



## **BASF shows strength in global crisis**

- **High cash flow and reduction in net debt**
- **Very weak demand in industrial business**
- **Strong earnings in Agricultural Solutions**

## **First-Quarter Results 2009**

January – March 2009

Published on April 30, 2009

 **BASF**

The Chemical Company

# BASF GROUP

## 1ST QUARTER 2009

Million €

		1st Quarter	
	2009	2008	Change in %
Sales	12,219	15,921	(23.3)
Income from operations before depreciation and amortization (EBITDA)	1,587	2,955	(46.3)
Income from operations (EBIT) before special items	985	2,354	(58.2)
Income from operations (EBIT)	928	2,303	(59.7)
Financial result	(202)	(122)	(65.6)
Income before taxes and minority interests	726	2,181	(66.7)
Net income	375	1,170	(67.9)
Earnings per share (€)	0.41	1.24	(66.9)
EBITDA margin	13.0	18.6	–
Cash provided by operating activities	2,084	1,089	91.4
Additions to long-term assets <sup>1</sup>	525	423	24.1
Excluding acquisitions	525	423	24.1
Amortization and depreciation <sup>1</sup>	659	652	1.1
Segment assets (as of March 31) <sup>2</sup>	37,429	37,882	(1.2)
Personnel costs	1,542	1,541	0.1
Number of employees (as of March 31)	96,069	95,448	0.7

<sup>1</sup> Intangible assets and property, plant and equipment (including acquisitions)

<sup>2</sup> Intangible assets, property, plant and equipment, inventories and business-related receivables

### Contents

## INTERIM MANAGEMENT'S ANALYSIS

BASF Group Business Review .....	01
BASF on the Capital Market <sup>1</sup> .....	03
Significant Events .....	04
Outlook .....	05
Chemicals .....	06
Plastics .....	07
Performance Products .....	08
Functional Solutions .....	09
Agricultural Solutions .....	10
Oil & Gas .....	11
Regions .....	12
Overview of Other Topics .....	13

## INTERIM FINANCIAL STATEMENTS

Consolidated Statements of Income .....	14
Consolidated Balance Sheets .....	15
Consolidated Statements of Cash Flows .....	16
Consolidated Statements of Recognized Income and Expense .....	17
Consolidated Statements of Stockholders' Equity .....	18
Segment Reporting .....	19
Notes to the Interim Financial Statements .....	20

<sup>1</sup> This section is not part of the interim management's analysis

CHANGE  
compared with the  
1st quarter of 2008

Q1  
2009

SALES

–23%

EBIT BEFORE  
SPECIAL ITEMS

–58%

← The title picture shows our employee **Sina Grabmann** (Ludwigshafen) and her new colleague **Jörg Sollberger** (Basel), part of the team that is integrating Ciba into the BASF Group.

# THE SEGMENTS OF BASF

## CHEMICALS

→ PAGE 6



In the Chemicals segment, we offer products for customers in the chemical, electronic, construction, textile, automotive, pharmaceutical and agricultural industries and provide other BASF segments with chemicals for the production of higher-value products. Our portfolio ranges from basic chemicals, glues and electronic chemicals for the semiconductor and flat panel display industry, to solvents and plasticizers, as well as starting materials for detergents, plastics, textile fibers, paints, coatings and pharmaceuticals.

## PLASTICS

→ PAGE 7



The Plastics segment offers a comprehensive range of products, system solutions and services. We offer a variety of engineering plastics for the automotive and electric industries as well as for use in household appliances, sport and leisure. Our styrenic foams are used as insulating materials in the construction industry and in the packaging industry. Our polyurethanes are extremely versatile: as soft foams, for example, they are to be found in car seats and mattresses, and as rigid foams they serve as highly efficient insulation in refrigerators.

## PERFORMANCE PRODUCTS

→ PAGE 8



Our Performance Products help our customers improve their products and processes. They are found in countless everyday products: from diapers, paper, vitamins for food supplements and light stabilizers for sun creams to products for the oil, automotive, coatings and plastics industries and for the manufacture of leather and textiles.

## FUNCTIONAL SOLUTIONS

→ PAGE 9



In the Functional Solutions segment we bundle system solutions and innovative products for specific customers and industries, in particular for the automotive and construction sectors. Our portfolio comprises automotive and industrial catalysts, automotive and industrial coatings, concrete admixtures and building products such as tile adhesives and architectural coatings.

## AGRICULTURAL SOLUTIONS

→ PAGE 10



Our crop protection products guard against fungal diseases, insects and weeds, increase quality and secure crop yields. Our research in plant biotechnology concentrates on plants for greater efficiency in agriculture, healthier nutrition and for use as renewable raw materials.

## OIL & GAS

→ PAGE 11



As the largest German producer of oil and gas, we focus on exploration and production in oil and gas-rich regions of Europe, North Africa, South America, Russia and the Caspian Sea region. Together with our Russian partner Gazprom, we are active in the trading, transport and storage of natural gas in Europe.

# BASF INNOVATIONS

## SUPERABSORBER FLEECE KEEPS YOUR FEET DRY WHATEVER THE WEATHER

→ LUQUAFLEECE®

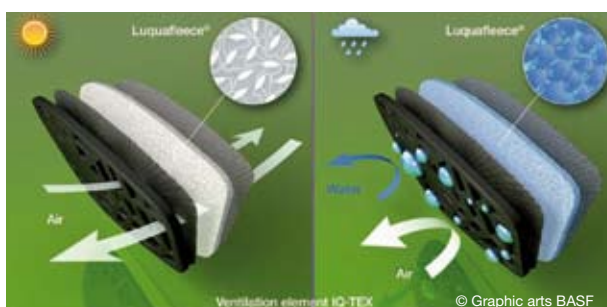
When it rains, shoes should keep your feet dry while at the same time letting enough air in. Luquafleece®, a superabsorbent polyester nonwoven material produced by BASF, is useful here. This moisture-absorbing fleece plays a key role in a novel ventilation product by the Hamburg company IQTEX.

Shoes made with this technology are not only breathable but, depending on the weather, can also be air-permeable or watertight. When exposed to water, the tiny polymer granules of the superabsorber, which are permanently bound to the nonwoven fibers by a special BASF process, absorb up to 400 times their own weight of liquid and expand accordingly. The ventilation element utilizes the huge suction power of the particles to seal the inside of the shoe against water from outside: two honeycombed lattices limit the upward and downward expansion of the small Luquafleece sections. The swelling superabsorbent particles can then only expand sideways where they soon meet up again and seal all the cavities in the nonwoven material. Although air-permeable in dry conditions, Luquafleece very quickly becomes absolutely watertight in wet conditions. Back in dry surroundings, the water absorbed by Luquafleece evaporates and the pores reopen within a short time depending on the temperature and atmospheric humidity. It's exactly this reversible moisture uptake that makes the fleece interesting for a multitude of applications. While the miniature water barrier is already used in the Elefanten brand of children's shoes and in safety shoes from the Baak shoe company, it also has potential for use in numerous other outdoor areas.



Photo: Elefanten

The Luquafleece superabsorber fleece in the new Elefanten shoe keeps children's feet dry in wet conditions while becoming absolutely air-permeable in dry conditions.



Luquafleece: air-permeable when dry, watertight in wet conditions.

## SUPERABSORBERS HELP IN NUMEROUS APPLICATION AREAS

- With an annual capacity close to 400,000 metric tons, BASF is one of the world's largest manufacturers of superabsorbers.
- More than 90% of superabsorbers are used in the hygiene industry, primarily for baby diapers.
- Further application areas for superabsorbers: for instance as a flexible water reservoir in potting soil, as thickening agents and liquid stores in mortars, to absorb excess fluid in food packaging and for passive climate control in office chairs and automobile seats



# BASF GROUP BUSINESS REVIEW

## 1ST QUARTER 2009

In an extremely difficult environment, the BASF Group's business declined in the first quarter of 2009. At €12.2 billion, sales were 23% lower than in the same quarter of 2008 – primarily due to a continued low level of demand. Income from operations before special items fell by 58% to €985 million as a result of a substantial decrease in volumes in many divisions.

We have tailored production to reflect the decline in demand and have reduced inventories. Our cash flow has nearly doubled compared with the first quarter of 2008, and we have reduced net debt by around €1.5 billion since the beginning of the year. We are rigorously and rapidly implementing our programs to cut costs and improve efficiency.

Overall, volumes and prices fell sharply in the first quarter of 2009. Currency effects, in particular the appreciation of the U.S. dollar, offset the decline in sales in euro terms in all operating divisions. Disregarding these positive currency effects, sales fell by 25%.

### Factors influencing sales (% of sales)

	1st Quarter
Volumes	(20)
Prices	(5)
Acquisitions/divestitures	–
Currencies	2
	(23)

Sales decreased significantly due to lower volumes and prices in all divisions of the Chemicals segment. Earnings fell sharply as a result of the continued low level of product demand. The fact that competition was tougher than in the same quarter of 2008 had a particularly detrimental effect on margins in the Petrochemicals division. We have tai-

lored production to reflect this fall in demand and have reduced inventories.

We also recorded a drastic decline in sales in the Plastics segment – mainly due to substantially lower volumes compared with the same quarter of the previous year. Earnings declined considerably and were slightly negative – in particular, as a result of low margins and high costs of idle capacity in the Performance Polymers division.

### First-quarter sales (million €)

Chemicals	2009	1,416	(45%)
	2008	2,561	
Plastics	2009	1,463	(39%)
	2008	2,390	
Performance Products	2009	1,817	(18%)
	2008	2,206	
Functional Solutions	2009	1,568	(35%)
	2008	2,394	
Agricultural Solutions	2009	1,145	+21%
	2008	946	
Oil & Gas	2009	3,894	+4%
	2008	3,744	
Other	2009	916	(45%)
	2008	1,680	

Sales in the Performance Products segment fell in all three divisions. With prices remaining stable, there was a sizeable reduction in demand for our products. The Care Chemicals division improved earnings thanks to reduced fixed costs, whereas earnings in the segment as a whole fell sharply as a result of lower volumes.

## BASF GROUP 1ST QUARTER 2009

- First-quarter volumes 20% lower than in the first quarter of 2008; in the industrial business a further 4% below the fourth quarter of 2008
- Adjustment of production and reduction in inventories
- High operating cash flow, net debt reduced
- Sales down 23% due to lower volumes and prices, down 25% adjusted for currency effects
- Income from operations before special items down 58%

As a result of very weak demand in the automotive industry and a decline in prices for precious metals, sales dropped dramatically in the Functional Solutions segment. The Catalysts and Coatings divisions were affected particularly badly. In contrast, sales in the Construction Chemicals division were on the same level as in the first quarter of 2008. Profitability in this segment was negatively impacted by the extremely weak business with the automotive industry and earnings were negative.

In the Agricultural Solutions segment, higher volumes and price increases led to strong sales growth. The non-agricultural pest control business of the Sorex Group acquired at the end of 2008 also contributed to the increase in sales. The new growing season got off to a particularly successful start in Europe and North America. Earnings improved significantly compared with the same quarter of the previous year as a result of higher sales volumes, increased margins and positive currency effects.

We also recorded a slight increase in sales in the Oil & Gas segment. The drastic fall in oil prices was more than compensated by the increased prices in the Natural Gas Trading business sector. Earnings in the Exploration & Production business sector decreased substantially due to lower prices, whereas earnings in Natural Gas Trading increased greatly due to higher margins. However, this increase in earnings in Natural Gas Trading was not enough to offset the decline in earnings overall.

Sales in Other decreased significantly, primarily due to lower sales in Styrenics. Volumes of fertilizers also decreased considerably as a result of an unusually late and also poor fertilizer season. Earnings in Other were negatively impacted by currency losses from the hedging of forecasted sales not allocated to segments.

The special items of minus €57 million (first quarter of 2008: minus €51 million) were related in particular to expenses for restructuring.

#### First-quarter EBIT before special items (million €)

Chemicals	2009	75	(86%)
	2008	518	
Plastics	2009	(29)	.%
	2008	352	
Performance Products	2009	132	(41%)
	2008	223	
Functional Solutions	2009	(46)	.%
	2008	140	
Agricultural Solutions	2009	344	+33%
	2008	259	
Oil & Gas	2009	725	(26%)
	2008	984	
Other	2009	(216)	(77%)
	2008	(122)	

Compared with the first quarter of 2008, EBIT dropped 60% to €928 million, while EBITDA decreased by 46% to €1,587 million.

At minus €202 million, the financial result was €80 million lower than in the first quarter of 2008. The main reason for this was a €52 million decline in earnings from investments consolidated using the equity method.

Income before taxes and minority interests fell 67% in the first quarter to €726 million. At 37.1%, the tax rate was lower than in the first quarter of 2008. Income taxes for oil production that are non-compensable with German corporate income tax declined significantly.

Net income decreased by 68% to €375 million. Earnings per share were €0.41 in the first quarter compared with €1.24 in the same period of 2008.

## SALES AND INCOME FROM OPERATIONS

- Declines in sales and earnings in the Chemicals, Plastics, Performance Products and Functional Solutions segments due to very weak demand; losses in Plastics and Functional Solutions
- Substantial increase in sales and earnings in Agricultural Solutions, in particular thanks to higher volumes and prices.
- Slight increase in sales in the Oil & Gas segment as a result of higher prices in the Natural Gas Trading business sector

# BASF ON THE CAPITAL MARKET

## Overview of BASF shares

		1st Quarter 2009	Full Year 2008
<b>Performance (with dividends reinvested)</b>			
BASF	%	(17.8)	(42.9)
DAX 30	%	(15.1)	(40.4)
DJ EURO STOXX 50	%	(15.3)	(42.4)
DJ Chemicals	%	(6.9)	(41.9)
MSCI World Chemicals	%	0.3	(44.2)
<b>Share prices and trading (XETRA)</b>			
Average	€	23.67	38.88
High	€	27.90	52.41
Low	€	20.71	19.95
Close (end of period)	€	22.79	27.73
Average daily trade	Million shares	5.87	7.26
Outstanding shares (end of period) <sup>1</sup>	Million shares	918.5	918.5
Market capitalization (end of period) <sup>1</sup>	Billion €	20.9	25.5

<sup>1</sup> After deduction of 4.6 million shares earmarked for cancellation

## Market trend

BASF shares closed the first quarter at €22.79 per share, around 18% lower than at the end of 2008. In a market that continues to be impacted by the financial and economic crisis, the DAX 30 and DJ EURO STOXX 50 indices fell by approximately 15% in the first quarter of 2009. In the same period, the worldwide industry index DJ Chemicals declined by around 7%, while the MSCI World Chemicals index remained almost unchanged.

→ Up-to-date information on BASF shares is available on the Internet at [corporate.basf.com/share](http://corporate.basf.com/share)

## Proposed dividend of €1.95 per share

After taking account of the two-for-one stock split conducted in 2008, the proposed dividend of €1.95 per share for fiscal year 2008 corresponds to the previous year's dividend. Even in these difficult economic times, we are thus standing by our ambitious dividend policy and will pay out

€1.8 billion to our shareholders. Based on the share price at the end of March 2009, BASF shares offer a high dividend yield of 8.6%.

## Financing

With a "A+/A-1 outlook negative" rating from rating agency Standard & Poor's and "A1/P-1 outlook stable" from Moody's, BASF has good credit ratings compared with its competitors in the chemical industry. To finance the acquisition of Ciba and further optimize its capital structure, BASF successfully issued a €1.5 billion euro bond with a coupon of 5.125% (matures June 9, 2015), a £400 million sterling bond with a coupon of 5.875% (matures March 31, 2017) and a €1.35 billion bond with a coupon of 3.75% (matures October 8, 2012) on the capital market since the beginning of 2009.

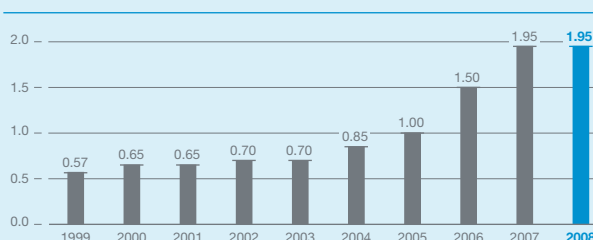
→ Further information on financial indebtedness and its maturities can be found on page 31

## BASF ON THE CAPITAL MARKET

- Proposed dividend of €1.95 per share corresponds to previous year's dividend
- Good credit ratings and solid financing: three bonds for €1.5 billion, €1.35 billion and £400 million successfully floated since the beginning of 2009

→ You can reach our investor relations team by phoning +49 621 60 48230 or by e-mailing [investorrelations@basf.com](mailto:investorrelations@basf.com)

## DIVIDEND PER SHARE <sup>1</sup> (€ per share)



<sup>1</sup> Adjusted for two-for-one stock split conducted in the second quarter of 2008.

## SIGNIFICANT EVENTS

### Acquisition of Ciba

On April 9, 2009, BASF completed its acquisition of Ciba Holding AG, which closed with the payment of the offer price of CHF 50.00 per nominal share to Ciba shareholders. At the same time, the tendered shares were transferred to BASF. The purchase price was CHF 3.3 billion, i.e., around €2.2 billion.

BASF currently holds around 97.5% of Ciba. Shares that were not tendered as part of the public offer will continue to be traded on the SIX Swiss Exchange.

In acquiring Ciba, BASF is strengthening its portfolio and expanding its leading position in specialty chemicals – becoming the pre-eminent supplier of plastic additives, coatings effect materials and paper chemicals.

### Key figures of Ciba Holding AG

#### Million CHF

	2008
Sales	5,919
Income from operations <sup>1</sup>	308
Assets	6,912

<sup>1</sup> Operating profit prior to restructuring, writedowns and other expenses

BASF will integrate the acquired Ciba activities completely into the BASF Group, predominantly into the Performance Products segment. With a view to conducting this integration quickly and effectively, the operating divisions within this segment were reorganized as of April 1, 2009. The former Acrylics & Dispersions division has been renamed Dispersions & Pigments and now bundles BASF's business with raw materials for the coating and paint industry. The new Paper Chemicals division comprises the company's business with paper chemicals, binders and kaolin minerals.

→ More about structural optimization can be found in BASF's Report 2008 on pages 125-126

The newly created structures are being further developed by integration teams, which are investigating the acquired businesses in detail. The aim is to develop a suitable market position for the combined businesses, establish the optimum organizational form and determine synergies and integration costs. This process will end in July 2009. Until then Ciba will be reported as an independent division in the Performance Products segment.

### Other significant events

In mid-April 2009, BASF temporarily idled the smaller of its two steam crackers at the Ludwigshafen site. The reason for shutting down this cracker, which has an annual capacity of 220,000 metric tons of ethylene, is the continuing weak demand. Due to the reduced level of orders, the capacity utilization at numerous other plants has also remained very low since November 2008. Worldwide, BASF has reduced the utilization of its production capacity by more than a quarter.

As a result of the production cutbacks, more than 4,000 employees have been working shorter hours since the beginning of the year at several European sites – predominantly those producing for the automotive industry.

## SIGNIFICANT EVENTS

- Ciba Holding AG acquired on April 9, 2009, thus expanding BASF's leading position in specialty chemicals; process of integrating Ciba has begun; activities mainly being incorporated into the Performance Products segment
- Production capacity utilization worldwide reduced by more than a quarter; short-time working introduced at several European sites since beginning of year



## OUTLOOK

**BASF is facing enormous challenges in 2009. The demand for chemical products has declined further since the beginning of the year, which has had a substantial negative effect on our worldwide business in the first quarter. There is currently no sign of a reversal of this trend and we do not consider temporary topping up of inventories in some regions and industries to be signs of a sustainable upturn. Higher sales and earnings in Agricultural Solutions and in the Natural Gas Trading business sector bolstered our business in the first quarter. This positive effect can be expected to recede in the subsequent quarters.**

To maintain our leading position in the chemical industry in these very difficult times, we are acting quickly and decisively. We will continue to tailor production to reflect worldwide demand. These reductions in production not only require flexible work models, but are also making it increasingly necessary to introduce short-time working: More than 4,000 employees are already working shorter hours at eight sites in Europe. More than 3,000 employees worldwide are expected to be added to this number as of June 1, 2009, especially in Ludwigshafen.

We will restructure and, where necessary, close or sell plants and sites that cannot ensure our long-term competitiveness. We will cut at least 2,000 positions by the end of 2009.

We are maintaining strict cost and spending discipline and are continuing to reduce current assets rigorously. In this way, we can secure our strong cash flow and our solid financing structure.

In addition, we are pushing ahead with our long-term restructuring and efficiency-increasing programs worldwide. With our excellence program NEXT we intend to further improve productivity and effectiveness in all functions and working areas: Our aim is to reduce costs, increase efficiency and speed up all business processes. In conjunction with ongoing cost-cutting activities, we expect this to progressively improve earnings by more than €1 billion per year as of 2012.

We are reducing our capital expenditures in view of the changed market conditions. Our research and development expenditures for fast-growing and future-oriented businesses remain high.

Following the acquisition of Ciba Holding AG, integration teams have started to investigate the acquired businesses in detail. They will develop an extensive integration plan by mid-2009. Substantial restructuring measures are urgently needed to ensure the profitable growth of the combined businesses. We aim to achieve synergies of 10% of Ciba's sales.

In 2009, despite the acquisitions of Ciba Holding AG and Revus Energy ASA, we expect a decline in sales compared with 2008 and an even greater decline in income from operations, which will be negatively impacted by integration costs. Our goal of earning our cost of capital is thus becoming increasingly difficult to achieve.

The statements on opportunities and risks made in the BASF Report 2008 remain valid.

## OUTLOOK

- Unchanged negative impact on our business due to weak demand for chemical products
- Adjustment of production to reflect worldwide demand; plants and sites to be closed or sold where necessary
- Rigorous implementation of our global restructuring and efficiency programs
- Goal of earning cost of capital has become extremely hard to achieve in the present economic situation
- Decline in sales and even greater decline in income from operations expected in 2009 despite the acquisitions of Ciba Holding AG and Revus Energy ASA

# CHEMICALS

Excellence in the Verbund, technology and cost leadership

## Segment data (million €)

		1st Quarter	
	2009	2008	Change in %
Sales to third parties	1,416	2,561	(45)
Thereof Inorganics	223	331	(33)
Petrochemicals	770	1,555	(50)
Intermediates	423	675	(37)
Income from operations before depreciation and amortization (EBITDA)	213	648	(67)
Income from operations (EBIT) before special items	75	518	(86)
Income from operations (EBIT)	74	518	(86)
Assets	5,403	5,999	(10)
Research expenses	32	34	(6)
Additions to property, plant and equipment and intangible assets	92	76	21

### 1st Quarter 2009

First quarter sales in the Chemicals segment were much lower than in the same period of 2008 due to lower volumes and prices (volumes –28%, prices –21%, portfolio 0%, currencies +4%). Income from operations before special items dropped due to the difficult business environment. We posted positive earnings in all divisions despite very weak demand from customer industries, falling prices and tough competition. This was possible thanks to strict cost discipline, reduction in inventories and adjustment of production to reflect the fall in demand.

### Inorganics

As a result of a significant decline in demand for all inorganic products, sales in the Inorganics division were much lower than in the first quarter of 2008. Income from operations before special items fell, above all due to lower volumes. In addition, the margins for the basic products ammonia and methanol sank due to a decline in prices combined with high natural gas prices.

### Petrochemicals

Sales decreased considerably in all Petrochemicals product lines due to lower prices and volumes. In view of the continued weak demand, we have idled some plants or operated them at reduced capacity. Inventories have been further reduced. The intensified competition in almost all business areas has led to substantial pressure on margins. The low capacity utilization rates at our plants negatively impacted income from operations before special items, which declined significantly.

### Intermediates

Sales fell in the Intermediates division due to lower volumes; in particular demand from the textiles, plastics and coatings industries decreased worldwide compared with the fourth quarter of 2008. As a result of the considerably lower business volume and high costs of idle capacity, income from operations before special items was much lower than in the first quarter of 2008.

## CHEMICALS

- Sales fall due to lower volumes and prices
- Significantly lower earnings due to weak demand and lower margins, but nevertheless positive
- Significant reduction in inventories

## 1ST QUARTER 2009

Change compared with Q1 2008

### SALES

–45%

### EBIT

before special items

–86%

# PLASTICS

Energy-efficient materials, innovative solutions

## Segment data (million €)

		1st Quarter	
	2009	2008	Change in %
Sales to third parties	1,463	2,390	(39)
Thereof Performance Polymers	597	1,064	(44)
Polyurethanes	866	1,326	(35)
Income from operations before depreciation and amortization (EBITDA)	78	446	(83)
Income from operations (EBIT) before special items	(29)	352	-
Income from operations (EBIT)	(30)	351	-
Assets	4,634	5,263	(12)
Research expenses	32	32	-
Additions to property, plant and equipment and intangible assets	63	72	(13)

### 1st Quarter 2009

In the Plastics segment, sales declined dramatically compared with the first quarter of 2008 in all regions in a very weak business environment (volumes -31%, prices -11%, portfolio 0%, currencies 3%). Income from operations before special items also decreased greatly compared with the same quarter of the previous year and was negative. Although the market and competitive situation remained difficult, we were nevertheless able to achieve a significant improvement in earnings compared with the fourth quarter of 2008 thanks to a reduction in fixed costs and lower valuation adjustments. Inventories were greatly reduced.

### Performance Polymers

Performance Polymers posted significantly lower sales compared with the first quarter of 2008. This decline was primarily due to continued weak demand from the automotive and electronic industries, tough competition for engineering plastics and drastically falling prices for polyamide and polyamide intermediates. Our business with specialty plastics such as Ecoflex® and Ecovio® continued to devel-

op well despite the difficult market environment. Income from operations before special items declined considerably compared with the first quarter of 2008 as a result of lower margins and the high cost of idle capacity and was negative. Production was tailored to reflect the weaker demand. We reduced inventories and fixed costs considerably.

### Polyurethanes

Sales in the Polyurethanes division were much lower than in the same quarter of the previous year in all business areas. Volumes of products for the automotive, furniture and construction industries were significantly lower. As a result of intensified competition, prices and margins decreased in business with the basic products MDI and TDI. We have tailored the capacity utilization of our plants in accordance with the poor market conditions and further reduced our inventories. The associated higher costs of idle capacity as well as the overall reduction in business volume had a substantial negative effect on income from operations before special items, which was considerably lower than in the first quarter of 2008.

## PLASTICS

- Drastic decline in sales in very weak business environment
- Earnings lower and negative as a result of weak demand
- Significant improvement in income compared to fourth quarter of 2008; inventories reduced

## 1ST QUARTER 2009

Change compared with Q1 2008

### SALES

-39%

### EBIT

before special items

. %

# PERFORMANCE PRODUCTS

Innovative and high-growth specialties

## Segment data (million €)

		1st Quarter	
	2009	2008	Change in %
Sales to third parties	1,817	2,206	(18)
Thereof Acrylics & Dispersions	712	861	(17)
Care Chemicals	666	763	(13)
Performance Chemicals	439	582	(25)
Income from operations before depreciation and amortization (EBITDA)	241	339	(29)
Income from operations (EBIT) before special items	132	223	(41)
Income from operations (EBIT)	132	231	(43)
Assets	6,145	6,257	(2)
Research expenses	51	56	(9)
Additions to property, plant and equipment and intangible assets	84	76	11

### 1st Quarter 2009

Overall, the segment's sales were substantially lower than in the first quarter of 2008. Demand declined considerably, while prices remained largely stable (volumes -22%, prices 0%, portfolio 0%, currencies 4%). Income from operations before special items was significantly lower than in the same quarter of the previous year, primarily due to lower volumes. Our strict price management and robust business in several business areas, especially in Care Chemicals, had a stabilizing effect on sales and earnings.

### Acrylics & Dispersions

In Acrylics & Dispersions, sales decreased substantially compared with the first quarter of 2008. Although we increased sales slightly in our superabsorbents business, demand for acrylic monomers as well as products for the construction and packaging industries fell. The margin declined slightly due to lower volumes. The higher costs of idle capacity had an additional negative effect on income from operations before special items, which was lower than in the same quarter of the previous year.

### Care Chemicals

Sales in the Care Chemicals division were lower than in the first quarter of 2008 in all business sectors due to weaker demand. Significantly lower volumes were only partially offset by price increases. Income from operations before special items rose compared with the first quarter of 2008. This was due to improved margins and, in particular, reduced fixed costs.

### Performance Chemicals

Performance Chemicals was affected by a drastic decline in demand in key customer industries – above all in the automotive, coatings and packaging industries in Europe and North America. Sales fell substantially. Income from operations before special items decreased considerably due to the significant decline in business volume and higher costs of idle capacity and was negative.

## PERFORMANCE PRODUCTS

- Significantly lower sales and earnings as a result of substantial drop in demand
- Higher margins and improved earnings in Care Chemicals

## 1ST QUARTER 2009

Change compared with Q1 2008

### SALES

-18%

### EBIT

before special items

-41%

# FUNCTIONAL SOLUTIONS

Customer-specific products and system solutions

## Segment data (million €)

		1st Quarter	
	2009	2008	Change in %
Sales to third parties	1,568	2,394	(35)
Thereof Catalysts	651	1,313	(50)
Construction Chemicals	448	455	(2)
Coatings	469	626	(25)
Income from operations before depreciation and amortization (EBITDA)	47	227	(79)
Income from operations (EBIT) before special items	(46)	140	.
Income from operations (EBIT)	(45)	137	.
Assets	8,383	8,861	(5)
Research expenses	44	47	(6)
Additions to property, plant and equipment and intangible assets	36	46	(22)

### 1st Quarter 2009

Very weak demand in the automotive industry and significantly lower prices for precious metals led to a substantial decrease in sales in Functional Solutions (volumes –26%, prices –12%, portfolio 0%, currencies 3%). The overall decline in business had a negative impact on income from operations before special items. This led to a loss. We are intensifying measures to cut costs and increase efficiency in order to counteract the volume-related decline in earnings.

### Catalysts

In the Catalysts division, sales dropped considerably, in particular as a result of a fall in automobile production and significantly lower precious metal prices. We posted a slight increase in sales in the chemical and refinery catalysts business. Precious metals trading contributed €244 million to sales (first quarter of 2008: €717 million), excluding which the sales decrease was 32%. Income from operations before special items fell due to lower volumes and prices, especially for mobile emission catalysts.

### Construction Chemicals

Volumes in the Construction Chemicals division declined compared with the first quarter of 2008 as a result of weaker demand in Europe and North America. However, sales remained almost on the previous year's level, thanks to higher prices and positive currency effects. We recorded significantly higher volumes and sales in the Middle East. As a result of a decline in volumes, income from operations before special items was lower than in the first quarter of 2008 and was negative.

### Coatings

The continued weak level of demand from the automotive and steel industries had a negative effect on our Coatings business, especially in Europe and North America. Sales of automotive coatings dropped sharply compared with the same quarter of the previous year. Reduced fixed costs were unable to compensate for the negative effect of the weak business environment on income from operations before special items. Earnings were negative. Short-time working has been introduced at several European sites since February 2009.

## FUNCTIONAL SOLUTIONS

- Significantly lower sales in Catalysts and Coatings due to weak demand from the automotive industry
- Sales in the Construction Chemicals division almost at previous year's level
- Overall segment earnings significantly lower than in the same quarter of 2008 as a result of the decline in business

## 1ST QUARTER 2009

Change compared with Q1 2008

### SALES

–35%

### EBIT

before special items

. %



# AGRICULTURAL SOLUTIONS

Development of innovative active ingredients and solutions

## Segment data (million €)

	2009	1st Quarter	
		2008	Change in %
Sales to third parties	1,145	946	21
Income from operations before depreciation and amortization (EBITDA)	388	306	27
Income from operations (EBIT) before special items	344	259	33
Income from operations (EBIT)	340	259	31
Assets	5,049	4,588	10
Research expenses	81	72	13
Additions to property, plant and equipment and intangible assets	45	26	73

### 1st Quarter 2009

In the Agricultural Solutions segment, we began the year 2009 very successfully and increased sales substantially in the first quarter. This positive development was due to significantly higher volumes as well as higher prices. Furthermore, the appreciation of the U.S. dollar and the yen resulted overall in a positive currency effect. The non-agricultural pest control business of the Sorex Group acquired at the end of 2008 also contributed to the increase in first-quarter sales (volumes 8%, prices 7%, portfolio 1%, currencies 5%).

In **Europe**, the new growing season started successfully. Sales increased greatly due to higher volumes and prices, especially in the fungicides and herbicides business. However, the depreciation of the British pound and several Eastern European currencies had a negative effect on sales.

We also posted significantly higher sales in **North America**. This was primarily due to our successful business with crop protection products in the U.S. market. The main reasons for this positive business development were higher sales volumes and price increases for fungicides and herbicides.

The significant increase in sales in **Asia** was due above all to the strong demand in Japan, China and India.

In **South America**, business with products for sugar cane cultivation was weaker and Argentina and southern Brazil were affected by droughts. Nevertheless, sales reached the level of the first quarter of 2008 thanks to positive currency effects. We are continuing our rigorous management of credit and receivables in the region.

Income from operations before special items increased considerably compared with the first quarter of 2008, as higher sales volumes, improved margins and positive currency effects more than offset higher expenses for sales and distribution as well as for research and development.

## AGRICULTURAL SOLUTIONS

- Strong sales and earnings growth thanks to substantially higher volumes and prices
- Additional increase in sales thanks to positive currency effects and inclusion of the Sorex Group

## 1ST QUARTER 2009

Change compared with Q1 2008

### SALES

**+21%**

### EBIT

before special items

**+33%**

# OIL & GAS

Exploration and production of crude oil and natural gas;  
trading, transportation, and storage of natural gas

## Segment data (million €)

		1st Quarter	
	2009	2008	Change in %
Sales to third parties	3,894	3,744	4
Thereof Exploration & Production	1,037	1,383	(25)
Natural Gas Trading	2,857	2,361	21
Income from operations before depreciation and amortization (EBITDA)	839	1,118	(25)
Thereof Exploration & Production	548	910	(40)
Natural Gas Trading	291	208	40
Income from operations (EBIT) before special items	725	984	(26)
Thereof Exploration & Production	471	812	(42)
Natural Gas Trading	254	172	48
Income from operations (EBIT)	725	984	(26)
Thereof Exploration & Production	471	812	(42)
Natural Gas Trading	254	172	48
Assets	7,815	6,914	13
Thereof Exploration & Production	4,840	4,034	20
Natural Gas Trading	2,975	2,880	3
Exploration expenses	20	46	(57)
Additions to property, plant and equipment and intangible assets	192	115	67
Income taxes on oil-producing operations non-compensable with German corporate income tax	154	458	(66)
Net income	213	241	(12)

### 1st Quarter 2009

Sales increased slightly in the Oil & Gas segment. Above all, higher prices in the Natural Gas Trading business sector more than offset the large decline in oil prices (volumes –6%, prices/currencies 10%, structure 0%). Income from operations before special items decreased, in particular as a result of lower oil prices.

In **Exploration & Production**, sales fell: Compared with the first quarter of 2008, the average price of Brent crude more than halved to \$44 per barrel. In euro terms, the oil price fell by around €30 per barrel to €34 per barrel. Despite the clear increase in the contribution to earnings of

the Yuzhno Russkoye natural gas field, income from operations before special items fell, above all due to lower prices.

We posted significantly higher sales in the **Natural Gas Trading** business sector thanks to higher prices. Volumes decreased slightly. Higher purchasing prices were in due course passed on to customers based on contractual agreements, thus leading to a substantial improvement in margins. We greatly increased income from operations before special items.

## OIL & GAS

- Slightly higher sales thanks to price increases in the Natural Gas Trading business sector
- Decline in earnings, in particular due to lower oil prices
- Strong increase in sales and earnings in Natural Gas Trading

→ More information on net income in the Oil & Gas segment can be found in the Notes, on page 22

## 1ST QUARTER 2009

Change compared with Q1 2008

### SALES

**+4%**

### EBIT

before special items

**–26%**

## REGIONS

### Overview of regions (million €)

	Sales Location of company			Sales Location of customer			EBIT before special items		
	2009	2008	Change in %	2009	2008	Change in %	2009	2008	Change in %
<b>1st Quarter</b>									
Europe	8,007	10,080	(21)	7,644	9,597	(20)	797	1,786	(55)
Thereof Germany	6,065	7,228	(16)	3,239	3,775	(14)	426	1,360	(69)
North America	2,139	2,902	(26)	2,159	2,877	(25)	71	268	(74)
Asia Pacific	1,481	2,252	(34)	1,609	2,412	(33)	53	224	(76)
South America, Africa, Middle East	592	687	(14)	807	1,035	(22)	64	76	(16)
	<b>12,219</b>	<b>15,921</b>	<b>(23)</b>	<b>12,219</b>	<b>15,921</b>	<b>(23)</b>	<b>985</b>	<b>2,354</b>	<b>(58)</b>

### 1st Quarter 2009

In **Europe**, sales by location of company fell by 21%. Income from operations before special items also decreased substantially by €989 million to €797 million. The Chemicals and Plastics segments were particularly affected by the drop in demand in key customer industries and posted significantly lower sales and earnings. Despite the lower oil price, the Oil & Gas segment made a substantial contribution to earnings.

Sales by company in **North America** dropped by 35% in dollar terms and by 26% in euro terms. Income from operations before special items declined by €197 million to €71 million. Almost all segments were affected by the fall in earnings. Only the Agricultural Solutions segment achieved significantly higher sales and earnings. The positive business development in this segment was mainly due to higher volumes and improved margins for fungicides and herbicides.

In **Asia Pacific**, sales decreased by 42% in local currency terms and by 34% in euro terms. Income from operations before special items fell substantially by €171 million to €53 million. The considerable decline in sales and earnings affected almost all segments and was due in particular to the sharp fall in the export business of our customer industries. In contrast, sales and earnings increased in the Agricultural Solutions segment as a result of the high demand in Japan, China and India.

Sales in **South America, Africa, Middle East** decreased by 13% in local currency terms and by 14% in euro terms. Income from operations before special items declined by €12 million to €64 million. In the Functional Solutions segment, weak demand from the automotive industry in particular led to a decline in earnings. In contrast, positive currency effects resulted in higher earnings in the Agricultural Solutions segment.

### REGIONS: 1ST QUARTER 2009

- Sales and earnings decline in all regions
- Sales and earnings in Europe bolstered by Oil & Gas
- Significantly lower earnings in North America and Asia Pacific
- Stable earnings in South America thanks to Agricultural Solutions

## OVERVIEW OF OTHER TOPICS

### Research and development

BASF Plant Science and Monsanto Company announced on January 7, 2009 that they have come a major step further in developing the world's first drought-tolerant corn (maize). The product has moved into the final phase prior to an anticipated market launch early next decade. In addition, Monsanto has submitted the drought-tolerant corn to the U.S. Food and Drug Administration (FDA) for regulatory approval. Agricultural yields can be increased with the help of this new product.

BASF SE and OrganoBalance GmbH, a company that specializes in microbiological screening, are now ready to launch a product called pro-t-action™. Based on probiotic microorganisms, the new active ingredient detects and binds the bacteria that cause caries. In this way, the bacteria can be simply rinsed out of the mouth. A proprietary production process developed by BASF enables the active ingredient to be used in various oral care products.

BASF SE and centrotherm photovoltaics AG, one of the leading global technology and service providers for the production of solar cells, announced on March 3, 2009 that they are expanding their collaboration. The aim is to develop chemical solutions for the production of crystalline solar cells. The first joint products to be marketed boost the electrical efficiency of solar cells.

On March 18, 2009, BASF inaugurated a new construction chemicals development center in Shanghai in order to meet the rising demand for better technical service and innovative developments in Asia Pacific. Research work focuses on faster construction processes, longer life spans for buildings and low energy consumption. These new testing and analytical capacities make it possible to develop a wide range of products and solutions – including concrete admixtures, cement additives and flooring systems.

### Employees

Compared with the end of 2008, the number of BASF Group employees decreased by 855 to a total of 96,069 as of March 31, 2009. On this date, 64% of BASF Group employees worked in Europe, 16% of employees in North America, 14% in Asia Pacific, and 6% in South America, Africa, Middle East.

At €1,542 million, personnel costs in the first quarter of 2009 remained practically unchanged compared with the same period of 2008.

## RESEARCH AND DEVELOPMENT

- Drought-tolerant corn in final development phase prior to market launch
- BASF and OrganoBalance ready to market new active ingredient for oral hygiene products
- Increased collaboration between BASF SE and centrotherm photovoltaics AG in the production of solar cells
- New construction chemicals development center opened in Shanghai

## EMPLOYEES BY REGION

	March 31, 2009	Dec. 31, 2008	Change in %
Europe	61,601	61,889	-
North America (NAFTA)	14,833	15,168	(2)
Asia Pacific	13,547	13,734	(1)
South America, Africa, Middle East	6,088	6,133	(1)
	<b>96,069</b>	<b>96,924</b>	<b>(1)</b>

# INTERIM FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENTS OF INCOME

### Consolidated Statements of Income (million €)

		1st Quarter		Full Year
	2009	2008	Change in %	2008
<b>Sales</b>	<b>12,219</b>	<b>15,921</b>	<b>(23.3)</b>	<b>62,304</b>
Cost of sales	9,118	11,559	(21.1)	46,455
<b>Gross profit on sales</b>	<b>3,101</b>	<b>4,362</b>	<b>(28.9)</b>	<b>15,849</b>
Selling expenses	1,293	1,358	(4.8)	5,777
General and administrative expenses	258	257	0.4	1,058
Research expenses	325	327	(0.6)	1,355
Other operating income	420	337	24.6	1,304
Other operating expenses	717	454	57.9	2,500
<b>Income from operations</b>	<b>928</b>	<b>2,303</b>	<b>(59.7)</b>	<b>6,463</b>
Income from companies accounted for using the equity method	(44)	8	.	(66)
Other income from participations	4	4	–	74
Other expenses from participations	1	1	–	82
Interest income	21	38	(44.7)	174
Interest expense	138	144	(4.2)	601
Other financial result	(44)	(27)	(63.0)	14
<b>Financial result</b>	<b>(202)</b>	<b>(122)</b>	<b>(65.6)</b>	<b>(487)</b>
<b>Income before taxes and minority interests</b>	<b>726</b>	<b>2,181</b>	<b>(66.7)</b>	<b>5,976</b>
Income taxes	269	898	(70.0)	2,671
<b>Income before minority interests</b>	<b>457</b>	<b>1,283</b>	<b>(64.4)</b>	<b>3,305</b>
Minority interests	82	113	(27.4)	393
<b>Net income</b>	<b>375</b>	<b>1,170</b>	<b>(67.9)</b>	<b>2,912</b>
<b>Earnings per share (€) <sup>1</sup></b>				
Undiluted	0.41	1.24	(66.9)	3.13
Diluted	0.41	1.24	(66.9)	3.13

<sup>1</sup> In the second quarter of 2008, we conducted a two-for-one stock split. The earnings per share figure for the first quarter of 2008 has been adjusted accordingly.



# CONSOLIDATED BALANCE SHEETS

## Assets (million €)

	March 31, 2009	March 31, 2008	Change in %	Dec. 31, 2008	Change in %
Intangible assets	9,854	9,159	7.6	9,889	(0.4)
Property, plant and equipment	15,241	13,759	10.8	15,032	1.4
Investments accounted for using the equity method	1,082	885	22.3	1,146	(5.6)
Other financial assets	1,909	2,092	(8.7)	1,947	(2.0)
Deferred tax assets	1,003	577	73.8	930	7.8
Other receivables and other long-term assets	548	889	(38.4)	642	(14.6)
<b>Long-term assets</b>	<b>29,637</b>	<b>27,361</b>	<b>8.3</b>	<b>29,586</b>	<b>0.2</b>
Inventories	5,863	6,564	(10.7)	6,763	(13.3)
Accounts receivable, trade	7,485	9,288	(19.4)	7,752	(3.4)
Other receivables and other short-term assets	2,976	3,008	(1.1)	3,948	(24.6)
Marketable securities	45	45	–	35	28.6
Cash and cash equivalents	3,568	1,258	183.6	2,776	28.5
Assets of disposal groups	–	619	–	–	–
<b>Short-term assets</b>	<b>19,937</b>	<b>20,782</b>	<b>(4.1)</b>	<b>21,274</b>	<b>(6.3)</b>
<b>Total assets</b>	<b>49,574</b>	<b>48,143</b>	<b>3.0</b>	<b>50,860</b>	<b>(2.5)</b>

## Stockholders' equity and liabilities (million €)

	March 31, 2009	March, 31 2008	Change in %	Dec. 31, 2008	Change in %
Subscribed capital	1,176	1,203	(2.2)	1,176	–
Capital surplus	3,241	3,218	0.7	3,241	–
Retained earnings	13,482	15,028	(10.3)	13,250	1.8
Other comprehensive income	(123)	(5)	–	(96)	(28.1)
<b>Equity of shareholders of BASF SE</b>	<b>17,776</b>	<b>19,444</b>	<b>(8.6)</b>	<b>17,571</b>	<b>1.2</b>
Minority interests	1,150	985	16.8	1,151	(0.1)
<b>Stockholders' equity</b>	<b>18,926</b>	<b>20,429</b>	<b>(7.4)</b>	<b>18,722</b>	<b>1.1</b>
Provisions for pensions and similar obligations	1,777	1,270	39.9	1,712	3.8
Other provisions	2,721	2,849	(4.5)	2,757	(1.3)
Deferred tax liabilities	2,060	1,995	3.3	2,167	(4.9)
Financial indebtedness	10,394	6,946	49.6	8,290	25.4
Other long-term liabilities	894	730	22.5	917	(2.5)
<b>Long-term liabilities</b>	<b>17,846</b>	<b>13,790</b>	<b>29.4</b>	<b>15,843</b>	<b>12.6</b>
Accounts payable, trade	2,598	3,621	(28.3)	2,734	(5.0)
Provisions	3,019	2,846	6.1	3,043	(0.8)
Tax liabilities	1,031	1,334	(22.7)	860	19.9
Financial indebtedness	3,369	3,764	(10.5)	6,224	(45.9)
Other short-term liabilities	2,785	2,341	19.0	3,434	(18.9)
Liabilities of disposal groups	–	18	–	–	–
<b>Short-term liabilities</b>	<b>12,802</b>	<b>13,924</b>	<b>(8.1)</b>	<b>16,295</b>	<b>(21.4)</b>
<b>Total stockholders' equity and liabilities</b>	<b>49,574</b>	<b>48,143</b>	<b>3.0</b>	<b>50,860</b>	<b>(2.5)</b>

# CONSOLIDATED STATEMENTS OF CASH FLOWS

## Consolidated Statements of Cash Flows (million €)

	1st Quarter	
	2009	2008
Net income	375	1,170
Depreciation and amortization of intangible assets, property, plant and equipment and financial assets	675	653
Changes in net working capital	996	(753)
Miscellaneous items	38	19
<b>Cash provided by operating activities</b>	<b>2,084</b>	<b>1,089</b>
Payments related to property, plant and equipment and intangible assets	(570)	(463)
Acquisitions/divestitures	3	–
Financial investments and other items	8	48
<b>Cash used in investing activities</b>	<b>(559)</b>	<b>(415)</b>
Capital increases/repayments, share repurchases	–	(743)
Changes in financial liabilities	(622)	647
Dividends	(105)	(69)
<b>Cash used in financing activities</b>	<b>(727)</b>	<b>(165)</b>
Net changes in cash and cash equivalents	798	509
Cash and cash equivalents as of beginning of year and other changes	2,770	749
<b>Cash and cash equivalents at end of period</b>	<b>3,568</b>	<b>1,258</b>

### Cash provided by operating activities

In the period from January to March 2009, cash provided by operating activities increased substantially by €995 million and amounted to €2,084 million. Despite the much weaker net income, cash provided by operating activities was nearly twice as high as in the first quarter of 2008. This was primarily the result of the reduction of inventories and receivables.

### Cash used in investing activities

A total of €559 million was used in investing activities over the first three months of the year, compared with €415 million in the same quarter of the previous year. This increase was the result of the further expansion of our business in the Agricultural Solutions and Oil & Gas segments. Payments related to property, plant and equipment and intangible assets were again significantly below the corresponding level of depreciation and amortization.

### Cash used in financing activities

Cash used in financing activities amounted to €727 million. Dividends amounting to €105 million were paid out to minority shareholders in Group companies. €622 million was used to repay debts.

Cash and cash equivalents increased from €2,776 million at the end of 2008 to €3,568 million as of March 31, 2009. Compared with December 31, 2008 financial indebtedness decreased by €751 million to €13,763 million. In the same period, medium and long-term bonds were issued with a total volume of €2,097 million.

At the end of the first quarter of 2009, net debt amounted to €10,195 million compared with €11,738 million at the end of 2008. This means that we have reduced net debt by around €1.5 billion since the beginning of the year.

# CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE

## Income and expense items (million €)

	1st Quarter	
	2009	2008
<b>Income before minority interests</b>	<b>457</b>	<b>1,283</b>
Actuarial gains/losses from pensions and other obligations; asset ceiling	(190)	140
Change in foreign currency translation adjustment	27	(364)
Fair value changes in available-for-sale securities	(81)	183
Cash flow hedges	47	2
Revaluation due to acquisition of majority of shares	(1)	(1)
Deferred taxes	31	(67)
Minority interests	23	(30)
<b>Total income and expense recognized in equity</b>	<b>(144)</b>	<b>(137)</b>
<b>Total income and expense for the period</b>	<b>313</b>	<b>1,146</b>
Thereof BASF	208	1,063
Thereof minority interests	105	83

## 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; asset ceiling	Foreign currency translation adjustment	Fair value changes in available-for-sale securities	Cash flow hedges	Revaluation due to acquisition of majority of shares	Total of other comprehensive income	
<b>As of January 1, 2009</b>	<b>(1,511)</b>	<b>(637)</b>	<b>668</b>	<b>(137)</b>	<b>10</b>	<b>(96)</b>	<b>(1,607)</b>
Additions	(190)	–	–	–	–	–	(190)
Releases	–	27	(81)	47	(1)	(8)	(8)
Deferred taxes	50	–	1	(20)	–	(19)	31
<b>As of March 31, 2009</b>	<b>(1,651)</b>	<b>(610)</b>	<b>588</b>	<b>(110)</b>	<b>9</b>	<b>(123)</b>	<b>(1,774)</b>
<b>As of January 1, 2008</b>	<b>(874)</b>	<b>(497)</b>	<b>680</b>	<b>(21)</b>	<b>12</b>	<b>174</b>	<b>(700)</b>
Additions	–	(364)	183	–	–	(181)	(181)
Releases	140	–	–	2	(1)	1	141
Deferred taxes	(68)	5	(3)	(1)	–	1	(67)
<b>As of March 31, 2008</b>	<b>(802)</b>	<b>(856)</b>	<b>860</b>	<b>(20)</b>	<b>11</b>	<b>(5)</b>	<b>(807)</b>

# CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

## 1st Quarter 2009 (million €)

	Number of subscribed shares out- standing	Subscribed capital	Capital surplus	Retained earnings	Other com- prehensive income <sup>2</sup>	Equity of BASF SE stock- holders	Minority interests	Stockhol- ders' equity
<b>As of January 1, 2009</b>	<b>918,478,694</b>	<b>1,176</b>	<b>3,241</b>	<b>13,250</b>	<b>(96)</b>	<b>17,571</b>	<b>1,151</b>	<b>18,722</b>
Share buyback and cancellation of own shares including own shares intended to be cancelled	–	–	–	–	–	–	–	–
Effect of acquisitions achieved in stages	–	–	–	–	–	–	–	–
Capital withdrawal/contribution	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	(105) <sup>3</sup>	(105)
Net income	–	–	–	375	–	375	82	457
Change in income and expense recognized directly in equity	–	–	–	(140)	(27)	(167)	23	(144)
Changes in scope of consolidation and other changes	–	–	–	(3)	–	(3)	(1)	(4)
<b>As of March 31, 2009</b>	<b>918,478,694</b>	<b>1,176</b>	<b>3,241</b>	<b>13,482</b>	<b>(123)</b>	<b>17,776</b>	<b>1,150</b>	<b>18,926</b>

## 1st Quarter 2008 (million €)

	Number of subscribed shares out- standing <sup>1</sup>	Subscribed capital	Capital surplus	Retained earnings	Other com- prehensive income <sup>2</sup>	Equity of BASF SE stock- holders	Minority interests	Stockhol- ders' equity
<b>As of January 1, 2008</b>	<b>956,370,000</b>	<b>1,224</b>	<b>3,173</b>	<b>14,556</b>	<b>174</b>	<b>19,127</b>	<b>971</b>	<b>20,098</b>
Share buyback and cancellation of own shares including own shares intended to be cancelled	(16,880,000)	(21)	45	(767)	–	(743)	–	(743)
Capital withdrawal/contribution	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	(69) <sup>3</sup>	(69)
Net income	–	–	–	1,170	–	1,170	113	1,283
Change in income and expense recognized directly in equity	–	–	–	72	(179)	(107)	(30)	(137)
Changes in scope of consolidation and other changes	–	–	–	(3)	–	(3)	–	(3)
<b>As of March 31, 2008</b>	<b>939,490,000</b>	<b>1,203</b>	<b>3,218</b>	<b>15,028</b>	<b>(5)</b>	<b>19,444</b>	<b>985</b>	<b>20,429</b>

<sup>1</sup> The number of outstanding shares was adjusted following the two-for-one stock split carried out in the second quarter of 2008.

<sup>2</sup> Details are provided in the Consolidated Statements of Recognized Income and Expense on page 17.

<sup>3</sup> Including profit and loss transfers

# SEGMENT REPORTING

## 1st Quarter (million €)

	Sales			EBITDA			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2009	2008	Change in %	2009	2008	Change in %	2009	2008	Change in %	2009	2008	Change in %
Chemicals	1,416	2,561	(44.7)	213	648	(67.1)	75	518	(85.5)	74	518	(85.7)
Plastics	1,463	2,390	(38.8)	78	446	(82.5)	(29)	352	.	(30)	351	.
Performance Products	1,817	2,206	(17.6)	241	339	(28.9)	132	223	(40.8)	132	231	(42.9)
Functional Solutions	1,568	2,394	(34.5)	47	227	(79.3)	(46)	140	.	(45)	137	.
Agricultural Solutions	1,145	946	21.0	388	306	26.8	344	259	32.8	340	259	31.3
Oil & Gas	3,894	3,744	4.0	839	1,118	(25.0)	725	984	(26.3)	725	984	(26.3)
Other	916	1,680	(45.5)	(219)	(129)	(69.8)	(216)	(122)	(77.0)	(268)	(177)	(51.4)
	12,219	15,921	(23.3)	1,587	2,955	(46.3)	985	2,354	(58.2)	928	2,303	(59.7)

## 1st Quarter (million €)

	Research expenses			Assets			Additions to long-term assets <sup>1</sup>			Amortization and depreciation <sup>2</sup>		
	2009	2008	Change in %	2009	2008	Change in %	2009	2008	Change in %	2009	2008	Change in %
Chemicals	32	34	(5.9)	5,403	5,999	(9.9)	92	76	21.1	139	130	6.9
Plastics	32	32	–	4,634	5,263	(12.0)	63	72	(12.5)	108	95	13.7
Performance Products	51	56	(8.9)	6,145	6,257	(1.8)	84	76	10.5	109	108	0.9
Functional Solutions	44	47	(6.4)	8,383	8,861	(5.4)	36	46	(21.7)	92	90	2.2
Agricultural Solutions	81	72	12.5	5,049	4,588	10.0	45	26	73.1	48	47	2.1
Oil & Gas	2	4	(50.0)	7,815	6,914	13.0	192	115	67.0	114	134	(14.9)
Other	83	82	1.2	12,145	10,261	18.4	13	12	8.3	49	48	2.1
	325	327	(0.6)	49,574	48,143	3.0	525	423	24.1	659	652	1.1

<sup>1</sup> Investments in intangible assets and property, plant and equipment

<sup>2</sup> Depreciation and amortization of intangible assets and property, plant and equipment

## Other (million €)

	1st Quarter		
	2009	2008	Change in %
<b>Sales</b>	<b>916</b>	<b>1,680</b>	<b>(45.5)</b>
Thereof Styrenics	517	887	(41.7)
Thereof Other business included under Other	399	793	(49.7)
<b>EBIT before special items</b>	<b>(216)</b>	<b>(122)</b>	<b>(77.0)</b>
Thereof Group corporate costs	(54)	(57)	5.3
Corporate research costs	(81)	(78)	(3.8)
Currency results, hedges and other valuation effects	(193)	67	.
Styrenics, fertilizers, other business	109	101	7.9
Special items	(52)	(55)	5.5
<b>EBIT</b>	<b>(268)</b>	<b>(177)</b>	<b>(51.4)</b>



# 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, 2008 were prepared according to the International Financial Reporting Standards (IFRS) valid as of the balance sheet date. The Interim Financial Statements as of March 31, 2009 have been prepared in line with the rules of International Accounting

Standard 34 in abbreviated form and using the same accounting policies. The Interim Financial Statements and Interim Management's Analysis have been neither audited nor subject to an auditor's review.

→ The BASF Report 2008 containing the Consolidated Financial Statements as of December 31, 2008 can be found on the Internet at: [basf.com/report](http://basf.com/report)

## 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 development of the number of fully and proportionally consolidated companies is shown in the table.

There have been two first-time consolidations since the beginning of 2009 due to the increasing importance of these companies.

Four companies have been deconsolidated since the beginning of 2009, as a result of either merger with other BASF companies or decreased significance.

### Scope of consolidation

	2009	2008
As of January 1	293	297
Thereof proportionally consolidated	19	18
First-time consolidations	2	22
Thereof proportionally consolidated	–	1
Deconsolidations	4	26
Thereof proportionally consolidated	–	–
<b>As of March 31/Dec. 31</b>	<b>291</b>	<b>293</b>
Thereof proportionally consolidated	19	19

## 3 -- Segment reporting

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 Plastics segment is composed of the Performance Polymers and Polyurethanes divisions. On January 1, 2009, the styrene copolymers business from the Performance Polymers division was transferred to Styrenics. Styrenics does not belong to a segment, but rather is shown under Other.

In the first quarter of 2009, the Performance Products segment included the Acrylics & Dispersions, Care Chemicals and Performance Chemicals operating divisions.

In order to accommodate the changes to our portfolio as a result of the acquisition of Ciba Holding AG, the divisions in the Performance Products segment have been restructured as of April 1, 2009. This segment has been assigned the new Paper Chemicals division consisting of BASF's paper chemicals and binders business as well as the kaolin minerals business, which were previously part of the Acrylics & Dispersions division. Ciba's business with products for paper manufacturing is to be integrated into the Paper Chemicals division at a later date.

The Acrylics & Dispersions division has been renamed Dispersions & Pigments. This division consists of BASF's business with raw materials for the coating and paint industry. In addition, the dispersions business has been supplemented by the pigments and resins business of the Performance Chemicals division.

The acrylic monomers business has been assigned to the Petrochemicals division, which consequently encompasses the key steps in the propylene value-adding chain. The superabsorbents business has been assigned to the Care Chemicals division. Later, the majority of business of Ciba's Coating Effects segment will be integrated into the Dispersions & Pigments division.

In the Care Chemicals division, BASF is now combining all businesses that contribute to cleaning, personal care and hygiene in addition to the human and animal nutrition units and pharmaceuticals business. The assignment of the superabsorbents business to Care Chemicals has strengthened the division's portfolio with consumer-related products for personal care.

The Performance Chemicals division now primarily offers innovative and specific solutions for a broad range of industries including the plastics processing industry, automotive suppliers, refineries, users of oil field and mining chemicals, as well as leather and textiles processors. In the future, Ciba's plastics additives business, among others, will be assigned to this division. The businesses acquired with Ciba Holding AG are currently being analyzed in detail in order to develop a suitable market position for the combined businesses and establish the optimum organizational form. As this process will not end until July 2009, Ciba will be managed as a separate division in the Performance Products segment during the second quarter of 2009.

The Functional Solutions segment comprises the Catalysts, Construction Chemicals und Coatings divisions.

The Agricultural Solutions segment contains the Crop Protection division.

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, Styrenics as well as our fertilizer activities. In addition, the sale of raw materials, 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.

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.

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.

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.

**Assets of Other** (million €)

	1st Quarter	
	2009	2008
Assets of business included in Other	2,690	3,236
Financial assets	2,991	2,977
Deferred tax assets	1,003	577
Cash and cash equivalents, marketable securities	3,613	1,303
Defined benefit assets	75	625
Miscellaneous receivables/prepaid expenses	1,773	1,543
	<b>12,145</b>	<b>10,261</b>

**Reconciliation reporting for Oil & Gas** (million €)

	1st Quarter	
	2009	2008
<b>Income from operations</b>	<b>725</b>	<b>984</b>
Income from participations	(49)	2
Other income	(117)	(6)
<b>Income before taxes and minority interests</b>	<b>559</b>	<b>980</b>
Income taxes	273	657
Thereof income taxes on oil-producing operations non-compensable with German corporate income tax	154	458
<b>Income before minority interests</b>	<b>286</b>	<b>323</b>
Minority interests	73	82
<b>Net income</b>	<b>213</b>	<b>241</b>

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.

The decline in income from participations resulted chiefly from losses on loans denominated in U.S. dollars and euros at OAO Severneftegazprom (which is accounted for using the equity method) due to the depreciation of the Russian ruble. The decrease in other income related chiefly to results from foreign currency hedging not allocated to the segments, which are reported under Other.

## 4 -- Other operating income

Million €	1st Quarter	
	2009	2008
Income from currency conversion and foreign currency transactions	104	107
Disposal of property, plant and equipment	7	7
Reversal/usage of provisions	54	68
Reversal of allowances for doubtful receivables	11	4
Revenue from miscellaneous typical business activities	14	43
Miscellaneous	230	108
<b>Other operating income</b>	<b>420</b>	<b>337</b>

Other operating income increased in the first quarter of 2009 compared with the same period of the previous year, in particular due to the increased market value of transactions to hedge against fluctuations in oil and naphtha

prices. The reversal of provisions for the BASF option program due to the lower market value of the option rights also had a positive effect.

## 5 -- Other operating expenses

Million €	1st Quarter	
	2009	2008
Losses from currency conversion and foreign currency transactions	299	75
Oil and gas exploration expenses	20	46
Miscellaneous	398	333
<b>Other operating expenses</b>	<b>717</b>	<b>454</b>

Other operating expenses increased in the first quarter of 2009 compared with the same period of 2008 as a result of higher negative currency and conversion results. Above all,

this related to losses from transactions to hedge against currency risks, in particular with regard to the U.S. dollar and British pound.

## 6 -- Financial result

Million €	1st Quarter	
	2009	2008
<b>Income from companies accounted for using the equity method</b>	<b>(44)</b>	<b>8</b>
Income from participations in affiliated and associated companies	1	1
Income from the disposal of participations	–	2
Income from profit transfer agreements	2	1
Income from tax allocation to participating interests	1	–
<b>Other income from participations</b>	<b>4</b>	<b>4</b>
Losses from loss transfer agreements	–	(1)
Write-downs of/losses from the sale of participations	(1)	–
<b>Other expenses from participations</b>	<b>(1)</b>	<b>(1)</b>
Interest income from cash and cash equivalents	14	24
Interest and dividend income from securities and loans	7	14
<b>Interest income</b>	<b>21</b>	<b>38</b>
<b>Interest expense</b>	<b>(138)</b>	<b>(144)</b>
Expected income from plan assets to cover pensions and similar obligations	148	171
Income from plan assets to cover other long-term personnel obligations	8	10
Income from construction interest	13	11
<b>Other financial income</b>	<b>169</b>	<b>192</b>
Write-downs/losses from the disposal of securities and loans	(1)	(1)
Interest accrued on pension obligations and similar obligations	(166)	(161)
Expenses from defined benefit plans	(14)	(16)
Interest accrued on other long-term personnel obligations	(10)	(9)
Other financial expenses	(22)	(32)
<b>Other financial result</b>	<b>(213)</b>	<b>(219)</b>
<b>Financial result</b>	<b>(202)</b>	<b>(122)</b>

The negative result in the first quarter of 2009 from companies accounted for using the equity method primarily resulted from losses on loans in U.S. dollars and euros at OAO Severneftegazprom due to the depreciation of the Russian ruble.

The higher negative interest result can be attributed in particular to the higher level of debt. However, lower interest levels in the United States and in Europe had a counteractive effect. The decline in interest income was due in

particular to the partial repayment of the loan granted to OAO Severneftegazprom in the previous year.

The lower level of expected income can be attributed to the decline in pension plan assets compared with the previous year.



## 7 -- Income taxes

### Income before taxes and minority interests (million €)

	1st Quarter	
	2009	2008
Germany	25	635
Foreign oil production branches of German companies	197	585
Other foreign	504	961
	<b>726</b>	<b>2,181</b>

### Income taxes (million €)

	1st Quarter	
	2009	2008
Germany	25	166
Foreign oil production branches of German companies	183	544
Thereof non-compensable	154	458
Other foreign	61	188
	<b>269</b>	<b>898</b>
Tax rate (%)	37.1	41.2

Foreign income taxes for oil production decreased considerably as a result of the lower oil price. The negative income from companies accounted for using the equity

method had a negative impact on income before taxes and minority interests in Germany. This at-equity income included after taxes led to the high tax rate in Germany.

## 8 -- Minority interests

Million €	1st Quarter	
	2009	2008
Minority interests in profits	87	116
Minority interests in losses	(5)	(3)
	<b>82</b>	<b>113</b>

Minority interests in profits resulted primarily from natural gas trading companies as well as Gazprom's stake in the German Wintershall subsidiary that holds production and exploration rights in Libya.

## 9 -- Earnings per share

		1st Quarter	
		2009	2008
Net income	Million €	375	1,170
Number of outstanding shares (weighted average)	1,000	918,479	942,576
<b>Earnings per share</b>	<b>€</b>	<b>0.41</b>	<b>1.24</b>

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 three months of 2009 and in the corresponding period of 2008, 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.

## 10 -- Long term assets

### Developments (million €)

		1st Quarter 2009	
	Intangible assets	Property, plant and equipment	Investments accounted for using the equity method and other financial assets
<b>Acquisition costs</b>			
Balance as of January 1	12,408	49,147	3,424
Additions	71	532	105
Disposals	326	118	247
Exchange differences	62	535	(4)
<b>Balance as of March 31</b>	<b>12,215</b>	<b>50,096</b>	<b>3,278</b>
<b>Amortization and depreciation</b>			
Balance as of January 1	2,519	34,115	331
Additions	131	540	16
Disposals	325	102	60
Exchange differences	36	302	–
<b>Balance as of March 31</b>	<b>2,361</b>	<b>34,855</b>	<b>287</b>
<b>Net book value as of March 31</b>	<b>9,854</b>	<b>15,241</b>	<b>2,991</b>

### Developments (million €)

		1st Quarter 2008	
	Intangible assets	Property, plant and equipment	Investments accounted for using the equity method and other financial assets
<b>Acquisition costs</b>			
Balance as of January 1	11,517	45,757	3,101
Additions	68	415	278
Disposals	66	212	64
Exchange differences	(333)	(757)	(29)
<b>Balance as of March 31</b>	<b>11,186</b>	<b>45,203</b>	<b>3,286</b>
<b>Amortization and depreciation</b>			
Balance as of January 1	1,958	31,542	315
Additions	176	527	1
Disposals	66	206	7
Exchange differences	(41)	(419)	–
<b>Balance as of March 31</b>	<b>2,027</b>	<b>31,444</b>	<b>309</b>
<b>Net book value as of March 31</b>	<b>9,159</b>	<b>13,759</b>	<b>2,977</b>

Additions to property, plant and equipment from January to March 2009 arose from a number of investments. Among the most significant are the expansion of plants to scrub synthesis gas in Ludwigshafen, 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. The disposals from other financial assets were primarily the result of the market valuation of other financial assets, the effects of which are recognized directly in equity. This applies in particular to our stake in K+S Aktiengesellschaft.

## 11 -- Inventories

Million €	March 31, 2009	Dec. 31, 2008
Raw materials and factory supplies	1,703	1,769
Work-in-process, finished goods and merchandise	4,074	4,924
Advance payments and services-in-process	86	70
	<b>5,863</b>	<b>6,763</b>

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.

## 12 -- Stockholders' equity

### Subscribed capital (million €)

	Shares	Subscribed capital
Outstanding shares as of December 31, 2008	923,128,567	1,182
Repurchased shares intended to be cancelled	(4,649,873)	(6)
<b>Outstanding shares as disclosed in the financial statements</b>	<b>918,478,694</b>	<b>1,176</b>

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.

Share buybacks were stopped in the fourth quarter of 2008 due to the financial and economic crisis.

As of March 31, 2009, 4,649,873 shares of BASF stock were held by BASF SE and were deducted from stockholders' equity.

Transfers from other retained earnings increased legal reserves by €4 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 €140 million.

### Reserves (million €)

	March 31, 2009	Dec. 31, 2008
Legal reserves	426	420
Other retained earnings	13,056	12,830
	<b>13,482</b>	<b>13,250</b>

## 13 -- Provisions for pensions

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

	Germany		Foreign	
	March 31, 2009	Dec. 31, 2008	March 31, 2009	Dec. 31, 2008
Discount rate	6.00	6.00	6.34	5.84
Projected increase of wages and salaries	2.75	2.75	4.37	4.37
Projected pension increase	2.00	2.00	0.57	0.57

### Assumptions used to determine expenses for pension benefits (from January 1 through March 31 of the respective year; weighted average in %)

	Germany		Foreign	
	March 31, 2009	Dec. 31, 2008	March 31, 2009	Dec. 31, 2008
Discount rate	6.00	5.25	5.84	5.82
Projected increase of wages and salaries	2.75	2.75	4.37	4.50
Projected pension increase	2.00	2.00	0.57	0.68
Expected return on plan assets	5.42	5.18	7.15	7.20

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 quarter of 2009, developments in the foreign capital markets resulted in a higher discount rate for the valuation of pension obligations.

## 14 -- Other provisions

Million €	March 31, 2009	March 31, 2008	Dec. 31, 2008
Other long-term provisions	2,721	2,849	2,757
Short-term provisions	3,019	2,846	3,043
	<b>5,740</b>	<b>5,695</b>	<b>5,800</b>

Other long-term provisions declined slightly in the first quarter of 2009 compared to the end of 2008. This was caused in particular by lower long-term tax provisions as well as the reversal of provisions for the BASF option program.

## 15 -- Liabilities

### Liabilities (million €)

	March 31, 2009		March 31, 2008		Dec. 31, 2008	
	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	2,598	–	3,621	–	2,734	–
Bonds and other liabilities to the capital market	2,849	9,307	3,444	6,446	5,346	7,227
Liabilities to credit institutions	520	1,087	320	500	878	1,063
<b>Financial indebtedness</b>	<b>3,369</b>	<b>10,394</b>	<b>3,764</b>	<b>6,946</b>	<b>6,224</b>	<b>8,290</b>
<b>Tax liabilities</b>	<b>1,031</b>	<b>–</b>	<b>1,334</b>	<b>–</b>	<b>860</b>	<b>–</b>
Advances received on orders	146	–	132	–	116	–
Liabilities on bills	21	29	17	28	11	27
Liabilities related to social security	155	13	147	16	151	16
Miscellaneous liabilities	2,262	682	1,897	532	3,018	711
Deferred income	201	170	148	14	138	163
<b>Other liabilities</b>	<b>2,785</b>	<b>894</b>	<b>2,341</b>	<b>590</b>	<b>3,434</b>	<b>917</b>

## Financial indebtedness (million €)

	Nominal value	Effective interest rate	Carrying amounts based on effective interest method		
			March 31, 2009	Dec. 31, 2008	March 31, 2008
3.5% Euro Bond 2003/2010 of BASF SE	1,000	3.63%	998	998	997
4% Euro Bond 2006/2011 of BASF SE	1,000	4.05%	999	999	999
3.375% Euro Bond 2005/2012 of BASF SE	1,400	3.42%	1,398	1,398	1,397
4.5% Euro Bond 2006/2016 of BASF SE	500	4.62%	497	496	496
5.875% GBP Bond 2009/2017 of BASF SE	400	6.04%	425	–	–
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%	197	201	–
3.625% CHF Bond 2015/2011 of BASF Finance Europe N.V.	200	3.77%	131	134	–
6% Euro Bond 2008/2013 of BASF Finance Europe N.V.	1,250	6.15%	1,243	1,242	–
5% Euro Bond 2007/2014 of BASF Finance Europe N.V.	1,000	5.09%	996	996	996
5% Euro Bond 2007/2014 of BASF Finance Europe N.V.	250	4.83%	252	252	253
5.125% Euro Bond 2009/2015 of BASF Finance Europe N.V.	1,500	5.30%	1,486	–	–
4.5% Euro Medium Term Note 2009/2016 of BASF Finance Europe N.V.	150	4.56%	150	–	–
USD Extendible Floating Rate Notes of BASF Finance Europe N.V.		4.51%	345	330	854
USD Commercial Papers	2,529		1,897	4,406	2,880
Other bonds			642	621	518
<b>Bonds and other liabilities to the capital market</b>			<b>12,156</b>	<b>12,573</b>	<b>9,890</b>
Liabilities to credit institutions			1,607	1,941	820
			<b>13,763</b>	<b>14,514</b>	<b>10,710</b>

## 16 -- 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 €250 million in the first quarter of 2009 and €354 million in the same period of 2008.

In addition, there are material supply relationships with Ellba C.V., Netherlands, and Ellba Eastern Private Ltd., Singapore. The unconsolidated portion of these supplies amounted to €50 million in the first quarter of 2009 and €116 million in the same period of 2008.

There were no reportable related party transactions with members of the Board of Executive Directors or the Supervisory Board.

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



---

INTERIM REPORT FIRST-HALF 2009

**JULY 30, 2009**

---

INTERIM REPORT THIRD-QUARTER 2009

**Oct. 29, 2009**

---

FULL-YEAR RESULTS 2009

**Feb. 25, 2010**

---

ANNUAL MEETING 2010 / INTERIM REPORT FIRST-QUARTER 2010

**April 29, 2010**

---

## 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 112 to 119 in the BASF Report 2008. The BASF Report can be found on the internet at: [basf.com/report](http://basf.com/report). We do not assume any obligation to update the forward-looking statements contained in this report.



## FURTHER INFORMATION

---

You can find this and other publications from BASF on the internet at [www.basf.com](http://www.basf.com)

You can also order the reports:

- **by telephone:** +49 621 60-91827
- **on the Internet:** [basf.com/mediaorders](http://basf.com/mediaorders)

## CONTACTS

---

### General inquiries

Phone: +49 621 60-0, Fax: +49 621 60-42525

### Corporate Media Relations

Michael Grabicki, Phone: +49 621 60-99938, Fax: +49 621 60-92693

### Investor Relations

Magdalena Moll, Phone: +49 621 60-48230, Fax: +49 621 60-22500

### Internet

[www.basf.com](http://www.basf.com)

**BASF SE**, 67056 Ludwigshafen, Germany