



The Chemical Company

Capital Market Story

March 2014

A large group of people, all wearing blue shirts, are standing on a grey floor to form a large, stylized 'W' shape. The 'W' is composed of several parallel lines of people, with the central line being the tallest and the outer lines being shorter, creating a sense of depth and movement. The overall effect is a powerful visual metaphor for unity and corporate identity.

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



- 10 years of strong sales and earnings growth
- 14% average annual dividend increase, >3% yield in every single year*
- ~€75 billion market capitalization**

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

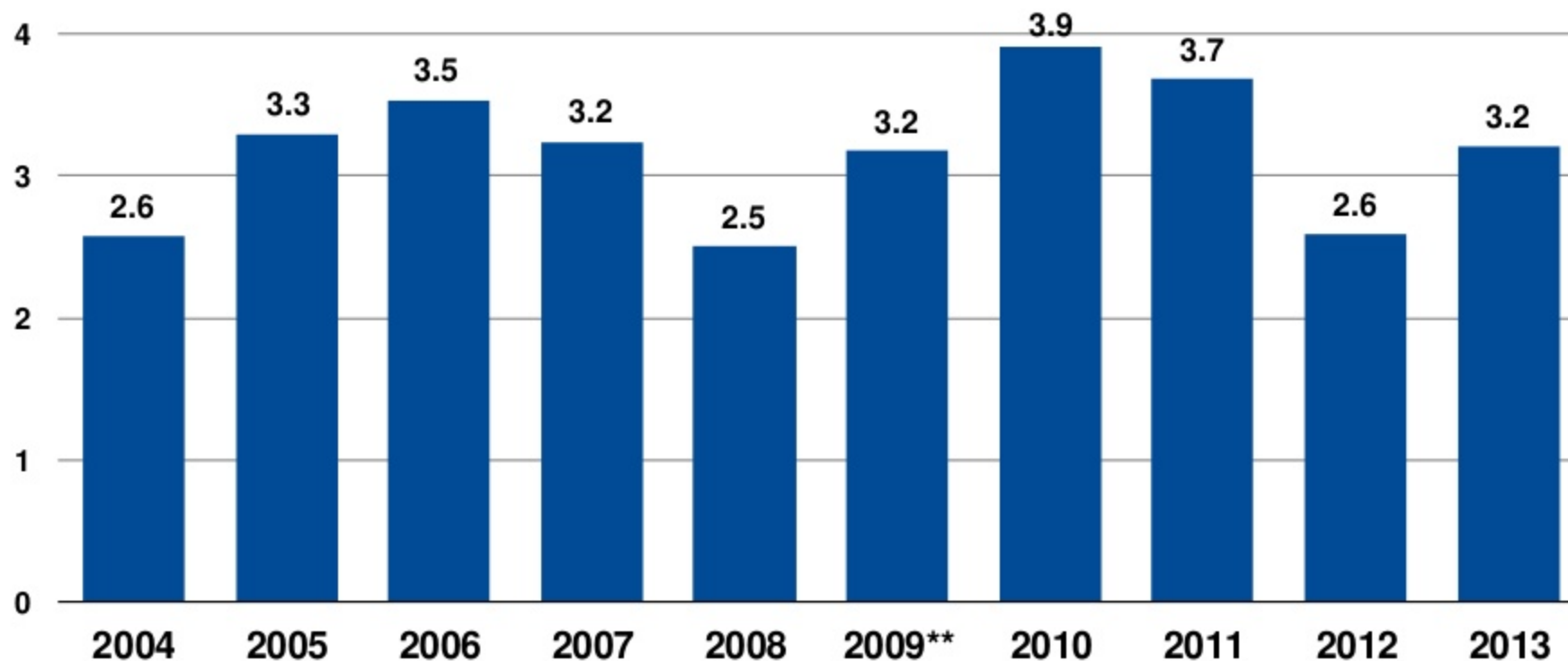
Business performance	Q4'13	vs. Q4'12	FY'13	vs. FY'12
▪ Sales	€18.1 billion	+1%	€74.0 billion	+3%
▪ EBITDA	€2.6 billion	+26%	€10.4 billion	+4%
▪ EBIT before special items	€1.5 billion	+18%	€7.2 billion	+8%
▪ EBIT	€1.6 billion	+55%	€7.3 billion	+8%
▪ Net income	€1.1 billion	+16%	€4.8 billion	0%
▪ Reported 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%)

Strong free cash flow generation

Free cash flow*
in € billion

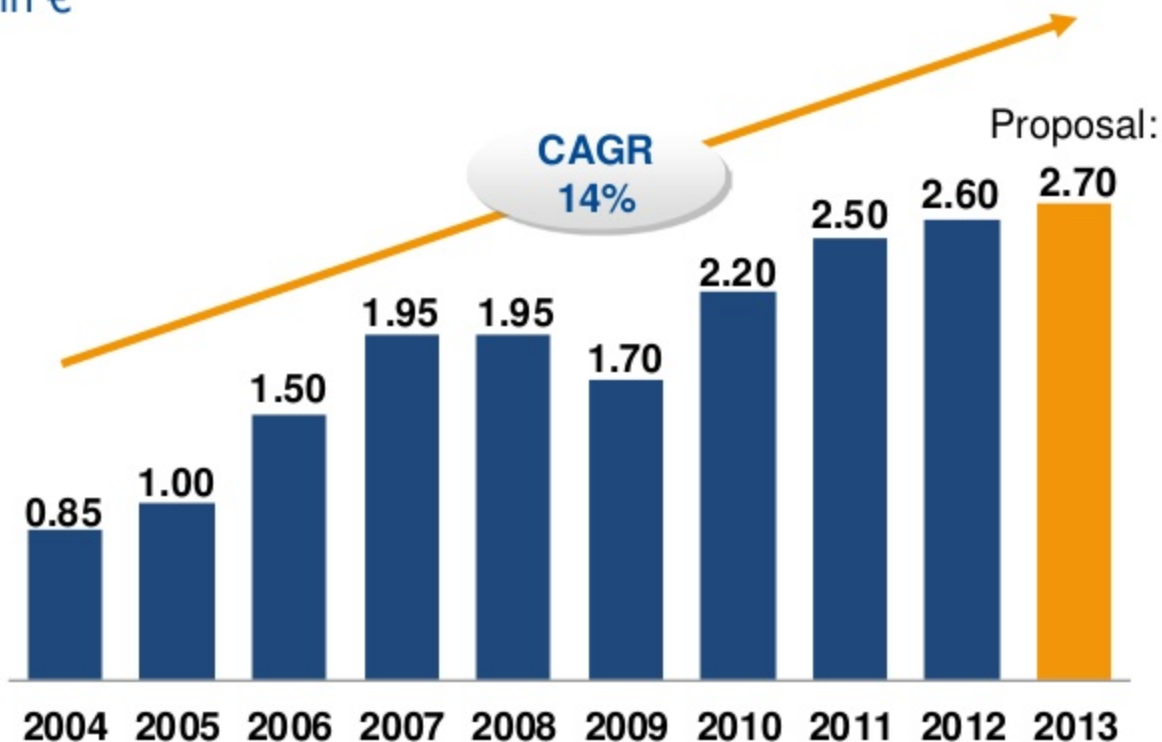


* Cash provided by operating activities less capex (in 2005 before CTA)

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

Delivering attractive shareholder returns

Dividend per share in €



Dividend yield*

Year	Dividend yield (%)
2004	3.2%
2005	3.1%
2006	4.1%
2007	3.8%
2008	7.0%
2009	3.9%
2010	3.7%
2011	4.6%
2012	3.7%
2013	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

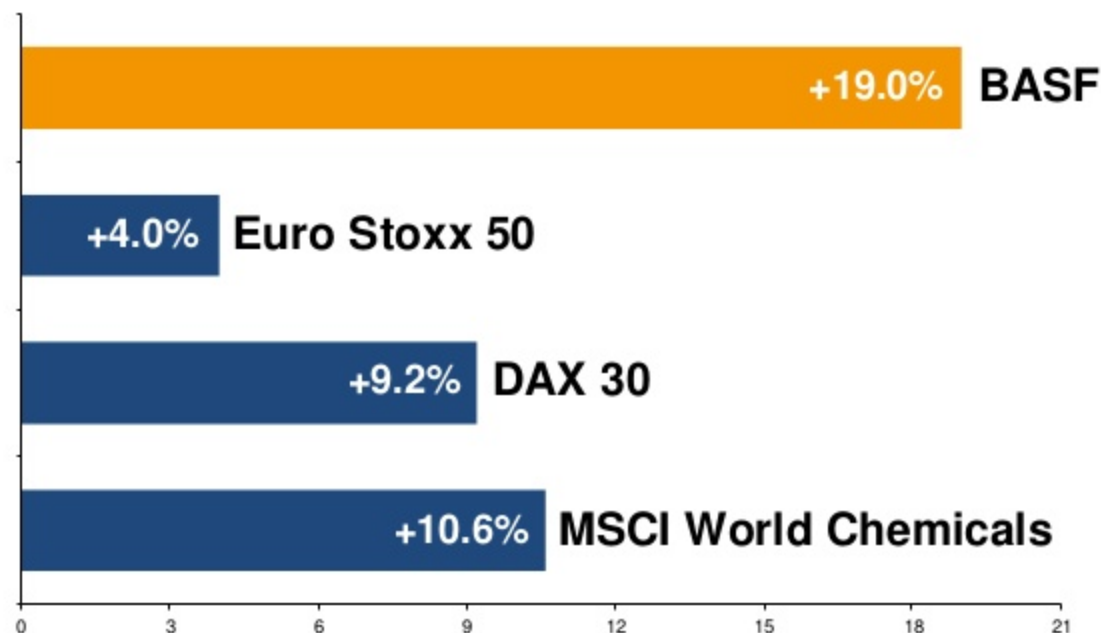
Delivering consistent, long-term value

Average annual performance

with dividends reinvested

Last 10 years

March 2004 – February 2014



Last 5 years

March 2009 – February 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 billion▪ EPS ~€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

Classical Chemicals

Customized Products

Functionalized Materials
& Solutions

◀ Chemical Industry

First customer industries* ▶

2001

in % of
sales**

~ 50%

~ 50%

2010

in % of
sales**

~ 40%

~ 60%

2020

in % of
sales**

~ 30%

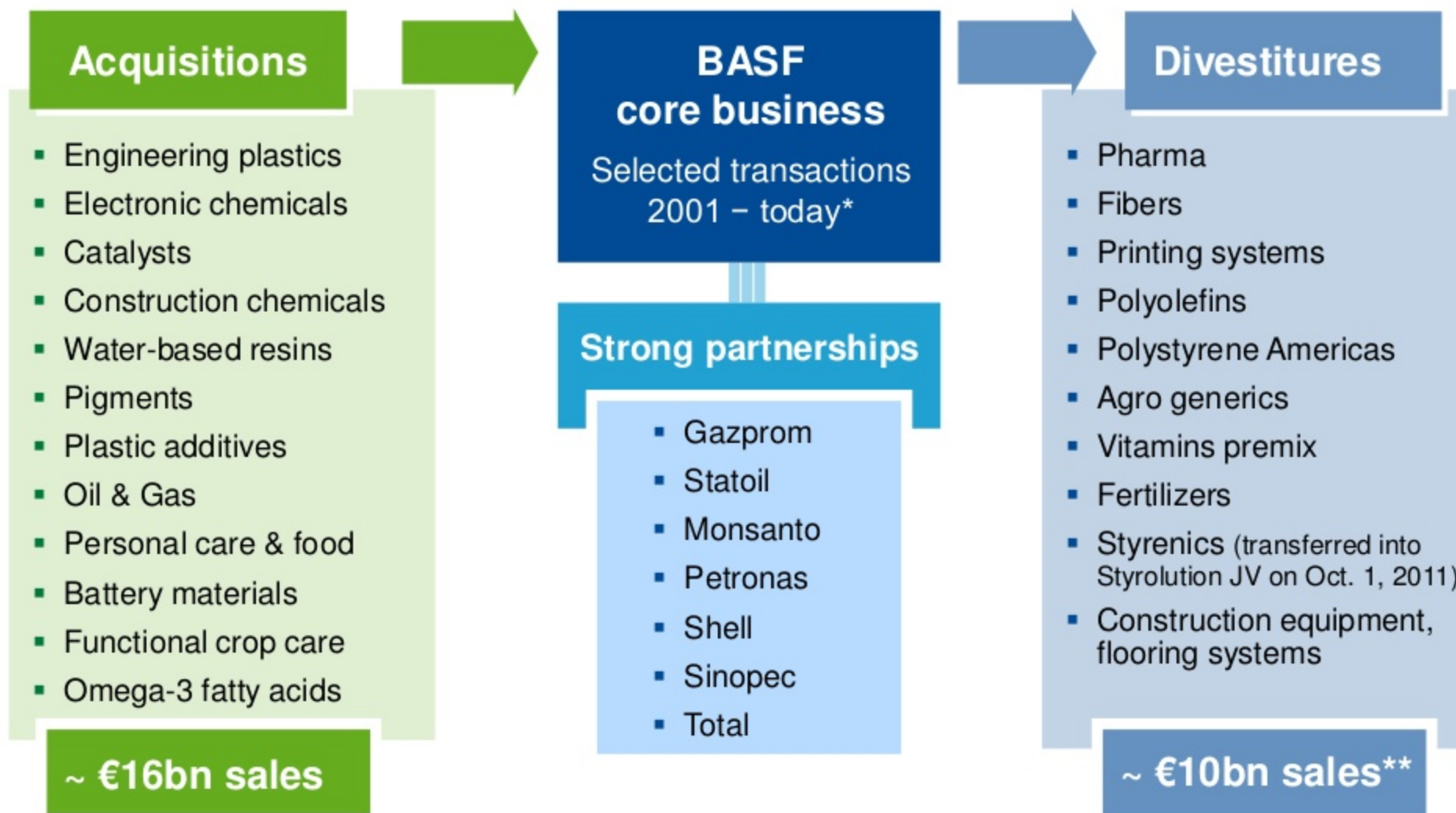
~ 70%

* 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 %

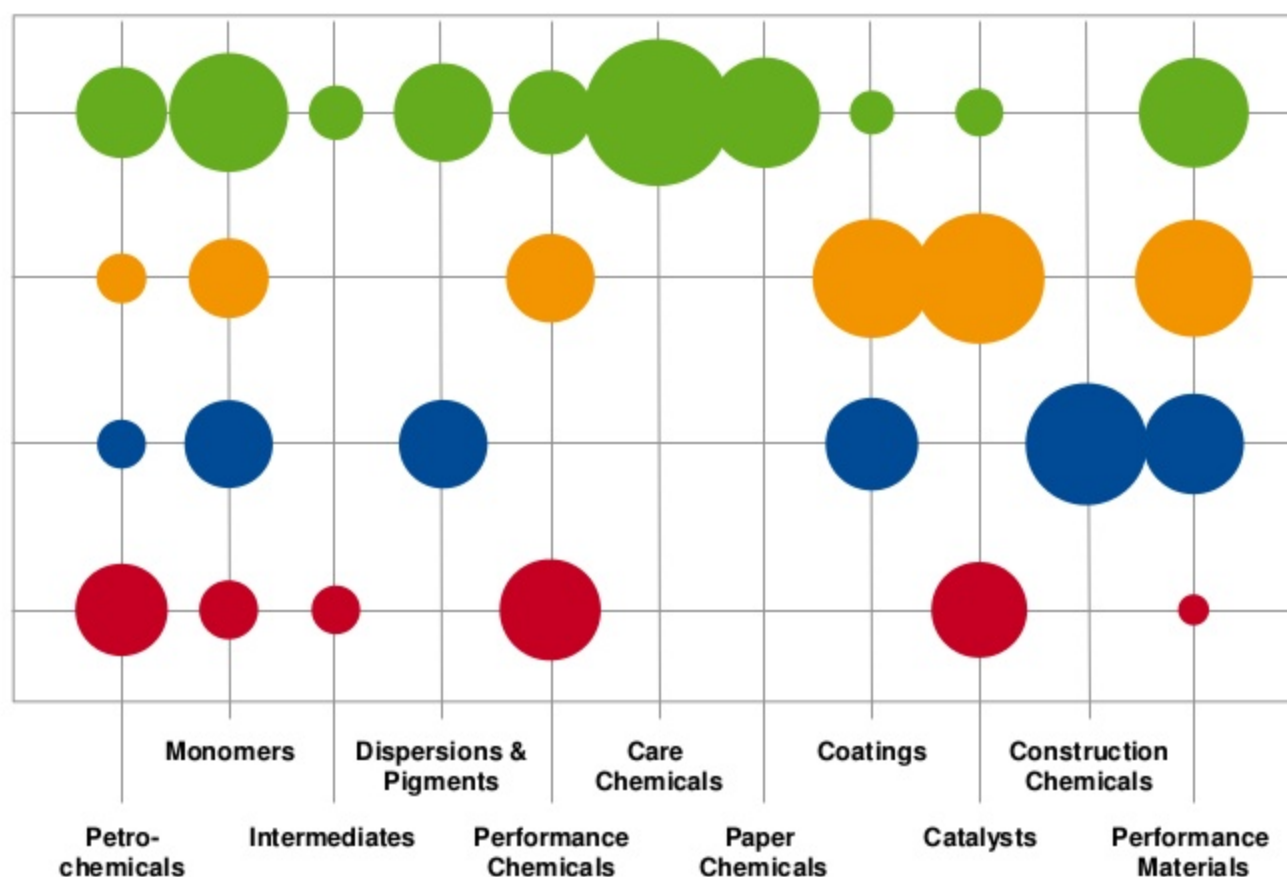
Construction

> 10 %

Energy & Resources

< 10 %

Bubble Size: BASF divisional sales by first customer industry (2012)**



Cross-divisional approach: 'Smartforvision'

Technology competencies combined with customer know-how

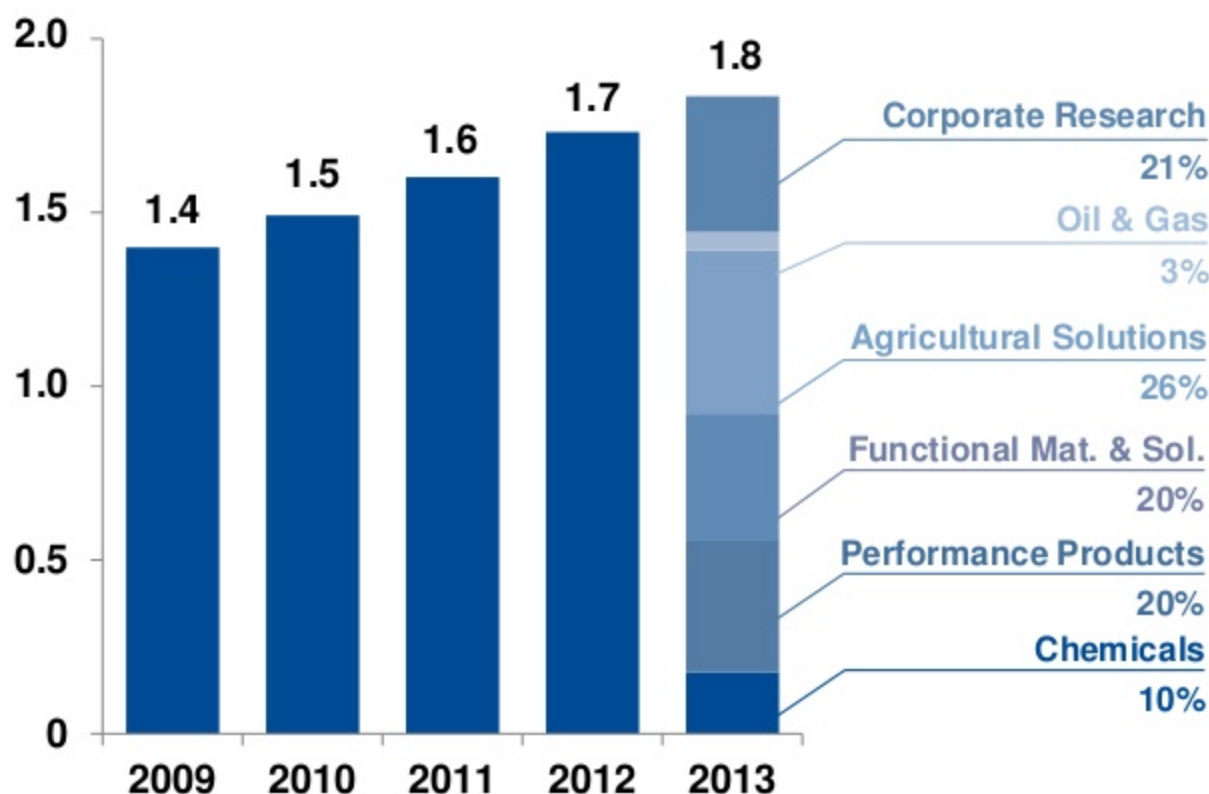


Daimler & BASF concept car 'Smartforvision'

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