
as *one* company

**Martin
Brudermüller**

Vice-Chairman of the
Board of Executive
Directors; Chief
Technology Officer

Roadshow London

June 30, 2015



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, €7.4 billion EBIT bSI in 2014
- #1-3 in ~70% of businesses, in almost all countries
- 6 integrated Verbund sites, production in 60 countries

Performance



- A track record of strong sales and earnings growth
- 12% average annual dividend increase, >3% yield in every single year*
- ~€80 billion market capitalization May 2015

Perspective



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

BASF today – a well-balanced portfolio

Total sales 2014: €74 billion

Percentage of sales 2014*

23%



Chemicals

- Petrochemicals
- Monomers
- Intermediates

21%



Performance Products

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

24%



Functional Materials & Solutions

- Catalysts
- Construction Chemicals
- Coatings
- Performance Materials

7%



Agricultural Solutions

- Crop Protection

20%



Oil & Gas

- Exploration & Production and Natural Gas Trading

* Not depicted here: ~5% of Group sales reported as 'Other'. Paper Chemicals results have been incl. in Performance Products until the end of 2014. Thereafter Paper Chemicals has been dissolved.

Strategy – Our purpose

Sustainability is an integral part of our strategy

We create chemistry
for a sustainable future

Sustainable Development

Economy



Ecology



Social
Responsibility



Verbund: Unique competitive advantage

Verbund generates >€1 billion p.a. global cost savings* & supports sustainability



Energy Verbund
>€300 million
annual cost savings



Logistics Verbund
>€600 million
annual cost savings



Infrastructure Verbund
>€100 million
annual cost savings

Global reduction in carbon emissions of 6 million metric tons/a. and reduction of waste

Example Ludwigshafen site:
avoidance of 7 million metric tons of freight/a.
= 280,000 fewer truckloads

Shared use of on-site facilities:
fire department, security, waste water treatment and analytics

Business review

Growth levers

BASF with good quarterly results in the chemicals and crop protection businesses

150 years



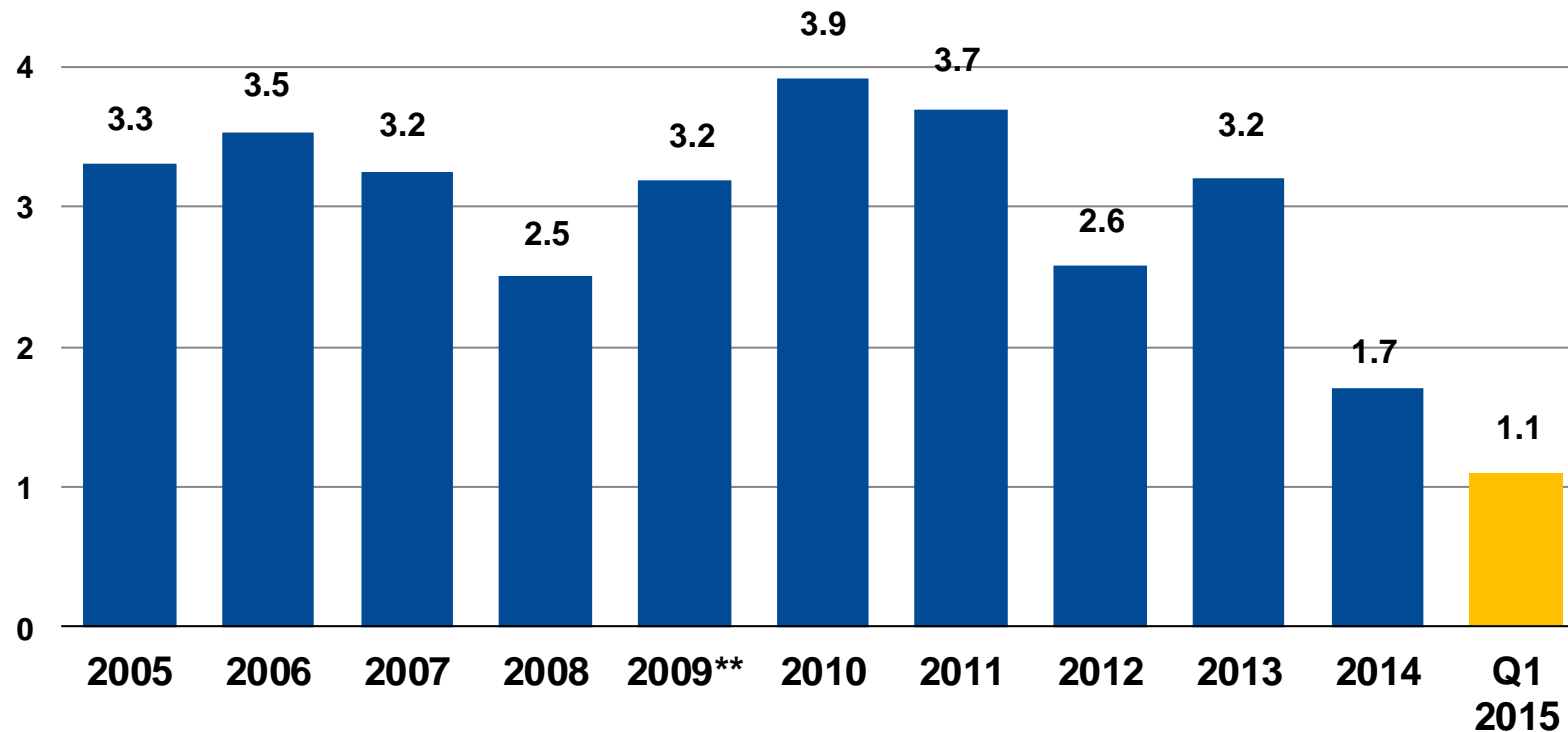
Business performance	Q1'15	Q1'14	vs. Q1'14
▪ Sales	€20.1 billion	€19.5 billion	+3%
▪ EBITDA	€2.9 billion	€3.0 billion	(2%)
▪ EBIT before special items	€2.1 billion	€2.1 billion	(2%)
▪ EBIT	€2.0 billion	€2.2 billion	(10%)
▪ Net income	€1.2 billion	€1.5 billion	(20%)
▪ Reported EPS	€1.28	€1.59	(19%)
▪ Adjusted EPS	€1.43	€1.63	(12%)
▪ Operating cash flow	€2.4 billion	€1.7 billion	+37%

Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q1'15 vs. Q1'14	↑ 5%	↓ (8%)	↓ (1%)	↑ 7%

Strong free cash development in Q1 2015

Free cash flow*
(in billion €)

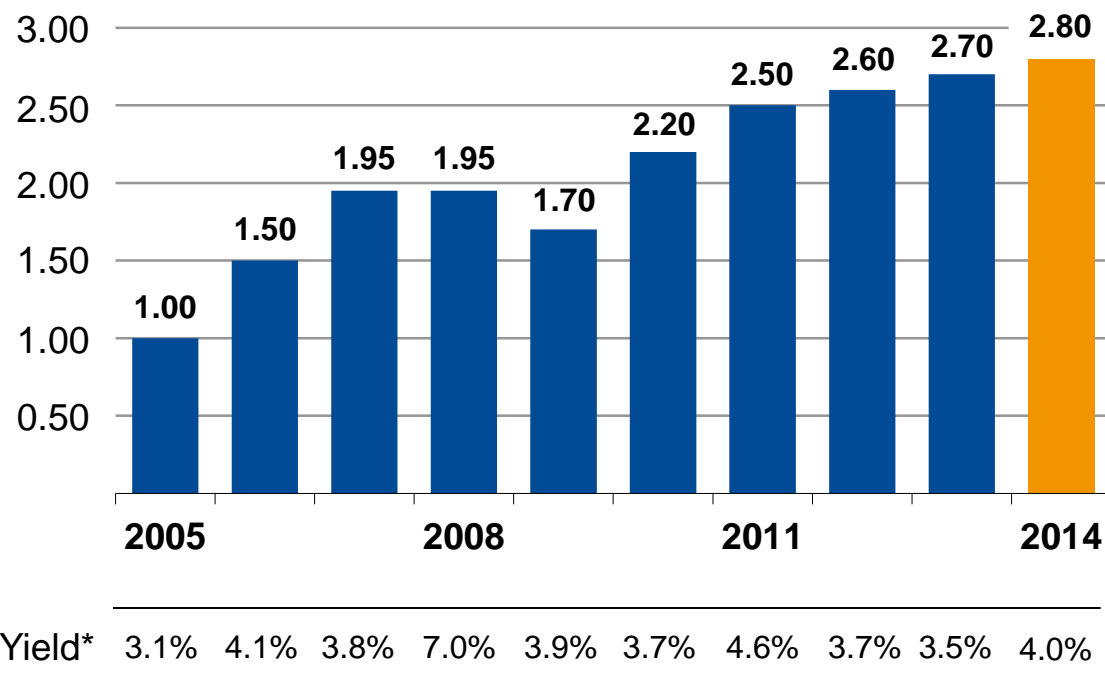


* Cash provided by operating activities less capex (in 2005 before CTA)

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

Attractive shareholder return

Dividend per share (in €)



Dividend policy

- We want to grow or at least maintain our dividend

Key facts

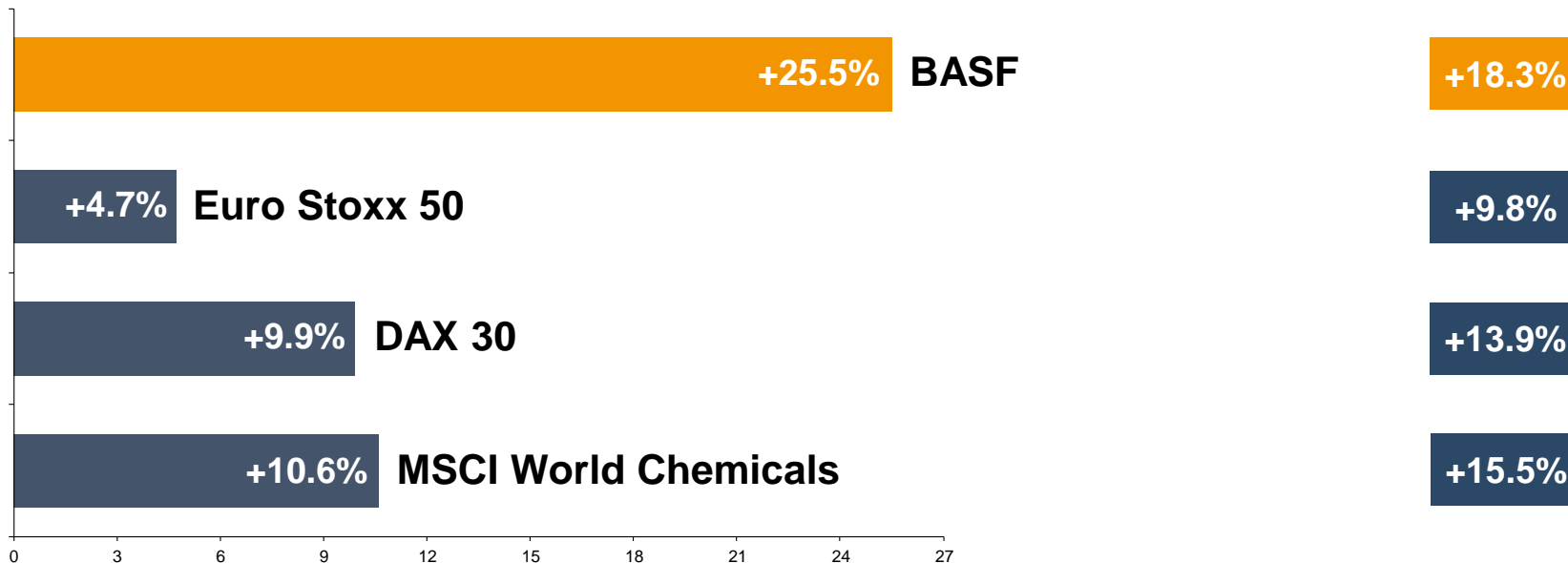
- Dividend payed out per share €2.80, an increase of 3.7%
- Average annual dividend increase of approx. 12% (2005-2014)
- Attractive dividend yield of 4.0% in 2014**
- Dividend yield above 3% in any given year since 2005

Delivering consistent, long-term value

Average annual performance with dividends reinvested

Last 10 years
June 2005 – May 2015

Last 5 years
June 2010 – May 2015



Outlook 2015 confirmed

Outlook 2015

- We aim to increase volumes and sales excluding the effects of acquisitions and divestitures.
- Sales are likely to be slightly higher than in 2014, driven by higher sales in the Performance Products and Functional Materials and Solutions segments.
- We expect EBIT before special items to be on the level of 2014. Higher earnings in our chemicals business and in the Agricultural Solutions segment are anticipated to compensate for considerably lower earnings in Oil & Gas.
- We aim to earn again a substantial premium on our cost of capital, but on a lower level than in 2014.

Assumptions 2015

- | | |
|---------------------------------------|-------|
| ■ GDP: | +2.8% |
| ■ Industrial production: | +3.6% |
| ■ Chemical production (excl. pharma): | +4.2% |
| ■ US\$ / Euro: | 1.20 |
| ■ Oil price (US\$ / bbl): | 60-70 |

Business review

Growth levers

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

Portfolio development

Moving downstream towards customer industries

Classical Chemicals

Customized Products

**Functionalized Materials
& Solutions**

◀ **Chemical Industry**

First customer industries* ▶

2001
in % of sales**

~ 50%

~ 50%

2010
in % of sales**

~ 40%

~ 60%

2014
in % of sales**

~ 35%

~ 65%

2020
in % of sales**

~ 30%

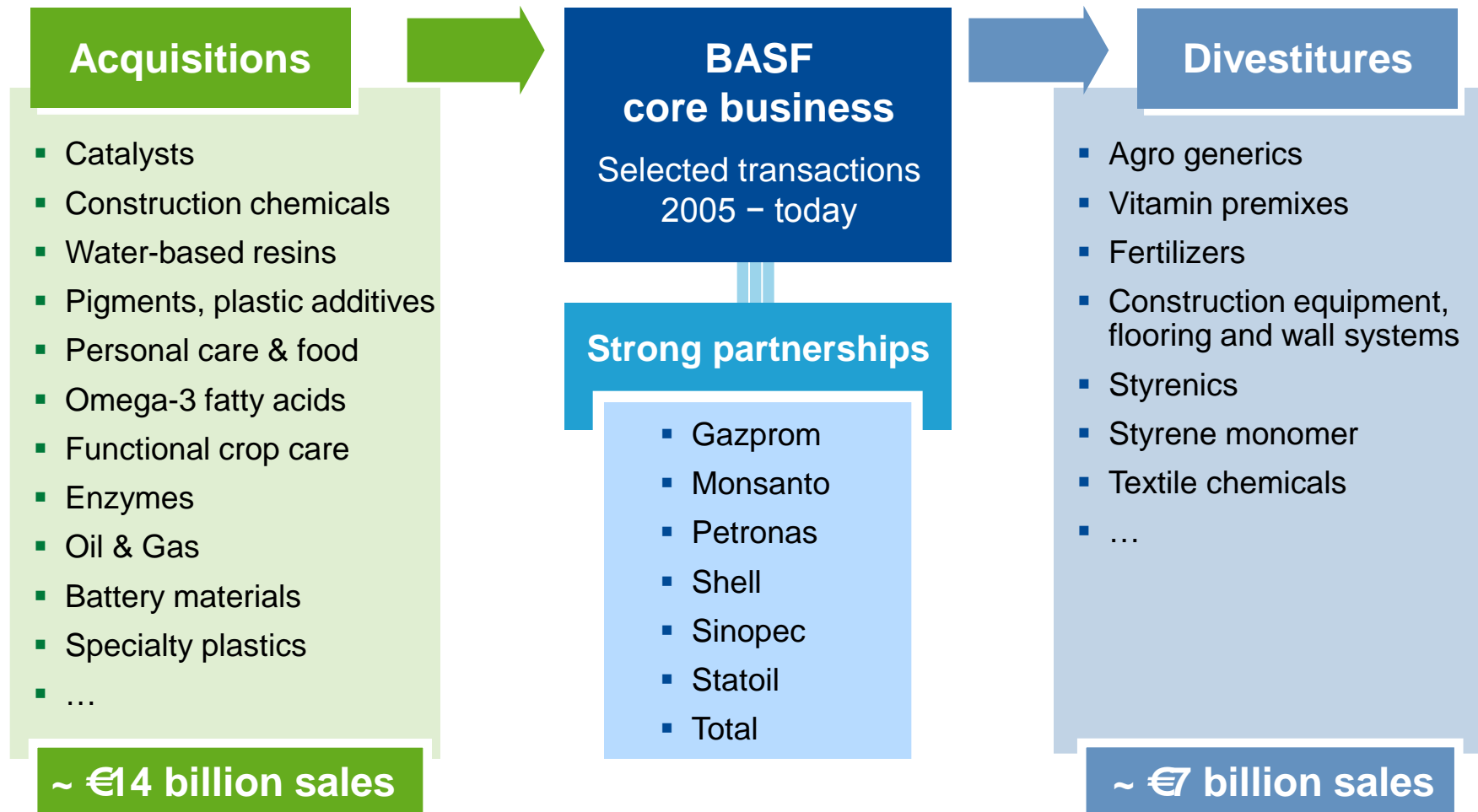
~ 70%

* 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 %

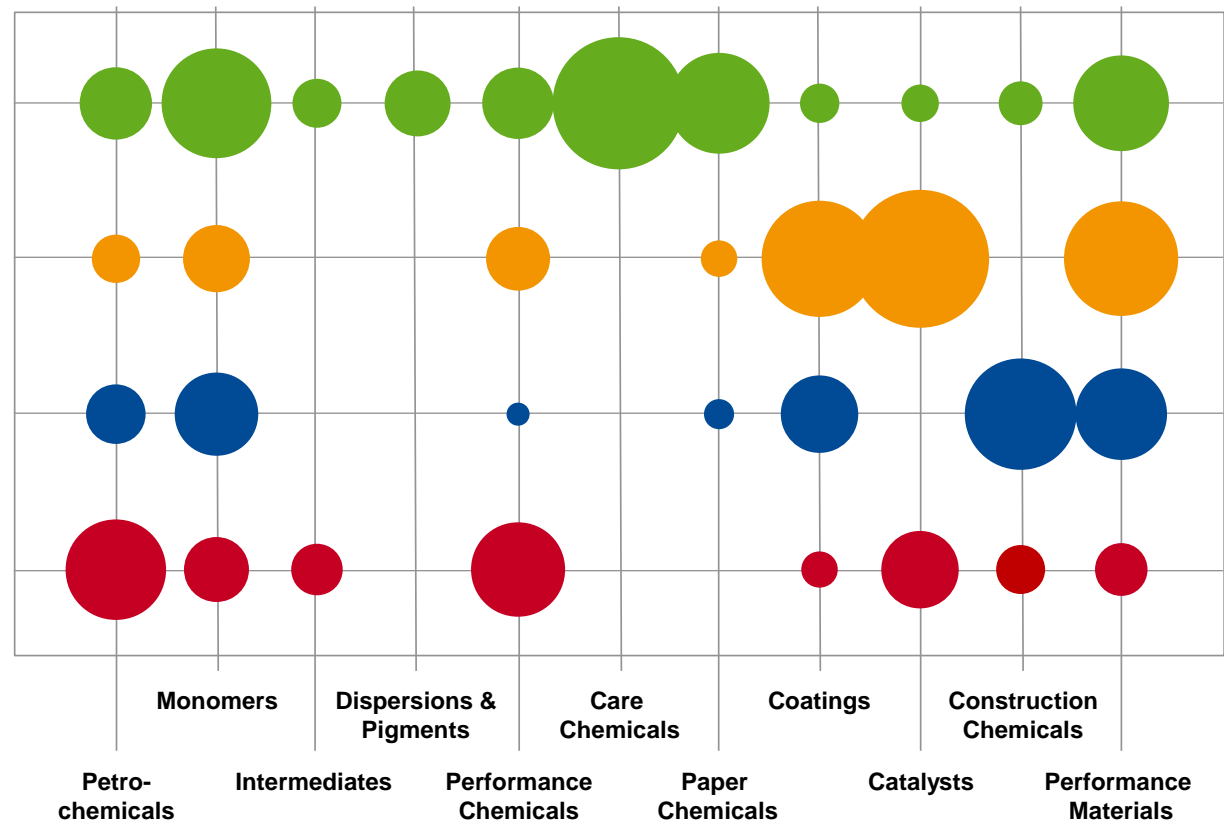
Construction

> 10 %

Energy & Resources

< 10 %

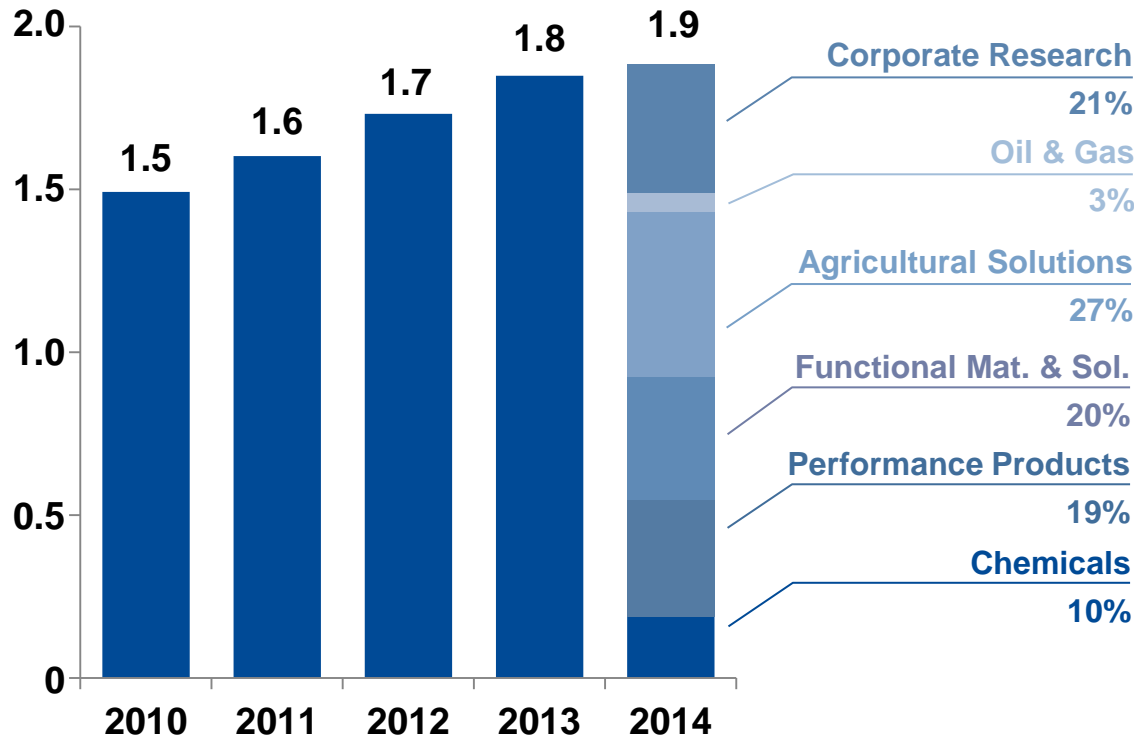
Bubble Size: BASF divisional sales by first customer industry/****



Strong commitment to innovation

Innovations for a sustainable future

R&D expenditures (in billion €)



Key facts

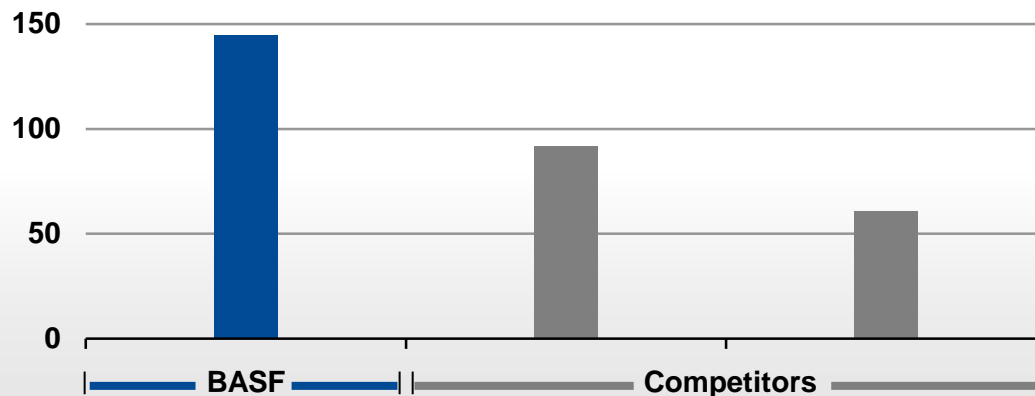
- ~10,700 employees in R&D
- ~3,000 projects
- Research Verbund: Cooperations with ~600 excellent partners from universities, start-ups and industry
- Further increase of R&D spending in 2015
- #1 in WHU's Patent Asset Index every year since 2009
- Target 2015:
 - €10 billion in sales from innovations launched within the last 5 years

Innovation: Four-Way Conversion Catalyst (FWC™)

FWC™ reduces emission of gaseous pollutants *and* particulates



Leading position: Global mobile emissions catalysts patents*



FWC™

Combines functionality of a 3-way conversion catalyst with integrated filter on a ceramic substrate

Reduces gaseous emissions

Precious metal-based catalytic coating removes exhaust gases from engine emissions**

Removes particulates

Filters & combusts particulates

Complies with emissions limits

Helps automakers meet new Euro 6c regulatory standards

FWC™ introduced in 2013

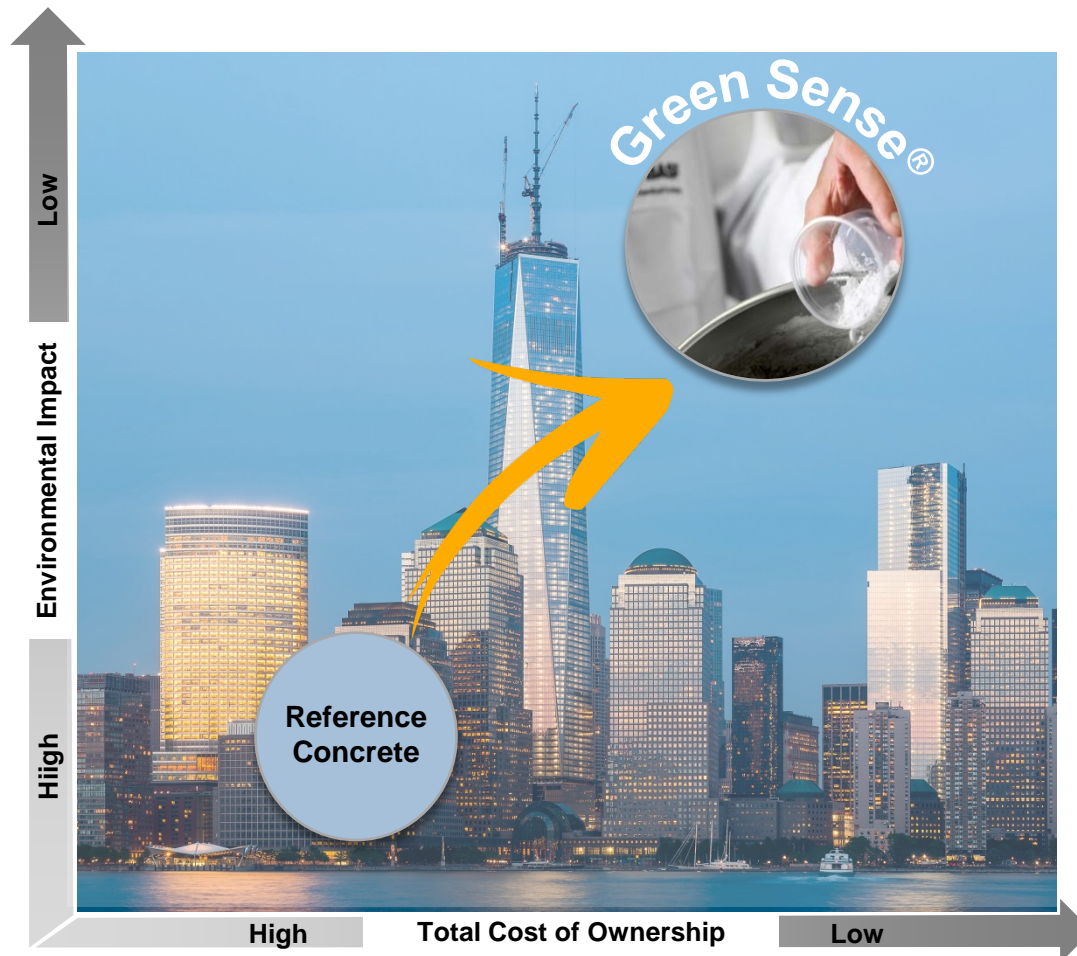
Sustains BASF's leading technology position

* 2009 – 2013 ** Hydrocarbons, carbon monoxide, nitrogen oxides

*** <https://www.basf.com/en/company/news-and-media/science-around-us/catalytic-converter.html>

Innovation: Green Sense®

Concrete for sustainable construction



BASF's Green Sense® Concrete system consists of:

- 1) Innovative admixture products
- 2) Concrete mix services
- 3) Eco-efficiency analysis
 - Replaces up to 70% of cement with recycled materials
 - Superior eco-efficiency
 - Applied in the construction of landmark projects, e.g. One World Trade Center, NYC

Innovation: Trilon® M

Chelating agent for more sustainable detergents and cleaners

Trilon® M – Alternative to phosphate for automatic dish washing

- High sustainability performance: Bio-degradable and eco-friendly
- Fast growing global market demand driven by regulatory changes and consumer demand for environmentally-friendly products
- 2010: Capacity expansion to 120,000 tons
- 2014: Announcement to build a new Trilon® M world scale plant in Alabama, USA

Compared with alternative chelating agents Trilon® M

- Is readily biodegradable
- Meets eco-label requirements
- Has better eco-toxicology profile
- Shows high performance



Trilon® M: Phosphate free dish washing solution



Innovation: SAVIVA™

Highly efficient Superabsorbent Polymers (SAP)

SAVIVA™ – Based on a pioneering SAP technology platform

- SAVIVA™ the next generation of SAP
- Round-shaped particles with micro-pores initiates innovative liquid distribution mechanism

Compared to other SAPs SAVIVA™ leads to:

- Efficiency gains:
 - SAP reduction
 - Fluff reduction
 - Reduction of storage, packaging and transportation costs
- Improved sustainability:
 - Better carbon footprint due to SAP and weight reduction
 - Enabler for future diaper designs offering a new level of comfort and dryness



SAVIVA™ round shaped particle

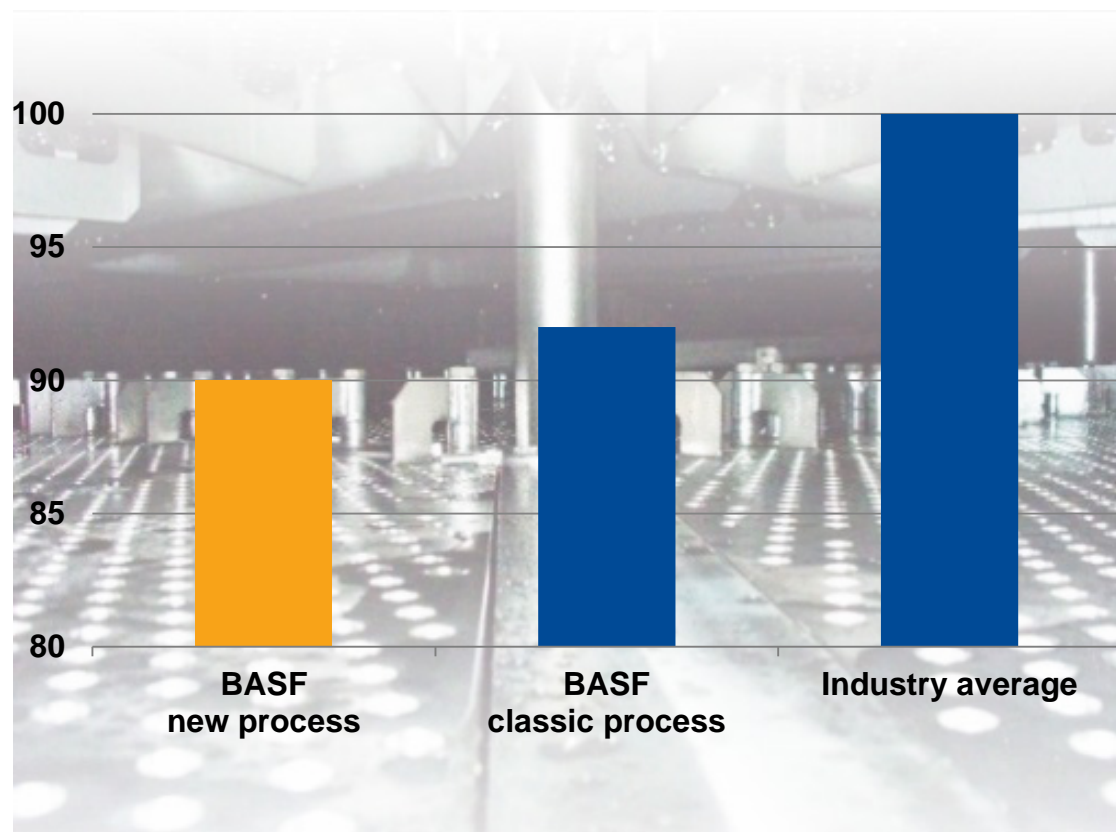


Innovation: New acrylic acid technology

BASF with best-in-class acrylic acid process

Acrylic acid production technology benchmark

(Industry average costs = 100; normalized)



Key facts

- Lower production cost than industry average
- Efficiency gains:
 - run-time extension
 - higher throughput
 - lower energy consumption
- Proprietary technology, new process protected by 280 active patent families
- 3 out of 6 production sites already equipped: Ludwigshafen, Antwerp and Nanjing; Camaçari (Brazil) is currently starting-up

Growth fields for innovation

Key customer industries



Transportation



Agriculture



Construction



Energy & Resources



Consumer Goods



Electronics



Health & Nutrition

Growth fields

Batteries for Mobility

Enzymes

E-Power Management

Functional Crop Care

Heat Management
for Construction

Lightweight Composites

Organic Electronics

Plant Biotechnology

Water Solutions

Wind Energy

...

Technology fields

Materials, Systems &
Nanotechnology

Raw Material
Change

White
Biotechnology

Acquisitions

... will contribute to profitable growth in the future

We want to acquire businesses which ...

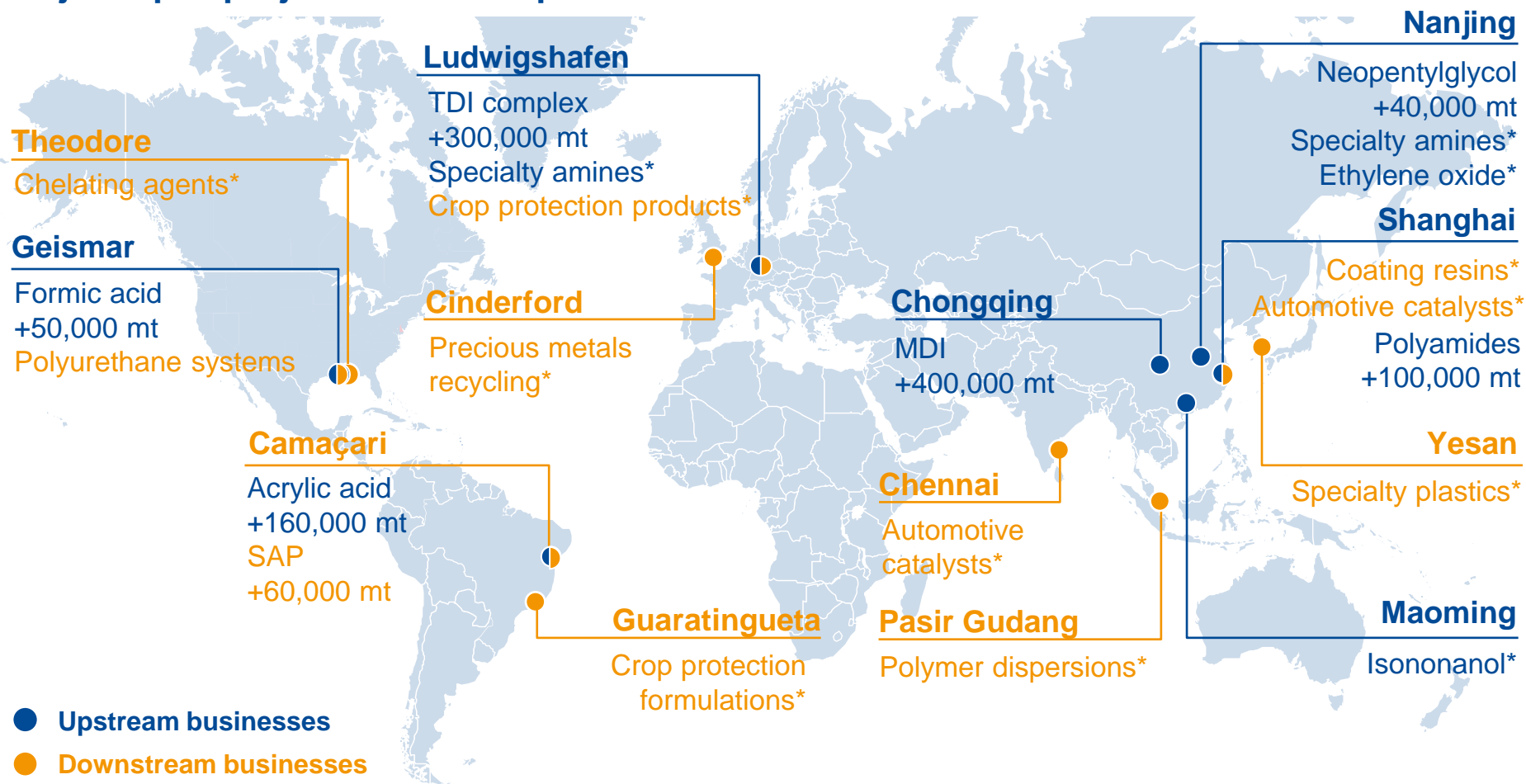
- Generate profitable growth above the industry average
- Are innovation-driven
- Offer a special value proposition to customers
- Reduce earnings cyclicality
- Provide a minimum return on investment of 8% p.a. after tax
- Are EPS accretive by year three at the latest

Strategic acquisition criteria

Financial acquisition criteria

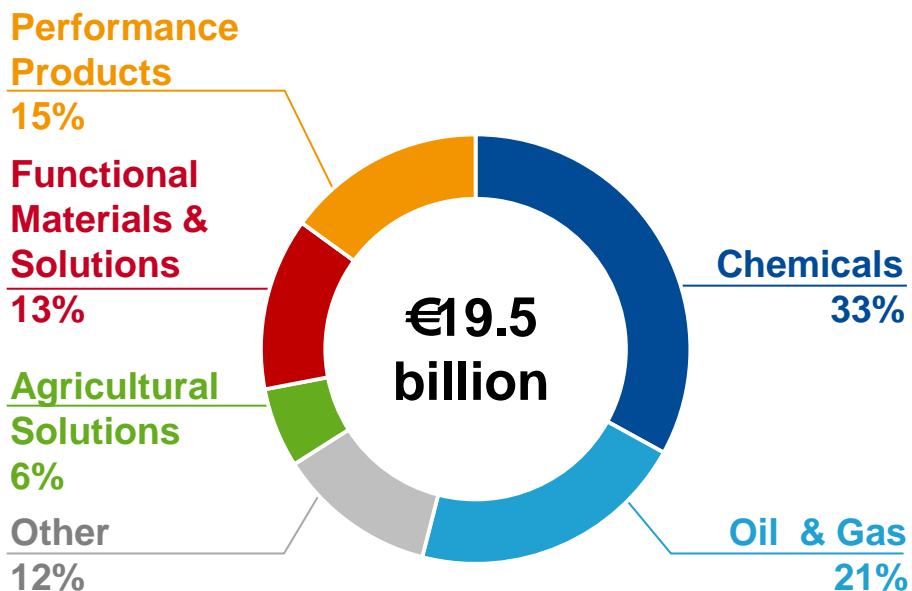
Major investment project start-ups in 2015

Major capex projects for start-up in 2015

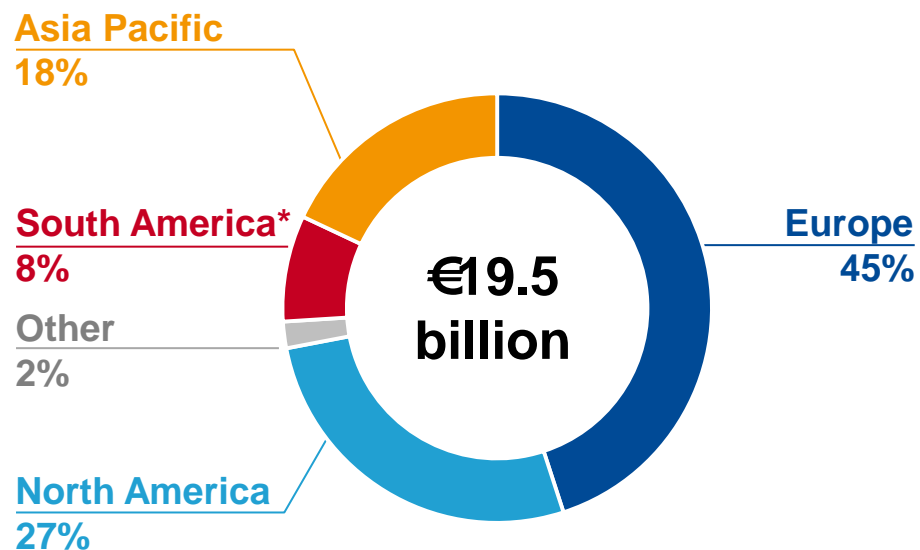


Investments for organic growth

Capex budget 2015-2019
(by segment)



Capex budget 2015-2019
(by region)

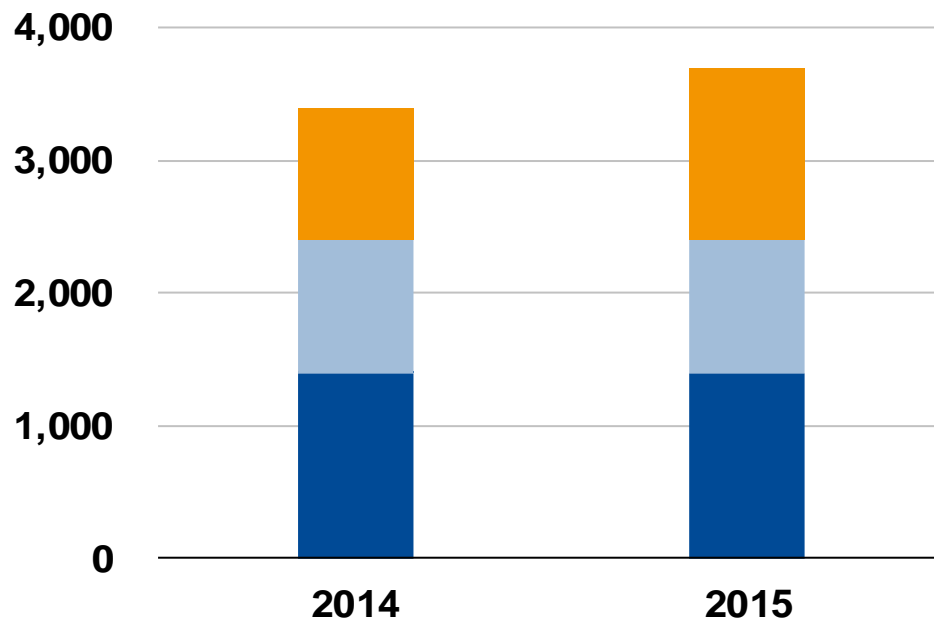


Operational excellence programs

~€1.3 billion earnings contribution by 2015

Annual earnings contribution

(in million €)



Former cost saving programs pre-2008

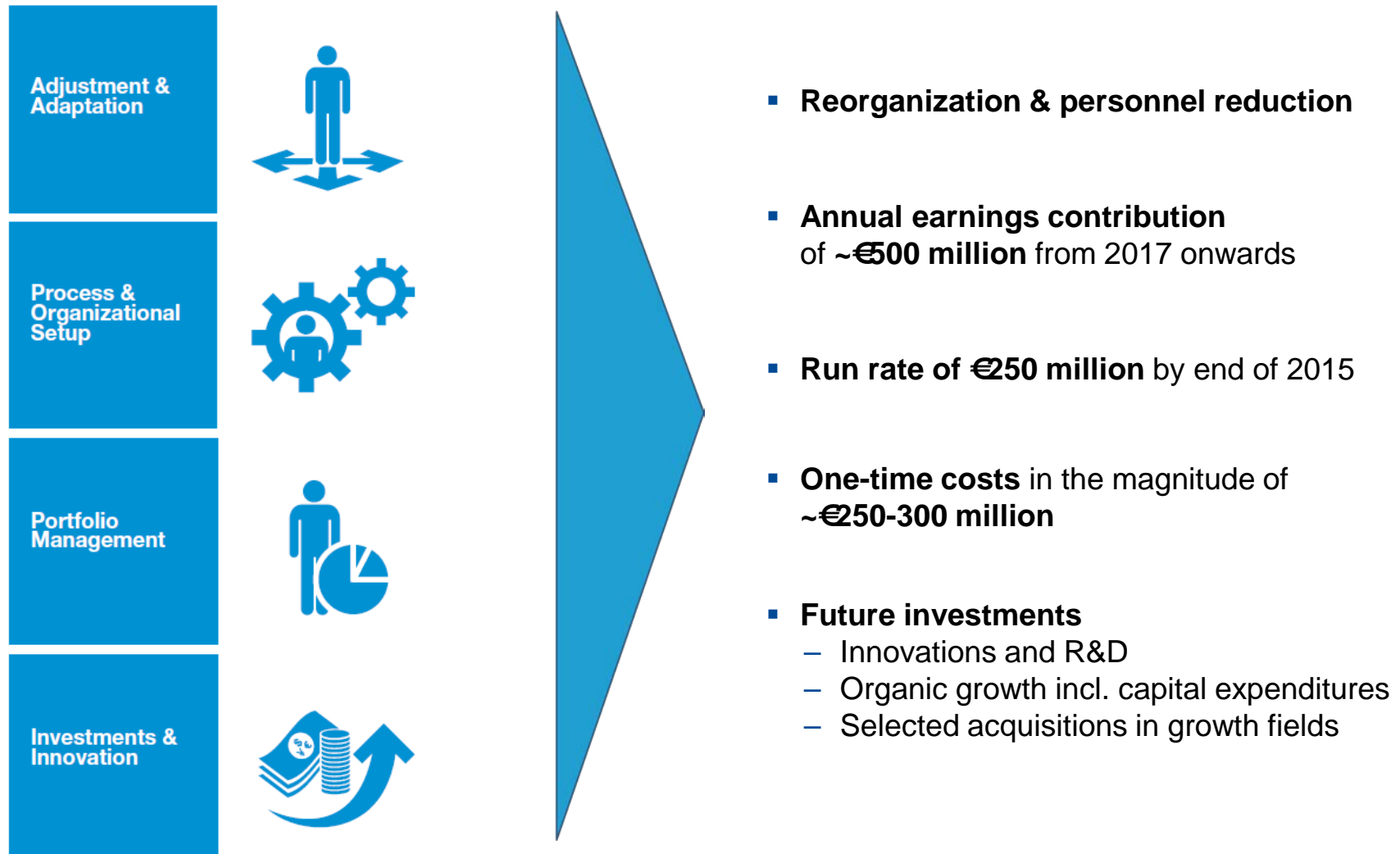
NEXT
2008-2011

STEP
2012-2015

STEP program

- Targeted annual earnings contribution increased from €1 billion to ~€1.3 billion by end of 2015
- €1 billion achieved by the end of 2014
- Optimization of processes and structures in all regions, e.g.
 - manufacturing, maintenance
 - supply chain
 - engineering, best-cost country sourcing
- Project timeline: 2012–2015
- One-time cost : ~€1 billion

Restructuring measures in Performance Products strengthening competitiveness

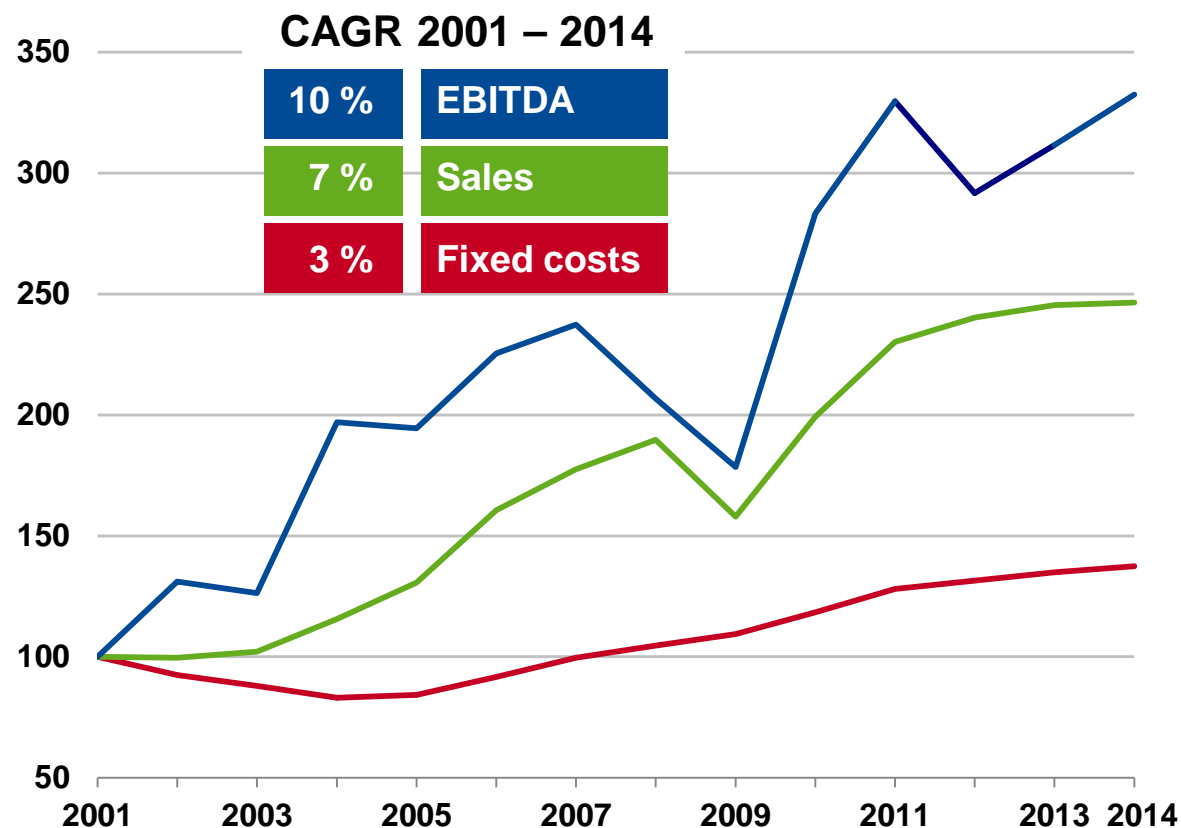


Operational excellence

Strong track record

BASF Group* 2001–2014

(Index; CAGR 2001–2014)



Fixed cost management

- Cost discipline and self-help remain key priorities
- Restructuring of Performance Products on-track to achieve €500 million earnings contribution by 2017 (run rate ~€250 million by the end of in 2015)
- STEP program: Targeted annual earnings contribution increased from €1 billion to ~€1.3 billion by end of 2015

BASF...

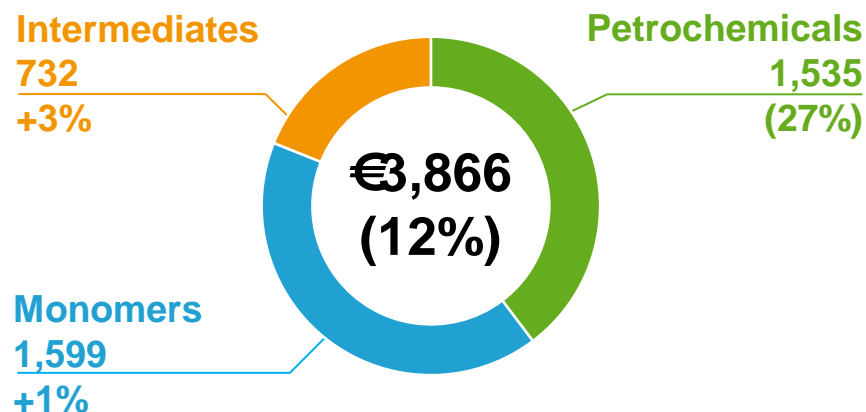
- ... is the #1 chemical company**
- ... has a strong track record of profitable growth**
- ... relentlessly focuses on Operational Excellence**
- ... targets promising growth opportunities**
- ... is committed to delivering high shareholder returns also in the future.**

Appendix I – Q 1 2015 results

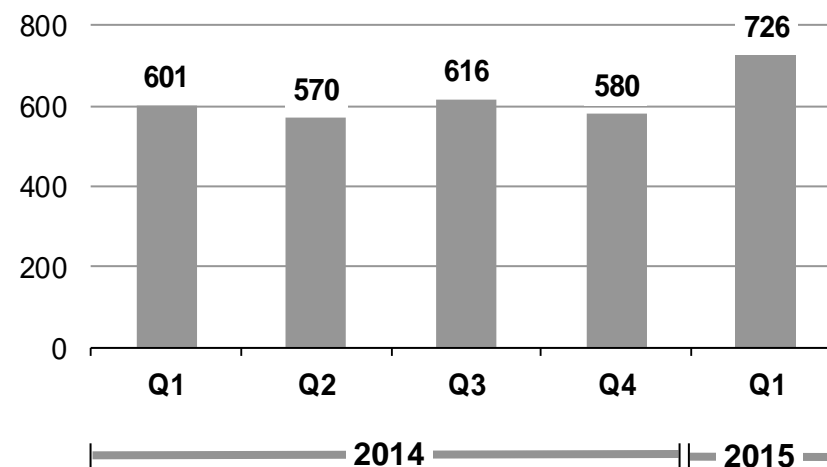
Chemicals

Currencies and lower raw material costs drive earnings

Q1 '15 segment sales (in million €) vs. Q1 '14



EBIT before special items (in million €)



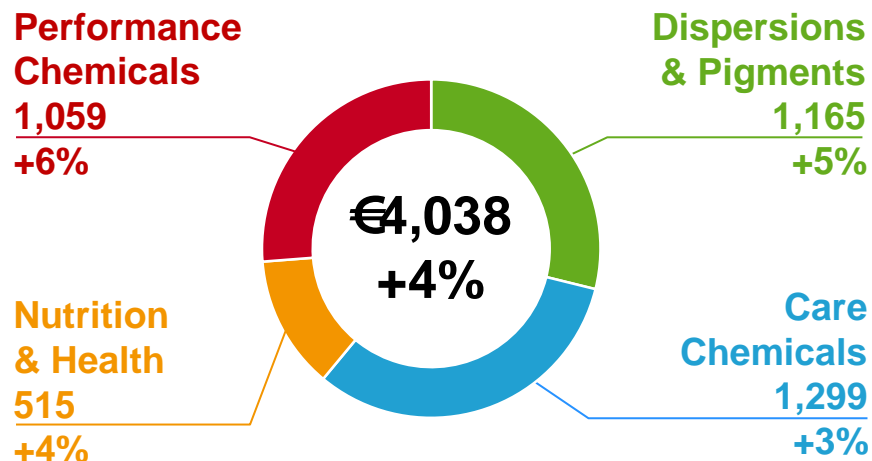
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q1 '15 vs. Q1 '14	↓ (1%)	↓ (16%)	↓ (3%)	↑ 8%

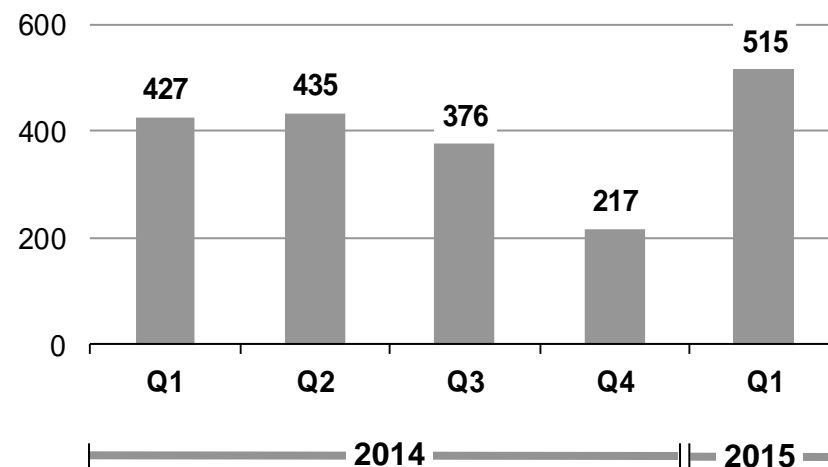
Performance Products

Considerable earnings increase

Q1 '15 segment sales (in million €) vs. Q1 '14



EBIT before special items (in million €)



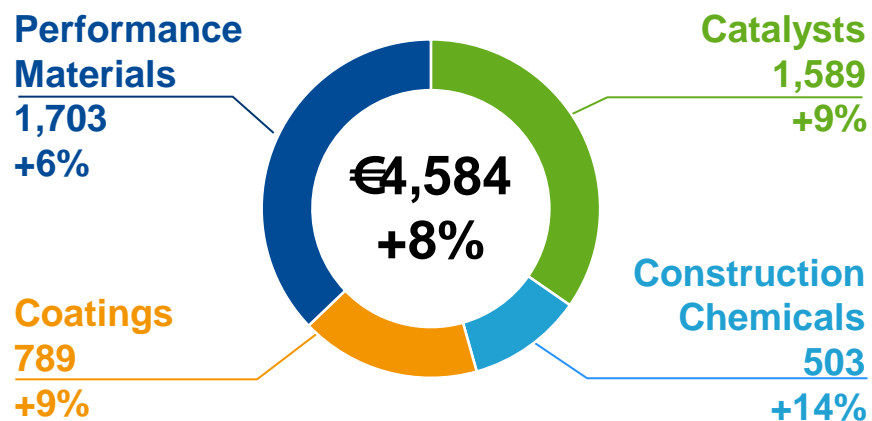
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q1 '15 vs. Q1 '14	↓ (2%)	↓ (3%)	0%	↑ 9%

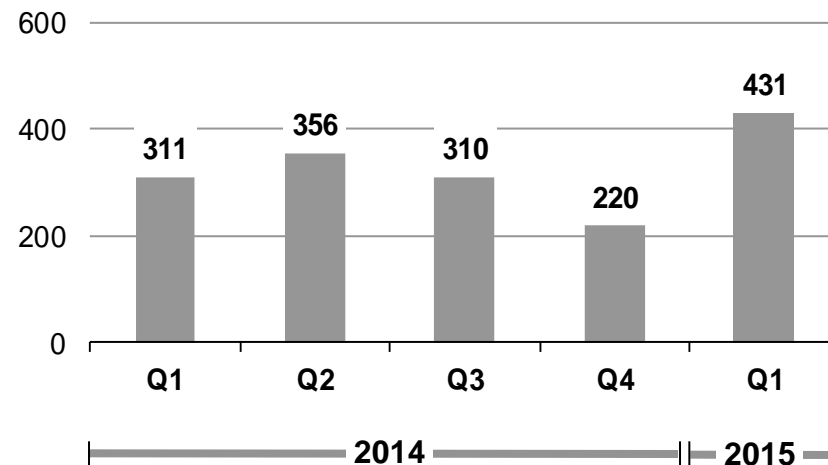
Functional Materials & Solutions

Strong demand from the automotive industry

Q1 '15 segment sales (in million €) vs. Q1 '14



EBIT before special items (in million €)



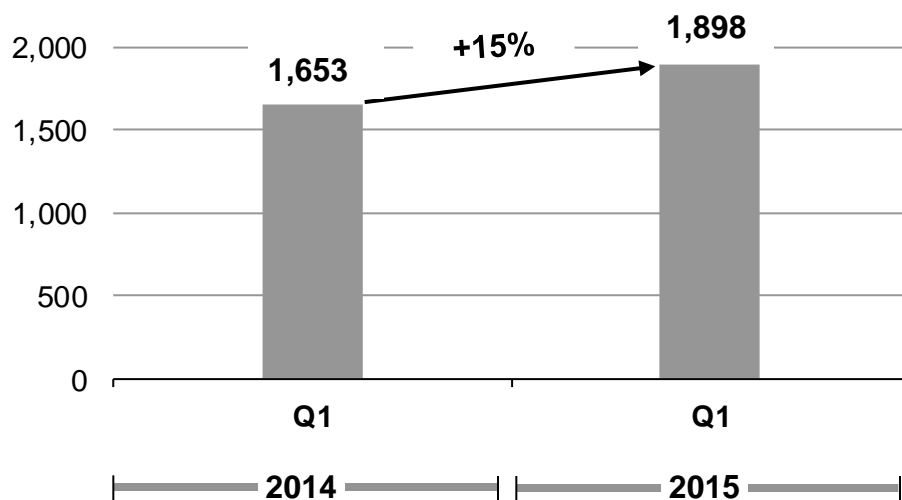
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q1 '15 vs. Q1 '14	↓ (1%)	↓ (1%)	0%	↑ 10%

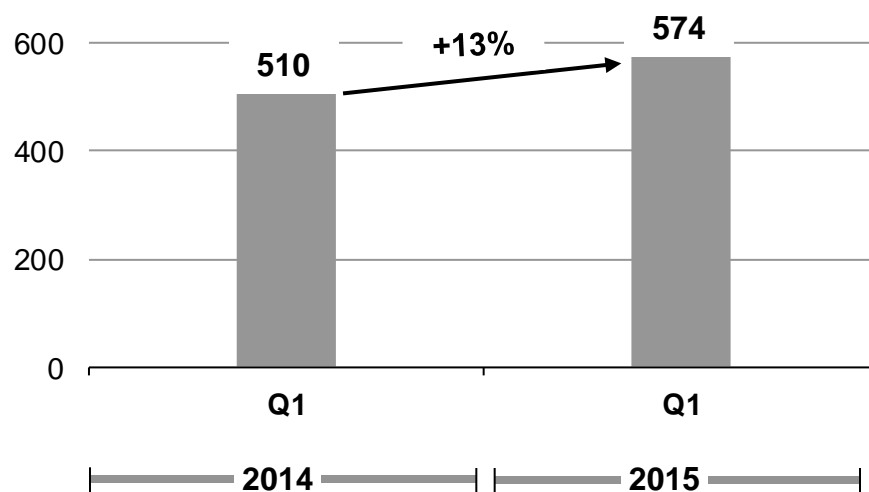
Agricultural Solutions

Significant sales and earnings growth in Q1 2015

Q1 '15 segment sales vs. Q1 '14
(million €)



Q1 '15 EBIT before special items vs. Q1 '14
(million €)



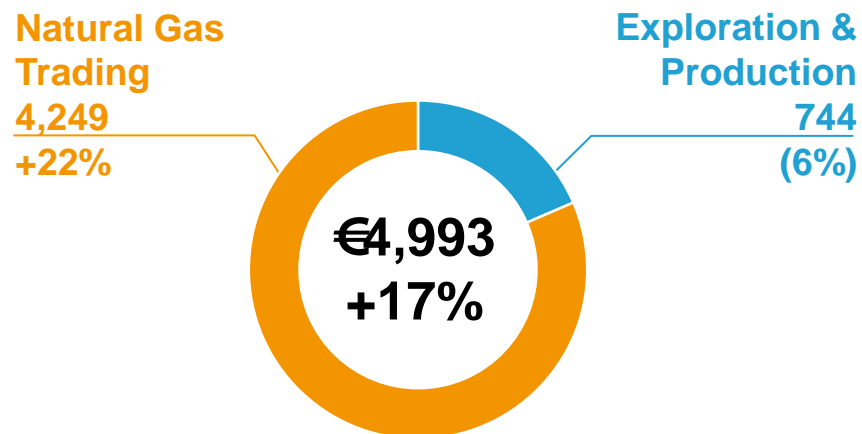
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q1 '15 vs. Q1 '14	↑ 6%	↑ 4%	0%	↑ 5%

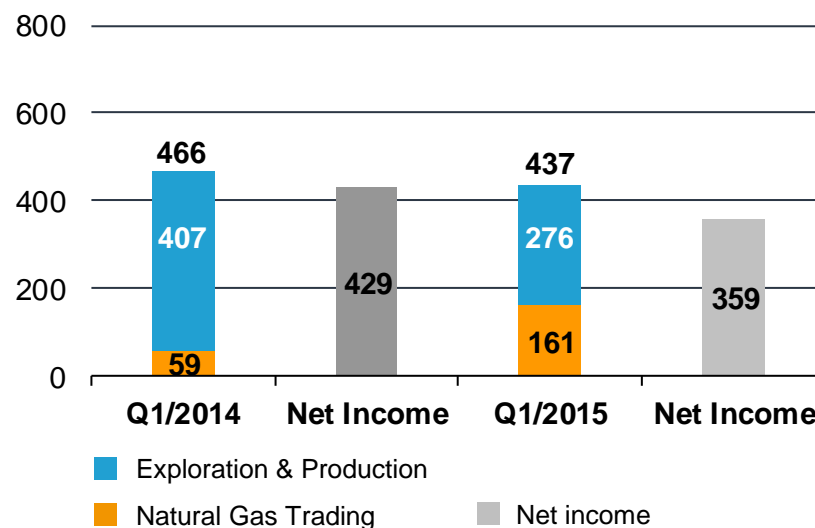
Oil & Gas

Only slight earnings decrease despite lower oil price

Q1 '15 segment sales (in million €) vs. Q1 '14



EBIT bSI/Net income (million €)



Sales development

Period	Volumes	Price/Currencies	Portfolio
Q1 '15 vs. Q1 '14	↑ 32%	↓ (17%)	↑ 2%

Review of 'Other'

Million €	Q1'15	Q1'14
Sales	688	1,077
EBIT before special items	(613)	(203)
<i>Thereof corporate research costs</i>	<i>(101)</i>	<i>(98)</i>
<i>group corporate costs</i>	<i>(55)</i>	<i>(49)</i>
<i>currency results, hedges and other valuation effects</i>	<i>(382)</i>	<i>(95)</i>
<i>other businesses</i>	<i>(75)</i>	<i>39</i>
Special items	(82)	(8)
EBIT	(695)	(211)

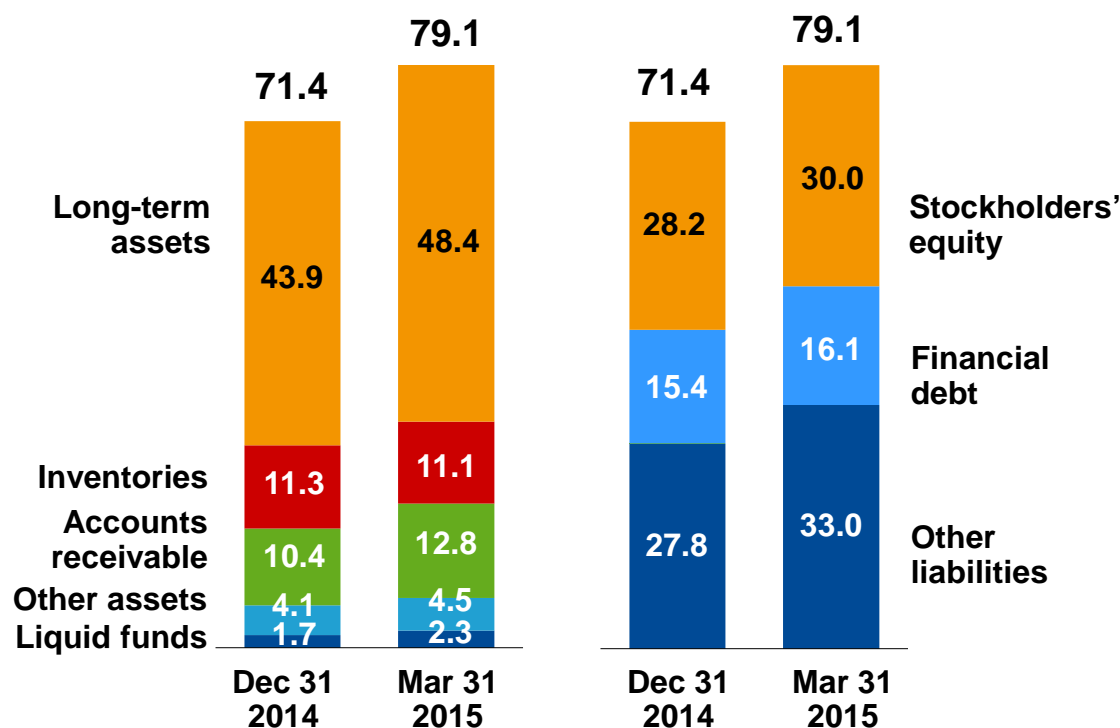
Strong operating cash flow in Q1 2015

Million €	Q1 '15	Q1 '14*
Cash provided by operating activities	2,390	1,747
<i>Thereof changes in net working capital</i>	309	(277)
<i>miscellaneous items</i>	5	(170)
Cash used in / provided by investing activities	(1,502)	(810)
<i>Thereof payments related to tangible / intangible assets</i>	(1,278)	(976)
<i>acquisitions / divestitures</i>	26	263
Cash used in financing activities	(400)	389
<i>Thereof changes in financial liabilities</i>	(299)	413
<i>dividends</i>	(101)	(24)

- Inventories reduced compared to Q1 2014
- Strong increase of free cash flow to €1.1 billion

Balance sheet remains strong

Balance sheet March 31, 2015 vs. December 31, 2014* (in billion €)



Highlights March 31, 2015

- Total assets rose by €7.7 billion, more than half currency-related
- Long-term assets up by €4.5 billion
- Accounts receivable increased by €2.4 billion
- Provision for pensions and similar obligations rose from €7.3 billion to €9.6 billion
- Net debt nearly unchanged
- Equity ratio: 38%

150 years



We create chemistry