

SHAPING THE FUTURE

BASF preparing for tough environment

- Outlook for 2008: BASF will make every effort to match last year's excellent earnings
- Focus on efficiency and sustainability



3:1
for Climate Protection

Milestone for Q3/2008: BASF front runner in sustainability → More information inside the cover of this report

Third-Quarter Results 2008

July – September 2008

Published on October 30, 2008

 **BASF**

The Chemical Company

BASF GROUP

3RD QUARTER 2008

Million €

	3rd Quarter			January – September		
	2008	2007	Change in %	2008	2007	Change in %
Sales	15,772	13,963	13.0	47,998	43,251	11.0
Income from operations before depreciation and amortization (EBITDA)	2,171	2,355	(7.8)	8,159	7,691	6.1
EBITDA in percent of sales	13.8	16.9	–	17.0	17.8	–
Income from operations (EBIT) before special items	1,568	1,705	(8.0)	6,330	5,851	8.2
Income from operations (EBIT)	1,509	1,689	(10.7)	6,171	5,706	8.1
Financial result	(39)	(105)	62.9	(199)	(264)	24.6
Income before taxes and minority interests	1,470	1,584	(7.2)	5,972	5,442	9.7
Net income	758	1,213	(37.5)	3,225	3,272	(1.4)
Earnings per share (€) ¹	0.82	1.25	(34.4)	3.45	3.33	3.8
Cash provided by operating activities	948	1,556	(39.1)	3,577	4,299	(16.8)
Additions to long-term assets ²	602	658	(8.5)	1,615	1,694	(4.7)
Excluding acquisitions	602	658	(8.5)	1,615	1,694	(4.7)
Amortization and depreciation ²	662	666	(0.6)	1,988	1,985	0.2
Segment assets (as of September 30) ³	39,626	35,725	10.9	–	–	–
Personnel costs	1,604	1,616	(0.7)	4,766	4,889	(2.5)
Number of employees (as of September 30)	96,695	95,126	1.6	–	–	–

¹ Values were adjusted for the two-for-one stock split conducted in the 2nd quarter of 2008.

² Property, plant and equipment and intangible assets

³ Property, plant and equipment, intangible assets, inventories and business-related receivables. The previous year's values have been adjusted for the new segment structure. More information can be found in the Notes on pages 20 and 21.

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CHANGE
COMPARED WITH
THE 3RD QUARTER OF 2007

Q3
2008

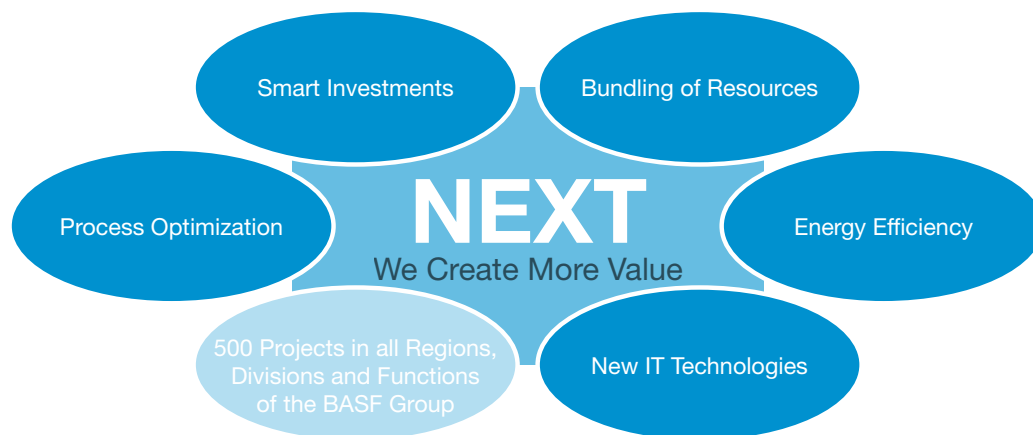
SALES

+13%

EBIT
BEFORE SPECIAL ITEMS

–8%

CREATING MORE VALUE WITH NEXT



THE NEW EXCELLENCE PROGRAM NEXT comprises 500 individual projects globally in all divisions and functions of BASF. With measures in the areas portrayed above, we aim to achieve a new dimension of value creation at BASF.

In October 2008, BASF launched NEXT, a new excellence program to further improve productivity and effectiveness in all functions and working areas. Together with our ongoing efficiency improvement programs, this should contribute more than €1 billion to earnings per year as of 2012. A large proportion of this amount is expected to be achieved as early as 2009 and 2010.

NEXT stands for a new dimension in value creation at BASF. Our aim is to reach the next level of operational excellence in conjunction with increased innovation and an enhanced corporate culture. NEXT involves all regions, divisions and functions of BASF in more than 500 individual projects – ranging from the simplification of processes and increased bundling of resources through to the use of new IT technologies.

One example of process optimization is the Accelerator project, which was launched in April 2008 and is scheduled to be completed by October 2011. This project involves simplifying, optimizing and standardizing global sales, planning and procurement processes. To this end,

international teams have examined processes and identified potential for improvement across all regions and divisions. Based on this, we are revising the processes concerned and expect the changes to lead to a significant increase in earnings of at least €175 million.

In addition, as part of our Asia Pacific site project, we will optimize our nine largest sites in Asia by the end of 2010, and expect this to give rise to improvements of €80 million.

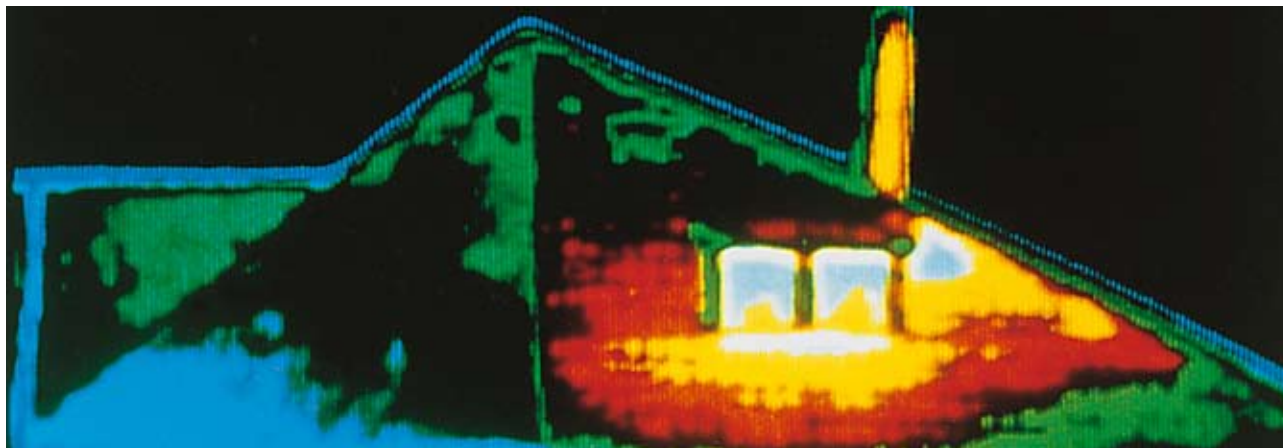
These are just two examples from the wide range of individual projects that make up NEXT. They go far beyond the classic cost-cutting and restructuring measures with which we have already set industry standards. We are counting on NEXT to establish excellence in all areas of our day-to-day business. We want to be able to act even more flexibly, faster and more decisively so that we can uphold our position as global market leader in the chemical industry despite the increased challenges we are facing.

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REACHING THE NEXT LEVEL OF OPERATIONAL EXCELLENCE THROUGH NEXT

- Contribution to earnings together with ongoing efficiency improvement programs: more than €1 billion annually as of 2012 with one-off costs of €300 million and investments of €700 million
- Operational excellence in conjunction with increased innovation and enhanced corporate culture
- 500 individual projects in all BASF regions, divisions and functions
- Examples: Accelerator to optimize customer processes, Asia Pacific site project

3:1 FOR CLIMATE PROTECTION WITH BASF PRODUCTS



THE INFRARED PHOTO SHOWS A HOUSE with a well-insulated roof on the left (blue area), whereas the right, poorly insulated roof emits heat (red area). This heat loss can be prevented by using innovative BASF products. With the aid of our modern thermal insulation materials, the energy consumption for heating homes can be reduced by more than 70%.

In 2008, BASF became the first company in the world to present a comprehensive carbon balance. The results show that, by using products, technologies and system solutions from the world's leading chemical company, customers and end users can even today save three times more greenhouse gas emissions than the entire amount caused by the production and disposal of all BASF products.

BASF products enable global savings of more than 250 million metric tons of CO₂ in areas as diverse as construction, the automotive industry and industrial production. This is three times more than the amount emitted in the production, including raw material provision and precursors, and disposal of all BASF products. In order to maintain this factor of 3 in the long term, and even further improve on it, BASF is investing in innovative technologies and materials for sustainable climate protection. The company spends more than €400 million per year, i.e., around one-third of its total research and development budget, in the areas of energy efficiency, climate protection, resource

conservation and renewable raw materials. In these projects, BASF researchers are working, for instance, on materials for the next generation of solar cells, innovative fuel cells and power-saving organic light-emitting diodes.

For its Carbon Balance, BASF has received the European Responsible Care® Special Award 2008 from the European Chemical Industry Council. Another distinction received by BASF was to be named the leading chemical company in the most important sustainability index worldwide, the Dow Jones Sustainability Index (DJSI World). The key factors here included the company's climate strategy and the development of innovative and eco-efficient products. In addition, BASF is the worldwide number 1 in the prestigious Carbon Disclosure Leadership Index (CDLI). The index of the international Carbon Disclosure Project (CDP) is an honor roll for corporations addressing the challenges of climate change and carbon disclosure practices.

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→ Detailed information can be found at corporate.basf.com/climateprotection.

LONG-TERM CLIMATE PROTECTION WITH INNOVATIVE CHEMISTRY

- BASF materials for building insulation reduce the quantity of heating oil required in old buildings from around 21 liters per square meter per year to an average of approximately 7 liters.
- Through its energy-efficient Verbund structure, BASF saves resources, reduces power consumption and avoids emissions, thus saving 1.6 metric tons of crude oil equivalent worldwide each year.
- By 2020, BASF aims to reduce its specific greenhouse gas emissions, i.e., per metric ton of product sold, by 25% compared with 2002, and to increase energy efficiency by 25%.

BASF GROUP BUSINESS REVIEW

Q3 2008

Sales

Third-quarter sales in 2008 rose by 13% to €15.8 billion, or even by 18% when adjusted for currency effects, compared with the same quarter of 2007.

All divisions increased their sales prices. We increased volumes in almost all segments, despite plant shutdowns due to the hurricanes on the U.S. Gulf Coast as well as the restrictions in China as a result of the Olympic Games. Currency effects, in particular the weak U.S. dollar, had a negative impact on sales in euro terms in all operating divisions.

Factors influencing sales (% of sales)

	3rd Quarter	January to September
Volumes	1	5
Prices	17	13
Acquisitions/divestitures	–	–
Currencies	(5)	(7)
	13	11

In the Chemicals segment, we increased sales in all divisions, above all driven by higher prices. Volumes also increased, although this segment was most greatly affected by the hurricanes on the U.S. Gulf Coast.

In the Plastics segment, volumes and prices were increased and sales rose slightly despite the slowdown in key consumer industries.

The Performance Products segment posted higher sales. Prices were raised substantially, in particular in the Care Chemicals division.

The Functional Solutions segment increased sales slightly, despite the substantially reduced demand from the automotive and construction industries.

Volumes and prices were increased significantly in the Agricultural Solutions segment. The high price level for agricultural products resulted in a strong demand for our innovative crop protection agents. Although the third quarter is usually rather weak, sales reached a record high.

Sales increased considerably in the Oil & Gas segment thanks above all to the higher oil price and a rise in volumes in the Natural Gas Trading business sector.

Sales in Other increased slightly, in particular as a result of higher prices for fertilizers. In contrast, sales decreased in raw materials trading and in Styrenics.

Third-quarter sales (million €)

Chemicals	2008	2,788	+19%
	2007	2,348	
Plastics	2008	2,592	+4 %
	2007	2,497	
Performance Products	2008	2,370	+5 %
	2007	2,254	
Functional Solutions	2008	2,479	+1 %
	2007	2,448	
Agricultural Solutions	2008	636	+11%
	2007	574	
Oil & Gas	2008	3,182	+46%
	2007	2,185	
Other	2008	1,725	+4%
	2007	1,657	

BASF GROUP 3RD QUARTER 2008

- Sales up 13%, adjusted for currency effects up 18%
- Prices up 17%, all divisions increase sales prices
- Volumes up 1%, almost all segments increase volumes despite a variety of negative factors

Earnings

The segments (excluding Other) posted a 7% increase in earnings despite a further rise in raw material costs, declining demand from key consumer industries and the hurricanes on the U.S. Gulf Coast. The hurricanes decreased earnings by more than \$100 million. BASF Group EBIT before special items decreased by approximately 8% to €1,568 million, in particular due to significantly lower earnings in Other.

Earnings declined in the Chemicals segment, primarily as a result of lower margins for cracker products as well as plant shutdowns due to the hurricanes on the U.S. Gulf Coast. In the Inorganics division, we increased earnings thanks to higher margins for basic chemicals.

In the Plastics segment, due to the slowdown in the automotive and construction industries, the huge increase in raw material costs could not be sufficiently passed on to the market. In addition, earnings were negatively affected by plant shutdowns due to the hurricanes.

In the Performance Products segment, we increased earnings significantly thanks to the strong performance of Care Chemicals and a reduction in fixed costs.

In the Functional Solutions segment, earnings declined in the Construction Chemicals and Coatings divisions. Higher raw material costs could not be fully passed on to the market. The increase in earnings of Catalysts was not sufficient to compensate for this.

Earnings in the Agricultural Solutions segment rose considerably. We recorded significant increases with our innovative and yield-increasing products, particularly in Europe and South America.

Earnings in the Oil & Gas segment grew considerably. In Exploration & Production, a substantial increase in earnings was primarily attributable to the oil price, which was higher than in the third quarter of 2007. Earnings in Natural Gas Trading were negative as a result of the time lag in adjusting sales prices to purchase prices.

Earnings in Other declined sharply, primarily due to expenses from hedging naphtha purchases against increasing prices.

Third-quarter EBIT before special items (million €)

Chemicals	2008		396	(11%)
	2007		446	
Plastics	2008		198	(34%)
	2007		299	
Performance Products	2008		233	+34%
	2007		174	
Functional Solutions	2008		117	(24%)
	2007		153	
Agricultural Solutions	2008		31	.%
	2007	(5)		
Oil & Gas	2008		870	+31%
	2007		662	
Other	2008	(277)		.%
	2007	(24)		

Special charges of €59 million were related to restructuring measures. In the third quarter of 2007, earnings included special income from the sale of our interest in an ethane cracker in Geismar, Louisiana.

Compared with the third quarter of 2007, EBIT decreased 11% to €1,509 million. EBITDA declined by 8% to €2,171 million.

The financial result improved by €66 million to €(39) million. Income before taxes and minority interests was down 7% in the third quarter to €1,470 million.

At 46%, the tax rate was around 25 percentage points above the figure for the third quarter of 2007. This was due to the higher level of income taxes for oil production that are non-compensable with German corporate income tax and a non-recurring, non-cash income of €186 million that resulted from the German Corporate Tax Reform in the third quarter of 2007.

Net income decreased by 38% to €758 million. Earnings per share were €0.82 in the third quarter compared with €1.25 in the same period of 2007. ///

BASF GROUP 3RD QUARTER 2008

- Segment earnings (excluding Other) up 7% despite high raw material prices and negative effects such as plant shutdowns
- Significant rise in earnings in Performance Products, Agricultural Solutions as well as Oil & Gas
- EBIT before special items of BASF Group down 8%, especially due to the decline in Other

BASF ON THE CAPITAL MARKET

Overview BASF shares

		3rd Quarter 2008	January – September 2008
Performance (with dividends reinvested)			
BASF	%	(23.0)	(30.6)
DAX 30	%	(9.2)	(27.7)
DJ EURO STOXX 50	%	(9.1)	(29.0)
DJ Chemicals	%	(25.0)	(23.1)
MSCI World Chemicals	%	(23.9)	(23.1)
Share prices and trading (XETRA), adjusted for two-for-one stock split			
Average	€	39.30	43.08
High	€	43.82	52.41
Low	€	32.81	32.81
Close (end of period)	€	33.75	33.75
Average daily trade	Million shares	5.94	6.31
Outstanding shares (end of period) ¹	Million shares	919.12	919.12
Market capitalization (end of period) ¹	Billion €	31.0	31.0

¹ After deduction of 4 million shares bought back and earmarked for cancellation

Market trend

At €33.75, BASF's share price at the end of the third quarter was significantly lower than the closing price at the end of the previous quarter. Toward the end of the quarter in particular, stock markets declined substantially as a result of the financial crisis and a weaker economic outlook. For example, the DAX 30 and DJ EURO STOXX 50 indices decreased by 9.2% and 9.1%, respectively, in the third quarter. The DJ Chemicals and MSCI World Chemicals global industry indices fell by 25% and 23.9%, respectively, over the same period.

→ Up-to-date information on BASF shares is available at www.basf.de/share.

Dividend and share buybacks

We aim to continue to increase our dividend each year, or at least maintain it at the previous year's level.

In the third quarter of 2008, we purchased BASF shares for a total of €496 million at an average price of €38.82 per share under our €3 billion buyback program. The shares will be canceled and the share capital of BASF SE reduced accordingly.

Financing

Thanks to its sound level of equity and high operating cash flow, BASF has a very good rating compared with its competitors in the chemical industry. Despite the tense situation on credit markets, BASF therefore had no difficulty in obtaining financing through commercial paper. Alternatively, we have committed and as yet unused credit lines at our disposal. We have negotiated a further credit line to finance the planned acquisition of Ciba Holding AG. Our medium to long-term debt financing is based on corporate bonds with a balanced maturity profile. ///

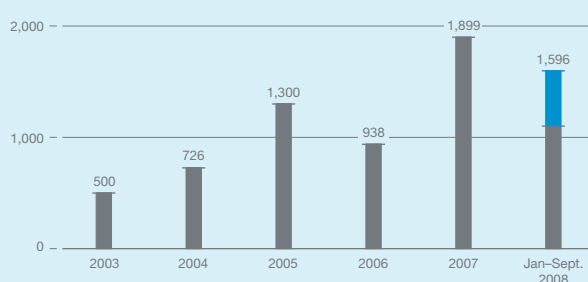
→ Further information on liabilities and their maturities can be found on page 28.

→ The BASF Investor Relations team can be reached by phoning +49 621 60-48230 or by e-mailing investorrelations@basf.com

BASF ON THE CAPITAL MARKET

- Sound financing
- We aim to increase or at least maintain our dividend each year
- Shares bought back for €496 million in the third quarter of 2008

SHARE BUYBACKS (MILLION €)



SIGNIFICANT EVENTS AND OUTLOOK

Significant events

BASF SE made a public tender offer to shareholders of Ciba Holding AG on October 1, 2008, offering CHF 50.00 in cash for each nominal share. The offer period expired on October 28, 2008.

→ All information regarding BASF's offer can be found at www.basf-info.com.

On October 24, 2008, Wintershall and Revus Energy ASA, Norway, signed a transaction agreement. Wintershall is offering Revus Energy shareholders NOK 110.00 in cash per share. The takeover offer to shareholders will be published following approval by the Oslo Stock Exchange. In particular, this acquisition is intended to reinforce oil reserves in the BASF Oil & Gas segment.

As part of the divestment process announced the previous year for significant parts of its global styrenics activities, BASF will be expanding the scope of the activities to be sold to include the styrene copolymer business. BASF will concentrate its remaining styrenic plastics activities on its foams business for the construction and packaging industries.

Outlook

The effects of the global financial crisis on our sales markets and supply markets were greatly intensified towards the end of the quarter. Declining demand in key markets, the reduction of inventories by our customers, and the fast and drastic decline in the oil price indicate a recessive development that is likely to be intensified even further in 2009. Any forecasts therefore involve a great deal of uncertainty.

We are now basing our outlook for 2008 on the following assumptions:

- Slowdown to a global economic growth rate of under 2.7% (previously: 2.8%)
- Chemical production growth (excluding Pharmaceuticals) of under 2.0% (previously: 2.4%)

- An average oil price (Brent) of \$105 per barrel (previously: \$120 per barrel)
- An average euro/dollar exchange rate of \$1.45 per euro (previously: \$1.55 per euro)

In view of these underlying conditions and based on the assumption that there will be no further adverse developments that cannot be foreseen at present, we will increase sales in 2008 and make every effort to match the excellent EBIT before special items recorded the previous year. This aim now poses an even greater challenge than just a few weeks ago, and it will take a particular effort to achieve it.

We are pushing ahead with our programs for operational excellence. In October, in addition to our ongoing cost-cutting measures, we launched a program called NEXT comprising a large number of measures to improve efficiency. We anticipate a positive earnings contribution of more than €1 billion per year as of 2012, a large proportion of which we expect to achieve as early as 2009 and 2010.

In the short term, we aim to further improve our good operating cash flow and reduce our current assets. To this end, we have adjusted the capacity utilization of production plants and brought forward maintenance-related shutdowns.

We will be retaining our conservative financing policy. Our balance sheet is perfectly healthy and is enabling us to continue following our strategy of value-added growth. Our priorities remain as follows:

1. Investments in research and development
2. Investments in organic and profitable growth
3. Acquisitions
4. Dividends, which we aim to continue increasing each year or at least maintain at the previous year's level
5. Share buybacks ///

SIGNIFICANT EVENTS AND OUTLOOK

- Public tender offer to shareholders of Ciba Holding AG
- Transaction agreement with Revus Energy: Wintershall offers NOK 110.00 per share
- Outlook: BASF will make every effort to match the previous year's excellent level of EBIT before special items
- Measures taken to reduce current assets in the short term and improve cash flow
- Strategy of value-added growth is continued
- As before, dividend should increase each year, or at least be maintained at the previous year's level

CHEMICALS

Segment data (million €)

	3rd Quarter			January – September		
	2008	2007	Change in %	2008	2007	Change in %
Sales	2,788	2,348	19	8,212	7,072	16
Thereof Inorganics	378	294	29	1,048	887	18
Petrochemicals	1,759	1,430	23	5,182	4,339	19
Intermediates	651	624	4	1,982	1,846	7
Sales including intersegmental transfers	4,401	3,535	24	12,594	10,683	18
EBITDA	530	595	(11)	1,695	1,974	(14)
EBITDA in percent of sales	19.0	25.3	–	20.6	27.9	–
EBIT before special items	396	446	(11)	1,298	1,585	(18)
EBIT	396	475	(17)	1,298	1,614	(20)
Assets	6,516	5,687	15	–	–	–
Research expenses	34	31	10	95	89	7
Additions to property, plant and equipment and intangible assets	134	147	(9)	364	417	(13)

3RD QUARTER 2008

The significant sales growth in the Chemicals segment was mainly the result of higher prices (volumes 3%, prices 21%, currencies –5%). Earnings declined, in particular as a result of low margins for cracker products, declining demand during the course of the third quarter and shutdowns of numerous plants due to the hurricanes on the U.S. Gulf Coast.

Inorganics

The huge rise in sales was primarily due to price increases that were necessary as a result of higher raw material and energy costs. In addition, we recorded increased volumes in the majority of our product portfolio. Toward the end of the third quarter, there was a decline in demand for glues, impregnating resins and electronic chemicals. We have substantially improved our margins for ammonia and urea. As a result, earnings increased substantially overall.

Petrochemicals

Higher volumes and significant increases in sales prices led to a substantial rise in sales. The profitability of cracker products was improved in Europe, while margins for cracker products in North America and Asia remained totally insufficient due to weaker demand. Together with the plant shutdowns due to the hurricanes on the U.S. Gulf Coast, this led to a substantial decline in earnings.

Intermediates

Sales rose slightly due to higher prices. Thanks to the strong demand for amines and carboxylic acids, it was possible to pass on higher raw material costs. In the case of butanediol and derivatives, the stagnating demand for PolyTHF™ and new capacities opened by Asian competitors made it difficult to raise prices. Moreover, the hurricanes on the U.S. Gulf Coast also led to plant shutdowns and a loss of business in the Intermediates division. Earnings were therefore lower than in the same quarter of 2007.

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CHEMICALS

- Significant sales increase, primarily due to higher sales prices
- Decline in earnings, in particular due to low margins for cracker products in North America and Asia as well as hurricanes on the U.S. Gulf Coast
- Strong earnings growth in Inorganics

3RD QUARTER 2008

CHANGE COMPARED WITH 3RD QUARTER OF 2007

SALES

+19%

EBIT

before special items

–11%

PLASTICS

Segment data (million €)

	3rd Quarter			January – September		
	2008	2007	Change in %	2008	2007	Change in %
Sales	2,592	2,497	4	7,793	7,504	4
Thereof Performance Polymers	1,236	1,169	6	3,716	3,668	1
Polyurethanes	1,356	1,328	2	4,077	3,836	6
Sales including intersegmental transfers	2,755	2,707	2	8,328	8,135	2
EBITDA	300	402	(25)	1,151	1,262	(9)
EBITDA in percent of sales	11.6	16.1	–	14.8	16.8	–
EBIT before special items	198	299	(34)	848	953	(11)
EBIT	194	297	(35)	843	949	(11)
Assets	5,887	5,575	6	–	–	–
Research expenses	39	40	(3)	108	108	–
Additions to property, plant and equipment and intangible assets	122	121	1	306	332	(8)

3RD QUARTER 2008

Sales in the Plastics segment increased compared with the third quarter of 2007, despite the decreasingly dynamic market, due to higher volumes and sales prices (volumes 2%, prices 7%, currencies –5%). Earnings declined considerably because higher raw material costs could not be passed on sufficiently due to the slowdown in the automotive and construction industries. In addition, earnings were reduced by plant shutdowns due to hurricanes in the USA.

Performance Polymers

Performance Polymers recorded higher sales than in the same quarter of 2007. However, demand declined during the course of the third quarter, especially in North America. In Asia, sales of Styropor® for the packaging industry as well as caprolactam for textile applications declined. In the USA and increasingly also in Europe and Japan, there was increasing consumer reticence in the automotive industry. This had a negative effect on our Ultramid® business. Overall, the dramatic increase in raw materials and energy costs could not be sufficiently passed on in the form of price increases. In conjunction with the hurricane-related plant shutdowns in the USA, this led to a significant decline in earnings.

Polyurethanes

Sales in the Polyurethanes division were slightly higher than in the same quarter of 2007. As volumes remained stable, negative currency effects could be more than offset by higher prices. Business development in the third quarter was shaped by the slowdown in key industries, namely automotive and construction. On top of this came shutdowns due to the hurricanes on the U.S. Gulf Coast. In Asia, business was affected by transport restrictions for our products and production restrictions for our customers in the run-up to the Olympic Games. In Europe, volumes and sales were slightly higher than in the third quarter of 2007. Earnings came in below the high level achieved in the same period of 2007. ///

PLASTICS

- Volume and price-related sales growth, even though the market is becoming less dynamic
- Sharp decline in earnings due to the dramatic increase in raw materials and energy costs
- Production and transport restrictions as a result of the hurricanes on the U.S. Gulf Coast as well as the Olympic Games in China had a negative impact on business development

3RD QUARTER 2008

CHANGE COMPARED WITH 3RD QUARTER OF 2007

SALES

+4%

EBIT

before special items

–34%

PERFORMANCE PRODUCTS

Segment data (million €)

	3rd Quarter			January – September		
	2008	2007	Change in %	2008	2007	Change in %
Sales	2,370	2,254	5	6,873	6,748	2
Thereof Acrylics & Dispersions	981	918	7	2,771	2,671	4
Care Chemicals	795	749	6	2,339	2,313	1
Performance Chemicals	594	587	1	1,763	1,764	–
Sales including intersegmental transfers	2,489	2,341	6	7,203	7,005	3
EBITDA	349	288	21	1,045	887	18
EBITDA in percent of sales	14.7	12.8	–	15.2	13.1	–
EBIT before special items	233	174	34	682	563	21
EBIT	233	170	37	713	544	31
Assets	6,657	6,597	1	–	–	–
Research expenses	60	66	(9)	173	202	(14)
Additions to property, plant and equipment and intangible assets	108	100	8	288	295	(2)

3RD QUARTER 2008

Sales in this segment were higher than in the third quarter of 2007, mainly as a result of higher prices (volumes 1%, prices 11%, portfolio –3%, currencies –4%). Thanks to another strong performance by Care Chemicals and reduced fixed costs, earnings increased substantially.

Acrylics & Dispersions

Higher prices resulted in increased sales compared with the same quarter of 2007. We recorded strong growth and stabilized margins for acrylic monomers. Although sales rose substantially in polymers for construction, architectural coatings and fiber bonding, the price increases were not sufficient to make up for the increase in raw material costs. Earnings continued to decline in paper chemicals and kaolin minerals. The division's earnings were significantly lower than in the third quarter of 2007.

Care Chemicals

Despite divestment-related decreases, sales were up on the figure for the same quarter last year. We recorded growth in vitamins, sun care products and skin care products as a result of higher prices, and for detergents and formulators due to higher prices and volumes. The considerable increase in earnings was thanks not only to higher prices but also to reduced fixed costs resulting from the measures taken in previous years to increase efficiency.

Performance Chemicals

Sales were slightly higher than in the third quarter of 2007. Negative currency effects were offset by higher volumes and, most importantly, prices. In particular, we posted higher volumes of refinery and oilfield chemicals. The weaker economic environment had a detrimental effect on business development for coating and plastic chemicals as well as for textile and leather chemicals. Thanks to reduced fixed costs, earnings only declined slightly. ///

PERFORMANCE PRODUCTS

- Increase in sales, mainly price-related
- Significant earnings growth thanks to the strong performance of Care Chemicals
- Fixed costs reduced; efficiency-boosting measures successful

3RD QUARTER 2008

CHANGE COMPARED WITH 3RD QUARTER OF 2007

SALES

+5%

EBIT

before special items

+34%

FUNCTIONAL SOLUTIONS

Segment data (million €)

	3rd Quarter			January – September		
	2008	2007	Change in %	2008	2007	Change in %
Sales	2,479	2,448	1	7,363	7,166	3
Thereof Catalysts	1,225	1,248	(2)	3,803	3,673	4
Construction Chemicals	621	555	12	1,639	1,571	4
Coatings	633	645	(2)	1,921	1,922	–
Sales including intersegmental transfers	2,520	2,475	2	7,480	7,271	3
EBITDA	200	247	(19)	620	721	(14)
EBITDA in percent of sales	8.1	10.1	–	8.4	10.1	–
EBIT before special items	117	153	(24)	368	472	(22)
EBIT	112	151	(26)	357	443	(19)
Assets	9,170	8,849	4	–	–	–
Research expenses	46	50	(8)	140	141	(1)
Additions to property, plant and equipment and intangible assets	56	67	(16)	138	146	(5)

3RD QUARTER 2008

The segment posted a slight increase in sales, despite the greatly declining demand in the automotive and construction industries (volumes –1%, prices 6%, portfolio 1%, currencies –5%). Overall, earnings decreased significantly. The increase in earnings in the Catalysts division was not able to offset declines in Construction Chemicals and Coatings.

Catalysts

Due to negative currency effects, sales in the Catalysts division were slightly lower than in the third quarter of 2007. Precious metals trading contributed €662 million (third quarter 2007: €635 million) to sales. Sales growth in chemical catalysts was unable to offset declines in the emission-control catalysts business. The declining demand in the automotive sector and the trend toward smaller vehicles in North America are having an increasing effect. Earnings were considerably higher than in the third quarter of 2007, as a result of the higher contributions from chemical catalysts and precious metals trading.

Construction Chemicals

Sales increased as a result of higher volumes and prices, in particular in Eastern Europe, the Middle East, and many parts of Asia. Sales decreased in North America, Spain and Japan as a result of the weak construction markets. Earnings were considerably lower than in the same quarter of 2007, above all due to large increases in raw material and transportation costs.

Coatings

Sales were slightly lower than in the third quarter of 2007. This was primarily the result of declines in automotive and refinish coatings, especially in North America, but also in Europe and Asia. In South America, we substantially increased sales of architectural coatings and automotive coatings. Earnings were much lower than in the third quarter of 2007. This was primarily due to the decline in automotive and refinish coatings as a result of the weaker economy. ///

FUNCTIONAL SOLUTIONS

- Slight increase in sales despite increasing slowdown in the automotive and construction industries
- Increase in sales prices fails to offset higher raw material prices
- Significant decline in earnings overall

3RD QUARTER 2008

CHANGE COMPARED WITH 3RD QUARTER OF 2007

SALES

+1%

EBIT

before special items

–24%

AGRICULTURAL SOLUTIONS

Segment data (million €)

	3rd Quarter			January – September 2008		
	2008	2007	Change in %	2008	2007	Change in %
Sales	636	574	11	2,741	2,428	13
Sales including intersegmental transfers	637	577	10	2,753	2,437	13
EBITDA	78	46	70	806	610	32
EBITDA in percent of sales	12.3	8.0	–	29.4	25.1	–
EBIT before special items	31	(5)	–	653	467	40
EBIT	31	(5)	–	653	462	41
Assets	4,178	4,199	(1)	–	–	–
Research expenses	82	79	4	236	234	1
Additions to property, plant and equipment and intangible assets	25	20	25	70	55	27

3RD QUARTER 2008

Thanks to strong demand for agricultural products worldwide, we were able to achieve large volume and price increases with our innovative crop protection agents that lead to increased yields (volumes 8%, prices 8%, portfolio 1%, currencies –6%). Although the third quarter generally tends to be weak due to the seasonal nature of the business, sales and earnings increased substantially and reached record values.

In **Europe**, the specialty crop business developed particularly well. This was the result of the substantial infestation of vines as well as the successful introduction of products containing our boscalid fungicide active ingredient for vegetables. In addition, the beginning of the fall business in canola (oilseed rape), especially in Central and Eastern Europe, supported the positive development in the region.

In **North America**, the non-crop application business remained under pressure. Tough competition for forestry products and reduced demand for products to combat termites in buildings had a detrimental effect.

In **Asia** we recorded strong demand for our insecticides and fungicides. This sales growth is due in particular to the good business performance in Japan. Our insecticides containing the active ingredients fipronil and chlorfenapyr were particularly successful.

The season got off to a good start in **South America**, where we recorded high growth rates in all indications. In Brazil, in particular, we benefited from strong demand for our seed treatment product Standak® with the insecticide active ingredient fipronil as well as for our AgCelence® soybean fungicide Opera® with the active ingredient F 500®.

The EU Commission's Standing Committee on the Food Chain and Animal Health approved the Annex I re-registration of five BASF crop protection compounds following the positive assessment of the European Food and Safety Authority (EFSA). The decision, expected to take effect at the end of 2008, concerns the two fungicides epoxiconazole and fenpropimorph as well as the herbicide active ingredient metazachlor. Inclusion in Annex I means that the active ingredient is given Europe-wide approval valid for a period of 10 years. ///

AGRICULTURAL SOLUTIONS

- Substantial sales growth thanks to higher volumes and prices
- Substantial increase in earnings in the usually rather weak third quarter, as a result of improved margins
- Excellent business development in Europe and South America

3RD QUARTER 2008

CHANGE COMPARED WITH 3RD QUARTER OF 2007

SALES

+11%

EBIT

before special items

+€36m

OIL & GAS

Segment data (million €)

	3rd Quarter			January – September		
	2008	2007	Change in %	2008	2007	Change in %
Sales	3,182	2,185	46	10,127	7,424	36
Thereof Exploration & Production	1,415	1,044	36	4,186	3,160	32
Natural Gas Trading	1,767	1,141	55	5,941	4,264	39
Sales including intersegmental transfers	3,481	2,470	41	11,039	8,273	33
EBITDA	1,011	785	29	3,296	2,596	27
Thereof Exploration & Production	1,011	705	43	3,007	2,080	45
Natural Gas Trading	-	80	(100)	289	516	(44)
EBITDA in percent of sales	31.8	35.9	-	32.5	35.0	-
EBIT before special items	870	662	31	2,880	2,222	30
Thereof Exploration & Production	905	622	45	2,697	1,814	49
Natural Gas Trading	(35)	40	-	183	408	(55)
EBIT	870	662	31	2,880	2,222	30
Thereof Exploration & Production	905	622	45	2,697	1,814	49
Natural Gas Trading	(35)	40	-	183	408	(55)
Assets	7,218	4,818	50	-	-	-
Thereof Exploration & Production	4,005	2,165	85	-	-	-
Natural Gas Trading	3,213	2,653	21	-	-	-
Exploration expenses	74	31	139	182	131	39
Additions to property, plant and equipment and intangible assets	140	129	9	398	308	29

3RD QUARTER 2008

Sales increased considerably in the Oil & Gas segment, above all thanks to the higher crude oil price (prices/currencies 46%). The substantially higher earnings contributed by Exploration & Production were able to more than compensate for the negative earnings that were posted in Natural Gas Trading as a result of price mechanisms.

Exploration & Production

In Exploration & Production, additional volumes from gas production in Russia, in particular from the Yuzhno Russkoye natural gas field, more than made up for the decline in oil production, which was temporarily affected by the shutdown of an offshore platform in Libya. On a global scale, exploration expenses were more than doubled.

Compared with the third quarter of 2007, the average price of Brent crude increased by around \$40 to \$115 per barrel. In euro terms, the oil price increased by around €22 to over €76 per barrel. Earnings rose by 45%, primarily due to higher oil prices and as a result of higher gas production.

Natural Gas Trading

We again increased volumes in Natural Gas Trading. The delayed adjustment of sales prices to purchase prices once again had a detrimental effect on margins in the third quarter. As a result, earnings were significantly lower than in the same quarter of 2007 and were negative. ///

→ Further information on the Oil & Gas segment can be found in the Notes on page 21.

OIL & GAS

- Substantial increase in sales and earnings, above all due to higher oil prices
- Considerable increase in earnings in Exploration & Production
- Negative earnings in Natural Gas Trading due to time-lag effect

3RD QUARTER 2008

CHANGE COMPARED WITH 3RD QUARTER OF 2007

SALES

+46%

EBIT

before special items

+31%

REGIONS

Overview of regions (million €)

	Sales by location of company			Sales by location of customer			EBIT before special items		
	2008	2007	Change in %	2008	2007	Change in %	2008	2007	Change in %
3rd Quarter									
Europe	9,484	7,900	20	8,875	7,406	20	1,260	1,208	4
Thereof Germany	6,524	5,539	18	3,139	2,680	17	1,017	930	9
North America	3,058	3,041	1	3,133	3,008	4	62	198	(69)
Asia Pacific	2,319	2,236	4	2,482	2,443	2	129	218	(41)
South America, Africa, Middle East	911	786	16	1,282	1,106	16	117	81	44
	15,772	13,963	13	15,772	13,963	13	1,568	1,705	(8)
January – September									
Europe	29,445	25,328	16	27,854	23,842	17	4,976	4,319	15
Thereof Germany	20,625	17,879	15	10,319	8,732	18	3,813	3,221	18
North America	9,342	9,379	.	9,359	9,333	.	505	742	(32)
Asia Pacific	6,908	6,491	6	7,434	7,095	5	583	598	(3)
South America, Africa, Middle East	2,303	2,053	12	3,351	2,981	12	266	192	39
	47,998	43,251	11	47,998	43,251	11	6,330	5,851	8

Sales by location of company in **Europe** increased by 20%. EBIT before special items increased by €52 million to €1,260 million. The Oil & Gas segment posted higher sales and earnings mainly due to the rise in oil prices. Earnings in the Chemicals segment increased thanks to higher margins for cracker products in the Petrochemicals division and for basic chemicals in the Inorganics division. Sales and earnings in Agricultural Solutions were increased especially in the area of specialty crops.

Sales by companies in **North America** increased by 10% in dollar terms and by 1% in euro terms. EBIT before special items decreased by €136 million to €62 million. This extraordinarily large decline was above all due to low margins in Petrochemicals and plant shutdowns as a result of hurricanes on the U.S. Gulf Coast that reduced earnings by more than \$100 million. Care Chemicals and Catalysts posted higher earnings.

In **Asia Pacific**, sales increased by 11% in local currency terms and by 4% in euro terms. EBIT before special items decreased by €89 million to €129 million. The decline in earnings in the Chemicals segments was primarily due to very low margins for cracker products. Butanediol and derivatives in the Intermediates division are suffering from weak demand, just like all other precursors for the textiles industry. In the Performance Products segment, earnings increased substantially as a result of growth in Acrylics & Dispersions and Performance Chemicals.

Sales in **South America, Africa, Middle East** were increased by 20% in local currency terms and by 16% in euro terms. EBIT before special items increased by €36 million to €117 million. There was strong demand for crop protection agents, architectural coatings and automotive coatings, in particular in Brazil, as well as for construction chemicals in the Middle East. ///

REGIONS: 3RD QUARTER 2008

- Europe: Higher sales and earnings, in particular in Oil & Gas; improved margins for cracker products and basic inorganic chemicals
- North America: Slight increase in sales, clear decline in earnings due to low margins in Petrochemicals and the hurricanes on the U.S. Gulf Coast; earnings growth in Care Chemicals and Catalysts
- Asia Pacific: Increase in sales, substantial decrease in earnings due to low margins for cracker products as well as precursors for the textiles industry; considerable rise in earnings in the Performance Products segment
- South America, Africa, Middle East: Substantial increase in sales and earnings, strong demand for crop protection agents, architectural and automotive coatings, particularly in Brazil, and for construction chemicals in the Middle East

OVERVIEW OF OTHER TOPICS

Research and development

Thanks to its high nitrogen content, BASF's thermoset foam, Basotect® UF, has attained the highest possible rating for organic insulating materials according to the new, more stringent EU fire-protection standards for buildings and trains. By meeting these standards, Basotect UF gives engineers and processors in all European countries the planning reliability needed to design the insulation of buildings and railroad vehicles.

On September 2, 2008, BASF Plant Science and VIB (the Flanders Institute for Biotechnology) signed a major cooperation agreement, the duration of which has initially been set at three years. The focus is on plant genetic mechanisms that increase yield and improve tolerance to environmental stress such as drought and cold. The project is combining the approach of researchers at VIB and Ghent University with the approach of researchers at CropDesign, a subsidiary of BASF Plant Science. This allows for a broad and detailed analysis, meaning that genes that have passed the whole process are likely to improve crop yield in the field.

BASF experts in catalysis research have developed a new catalyst for the Fischer-Tropsch synthesis for the conversion of synthesis gas (carbon monoxide and hydrogen) into hydrocarbons that allows the dedicated production of olefins for the company's production Verbund. The successful further development of the Fischer-Tropsch synthesis may become an attractive alternative to cracker technology and expand BASF's base of raw materials, as synthesis gas can be gained both from the fossil raw materials – oil, gas and coal – and from renewable resources.

Employees

Compared with the end of 2007, the number of BASF Group employees increased by 1,520 to 96,695 as of September 30, 2008. On this date, 64% of BASF Group employees worked in Europe; 16% in North America; 14% in Asia Pacific; and 6% in South America, Africa, Middle East. From January to September 2008, personnel costs decreased by 2.5% compared to the same period of 2007 to €4,766 million. ///

RESEARCH AND DEVELOPMENT

- Highest rating in accordance with EU fire-protection standards for Basotect® UF
- Cooperation between BASF Plant Science and VIB to discover genetic mechanisms to increase yield and stress tolerance in plants
- BASF experts in catalysis research develop new catalyst for the production of olefins based on the Fischer-Tropsch process

Employees by region

	Sept. 30, 2008	Dec. 31, 2007	Change in %
Europe	61,745	61,020	1
North America	15,246	15,191	–
Asia Pacific	13,599	13,278	2
South America, Africa, Middle East	6,105	5,686	7
	96,695	95,175	2

INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF INCOME

Consolidated statements of income (million €)

	3rd Quarter			January – September		
	2008	2007	Change in %	2008	2007	Change in %
Sales	15,772	13,963	13.0	47,998	43,251	11.0
Cost of sales	11,727	10,182	15.2	35,138	31,056	13.1
Gross profit on sales	4,045	3,781	7.0	12,860	12,195	5.5
Selling expenses	1,466	1,372	6.9	4,258	4,082	4.3
General and administrative expenses	252	260	(3.1)	777	782	(0.6)
Research expenses	334	346	(3.5)	1,001	1,028	(2.6)
Other operating income	136	197	(31.0)	729	536	36.0
Other operating expenses	620	311	99.4	1,382	1,133	22.0
Income from operations	1,509	1,689	(10.7)	6,171	5,706	8.1
Income from companies accounted for using the equity method	21	1	.	32	43	(25.6)
Other income from participations	15	18	(16.7)	55	47	17.0
Interest expense	140	152	(7.9)	433	455	(4.8)
Interest income	39	31	25.8	122	97	25.8
Other financial result	26	(3)	.	25	4	.
Financial result	(39)	(105)	62.9	(199)	(264)	24.6
Income before taxes and minority interests	1,470	1,584	(7.2)	5,972	5,442	9.7
Income taxes	670	325	106.2	2,519	1,971	27.8
Income before minority interests	800	1,259	(36.5)	3,453	3,471	(0.5)
Minority interests	42	46	(8.7)	228	199	14.6
Net income	758	1,213	(37.5)	3,225	3,272	(1.4)
Earnings per share (€) ¹						
Undiluted	0.82	1.25	(34.4)	3.45	3.33	3.6
Diluted	0.82	1.25	(34.4)	3.45	3.33	3.6

¹ Adjusted to the two-for-one stock split; information on determining earnings per share can be found in note 7 on page 23.

CONSOLIDATED BALANCE SHEETS

BASF GROUP

Assets (million €)

	Sept. 30, 2008	Sept. 30, 2007	Change in %	Dec. 31, 2007	Change in %
Long-term assets					
Intangible assets	9,227	8,278	11.5	9,559	(3.5)
Property, plant and equipment	14,329	14,571	(1.7)	14,215	0.8
Investments accounted for using the equity method	1,011	649	55.8	834	21.2
Other financial assets	1,855	1,404	32.1	1,952	(5.0)
Deferred taxes	612	452	35.4	679	(9.9)
Other long-term assets	708	1,355	(47.7)	655	8.1
	27,742	26,709	3.9	27,894	(0.5)
Short-term assets					
Inventories	7,716	6,549	17.8	6,578	17.3
Accounts receivable, trade	9,199	8,246	11.6	8,561	7.5
Other receivables and miscellaneous short-term assets	3,219	2,284	40.9	2,337	37.7
Marketable securities	45	55	(18.2)	51	(11.8)
Cash and cash equivalents	944	1,460	(35.3)	767	23.1
Assets of disposal groups	656	–	–	614	6.8
	21,779	18,594	17.1	18,908	15.2
Total assets	49,521	45,303	9.3	46,802	5.8

Stockholders' equity and liabilities (million €)

	Sept. 30, 2008	Sept. 30, 2007	Change in %	Dec. 31, 2007	Change in %
Stockholders' equity					
Subscribed capital	1,176	1,241	(5.2)	1,224	(3.9)
Capital surplus	3,247	3,180	2.1	3,173	2.3
Retained earnings	14,065	14,186	(0.9)	14,556	(3.4)
Other comprehensive income	196	308	(36.4)	174	12.6
Minority interests	1,154	615	87.6	971	18.8
	19,838	19,530	1.6	20,098	(1.3)
Long-term liabilities					
Provisions for pensions and similar obligations	1,423	1,251	13.7	1,292	10.1
Other provisions	2,831	3,067	(7.7)	3,015	(6.1)
Deferred taxes	1,900	1,456	30.5	2,060	(7.8)
Financial indebtedness	7,261	7,000	3.7	6,954	4.4
Other long-term liabilities	923	989	(6.7)	901	2.4
	14,338	13,763	4.2	14,222	0.8
Short-term liabilities					
Accounts payable, trade	3,749	3,574	4.9	3,763	(0.4)
Provisions	2,873	2,633	9.1	2,697	6.5
Tax liabilities	1,170	1,064	10.0	881	32.8
Financial indebtedness	4,842	2,947	64.3	3,148	53.8
Other short-term liabilities	2,691	1,792	50.2	1,976	36.2
Liabilities of disposal groups	20	–	–	17	17.6
	15,345	12,010	27.8	12,482	22.9
Total stockholders' equity and liabilities	49,521	45,303	9.3	46,802	5.8

CONSOLIDATED STATEMENTS OF CASH FLOWS

Consolidated Statements of Cash Flows (million €)

	January – September	
	2008	2007
Net income	3,225	3,272
Depreciation and amortization of long-term assets	1,997	1,985
Changes in net working capital	(1,619)	(979)
Miscellaneous items	(26)	21
Cash provided by operating activities	3,577	4,299
Payments related to property, plant and equipment and intangible assets	(1,643)	(1,672)
Acquisitions/divestitures	(25)	37
Financial investments and other items	96	54
Cash used in investing activities	(1,572)	(1,581)
Proceeds from capital increases/repayments	(1,496)	(1,301)
Changes in financial liabilities	1,638	798
Dividends	(1,990)	(1,573)
Cash used in financing activities	(1,848)	(2,076)
Net changes in cash and cash equivalents	157	642
Cash and cash equivalents as of beginning of year and other changes	787	818
Cash and cash equivalents at end of period	944	1,460

Cash provided by operating activities

At €3,577 million, cash provided by operating activities from January to September 2008 was €722 million lower than in the same period of 2007. This was primarily the result of an increase in capital tied up in inventories, above all due to higher raw material prices.

Cash used in investing activities

A total of €1,572 million were used in investing activities in the first nine months, which is approximately at the same level as in the same period of 2007. Payments related to property, plant and equipment and intangible assets were slightly lower than in the same period of 2007 and were significantly lower than amortization and depreciation.

Cash used in financing activities

The cash flow from financing activities amounted to €(1,848) million. Dividends amounting to €1,831 million were paid out to shareholders of BASF SE, while minority shareholders in Group companies received €159 million.

We used €1,596 million to buy back shares. Taking the stock split into account, BASF bought back 37.3 million shares at an average price of €42.85 per share in the first nine months of the year.

Cash and cash equivalents amounted to €944 million as of September 30, 2008, compared with €767 million at the end of 2007. In the same period, financial indebtedness rose by €2,001 million to €12,103 million, primarily as a result of issuing commercial paper. Compared with year-end 2007, net debt increased by €1,824 million to €11,159 million. The equity ratio on September 30, 2008 stood at 40%, compared with 43% at the end of the previous year. ///

CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE

Income and expense items (million €)

	January – September	
	2008	2007
Income before minority interests	3,453	3,471
Fair value changes in available-for-sale securities	135	198
Cash flow hedges	(102)	44
Foreign currency translation adjustments	(41)	(247)
Revaluation due to acquisition of majority of shares	(1)	
Actuarial gains/losses and asset ceiling for defined benefit plans	(218)	752
Deferred taxes	32	(363)
Minority interests	22	(26)
Total income and expense recognized directly in equity	(173)	358
Total income and expense for the period	3,280	3,829
Thereof BASF	3,030	3,656
Minority interests	250	173

Development of income and expense recognized directly in equity (million €)

	Retained earnings		Other comprehensive income				Total income and expense recognized directly in equity
	Actuarial gains/losses and asset ceiling	Foreign currency translation adjustments	Fair value changes in available-for-sale securities	Cash flow hedges	Revaluation due to acquisition of majority of shares	Total of other comprehensive income	
As of January 1, 2008	(874)	(497)	680	(21)	12	174	(700)
Additions	–	–	135	–	–	135	135
Releases	(218)	(41)	–	(102)	(1)	(144)	(362)
Deferred taxes	1	1	(2)	32	–	31	32
As of September 30, 2008	(1,091)	(537)	813	(91)	11	196	(895)
As of January 1, 2007	(782)	26	341	(42)	–	325	(457)
Additions	752	–	198	–	–	198	950
Releases	–	(247)	–	44	–	(203)	(203)
Deferred taxes	(351)	4	(1)	(15)	–	(12)	(363)
As of September 30, 2007	(381)	(217)	538	(13)	–	308	(73)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

January – September 2008 (million €)

	Number of subscribed shares outstanding ¹	Subscribed capital	Capital surplus	Retained earnings	Other com- prehensive income	Minority interests	Stockholders' equity
As of January 1, 2008	956,370,000	1,224	3,173	14,556	174	971	20,098
Share buyback and cancellation of own shares including own shares intended to be cancelled	(37,250,000)	(48)	74	(1,622)	–	–	(1,596)
Effects of acquisitions achieved in stages	–	–	–	(46)	–	(8)	(54)
Capital contribution by minority interests	–	–	–	–	–	100	100
Dividends paid	–	–	–	(1,831)	–	(159)	(1,990)
Net income	–	–	–	3,225	–	228	3,453
Income and expense recognized directly in equity	–	–	–	(217)	22	22	(173)
Changes in scope of consolidation and other changes	–	–	–	–	–	–	–
As of September 30, 2008	919,120,000	1,176	3,247	14,065	196	1,154	19,838

¹ The number of outstanding shares was adjusted retrospectively because of the two-for-one stock split. More details can be found in note 10 on page 25.

January – September 2007 (million €)

	Number of subscribed shares out- standing ¹	Subscribed capital	Capital surplus	Retained earnings	Other com- prehensive income	Minority interests	Stockholders' equity
As of January 1, 2007	999,360,000	1,279	3,141	13,302	325	531	18,578
Share buyback and cancellation of own shares including own shares intended to be cancelled	(29,990,000)	(38)	42	(1,305)	–	–	(1,301)
Capital contribution by minority interests	–	–	–	–	–	–	–
Dividends paid	–	–	–	(1,484)	–	(89)	(1,573)
Net income	–	–	–	3,272	–	199	3,471
Income and expense recognized directly in equity	–	–	–	401	(17)	(26)	358
Changes in scope of consolidation and other changes	–	–	(3)	–	–	–	(3)
As of September 30, 2007	969,370,000	1,241	3,180	14,186	308	615	19,530

¹ The number of outstanding shares was adjusted retrospectively because of the two-for-one stock split. More details can be found in note 10 on page 25.

BASF GROUP SEGMENT REPORTING

3rd Quarter (million €)

	Sales			EBITDA			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2008	2007	Change in %	2008	2007	Change in %	2008	2007	Change %	2008	2007	Change in %
Chemicals	2,788	2,348	18.7	530	595	(10.9)	396	446	(11.2)	396	475	(16.6)
Plastics	2,592	2,497	3.8	300	402	(25.4)	198	299	(33.8)	194	297	(34.7)
Performance Products	2,370	2,254	5.1	349	288	21.2	233	174	33.9	233	170	37.1
Functional Solutions	2,479	2,448	1.3	200	247	(19.0)	117	153	(23.5)	112	151	(25.8)
Agricultural Solutions	636	574	10.8	78	46	69.6	31	(5)	.	31	(5)	.
Oil & Gas	3,182	2,185	45.6	1,011	785	28.8	870	662	31.4	870	662	31.4
Other	1,725	1,657	4.1	(297)	(8)	.	(277)	(24)	.	(327)	(61)	.
	15,772	13,963	13.0	2,171	2,355	(7.8)	1,568	1,705	(8.0)	1,509	1,689	(10.7)

3rd Quarter (million €)

	Research expenses			Assets			Additions to long-term assets ¹			Amortization and depreciation ²		
	2008	2007	Change in %	2008	2007	Change in %	2008	2007	Change in %	2008	2007	Change in %
Chemicals	34	31	9.7	6,516	5,687	14.6	134	147	(8.8)	134	120	11.7
Plastics	39	40	(2.5)	5,887	5,575	5.6	122	121	0.8	106	105	1.0
Performance Products	60	66	(9.1)	6,657	6,597	0.9	108	100	8.0	116	118	(1.7)
Functional Solutions	46	50	(8.0)	9,170	8,849	3.6	56	67	(16.4)	88	96	(8.3)
Agricultural Solutions	82	79	3.8	4,178	4,199	(0.5)	25	20	25.0	47	51	(7.8)
Oil & Gas	3	1	200.0	7,218	4,818	49.8	140	129	8.5	141	123	14.6
Other	70	79	(11.4)	9,895	9,578	3.3	17	74	(77.0)	30	53	(43.4)
	334	346	(3.5)	49,521	45,303	9.3	602	658	-8.5	662	666	(0.6)

¹ Investment in property, plant and equipment and intangible assets

² Depreciation and amortization of property, plant and equipment and intangible assets

Special Items BASF Group (million €)

	1st quarter		2nd quarter		3rd quarter		4th quarter		Full year	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Income from operations	(51)	(106)	(49)	(23)	(59)	(16)		(153)		(298)
Financial result	-	-	-	-	-	-		-		-
	(51)	(106)	(49)	(23)	(59)	(16)		(153)		(298)

January – September
(million €)

	Sales			EBITDA			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2008	2007	Change in %	2008	2007	Change in %	2008	2007	Change in %	2008	2007	Change in %
Chemicals	8,212	7,072	16.1	1,695	1,974	(14.1)	1,298	1,585	(18.1)	1,298	1,614	(19.6)
Plastics	7,793	7,504	3.9	1,151	1,262	(8.8)	848	953	(11.0)	843	949	(11.2)
Performance Products	6,873	6,748	1.9	1,045	887	17.8	682	563	21.1	713	544	31.1
Functional Solutions	7,363	7,166	2.7	620	721	(14.0)	368	472	(22.0)	357	443	(19.4)
Agricultural Solutions	2,741	2,428	12.9	806	610	32.1	653	467	39.8	653	462	41.3
Oil & Gas	10,127	7,424	36.4	3,296	2,596	27.0	2,880	2,222	29.6	2,880	2,222	29.6
Other	4,889	4,909	(0.4)	(454)	(359)	(26.5)	(399)	(411)	2.9	(573)	(528)	(8.5)
	47,998	43,251	11.0	8,159	7,691	6.1	6,330	5,851	8.2	6,171	5,706	8.1

January – September
(million €)

	Research expenses			Assets			Additions to long-term assets ¹			Amortization and depreciation ²		
	2008	2007	Change in %	2008	2007	Change in %	2008	2007	Change in %	2008	2007	Change in %
Chemicals	95	89	6.7	6,516	5,687	14.6	364	417	(12.7)	397	360	10.3
Plastics	108	108	–	5,887	5,575	5.6	306	332	(7.8)	308	313	(1.6)
Performance Products	173	202	(14.4)	6,657	6,597	0.9	288	295	(2.4)	332	343	(3.2)
Functional Solutions	140	141	(0.7)	9,170	8,849	3.6	138	146	(5.5)	263	278	(5.4)
Agricultural Solutions	236	234	0.9	4,178	4,199	(0.5)	70	55	27.3	153	148	3.4
Oil & Gas	8	2	300.0	7,218	4,818	49.8	398	308	29.2	416	374	11.2
Other	241	252	(4.4)	9,895	9,578	3.3	51	141	(63.8)	119	169	(29.6)
	1,001	1,028	(2.6)	49,521	45,303	9.3	1,615	1,694	(4.7)	1,988	1,985	0.2

¹ Investment in property, plant and equipment and intangible assets

² Depreciation and amortization of property, plant and equipment and intangible assets

Other (million €)¹

	3rd Quarter			January – September		
	2008	2007	Change in %	2008	2007	Change in %
Sales	1,725	1,657	4.1	4,889	4,909	(0.4)
Thereof Styrenics	858	863	(0.6)	2,496	2,684	(7.0)
EBIT before special items	(277)	(24)	.	(399)	(411)	2.9
Thereof Group corporate costs	(62)	(67)	7.5	(179)	(172)	(4.1)
Corporate research	(69)	(77)	10.4	(236)	(245)	3.7
Currency conversion	(69)	22	.	(67)	8	.
Special items	(50)	(37)	(35.1)	(174)	(117)	(48.7)
EBIT	(327)	(61)	.	(573)	(528)	(8.5)
Assets	9,895	9,578	3.3	–	–	–
Thereof Assets of businesses included under Other	3,180	3,214	(1.1)	–	–	–
Financial assets	2,866	2,053	39.6	–	–	–
Miscellaneous receivables/other assets	2,860	2,796	2.3	–	–	–
Cash and cash equivalents, marketable securities	989	1,515	(34.7)	–	–	–

¹ More information about Other can be found in note 3 from page 20 onward.

NOTES TO THE INTERIM FINANCIAL STATEMENTS OF BASF GROUP

1 -- Basis of presentation

The Consolidated Financial Statements of the BASF Group for the year ending December 31, 2007 were prepared according to the International Financial Reporting Standards (IFRS) valid as of the balance sheet date. The current interim financial statements, as of September 30, 2008, were prepared using the same accounting policies.

→ The BASF Report 2007 with the Consolidated Financial Statements of the BASF Group as of December 31, 2007 can be found on the Internet at: corporate.basf.com/report

The interim financial statements have not been audited.

2 -- Scope of consolidation

The Consolidated Financial Statements include BASF SE, as well as all material subsidiaries on a fully consolidated basis. Material jointly operated companies are proportionally consolidated. The number of fully and proportionally consolidated companies has developed as follows:

Scope of consolidation

	2008	2007
As of January 1	297	328
Thereof proportionally consolidated	18	19
First-time consolidations	13	15
Thereof proportionally consolidated	1	–
Deconsolidations	19	36
Thereof proportionally consolidated	–	–
As of September 30	291	307
Thereof proportionally consolidated	19	19

There have been 13 first-time consolidations since the beginning of 2008 due to the increasing importance of these companies.

Since the beginning of 2008, 19 companies have been deconsolidated either as a result of merger with other BASF companies or decreased significance.

3 -- Segment reporting

As of January 1, 2008 we have newly structured our segments on the basis of similar products, production methods and customer industries. By so doing, we are allowing for the changes in our portfolio as a result of acquisitions, divestitures and restructuring measures over the past few years. The previous year's figures have been adjusted accordingly.

BASF's worldwide business is driven by operating divisions that are aggregated into six segments for reporting purposes.

The Chemicals segment consists of the Inorganics, Petrochemicals and Intermediates divisions. The Catalysts division has been transferred to the new Functional Solutions segment.

The Plastics segment is composed of the Performance Polymers and Polyurethanes divisions. The Specialty Plastics and Foams business units are reported on in the Performance Polymers division. Activities with styrene monomer (SM), polystyrene (PS), styrene-butadiene-copolymer (SBS) and acrylonitrile butadiene styrene (ABS) are reported as a disposal group under Other.

The Performance Products segment comprises the Acrylics & Dispersions, Care Chemicals and Performance Chemicals divisions. The Functional Polymers division has been renamed Acrylics & Dispersions. In the new Care Chemicals division, the activities of the former Fine Chemicals division as well as the detergents and formulators business from the Performance Chemicals division have been merged.

In the Functional Solutions segment, which consists of the Catalysts, Construction Chemicals and Coatings divisions, we are bundling the majority of our systems solutions and products for the automotive and construction industries.

The Agricultural Products and Nutrition segment has been renamed Agricultural Solutions and its Agricultural Products division has been renamed Crop Protection.

The Oil & Gas segment is composed of the Oil & Gas division with the Exploration & Production and Natural Gas Trading business sectors.

Activities not allocated to a particular division are reported under Other and include, among other things, the styrenics business that is reported as a disposal group as well as fertilizer activities. In addition, the sale of feedstock, engineering and other services, rental income and leases are reported under Other.

As of January 1, 2008, Group corporate costs are no longer allocated to the segments but reported under Other. Group corporate costs consist of the expenses for steering the BASF Group. The previous year's figures for the segments as well as of Other have been adjusted accordingly.

With our cross-divisional corporate research, which is also reported under Other, we develop growth clusters and ensure the long-term competence of BASF with regard to technology and methods.

Negative earnings from currency conversion reported under Other include earnings not allocated to the segments from the hedging of forecasted sales, from currency positions that are macrohedged as well as from the conversion of financial liabilities.

In addition, earnings resulting from hedging for raw material price risks that are not allocated to the segments are recorded in Other. In the period from January to September 2008, earnings were negatively impacted by hedging against increasing naphtha prices. The reversal of provisions for the BASF option program gave rise to income. Earnings in fertilizers were clearly increased, while earnings in styrenics were stable.

Transfers between the segments are generally executed at market-based prices. The allocation of assets and depreciation to the segments is based on economic control. Assets used by more than one segment are allocated based on the percentage of usage.

Reconciliation reporting Oil & Gas (million €)

	3rd Quarter		January – September	
	2008	2007	2008	2007
Income from operations	870	662	2,880	2,222
Income from participations	13	4	23	26
Other income	(14)	(7)	(39)	9
Income before taxes and minority interests	869	659	2,864	2,257
Income tax	678	489	2,108	1,541
thereof income taxes on oil-producing operations non-compensable with German corporate income tax	531	329	1,566	918
Income before minority interests	191	170	756	716
Minority interests	22	14	144	95
Net income	169	156	612	621

In the reconciliation reporting for Oil & Gas, the income from operations of the Oil & Gas segment is reconciled to the contribution of the companies of this segment to the net income of the BASF Group.

Other income includes all expenses and revenues not included in income from operations of the segment, in particular the interest result and the miscellaneous financial result.

In the first nine months of 2008, minority interests increased compared with the same period in 2007. This resulted from Gazprom taking a stake in 2007 in a German Wintershall subsidiary that holds exploration and production rights to the onshore concessions 96 and 97 in Libya.

4 -- Financial result

Financial result (million €)

	3rd Quarter		January – September	
	2008	2007	2008	2007
Income from companies accounted for using the equity method	21	1	32	43
Other income from participations	15	18	55	47
Income from participations	36	19	87	90
Interest expenses	140	152	433	455
Interest income	39	31	122	97
Interest result	(101)	(121)	(311)	(358)
Income from write-ups/write downs and from the disposal of securities and loans	(2)	1	(7)	1
Net financing income/(expense) from defined benefit plans and other long-term personnel provisions	2	8	6	25
Interest accrued on other interest-bearing assets and liabilities	(9)	(8)	(26)	(27)
Construction interest	10	10	32	34
Other financial expenses and income	25	(14)	20	(29)
Other financial result	26	(3)	25	4
Financial result	(39)	(105)	(199)	(264)

In the first nine months of 2008, the interest result improved compared with the same period of 2007 in particular due to interest income from loans granted for the financing of the production company for the Yuzhno Russkoye natural gas field. This company is accounted for using the equity method. In addition, the lower interest rates in the USA led to a decrease in interest expenses.

Other financial expenses and income were higher than in the third quarter of 2007 due to income resulting from the fair value measurement of derivative financial instruments.

5 -- Income taxes

Income before taxes and minority interests (million €)

	3rd Quarter		January – September	
	2008	2007	2008	2007
Germany	230	284	1,403	1,398
Foreign oil production branches of German companies	685	490	2,021	1,344
Other foreign	555	810	2,548	2,700
	1,470	1,584	5,972	5,442

Income taxes (million €)

	3rd Quarter		January – September	
	2008	2007	2008	2007
Germany	(21)	(189)	212	294
Foreign oil production branches of German companies	634	452	1,866	1,242
Thereof noncompensable	531	329	1,566	918
Other foreign	57	62	441	435
	670	325	2,519	1,971
Tax rate (%)	45.6	20.5	42.2	36.2

Foreign income taxes for oil production increased significantly as a result of higher oil prices. The proportion of the foreign taxes for oil production that are non-compensable with German corporate income tax rose as a result of the reduction in the corporate income tax rate to 15% as part of the German Corporate Tax Reform 2008. The foreign taxes for oil production that are non-compensable with German corporate tax for the third quarter of 2007 of €329 million (first to third quarter of 2007: €918 million) are based on the hitherto existing corporate tax rate of 25%. The comparable value for the third quarter of 2007, calcu-

lated with a corporate tax rate of 15% according to the German Corporate Tax Reform 2008, would have amounted to €380 million (first to third quarter of 2007: €1,056 million).

A non-recurring, non-cash income of €186 million resulted from the German Corporate Tax Reform in the third quarter of 2007. This was due to the assessment of the excess deferred tax liabilities in Germany at the lower tax rate.

6 -- Minority interests

Minority interests (million €)

	3rd Quarter		January – September	
	2008	2007	2008	2007
Minority interests in profits	41	50	232	211
Minority interests in losses	1	(4)	(4)	(12)
	42	46	228	199

Minority interests in profits resulted primarily from Gazprom's stake in natural gas trading companies and the

German Wintershall subsidiary that holds exploration and production rights to onshore concessions in Libya.

7 -- Earnings per share

Earnings per share

		3rd Quarter		January – September	
		2008	2007	2008	2007
Net income	Million €	758	1,213	3,225	3,272
Number of outstanding shares (weighted average)	1,000	923,596	971,217	933,978	983,607
Earnings per share	€	0.82	1.25	3.45	3.33

The calculation of earnings per share is based on the weighted average number of common shares outstanding. The calculation of diluted earnings per common share reflects all possible outstanding common shares and the resulting effect on income of the BASF incentive share program "plus."

In the first nine months of 2008 and in the corresponding period of 2007, there was no dilutive effect; undiluted earnings per share were the same as the diluted value per share.

The calculation for earnings per share took into account the two-for-one stock split that was carried out in the second quarter of 2008 retroactively for all periods shown.

8 -- Long-term assets

Developments (million €)

	January – September 2008		
	Intangible assets	Property, plant and equipment	Investments accounted for using the equity method and other financial assets
Acquisition costs			
Balance as of January 1	11,517	45,757	3,101
Additions	85	1,597	421
Disposals	98	745	347
Exchange differences	44	291	9
Balance as of September 30	11,548	46,900	3,184
Amortization and depreciation			
Balance as of January 1	1,958	31,542	315
Additions	438	1,569	8
Disposals	97	689	6
Exchange differences	22	149	1
Balance as of September 30	2,321	32,571	318
Net book value as of September 30	9,227	14,329	2,866

Developments (million €)

	January – September 2007		
	Intangible assets	Property, plant and equipment	Investments accounted for using the equity method and other financial assets
Acquisition costs			
Balance as of January 1	10,624	46,631	2,127
Additions	92	1,668	291
Disposals	202	603	54
Exchange differences	(333)	(773)	(33)
Balance as of September 30	10,181	46,923	2,331
Amortization and depreciation			
Balance as of January 1	1,702	31,729	286
Additions	409	1,583	1
Disposals	171	533	9
Exchange differences	(37)	(427)	–
Balance as of September 30	1,903	32,352	278
Net book value as of September 30	8,278	14,571	2,053

Additions to property, plant and equipment from January to September 2008 arose from a number of investments. Among the most significant are the expansion of plants to scrub synthesis gases in Ludwigshafen; the construction of the HPPO plant as well as the acrylic acid and superabsorbents plant in Antwerp, Belgium; the construction of natural gas pipelines; the construction of a new resins plant in Wyandotte, Michigan; and the expansion of the polyol plant in Geismar, Louisiana.

Additions to investments accounted for using the equity method and to other financial assets were primarily due to the market valuation of other financial assets, the effects of which are recognized directly in equity. This applies in particular to BASF's investment in K+S Aktiengesellschaft. The disposals in other financial assets primarily resulted from the repayment of a loan by OAO Severneftegazprom, which is accounted for using the equity method.

9 -- Inventories

Inventories (million €)

	Sept. 30, 2008	Dec. 31, 2007
Raw materials and factory supplies	2,044	1,800
Work-in-process, finished goods and merchandise	5,575	4,708
Advance payments and services-in-process	97	70
	7,716	6,578

Work-in-process and finished goods and merchandise are combined into one item due to the production conditions in the chemical industry. Services-in-process relate primarily to inventory not invoiced at the balance sheet date. Inventories are valued using the weighted average cost method.

10 -- Stockholders' equity

Subscribed capital (million €)

	Shares	Subscribed capital	Capital reserve
Outstanding shares as of December 31, 2007	490,485,000	1,256	3,173
Shares cancelled by June 27, 2008	17,470,000	(45)	45
New shares issued as part of stock split	473,015,000	—	—
Outstanding shares as of June 30, 2008	946,030,000	1,211	3,218
Shares cancelled up to September 30, 2008	22,901,433	(29)	29
Repurchased shares intended to be cancelled	4,008,567	(6)	—
Outstanding shares as disclosed in the financial statements	919,120,000	1,176	3,247

On April 24, 2008, the Annual Meeting of BASF SE resolved a two-for-one stock split. Shareholders received an additional BASF share for each existing share at no additional cost. The adjustment of the securities deposit accounts and the stock exchange listing took place on June 27, 2008.

The Board of Executive Directors received approval at the Annual Meeting on April 24, 2008 to buy back BASF shares to a maximum amount of 10% of subscribed capital by October 23, 2009. The shares will be purchased on the stock exchange or through a public purchase offer addressed to all shareholders. The price paid per share may not be higher than the highest market price on the buying day and may not be lower than 25% of that market price. In the case of a public purchase offer, the price offered by BASF may be a maximum of 10% higher than the highest market price on the third trading day prior to the publishing of the public purchase offer. This authorization superseded the prior authorization to repurchase BASF shares granted by the Annual Meeting on April 26, 2007.

The Board of Executive Directors is authorized to cancel the repurchased shares without the approval of a further resolution at the Annual Meeting. A sale of treasury shares is only authorized after a corresponding resolution

at the Annual Meeting, except when, with the approval of the Supervisory Board, the shares are used to acquire companies, parts of companies or participations in companies in return for shares.

In the first nine months of 2008, taking the stock split into account, BASF acquired 37,250,000 shares, or 4.04% of the current issued shares, at an average purchase price of €42.85 per share. BASF spent a total of €1,596 million on the share buyback program in the first three quarters of 2008.

On September 16, 2008, the Board of Executive Directors of BASF SE approved the cancellation of 22,901,433 BASF shares that were bought back after the last cancellation in February 2008. These shares were cancelled by the end of September.

As of September 30, 2008, 4,008,567 shares of BASF stock were held by BASF SE. These were acquired for the purpose of cancellation and reduced equity.

Transfers from other retained earnings increased legal reserves by €40 million in the first three quarters. The offsetting of actuarial gains and losses, as well as the asset ceiling, resulted in a decrease in retained earnings of €217 million. Purchases of shares in companies that are already controlled by BASF are treated as transactions between shareholders. The resulting difference of €46 million between the price paid to acquire the shares and the net assets gained was offset against retained earnings.

Reserves (million €)

	Sept. 30, 2008	Dec. 31, 2007
Legal reserves	394	354
Other retained earnings	13,671	14,202
	14,065	14,556

Derivatives are used to hedge the price risks involved in planned purchases of naphtha. Under other comprehensive income, effective value changes are recognized for hedging transactions for which cash flow hedge accounting is applied.

11 -- Provisions for pensions

Assumptions used to determine the defined benefit obligation (weighted average in %)

	Germany		Foreign	
	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2008	Dec. 31, 2007
Discount rate	6.00	5.25	6.32	5.82
Projected increase of wages and salaries	2.75	2.75	4.50	4.50
Projected pension increase	2.00	2.00	0.68	0.68

Assumptions used to determine expenses for pension benefits (from January 1 through September 30 of the respective year, weighted average in %)

	Germany		Foreign	
	Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2008	Dec. 31, 2007
Discount rate	5.25	4.50	5.82	5.31
Projected increase of wages and salaries	2.75	2.50	4.50	4.46
Projected pension increase	2.00	1.75	0.68	0.56
Expected return on plan assets	5.18	4.93	7.20	7.35

The assumptions regarding the overall expected long-term rate of return are based on the desired portfolio structure and forecasts of expected individual asset class returns. The forecasts are based on long-term historical average returns and take into consideration the current yield level and the inflation trend.

In the first three quarters, developments in the capital markets resulted in a higher discount rate for the valuation of pension obligations and in lower pension plan assets.

12 -- Other provisions

Other provisions (million €)

	Sept. 30, 2008	Sept. 30, 2007	Dec. 31, 2007
Other long-term provisions	2,831	3,067	3,015
Other short-term provisions	2,873	2,633	2,697
	5,704	5,700	5,712

13 -- Liabilities

Liabilities (million €)

	Sept. 30, 2008		Sept. 30, 2007		Dec. 31, 2007	
	Less than one year	More than one year	Less than one year	More than one year	Less than one year	More than one year
Accounts payable, trade	3,749	–	3,574	–	3,763	–
Bonds and other liabilities to the capital market	3,844	6,173	2,570	6,389	2,483	6,498
Liabilities to credit institutions	998	1,088	377	611	665	456
Financial indebtedness	4,842	7,261	2,947	7,000	3,148	6,954
Tax liabilities	1,170	–	1,064	–	881	–
Advances received on orders	57	–	48	–	111	–
Liabilities on bills	18	28	43	5	11	5
Liabilities related to social security	133	17	130	28	148	17
Miscellaneous liabilities	2,313	700	1,357	779	1,571	717
Deferred income	170	178	214	177	135	162
Other liabilities	2,691	923	1,792	989	1,976	901

Financial indebtedness (million €)

	Nominal value	Effective interest rate	Carrying amounts based on effective interest method		
			Sept. 30, 2008	Dec. 31, 2007	Sept. 30, 2007
3.5% Euro Bond 2003/2010 of BASF SE	1,000	3.63 %	997	997	997
3.375% Euro Bond 2005/2012 of BASF SE	1,400	3.42 %	1,398	1,397	1,397
4% Euro Bond 2006/2011 of BASF SE	1,000	4.05 %	999	999	998
4.5% Euro Bond 2006/2016 of BASF SE	500	4.62 %	496	496	496
3-Month EURIBOR Bond 2006/2009 of BASF SE	500	variable	500	500	500
3.25% CHF Bond 2008/2011 of BASF Finance Europe N.V.	300	3.39 %	190	–	–
3.625% CHF Bond 2008/2015 of BASF Finance Europe N.V.	200	3.78 %	126	–	–
5% Euro Bond 2007/2014 of BASF Finance Europe N.V.	1,000	5.09 %	995	996	996
5% Euro Bond 2007/2014 of BASF Finance Europe N.V.	250	4.83 %	252	253	–
Extendible Floating Rate Notes of BASF Finance Europe N.V.		variable	426	917	952
Other bonds			568	548	575
USD Commercial Papers			3,070	1,878	2,048
Bonds and other liabilities to the capital markets			10,017	8,981	8,959
Liabilities to credit institutions			2,086	1,121	988
			12,103	10,102	9,947

14 -- Related-party transactions

Material supply relationships exist for the supply of oil and gas between companies of the BASF Group and the proportionally consolidated joint venture companies Wintershall Erdgas Handelshaus GmbH & Co. KG, Berlin, and Wintershall Erdgas Handelshaus Zug AG, Zug, Switzerland. These transactions are conducted at arm's length prices and business terms. The unconsolidated portion of these supplies amounted to €1,130 million in the first three quarters and €465 million in the same period of 2007.

Several members of the Supervisory Board and Board of Executive Directors also serve on the boards of executive directors or supervisory boards of companies with which BASF maintains business relations. These transactions are conducted at arm's length prices and business terms. Furthermore, no transactions that are subject to reporting have been entered into with the members of the Board of Executive Directors or members of the Supervisory Board or with companies or persons affiliated with them.

BASF has not issued loans to members of the Board of Executive Directors or the Supervisory Board.

FULL-YEAR RESULTS 2008

Feb. 26, 2009

ANNUAL MEETING 2009 / INTERIM REPORT FIRST-QUARTER 2009

April 30, 2009

FIRST-HALF RESULTS 2009

July 30, 2009

INTERIM REPORT THIRD-QUARTER 2009

Oct. 29, 2009

FORWARD-LOOKING STATEMENTS

This report 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 prove to 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. Such factors include those discussed from pages 106 to 109 in the BASF Report 2007. The BASF Report can be found on the Internet at: corporate.basf.com/report. We do not assume any obligation to update the forward-looking statements contained in this report.

General inquiries

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