Interim Report
1st Quarter 2011 (January – March)

Powerful start to 2011: BASF remains on growth track

- Sales and earnings far above previous year's levels
- Cognis integration progressing rapidly
- Outlook for 2011 confirmed

BASF
The Chemical Company

BASF Group
1st Quarter 2011

Million €	1st Quarter		
	2011	2010	Change in %
Sales	19,361	15,454	25.3
Income from operations before depreciation and amortization (EBITDA)	3,365	2,627	28.1
Income from operations (EBIT) before special items	2,732	1,954	39.8
Income from operations (EBIT)	2,550	1,840	38.6
Financial result	830	(80)	.
Income before taxes and minority interests	3,380	1,760	92.0
Net income	2,411	1,029	134.3
Earnings per share (€)	2.62	1.12	134.4
Adjusted earnings per share (€)[1]	1.94	1.32	47.2
EBITDA margin (%)	17.4	17.0	–
Cash provided by operating activities	2,255	1,368	64.8
Additions to long-term assets[2]	522	380	37.4
Research and development expenses	380	350	8.6
Amortization and depreciation[2]	815	787	3.6
Segment assets (as of March 31)[3]	48,507	43,602	11.2
Personnel costs	2,184	1,950	12.0
Number of employees (as of March 31)	109,589	103,632	5.7

[1] For further information, see page 32
[2] Intangible assets and property, plant and equipment (including acquisitions)
[3] Intangible assets, property, plant and equipment, inventories and business-related receivables

Contents

Interim Management's Analysis

BASF Group Business Review 1
BASF on the Capital Market[1] 3
Significant Events 4
Chemicals 5
Plastics 6
Performance Products 7
Functional Solutions 9
Agricultural Solutions 10
Oil & Gas 11
Regional Results 12
Overview of Other Topics 13
Outlook 14

Interim Financial Statements

Consolidated Statements of Income 15
Consolidated Balance Sheets 16
Consolidated Statements of Cash Flows 17
Consolidated Statements of Recognized Income and Expense 18
Consolidated Statements of Stockholders' Equity 19
Segment Reporting 20
Notes to the Interim Financial Statements 21

Calculation of Adjusted Earnings per Share 32
Important Dates 33

[1] This section is not part of the interim management's analysis.

Change
compared with
1st quarter of 2010

1st Quarter
2011

Sales

+25%

EBIT
before special items

+40%

← Cover photo: Efficient electricity generation – Engineer Harry Bühler (left) and Technician Sven Lange (right) inspect the flue gas duct of the gas and steam turbine facility in the central power plant at the Ludwigshafen Verbund site.

BASF's Segments

Chemicals

→ Page 5

In the Chemicals segment, we supply products to customers in the chemical, electronics, construction, textile, automotive, pharmaceutical and agricultural industries as well as many others. Furthermore, we ensure that other BASF segments are supplied with chemicals for the production of downstream products. Our portfolio ranges from basic chemicals, glues and electronic chemicals for the semiconductor and solar cell industries, to solvents and plasticizers, as well as starting materials for products such as detergents, plastics, textile fibers, paints and coatings, and pharmaceuticals.

Plastics

→ Page 6

The Plastics segment includes a broad range of products, system solutions and services. We offer a number of engineering plastics for the automotive and electrical industries as well as for use in household appliances and sports and leisure products. Our styrenic foams are used as insulating materials in the construction industry and in packaging. Our polyurethanes are extremely versatile: As soft foams, for example, they improve car seats and mattresses, and as rigid foams they increase the energy efficiency of refrigerators.

Performance Products

→ Page 7

Performance Products lend stability and color to countless everyday items and help to improve their application profile. Our product portfolio includes vitamins and food additives as well as ingredients for pharmaceuticals and for hygiene, home and personal care items. Other Performance Products improve processes in the paper industry, oil and gas production, mining and water treatment. They can also enhance the efficiency of fuels and lubricants, the effectiveness of adhesives and coatings, and the stability of plastics.

Functional Solutions

→ Page 9

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

Agricultural Solutions

→ Page 10

Our crop protection products guard against fungal diseases, insects and weeds and they 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. Research and development expenses, sales, earnings and all other data of BASF Plant Science are not included in the Agricultural Solutions segment; they are reported in Other.

Oil & Gas

→ Page 11

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

Trilon M

→ No more chalky deposits on glasses, cups and plates

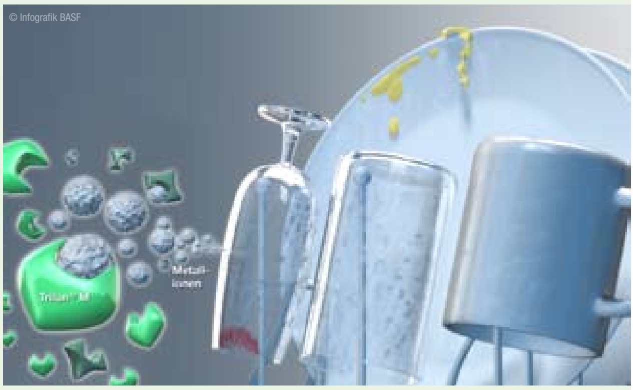
The dishwasher is one of the most popular household appliances. Dirty dishes go in, clean dishes come out – without any need to get your hands wet. It would be so simple if it were not for these annoying chalky deposits. For a long time, phosphate was the only way to prevent these deposits – but phosphate is ecologically contentious. BASF's environmentally friendly solution: Trilon® M.

Conventional multifunctional tabs are made up of about 50% phosphate, which prevents unsightly chalky deposits on dishes by binding calcium and magnesium ions. However, phosphate is also a plant nutrient. If too much phosphate is released into waterways from dishwasher wastewater, it can result in major algae growth. The algae often consume all the oxygen in the water, disrupting the ecological balance of entire lakes and rivers. Since the 1980s, phosphate standards for detergents and cleaning agents have therefore become progressively stricter.

Detergent manufacturers are always looking for new ways to replace phosphate, for example, with alternative chelating agents. These need to be just as effective as phosphate, but more environmentally friendly. With its organic chelating agent Trilon M, BASF can meet all these requirements: By capturing metal ions, Trilon M prevents the formation of chalky deposits. The brand name Trilon M stands for methylglycinediacetic acid, which is easily biodegradable and therefore preserves the ecological balance of water systems.

Since its launch as a dishwashing agent component in 2008, Trilon M has become the market leader. To meet growing global customer demand, in early 2010, BASF brought on stream the expansion of a world-scale plant to produce the chelating agent in Ludwigshafen. And the success story continues: BASF is expecting double-digit percentage growth rates for Trilon M in the years ahead – also due in part to the introduction of more stringent phosphate standards in the European Union expected for 2015.

Brilliant shine: Trilon M prevents the formation of chalky deposits and is also easily biodegradable.



Chelating agents such as Trilon M are molecules that surround metal ions – for example, calcium or magnesium ions – like a cage, thus preventing lime scale build-up.

Innovations in the chemical industry – Trilon M

- Trilon M is an organic chelating agent that can replace phosphates in dishwashing detergents
- Chelating agents such as Trilon M are able to capture metal ions and thus prevent lime scale build-up
- Trilon M is easily biodegradable
- BASF expects double-digit percentage growth rates for Trilon M in the years ahead

BASF Group Business Review
1st Quarter 2011

BASF had a powerful start to 2011. Capacity utilization rates in our plants were good; in particular, demand in our chemicals business[1] increased compared with the same quarter of the previous year. Sales grew by 25% to €19.4 billion. The Cognis businesses acquired in December 2010 made a significant contribution to this substantial sales growth. Despite strong increases in raw materials costs, income from operations before special items rose by 40% to €2,732 million. The earthquake off the coast of Japan and its aftermath as well as the tense political situation in North Africa have not yet had a significant impact on our business.

Compared with the first quarter of 2010, sales volumes rose in nearly all segments. As a result of the situation in Libya, we suspended our oil production there at the end of February 2011; this led to a reduction in oil production volumes in the Oil & Gas segment. In the Agricultural Solutions segment, prices declined slightly; all other segments reported price increases. Portfolio measures led to a 6% increase in sales; this effect was attributable to the acquisition of Cognis in December 2010.

Factors influencing sales (% of sales)

	1st Quarter
Volumes	5
Prices	13
Portfolio measures	6
Currencies	1
	25

In the **Chemicals** segment, sales in all divisions increased substantially as a result of significantly higher sales prices in almost all business areas as well as greater volumes and positive currency effects. Earnings sharply exceeded the level of the previous first quarter due in large part to good margins, in particular in the acrylic acid value-adding chain, as well as high capacity utilization rates.

The **Plastics** segment experienced strong demand in all business areas; sales improved substantially compared with the first quarter of 2010 in particular as a result of higher sales volumes. Owing to the ongoing shortages of several products, higher raw materials costs could largely be passed on to the markets, especially in the Performance Polymers division. Thanks to high sales volumes, earnings increased sharply.

First-quarter sales (million €)

Chemicals	**2011**	**3,276**	**27%**
	2010	2,588	
Plastics	**2011**	**2,788**	**27%**
	2010	2,197	
Performance Products	**2011**	**3,982**	**39%**
	2010	2,871	
Functional Solutions	**2011**	**2,818**	**35%**
	2010	2,090	
Agricultural Solutions	**2011**	**1,230**	**7%**
	2010	1,145	
Oil & Gas	**2011**	**3,455**	**7%**
	2010	3,225	
Other	**2011**	**1,812**	**35%**
	2010	1,338	

Sales in the **Performance Products** segment were also far above the level of the same quarter of 2010. The acquired Cognis businesses contributed significantly to the improvement in sales. Sales growth was additionally boosted by increased volumes as well as higher prices resulting from the rise in raw materials costs. Earnings improved as a result of the inclusion of the Cognis businesses, synergy effects from the Ciba integration and the successful repositioning of the combined businesses.

BASF Group 1st Quarter 2011

- Powerful start to 2011; very good sales and earnings levels
- Sales growth of 25% to €19.4 billion, of which six percentage points attributable to acquired Cognis businesses
- Higher prices and volumes, especially in chemicals business
- Earnings improve sharply by 40% to €2.7 billion; all segments with higher contributions
- Successful start to the new growing season for Agricultural Solutions
- Declining volumes in the Oil & Gas segment as a result of the suspension of production in Libya
- Operating cashflow at €2.3 billion far above previous first quarter level; net debt reduced by €2.4 billion since beginning of 2011

[1] Our chemicals business includes the Chemicals, Plastics, Performance Products and Functional Solutions segments.

In the **Functional Solutions** segment, there was an overall strong rise in sales volumes and sales. Demand from the automotive industry increased compared with the same quarter of the previous year. As a result of robust construction activity in several emerging markets in Asia, South America and Eastern Europe, there was a slight recovery in demand from the building sector. Higher precious metal prices boosted sales growth. Earnings improved substantially in particular thanks to the contribution from the Catalysts division.

In the **Agricultural Solutions** segment, we had a successful start to the season. Sales volumes grew in nearly all regions and indications. As a result of favorable weather conditions in the northern hemisphere and in South America, demand for our products rose. Despite intense competition, we were able to slightly exceed the high sales level of the first quarter of 2010. Greater sales volumes led to a slight improvement in earnings.

Following the intensification of the situation in Libya, we suspended our oil production there at the end of February 2011. Nevertheless, sales in the **Oil & Gas** segment were slightly above the level of the first quarter of 2010. Higher crude oil and natural gas prices offset the reduction in oil production in Libya. In the Natural Gas Trading business sector, the negative time-lag effect adversely impacted earnings. Earnings improved significantly overall due to higher prices.

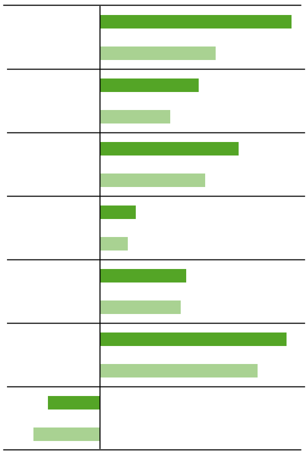
Other posted substantial sales growth, primarily attributable to higher prices in the Styrenics business and in raw materials trading. There was also a strong improvement in earnings in the Styrenics business. Overall, earnings in Other were slightly above the level of the first quarter of 2010.

Special items in income from operations amounting to minus €182 million (first quarter of 2010: minus €114 million) primarily resulted from the integration of the Cognis businesses.

Compared with the first quarter of the previous year, **EBIT** increased by 39% to €2,550 million. **EBITDA** rose by €738 million to €3,365 million. The EBITDA margin rose to 17.4% (first quarter of 2010: 17.0%).

First-quarter EBIT before special items
(million €, absolute change)

Chemicals	**2011**	**765**	**+304**
	2010	461	
Plastics	**2011**	**393**	**+114**
	2010	279	
Performance Products	**2011**	**554**	**+135**
	2010	419	
Functional Solutions	**2011**	**142**	**+31**
	2010	111	
Agricultural Solutions	**2011**	**343**	**+22**
	2010	321	
Oil & Gas	**2011**	**744**	**+115**
	2010	629	
Other	**2011**	**(209)**	**+57**
	2010	(266)	



The financial result was €830 million, an improvement of €910 million compared with the same period of the previous year. This was due to the special item of €887 million that resulted from the sale of our stake in K+S Aktiengesellschaft. Overall, special items in income before taxes and minority interests amounted to €705 million.

Income before taxes and minority interests rose by €1,620 million in the first quarter of 2011 to €3,380 million. At 24.7%, the tax rate was considerably lower than in the first quarter of 2010. This decline was mainly attributable to the lower share of earnings from the highly-taxed Oil & Gas segment.

Net income increased by €1,382 million to €2,411 million. **Earnings per share** were €2.62 in the first quarter of 2011 compared with €1.12 in the same period of 2010. Adjusted for special items and amortization of intangible assets, earnings per share amounted to €1.94 (first quarter of 2010: €1.32).

→ **Information on the calculation of adjusted earnings per share can be found on page 32**

BASF Group special items (million €)

	2011	2010
1st quarter	705	(114)
2nd quarter		(127)
3rd quarter		(58)
4th quarter		(78)
Full year		**(377)**

Adjusted earnings per share (€)

	2011	2010
1st quarter	1.94	1.32
2nd quarter		1.50
3rd quarter		1.52
4th quarter		1.39
Full year		**5.73**

BASF on the Capital Market

Overview of BASF shares

		1st Quarter 2011	Full Year 2010
Performance (with dividends reinvested)			
BASF	%	2.2	42.7
DAX 30	%	1.8	16.1
DJ EURO STOXX 50	%	3.9	(2.4)
DJ Chemicals	%	7.1	28.4
MSCI World Chemicals	%	4.1	19.6
Share prices and trading (XETRA)			
Average	€	58.29	46.97
High	€	61.54	61.73
Low	€	53.96	39.43
Close (end of period)	€	61.03	59.70
Average daily trade	Million shares	3.6	4.2
Outstanding shares (end of period)	Million shares	918.5	918.5
Market capitalization (end of period)	Billion €	56.1	54.8

Market trend

At the end of the first quarter of 2011, BASF shares traded at €61.03, an increase of 2.2% compared with the closing price at the end of 2010. The BASF stock thus performed slightly better than the German stock index DAX 30, which rose by 1.8% during the same period. The value of the European benchmark index DJ EURO STOXX 50 increased by 3.9% in the first three months of 2011. In the same period, the global industry indices DJ Chemicals and MSCI World Chemicals gained 7.1% and 4.1%, respectively.

→ **For up-to-date information on BASF shares online, visit basf.com/share**

Dividend increase to €2.20 per share

The Board of Executive Directors and the Supervisory Board have proposed to the Annual Meeting that a dividend of €2.20 per share be paid for the 2010 business year. We stand by our ambitious dividend policy and plan to pay out around €2 billion to our shareholders. Based on the year-end share price for 2010, BASF shares offer a high dividend yield of 3.7%. BASF is part of the DivDAX share index, which contains the 15 companies with the highest dividend yield in the DAX 30. We continue to aim to increase our dividend each year, or at least maintain it at the previous year's level.

Good credit ratings and solid financing

With "A/A-1 outlook stable" from rating agency Standard & Poor's and "A1/P-1 outlook negative" from Moody's, BASF has good credit ratings, especially compared with its competitors in the chemical industry. BASF continues to have solid financing. Since the beginning of 2011, BASF has been able to reduce its net debt by €2,419 million to €11,127 million, in part as a result of the sale of its stake in K+S Aktiengesellschaft for €972 million.

BASF on the Capital Market

– Proposed dividend of €2.20 per share; increase of 29% compared to previous year
– High dividend yield of 3.7%
– Good credit ratings and solid financing; net debt reduced by €2,419 million

→ **You can reach our Investor Relations team by phone at +49 621 60-48230 or by e-mail at ir@basf.com**

Dividend per share[1] (€ per share)

[1] Adjusted for two-for-one stock split conducted in the second quarter of 2008.

Significant Events

The Chinese government granted BASF approval for the construction of an MDI project in Chongqing. The plant will annually produce around 400,000 metric tons of MDI, a key component of the plastic polyurethane. Polyurethane is used extensively for cold as well as heat insulation applications. The investment will total approximately €860 million. The plant is expected to start up by 2014.

In March, BASF and OAO Gazprom signed a Memorandum of Understanding which foresees development on a parity basis of two additional sites of the Achimov deposits of the Urengoy gas field in Western Siberia. Gazprom is to receive equivalent stakes in Wintershall's exploration and production projects in the North Sea. ZAO Achimgaz, a joint venture between OAO Gazprom and BASF's wholly-owned subsidiary Wintershall, is currently producing around 3.5 million cubic meters of gas and 1,600 tons of condensate daily from six pilot wells in a subsection of the Achimov deposits.

Furthermore, BASF plans to acquire a stake of 15% in South Stream AG. This company will develop, construct and operate the offshore section of the South Stream Pipeline, which will run through the Black Sea. From 2015 at the earliest, the South Stream project will create a new transport path for Russian gas, providing a reliable supply for customers in southern and southeastern Europe.

In March, BASF divested its stake of 10.3% in K+S Aktiengesellschaft, placing its approximately 19.7 million K+S shares with institutional investors. The total proceeds of the transaction amounted to €972 million.

Furthermore, at the beginning of March, BASF announced plans to divest major parts of its fertilizer activities including a number of production plants in Antwerp, Belgium, and BASF's 50% share of the joint venture PEC-Rhin in Ottmarsheim, France. The activities have a total annual capacity of approximately 2.5 million metric tons of fertilizer and account for less than 1% of BASF Group's total sales.

BASF is exploring opportunities for a new investment in Brazil. Projects under consideration include the production of acrylic acid, butyl acrylate and superabsorbent polymers. The company is conducting a feasibility study to evaluate the technical, commercial and economic viability of operating a world-scale complex. With this potential investment, BASF is targeting the growing South American market with special focus on Brazil.

Significant Events

- Chinese government grants BASF approval for the construction of an MDI facility in Chongqing
- BASF and Gazprom plan development of two additional sites in the Achimov deposits
- BASF intends to acquire a stake of 15% in South Stream AG
- BASF divests its stake of 10.3% in K+S Aktiengesellschaft
- BASF plans to sell major parts of its fertilizers activities
- BASF exploring opportunities for investment in new production of acrylic acid, butyl acrylate and superabsorbent polymers in Brazil

Chemicals
Excellence in the Verbund, technology and cost leadership

Segment data Chemicals (million €)

	1st Quarter		
	2011	2010	Change in %
Sales to third parties	3,276	2,588	27
Thereof Inorganics	353	282	25
Petrochemicals	2,214	1,723	28
Intermediates	709	583	22
Income from operations before depreciation and amortization (EBITDA)	926	626	48
Income from operations (EBIT) before special items	765	461	66
Income from operations (EBIT)	765	461	66
Assets	6,684	6,334	6
Research and development expenses	32	31	3
Additions to property, plant and equipment and intangible assets	110	87	26

1st Quarter 2011
All divisions in the Chemicals segment posted a substantial increase in sales. Sales growth was driven by significantly higher sales prices in several business areas as well as greater volumes and positive currency effects (volumes 4%, prices 21%, currencies 2%). With higher margins and good plant capacity utilization, we achieved a strong improvement in income from operations before special items compared with the first quarter of 2010.

Inorganics
In the Inorganics division, our sales volumes grew in nearly all business areas thanks to good demand. Sales therefore grew substantially in comparison with the previous first quarter. Increased raw materials costs could be passed on in higher sales prices. In this generally favorable business environment, earnings were far above the level of the previous first quarter. Strong demand and higher margins for ammonia contributed to this development.

Petrochemicals
In the Petrochemicals division, sales volumes were slightly higher year-on-year. The substantial sales growth was mainly attributable to higher sales prices as a result of increased raw materials costs. Due to plant shutdowns, market supplies of many products were tight. Amid good demand, margins improved in nearly all product lines, in particular in the acrylic acid value-adding chain. Earnings rose sharply.

Intermediates
In the Intermediates division, demand from all key customer sectors, such as the textiles, coatings and plastics industries, grew compared with the same quarter of the previous year. We were able to pass on higher raw materials costs to our customers. Sales increased substantially. In some cases, for example for butanediol, demand was higher than the available supply. In this favorable business environment, capacity utilization rates at our plants were very high, with the exception of scheduled shutdowns. Earnings were far above the level of the first quarter of 2010.

Chemicals

– Substantial sales growth in all divisions
– Higher raw materials costs more than offset by price increases
– Strong earnings improvement thanks to higher margins and good capacity utilization rates

1st Quarter 2011 (change compared with 1st quarter 2010)

Sales

+27%

EBIT before special items (million €)

+304

Plastics

Energy-efficient products and system solutions for our customers

Segment data Plastics (million €)

		1st Quarter	
	2011	2010	Change in %
Sales to third parties	2,788	2,197	27
Thereof Performance Polymers	1,309	977	34
Polyurethanes	1,479	1,220	21
Income from operations before depreciation and amortization (EBITDA)	497	381	30
Income from operations (EBIT) before special items	393	279	41
Income from operations (EBIT)	393	277	42
Assets	5,337	5,034	6
Research and development expenses	36	35	3
Additions to property, plant and equipment and intangible assets	40	41	(2)

1st Quarter 2011

Demand was high in all business areas in the Plastics segment. Sales grew substantially year-on-year, due mainly to higher sales volumes. In the Performance Polymers division in particular, prices could be increased as a result of higher raw materials costs. Positive currency effects contributed to the improvement in sales (volumes 14%, prices 11%, currencies 2%). Thanks mainly to high sales volumes, income from operations before special items was far higher than in the first quarter of 2010.

Performance Polymers

In the Performance Polymers division, sales grew as a result of higher volumes and prices. Demand was favorable in all business areas, especially for polyamide intermediates. We were also able to substantially increase sales volumes for specialties such as our biodegradable plastics Ecoflex® and Ecovio® following expansion of production capacity at the Ludwigshafen site. There were tight supplies in the markets for several products. Higher raw materials costs could be more than offset with price increases. Earnings were far above the level of the previous first quarter.

Polyurethanes

In the Polyurethanes division, sales volumes improved in all business areas. Positive currency effects and slightly higher prices contributed to substantial sales growth overall. Higher raw materials costs could only be partially passed on to customers; this development negatively impacted margins. Earnings were slightly above the level of the same quarter of the previous year because improved demand more than offset the rise in raw materials costs.

Plastics

- Substantial sales growth thanks mainly to higher sales volumes
- Strong earnings improvement compared with first quarter of 2010
- High margin level in Performance Polymers

1st Quarter 2011 (change compared with 1st quarter 2010)

Sales

+27%

EBIT
before special items (million €)

+114

Performance Products

Innovative, fast-growing and cyclically resilient

Segment data Performance Products (million €)

		1st Quarter	
	2011	2010	Change in %
Sales to third parties	3,982	2,871	39
Thereof Dispersions & Pigments	849	723	17
Care Chemicals	1,376	635	117
Nutrition & Health	469	368	27
Paper Chemicals	393	420	(6)
Performance Chemicals	895	725	23
Income from operations before depreciation and amortization (EBITDA)	647	538	20
Income from operations (EBIT) before special items	554	419	32
Income from operations (EBIT)	407	341	19
Assets	13,251	9,693	37
Research and development expenses	78	74	5
Additions to property, plant and equipment and intangible assets	101	47	115

1st Quarter 2011

Sales in the Performance Products segment were sharply higher than the level of the first quarter of 2010. This was largely attributable to the inclusion of the Cognis businesses. Even excluding the effects of this acquisition, the divisions were able to exceed the sales volume level of the previous first quarter. Sales prices were increased in response to higher raw materials costs, which contributed to sales growth (volumes 3%, prices 5%, portfolio 29%, currencies 2%). There was strong growth in income from operations before special items as a result of the newly acquired Cognis businesses, the synergy effects from the Ciba integration and the successful repositioning of the combined businesses. Special charges arose mainly from the integration of Cognis. These included provisions for severance payments as well as the use of the remaining inventories that had been stepped up to fair value at the time of the acquisition in December 2010.

Dispersions & Pigments

Sales in the Dispersions & Pigments division grew significantly. Sales volumes rose in all business areas. In particular in the businesses with pigments and dispersions for coatings and for the construction sector, performance was very good compared with the weak first quarter of 2010. We were able to raise our sales prices and thereby nearly compensate for increased raw materials costs. The sharp increase in earnings year-on-year was mainly attributable to improved sales volumes and the realization of synergies from the integration of Ciba.

Care Chemicals

Sales in the Care Chemicals division more than doubled compared with the previous first quarter. This was primarily a result of the acquired Cognis businesses. In addition, sales growth was boosted by strong demand and higher sales prices as a result of increased raw materials costs. Earnings were far above the level of the first quarter of 2010 thanks to the inclusion of the Cognis businesses.

Performance Products

- Sales far above the level of previous first quarter
- Strong earnings improvement thanks in part to synergy effects from the Ciba integration
- Significant contribution to segment's sales and earnings from the Cognis businesses

1st Quarter 2011 (change compared with 1st quarter 2010)

Sales

+39%

EBIT before special items (million €)

+135

Nutrition & Health

Sales in the Nutrition & Health division grew substantially in particular as a result of the inclusion of the Cognis businesses. We were able to maintain or improve sales volumes in all business areas while prices declined slightly. Positive currency effects boosted sales growth. Earnings nearly matched the high level of the previous first quarter. The acquisition of the Cognis businesses and stronger demand could not quite offset lower margins for some products, in particular vitamin E.

Paper Chemicals

The business environment in the Paper Chemicals division remained challenging at the beginning of 2011. Compared with the first quarter of the previous year, sales volumes declined, which was attributable to lower demand as well as to our redefined, streamlined product portfolio. Despite higher sales prices, sales did not match the level of the first quarter of 2010. Higher raw materials costs could not be fully offset by price increases. Nevertheless earnings grew significantly thanks to our successful efforts to reduce fixed costs.

Performance Chemicals

Sales in the Performance Chemicals division grew substantially as a result of good demand from our customer sectors, especially the refinery and automotive industries, as well as due to price increases resulting from higher raw materials costs. The inclusion of the Cognis businesses also had a positive effect on sales growth. Earnings were far above the level of the first quarter of 2010, due mainly to stronger demand and the realization of synergies from the integration of Ciba.

Cognis integration

The integration plan for Cognis was presented at the end of March 2011: We aim to achieve an additional EBIT of €275 million yearly through the integration. This consists of growth synergies to generate an additional EBIT of €135 million annually from 2015 and cost synergies of around €140 million yearly, which will be achieved starting from the end of 2013.

By the end of 2013, we expect one-time integration costs of around €290 million. In addition, the full use of inventories stepped up to fair value had resulted in expenses of €120 million by the first quarter of 2011. The acquired business will already be accretive to earnings per share as of 2012, less than two years after the acquisition.

BASF's European Regional Business Unit Personal Care will be located at Cognis' former company headquarters in Monheim, Germany. The Düsseldorf-Holthausen production site, which was Cognis' largest site, will be one of the Care Chemicals division's key sites within its global production network.

We aim to complete the major parts of the structural integration by the end of 2011.

Cognis integration

- Additional EBIT of €275 million annually from synergies expected from 2015 onward
- One-time integration costs of around €290 million expected by the end of 2013
- Personal Care European Regional Business Unit to be headquartered in Monheim, Germany
- Planned completion of the major parts of the structural integration by the end of 2011

Functional Solutions
Customer-specific products and system solutions

Segment data Functional Solutions (million €)

	1st Quarter 2011	1st Quarter 2010	Change in %
Sales to third parties	2,818	2,090	35
Thereof Catalysts	1,677	1,064	58
Construction Chemicals	469	432	9
Coatings	672	594	13
Income from operations before depreciation and amortization (EBITDA)	238	202	18
Income from operations (EBIT) before special items	142	111	28
Income from operations (EBIT)	142	111	28
Assets	8,899	8,799	1
Research and development expenses	45	38	18
Additions to property, plant and equipment and intangible assets	25	28	(11)

1st Quarter 2011
In the Functional Solutions segment, all divisions had higher volumes. Demand from the automotive industry increased compared with the first quarter of 2010. Thanks to robust construction activity in several emerging markets in Asia, South America and Eastern Europe, global demand from the building sector increased slightly. Prices had a positive influence on sales, primarily due to higher prices for precious metals. Furthermore, positive currency effects boosted the overall strong sales growth (volumes 18%, prices 13%, portfolio 1%, currencies 3%). There was a substantial increase in income from operations before special items, mainly as a result of higher volumes.

Catalysts
In the Catalysts division, our sales volumes increased considerably, particularly in the mobile emissions catalysts business. Sales in precious metals trading grew as a result of higher prices by €315 million to €862 million. In addition, positive currency effects boosted the strong sales growth. Earnings were far above the level of the first quarter of 2010 thanks mainly to greater demand for mobile emissions and process catalysts.

Construction Chemicals
In the Construction Chemicals division, higher volumes and positive currency effects led to slight sales growth. While prices were generally stable, there was particularly favorable demand growth in the emerging markets of Asia, South America and Eastern Europe. In North America and parts of Europe, there was no sign of a recovery in construction activity. Earnings in the seasonally-weak first quarter did not match the previous year's level due in part to significantly higher raw materials costs.

Coatings
Demand for our products in the Coatings division rose in all regions; sales grew significantly overall. In particular, our business with automotive OEM coatings was very successful. We also posted higher sales volumes in the automotive refinish coatings and architectural coatings business areas. We were not yet able to fully pass on the sharply increased raw materials costs in our sales prices. Nevertheless, earnings slightly exceeded the high level of the previous first quarter thanks to good demand.

Functional Solutions

- Strong sales growth thanks to good demand from the automotive industry
- Higher prices, especially in precious metals trading
- Substantial earnings improvement, due mainly to higher volumes

1st Quarter 2011 (change compared with 1st quarter 2010)

Sales

+35%

EBIT
before special items
(million €)

+31

Agricultural Solutions
Innovations for the health of crops

Segment data Agricultural Solutions (million €)

	1st Quarter		
	2011	**2010**	**Change in %**
Sales to third parties	1,230	1,145	7
Income from operations before depreciation and amortization (EBITDA)	384	369	4
Income from operations (EBIT) before special items	343	321	7
Income from operations (EBIT)	343	321	7
Assets	5,705	5,397	6
Research and development expenses	97	84	15
Additions to property, plant and equipment and intangible assets	23	26	(12)

1st Quarter 2011

In the Agricultural Solutions segment, we had a successful start to 2011. Sales exceeded the level of the first quarter of 2010 in all regions and all indications (volumes 8%, prices –2%, currencies 1%). This was attributable to the early season start in the northern hemisphere and the related increase in demand for fungicides. Furthermore, positive currency effects contributed to sales growth. This more than compensated for slightly declining sales prices for some products.

In **Europe**, the new growing season started well, particularly in Germany and the growth markets of Eastern Europe. The increase in sales was largely a result of stronger demand for fungicides and oilseed herbicides.

In **North America**, demand was strong at the start of the season, owing in particular to high prices for agricultural commodities. Sales rose compared with the same quarter of 2010, primarily thanks to stronger sales volumes of fungicides and seed treatments.

Sales in **Asia** grew significantly as a result of high demand for fungicides and herbicides. Positive currency effects additionally boosted sales growth.

Sales in **South America** were above the level of the first quarter of 2010. Demand for fungicides and insecticides continued to be high at the end of the growing season; the increased sales volumes contributed significantly to the improvement in sales.

Income from operations before special items rose slightly compared with the first quarter of 2010 thanks to good demand for our innovative products. Earnings growth was slowed by currency-related cost increases, in particular as a result of the appreciation of the Brazilian real.

Agricultural Solutions

- Successful start to the new growing season
- Sales growth in all regions and indications
- Slight earnings improvement thanks to strong demand

1st Quarter 2011 (change compared with 1st quarter 2010)

Sales

+7%

EBIT
before special items
(million €)

+22

Oil & Gas

Exploration and production of oil and natural gas; Trading, transportation and storage of natural gas

Segment data Oil & Gas (million €)

			1st Quarter	
		2011	2010	Change in %
Sales to third parties		3,455	3,225	7
Thereof	Exploration & Production	1,068	1,025	4
	Natural Gas Trading	2,387	2,200	9
Income from operations before depreciation and amortization (EBITDA)		874	767	14
Thereof	Exploration & Production	723	587	23
	Natural Gas Trading	151	180	(16)
Income from operations (EBIT) before special items		744	629	18
Thereof	Exploration & Production	626	484	29
	Natural Gas Trading	118	145	(19)
Income from operations (EBIT)		744	629	18
Thereof	Exploration & Production	626	484	29
	Natural Gas Trading	118	145	(19)
Assets		8,631	8,345	3
Thereof	Exploration & Production	5,033	5,068	(1)
	Natural Gas Trading	3,598	3,277	10
Exploration expenses		53	47	13
Additions to property, plant and equipment and intangible assets		191	134	43
Income taxes on oil-producing operations non-compensable with German corporate income tax		280	227	23
Net income		306	273	12

1st Quarter 2011

In the Oil & Gas segment, sales increased slightly in comparison with the first quarter of 2010. The reduction in crude oil production in Libya was offset by higher crude oil prices and higher sales prices in natural gas trading (volumes –13%, prices/currencies 20%). There was a significant improvement year-on-year in income from operations before special items as a result of higher prices. Net income also increased.

Following the intensification of the situation in Libya, we suspended our oil production there at the end of February. As a result, the production volumes in the **Exploration & Production** business sector were below the level of the previous first quarter. Sales, however, rose slightly thanks to increased prices for crude oil and natural gas. The average price for Brent crude oil was $105 per barrel, compared with $76 per barrel (+38%) in the first quarter of 2010. Earnings improved substantially compared with the first quarter of 2010 on account of higher prices.

In the **Natural Gas Trading** business sector, sales volumes did not match the level of the previous first quarter, which had been very high due to particularly cold weather. Nevertheless sales grew slightly as a result of the rise in natural gas prices. Margins were negatively impacted by the contractually delayed adjustment of sales prices to purchase prices. Earnings therefore were lower than the level of the previous first quarter.

Oil & Gas

- Slight rise in sales compared with same period of 2010
- Significant earnings increase due to higher prices
- Oil production in Libya suspended in late February

→ **More information on net income in the Oil & Gas segment can be found in the Notes on page 23**

1st Quarter 2011 (change compared with 1st quarter 2010)

Sales

+7%

EBIT
before special items
(million €)

+115

Regional Results
1st Quarter 2011

Overview of regions (million €)

	Sales Location of company			Sales Location of customer			EBIT before special items		
	2011	2010	Change in %	2011	2010	Change in %	2011	2010	Change in %
1st Quarter									
Europe	11,150	8,957	24	10,656	8,402	27	1,832	1,251	46
Thereof Germany	7,919	6,466	22	4,042	3,280	23	1,214	918	32
North America	3,851	3,167	22	3,676	3,212	14	393	329	19
Asia Pacific	3,389	2,556	33	3,682	2,749	34	416	310	34
South America, Africa, Middle East	971	774	25	1,347	1,091	23	91	64	42
	19,361	**15,454**	**25**	**19,361**	**15,454**	**25**	**2,732**	**1,954**	**40**

Sales in **Europe** were 24% higher than in the same period of the previous year. Demand for chemical products continued to be high. The Performance Products segment contributed significantly to sales growth, due mainly to the inclusion of the Cognis businesses. The Agricultural Solutions segment had a successful start to the growing season. In the Oil & Gas segment, volumes declined because we suspended our oil production in Libya[1] at the end of February. As a result of higher volumes and prices, income from operations before special items rose by €581 million to €1,832 million, sharply exceeding the level in the same quarter of the previous year.

In **North America**, sales grew by 21% in U.S. dollars and 22% in euro terms. Our chemicals business developed successfully. Particularly in the divisions Petrochemicals, Performance Polymers and Catalysts, prices rose as a result of higher raw materials costs. In the Agricultural Solutions segment, sales exceeded the level of the same quarter of 2010, especially for fungicides. Compared with the first quarter of 2010, earnings improved by €64 million to reach €393 million. The Functional Solutions segment benefited from the recovery of the automotive industry and made a significant contribution to the increase in earnings.

Sales in the **Asia Pacific** region rose by 28% in local-currency terms and by 33% in euro terms. In the chemicals business, we increased sales volumes and were mostly able to pass higher raw materials costs on to the market. The Performance Products segment made a significant contribution to sales growth, in particular due to the inclusion of the Cognis businesses. Earnings improved by €106 million to €416 million as a result of higher prices and volumes.

In **South America, Africa, Middle East**, sales were up year-on-year by 20% in local-currency terms and by 25% in euro terms. In the Catalysts and Coatings divisions, sales grew substantially thanks to strong demand from the automotive industry and as a result of higher prices. Earnings increased by €27 million to €91 million. Our business with crop protection products continued to be very successful. In the Oil & Gas segment, earnings improved in particular on account of higher prices. The tense political situation in North Africa has not yet had any major impact on our business.

1st Quarter 2011

– Europe: strong increase in sales and earnings thanks to higher volumes and prices; oil production in Libya[1] suspended
– North America: significant sales growth due mainly to higher prices, substantial earnings improvement; successful season start for Agricultural Solutions
– Asia Pacific: sales and earnings far above previous first quarter level thanks to higher volumes and prices
– South America, Africa, Middle East: substantial sales growth thanks in part to strong performance in Catalysts and Coatings divisions; improved earnings due especially to positive business development in Agricultural Solutions and Oil & Gas

[1] Crude oil production in Libya is operated by branches belonging to European BASF companies; sales and earnings from these activities are therefore reported in the region Europe.

Overview of Other Topics

Research and development

With OnVu™ ICE, BASF is launching intelligent labels especially for frozen products. These time-temperature indicators for food packaging monitor the cold chain: If the temperature of the product rises, the label permanently changes color. The darker the label's color, the better the cold chain has been maintained. This allows manufacturers, retailers and consumers to easily tell if ice cream or other products have been constantly kept frozen.

In addition, BASF has launched a new XPS (extruded polystyrene rigid foam) that insulates up to 20% better than competing products. This major leap in insulation performance is made possible by integrating finely-dispersed graphite particles into the XPS. These graphite particles act as infrared absorbers and stop heat from dissipating. Because of the greater insulation performance, the thickness of the new XPS panels, called Styrodur® Neo, can be reduced accordingly. Styrodur Neo is particularly suitable for the insulation of building interiors on walls, floors and ceilings.

Since the beginning of 2011, BASF has been offering the first compostable water-based adhesive certified by the German Technical Inspection Agency TÜV – an important step in the development of biodegradable packaging materials. Epotal® Eco is particularly suitable for the production of multilayer films for flexible packaging materials based on biodegradable plastics. Applications can include granola bar packaging, for example. The molecules of Epotal Eco resemble those of naturally occurring polymers. Microorganisms are able to convert them into carbon dioxide, water and biomass with the help of enzymes.

BASF, RWE Power and Linde decided to continue their joint research project to capture carbon dioxide (CO_2) from flue gas. The CO_2 scrubbing plant connected to the Niederaussem lignite-fired power plant was commissioned in 2009 and is now going through a long-term test until the end of 2013. Further process-engineering optimization will be made to the plant as the research program continues. The first phase of the project was successful: With the help of the innovative technology, it achieved a CO_2 separation efficiency of 90%, high purity and much lower energy input.

Employees

Compared with the end of 2010, the number of BASF Group employees rose by 449 to a total of 109,589 as of March 31, 2011. On this date, 64% of BASF Group employees were employed in Europe while North America accounted for 15% of employees, Asia Pacific for nearly 15% and South America, Africa, Middle East for 6%.

Compared with the same period of the previous year, personnel costs in the first quarter of 2011 increased by 12% to €2,184 million, mainly due to the acquisition of Cognis as well as higher provisions for salary components related to the success of the BASF Group.

Research and development

– BASF launching intelligent labels especially for frozen products
– New XPS from BASF insulates up to 20% better than competing products
– Market launch of first compostable water-based adhesive certified by inspection agency TÜV
– BASF, RWE Power and Linde decide to continue their research project to capture CO_2 from flue gas

Employees by region

	March 31, 2011	Dec. 31, 2010
Europe	70,106	69,809
North America	16,448	16,487
Asia Pacific	16,176	15,965
South America, Africa, Middle East	6,859	6,879
	109,589	**109,140**

Outlook

The global economy continued to grow in the first quarter of 2011. BASF had a powerful start to 2011 – despite the aftermath of the earthquake off the coast of Japan, the tense political situation in North Africa and the sharp rise in raw materials costs.

We continue to aim to significantly exceed the 2010 record levels in sales and earnings.

Opportunities and risks

In 2011, we may be presented with opportunities arising from stronger growth in the global economy and our customer industries. Furthermore, decreasing raw materials costs, ongoing product shortages – especially in the Chemicals and Plastics segments – as well as an appreciation of the U.S. dollar would have additional positive effects on our margins.

In addition, we see opportunities in consistently implementing our strategy and further improving our operational excellence. We will continue to concentrate on portfolio improvements, restructuring and increasing efficiency as well as on product innovations and expanding our business in growth markets. Therefore we will continue to strengthen our research and development activities.

However, there are also risks to the further development of our business. The effects of the earthquake off the coast of Japan could slow global growth during 2011. The potential consequences of supply bottlenecks, such as for electronic components from Japan, could include production outages in some of our customer industries – in particular in the automotive and electrical industries as well as in the information and communications industry.

The statements on opportunities and risks made in the BASF Report 2010 remain valid.

→ **More detailed information can be found in the BASF Report 2010, in the Risk Report on pages 103–111**

Forecast

In our forecast, we assume that we will not be able to resume our crude oil production in Libya in 2011. We expect a higher annual average oil price. Therefore we have raised our forecast to $100 per barrel from $90 per barrel previously.

Despite the reduction in oil production, we expect significant sales growth for the BASF Group in 2011. As a result of the suspension of oil production in Libya, we now anticipate that the non-compensable oil production taxes will decline by around €700 million (assumption 2011: €280 million; 2010: €983 million). Adjusted for the non-compensable oil production taxes, we continue to aim to significantly exceed the record 2010 level in income from operations before special items. We expect to earn a high premium on our cost of capital once again in 2011.

Outlook for 2011

- We aim for a significant improvement in sales and earnings and expect to earn a high premium on our cost of capital
- We assume that we will not be able to resume oil production in Libya in 2011
- Risks arise, for example, from the sharp increase in raw materials costs as well as the global economic impact of the earthquake off the coast of Japan

Interim Financial Statements
Consolidated Statements of Income

Consolidated Statements of Income BASF Group (million €)

		1st Quarter		
		2011	**2010**	**Change in %**
Sales		**19,361**	**15,454**	**25.3**
Cost of sales		13,825	11,028	25.4
Gross profit on sales		**5,536**	**4,426**	**25.1**
Selling expenses		1,760	1,495	17.7
General and administrative expenses		298	275	8.4
Research and development expenses		380	350	8.6
Other operating income	(5)	285	219	30.1
Other operating expenses	(5)	833	685	21.6
Income from operations		**2,550**	**1,840**	**38.6**
Income from companies accounted for using the equity method		58	66	(12.1)
Other income from participations		895	12	.
Other expenses from participations		1	2	(50.0)
Interest income		28	28	–
Interest expense		180	178	1.1
Other financial result		30	(6)	.
Financial result	**(6)**	**830**	**(80)**	**.**
Income before taxes and minority interests		**3,380**	**1,760**	**92.0**
Income taxes	(7)	834	611	36.5
Income before minority interests		**2,546**	**1,149**	**121.6**
Minority interests	(8)	135	120	12.5
Net income		**2,411**	**1,029**	**134.3**
Earnings per share (€)	**(9)**			
Undiluted	**(9)**	**2.62**	**1.12**	**134.4**
Diluted	(9)	2.62	1.12	134.4

Consolidated Balance Sheets
BASF Group

Assets (million €)

		March 31, 2011	March 31, 2010	Change in %	Dec. 31, 2010	Change in %
Intangible assets	(10)	11,908	10,756	10.7	12,245	(2.8)
Property, plant and equipment	(10)	16,780	16,408	2.3	17,241	(2.7)
Investments accounted for using the equity method		1,363	1,427	(4.5)	1,328	2.6
Other financial assets		786	1,787	(56.0)	1,953	(59.8)
Deferred tax assets		1,072	1,076	(0.4)	1,112	(3.6)
Other receivables and miscellaneous short-term assets		743	693	7.2	653	13.8
Long-term assets		**32,652**	**32,147**	**1.6**	**34,532**	**(5.4)**
Inventories	(11)	8,690	7,207	20.6	8,688	0.0
Accounts receivable, trade	(11)	11,132	9,674	15.1	10,167	9.5
Other receivables and miscellaneous short-term assets	(11)	3,908	3,516	11.1	3,883	0.6
Marketable securities	(11)	15	15	0.0	16	(6.3)
Cash and cash equivalents	(11)	2,788	2,041	36.6	1,493	86.7
Assets of disposal groups		1,010	–	–	614	–
Short-term assets		**27,543**	**22,453**	**22.7**	**24,861**	**10.8**
Total assets		**60,195**	**54,600**	**10.2**	**59,393**	**1.4**

Stockholders' equity and liabilities (million €)

		March 31, 2011	March 31, 2010	Change in %	Dec. 31, 2010	Change in %
Subscribed capital	(12)	1,176	1,176	0.0	1,176	0.0
Capital surplus	(12)	3,216	3,229	(0.4)	3,216	0.0
Retained earnings	(12)	18,210	13,772	32.2	15,817	15.1
Other comprehensive income		(303)	817	.	1,195	.
Equity of shareholders of BASF SE		**22,299**	**18,994**	**17.4**	**21,404**	**4.2**
Minority interests		1,209	1,218	(0.7)	1,253	(3.5)
Stockholders' equity		**23,508**	**20,212**	**16.3**	**22,657**	**3.8**
Provisions for pensions and similar obligations	(13)	2,688	2,463	9.1	2,778	(3.2)
Other provisions	(14)	3,456	3,373	2.5	3,352	3.1
Deferred tax liabilities		2,461	2,092	17.6	2,467	(0.2)
Financial indebtedness	(15)	11,613	12,527	(7.3)	11,670	(0.5)
Other long-term liabilities	(15)	938	930	0.9	901	4.1
Long-term liabilities		**21,156**	**21,385**	**(1.1)**	**21,168**	**(0.1)**
Accounts payable, trade		5,051	3,674	37.5	4,738	6.6
Provisions	(14)	3,704	3,597	3.0	3,324	11.4
Tax liabilities		1,523	1,218	25.0	1,140	33.6
Financial indebtedness	(15)	2,302	2,014	14.3	3,369	(31.7)
Other short-term liabilities	(15)	2,678	2,500	7.1	2,802	(4.4)
Liabilities of disposal groups		273	–	–	195	–
Short-term liabilities		**15,531**	**13,003**	**19.4**	**15,568**	**(0.2)**
Total stockholders' equity and liabilities		**60,195**	**54,600**	**10.2**	**59,393**	**1.4**

Consolidated Statements of Cash Flows
BASF Group

Consolidated Statements of Cash Flows (million €)

	1st Quarter	
	2011	**2010**
Net income	2,411	1,029
Depreciation and amortization of intangible assets, property, plant and equipment and financial assets	815	788
Changes in net working capital [1]	260	(680)
Miscellaneous items	(1,231)	231
Cash provided by operating activities	**2,255**	**1,368**
Payments related to property, plant and equipment and intangible assets	(547)	(392)
Acquisitions/divestitures	–	17
Financial investments and other items	804	(79)
Cash used in investing activities	**257**	**(454)**
Capital increases/repayments, share repurchases	–	–
Changes in financial liabilities [1]	(1,073)	(679)
Dividends	(127)	(78)
Cash used in financing activities	**(1,200)**	**(757)**
Net changes in cash and cash equivalents	1,312	157
Cash and cash equivalents as of beginning of year and other changes	1,476	1,884
Cash and cash equivalents at end of period	**2,788**	**2,041**

[1] Previous year's values were adjusted as a result of change in reporting of U.S. dollar hedging transactions (see Notes on page 21)

Cash provided by operating activities at €2,255 million in the first quarter of 2011 was 65% higher than in the same quarter of the previous year. This can primarily be attributed to increased earnings. Net working capital decreased because liabilities and provisions grew more than receivables and inventories. The negative value for miscellaneous items resulted primarily because the gain of €887 million from the disposal of around 19.7 million shares in K+S Aktiengesellschaft was reclassified into cash flow from investing activities.

Cash provided by investing activities amounted to €257 million, while cash used in investing activities was €454 million in the first quarter of 2010. The sale of the K+S Aktiengesellschaft shares resulted in cash inflows of €972 million. Payments for property, plant and equipment and intangible assets amounted to €547 million, which was considerably higher than the level of one year earlier but still below depreciation and amortization.

Financing activities led to a cash outflow of €1,200 million. Payments to minority shareholders of Group companies amounted to €127 million. The outflow for the repayment of financial liabilities was €1,073 million.

Cash and cash equivalents amounted to €2,788 million as of March 31, 2011, compared with €1,493 million at the end of 2010. Net debt was reduced to €11,127 million at the end of the first quarter 2011, compared with €13,546 million as of December 31, 2010.

Consolidated Statements of Recognized Income and Expense
BASF Group

Consolidated statements of recognized income and expense (million €)

	1st Quarter	
	2011	**2010**
Income before minority interests	**2,546**	**1,149**
Actuarial gains/losses and asset ceiling for defined benefit assets	4	(263)
Foreign currency translation adjustment	(495)	569
Fair value changes in available-for-sale securities[1]	(1,014)	98
Cash flow hedges	(22)	8
Hedges of net investments in foreign operations	9	(5)
Revaluation due to acquisition of majority of shares	(1)	(1)
Deferred taxes	13	83
Minority interests	(55)	43
Total income and expense recognized in equity	**(1,561)**	**532**
Total income and expense for the period	**985**	**1,681**
Thereof BASF	905	1,518
Thereof minority interests	80	163

[1] Following the disposal of the shares in K+S Aktiengesellschaft in 2011, the realized fair value changes were reclassified in the financial result.

Development of income and expense recognized directly in equity in shareholders of BASF SE (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	Hedges of net investments in foreign operations	Revaluation due to acquisition of majority of shares	Total of other comprehensive income	
As of January 1, 2011	**(1,526)**	**190**	**1,009**	**(3)**	**(7)**	**6**	**1,195**	**(331)**
Additions	–	–	–	(22)	–	–	(22)	(22)
Releases	4	(495)	(1,014)	–	9	(1)	(1,501)	(1,497)
Deferred taxes	(12)	7	13	5	–	–	25	13
As of March 31, 2011	**(1,534)**	**(298)**	**8**	**(20)**	**2**	**5**	**(303)**	**(1,837)**
As of January 1, 2010	**(1,425)**	**(555)**	**698**	**5**	**–**	**8**	**156**	**(1,269)**
Additions	(263)	–	98	8	(5)	–	101	(162)
Releases	–	569	–	–	–	(1)	568	568
Deferred taxes	91	(8)	(1)	1	–	–	(8)	83
As of March 31, 2010	**(1,597)**	**6**	**795**	**14**	**(5)**	**7**	**817**	**(780)**

Consolidated Statements of Stockholders' Equity
BASF Group

1st Quarter 2011 (million €)

	Number of subscribed shares outstanding	Subscribed capital	Capital surplus	Retained earnings	Other comprehensive income[1]	Equity of shareholders of BASF SE	Minority interests	Stockholders' equity
As of January 1, 2011	918,478,694	1,176	3,216	15,817	1,195	21,404	1,253	22,657
Effects from change-of-control	–	–	–	(1)	–	(1)	–	(1)
Dividends paid	–	–	–	–	–	–	(127)[2]	(124)
Net income	–	–	–	2,411	–	2,411	135	2,546
Change in income and expense recognized directly in equity	–	–	–	(8)	(1,498)	(1,506)	(55)	(1,561)
Changes in scope of consolidation and other changes	–	–	–	(9)	–	(9)	3	(9)
As of March 31, 2011	918,478,694	1,176	3,216	18,210	(303)	22,299	1,209	23,508

1st Quarter 2010 (million €)

	Number of subscribed shares outstanding	Subscribed capital	Capital surplus	Retained earnings	Other comprehensive income[1]	Equity of shareholders of BASF SE	Minority interests	Stockholders' equity
As of January 1, 2010	918,478,694	1,176	3,229	12,916	156	17,477	1,132	18,609
Dividends paid	–	–	–	–	–	–	(78)[2]	(78)
Net income	–	–	–	1,029	–	1,029	120	1,149
Change in income and expense recognized directly in equity	–	–	–	(172)	661	489	43	532
Changes in scope of consolidation and other changes	–	–	–	(1)	–	(1)	1	–
As of March 31, 2010	918,478,694	1,176	3,229	13,772	817	18,994	1,218	20,212

1 Details are provided in the "Consolidated Statements of Recognized Income and Expense" on page 18.

2 Including profit and loss transfers

Segment Reporting
BASF Group

1st Quarter (million €)

	Sales			EBITDA			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2011	2010	Change in %	2011	2010	Change in %	2011	2010	Change in %	2011	2010	Change in %
Chemicals	3,276	2,588	26.6	926	626	47.9	765	461	65.9	765	461	65.9
Plastics	2,788	2,197	26.9	497	381	30.4	393	279	40.9	393	277	41.9
Performance Products	3,982	2,871	38.7	647	538	20.3	554	419	32.2	407	341	19.4
Functional Solutions	2,818	2,090	34.8	238	202	17.8	142	111	27.9	142	111	27.9
Agricultural Solutions	1,230	1,145	7.4	384	369	4.1	343	321	6.9	343	321	6.9
Oil & Gas	3,455	3,225	7.1	874	767	14.0	744	629	18.3	744	629	18.3
Other	1,812	1,338	35.4	(201)	(256)	21.5	(209)	(266)	21.4	(244)	(300)	18.7
	19,361	**15,454**	**25.3**	**3,365**	**2,627**	**28.1**	**2,732**	**1,954**	**39.8**	**2,550**	**1,840**	**38.6**

1st Quarter (million €)

	Research expenses			Assets			Additions to long-term assets[1]			Amortization and depreciation[2]		
	2011	2010	Change in %	2011	2010	Change in %	2011	2010	Change in %	2011	2010	Change in %
Chemicals	32	31	3.2	6,684	6,334	5.5	110	87	26.4	161	165	(2.4)
Plastics	36	35	2.9	5,337	5,034	6.0	40	41	(2.4)	104	104	0.0
Performance Products	78	74	5.4	13,251	9,693	36.7	101	47	114.9	240	197	21.8
Functional Solutions	45	38	18.4	8,899	8,799	1.1	25	28	(10.7)	96	91	5.5
Agricultural Solutions	97	84	15.5	5,705	5,397	5.7	23	26	(11.5)	41	48	(14.6)
Oil & Gas	3	1	200.0	8,631	8,345	3.4	191	134	42.5	130	138	(5.8)
Other	89	87	2.3	11,688	10,998	6.3	32	17	88.2	43	44	(2.3)
	380	**350**	**8.6**	**60,195**	**54,600**	**10.2**	**522**	**380**	**37.4**	**815**	**787**	**3.6**

[1] Investment in property, plant and equipment and intangible assets
[2] Depreciation and amortization of property, plant and equipment and intangible assets

Other[3] (million €)

	1st Quarter		
	2011	2010	Change in %
Sales	**1,812**	**1,338**	**35.4**
Thereof Styrenics	843	666[4]	26.6
Thereof Other business included under Other	969	672[4]	44.2
EBIT before special items	**(209)**	**(266)**	**21.4**
Thereof Group corporate costs	(55)	(51)	(7.8)
Corporate research	(83)	(82)	(1.2)
Currency results, hedges and other valuation effects	(78)	(136)	42.6
Styrenics, fertilizers, other business	185	101	83.2
Special items	(35)	(34)	(2.9)
EBIT	**(244)**	**(300)**	**18.7**

[3] Further information about Other can be found in the Notes on pages 22 and 23.
[4] Since January 1, 2011, Styrenics only includes the carved-out businesses with styrenic plastics; the previous year's values were adjusted accordingly.

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, 2010 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, 2011 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 2010 containing the Consolidated Financial Statements as of December 31, 2010 can be found on the Internet at: basf.com/report

A change was made in 2010 to the presentation of the consolidated statements of cash flows. In connection with the regular renewal of U.S. dollar hedging transactions, inflows or outflows in euro can result depending on the development of the U.S. dollar exchange rate. Since 2010, these are no longer reported in Cash provided by operating activities; they are now reported under the item "changes in financial liabilities" in Cash used in financing activities. The quarterly figures for 2010 were adjusted accordingly.

Selected exchange rates

	Closing rates		Average rates 1st Quarter	
€1 equals	Mar. 31, 2011	Dec. 31, 2010	Current year	Previous year
Brazil (BRL)	2.31	2.22	2.28	2.49
China (CNY)	9.30	8.82	9.00	9.44
Great Britain (GBP)	0.88	0.86	0.85	0.89
Japan (JPY)	117.61	108.65	112.57	125.48
Malaysia (MYR)	4.30	4.10	4.17	4.66
Mexico (MXN)	16.93	16.55	16.50	17.66
The Russian Federation (RUB)	40.29	40.82	40.00	41.27
Switzerland (CHF)	1.30	1.25	1.29	1.46
South Korea (KRW)	1,554.51	1,499.06	1,530.79	1,581.41
United States (USD)	1.42	1.34	1.37	1.38

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 13 first-time consolidations since the beginning of 2011; 11 of these were due to the carve-out of the styrenics activities and two were due to the increasing importance of these companies.

Since the beginning of 2011, five companies have been deconsolidated as a result of mergers with other BASF companies or decreased significance.

Scope of consolidation

	2011	2010
As of January 1	339	345
Thereof proportionally consolidated	21	19
First-time consolidations	13	2
Thereof proportionally consolidated	–	–
Deconsolidations	5	23
Thereof proportionally consolidated	–	–
As of March 31	**347**	**324**
Thereof proportionally consolidated	21	19

3 – Acquisitions/Divestitures

BASF did not make any material acquisitions or divestitures in the first quarter of 2011.

The purchase price allocation for Cognis Holding GmbH, acquired on December 9, 2010, should still be considered preliminary.

4 – Segment reporting

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

Chemicals consists of the Inorganics, Petrochemicals and Intermediates divisions. Its portfolio ranges from basic chemicals, glues and electronic chemicals to solvents and plasticizers, as well as starting materials for products such as detergents, plastics, textile fibers, paints and coatings and pharmaceuticals.

Plastics is composed of the Performance Polymers and Polyurethanes divisions.

Performance Products, which is made up of the Dispersions & Pigments, Care Chemicals, Nutrition & Health, Paper Chemicals and Performance Chemicals operating divisions, primarily offers customer-specific specialties alongside standard products.

Functional Solutions comprises the Catalysts, Construction Chemicals and Coatings divisions.

Agricultural Solutions 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 assigned to a particular division are reported in Other. This comprises primarily the Styrenics and fertilizers activities. With the carve-out of the styrenic plastics business as of January 1, 2011, the Styrenics business now only includes the carved out activities. The activities that were not affected by the carve-out are still reported under Other, but not as part of Styrenics. The previous year's values have been adjusted.

In addition, the sale of raw materials, engineering and other services, rental income and leases are reported under Other. Group corporate costs consist of the expenses for steering the BASF Group and are not allocated to the segments but reported under Other.

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 that are not allocated to the segments are reported under Other as are earnings from the hedging of raw materials prices and foreign currency exchange risks. Furthermore, expenses and revenues from the long-term incentive (LTI) program are reported under Other.

Sales and earnings in Other improved considerably in the first quarter of 2011 compared with the same period of the previous year. As well as Styrenics and fertilizers, raw materials trading was particularly responsible for the rise in sales.

Transfers between the segments are almost always 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	
	2011	**2010**
Assets of business included under Other	3,128	2,655
Financial assets	2,149	3,214
Deferred tax assets	1,072	1,076
Cash and cash equivalents, marketable securities	2,803	2,056
Defined benefit assets	328	230
Miscellaneous receivables/prepaid expenses	2,208	1,767
	11,688	**10,998**

Reconciliation reporting for Oil & Gas (million €)

	1st Quarter	
	2011	**2010**
Income from operations	**744**	**629**
Income from participations	43	65
Other income	(4)	(8)
Income before taxes and minority interests	**783**	**686**
Income taxes	412	345
Thereof income taxes on oil-producing operations non-compensable with German corporate income tax	280	227
Income before minority interests	**371**	**341**
Minority interests	65	68
Net income	**306**	**273**

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

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

The decrease in income from participations in the first quarter of 2011 resulted chiefly from lower earnings at OAO Severneftegazprom, which is accounted for using the equity method. The non-compensable foreign income taxes for oil production increased despite lower production volumes in Libya because of the higher oil price.

5 – Other operating income and expenses

Other operating income (million €)

	1st Quarter	
	2011	**2010**
Income from currency conversion and foreign currency transactions	110	84
Disposal of property, plant and equipment	11	9
Reversal/usage of provisions	1	1
Reversal of allowances for doubtful receivables	15	20
Revenue from miscellaneous typical business activities	22	6
Miscellaneous	126	99
Other operating income	**285**	**219**

Other operating expenses (million €)

	1st Quarter	
	2011	**2010**
Losses from currency conversion and foreign currency transactions	89	110
Oil and gas exploration expenses	53	47
Miscellaneous	691	528
Other operating expenses	**833**	**685**

The increase in income as well as the decline in losses from currency conversion and foreign currency transactions in the first quarter were mainly a result of the hedging of projected sales denominated in U.S. dollars. This had led to losses as a result of the depreciation of the euro in 2010, but resulted in gains as a result of the appreciation of the euro in 2011.

The rise in “Miscellaneous” income is primarily attributable to higher income from hedges against raw materials price risks as well as higher payments related to the previous year’s earnings in the fertilizers business.

The increase in “Miscellaneous” expenses is mainly attributable to special charges related to the integration of Cognis. Furthermore, higher provisions for variable compensation were recognized in the first quarter of 2011.

6 – Financial result

Million €	1st Quarter 2011	1st Quarter 2010
Income from companies accounted for using the equity method	**58**	**66**
Income from participations in affiliated and associated companies	4	1
Income from the disposal of participations	887	–
Income from profit transfer agreements	2	10
Income from tax allocation to participating interests	2	1
Other income from participations	**895**	**12**
Losses from loss transfer agreements	(1)	(1)
Write-downs of/losses from the sale of participations	–	(1)
Other expenses from participations	**(1)**	**(2)**
Interest income from cash and cash equivalents	25	20
Interest and dividend income from securities and loans	3	8
Interest income	**28**	**28**
Interest expense	**(180)**	**(178)**
Write-ups/profits from the sale of securities and loans	–	–
Expected income from plan assets to cover pensions and similar obligations	202	187
Income from plan assets to cover other long-term personnel obligations	8	5
Income from construction interest	21	15
Miscellaneous financial income	32	9
Other financial income	**263**	**216**
Write-downs/losses from the disposal of securities and loans	–	–
Interest accrued on pension obligations and other similar obligations	(206)	(199)
Expenses from other long-term employee obligations	(13)	(12)
Interest accrued on other long-term liabilities	(14)	(11)
Miscellaneous financial expenses	–	–
Other financial expenses	**(233)**	**(222)**
Financial result	**830**	**(80)**

The decline in income from companies accounted for using the equity method resulted primarily from the lower income contribution from OAO Severneftegazprom in the first quarter of 2011.

Income from the disposal of participations was generated in particular from the sale of shares in K+S Aktiengesellschaft.

Interest income and expenses relate to expenses and income from interest-bearing liabilities and financial investments, including dividend income on securities. In addition, these items take into account the ongoing interest expenses and income from interest rate and currency swaps with banks.

The higher level of expected income from pension plan assets can be attributed to the increase in pension plan assets compared with the previous year.

Additional pension obligations were taken on as part of the acquisition of Cognis in December 2010. As a result, expenses for interest accrued on pension obligations and similar obligations increased compared with the first quarter of 2010.

7 – Income taxes

Income before taxes and minority interests (million €)

	1st Quarter	
	2011	2010
Germany	1,584	532
Foreign oil production branches of German companies	366	288
Other foreign	1,430	940
	3,380	**1,760**

Income taxes (million €)

	1st Quarter	
	2011	2010
Germany	198	131
Foreign oil production branches of German companies	334	270
Thereof non-compensable	280	227
Other foreign	302	210
	834	**611**
Tax rate (%)	24.7	34.7

The lower share of earnings from the highly taxed Oil & Gas segment led to a reduction in the tax rate.

8 – Minority interests

Million €	1st Quarter	
	2011	2010
Minority interests in profits	136	128
Minority interests in losses	(1)	(8)
	135	**120**

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. In particular, BASF PETRONAS Chemicals Sdn. Bhd., Malaysia, contributed to higher minority interests in profits than in the previous year.

9 – Earnings per share

		1st Quarter	
		2011	2010
Net income	million €	2,411	1,029
Number of outstanding shares (weighted average)	in thousands	918,479	918,479
Earnings per share	**€**	**2.62**	**1.12**

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 2011, and in the corresponding period of 2010, there was no dilutive effect; undiluted earnings per share were the same as the diluted value per share.

10 – Long-term assets

Development (million €)

	1st Quarter 2011		
	Intangible assets	Property, plant and equipment	Investments accounted for using the equity method and other financial assets
Acquisition costs			
Balance as of January 1	15,232	54,732	3,544
Additions	13	509	5
Disposals	(251)	(143)	(1,139)
Transfers	145	26	17
Exchange differences	(344)	(915)	(36)
Balance as of March 31	**14,795**	**54,209**	**2,391**
Amortization and depreciation			
Balance as of January 1	2,987	37,491	263
Additions	202	613	–
Disposals	(243)	(135)	(1)
Transfers	(5)	7	(3)
Exchange differences	(54)	(547)	(17)
Balance as of March 31	**2,887**	**37,429**	**242**
Net book value as of March 31	**11,908**	**16,780**	**2,149**

Development (million €)

	1st Quarter 2010		
	Intangible assets	Property, plant and equipment	Investments accounted for using the equity method and other financial assets
Acquisition costs			
Balance as of January 1	13,303	51,943	3,220
Additions	12	368	16
Disposals	(50)	(114)	(21)
Transfers	(3)	12	205
Exchange differences	456	997	48
Balance as of March 31	**13,718**	**53,206**	**3,468**
Amortization and depreciation			
Balance as of January 1	2,854	35,658	261
Additions	152	635	1
Disposals	(46)	(84)	(8)
Transfers	(68)	12	–
Exchange differences	70	577	–
Balance as of March 31	**2,962**	**36,798**	**254**
Net book value as of March 31	**10,756**	**16,408**	**3,214**

Additions to property, plant and equipment in the first quarter of 2011 arose from a number of investments. The most significant investments were: the expansion of the synthesis gas plants and construction of the intermodal transportation terminal in Ludwigshafen, Germany; the construction of the oleum/sulfuric acid plant in Antwerp, Belgium; the construction of natural gas pipelines in Europe; and the construction of a polyol plant and a methylamines plant in Geismar, Louisiana.

Disposals of intangible assets primarily comprised the derecognition of fully amortized licenses for agricultural products. The disposal of the participation in K+S Aktiengesellschaft is reported under other financial assets; the participation had previously been booked at fair value as an asset available for sale.

11 – Short-term assets

Million €	March 31, 2011	March 31, 2010	Dec. 31, 2010
Raw materials and factory supplies	2,439	2,048	2,427
Work-in-process, finished goods and merchandise	6,124	5,002	6,171
Advance payments and services-in-process	127	157	90
Inventories	**8,690**	**7,207**	**8,688**
Accounts receivables, trade	**11,132**	**9,674**	**10,167**
Other receivables and miscellaneous short-term assets	3,908	3,516	3,883
Marketable securities	15	15	16
Cash and cash equivalents	2,788	2,041	1,493
Assets of disposal groups	1,010	–	614
Other short-term assets	**7,721**	**5,572**	**6,006**
Short-term assets	**27,543**	**22,453**	**24,861**

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

Trade accounts receivable increased in comparison with year-end 2010 as a result of the expansion of business activities.

12 – Stockholders' equity

Authorized capital

At the Annual Meeting of April 30, 2009, shareholders authorized the Board of Executive Directors to increase the subscribed capital by issuing new shares in an amount of up to €500 million against cash with the approval of the Supervisory Board through April 30, 2014. The Board of Executive Directors is empowered, following the approval of the Supervisory Board, to decide on the exclusion of shareholders' subscription rights for these new shares in certain predefined cases covered by the enabling resolution. Until now, this option has not been exercised and no new shares were issued.

Retained earnings

Transfers from Other retained earnings increased legal reserves by €20 million in the first quarter. The offsetting of actuarial gains and losses, as well as the asset ceiling, resulted in a reduction in retained earnings of €8 million in the first quarter of 2011 and a reduction of €172 million in the same period of 2010.

Reserves (million €)

	March 31, 2011	Dec. 31, 2010
Legal reserves	456	436
Other retained earnings	17,754	15,381
	18,210	**15,817**

Other comprehensive income

Following the sale of the shares in K+S Aktiengesellschaft, the realized gain was recorded in the financial result. Accordingly, there was a derecognition of the effects of the fair market valuation of the participation amounting to €1,014 million which had been previously reported in stockholders' equity.

13 – Provisions for pensions

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

	Germany		Foreign	
	March 31, 2011	Dec. 31, 2010	March 31, 2011	Dec. 31, 2010
Discount rate	5.25	5.00	4.74	4.74
Projected increase of wages and salaries	2.75	2.75	3.79	3.79
Projected pension increase	1.75	1.75	1.00	1.00

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

	Germany		Foreign	
	2011	2010	2011	2010
Discount rate	5.00	5.50	4.74	5.17
Projected increase of wages and salaries	2.75	2.75	3.79	3.91
Projected pension increase	1.75	2.00	1.00	0.92
Expected return on plan assets	5.28	5.13	5.49	6.28

The assumptions regarding the overall expected long-term rate of return are based on the target asset allocation and the weighted average rate of expected returns of each individual asset class. 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 2011, developments in the capital markets led to an increase in the discount rate for existing pension obligations denominated in euro.

14 – Other provisions

Million €	March 31, 2011	March 31, 2010	Dec. 31, 2010
Other long-term provisions	3,456	3,373	3,352
Short-term provisions	3,704	3,597	3,324
	7,160	**6,970**	**6,676**

In the first quarter of 2011, other provisions increased compared with the end of 2010. This increase primarily affects provisions for variable compensation as well as for restructuring measures in the course of the Cognis integration.

15 – Liabilities

Liabilities (million €)

	March 31, 2011		March 31, 2010		Dec. 31, 2010	
	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term
Accounts payable, trade	**5,051**	**–**	**3,674**	**–**	**4,738**	**–**
Bonds and other liabilities to the capital market	1,549	10,206	1,080	11,411	2,637	10,267
Liabilities to credit institutions	753	1,407	934	1,116	732	1,403
Financial indebtedness	**2,302**	**11,613**	**2,014**	**12,527**	**3,369**	**11,670**
Tax liabilities	**1,523**	**–**	**1,218**	**–**	**1,140**	**–**
Advances received on orders	183	–	110	–	283	–
Liabilities on bills	58	2	58	25	73	2
Liabilities related to social security	170	24	156	31	166	26
Miscellaneous liabilities	2,001	698	1,944	675	2,126	670
Deferred income	266	214	232	199	154	203
Other liabilities	**2,678**	**938**	**2,500**	**930**	**2,802**	**901**

Financial indebtedness (million €)

			Carrying amounts based on effective interest method		
	Nominal value (million, in issuing currency)	Effective interest rate	March 31, 2011	Dec. 31, 2010	March 31, 2010
3.5% Euro Bond 2003/2010 of BASF SE	1,000	3.63 %	–	–	1,000
4% Euro Bond 2006/2011 of BASF SE	1,000	4.05 %	1,000	1,000	999
3.375% Euro Bond 2005/2012 of BASF SE	1,400	3.42 %	1,399	1,399	1,399
3.75% Euro Bond 2009/2012 of BASF SE	1,350	3.97 %	1,346	1,345	1,343
4.5% Euro Bond 2006/2016 of BASF SE	500	4.62 %	497	497	497
4.25% Euro Bond 2009/2016 of BASF SE	200	4.40 %	199	199	198
5.875% GBP Bond 2009/2017 of BASF SE	400	6.04 %	449	461	446
4.625% Euro Bond 2009/2017 of BASF SE	300	4.69 %	299	299	299
3.25% CHF Bond 2008/2011 of BASF Finance Europe N.V.	300	3.39 %	231	240	210
6% Euro Bond 2008/2013 of BASF Finance Europe N.V.	1,250	6.15 %	1,246	1,245	1,244
5% Euro Bond 2007/2014 of BASF Finance Europe N.V.	1,000	5.09 %	997	997	996
5% Euro Bond 2007/2014 of BASF Finance Europe N.V.	250	4.83 %	251	251	252
3.625% CHF Bond 2008/2015 of BASF Finance Europe N.V.	200	3.77 %	153	159	139
5.125% Euro Bond 2009/2015 of BASF Finance Europe N.V.	1,500	5.30 %	1,490	1,489	1,488
5.125% Euro Bond 2009/2015 of BASF Finance Europe N.V.	500	4.38 %	514	515	517
4.5% Euro Medium Term Note 2009/2016 of BASF Finance Europe N.V.	150	4.56 %	150	150	150
USD Extendible Floating Rate Notes of BASF Finance Europe N.V.		0.33 %	–	–	3
3.25% CHF Bond 2006/2012 of Ciba Spezial. Finanz AG	225	3.32 %	170	177	154
4.875% Euro Bond 2003/2018 of Ciba Special. Chem. Finance Luxembourg S.A.	477	4.88 %	403	401	395
USD Commercial Paper	450		317	1,384	75
Other bonds			644	696	687
Bonds and other liabilities to the capital market			**11,755**	**12,904**	**12,491**
Liabilities to credit institutions			2,160	2,135	2,050
			13,915	**15,039**	**14,541**

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 €218 million in the first quarter of 2011 and €283 million in the same period of 2010.

In addition, there are material supply relationships with Ellba C.V., the Netherlands, and Ellba Eastern Private Ltd., Singapore. The unconsolidated portion of these supplies amounted to €115 million in the first quarter of 2011 and €108 million in the same period of 2010.

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.

Calculation of Adjusted Earnings per Share

		1st Quarter	
		Million €	Million €
		2011	2010
Income before taxes and minority interests		3,380	1,760
Special items		(705)	114
Amortization of intangible assets		202	152
Amortization of intangible assets contained in the special items		(30)	(5)
Adjusted income before taxes and minority interests		**2,847**	**2,021**
Adjusted income taxes		925	686
Adjusted income before minority interests		**1,922**	**1,335**
Adjusted minority interests		137	122
Adjusted net income		**1,785**	**1,213**
Weighted average number of outstanding shares	in thousands	918,479	918,479
Adjusted earnings per share	**€**	**1.94**	**1.32**

The earnings per share figure adjusted for special items and amortization of intangible assets has become internationally established as a key figure that can be compared over the course of time and is particularly suitable for forecasts of future earnings.

The special items are primarily the result of the integration of acquired businesses, restructuring measures, impairment losses and gains or losses resulting from divestitures and sales of participations. This involves expenses and income that do not arise in conjunction with ordinary business activities. Intangible assets primarily result from purchase price allocation following acquisitions. The amortization of intangible assets is therefore of a temporary nature.

The calculation of earnings per share in accordance with IFRS is presented in the Notes on page 26. Adjusted income before taxes and minority interests, adjusted net income and adjusted earnings per share are key ratios that are not defined under International Financial Reporting Standards (IFRS). They should not be viewed in isolation, but rather treated as supplementary information.

Interim Report 1st Half 2011

July 28, 2011

Interim Report 3rd Quarter 2011

Oct. 27, 2011

Full Year Results 2011

Feb. 24, 2012

Annual Meeting 2012 / Interim Report 1st Quarter 2012

April 27, 2012

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 103 to 111 in the BASF Report 2010. The BASF Report can be found on the Internet at: basf.com/report. We do not assume any obligation to update the forward-looking statements contained in this report.

Further Information

Published on May 6, 2011

You can find this and other BASF publications online at www.basf.com

You can also order the reports:

• by telephone: +49 621 60-99895
• online: basf.com/mediaorders

Contact

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

Corporate Media Relations
Jennifer Moore-Braun, Phone: +49 621 60-99123,
Fax: +49 621 60-92693

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

Internet
www.basf.com

BASF SE, 67056 Ludwigshafen, Germany

ZOAC 1107 E