




BASF Investor Day Asia Pacific

Presentations of Day 2 (Nanjing)

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Investor Day
Asia Pacific

Nanjing, June 6, 2013

 **BASF**
The Chemical Company

BASF in China – A continuing growth story

Dr. Albert Heuser
President Greater China & Functions Asia Pacific



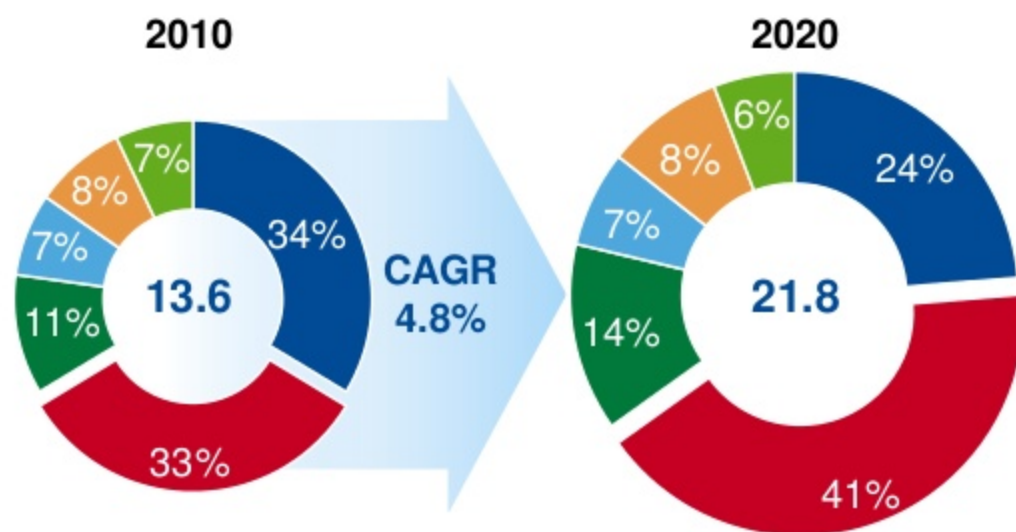
1 | Trends in the Chinese chemical market

2 | BASF business performance in China

3 | Strategy implementation in China

Greater China will increase share of the regional GDP to more than 40% in 2020

Real GDP (in US\$ trillion)

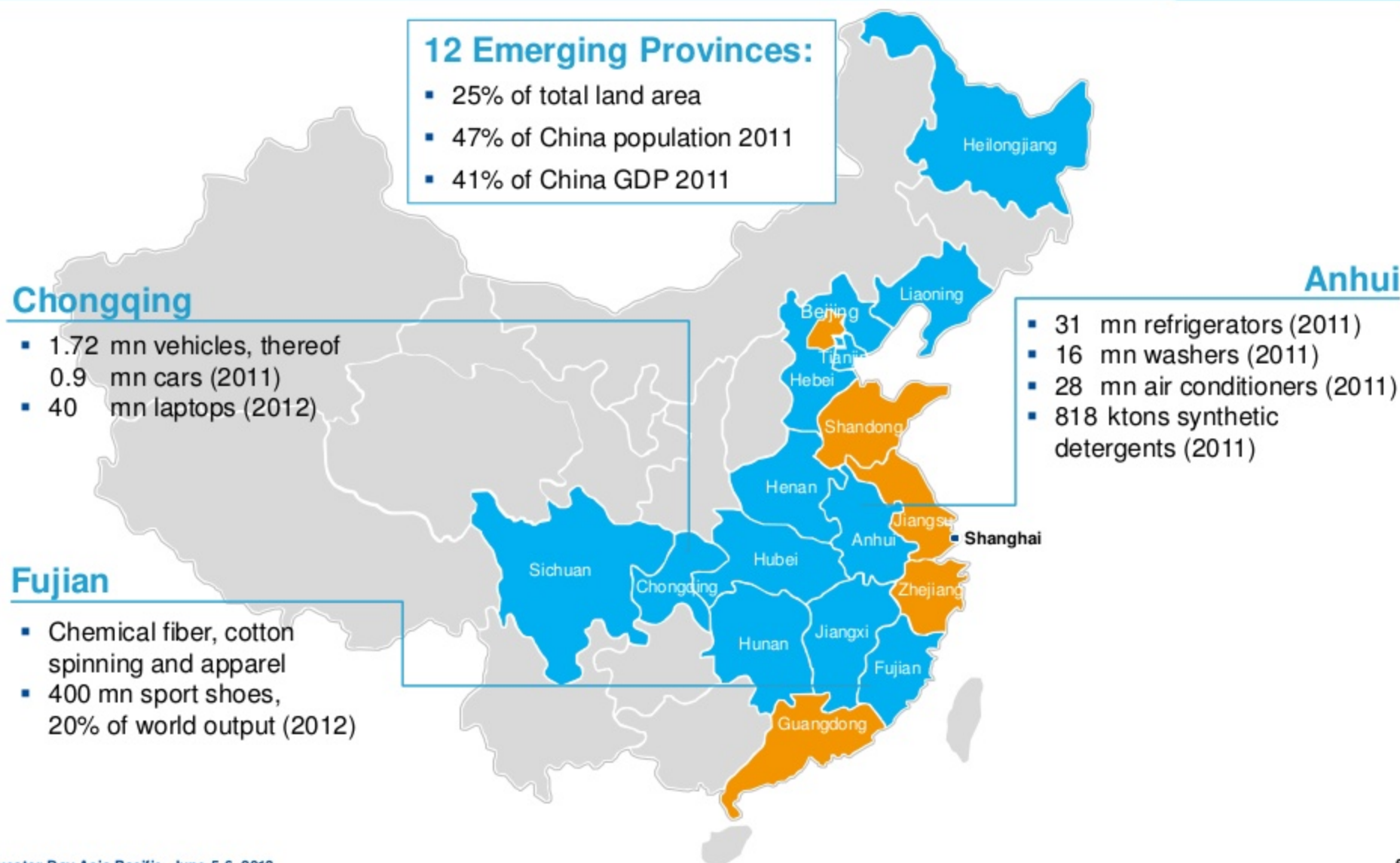


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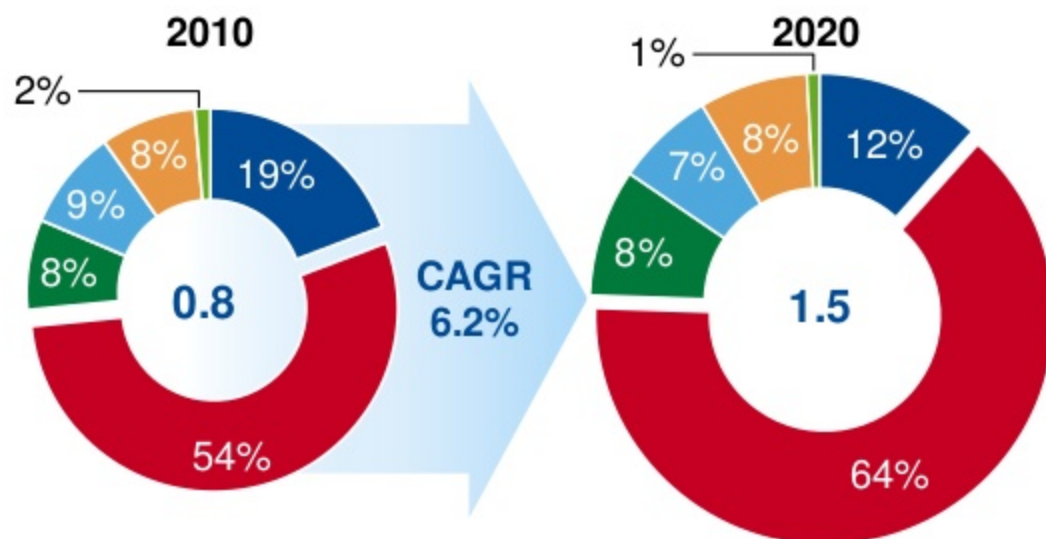
- China real GDP 2012: 5.2 trillion US\$ = 35% of Asian real GDP
- Chinese per-capita income to double by 2020 vs. 2010
- 12th 5-year plan (2011-2015) focuses on three main priorities:
 - sustainable growth
 - industrial upgrading
 - promotion of domestic consumption

Manufacturing is extended inland towards Western provinces



Greater China will represent 64% of chemical market in Asia Pacific in 2020

Real chemical production ex. pharma (in US\$ trillion)



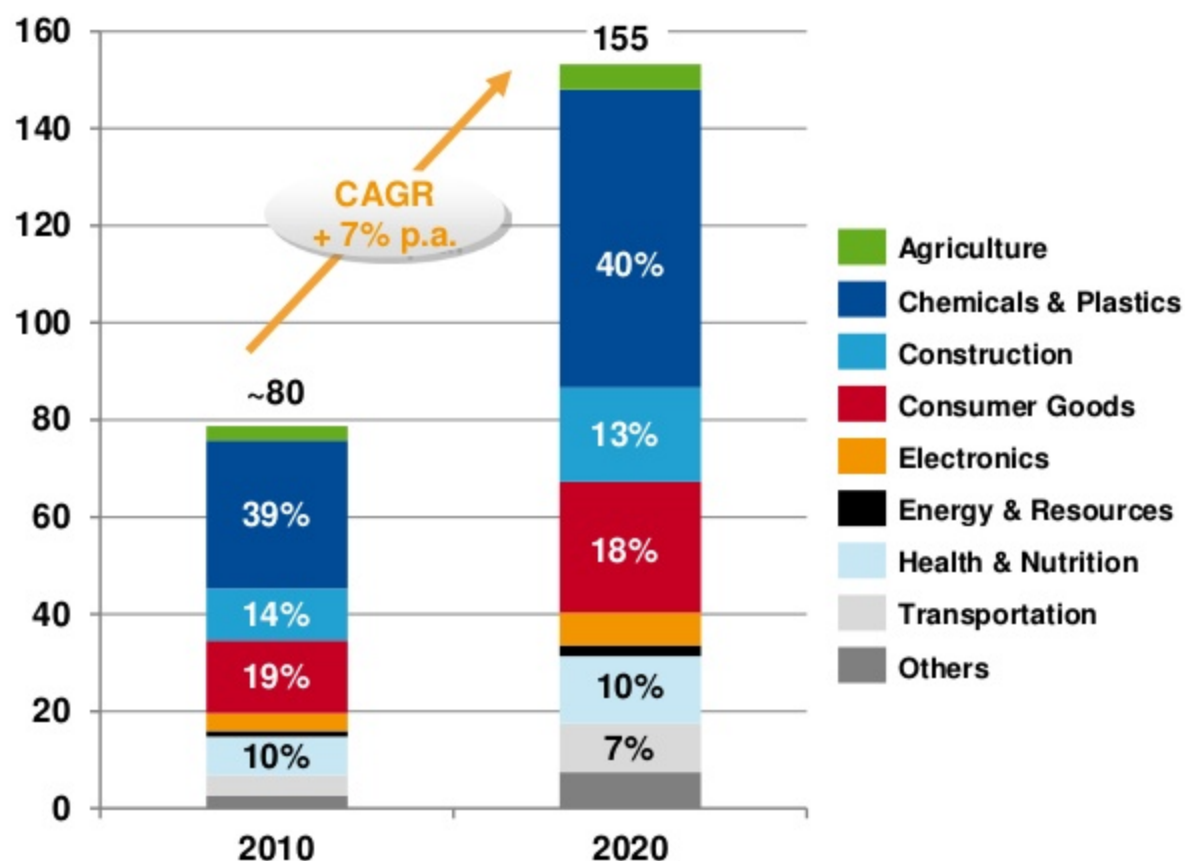
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- China chemical production 2012: US\$ 0.6 trillion = 60% of Asian real chemical production
- Sustainability becomes differentiating factor
- Innovations in chemistry will enable innovations in downstream industries
- Chemical markets become more competitive

Strategic relevant market in Greater China grows in line with chemical market

Strategic relevant market (SRM) Greater China (in billion €)



- The SRM in China grows by ~7% p.a. (2010 – 2020), in line with chemical production
- All industries will contribute to SRM growth
- BASF's key customer industries:
 - Chemicals and plastics
 - Consumer goods
 - Construction
 - Health and nutrition
 - Transportation

BASF is well positioned in China in an increasingly competitive environment

Major chemical producers in Mainland China

Sales in Mainland China in 2011/2012

	Sinopec		~ €27.2 bn	Annual report 2012: chemical segment sales
	Petrochina		€13.7 bn	Annual report 2012: external sales of „chemicals and refinery“
	ChemChina		~ €10.0 bn	Annual report 2012: including oil and equipment business
	BASF		€6.7 bn	China sales 2012; restated sales 2012: €4.5 billion
	Formosa Chemicals		€4.8 bn	China sales 2012, company report
	Dow Greater China		~ €4.0 bn	Press releases / BASF estimate: China sales 2012
	Bayer Greater China		~ €3.6 bn	China sales 2012, company report
 中化化肥控股有限公司 SINOVERT HOLDINGS LIMITED	Sinofert Holdings Ltd.		€2.8 bn	2012 Fortune Data
	Mitsui Chemicals		€1.8 bn	China sales 2011, company report
	Hengyi Chemical		€0.2 bn	China sales 2011, company report



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BASF's extensive Greater China network guarantees access to major local markets

Legend*

- Asia Pacific headquarters
- Greater China headquarters
- Innovation Campus
- Verbund site
- Chemical production site
- ▲ Sales office



BASF in Greater China**

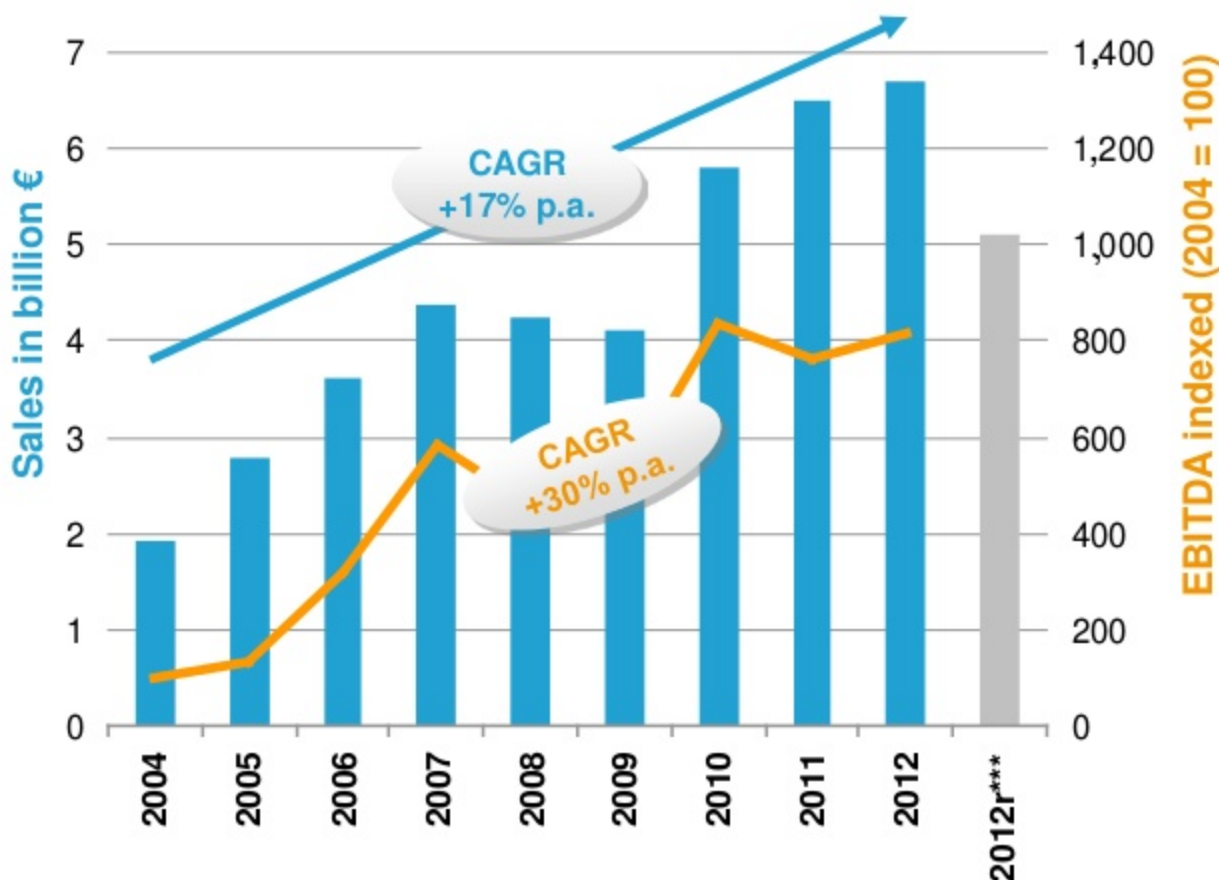
- 21 major wholly-owned companies
- 10 major joint ventures
- 32 production sites
- 32 sales offices
- ~ 7,300 employees***, thereof approximately 1,000 people in marketing & sales

BASF – top provider to international and local Chinese leaders*



Our Chinese business is a powerful growth engine

Sales* and EBITDA** in China



- BASF has been a committed partner to China since 1885.
- Since 2004, BASF's sales more than tripled
- China is third largest market for BASF globally (after Germany and the US)
- Business in China is profit contributor to BASF Group
- EBITDA growing at CAGR of 30%

BASF is a well recognized corporate citizen in China



**"Outstanding Contribution of
Fortune Global 500 Enterprises
in China"**
newspaper Southern Weekend - 2012

**"China Green
Companies Top 100"**
China Entrepreneur Club
(CEC) - 2012



中国绿公司百强
China Top 100 Green Companies
2012



**"Green Industry
Chain Award"**
China Business News - 2012

**"China's Low Carbon
Pioneer Enterprise Award"**
21st Century Business Herald - 2012



**"China's Top
Employers 2013"**
Corporate Research
Foundation (CRF) Institute - 2013

**"Best Corporate
Citizenship"**
21st Century
News Group - 2012



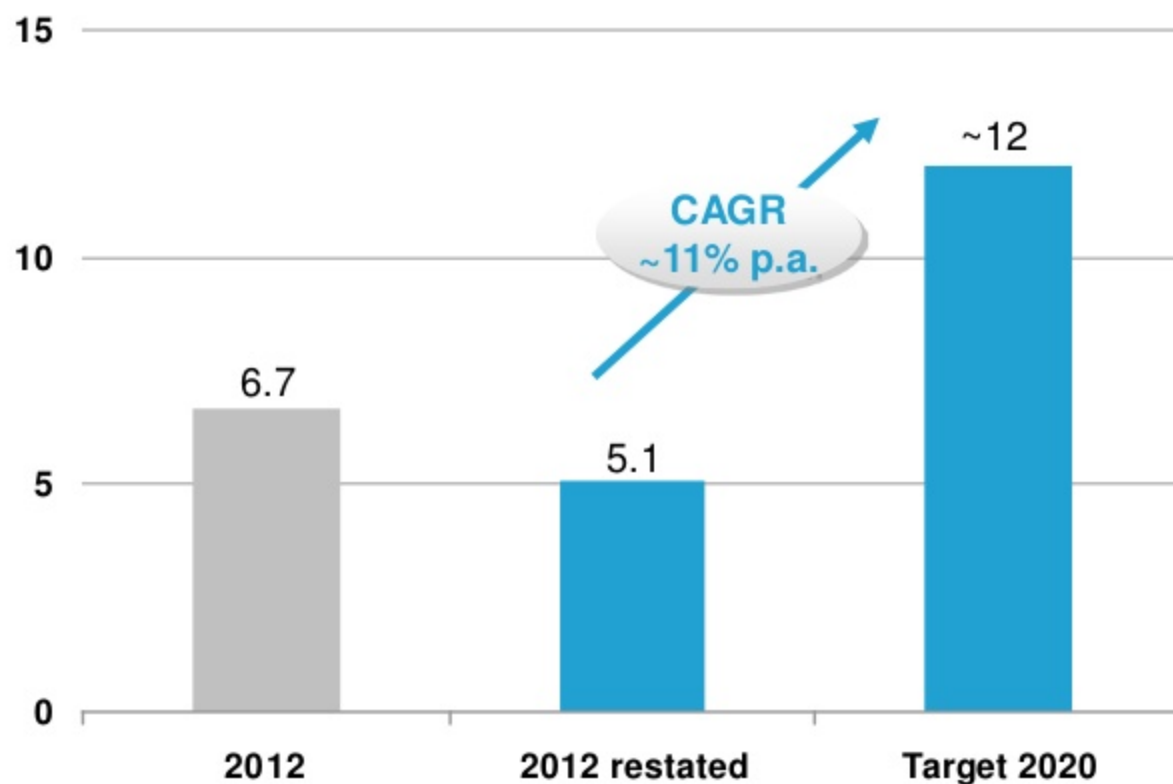
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Grow smartly in China

Sales in Greater China* (in billion €)



Strategy for 2020

- Grow business by ~11% p.a.
- Capture market driven growth
 - Accompany customers' growth
 - Develop business in emerging provinces
- Strengthen local R&D
- Increase operational efficiencies
- Increase local production footprint by implementing ambitious investment plan

Seize new business opportunities via industry teams

Industry Teams in China



Industry teams foster cooperation across BASF's operating divisions to provide customers with industry specific solutions.

Seize new business opportunities via industry teams

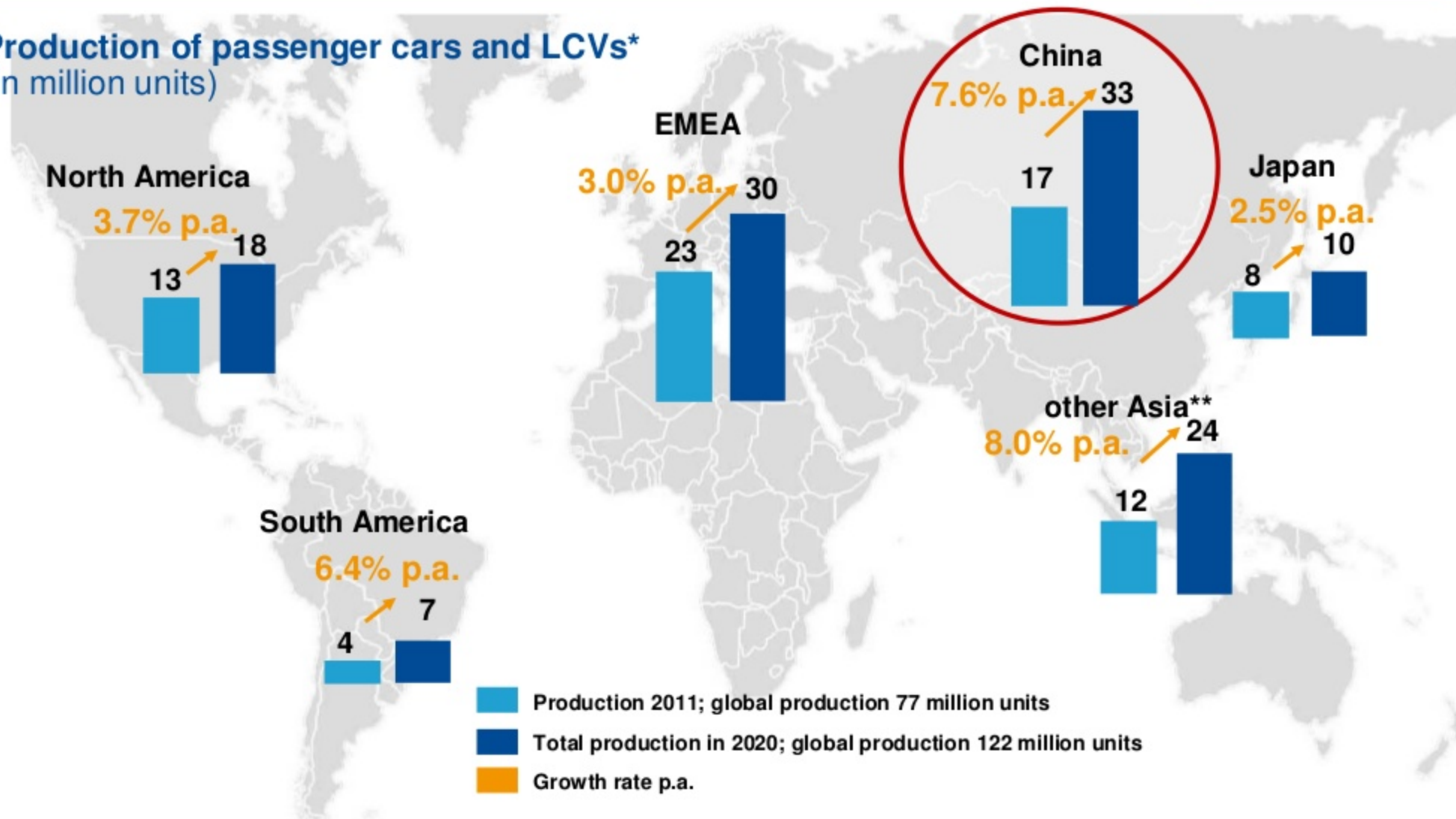
Industry Teams in China



Industry teams foster cooperation across BASF's operating divisions to provide customers with industry specific solutions.

China is the largest automotive market, outperforming global market growth

Production of passenger cars and LCVs* (in million units)



Automotive production in China will be concentrated in 6 clusters

Expected automotive OEM landscape in China 2015

