

150 years

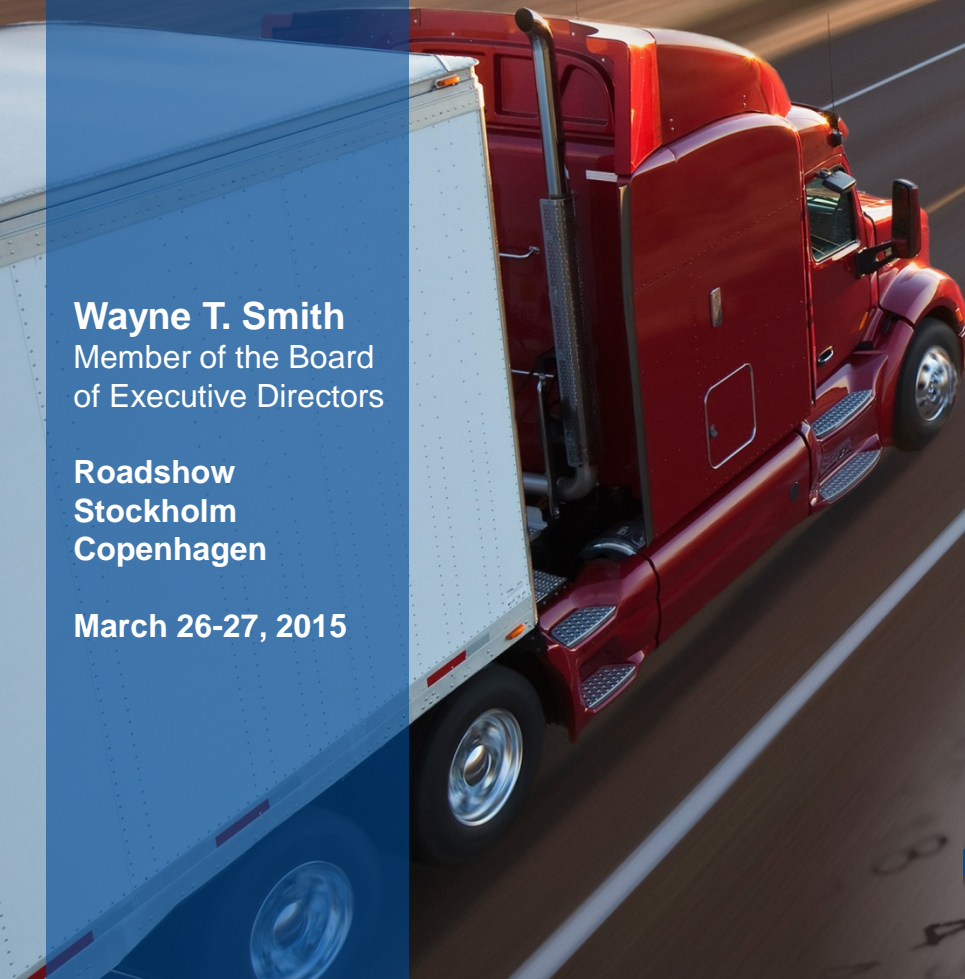
 **BASF**
We create chemistry

We add value
as *one* company

Wayne T. Smith
Member of the Board
of Executive Directors

Roadshow
Stockholm
Copenhagen

March 26-27, 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 ~75% 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*
- ~€79 billion market capitalization end of February 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



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 continued earnings growth

Business performance*	Q4'14	vs. Q4'13	FY'14	vs. FY'13
▪ Sales	€18.0 billion	(1%)	€74.3 billion	0%
▪ EBITDA	€2.9 billion	+11%	€11.0 billion	+6%
▪ EBIT before special items	€1.5 billion	+3%	€7.4 billion	+4%
▪ EBIT	€1.7 billion	+7%	€7.6 billion	+7%
▪ Net income	€1.4 billion	+26%	€5.2 billion	+8%
▪ Reported EPS	€1.54	+25%	€5.61	+7%
▪ Adjusted EPS	€1.04	+4%	€5.44	+2%
▪ Operating cash flow	€2.0 billion	+4%	€7.0 billion	(14%)

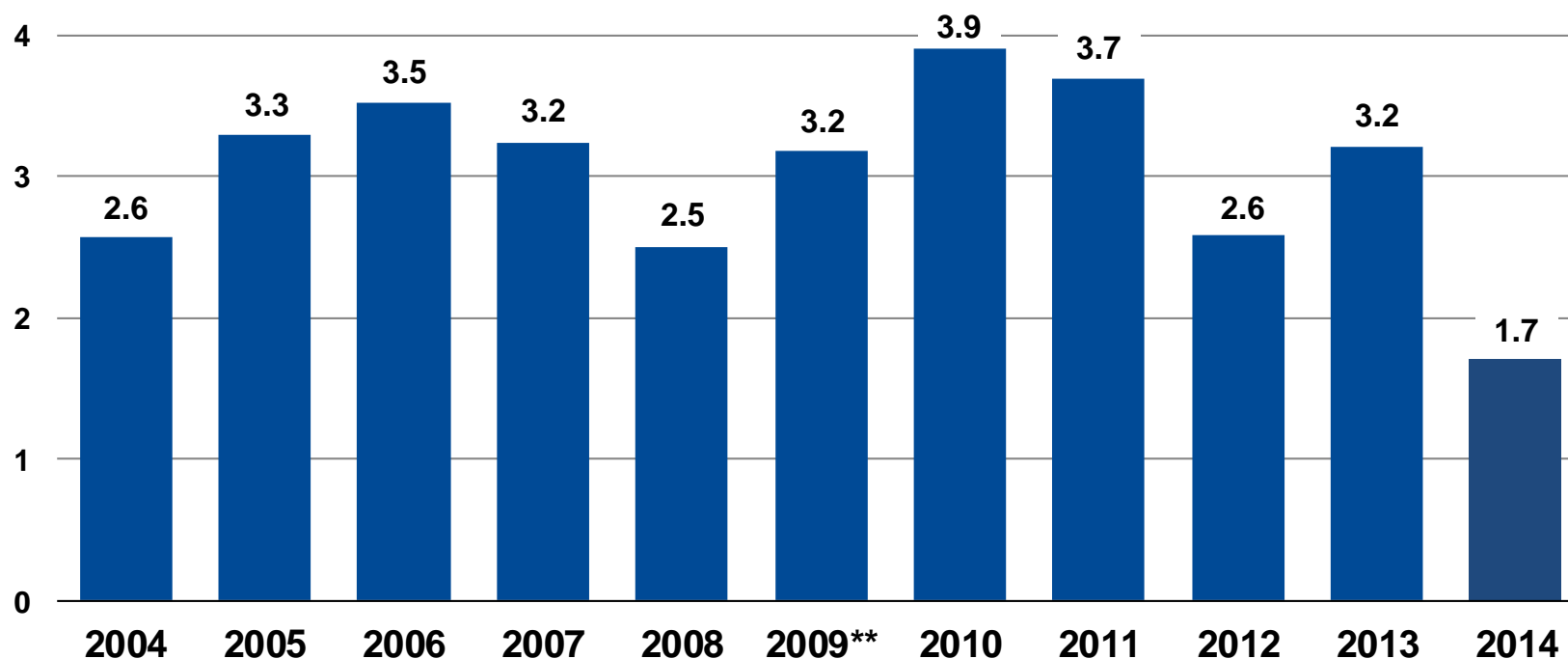
* Previous year values restated due to dissolution of disposal group "Natural Gas Trading"

Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q4'14 vs. Q4'13	↑ 1%	↓ (4%)	0%	↑ 2%
FY'14 vs. FY'13	↑ 4%	↓ (3%)	0%	↓ (1%)

Free cash flow development reflecting increased capex in recent years

Free cash flow*
in € billion

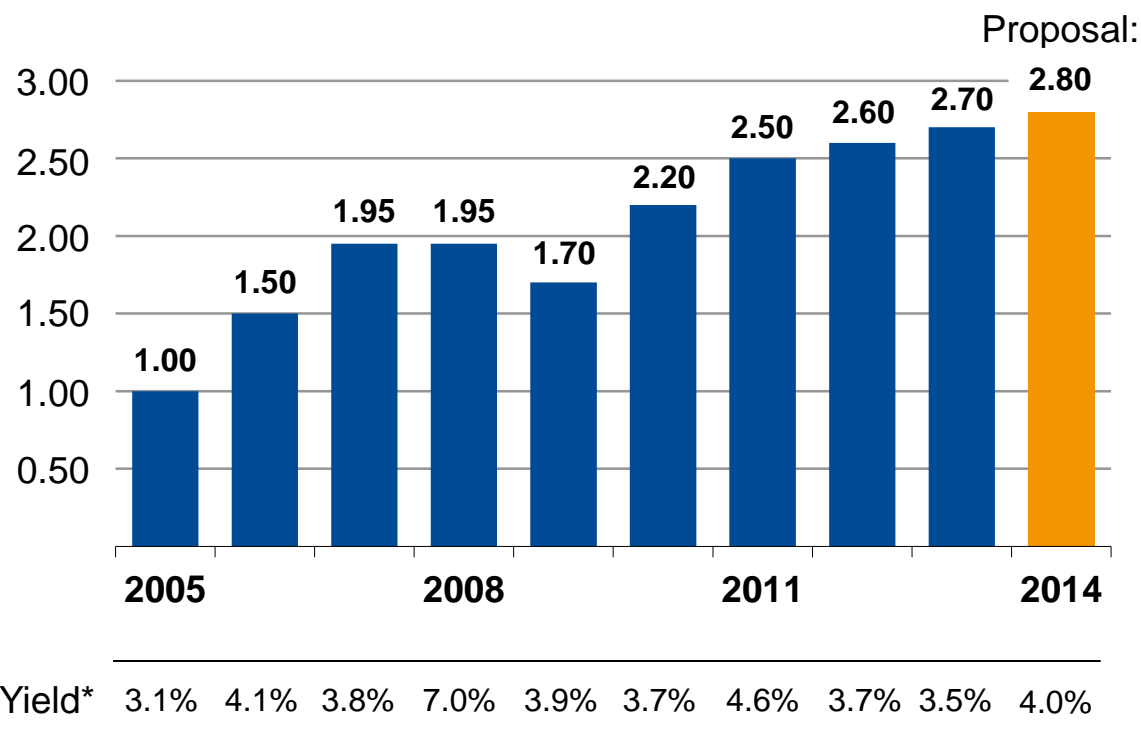


* Cash provided by operating activities less capex (in 2005 before CTA)

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

Attractive shareholder return

Dividend per share (€)



* Dividend yield based on share price at year-end

Dividend policy

- We want to grow or at least maintain our dividend

Key facts

- Dividend proposal of €2.80 per share, 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

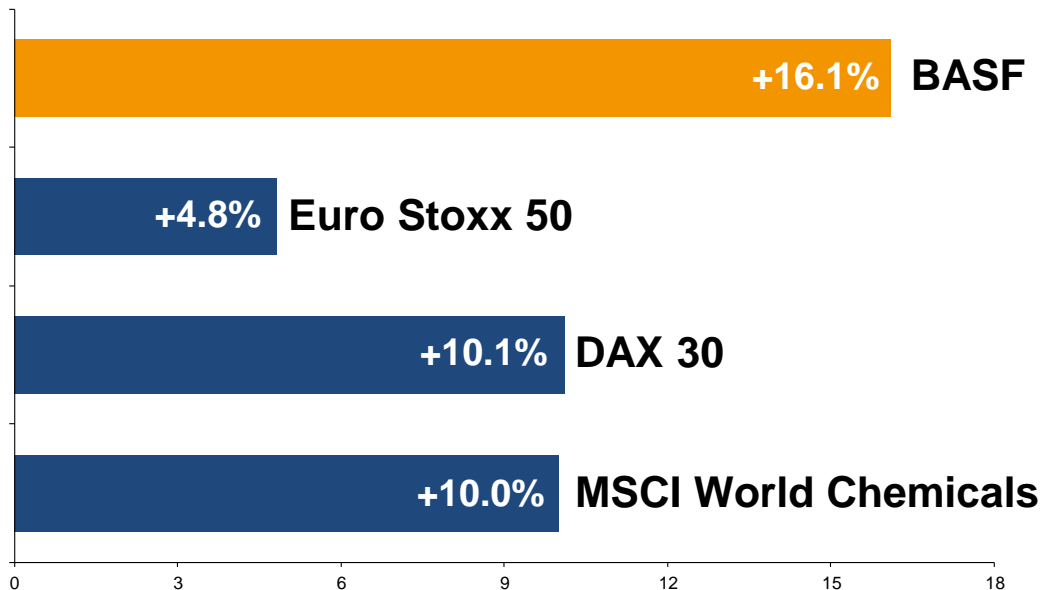
** Based on BASF share price of €69.88 on Dec 30, 2014

Delivering consistent, long-term value

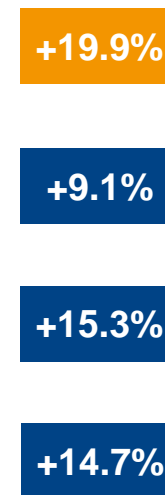
Average annual performance

with dividends reinvested

Last 10 years
March 2005 – February 2015



Last 5 years
March 2010 – February 2015



Outlook 2015

Expectations for the global economy

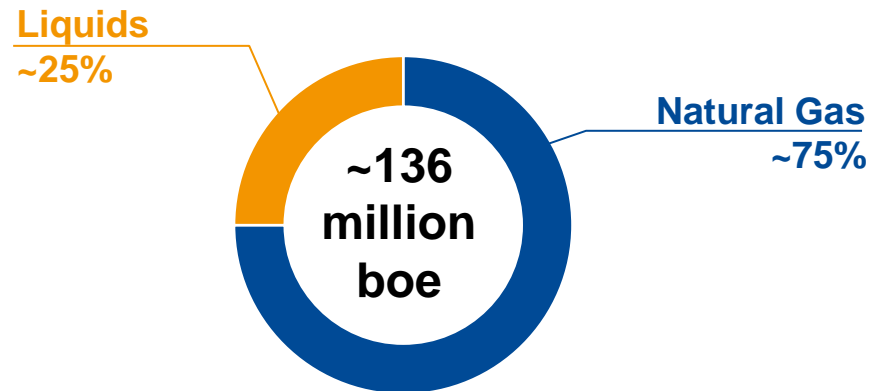
	Forecast 2015	2014 (actual)
GDP	2.8%	2.5%
Chemicals (excl. pharma)	4.2%	4.0%
Industrial production	3.6%	3.4%
US\$ / Euro	1.20	1.33
Oil price: Brent (US\$ / bbl)	60-70	99

Outlook BASF Group 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 & 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.

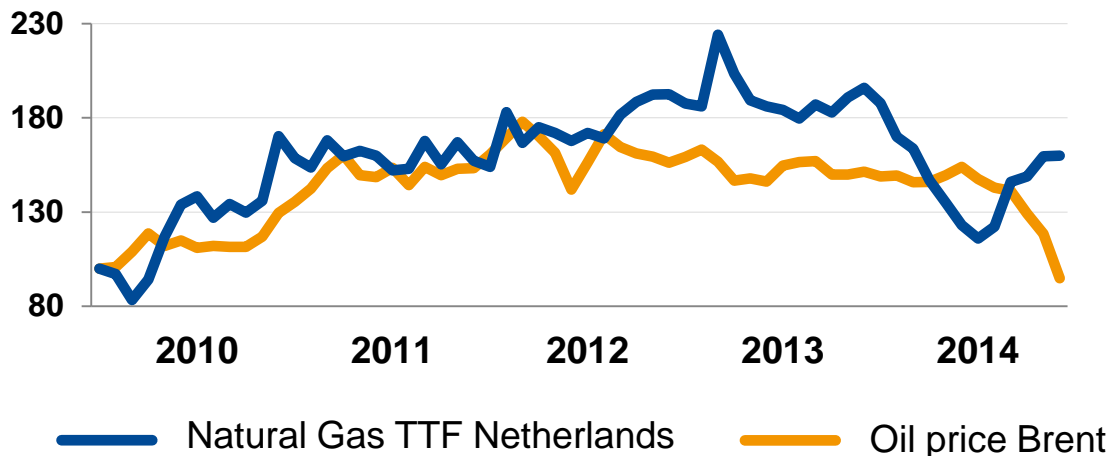
Oil & Gas: Impact of the current oil price and measures

Production split* 2014



Oil price vs. Western European gas price

(2010 = 100)



Key Facts

- Western European gas prices predominantly market-driven
- Gas markets outside of Europe partially regulated (e.g. Russia, Argentina)
- Annual oil price sensitivity for O&G segment: $\pm\text{€}20$ million EBIT per $\pm\text{\$}1$ per bbl. (Brent)

Measures

- Operational excellence
- Cost optimization
- CAPEX optimization
- Active portfolio management

Outlook 2015 - Forecast by segment

Million €	EBIT before special items	
	2014	Forecast 2015
Chemicals	2,367	slight decrease
Performance Products	1,455	considerable increase
Functional Materials & Solutions	1,197	considerable increase
Agricultural Solutions	1,109	considerable increase
Oil & Gas	1,795	considerable decrease
Other	(566)	slight decrease
BASF Group	7,357	at prior-year level

With respect to EBIT before special items, “slight” means a change of 1-10%, while “considerable” is used for changes greater than 11%. For sales, “slight” means a change of 1-5%, while “considerable” is used for changes of 6% and higher.

“At prior-year level” indicates no change (+/-0%).

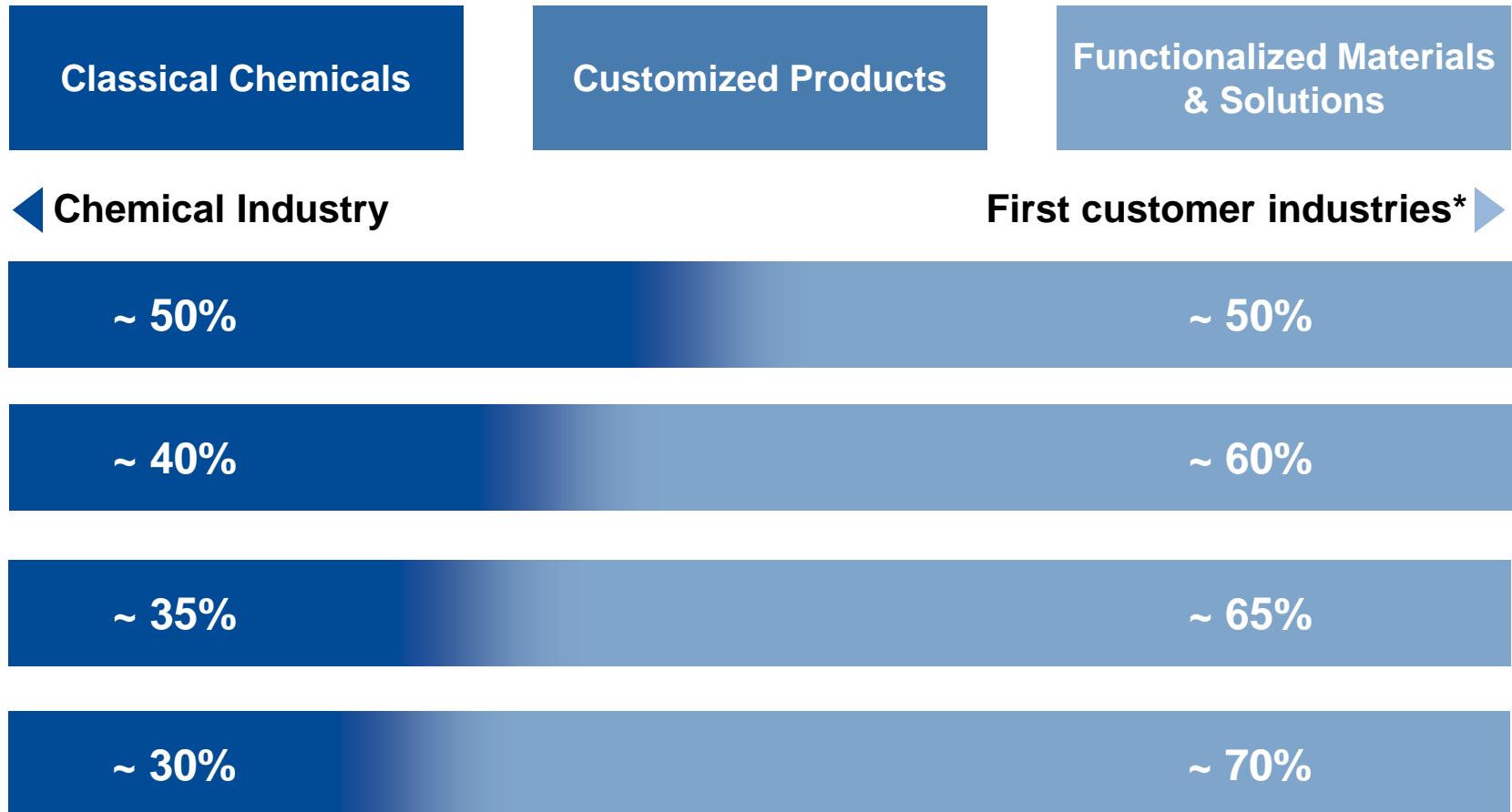
Business review

Growth levers

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

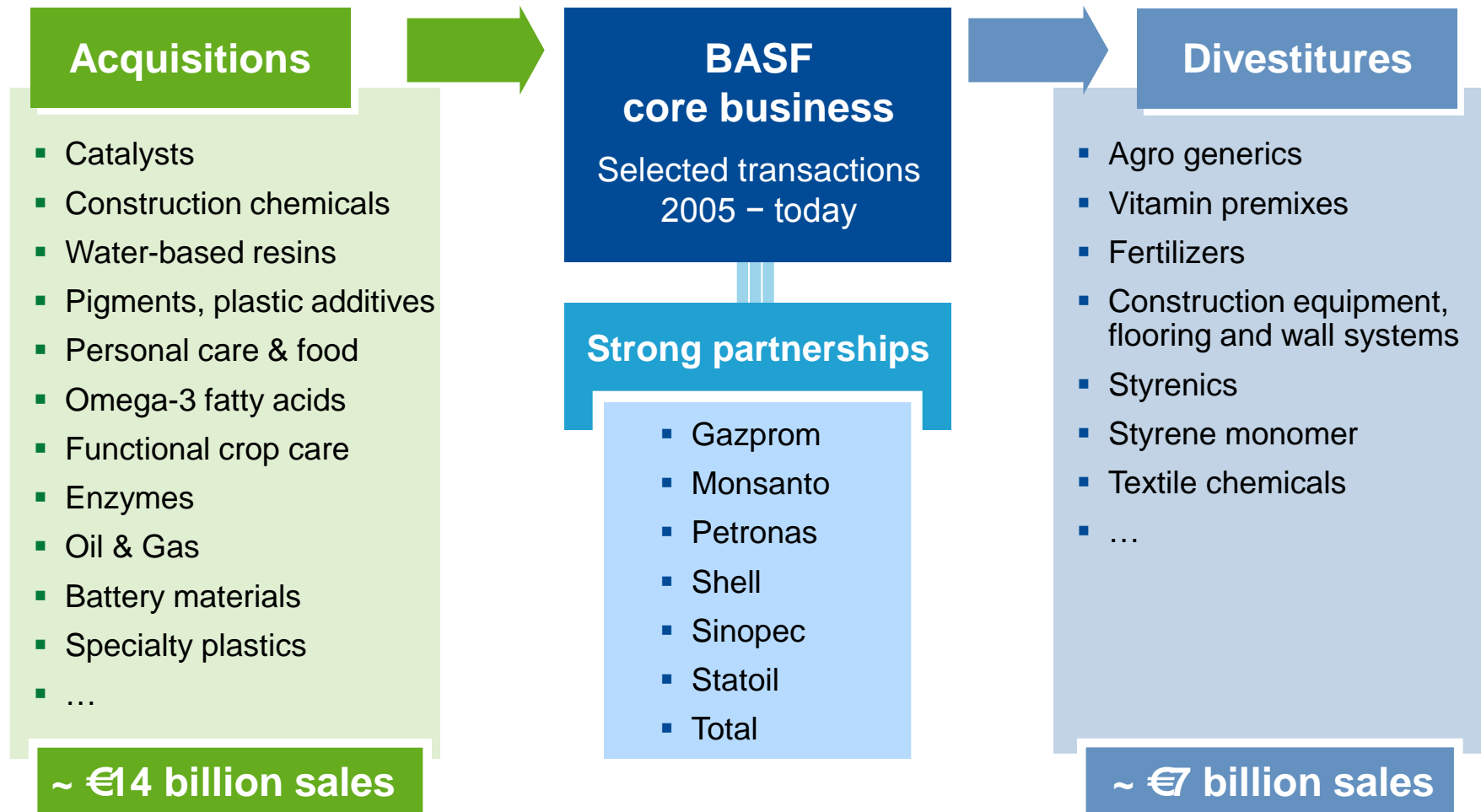
Portfolio development

Moving downstream towards customer industries



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 %

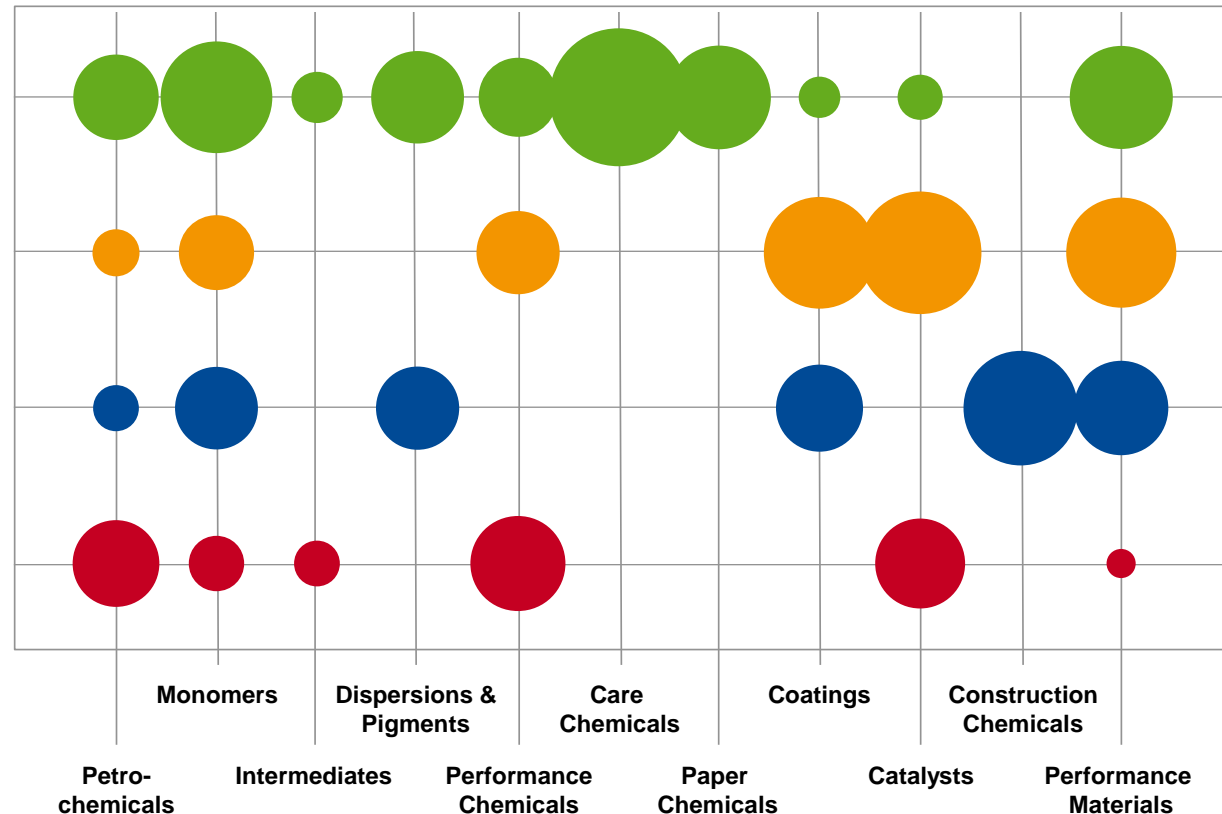
Construction

> 10 %

Energy & Resources

< 10 %

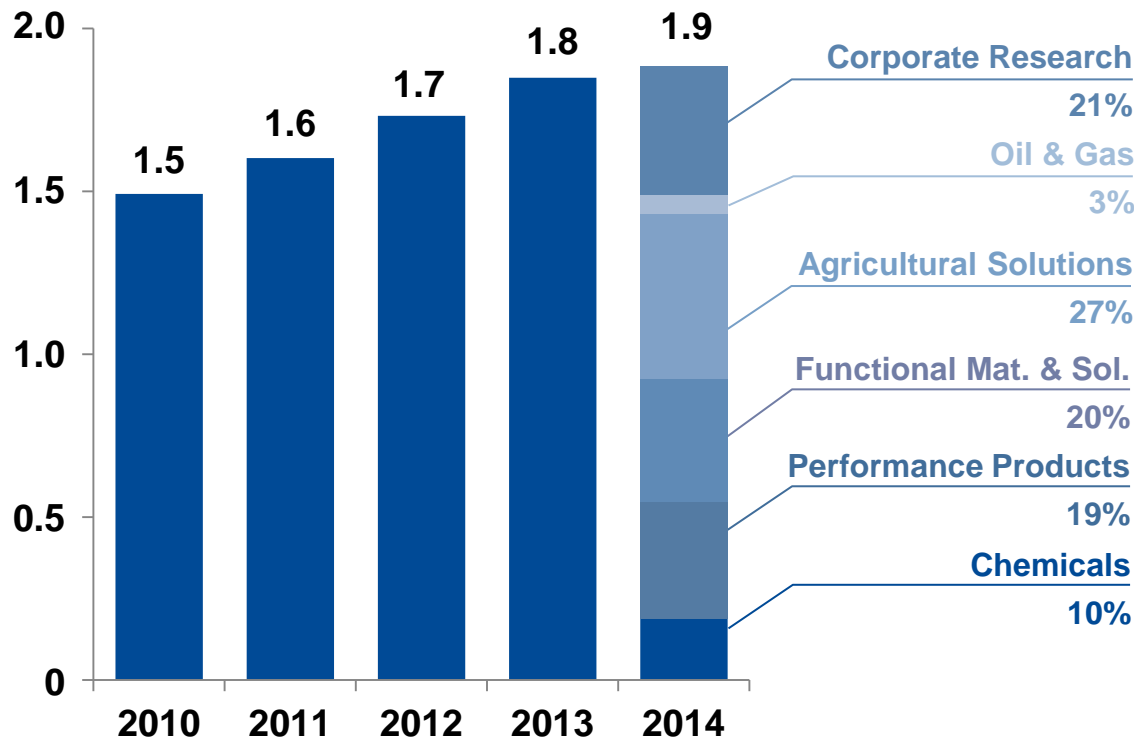
Bubble Size: BASF divisional sales by first customer industry/****



Strong commitment to innovation

Innovations for a sustainable future

R&D expenditures (€ billion)



Key facts

- Further increase of R&D spending in 2015
- ~10,700 employees in R&D
- ~3,000 projects
- Research Verbund: Cooperations with ~600 excellent partners from universities, start-ups and industry
- Target 2015:
 - €10 billion in sales from innovations launched within the last 5 years

Innovation: FWC™

Four-Way Conversion Catalyst

FWC™ reduces emission of gaseous pollutants *and* particulates



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

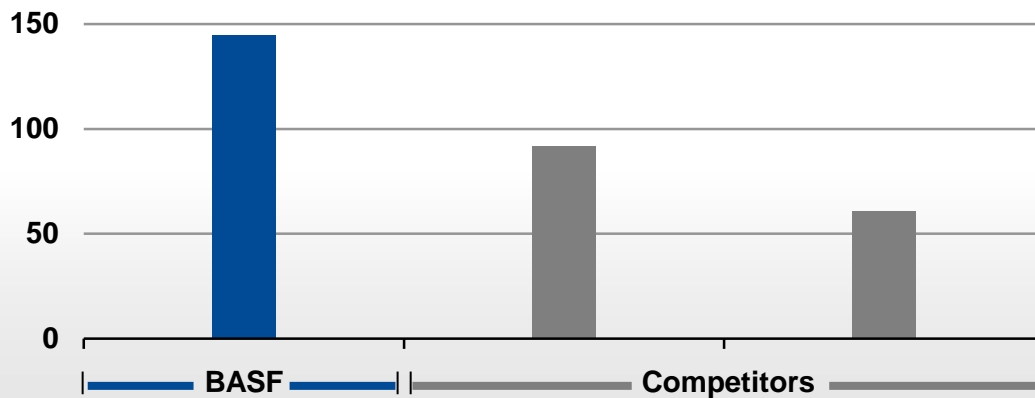
Complies with emissions limits

Helps automakers meet new Euro 6c regulatory standards

FWC™ introduced in 2013

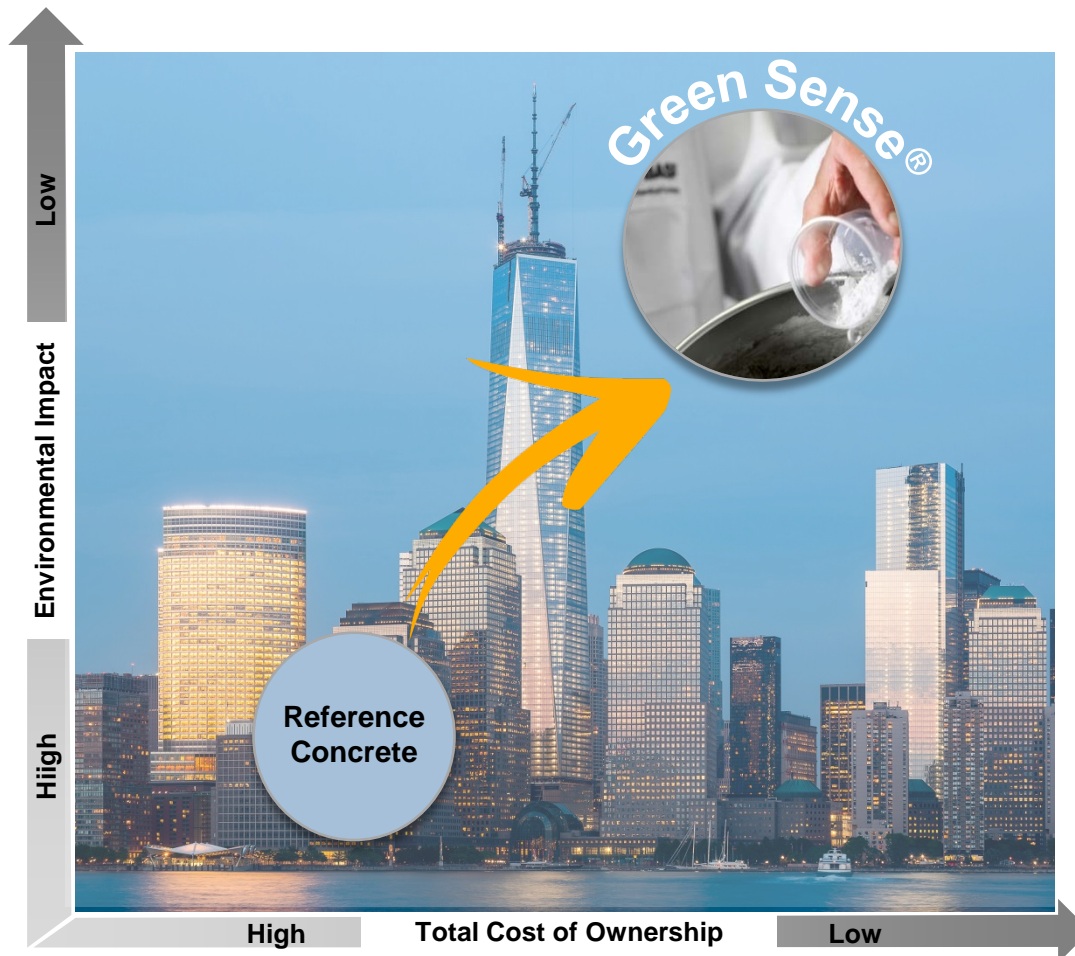
Sustains BASF's leading technology position

Leading position: Global mobile emissions catalysts patents*



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™

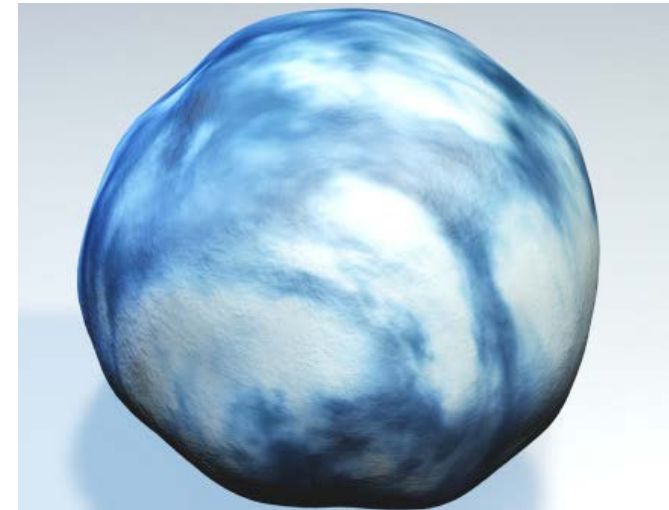
Highly efficient Superabsorbent Polymers (SAP)

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



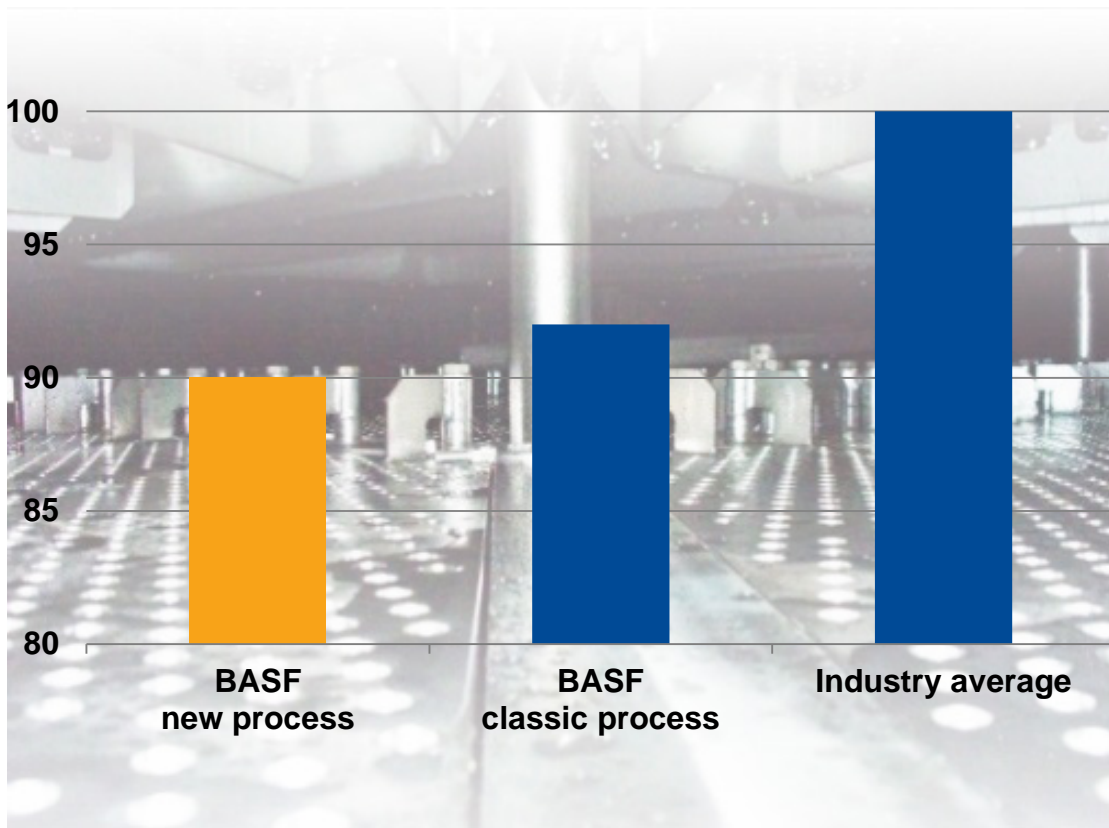
SAVIVA™ round shaped particle

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

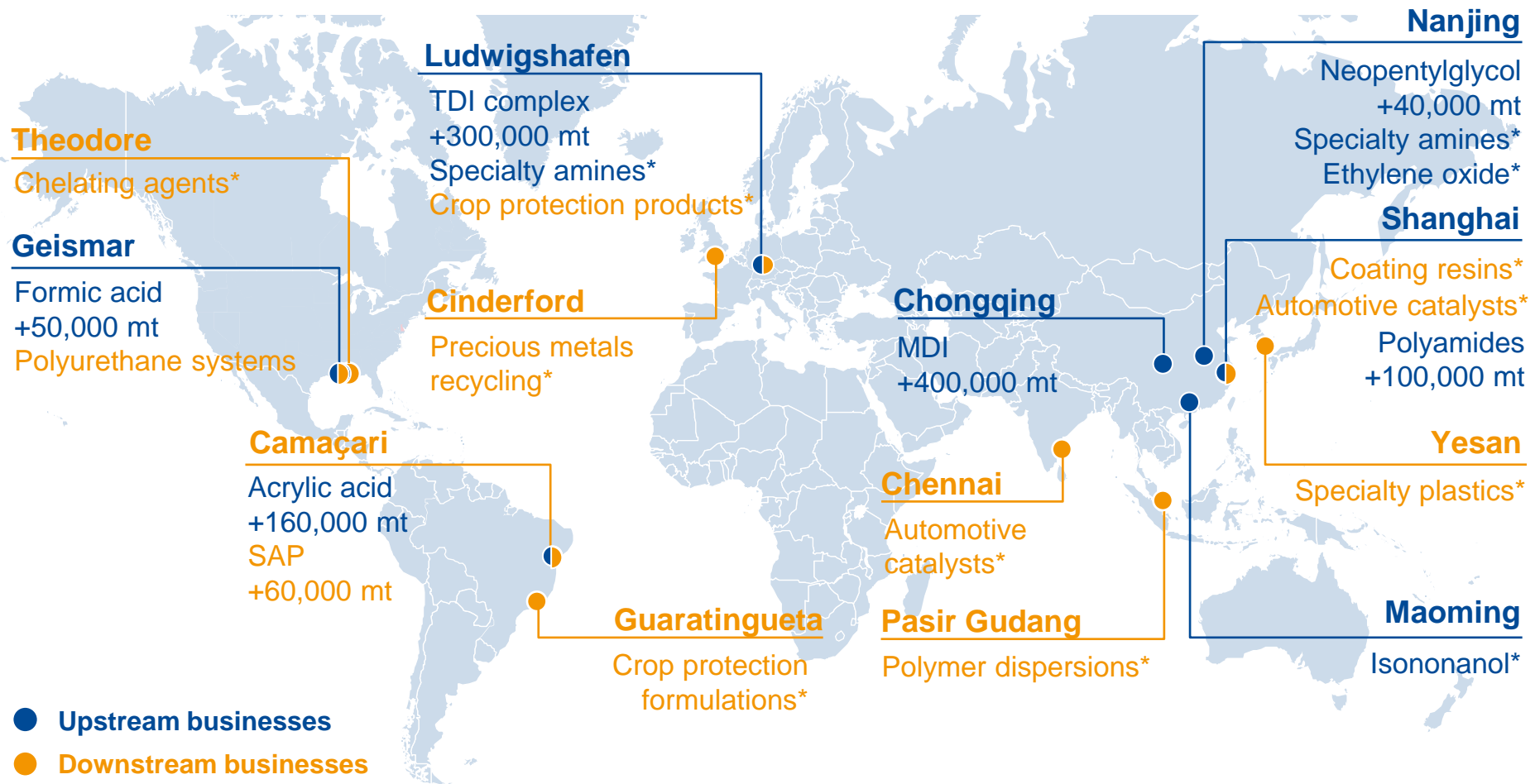
Materials,
Systems &
Nanotechnology

Raw Material
Change

White
Biotechnology

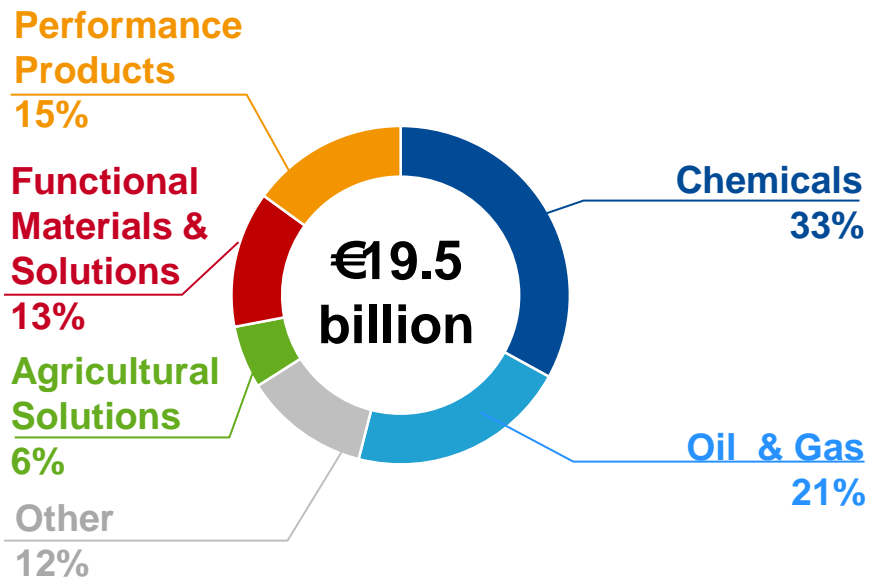
Major investment project start-ups in 2015

Major capex projects for start-up in 2015

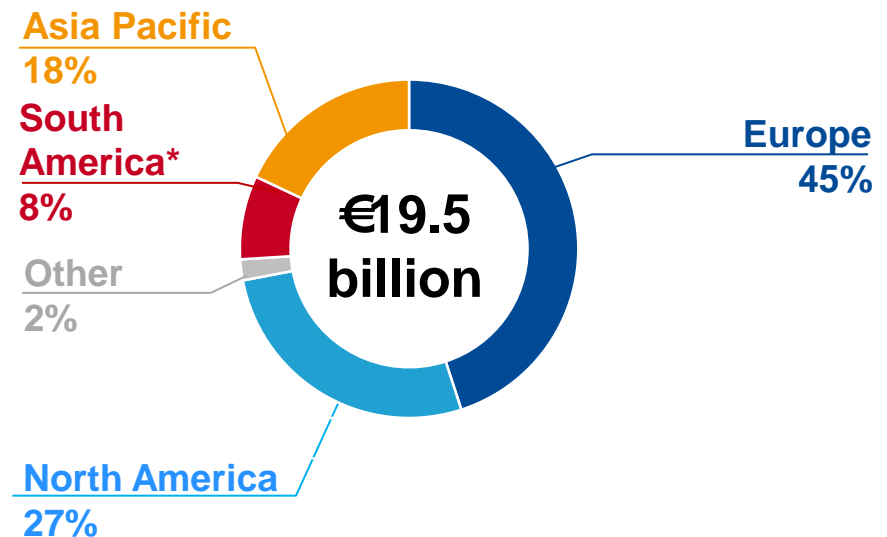


Investments for organic growth

Capex budget 2015-2019
by segment



Capex budget 2015-2019
by region



* Includes also regions Africa and Middle East

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

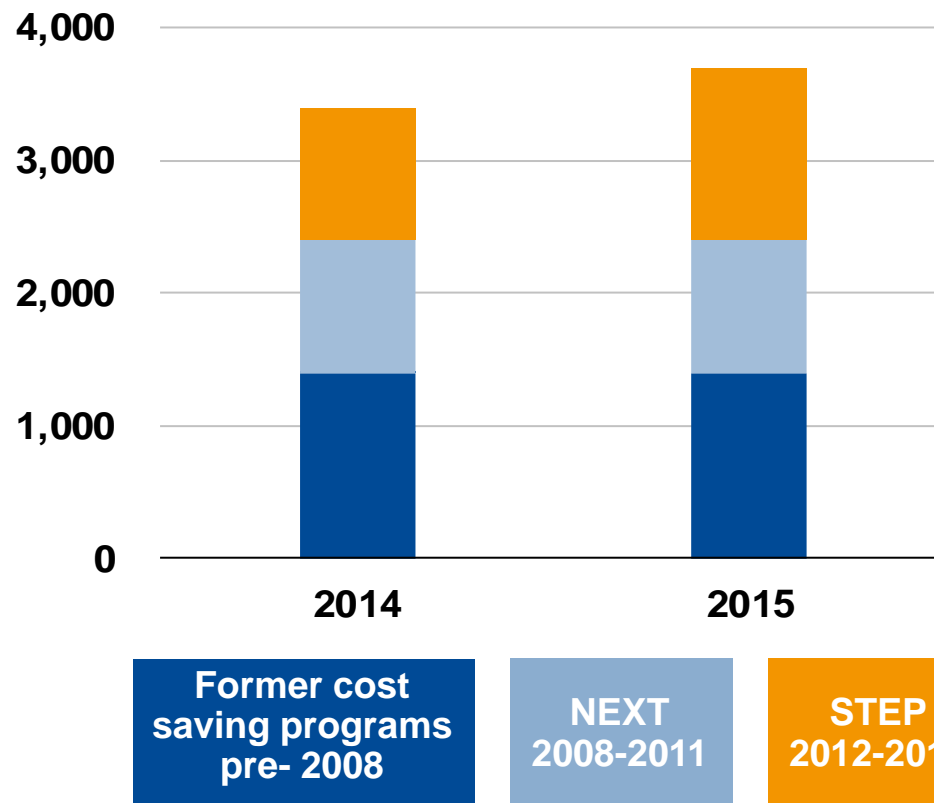
Strategic acquisition criteria

Financial acquisition criteria

Operational excellence programs

~€1.3 billion earnings contribution by 2015

Annual earnings contribution in € million



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 / 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

Adjustment &
Adaptation



Process &
Organizational
Setup



Portfolio
Management



Investments &
Innovation



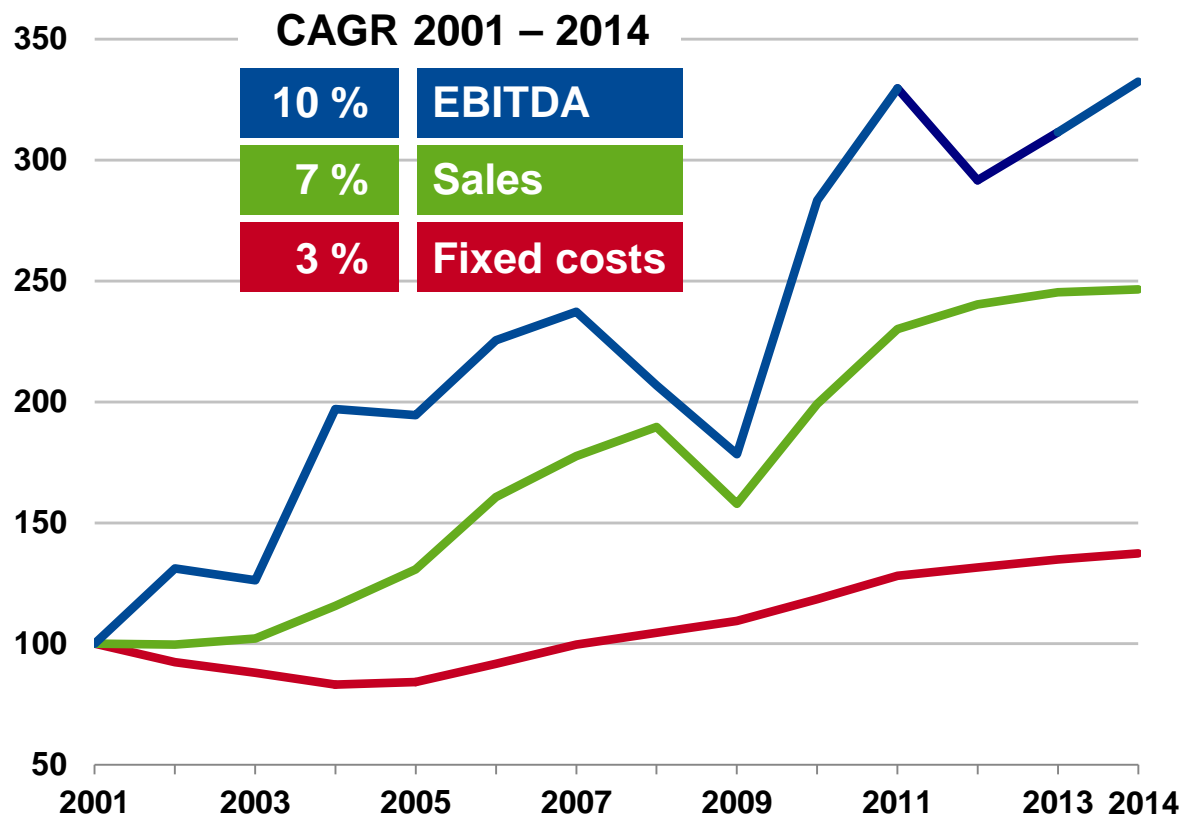
- Reduction of ~2,400 positions until end of 2017
- Annual earnings contribution of ~€500 million from 2017 onwards
- Run rate of €250 million by end of 2015
- One-time costs in the magnitude of ~€250-300 million
- Future investments
 - Innovations and R&D
 - Organic growth incl. capital expenditures
 - Selected acquisitions in growth fields

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...

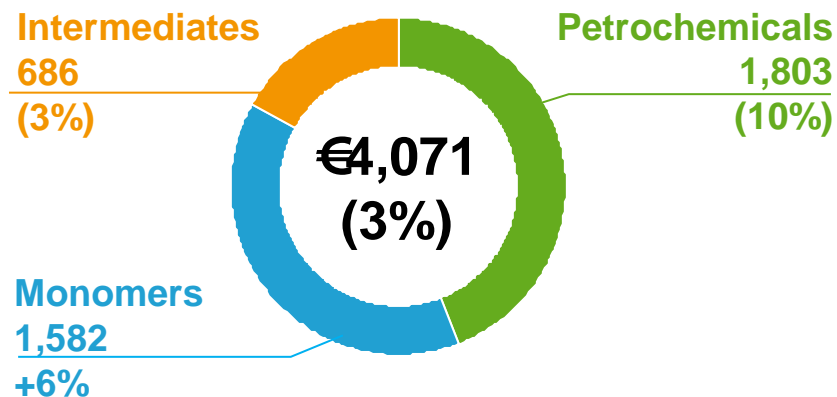
- is the #1 chemical company
- has a strong track record of profitable growth
- relentlessly focuses on Operational Excellence
- targets promising growth opportunities
- is committed to delivering high shareholder returns also in the future

Appendix

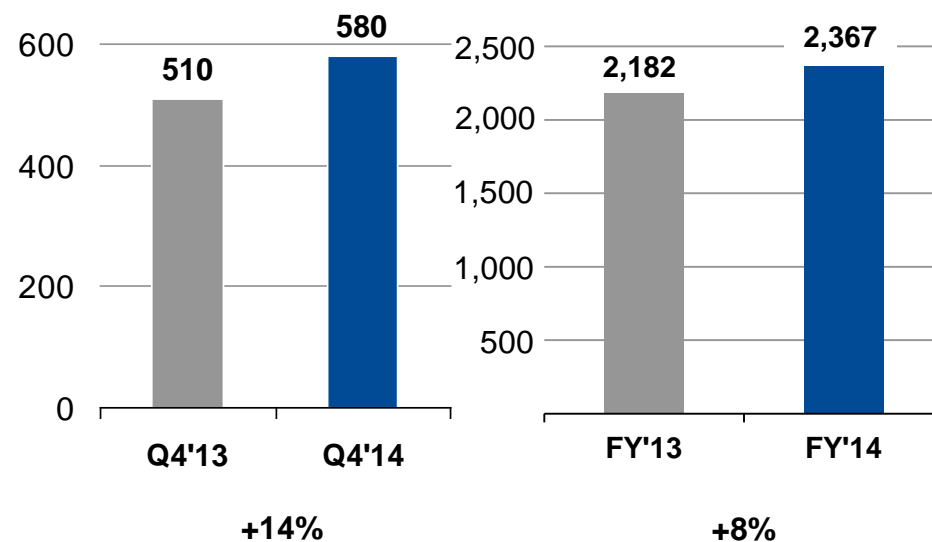
Chemicals

Petrochemicals drive earnings growth

Q4'14 segment sales (million €) vs. Q4'13



EBIT before special items (million €)



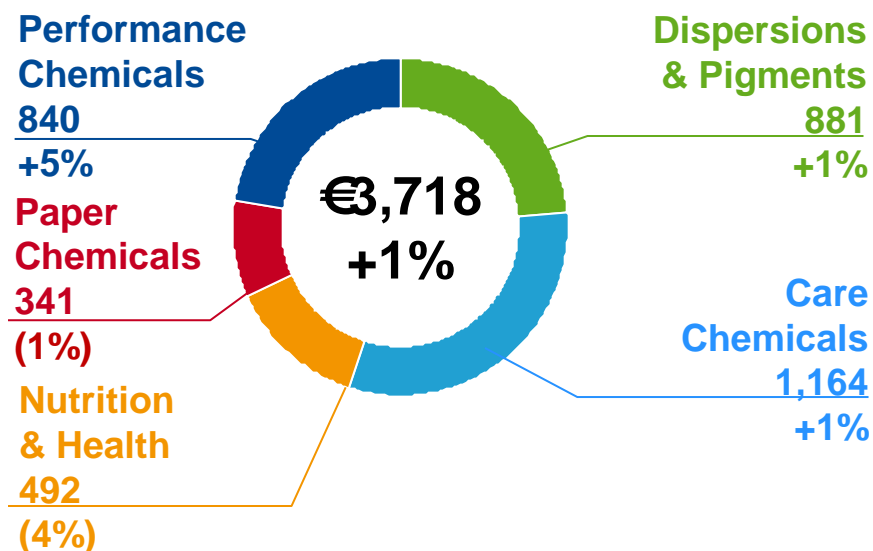
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q4'14 vs. Q4'13	↓ (3%)	↓ (4%)	0%	↑ 4%
FY'14 vs. FY'13	↑ 3%	↓ (3%)	0%	0%

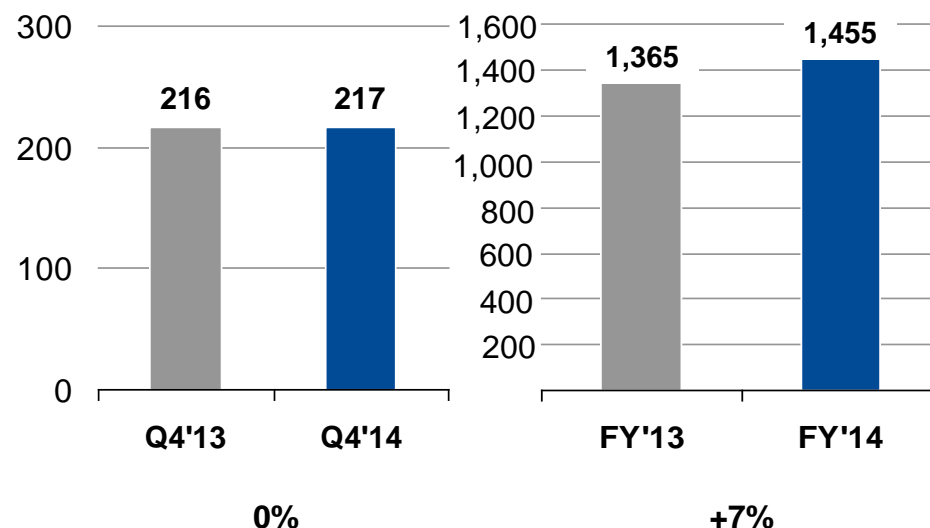
Performance Products

Sales slightly up and earnings on prior year level

Q4'14 segment sales (million €) vs. Q4'13



EBIT before special items (million €)



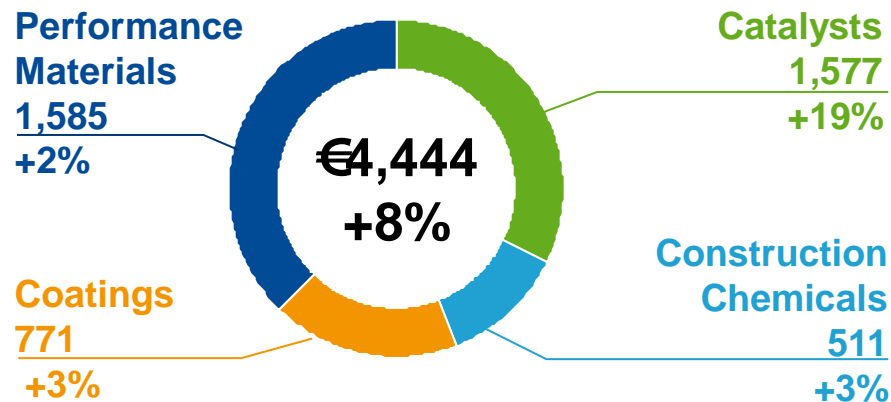
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q4'14 vs. Q4'13	↓ (2%)	0%	0%	↑ 3%
FY'14 vs. FY'13	↑ 1%	0%	0%	↓ (2%)

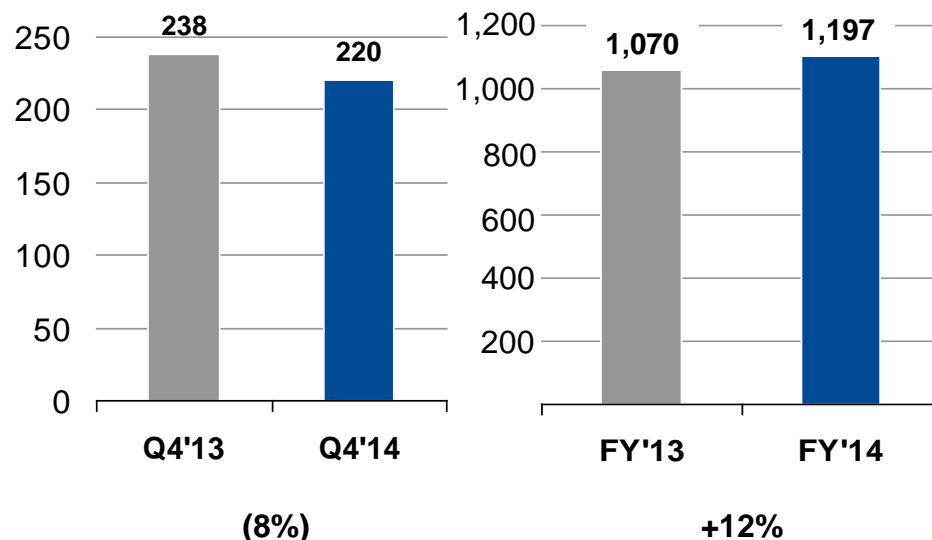
Functional Materials & Solutions

Continued robust demand from automotive

Q4'14 segment sales (million €) vs. Q4'13



EBIT before special items (million €)



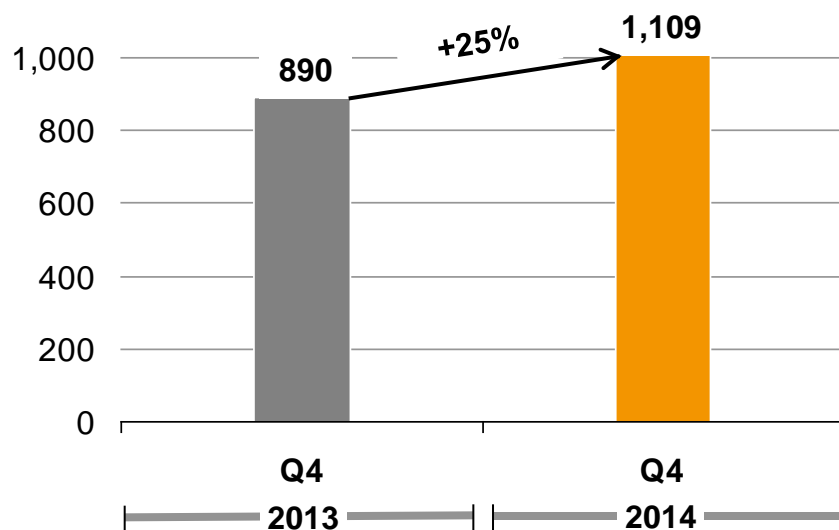
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q4'14 vs. Q4'13	↑ 4%	0%	0%	↑ 4%
FY'14 vs. FY'13	↑ 5%	0%	0%	↓ (2%)

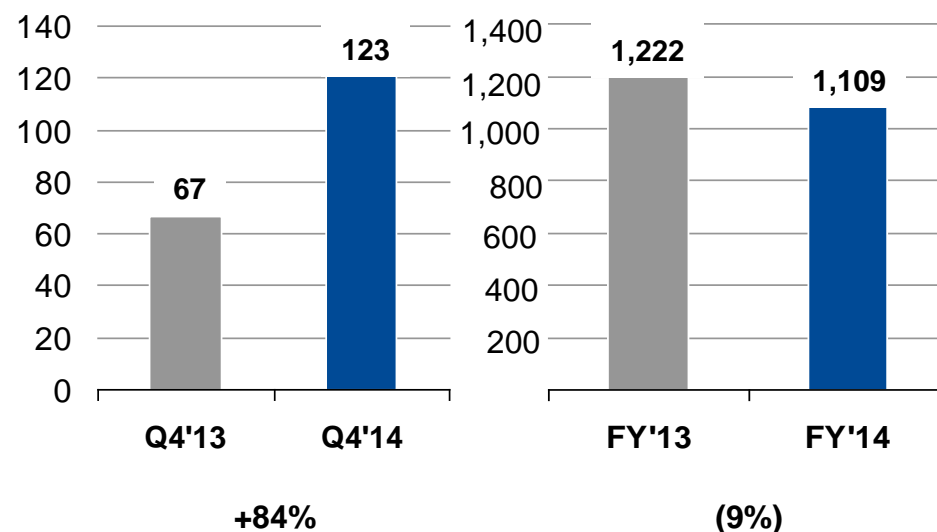
Agricultural Solutions

Strong finish to the year

Q4'14 segment sales (million €) vs. Q4'13



EBIT before special items (million €)



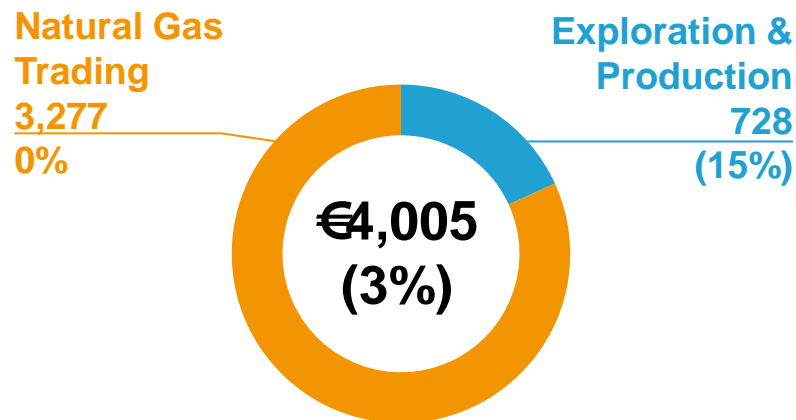
Sales development

Period	Volumes	Prices	Portfolio	Currencies
Q4'14 vs. Q4'13	↑ 22%	↓ (3%)	0%	↑ 6%
FY'14 vs. FY'13	↑ 5%	↑ 2%	0%	↓ (3%)

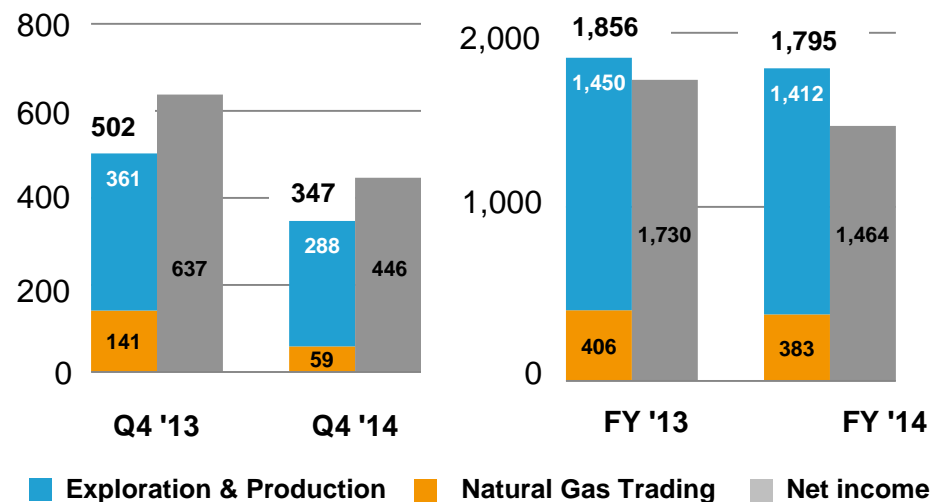
Oil & Gas

Lower oil and gas prices impacted earnings

Q4'14 segment sales (million €) vs. Q4'13



EBIT before special items / Net income (million €)*



* Previous year values restated due to dissolution of disposal group "Natural Gas Trading"

Sales development

Period	Volumes	Price/Currencies	Portfolio
Q4'14 vs. Q4'13	↑ 10%	↓ (12%)	↓ (1%)
FY'14 vs. FY'13	↑ 14%	↓ (13%)	↑ 1%

Review of 'Other'

Million €	Q4 2014	Q4 2013	2014	2013
Sales	700	1,106	3,609	4,190
EBIT before special items	(28)	(114)	(566)	(618)
<i>Thereof corporate research costs</i>	<i>(98)</i>	<i>(102)</i>	<i>(389)</i>	<i>(386)</i>
<i>group corporate costs</i>	<i>(59)</i>	<i>(66)</i>	<i>(218)</i>	<i>(237)</i>
<i>currency results, hedges and other valuation effects</i>	<i>110</i>	<i>(109)</i>	<i>(2)</i>	<i>(190)</i>
<i>other businesses</i>	<i>23</i>	<i>99</i>	<i>133</i>	<i>254</i>
Special items	473	3	433	(46)
EBIT	445	(111)	(133)	(664)

Operating cash flow development in 2014

Million €	2014	2013*
Cash provided by operating activities	6,958	8,100
<i>Thereof changes in net working capital</i>	<i>(699)</i>	<i>714</i>
<i>miscellaneous items</i>	<i>(953)</i>	<i>(720)</i>
Cash provided by investing activities	(4,496)	(5,994)
<i>Thereof payments related to tangible / intangible assets</i>	<i>(5,296)</i>	<i>(4,873)</i>
<i>acquisitions / divestitures</i>	<i>373</i>	<i>(1,093)</i>
Cash used in financing activities	(2,478)	(1,874)
<i>Thereof changes in financial liabilities</i>	<i>288</i>	<i>828</i>
<i>dividends</i>	<i>(2,766)</i>	<i>(2,702)</i>

* Previous year values restated due to dissolution of disposal group "Natural Gas Trading"

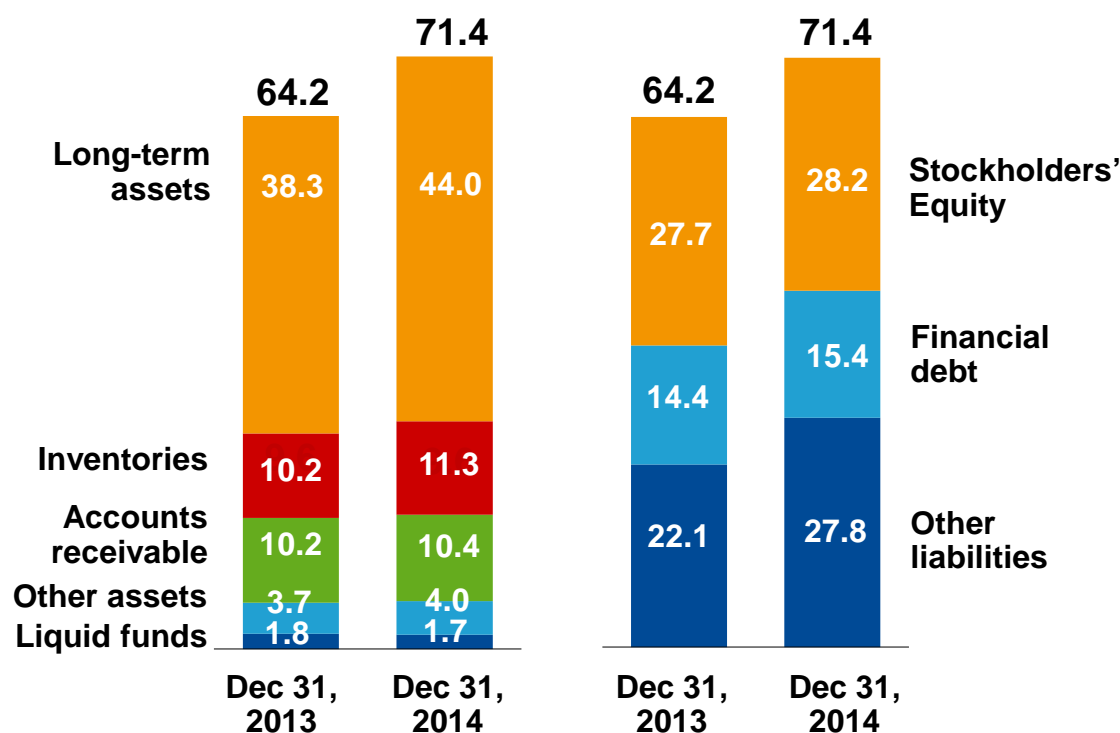
2014

- Free cash flow decreased to €1.7 billion; reduction due to a swing in net working capital and higher capex
- Payments related to tangible/intangible assets amounted to €5.3 billion (+€423 million)
- Continued high dividend payout in 2014: ~€2.8 billion

Balance sheet remains strong

Balance sheet 2014 vs. 2013

(billion €)



(Previous year values restated due to dissolution of disposal group "Natural Gas Trading")

Highlights 2014

- Increase in long-term assets by €5.7 billion, due to capex and acquisitions
- Increase of pension provisions by €3.6 billion due to continued decline of discount rates
- Financial debt increased by €1.0 billion reflecting issuance of bonds
- Net debt: €13.7 billion
- Net debt/EBITDA ratio: 1.2
- Equity ratio: 40%

150 years



We create chemistry