

150 years



News Release

1st Quarter 2015/Annual Shareholders' Meeting

BASF with good quarterly results in chemicals and crop protection businesses

- Sales €20.1 billion (plus 3%)
- EBIT before special items €2.1 billion (minus 2%)
- Considerable earnings increase in Chemicals, Performance Products, Functional Materials & Solutions and Agricultural Solutions
- Significant earnings decline in Other
- Outlook for 2015 confirmed: Slight sales increase expected, EBIT before special items likely to match level of 2014

Ludwigshafen, Germany – April 30, 2015 – The year started off well for BASF. In the first quarter of 2015, higher volumes and positive currency effects led to sales growth. Compared with the first quarter of 2014, sales grew by 3% to €20.1 billion.

“Our chemicals and our crop protection businesses performed very successfully; earnings in these segments increased significantly,” said Dr. Kurt Bock, Chairman of the Board of Executive Directors, at the Annual Shareholders' Meeting of BASF SE in the Congress Center Rosengarten in Mannheim. The chemicals business comprises the Chemicals, Performance Products and Functional Materials & Solutions segments. Income from operations (EBIT) before special items was down by 2% to just under €2.1 billion as a result of considerably higher charges from Other, mainly due to higher provisions for the long-term incentive (LTI) program as a result of the positive performance of BASF shares.

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EBIT fell by €226 million to €2.0 billion compared with the first quarter of 2014. The previous first quarter had included tax-free special income from the disposal of shares in non-BASF-operated oil and gas fields in the British North Sea. At minus €164 million, the financial result was above the level of the first quarter of 2014 (minus €183 million).

Income before taxes and minority interests fell by €207 million quarter-on-quarter to €1.8 billion. Net income declined by €290 million to €1.2 billion. Earnings per share were €1.28 in the first quarter, compared with €1.59 in the same period of 2014.

Outlook for 2015 confirmed

The company's expectations for the global economic environment in 2015 remain unchanged:

- Growth of gross domestic product: 2.8%
- Growth in industrial production: 3.6%
- Growth in chemical production: 4.2%
- An average euro/dollar exchange rate of \$1.20 per euro
- An average oil price for the year of \$60 to \$70 per barrel

In a volatile and challenging environment, BASF aims to perform well and slightly increase sales in 2015. This will be largely supported by the sales growth anticipated in the Functional Materials & Solutions and Performance Products segments. BASF wants to raise sales volumes overall, excluding the effects of acquisitions and divestitures. EBIT before special items in 2015 will likely match the previous year's level. The company anticipates larger contributions from its chemicals and crop protection businesses, whereas earnings in the Oil & Gas segment are expected to decrease considerably due to the lower price of oil.

Innovations for the future – since 1865

2015 is a special year because BASF turned 150 on April 6. "It is a special accomplishment for a company to reach its 150th

anniversary. This would not have been possible without the many employees who worked for BASF in the past and work for BASF today,” said Bock. BASF was the first chemical company to hire a research director, Heinrich Caro, thereby anchoring research and development firmly in the company. Just three years after its founding, the dye expert Caro joined BASF. Shortly thereafter BASF was awarded its first patent. Based on the number of registered patents, BASF today also belongs to the 10 most innovative companies in the world. More than 10,000 researchers work at BASF worldwide.

“We will continue to research and develop, as the challenges stemming from an increasing population are far from being resolved. This is especially true for energy. We are looking for entirely new materials to help make Germany’s energy transition successful,” said Bock. As an example, he named a refrigerator with a new technology, which does not need a compressor. The cold is generated by a heating pump, which functions according to the principle of magnetic refrigeration. The new technology can increase energy efficiency of refrigerators by up to 35%. Other areas of BASF’s research are battery materials, so that electric cars will have a greater range and be less expensive, and plastic components to make cars lighter and reduce fuel consumption. “There is enormous potential for us in research and development. In 2015, we want to increase our spending again, in particular to expand our research in Asia and North America,” said Bock.

Business development in the segments in the first quarter

Sales in the **Chemicals** segment fell 12% to €3.9 billion compared to the previous first quarter. This was largely due to falling prices on account of a sharp drop in raw material prices. Portfolio measures in the Petrochemicals division, along with slightly lower sales volumes overall, put an additional strain on sales. Currency effects were positive. Due to improved margins for a range of product lines, especially in Europe, EBIT before special items rose €125 million to €726 million.

Sales grew by 4% to €4.0 billion in the **Performance Products** segment. Positive currency effects in all divisions more than offset slightly lower overall sales volumes and declining prices. EBIT before special items improved by €88 million to €515 million. Aside from lower raw material costs, this was largely the result of efficiency and restructuring measures in all divisions.

In the **Functional Materials & Solutions** segment, sales of €4.6 billion were 8% higher than in the previous first quarter as a result of positive currency effects in all divisions. Volumes and prices dipped slightly overall. Higher demand, primarily from the automotive industry, was not able to compensate for lower sales volumes in precious metal trading. EBIT before special items improved by €120 million to €431 million. The Performance Materials division provided major support for this growth.

Sales in the **Agricultural Solutions** segment rose by 15% to €1.9 billion, as a result of increased contributions from Europe and North America. Volumes grew in all indications. Positive currency effects and higher prices provided additional momentum to sales growth. EBIT before special items increased by €64 million to €574 million, largely because of increased volumes and prices as well as favorable exchange rate developments.

In the **Oil & Gas** segment, sales grew by 17% to €5.0 billion on account of higher volumes, mainly in the Natural Gas Trading business sector. EBIT before special items declined by €29 million to €437 million. A greater earnings contribution from Natural Gas Trading was not able to fully offset the primarily oil price-related decrease in the Exploration & Production business sector.

Sales in **Other** fell 36% to €688 million compared with the previous first quarter. This resulted mainly from lower volumes as well as the disposal of the share in the Ellba Eastern Private Ltd. joint operation in Singapore at the end of 2014. EBIT before special items declined by €410 million to minus €613 million, largely because of valuation effects for the long-term incentive (LTI) program.

Business development in the regions in the first quarter

Sales for companies located in **Europe** grew by 1% compared with the previous first quarter. This was mainly because of the considerably higher volumes in the Natural Gas Trading business sector. Sales also grew considerably in the Agricultural Solutions segment on account of high demand. In the Petrochemicals division, sales were particularly weighed down by falling prices. Furthermore, lower volumes were mainly responsible for a decline in Other. EBIT before special items fell by €91 million to €1.3 billion due to the considerably lower earnings in Other.

In **North America**, sales dropped by 10% in local currency terms on account of lower prices. In euro terms, they rose by 9%. Positive currency effects led to considerable sales growth in the Performance Products, Functional Materials & Solutions and Agricultural Solutions segments. In the Petrochemicals division, decreased raw material prices negatively impacted sales prices and sales. At €470 million, earnings declined slightly (first quarter of 2014: €491 million), primarily because of declines in the Chemicals segment.

Sales in **Asia Pacific** dropped by 13% in local currency terms, predominantly on account of prices, and grew in euro terms by 2%. Sales were reduced by the disposal of the share in the Ellba Eastern Private Ltd. joint operation in Singapore at the end of 2014. In the Functional Materials & Solutions and Performance Products segments, sales grew considerably due to positive currency effects. Earnings rose by €18 million to €192 million compared with the previous first quarter.

In **South America, Africa, Middle East**, sales exceeded prior first-quarter levels by 2% in local currency terms and 10% in euro terms. This development was particularly supported by higher sales in the Oil & Gas segment as well as in the Construction Chemicals and Performance Chemicals divisions. Earnings increased by €52 million to €69 million.

About BASF

At BASF, we create chemistry – and have been doing so for 150 years. Our portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. As the world's leading chemical company, 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 over €74 billion in 2014 and around 113,000 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.

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

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

basf.com/interimreport (English)
basf.com/zwischenbericht (German)

News Release (from 7:00 a.m. CEST)

basf.com/pressrelease (English)
basf.com/pressemitteilungen (German)

Live Transmission – Telephone Conference for analysts and investors (from 8:30 a.m. CEST)

basf.com/share (English)
basf.com/aktie (German)

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

basf.com/pcon (English)
basf.com/pk (German)

Speech – Print version (from 10:30 a.m. CEST)

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Photos

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Current TV footage

tvservice.basf.com/en (English)
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.