Interim Report
1st Half 2012 (January – June)

Solid first half of 2012 for BASF

- Sales and earnings increase compared with same period of 2011
- Agricultural Solutions on course for record year
- Outlook confirmed despite growing economic risks: increase in sales and earnings targeted for 2012

BASF
The Chemical Company

BASF Group
1st Half 2012

Million €		2nd Quarter			1st Half		
		2012	2011	Change in %	2012	2011	Change in %
Sales		19,481	18,461	5.5	40,071	37,822	5.9
Income from operations before depreciation and amortization (EBITDA)		3,132	3,015	3.9	7,022	6,380	10.1
Income from operations (EBIT) before special items		2,490	2,237	11.3	5,022	4,969	1.1
Income from operations (EBIT)		2,229	2,217	0.5	5,349	4,767	12.2
Financial result		(112)	(121)	7.4	(185)	709	.
Income before taxes and minority interests		2,117	2,096	1.0	5,164	5,476	(5.7)
Net income		1,229	1,454	(15.5)	2,953	3,865	(23.6)
Earnings per share	€	1.34	1.59	(15.7)	3.22	4.21	(23.5)
Adjusted earnings per share[1]	€	1.60	1.75	(8.6)	3.17	3.69	(14.1)
Cash provided by operating activities		1,889	783	141.3	3,460	3,038	13.9
Additions to long-term assets[2]		1,171	859	36.3	1,910	1,381	38.3
Research and development expenses		426	391	9.0	832	771	7.9
Amortization and depreciation[2]		903	798	13.2	1,673	1,613	3.7
Segment assets (as of June 30)[3]		53,139	49,250	7.9	53,139	49,250	7.9
Personnel costs		2,114	2,273	(7.0)	4,508	4,457	1.1
Number of employees (as of June 30)		111,995	110,289	1.5	111,995	110,289	1.5

[1] For further information, see page 36
[2] Intangible assets and property, plant and equipment (including acquisitions)
[3] Intangible assets, property, plant and equipment, inventories and business-related receivables

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[4] This section is not part of the Interim Management's Analysis.
[5] This section is not part of the Interim Financial Statements.

1st Half 2012

Sales
Change compared with 1st half 2011

+6%

EBIT before special items
(Change compared with 1st half 2011)
Million €

5,022 (+53)

← **Cover photo:** BASF employees visit the Innovation Center at our new North American headquarters in Florham Park, New Jersey. Through interactive media, visitors discover how BASF's sustainable solutions contribute to everyday life.

BASF's Segments

Chemicals → Page 7

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. We also ensure that other BASF segments are supplied with chemicals for producing 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 detergents, plastics, textile fibers, paints and coatings, crop protection products and pharmaceuticals.

Plastics → Page 8

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 insulating rigid foams they increase the energy efficiency of refrigerators.

Performance Products → Page 9

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 11

In the Functional Solutions segment, we bundle tailor-made system solutions and innovative products for specific sectors and customers, in particular for the automotive, chemical 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 decorative paints.

Agricultural Solutions → Page 12

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 pertaining to BASF Plant Science are not included in the Agricultural Solutions segment; they are reported in Other.

Oil & Gas → Page 13

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.

iGloss: an automotive finish with higher gloss and fewer scratches

→ BASF's innovative clearcoat provides cars with long-lasting protection from microscratches

An automotive coating has to withstand a lot – from climatic influences like sun, rain, snow and temperature fluctuations to road salt and tree sap. Even microscratches from cleaning brushes can make the finish look dull and unattractive over time. With its innovative iGloss®, BASF has developed a clearcoat that provides cars with a glossy appearance for significantly longer than conventional coatings.

Standard clearcoats for cars consist almost exclusively of organic material known as polymers. iGloss, however, combines the advantages of hard inorganic and soft organic materials: The organic matrix makes the finish flexible and elastic. It has especially hard silicate nanoclusters embedded into it, which improve the coating's scratch resistance.

The two materials create a solid yet simultaneously elastic network. This allows iGloss to immediately spring back to around 90% when, for example, hit by the bristles of a car wash brush. Microscratches are therefore much shallower and less visible than in conventional clearcoats, which only spring back to 70%.

iGloss is also more resistant to harsh weather conditions than standard clearcoats. The difference was clearly demonstrated by practical tests under everyday conditions with subsequent scratch tests: Surfaces finished with iGloss remain glossy roughly twice as long as those finished with conventional clearcoats. This is sure to please any car owner.

Despite its innovative composition, the new clearcoat can be applied using existing paintlines without requiring any major changes. That is another reason why iGloss has already been used in serial production since mid-2011: Daimler is the first automotive manufacturer to use iGloss, coating several models including its Mercedes SLK.

Final inspection on the coating line: As the very top layer, the clearcoat protects the car from external factors. With the iGloss clearcoat, the car looks new for longer.

iGloss: scratch-resistant clearcoat

BASF Innovations – iGloss

– iGloss protects cars from microscratches and weather longer than conventional coatings
– Silicate nanoclusters embedded in the coating matrix provide especially high scratch resistance
– Surfaces stay glossy longer thanks to iGloss's ability to withstand weathering
– Daimler already uses iGloss to coat several models

→ **Further information on iGloss can be found online at: basf.com/igloss_e**

BASF Group Business Review 2nd Quarter 2012

Our business continued its solid development in the second quarter of 2012. Compared with the same period of the previous year, sales grew by 6% to €19.5 billion, mainly as a result of positive currency effects. The Agricultural Solutions and Oil & Gas segments were able to considerably increase their sales volumes, making a significant contribution to this sales growth.

Income from operations before special items rose by €253 million to €2.5 billion. This was due in large part to our successful business with crop protection products as well as to increased crude oil production in Libya.

Our sales volumes matched the level of the second quarter of 2011. Volumes increased significantly in the Agricultural Solutions and Oil & Gas segments; by contrast, sales volumes declined in the chemicals business[1]. We were able to slightly increase our sales prices and thus partly pass on higher raw material costs. The weaker euro had a positive impact on sales.

Factors influencing sales (% of sales)

	2nd Quarter
Volumes	0
Prices	1
Portfolio measures	0
Currencies	5
	6

In the **Chemicals** segment, sales were slightly below the level of the previous second quarter, primarily due to lower sales volumes. Along with weaker demand, the optimization of our supply chain for steam cracker products, carried out in the third quarter of 2011, contributed to this decline in volumes. Sales to Styrolution Group companies had a positive impact on sales development for the segment. Earnings decreased significantly as a result of falling margins and the scheduled maintenance shutdown of several plants.

Sales in the **Plastics** segment surpassed the level of the second quarter of 2011. While sales volumes were weaker, positive currency effects in particular boosted sales growth. Lower margins for some basic products led to a significant decline in earnings.

Second-quarter sales (million €)

Chemicals	**2012**	**3,348**	**(1%)**
	2011	3,392	
Plastics	**2012**	**2,878**	**2%**
	2011	2,828	
Performance Products	**2012**	**4,122**	**1%**
	2011	4,095	
Functional Solutions	**2012**	**2,974**	**8%**
	2011	2,766	
Agricultural Solutions	**2012**	**1,467**	**22%**
	2011	1,205	
Oil & Gas	**2012**	**3,585**	**46%**
	2011	2,461	
Other	**2012**	**1,107**	**(35%)**
	2011	1,714	

Sales in the **Performance Products** segment grew slightly compared with the previous second quarter, largely as a result of positive currency effects. Sales volumes were lower. We were not able to fully pass on increased raw material costs through higher sales prices. Earnings therefore declined due to lower margins and volumes.

BASF Group 2nd Quarter 2012

– Solid business development continues in second quarter of 2012
– Sales improve by 6% to €19.5 billion, boosted by positive currency effects
– Sales volumes increase significantly in Agricultural Solutions and Oil & Gas segments
– Income from operations before special items rises by 11% to €2.5 billion
– Successful business with crop protection products and increased oil production in Libya largely responsible for higher earnings

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

We increased sales in the **Functional Solutions** segment. In addition to the proportional consolidation of the Korean Heesung Catalysts Corporation, positive currency effects were particularly responsible for sales growth. This was partially offset by lower prices, especially in precious metals. Earnings did not match the level of the previous second quarter, primarily as a result of higher raw material costs.

Business was very successful in the **Agricultural Solutions** segment. We increased sales volumes in all indications and regions. Furthermore, higher sales prices and positive exchange rate effects contributed to significant sales growth. Earnings were also considerably above the level of the previous second quarter.

Increased volumes as well as higher gas prices led to significant sales growth in the **Oil & Gas** segment. Volumes grew in natural gas trading due to greater demand on spot trading markets. After the suspension of production in Libya from February to October of the previous year, we were able to continuously produce crude oil there throughout the second quarter of 2012. Earnings therefore considerably exceeded the level of the previous second quarter. By contrast, net income fell.

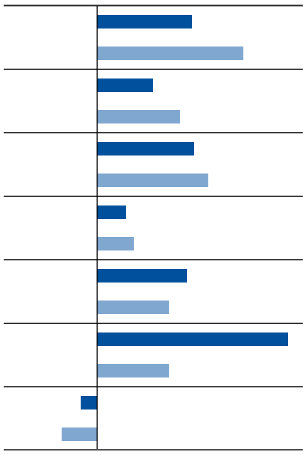
Other posted a decline in sales, largely as a result of the divestiture of our styrenic plastics business, which was contributed to the Styrolution joint venture as of October 1, 2011. Earnings in Other improved as a result of the reversal of provisions for our long-term incentive program, while an expense had been incurred in the previous second quarter.

Special items in EBIT amounting to minus €261 million (second quarter of 2011: minus €20 million) resulted primarily from restructuring measures and from impairment charges on a Norwegian oil field development project.

EBIT rose slightly compared with the previous second quarter, to €2,229 million. **EBITDA** increased by €117 million to €3,132 million.

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

Chemicals	**2012**	**436**	**(238)**
	2011	674	
Plastics	**2012**	**256**	**(127)**
	2011	383	
Performance Products	**2012**	**446**	**(67)**
	2011	513	
Functional Solutions	**2012**	**134**	**(33)**
	2011	167	
Agricultural Solutions	**2012**	**414**	**83**
	2011	331	
Oil & Gas	**2012**	**880**	**548**
	2011	332	
Other	**2012**	**(76)**	**87**
	2011	(163)	



The **financial result** improved slightly; at minus €112 million, it was €9 million above the second quarter of 2011 thanks to higher income from participations. In the previous year, the result from participations included special charges of €29 million.

Income before taxes and minority interests rose by €21 million in the second quarter of 2012 to €2,117 million. The tax rate increased due to the resumption of crude oil production in Libya, which is highly taxed. At 39.0%, the tax rate was significantly higher than in the second quarter of 2011 (26.0%).

Net income fell by €225 million to €1,229 million.

Earnings per share were €1.34 in the second quarter of 2012 compared with €1.59 in the same period of the previous year. Adjusted for special items and amortization of intangible assets, earnings per share amounted to €1.60 (second quarter of 2011: €1.75).

→ **Information on the calculation of adjusted earnings per share can be found on page 36.**

Special items reported in earnings before taxes (million €)

	2012	2011
1st quarter	588	705
2nd quarter	(261)	(49)
1st half	**327**	**656**
3rd quarter		(117)
4th quarter		429
Full year		**968**

Adjusted earnings per share (€)

	2012	2011
1st quarter	1.57	1.94
2nd quarter	1.60	1.75
1st half	**3.17**	**3.69**
3rd quarter		1.52
4th quarter		1.05
Full year		**6.26**

BASF Group Business Review 1st Half 2012

In the first half of 2012, global economic growth was somewhat slower than in the same period of 2011. Nevertheless, we increased our sales by 6% to €40.1 billion, largely thanks to higher sales volumes in the Agricultural Solutions and Oil & Gas segments. By contrast, volumes declined in the chemicals business[1]. Currency effects had a positive impact on sales. Income from operations before special items rose slightly; at more than €5 billion, it exceeded the level of the previous first half by €53 million. This was due in large part to our successful business with crop protection products as well as to increased crude oil production in Libya.

At €3.5 billion, our operating cash flow surpassed the level of the previous first half.

Sales volumes matched the level of the first half of 2011. Higher volumes in the Agricultural Solutions and Oil & Gas segments compensated for lower sales volumes in the chemicals business. In the first quarter in particular, we were able to raise our sales prices and partly pass on increased raw material costs. The weaker euro also had a positive impact on sales development. Portfolio measures reduced sales by 1%, mostly due to the divestiture of our styrenic plastics business, which was contributed to the Styrolution joint venture as of October 1, 2011.

Factors influencing sales (% of sales)

	1st Half
Volumes	0
Prices	3
Portfolio measures	(1)
Currencies	4
	6

Sales grew in the **Chemicals** segment, principally owing to positive currency effects and sales to Styrolution Group companies. The optimization of our supply chain for steam cracker products in the third quarter of 2011 as well as decreased demand both led to a decline in volumes. Primarily as a result of falling margins due to higher raw material costs, earnings were significantly below the level of the previous first half.

Sales in the **Plastics** segment decreased slightly compared with the first half of 2011. Sales volumes declined as a result of weaker demand in some areas; scheduled plant shutdowns also contributed to reduced volumes. Currency effects, however, had a positive impact on sales. Because of lower margins in some product lines, earnings were significantly below the level of the same period of 2011.

First-half sales (million €)

Chemicals	**2012**	**6,832**	**2%**
	2011	6,668	
Plastics	**2012**	**5,556**	**(1%)**
	2011	5,616	
Performance Products	**2012**	**8,121**	**1%**
	2011	8,077	
Functional Solutions	**2012**	**5,819**	**4%**
	2011	5,584	
Agricultural Solutions	**2012**	**2,794**	**15%**
	2011	2,435	
Oil & Gas	**2012**	**8,560**	**45%**
	2011	5,916	
Other	**2012**	**2,389**	**(32%)**
	2011	3,526	

We posted a slight sales increase in the **Performance Products** segment. Higher sales prices and positive currency effects more than offset a decrease in volumes. Weaker margins resulting from higher raw material costs led to a year-on-year decline in earnings.

BASF Group 1st Half 2012

- Global economic growth weakens slightly compared with first half of 2011
- Sales grow by 6% to €40.1 billion as a result of positive currency effects and higher prices
- Sales volumes increase in Agricultural Solutions and Oil & Gas segments; declining volumes in the chemicals business lead overall to sales volumes at the level of the previous first half
- Earnings rise, thanks in particular to successful business with crop protection products and increased oil production in Libya
- At €3.5 billion, operating cash flow exceeds level of previous first half

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

Sales rose in the **Functional Solutions** segment, thanks in particular to positive currency effects. Portfolio measures also contributed to sales growth. By contrast, sales volumes and prices both declined slightly. Mostly due to higher raw material costs, earnings did not match the level of the previous first half.

The first half of 2012 was very successful in the **Agricultural Solutions** segment. Sales increased significantly, particularly as a result of demand-driven improvement in sales volumes. Currency effects and higher sales prices also had a positive impact on sales development. We considerably exceeded the earnings level of the previous first half.

Sales grew significantly in the **Oil & Gas** segment, primarily as a result of increased volumes as well as higher prices for crude oil and gas. After the suspension of production in Libya from February to October of 2011, we were able to continuously produce crude oil there throughout the first half of 2012; earnings were therefore significantly above the level of the first half of 2011.

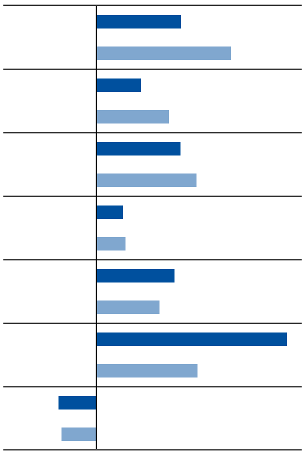
Other posted a decline in sales, principally as a result of the divestiture of our styrenic plastics business. The missing earnings contribution which resulted from this, as well as higher currency losses could not be offset by lower expenses for the long-term incentive program. Earnings in Other therefore did not match the level of the previous first half.

Special items in EBIT of €327 million (first half of 2011: minus €202 million) resulted primarily from gains of €645 million on the sale of our fertilizer business. Expenses arose from restructuring measures and from impairment charges on a Norwegian oil field development project.

Compared with the first half of the previous year, **EBIT** rose by 12% to €5,349 million. **EBITDA** increased by €642 million to €7,022 million.

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

Chemicals	**2012**	**903**	**(536)**
	2011	1,439	
Plastics	**2012**	**475**	**(301)**
	2011	776	
Performance Products	**2012**	**898**	**(169)**
	2011	1,067	
Functional Solutions	**2012**	**282**	**(27)**
	2011	309	
Agricultural Solutions	**2012**	**833**	**159**
	2011	674	
Oil & Gas	**2012**	**2,037**	**961**
	2011	1,076	
Other	**2012**	**(406)**	**(34)**
	2011	(372)	



At minus €185 million, the **financial result** was €894 million below the level of the previous first half. In the prior year, the financial result included a positive special item of €887 million from the sale of our shares in K+S Aktiengesellschaft.

Income before taxes and minority interests decreased by €312 million in the first half of 2012 to €5,164 million. At 39.3%, the tax rate was far above that of the first half of 2011 (25.2%). This increase was the result of a higher earnings contribution from the Oil & Gas segment in 2012 as well as the largely tax-free gain on the sale of shares in K+S Aktiengesellschaft in the previous year.

Net income fell by €912 million to €2,953 million.

Earnings per share amounted to €3.22 in the first half of 2012 compared with €4.21 in the same period of the previous year. Adjusted for special items and the amortization of intangible assets, earnings per share amounted to €3.17 (first half of 2011: €3.69).

→ **Information on the calculation of adjusted earnings per share can be found on page 36.**

Earnings in 1st Half 2012

– At more than €5 billion, income from operations before special items 1.1% above level of first half of 2011
– Income before taxes and minority interests down €312 million from level of previous first half
– Net income 23.6% lower compared with same period of 2011
– Earnings per share of €3.22 (first half of 2011: €4.21)
– Adjusted earnings per share of €3.17 (first half of 2011: €3.69)

BASF on the Capital Market

Overview of BASF shares

		2nd Quarter 2012	1st Half 2012
Performance (with dividends reinvested)			
BASF	%	(13.3)	5.6
DAX 30	%	(7.6)	8.8
DJ EURO STOXX 50	%	(6.2)	0.7
DJ Chemicals	%	(7.6)	6.4
MSCI World Chemicals	%	(5.2)	9.6
Share prices and trading (XETRA)			
Average	€	58.88	60.50
High	€	66.61	67.98
Low	€	51.89	51.89
Close (end of period)	€	54.70	54.70
Average daily trade	million shares	3.9	3.7
Outstanding shares (end of period)	million shares	918.5	918.5
Market capitalization (end of period)	billion €	50.2	50.2

Market trend

As a result of the debt crisis in the eurozone, stock exchanges in the second quarter of 2012 were increasingly marked by uncertainty. BASF shares traded at €54.70 at the end of the second quarter, a decline of 16.6% compared with the closing price in the first quarter of 2012. Assuming the dividend of €2.50 paid out on April 30, 2012 was reinvested, our share performance was around minus 13.3%. Over the same period, the German benchmark index DAX 30 and the European DJ EURO STOXX 50 fell 7.6% and 6.2%, respectively. In the second quarter, the global industry indices DJ Chemicals and MSCI World Chemicals lost 7.6% and 5.2%, respectively.

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

Authorization for share buybacks

On April 27, 2012, the BASF SE Annual Shareholders' Meeting granted authorization to buy back company shares. We can buy back up to 10% of our share capital over a maximum period of five years. This provides us with more flexibility in optimizing our capital structure.

Good credit ratings and very solid financing

With "A+/A-1 outlook stable" from rating agency Standard & Poor's and "A1/P-1 outlook stable" from Moody's, we have good credit ratings, especially compared with competitors in the chemical industry. We continue to have very solid financing. As of June 30, 2012, net debt amounted to €11,524 million.

Financial communication honored again

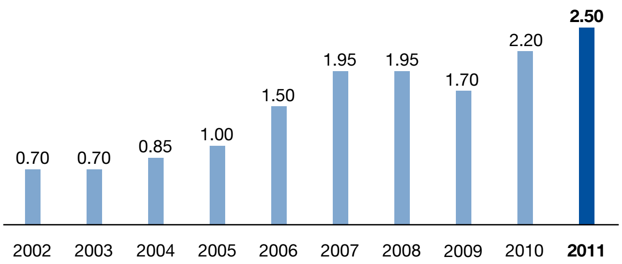
In the Thomson Extel Pan-European Survey 2012, BASF received awards in several categories. We were also honored for our Investor Relations work multiple times in a survey for the U.K.'s *IR Magazine*. Additionally, we took first place in *Wirtschaftwoche*'s German Investor Relations Award (Deutscher Investor Relations Preis).

BASF on the Capital Market

- At end of second quarter 2012, BASF share trades at 16.6% below closing price of first quarter
- Authorization for share buybacks increases flexibility in optimizing our capital structure
- Good credit ratings and very solid financing

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

Dividend per share[1] (€ per share)



[1] Adjusted for two-for-one stock split conducted in 2008

Significant Events and Economic Environment

Significant Events

We are investing €150 million for the construction of a new production site in Dahej, India. The site will include an integrated hub for polyurethane production as well as plants for polymer dispersions and ingredients for personal care products, detergents and cleaners. In this way, we are strengthening our presence in the growing Indian market. Production is scheduled to start in 2014.

We are continuing to expand our technology portfolio for battery materials with the acquisition of Novolyte Technologies, announced at the end of April. The U.S. company develops, produces and markets electrolyte formulations for lithium-ion batteries.

With the acquisition of the Mazzaferro Group's polyamide polymer business at the beginning of May, we have bolstered our position in engineering plastics and polyamide polymers in South America. The purchase comprises the São Bernardo do Campo, Brazil, site with production facilities for the polyamide-6 product range and for engineering plastics compounds. The polymerization plant has a capacity of roughly 20,000 metric tons per year.

At our Verbund site in Geismar, Louisiana, we are investing in the construction of the first production plant for formic acid in North America. Formic acid is an environmentally friendly solution for applications in the pharmaceutical industry, for example, or in the production of shale gas. The plant, which will have a capacity of more than 50,000 metric tons per year, is expected to begin production in the second quarter of 2014.

In May, we acquired Equateq Ltd., a global leader in the production of highly concentrated omega-3 fatty acids. In nutritional applications and pharmaceutical products, these essential fatty acids can have positive effects on the health of the eyes, brain and heart. The acquisition of Equateq allows us to expand our portfolio of omega-3 products. Equateq will be included in the Nutrition & Health division; the integration is expected to be completed by the end of 2012.

Economic Environment

The slowdown in worldwide economic growth that began in the second half of 2011 continued in the first half of 2012. In the first quarter, high oil prices particularly dampened growth. The debt crisis in several eurozone countries unsettled investors and consumers worldwide in the second quarter. Even the emerging markets were not able to escape this slowdown; their growth was restricted by lower demand for exports and reduced investing activities. Compared with the same period of the previous year, global gross domestic product grew by around 2.5% in the first half of 2012; worldwide industrial production increased by approximately 3%.

→ **The outlook for the full year 2012 can be found on page 16.**

Significant Events and Economic Environment

- We are investing €150 million in a new production site in Dahej, India
- We continue to expand our technology portfolio for battery materials with the acquisition of Novolyte Technologies
- In Brazil, we purchase the Mazzaferro Group's polyamide polymer business, improving our position in the South American market
- At our Verbund site in Geismar, Louisiana, we invest in the construction of a formic acid plant
- With the acquisition of Equateq Ltd., we reinforce our position in the growing global market for omega-3 fatty acids
- Global gross domestic product grows by around 2.5% compared with first half of 2011

Chemicals

Excellence in the Verbund, technology and cost leadership

Segment data Chemicals (million €)

		2nd Quarter			1st Half	
	2012	2011	Change in %	2012	2011	Change in %
Sales to third parties	3,348	3,392	(1)	6,832	6,668	2
Thereof Inorganics	426	351	21	780	704	11
Petrochemicals	2,159	2,348	(8)	4,606	4,562	1
Intermediates	763	693	10	1,446	1,402	3
Income from operations before depreciation and amortization (EBITDA)	606	847	(28)	1,240	1,773	(30)
Income from operations (EBIT) before special items	436	674	(35)	903	1,439	(37)
Income from operations (EBIT)	435	686	(37)	902	1,451	(38)
Assets (as of June 30)	7,260	6,712	8	7,260	6,712	8
Research and development expenses	32	33	(3)	70	65	8
Additions to property, plant and equipment and intangible assets	267	146	83	413	256	61

2nd Quarter 2012

In the Chemicals segment, sales were slightly below the level of the previous second quarter. This development was chiefly due to weaker sales volumes resulting from lower demand, in addition to lower prices. The optimization of our supply chain for steam cracker products, carried out in the third quarter of 2011, also contributed to the decrease in volumes. By contrast, both currency and portfolio effects had a positive influence on sales (volumes –14%, prices –2%, portfolio 10%, currencies 5%). As a result of falling margins and scheduled maintenance shutdowns, we posted a considerable year-on-year decline in income from operations before special items.

Inorganics

Sales in the Inorganics division rose significantly in comparison with the second quarter of 2011. This was mainly due to portfolio effects: After the divestiture of our fertilizer activities, the delivery of basic products for fertilizer production is now reported under sales to third parties. Furthermore, we increased our sales prices. Earnings improved, mostly as a result of lower fixed costs.

Petrochemicals

Despite positive portfolio effects from the divestiture of our styrenic plastics activities, sales in the Petrochemicals division decreased. Lower sales prices negatively impacted our business. As a consequence of the swap agreement to optimize the logistics of our value chain for steam cracker products in the third quarter of 2011, volumes also declined; yet this did not impact earnings. Lower margins in almost all product lines and the scheduled maintenance shutdown of the steam cracker in Port Arthur, Texas, led to significantly weaker earnings than in the previous second quarter.

Intermediates

In the Intermediates division, demand from important customer sectors such as the agricultural and plastics industries grew compared with the second quarter of 2011; overall, we improved sales volumes. Sales grew considerably, thanks in part to positive currency effects. Increased raw material costs could not be fully passed on through higher sales prices in all product lines. Earnings therefore did not match the high level of the previous second quarter.

Chemicals

– Sales slightly below level of the previous second quarter
– Optimization of supply chain for steam cracker products in third quarter of 2011 leads to decline in volumes
– Earnings decrease significantly due to maintenance shutdown and lower margins

2nd Quarter 2012

Sales
Change compared with 2nd quarter 2011

–1%

EBIT before special items
(Change compared with 2nd quarter 2011)
Million €

436 (–238)

Plastics

Energy-efficient products and system solutions for our customers

Segment data Plastics (million €)

	2nd Quarter			1st Half		
	2012	2011	Change in %	2012	2011	Change in %
Sales to third parties	2,878	2,828	2	5,556	5,616	(1)
Thereof Performance Polymers	1,298	1,330	(2)	2,567	2,639	(3)
Polyurethanes	1,580	1,498	5	2,989	2,977	–
Income from operations before depreciation and amortization (EBITDA)	362	483	(25)	696	980	(29)
Income from operations (EBIT) before special items	256	383	(33)	475	776	(39)
Income from operations (EBIT)	256	383	(33)	486	776	(37)
Assets (as of June 30)	5,784	5,356	8	5,784	5,356	8
Research and development expenses	40	37	8	78	73	7
Additions to property, plant and equipment and intangible assets	152	51	198	264	91	190

2nd Quarter 2012

Sales in the Plastics segment surpassed the level of the previous second quarter, mainly as a result of currency effects. Sales volumes declined due to weaker demand in some areas as well as scheduled maintenance shutdowns (volumes –5%, prices 0%, portfolio 1%, currencies 6%). Because of weaker margins for some basic products and lower volumes overall, income from operations before special items declined significantly.

Performance Polymers

Sales in the Performance Polymers division decreased slightly despite positive currency effects. Sales volumes fell, mainly as a result of weaker demand for polyamide precursors. Capacity utilization rates declined, due in part to a scheduled plant shutdown in Ludwigshafen. Because of this and lower sales volumes, earnings decreased significantly compared with the second quarter of 2011.

Polyurethanes

Sales in the Polyurethanes division were above the level of the same period of the previous year. Positive currency effects and increased sales prices more than compensated for lower volumes. This decline in sales volumes was mainly due to scheduled plant shutdowns in our MDI and TDI production at several sites. Demand for our products was high, especially from the automotive industry. As a result of higher raw material costs and the scheduled shutdowns, earnings did not quite match the level of the previous second quarter.

Plastics

- Sales rise, especially as a result of currency effects
- Sales volumes decline due to weaker demand in some areas and scheduled plant shutdowns
- Earnings decrease significantly owing to falling margins for some basic products and lower volumes overall

2nd Quarter 2012

Sales
Change compared with 2nd quarter 2011

+2%

EBIT before special items
(Change compared with 2nd quarter 2011)
Million €

256 (–127)

Performance Products

Innovative, fast-growing and cyclically resilient

Segment data Performance Products (million €)

		2nd Quarter			1st Half	
	2012	2011	Change in %	2012	2011	Change in %
Sales to third parties	4,122	4,095	1	8,121	8,077	1
Thereof Dispersions & Pigments	1,005	937	7	1,935	1,786	8
Care Chemicals	1,237	1,353	(9)	2,520	2,729	(8)
Nutrition & Health	509	480	6	985	949	4
Paper Chemicals	427	417	2	837	810	3
Performance Chemicals	944	908	4	1,844	1,803	2
Income from operations before depreciation and amortization (EBITDA)	587	688	(15)	1,223	1,335	(8)
Income from operations (EBIT) before special items	446	513	(13)	898	1,067	(16)
Income from operations (EBIT)	382	456	(16)	811	863	(6)
Assets (as of June 30)	14,196	13,516	5	14,196	13,516	5
Research and development expenses	85	80	6	165	158	4
Additions to property, plant and equipment and intangible assets	220	130	69	345	231	49

2nd Quarter 2012

We increased sales slightly in the Performance Products segment compared with the previous second quarter, mostly due to currency effects. We were partly able to pass on higher raw material costs by raising our sales prices. Lower sales volumes had a negative impact (volumes –5%, prices 1%, currencies 5%). Income from operations before special items was below the level of the second quarter of 2011. This was mainly due to lower margins resulting from increased raw material costs.

Dispersions & Pigments

In the Dispersions & Pigments division, sales grew mostly as a result of positive currency effects. Especially in North America, sales improved considerably thanks to currency effects and higher sales volumes. Lower demand for pigments was chiefly responsible for a decline in volumes in Europe. Due to a less favorable product mix, earnings did not match the level of the previous second quarter.

Care Chemicals

Sales decreased in the Care Chemicals division. Cautious customer behavior in anticipation of falling raw material prices led to reduced sales volumes. With sales prices stable, positive currency effects were not able to fully offset lower volumes. Earnings were significantly below the level of the second quarter of 2011 due to lower sales volumes and margins.

Performance Products

- Sales rise slightly, particularly thanks to positive currency effects
- Volumes decline as a result of lower demand in some areas
- Earnings decrease, due especially to lower margins resulting from higher raw material costs

2nd Quarter 2012

Sales
Change compared with 2nd quarter 2011

+1%

EBIT before special items
(Change compared with 2nd quarter 2011)
Million €

446 (–67)

Nutrition & Health

The Nutrition & Health division posted sales growth, especially in North America and Asia. In addition to slightly increased sales prices, positive currency effects were largely responsible for this development. We were only partly able to pass on higher raw material costs, which had a negative impact on our margins; earnings therefore remained below the level of the previous second quarter.

Paper Chemicals

Sales in the Paper Chemicals division were up compared with the second quarter of 2011. This increase was driven by positive currency effects and higher sales prices, which more than compensated for a decline in volumes resulting from weaker demand. Thanks to progress in restructuring our business, we exceeded the earnings level of the previous second quarter.

Performance Chemicals

In the Performance Chemicals division, sales rose compared with the same period of the previous year, mostly as a result of positive currency effects and the price increases implemented in all regions. Sales volumes fell, especially due to lower demand in Europe and North America for fuel and lubricant additives as well as for plastic additives. We were able to significantly improve earnings.

Performance Products

- Dispersions & Pigments: sales rise, thanks especially to positive currency effects; earnings decrease
- Care Chemicals: lower volumes lead to sales and earnings decline; earnings also negatively affected by weaker margins
- Nutrition & Health: sales grow, especially as a result of positive currency effects; earnings decline as higher raw material costs reduce margins
- Paper Chemicals: sales rise; earnings improve thanks to progress in restructuring our business
- Performance Chemicals: sales grow as a result of positive currency effects and price increases; earnings significantly above level of previous second quarter

Functional Solutions
Customer-specific products and system solutions

Segment data Functional Solutions (million €)

	2nd Quarter			1st Half		
	2012	2011	Change in %	2012	2011	Change in %
Sales to third parties	2,974	2,766	8	5,819	5,584	4
Thereof Catalysts	1,620	1,500	8	3,250	3,177	2
Construction Chemicals	621	577	8	1,123	1,046	7
Coatings	733	689	6	1,446	1,361	6
Income from operations before depreciation and amortization (EBITDA)	224	258	(13)	482	496	(3)
Income from operations (EBIT) before special items	134	167	(20)	282	309	(9)
Income from operations (EBIT)	134	165	(19)	303	307	(1)
Assets (as of June 30)	10,025	9,423	6	10,025	9,423	6
Research and development expenses	63	50	26	118	95	24
Additions to property, plant and equipment and intangible assets	202	190	6	325	215	51

2nd Quarter 2012
We increased sales in the Functional Solutions segment, largely due to positive currency effects and portfolio measures. Sales volumes matched the level of the second quarter of 2011. Lower prices, particularly in precious metals, had a negative influence on sales development (volumes 0%, prices –1%, portfolio 3%, currencies 6%). Income from operations before special items was below the level of the previous second quarter, primarily as a result of higher raw material costs.

Catalysts
Sales grew in the Catalysts division, especially due to positive currency effects. Portfolio measures as well as the positive development of our business with mobile emissions catalysts, particularly in Asia, also contributed to sales growth. Sales volumes improved slightly; demand for chemical catalysts was high. Sales prices fell, especially in precious metals. At €681 million (second quarter 2011: €648 million), the sales contribution from precious metal trading grew nevertheless, mainly owing to currency effects. Because of increased raw material costs, we did not quite match the good earnings level of the previous second quarter.

Construction Chemicals
Sales in the Construction Chemicals division grew as a result of positive exchange rate effects, price increases and portfolio measures. In North America and Asia, favorable demand development led to an improvement in sales volumes. Overall, however, volumes were below the level of the previous second quarter due to a continuing decline in construction activity in parts of Europe. We increased our earnings, principally as a result of higher prices.

Coatings
Sales volumes for industrial coatings and coatings for the automotive industry were at a high level. Demand from Asia and South America grew overall. Thanks to increased sales prices and positive currency effects, sales exceeded the high level of the second quarter of 2011. We were partly able to pass on increased raw material costs to the market. Higher fixed costs led to lower earnings than in the same quarter of the previous year.

Functional Solutions

– Sales increase, especially as a result of positive currency effects
– Lower prices, particularly for precious metals
– Earnings down year-on-year primarily owing to higher raw material costs

2nd Quarter 2012

Sales
Change compared with 2nd quarter 2011

+8%

EBIT before special items
(Change compared with 2nd quarter 2011)
Million €

134 (–33)

Agricultural Solutions

Innovations for the health of crops

Segment data Agricultural Solutions (million €)

	2nd Quarter			1st Half		
	2012	**2011**	**Change in %**	**2012**	**2011**	**Change in %**
Sales to third parties	1,467	1,205	22	2,794	2,435	15
Income from operations before depreciation and amortization (EBITDA)	449	373	20	908	757	20
Income from operations (EBIT) before special items	414	331	25	833	674	24
Income from operations (EBIT)	414	331	25	833	674	24
Assets (as of June 30)	6,019	5,316	13	6,019	5,316	13
Research and development expenses	104	95	9	197	192	3
Additions to property, plant and equipment and intangible assets	50	36	39	81	59	37

2nd Quarter 2012

Our business was very successful in the Agricultural Solutions segment, especially thanks to the strong season in the Northern Hemisphere. We were able to raise sales volumes in all indications and regions as a result of high demand for our products. Business development was very positive for fungicides in particular. We improved sales considerably. In addition to increased sales volumes, higher sales prices and positive exchange rate effects also contributed to sales growth (volumes 14%, prices 2%, currencies 6%).

The growing season in **Europe** developed positively and we significantly increased sales. This was mostly due to high demand for our Clearfield® herbicide tolerance system and the successful introduction of our fungicide Xemium®.

Sales rose significantly in all indications in **North America**, driven particularly by our business with products for plant health as well as by the imidazolinone and Kixor® brand herbicides. Positive currency effects additionally boosted sales growth.

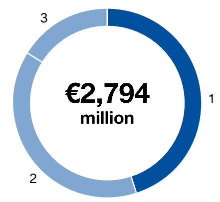
Sales grew significantly in **Asia**, especially thanks to higher demand for herbicides in India. We also increased our sales of fungicides.

We posted significant sales growth in **South America** despite continuing drought in the southern regions. Sales volumes for insecticides based on the active ingredient Fipronil® continued to increase. Our business with the fungicide F 500® also developed well.

Higher sales volumes and positive currency effects led to income from operations before special items significantly above the level of the previous second quarter.

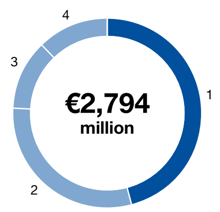
1st Half 2012 – Sales by indication

1	Fungicides	45%
2	Herbicides	38%
3	Insecticides and other	17%



1st Half 2012 – Sales by region (location of customer)

1	Europe	47%
2	North America	29%
3	Asia Pacific	11%
4	South America, Africa, Middle East	13%



Agricultural Solutions

- Business very successful, thanks especially to strong season in the Northern Hemisphere
- Significant sales increase due to improved sales volumes in all indications and regions
- Earnings significantly above level of previous second quarter

2nd Quarter 2012

Sales
Change compared with 2nd quarter 2011

+22%

EBIT before special items
(Change compared with 2nd quarter 2011)
Million €

414 (+83)

Oil & Gas

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

Segment data Oil & Gas (million €)

	2nd Quarter			1st Half		
	2012	2011	Change in %	2012	2011	Change in %
Sales to third parties	3,585	2,461	46	8,560	5,916	45
Thereof Exploration & Production	1,251	563	122	2,587	1,631	59
Natural Gas Trading	2,334	1,898	23	5,973	4,285	39
Income from operations before depreciation and amortization (EBITDA)	1,055	436	142	2,344	1,310	79
Thereof Exploration & Production	923	338	173	1,966	1,061	85
Natural Gas Trading	132	98	35	378	249	52
Income from operations (EBIT) before special items	880	332	165	2,037	1,076	89
Thereof Exploration & Production	793	269	195	1,748	895	95
Natural Gas Trading	87	63	38	289	181	60
Income from operations (EBIT)	800	332	141	1,957	1,076	82
Thereof Exploration & Production	713	269	165	1,668	895	86
Natural Gas Trading	87	63	38	289	181	60
Assets (as of June 30)	9,855	8,927	10	9,855	8,927	10
Thereof Exploration & Production	5,456	5,008	9	5,456	5,008	9
Natural Gas Trading	4,399	3,919	12	4,399	3,919	12
Exploration expenses	75	30	150	98	83	18
Additions to property, plant and equipment and intangible assets	252	276	(9)	413	467	(12)
Income taxes on oil-producing operations non-compensable with German corporate income tax	445	–	.	896	280	220
Net income	213	257	(17)	629	563	12

2nd Quarter 2012

In the Oil & Gas segment, sales were significantly above the level of the previous second quarter, mostly because of increased volumes and higher gas prices (volumes 31%, prices/currencies 14%, portfolio 1%). Volumes grew in natural gas trading due to higher demand on spot trading markets. During the second quarter of 2012, we were able to continuously produce crude oil in Libya; production there had been shut down during the second quarter of the previous year. As a result, income from operations before special items improved considerably. By contrast, net income declined.

→ **More information on net income in the Oil & Gas segment can be found in the Notes on page 27.**

We significantly increased sales and earnings in the **Exploration & Production** business sector. Production volumes grew mainly as a result of the continuous production of oil in Libya. The average price for Brent crude oil was $108 per barrel, compared with $117 per barrel (–8%) in the second quarter of 2011. The average oil price in euros increased slightly.

Sales in the **Natural Gas Trading** business sector grew considerably. Higher gas prices and increased sales volumes were largely responsible for this. Earnings were above the level of the previous second quarter thanks to positive volumes development as well as to contributions from the OPAL pipeline.

Oil & Gas

- Sales significantly above level of previous second quarter
- Increased volumes and higher gas prices largely responsible for sales growth
- Earnings improve considerably, mainly as a result of continuous production of oil in Libya

2nd Quarter 2012

Sales
Change compared with 2nd quarter 2011

+46%

EBIT before special items
(Change compared with 2nd quarter 2011)
Million €

880 (+548)

Regional Results
1st Half 2012

Overview of regions (million €)

	Sales Location of company			Sales Location of customer			EBIT before special items		
	2012	2011	Change in %	2012	2011	Change in %	2012	2011	Change in %
2nd Quarter									
Europe	11,146	10,215	9	10,497	9,743	8	1,877	1,410	33
Thereof Germany	7,750	6,964	11	3,748	3,598	4	1,421	754	88
North America	3,767	3,980	(5)	3,775	3,742	1	330	457	(28)
Asia Pacific	3,589	3,294	9	3,805	3,637	5	229	286	(20)
South America, Africa, Middle East	979	972	1	1,404	1,339	5	54	84	(36)
	19,481	**18,461**	**6**	**19,481**	**18,461**	**6**	**2,490**	**2,237**	**11**
1st Half									
Europe	23,586	21,365	10	22,436	20,399	10	3,741	3,243	15
Thereof Germany	16,721	14,883	12	8,178	7,640	7	2,719	1,968	38
North America	7,614	7,831	(3)	7,527	7,418	1	700	850	(18)
Asia Pacific	6,879	6,683	3	7,319	7,319	–	448	701	(36)
South America, Africa, Middle East	1,992	1,943	3	2,789	2,686	4	133	175	(24)
	40,071	**37,822**	**6**	**40,071**	**37,822**	**6**	**5,022**	**4,969**	**1**

In **Europe**, we increased sales by 10% in the first half of 2012. We posted significant volumes growth in the Agricultural Solutions and Oil & Gas segments. Sales rose considerably in the Chemicals segment due to portfolio effects. Income from operations before special items grew by €498 million to €3,741 million, thanks to the higher contribution from the Oil & Gas and Agricultural Solutions segments.

In **North America**, sales fell by 10% in U.S. dollars and by 3% in euro terms. This was mainly the result of lower volumes due to plant shutdowns and the optimization of our supply chain for steam cracker products in the third quarter of 2011. Sales in the Agricultural Solutions segment grew in all indications thanks to high demand. Lower margins in the Petrochemicals division as well as higher fixed costs resulting from plant shutdowns led to a €150 million decline in earnings to €700 million.

Compared with the same period of 2011, sales in the **Asia Pacific** region were down 5% in local-currency terms and up 3% in euro terms. With volumes stable, positive currency effects more than offset reduced sales prices. Sales rose significantly in the Catalysts division, mainly due to higher sales volumes. Weaker margins, especially in the Petrochemicals division and Plastics segment, led to a €253 million decline in earnings to €448 million.

Sales in the **South America, Africa, Middle East** region rose by 2% in local-currency terms and by 3% in euro terms. While our business with crop protection products was very successful, we posted a decline in sales in the Catalysts division due to lower volumes. Earnings in the region decreased by €42 million to €133 million despite considerable earnings improvement in the Agricultural Solutions segment. This was due in part to the lower contribution from the Coatings division.

1st Half 2012

- Europe: sales and earnings increase mainly as a result of higher contributions from Oil & Gas and Agricultural Solutions
- North America: decline in sales due to lower volumes; falling margins in the Petrochemicals division and higher fixed costs resulting from plant shutdowns lead to earnings decline
- Asia Pacific: sales rise, particularly owing to positive currency effects; earnings down as a result of weaker margins, especially in Petrochemicals and Plastics
- South America, Africa, Middle East: sales improve, thanks to strong business with crop protection products; earnings decrease, due in part to lower contribution from the Coatings division

Overview of Other Topics

Research and development

At a Chicago press conference at the beginning of June, we presented the new products in our crop protection and plant biotechnology pipelines. These include, for example, the newly available herbicides in the Kixor® line, developed to combat stubborn weeds, and the fungicide Xemium®. In addition, we presented our new research activities focusing on plant stress and on solutions for better resource management.

In Canada, we will use AgBalance™ to explore sustainability in canola (oil-seed rape) production. AgBalance is a method developed by BASF to measure sustainability in agriculture. It uses a set of 69 indicators to calculate the social, economic and environmental impact of various farming practices. The results of the study, expected in the second quarter of 2013, will help Canadian canola growers identify the most important parameters for improving their sustainability score.

In May, we launched Neopor® Plus, an optimized insulation material. Neopor Plus boasts a unique combination of properties: high compressive strength coupled with low thermal conductivity – and that with a more efficient use of material than conventional products. All this makes Neopor Plus an efficient and cost-effective solution, for example, for insulating flat roofs.

Together with Germany's Federal Environment Ministry and the Federal Institute for Occupational Safety and Health, we have begun a research project to determine the safety of nanomaterials. These studies plan to investigate the potential long-term effects of nanoparticles in the lungs in order to better assess the risks of nanotechnology. The studies are scheduled to run for four years and will comply with the testing guidelines of the OECD. Total funding for the project amounts to around €5 million.

Employees

Compared with the end of 2011, the number of BASF Group employees rose by 854 to a total of 111,995 as of June 30, 2012. On this date, 63% of BASF Group employees were employed in Europe while North America accounted for 15% of employees, Asia Pacific for 16% and South America, Africa, Middle East for 6%.

Compared with the same period of the previous year, personnel costs in the first half 2012 rose by 1% to €4,508 million. This was mostly due to the higher number of employees and was partly offset by lower expenses for the long-term incentive program.

Research and development

– New products presented in crop protection and plant biotechnology business areas
– AgBalance: measuring sustainability in Canadian canola production
– Neopor Plus, an optimized insulation material, available on the market since May
– Long-term research project launched on safety of nanomaterials

Employees by region

	June 30, 2012	Dec. 31, 2011
Europe	70,703	70,664
North America	16,371	16,167
Asia Pacific	17,801	17,342
South America, Africa, Middle East	7,120	6,968
	111,995	**111,141**

Outlook

Our business development was solid in the first half of 2012. We increased sales and earnings in the Agricultural Solutions and Oil & Gas segments compared with the first half of 2011. By contrast, we posted a decline in earnings in the chemicals business.

We do not expect global economic growth to pick up in the second half of 2012. Prospects are dampened by increased uncertainty, especially in the eurozone, and by slower growth in Asia. Nevertheless, we still aim to exceed the 2011 record levels in sales and income from operations before special items.

Opportunities and risks

In the second half of 2012, we may be presented with opportunities arising from stronger growth in the global economy and our customer industries. Furthermore, a stronger U.S. dollar would have positive effects on our earnings.

We also see opportunities in consistently implementing our "We create chemistry" strategy and further improving our operational excellence, as well as in strengthening research and development. We will continue to concentrate on expanding our business in growth markets as well as on innovations, portfolio optimization, restructuring and increasing efficiency. For example, our excellence program, STEP, serves to strengthen our competitiveness and profitability. By the end of 2015, it is expected to contribute around €1 billion to earnings each year. STEP comprises more than 100 projects that aim to lower costs and raise profit margins.

However, there are also risks to the development of our business. Economic growth can be impaired by the ongoing debt crisis in the eurozone as well as by lower demand in Asia. Increasing raw material costs could also negatively affect our margins and dampen demand.

The statements on opportunities and risks made in the BASF Report 2011 remain valid.

→ **More detailed information can be found in the BASF Report 2011, in the Opportunities and Risks Report on pages 104–112.**

Forecast

We have adjusted some of our expectations for the global economy in 2012 (previous forecast in parentheses):

– Growth of gross domestic product: 2.3% (2.7%)
– Growth in industrial production: 3.4% (4.1%)
– Growth in chemical production: 3.5% (4.1%)
– An average euro/dollar exchange rate of $1.30 per euro
– An average oil price of $110/barrel in 2012

In the first half of 2012, sales improved compared with the strong level of the previous first half. Income from operations before special items increased slightly, as well. Despite our assumption that global economic growth will not pick up in the second half of 2012, we anticipate an increase in sales and earnings compared with the same period of 2011.

We still aim to exceed the 2011 record levels in sales and income from operations before special items. Our forecast is especially supported by the resumption of our crude oil production in Libya. It is unlikely that earnings from our chemicals business will match the level of the previous year, as we do not anticipate an upturn in demand compared with the first half of 2012.

Excluding the effects of acquisitions and divestitures, we strive to increase our sales volumes. We aim to earn a high premium on our cost of capital once again in 2012.

Outlook for 2012

– Outlook confirmed: we aim to improve sales and earnings despite growing economic risks and expect to earn a high premium on our cost of capital
– Opportunities could arise from stronger growth in the global economy and in our customer industries
– STEP excellence program will help strengthen our competitiveness and profitability
– Risks arise from the debt crisis in the eurozone, lower demand in Asia and rising raw material costs

BASF Group Interim Financial Statements
Statement of Income

Statement of Income (million €)

	Further information in Note	2nd Quarter			1st Half		
		2012	2011	Change in %	2012	2011	Change in %
Sales		**19,481**	**18,461**	**5.5**	**40,071**	**37,822**	**5.9**
Cost of sales		(14,176)	(13,502)	(5.0)	(29,379)	(27,327)	(7.5)
Gross profit on sales		**5,305**	**4,959**	**7.0**	**10,692**	**10,495**	**1.9**
Selling expenses		(1,902)	(1,813)	(4.9)	(3,720)	(3,573)	(4.1)
General and administrative expenses		(350)	(313)	(11.8)	(672)	(611)	(10.0)
Research and development expenses		(426)	(391)	(9.0)	(832)	(771)	(7.9)
Other operating income	[5]	171	285	(40.0)	1,196	570	109.8
Other operating expenses	[5]	(569)	(510)	(11.6)	(1,315)	(1,343)	2.1
Income from operations		**2,229**	**2,217**	**0.5**	**5,349**	**4,767**	**12.2**
Income from companies accounted for using the equity method		19	3	.	91	61	49.2
Other income from participations		30	33	(9.1)	42	928	(95.5)
Other expenses from participations		(3)	(17)	82.4	(5)	(18)	72.2
Interest income		41	42	(2.4)	84	70	20.0
Interest expense		(193)	(184)	(4.9)	(377)	(364)	(3.6)
Other financial result		(6)	2	.	(20)	32	.
Financial result	**[6]**	**(112)**	**(121)**	**7.4**	**(185)**	**709**	**.**
Income before taxes and minority interests		**2,117**	**2,096**	**1.0**	**5,164**	**5,476**	**(5.7)**
Income taxes	[7]	(826)	(545)	(51.6)	(2,032)	(1,379)	(47.4)
Income before minority interests		**1,291**	**1,551**	**(16.8)**	**3,132**	**4,097**	**(23.6)**
Minority interests	[8]	(62)	(97)	36.1	(179)	(232)	22.8
Net income		**1,229**	**1,454**	**(15.5)**	**2,953**	**3,865**	**(23.6)**
Earnings per share (€)	**[9]**						
Undiluted		**1.34**	**1.59**	**(15.7)**	**3.22**	**4.21**	**(23.5)**
Diluted		1.34	1.59	(15.7)	3.22	4.21	(23.5)

Statement of Recognized Income and Expense

Statement of recognized income and expense (million €)

	1st Half 2012	1st Half 2011
Income before minority interests	**3,132**	**4,097**
Actuarial gains/losses and asset ceiling for defined benefit assets	(1,956)	80
Foreign currency translation adjustment	174	(491)
Fair value changes in available-for-sale securities[1]	1	(1,013)
Cash flow hedges	(47)	(35)
Hedges of net investments in foreign operations	1	10
Revaluation due to acquisition of majority of shares	(2)	(1)
Deferred taxes	612	(6)
Minority interests	20	(61)
Total income and expense recognized in equity	**(1,197)**	**(1,517)**
Total income and expense for the period	**1,935**	**2,580**
Thereof shareholders of BASF SE	1,736	2,409
Thereof minority interests	199	171

[1] Following the disposal of 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 of 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, 2012	**(2,108)**	**373**	**10**	**(71)**	**(2)**	**4**	**314**	**(1,794)**
Additions	(1,956)	174	1	(47)	–	–	128	(1,828)
Releases	–	–	–	–	1	(2)	(1)	(1)
Deferred taxes	611	(3)	.	4	.	–	1	612
As of June 30, 2012	**(3,453)**	**544**	**11**	**(114)**	**(1)**	**2**	**442**	**(3,011)**
As of January 1, 2011	**(1,526)**	**190**	**1,009**	**(3)**	**(7)**	**6**	**1,195**	**(331)**
Additions	–	–	–	(35)	10	–	(25)	(25)
Releases	80	(491)	(1,013)	–	–	(1)	(1,505)	(1,425)
Deferred taxes	(34)	7	13	8	–	–	28	(6)
As of June 30, 2011	**(1,480)**	**(294)**	**9**	**(30)**	**3**	**5**	**(307)**	**(1,787)**

Balance Sheet

Assets (million €)

	Further information in Note	June 30, 2012	June 30, 2011	Change in %	Dec. 31, 2011	Change in %
Intangible assets	[10]	12,061	11,730	2.8	11,919	1.2
Property, plant and equipment	[10]	18,381	16,776	9.6	17,966	2.3
Investments accounted for using the equity method		1,949	1,262	54.4	1,852	5.2
Other financial assets		861	807	6.7	848	1.5
Deferred tax assets		1,552	1,005	54.4	941	64.9
Other receivables and miscellaneous short-term assets		631	921	(31.5)	561	12.5
Long-term assets		**35,435**	**32,501**	**9.0**	**34,087**	**4.0**
Inventories	[11]	10,441	9,490	10.0	10,059	3.8
Accounts receivable, trade	[11]	12,473	10,874	14.7	10,886	14.6
Other receivables and miscellaneous short-term assets	[11]	3,782	3,537	6.9	3,781	–
Marketable securities	[11]	25	15	66.7	19	31.6
Cash and cash equivalents	[11]	2,218	1,838	20.7	2,048	8.3
Assets of disposal groups		–	1,019	.	295	.
Short-term assets		**28,939**	**26,773**	**8.1**	**27,088**	**6.8**
Total assets		**64,374**	**59,274**	**8.6**	**61,175**	**5.2**

Equity and liabilities (million €)

	Further information in Note	June 30, 2012	June 30, 2011	Change in %	Dec. 31, 2011	Change in %
Subscribed capital	[12]	1,176	1,176	–	1,176	–
Capital surplus	[12]	3,203	3,216	(0.4)	3,203	–
Retained earnings	[12]	18,768	17,698	6.0	19,446	(3.5)
Other comprehensive income		442	(307)	.	314	40.8
Equity of shareholders of BASF SE		**23,589**	**21,783**	**8.3**	**24,139**	**(2.3)**
Minority interests		1,271	1,191	6.7	1,246	2.0
Equity		**24,860**	**22,974**	**8.2**	**25,385**	**(2.1)**
Provisions for pensions and similar obligations	[13]	5,044	2,720	85.4	3,189	58.2
Other provisions	[14]	3,454	3,632	(4.9)	3,335	3.6
Deferred tax liabilities		2,748	2,590	6.1	2,628	4.6
Financial indebtedness	[15]	8,861	10,239	(13.5)	9,019	(1.8)
Other long-term liabilities	[15]	1,109	925	19.9	1,142	(2.9)
Long-term liabilities		**21,216**	**20,106**	**5.5**	**19,313**	**9.9**
Accounts payable, trade		5,758	4,820	19.5	5,121	12.4
Provisions	[14]	3,352	3,295	1.7	3,210	4.4
Tax liabilities		1,463	1,374	6.5	1,038	40.9
Financial indebtedness	[15]	4,881	3,856	26.6	3,985	22.5
Other short-term liabilities	[15]	2,844	2,616	8.7	3,036	(6.3)
Liabilities of disposal groups		–	233	.	87	.
Short-term liabilities		**18,298**	**16,194**	**13.0**	**16,477**	**11.1**
Total equity and liabilities		**64,374**	**59,274**	**8.6**	**61,175**	**5.2**

Statement of Cash Flows

Statement of Cash Flows (million €)

	1st Half	
	2012	**2011**
Net income	2,953	3,865
Depreciation and amortization of intangible assets, property, plant and equipment and financial assets	1,673	1,614
Changes in net working capital	(651)	(1,178)
Miscellaneous items	(515)	(1,263)
Cash provided by operating activities	**3,460**	**3,038**
Payments related to property, plant and equipment and intangible assets	(1,669)	(1,265)
Acquisitions/divestitures	430	32
Financial investments and other items	155	1,314
Cash provided by / used in investing activities	**(1,084)**	**81**
Capital increases/repayments, share repurchases	(5)	–
Changes in financial liabilities	269	(486)
Dividends	(2,462)	(2,278)
Cash used in financing activities	**(2,198)**	**(2,764)**
Net changes in cash and cash equivalents	178	355
Cash and cash equivalents as of beginning of year and other changes	2,040	1,483
Cash and cash equivalents at end of quarter	**2,218**	**1,838**

At €3,460 million, cash provided by operating activities was €422 million higher in the first half of 2012 than in the same period of the previous year. The change in net working capital was particularly due to an increase in trade accounts receivable. The negative value for miscellaneous items resulted primarily from the reclassification of the gain on the disposal of our fertilizer activities to cash provided by investing activities.

Investing activities resulted in a cash outflow of €1,084 million compared with an inflow of €81 million in the same period of the previous year. Cash received from acquisitions and divestitures amounted to €430 million. Cash received from divestitures of €708 million was almost exclusively related to the fertilizer business; €278 million was used for acquisitions. Payments for property, plant and equipment and intangible assets amounted to €1,669 million, which was comparable with the level of depreciation.

Financing activities led to a cash outflow of €2,198 million, compared with €2,764 million in the previous year. Dividends of €2,296 million were paid to shareholders of BASF SE and €166 million was paid to minority shareholders in Group companies.

Financial liabilities rose by €269 million. This increase resulted in particular from BASF SE's issuance of USD commercial paper and was partly offset by the scheduled repayment of the 3.375% Euro Bond of BASF SE.

Cash and cash equivalents amounted to €2,218 million as of June 30, 2012, compared with €2,048 million at the end of 2011. Net debt increased to €11,524 million at the end of the second quarter of 2012, compared with €10,956 million as of December 31, 2011.

Statement of Changes in Equity

1st Half 2012 (million €)

	Number of subscribed shares outstanding	Subscribed capital	Capital surplus	Retained earnings	Other comprehensive income[1]	Equity of shareholders of BASF SE	Minority interests	Equity
As of January 1, 2012	**918,478,694**	**1,176**	**3,203**	**19,446**	**314**	**24,139**	**1,246**	**25,385**
Effects of acquisitions achieved in stages	–	–	–	–	–	**–**	(5)	**(5)**
Dividend paid	–	–	–	(2,296)	–	**(2,296)**	(166)[2]	**(2,462)**
Net income	–	–	–	2,953	–	**2,953**	179	**3,132**
Change in income and expense recognized directly in equity	–	–	–	(1,345)	128	**(1,217)**	20	**(1,197)**
Changes in scope of consolidation and other changes	–	–	–	10	–	**10**	(3)	**7**
As of June 30, 2012	**918,478,694**	**1,176**	**3,203**	**18,768**	**442**	**23,589**	**1,271**	**24,860**

1st Half 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	Equity
As of January 1, 2011	**918,478,694**	**1,176**	**3,216**	**15,817**	**1,195**	**21,404**	**1,253**	**22,657**
Effects of acquisitions achieved in stages	–	–	–	(1)	–	**(1)**	–	**(1)**
Dividend paid	–	–	–	(2,021)	–	**(2,021)**	(257)[2]	**(2,278)**
Net income	–	–	–	3,865	–	**3,865**	232	**4,097**
Change in income and expense recognized directly in equity	–	–	–	46	(1,502)	**(1,456)**	(61)	**(1,517)**
Changes in scope of consolidation and other changes	–	–	–	(8)	–	**(8)**	24	**16**
As of June 30, 2011	**918,478,694**	**1,176**	**3,216**	**17,698**	**(307)**	**21,783**	**1,191**	**22,974**

1 Details are provided in “Development of income and expense recognized directly in equity of shareholders of BASF SE” on page 18.

2 Including profit and loss transfers

Segment Reporting

2nd Quarter (million €)

	Sales			EBITDA			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2012	2011	Change in %	2012	2011	Change in %	2012	2011	Change in %	2012	2011	Change in %
Chemicals	3,348	3,392	(1.3)	606	847	(28.5)	436	674	(35.3)	435	686	(36.6)
Plastics	2,878	2,828	1.8	362	483	(25.1)	256	383	(33.2)	256	383	(33.2)
Performance Products	4,122	4,095	0.7	587	688	(14.7)	446	513	(13.1)	382	456	(16.2)
Functional Solutions	2,974	2,766	7.5	224	258	(13.2)	134	167	(19.8)	134	165	(18.8)
Agricultural Solutions	1,467	1,205	21.7	449	373	20.4	414	331	25.1	414	331	25.1
Oil & Gas	3,585	2,461	45.7	1,055	436	142.0	880	332	165.1	800	332	141.0
Other	1,107	1,714	(35.4)	(151)	(70)	.	(76)	(163)	53.4	(192)	(136)	(41.2)
	19,481	**18,461**	**5.5**	**3,132**	**3,015**	**3.9**	**2,490**	**2,237**	**11.3**	**2,229**	**2,217**	**0.5**

2nd Quarter (million €)

	Research expenses			Assets			Additions to long-term assets[1]			Amortization and depreciation[2]		
	2012	2011	Change in %	2012	2011	Change in %	2012	2011	Change in %	2012	2011	Change in %
Chemicals	32	33	(3.0)	7,260	6,712	8.2	267	146	82.9	171	161	6.2
Plastics	40	37	8.1	5,784	5,356	8.0	152	51	198.0	106	100	6.0
Performance Products	85	80	6.3	14,196	13,516	5.0	220	130	69.2	205	232	(11.6)
Functional Solutions	63	50	26.0	10,025	9,423	6.4	202	190	6.3	90	93	(3.2)
Agricultural Solutions	104	95	9.5	6,019	5,316	13.2	50	36	38.9	35	42	(16.7)
Oil & Gas	7	4	75.0	9,855	8,927	10.4	252	276	(8.7)	255	104	145.2
Other	95	92	3.3	11,235	10,024	12.1	28	30	(6.7)	41	66	(37.9)
	426	**391**	**9.0**	**64,374**	**59,274**	**8.6**	**1,171**	**859**	**36.3**	**903**	**798**	**13.2**

[1] Investments in intangible assets and property, plant and equipment

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

1st Half (million €)

	Sales			EBITDA			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2012	2011	Change in %	2012	2011	Change in %	2012	2011	Change in %	2012	2011	Change in %
Chemicals	6,832	6,668	2.5	1,240	1,773	(30.1)	903	1,439	(37.2)	902	1,451	(37.8)
Plastics	5,556	5,616	(1.1)	696	980	(29.0)	475	776	(38.8)	486	776	(37.4)
Performance Products	8,121	8,077	0.5	1,223	1,335	(8.4)	898	1,067	(15.8)	811	863	(6.0)
Functional Solutions	5,819	5,584	4.2	482	496	(2.8)	282	309	(8.7)	303	307	(1.3)
Agricultural Solutions	2,794	2,435	14.7	908	757	19.9	833	674	23.6	833	674	23.6
Oil & Gas	8,560	5,916	44.7	2,344	1,310	78.9	2,037	1,076	89.3	1,957	1,076	81.9
Other	2,389	3,526	(32.2)	129	(271)	.	(406)	(372)	(9.1)	57	(380)	.
	40,071	**37,822**	**5.9**	**7,022**	**6,380**	**10.1**	**5,022**	**4,969**	**1.1**	**5,349**	**4,767**	**12.2**

1st Half (million €)

	Research expenses			Assets			Additions to long-term assets[1]			Amortization and depreciation[2]		
	2012	2011	Change in %	2012	2011	Change in %	2012	2011	Change in %	2012	2011	Change in %
Chemicals	70	65	7.7	7,260	6,712	8.2	413	256	61.3	338	322	5.0
Plastics	78	73	6.8	5,784	5,356	8.0	264	91	190.1	210	204	2.9
Performance Products	165	158	4.4	14,196	13,516	5.0	345	231	49.4	412	472	(12.7)
Functional Solutions	118	95	24.2	10,025	9,423	6.4	325	215	51.2	179	189	(5.3)
Agricultural Solutions	197	192	2.6	6,019	5,316	13.2	81	59	37.3	75	83	(9.6)
Oil & Gas	10	7	42.9	9,855	8,927	10.4	413	467	(11.6)	387	234	65.4
Other	194	181	7.2	11,235	10,024	12.1	69	62	11.3	72	109	(33.9)
	832	**771**	**7.9**	**64,374**	**59,274**	**8.6**	**1,910**	**1,381**	**38.3**	**1,673**	**1,613**	**3.7**

[1] Investments in intangible assets and property, plant and equipment

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

Other[3] (million €)

	2nd Quarter			1st Half		
	2012	2011	Change in %	2012	2011	Change in %
Sales	**1,107**	**1,714**	**(35.4)**	**2,389**	**3,526**	**(32.2)**
Thereof Styrenics	–	811	.	–	1,654	.
Thereof Other business included under Other	1,107	903	22.6	2,389	1,872	27.6
EBIT before special items	**(76)**	**(163)**	**53.4**	**(406)**	**(372)**	**(9.1)**
Thereof Group corporate costs	(61)	(59)	(3.4)	(119)	(114)	(4.4)
Corporate research	(96)	(87)	(10.3)	(191)	(170)	(12.4)
Currency results, hedges and other valuation effects	52	(118)	.	(139)	(196)	29.1
Styrenics, fertilizers, other business	13	76	(82.9)	134	261	(48.7)
Special items	(116)	27	.	463	(8)	.
EBIT	**(192)**	**(136)**	**(41.2)**	**57**	**(380)**	**.**

[3] Further information about Other can be found in the Notes on page 26.

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, 2011 were prepared according to the International Financial Reporting Standards (IFRS) valid as of the balance sheet date. The Interim Financial Statements as of June 30, 2012 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 2011 containing the Consolidated Financial Statements as of December 31, 2011 can be found online at: basf.com/report**

Selected exchange rates

	Closing rates		Average rates	
€1 equals	June 30, 2012	Dec. 31, 2011	1st Half 2012	1st Half 2011
Brazil (BRL)	2.58	2.42	2.41	2.29
China (CNY)	8.00	8.16	8.19	9.17
Great Britain (GBP)	0.81	0.84	0.82	0.87
Japan (JPY)	100.13	100.20	103.31	114.95
Malaysia (MYR)	4.00	4.11	4.00	4.25
Mexico (MXN)	16.88	18.05	17.19	16.69
The Russian Federation (RUB)	41.37	41.77	39.71	40.13
Switzerland (CHF)	1.20	1.22	1.20	1.27
South Korea (KRW)	1,441.00	1,498.69	1,480.41	1,544.84
United States (USD)	1.26	1.29	1.30	1.40

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 17 first-time consolidations since the beginning of 2012, eight of which were due to reclassifications and nine because of acquisitions.

Since the beginning of 2012, seven companies have been deconsolidated as a result of mergers with other BASF companies, sale to third parties or decreased significance.

Scope of consolidation

	2012	2011
As of January 1	316	339
Thereof proportionally consolidated	24	21
First-time consolidations	17	18
Thereof proportionally consolidated	–	2
Deconsolidations	7	5
Thereof proportionally consolidated	1	–
As of June 30	**326**	**352**
Thereof proportionally consolidated	23	23

3 – Acquisitions/Divestitures

On February 13, 2012, BASF acquired the Ovonic Battery Company, headquartered in Rochester Hills, Michigan. Ovonic is a license provider for nickel metal hydride (NiMH) battery technologies and produces cathode active materials (CAMs) for batteries. Furthermore, the company operates a research facility for battery materials in Troy, Michigan. Ovonic holds numerous patents and patent applications worldwide in the area of NiMH technology. The company was incorporated into the newly established Battery Materials business unit, a part of the Catalysts division.

BASF acquired B.C. Foam S.p.A.'s polyethylene terephthalate (PET) foams business (headquartered in Volpiano, Italy) effective February 29, 2012. The acquisition comprises production facilities and industrial property rights. This includes a special extrusion process which enables the production of PET high-performance foams with very high density. These PET foams are primarily used in wind turbine rotor blades. Moreover, high-quality PET foam panels are in demand in the automotive and aviation industries, as well as in shipbuilding.

Effective April 25, 2012, BASF acquired Novolyte Technologies, based in Cleveland, Ohio. The acquisition comprises Novolyte's energy storage activities focused on developing, producing and marketing performance electrolyte formulations for lithium-ion batteries. BASF also purchased Novolyte's performance materials business. As part of the acquisition, BASF will continue the joint venture between Novolyte and its Korean partner Foosung Co., Ltd., a global producer of the high-purity specialty salt lithium hexafluorophosphate ($LiPF_6$), an important material for manufacturing lithium-ion battery electrolytes. These electrolytes are key components in the fast-growing market for lithium-ion batteries for automotive, consumer and industrial applications.

BASF concluded the acquisition of the Brazilian Mazzaferro Group's polyamide polymer business, subject to approval by the appropriate authorities, on May 2, 2012. The transaction comprises the site and production facilities for the polyamide-6 product range, as well as engineering plastics compounds at São Bernardo do Campo. BASF will integrate the acquired activities into its existing engineering plastics and polyamide polymer business. BASF's engineering plastics comprise Ultramid® (PA), Ultradur® (PBT), Ultraform® (POM) and Ultrason® (PSU, PESU and PPSU). The engineering plastic Ultramid is a compounded polyamide, derived from base polyamide. The materials are used mainly in automotive and electrical applications.

Furthermore, on May 8, 2012, BASF acquired Equateq Ltd., based in Cheadle, United Kingdom. Equateq is a global leader in the production of highly concentrated omega-3 fatty acids. With this acquisition, BASF is expanding its portfolio of omega-3 products for the pharmaceutical and dietary supplement industries. Equateq's proprietary technology allows flexible formulation of omega-3 fatty acids at exceptional purity levels.

The purchase prices for the acquired businesses totaled €282 million. The purchase price allocations were carried out in the first half of 2012 in accordance with IFRS 3; they are based on estimates and should be regarded as preliminary. The resulting goodwill amounted to €218 million. The purchase price allocations can be adjusted within one year after the acquisition.

Divestiture of fertilizer business

As of January 31, 2012, BASF sold its 50% share in the jointly controlled entity PEC-Rhin, Ottmarsheim, France, to its joint venture partner GPN, Courbevoie, France. PEC-Rhin owns and operates production facilities for calcium ammonium nitrate and ammonium nitrate fertilizers, as well as production facilities for the intermediates ammonia and nitric acid. The net assets that had been reported as part of the fertilizer disposal group were deconsolidated as of the date of sale. The following table shows the calculation of gains on the disposal of BASF's share in PEC-Rhin:

Profit realization from the deconsolidation of PEC-Rhin (million €)

Proceeds from divestiture	34
Disposed net assets as part of the disposal group[1]	(13)
Reinstated receivables and payables, realized intercompany profits	4
Disposal gain	**25**

The sale of BASF's fertilizer activities in Antwerp, Belgium to EuroChem, Moscow, which had been agreed upon on September 27, 2011, was completed on March 31, 2012, after approval was granted by anti-trust authorities. The sale comprises production facilities for calcium ammonium nitrate and ammonium nitrate fertilizers, NPK fertilizers (nitrogen, phosphate, potassium), nitrophosphoric acid and three related nitric acid plants. The sale resulted in the transfer of 330 employees.

The following table shows the assets and liabilities disposed as a result of the sale to EuroChem as of the date of disposal:

Fertilizer disposal group as of the date of disposal (million €)

Disposed assets as part of the disposal group[1]	237
Disposed liabilities as part of the disposal group[1]	(33)
Net assets	**204**

BASF's proceeds from the divestiture amounted to €670 million. In addition, EuroChem will pay BASF a cash compensation of €175 million in the period from 2012 to 2016. The fair value of this compensation amounts to €162 million.

In addition to the disposed assets and liabilities from the disposal group, transaction costs and expenses resulting from the carve-out of the fertilizer activities also reduced the amount of the disposal gains. The following overview shows the individual components of the calculation of disposal gains:

Profit realization from the sale of fertilizer activities (million €)

Proceeds from divestiture	670
Compensation claim	162
Disposed net assets of the disposal group[1]	(204)
Other effects of the divestiture	(8)
Disposal gains	**620**

Other effects resulted from contractual adjustment clauses and from expenses which arose in connection with the divestiture.

In our segment reporting, the entire fertilizer business had previously been reported under Other.

[1] On September 30, 2011 and December 31, 2011, the assets and liabilities of the fertilizer business were reported separately as part of the disposal group.

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 is made up of 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. In particular, these included our styrenics business, which was contributed to the Styrolution joint venture as of October 1, 2011, and our fertilizer business, which we divested in the first quarter of 2012. The remaining activities reported in Other mainly comprise the sale of raw materials, engineering and other services, rental income and leases.

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

Group corporate costs are not allocated to the segments, but rather reported under Other. These consist of the expenses for steering the BASF Group. Earnings from currency conversion that are not allocated to the segments are also reported under Other, as are earnings from the hedging of raw material prices and foreign currency exchange risks. Furthermore, expenses and revenues from the long-term incentive program (LTI program) are reported here.

As expected, sales in Other in the first half of 2012 declined significantly compared with first half of 2011 as a result of the divestiture of both our styrenics and fertilizer businesses. Income from operations improved considerably, however, especially due to the positive special item arising from income of €645 million from the divestiture of our fertilizer business. Furthermore, expenses for the LTI program in the first half of 2012 were around €188 million lower than in the previous year. Negative foreign currency results and the missing earnings contribution from Styrenics both had a negative impact.

Transfers between the segments are almost always executed at market-based prices. Assets, as well as their depreciation and amortization, are allocated to the segments based on economic control. Assets used by more than one segment are allocated based on the percentage of usage.

Assets of Other (million €)

	1st Half	
	2012	2011
Assets of businesses included under Other	2,338	3,073
Financial assets	2,810	2,070
Deferred tax assets	1,552	1,005
Cash and cash equivalents / marketable securities	2,243	1,853
Defined benefit assets	118	497
Miscellaneous receivables / prepaid expenses	2,174	1,526
Assets of Other	**11,235**	**10,024**

Assets of businesses included under Other significantly declined due to the divestiture of our styrenics and fertilizer activities.

Reconciliation reporting for Oil & Gas (million €)

	2nd Quarter		1st Half	
	2012	2011	2012	2011
Income from operations	**800**	**332**	**1,957**	**1,076**
Income from participations	8	29	58	72
Other income	(7)	(8)	(46)	(12)
Income before taxes and minority interests	**801**	**353**	**1,969**	**1,136**
Income taxes	(540)	(70)	(1,205)	(482)
Thereof income taxes on oil-producing operations non-compensable with German corporate income tax	445	–	896	280
Income before minority interests	**261**	**283**	**764**	**654**
Minority interests	(48)	(26)	(135)	(91)
Net income	**213**	**257**	**629**	**563**

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 higher earnings level and higher income taxes in the second quarter of 2012 are primarily attributable to the continuous production of crude oil in Libya; production there had been shut down from February to October, 2011. The decrease in income from participations in the second quarter of 2012 resulted chiefly from lower earnings at OAO Severneftegazprom, which is accounted for using the equity method.

5 – Other operating income and expenses

Other operating income (million €)

	2nd Quarter		1st Half	
	2012	2011	2012	2011
Income from currency conversion and foreign currency transactions	9	51	55	161
Gains on the disposal of property, plant and equipment	7	16	20	27
Reversal and adjustment of provisions	2	2	3	3
Gains on the reversal of allowances for doubtful receivables	6	7	15	22
Revenue from miscellaneous typical business activities	5	(3)	41	19
Miscellaneous	142	212	1,062	338
Other operating income	**171**	**285**	**1,196**	**570**

Other operating expenses (million €)

	2nd Quarter		1st Half	
	2012	2011	2012	2011
Losses from currency conversion and foreign currency transactions	82	45	158	134
Losses on the disposal of property, plant and equipment	8	5	16	7
Expenses from the addition of allowances for doubtful receivables	10	8	21	20
Oil and gas exploration expenses	75	30	98	83
Miscellaneous	394	422	1,022	1,099
Other operating expenses	**569**	**510**	**1,315**	**1,343**

The decline in income from foreign currency transactions was particularly due to lower gains from the hedging of projected sales denominated in U.S. dollars compared with the previous year.

The rise in income reported in Miscellaneous in the first half of 2012 arose primarily from the €645 million gain on the disposal of our fertilizer business as well as from higher payments related to the previous year's earnings in the fertilizer business. In the second quarter of 2011, income of €68 million resulting from the repeal of an E.U. fine imposed on the former Ciba in 2009 was included in this item.

Miscellaneous expenses declined as a result of the reversal of provisions for the long-term incentive (LTI) program due to the lower share price. Contrasting this were impairment charges on a Norwegian oil field development project.

6 – Financial result

Million €	2nd Quarter		1st Half	
	2012	2011	2012	2011
Income from companies accounted for using the equity method	**19**	**3**	**91**	**61**
Income from participations in affiliated and associated companies	20	27	26	31
Income from the disposal of participations	1	3	3	890
Income from profit transfer agreements	8	3	11	5
Income from tax allocation to participating interests	1	–	2	2
Other income from participations	**30**	**33**	**42**	**928**
Losses from loss transfer agreements	(3)	(3)	(4)	(4)
Write-downs of / losses from the sale of participations	–	(14)	(1)	(14)
Other expenses from participations	**(3)**	**(17)**	**(5)**	**(18)**
Interest income from cash and cash equivalents	38	36	78	61
Interest and dividend income from securities and loans	3	6	6	9
Interest income	**41**	**42**	**84**	**70**
Interest expense	**(193)**	**(184)**	**(377)**	**(364)**
Write-ups/profits from the sale of securities and loans	–	–	–	–
Expected income from plan assets to cover pensions and similar obligations	209	201	417	403
Income from plan assets to cover other long-term personnel obligations	1	–	16	8
Income from the capitalization of construction interest	16	24	30	45
Miscellaneous financial income	–	(4)	–	28
Other financial income	**226**	**221**	**463**	**484**
Write-downs/losses from the disposal of securities and loans	–	(1)	–	(1)
Interest cost on pension obligations and other similar obligations	(217)	(204)	(432)	(410)
Expenses from other long-term employee obligations	(4)	(1)	(16)	(14)
Interest cost on other long-term liabilities	(12)	(13)	(26)	(27)
Miscellaneous financial expenses	1	–	(9)	–
Other financial expenses	**(232)**	**(219)**	**(483)**	**(452)**
Financial result	**(112)**	**(121)**	**(185)**	**709**

The increase in income from companies accounted for using the equity method resulted primarily from the adoption of the equity method for Styrolution Holding GmbH as of the fourth quarter of 2011; the previous year also included negative earnings effects from the proportional consolidation of the South Korean Heesung Catalysts Corporation. This was partly offset by lower earnings from OAO Severneftegazprom compared with the same period of the previous year.

The interest result fell year-on-year due to higher interest expenses, which were chiefly the result of higher interest expenses from financial indebtedness in Asia and Brazil.

The higher level of expected income from pension plan assets is attributable to the increase in plan assets compared with the same period of the previous year.

7 – Income taxes

Income before taxes and minority interests (million €)

	2nd Quarter		1st Half	
	2012	2011	2012	2011
Germany	683	775	1,401	2,359
Foreign oil production branches of German companies	565	(15)	1,143	351
Other foreign	869	1,336	2,620	2,766
Income before taxes and minority interests	**2,117**	**2,096**	**5,164**	**5,476**

Income taxes (million €)

	2nd Quarter		1st Half	
	2012	2011	2012	2011
Germany	243	215	426	413
Foreign oil production branches of German companies	530	(18)	1,068	316
Thereof non-compensable	445	–	896	280
Other foreign	53	348	538	650
	826	**545**	**2,032**	**1,379**
Tax rate (%)	39.0	26.0	39.3	25.2

Higher non-compensable income taxes on oil-producing operations led to an increase in the tax rate. The lower tax burden for Other foreign resulted mainly from tax reliefs on exploration activities in Norway.

The sale of our shares in K+S Aktiengesellschaft in the first quarter of 2011 was nearly tax-free. As a result, the tax rate rose year-on-year.

8 – Minority interests

Million €	2nd Quarter		1st Half	
	2012	2011	2012	2011
Minority interests in profits	79	96	197	232
Minority interests in losses	(17)	1	(18)	–
Minority interests	**62**	**97**	**179**	**232**

Higher minority interests in profits resulted primarily from natural gas trading companies as well as Gazprom's stake in a German Wintershall subsidiary that holds production and exploration rights in Libya. Particularly at BASF PETRONAS Chemicals Sdn. Bhd., Malaysia, there were fewer minority interests in profits. There were minority interests in losses mostly at BASF FINA Petrochemicals L.P. in Port Arthur, Texas, as a result of the scheduled shutdown and maintenance of the site's steam cracker.

9 – Earnings per share

		2nd Quarter		1st Half	
		2012	2011	2012	2011
Net income	million €	1,229	1,454	2,953	3,865
Number of outstanding shares (weighted average)	in thousands	918,479	918,479	918,479	918,479
Earnings per share	**€**	**1.34**	**1.59**	**3.22**	**4.21**

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 employee incentive share program "*plus*."

In the second quarter of 2012, and in the corresponding period of 2011, 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 Half 2012		
	Intangible assets	**Property, plant and equipment**	**Investments accounted for using the equity method and other financial assets**
Acquisition costs			
Balance as of January 1	15,113	57,403	2,967
Additions	279	1,631	80
Disposals	(625)	(307)	(29)
Transfers	58	36	38
Exchange differences	136	418	4
Balance as of June 30	**14,961**	**59,181**	**3,060**
Amortization and depreciation			
Balance as of January 1	3,194	39,437	267
Additions	302	1,371	–
Disposals	(615)	(270)	(14)
Transfers	4	4	(3)
Exchange differences	15	258	–
Balance as of June 30	**2,900**	**40,800**	**250**
Net book value as of June 30	**12,061**	**18,381**	**2,810**

Development (million €)

	1st Half 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	154	1,227	56
Disposals	(303)	(335)	(1,290)
Transfers	45	27	33
Exchange differences	(383)	(1,070)	(17)
Balance as of June 30	**14,745**	**54,581**	**2,326**
Amortization and depreciation			
Balance as of January 1	2,987	37,491	263
Additions	367	1,246	1
Disposals	(286)	(292)	(4)
Transfers	4	2	(3)
Exchange differences	(57)	(642)	–
Balance as of June 30	**3,015**	**37,805**	**257**
Net book value as of June 30	**11,730**	**16,776**	**2,069**

Additions to property, plant and equipment in the first half of 2012 arose from a number of investments. The most significant investments were related to the construction of production facilities for L-menthol and methanesulfonic acid in Ludwigshafen, the construction of natural gas pipelines and natural gas storage facilities in Europe, and investments for maintenance and expansion purposes, in particular at the sites in Ludwigshafen, Germany; Geismar, Louisiana; Port Arthur, Texas; and Nanjing, China. The amortization and depreciation of property, plant and equipment includes €106 million in impairment charges, which are primarily related to a Norwegian oil field development project.

In intangible assets, disposals are primarily related to the derecognition of fully amortized distribution and supply rights and IT licenses. Transfers include the addition of free emission rights for 2012 and the derecognition of the expired emission rights for 2011, as well as fluctuations in fair value.

11 – Short-term assets

Million €	June 30, 2012	June 30, 2011	Dec. 31, 2011
Raw materials and factory supplies	2,846	2,576	2,922
Work-in-process, finished goods and merchandise	7,434	6,790	7,034
Advance payments and services-in-process	161	124	103
Inventories	**10,441**	**9,490**	**10,059**
Accounts receivables, trade	**12,473**	**10,874**	**10,886**
Other receivables and miscellaneous short-term assets	3,782	3,537	3,781
Marketable securities	25	15	19
Cash and cash equivalents	2,218	1,838	2,048
Assets of disposal groups	–	1,019	295
Other short-term assets	**6,025**	**6,409**	**6,143**
Short-term assets	**28,939**	**26,773**	**27,088**

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

Trade accounts receivable increased compared with December 31, 2011, due to higher sales in the Functional Solutions and Agricultural Solutions segments, as well as to currency effects.

12 – Equity

Authorized capital

At the Annual Shareholders' Meeting of April 30, 2009, shareholders authorized the Board of Executive Directors, with the approval of the Supervisory Board, to increase the subscribed capital by up to €500 million by issuing new shares against cash 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 €315 million in the first half of 2012. The offsetting of actuarial gains and losses, as well as the asset ceiling, resulted in a reduction in retained earnings of €1,345 million in the first half of 2012 and an increase of €46 million in the same period of 2011.

Reserves (million €)

	June 30, 2012	Dec. 31, 2011
Legal reserves	698	383
Other retained earnings	18,070	19,063
Retained earnings	**18,768**	**19,446**

Payment of dividends

In accordance with the resolution of the Annual Shareholders' Meeting on April 27, 2012, BASF SE paid a dividend of €2.50 per share from the retained profit of the 2011 fiscal year. With 918,478,694 shares entitled to dividends, this amounts to a total dividend payout of €2,296,196,735.00.

13 – Provisions for pensions

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

	Germany		Foreign	
	June 30, 2012	Dec. 31, 2011	June 30, 2012	Dec. 31, 2011
Discount rate	4.00	5.00	3.69	4.34
Projected increase of wages and salaries	2.75	2.75	3.71	3.71
Projected pension increase	2.00	2.00	0.70	0.70

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

	Germany		Foreign	
	2012	2011	2012	2011
Discount rate	5.00	5.00	4.34	4.74
Projected increase of wages and salaries	2.75	2.75	3.71	3.79
Projected pension increase	2.00	1.75	0.70	1.00
Expected return on plan assets	5.28	5.28	5.66	5.49

The assumptions used to ascertain the defined benefit obligation as of December 31, 2011, are used in the reporting year 2012 to determine the expenses for pension plans.

The expected long-term rate of return is 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.

The discounting of pension obligations is based on market yields on high-quality, fixed-rate corporate bonds in the matching currency as of the balance sheet date. In the first half of 2012, developments in the capital markets led to a considerable reduction of the average weighted discount rate. The rise in pension obligations resulting from the adjustment of the discount rate is the main reason for the €1,855 million increase in provisions for pensions as of June 30, 2012. The actual return on assets exceeded assumptions; in total, actuarial losses of €1,957 million were recognized directly in equity, taking into account deferred taxes of €611 million.

14 – Other provisions

Development of other provisions in first half 2012 (million €)

	January 1, 2012	Additions	Accrued interest	Utilization	Reversals	Other changes	June 30, 2012
Restoration obligations	983	5	20	(12)	–	6	1,002
Environmental protection and remediation costs	659	64	1	(93)	(2)	(2)	627
Employee obligations	1,876	841	6	(1,060)	(40)	(7)	1,616
Sales and purchase risks	665	614	–	(165)	(17)	13	1,110
Restructuring measures	198	67	–	(46)	(6)	11	224
Legal costs, damage claims, guarantees and related commitments	190	7	6	(8)	(1)	(4)	190
Other	1,974	493	–	(387)	(50)	7	2,037
Total	**6,545**	**2,091**	**33**	**(1,771)**	**(116)**	**24**	**6,806**

In the first half of 2012, there were significant changes in the provisions for employee obligations. Additions to provisions for variable compensation were more than offset by the utilization of provisions for variable compensation payments for the past fiscal year. In addition, the Agricultural Solutions segment posted a seasonal increase in sales provisions. Other includes long-term tax provisions as well as further present obligations and accruals.

15 – Liabilities

Liabilities (million €)

	June 30, 2012		June 30, 2011		Dec. 31, 2011	
	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term
Accounts payable, trade	**5,758**	**–**	**4,820**	**–**	**5,121**	**–**
Bonds and other liabilities to the capital market	3,522	7,198	2,936	8,815	2,942	7,358
Liabilities to credit institutions	1,359	1,663	920	1,424	1,043	1,661
Financial indebtedness	**4,881**	**8,861**	**3,856**	**10,239**	**3,985**	**9,019**
Tax liabilities	**1,463**	**–**	**1,374**	**–**	**1,038**	**–**
Advances received on orders	114	–	79	–	272	–
Liabilities on bills	34	4	46	2	46	4
Liabilities related to social security	171	21	162	23	152	23
Miscellaneous liabilities	2,182	908	2,008	686	2,438	942
Deferred income	343	176	321	214	128	173
Other liabilities	**2,844**	**1,109**	**2,616**	**925**	**3,036**	**1,142**

Financial indebtedness (million €)

			Carrying amounts based on effective interest method		
	Nominal value (million, in issuing currency)	Effective interest rate	June 30, 2012	Dec. 31, 2011	June 30, 2011
3.375% Euro Bond 2005/2012 of BASF SE	1,400	3.42%	–	1,400	1,400
3.75% Euro Bond 2009/2012 of BASF SE	1,350	3.97%	1,353[1]	1,356	1,346
4.5% Euro Bond 2006/2016 of BASF SE	500	4.62%	498	498	497
4.25% Euro Bond 2009/2016 of BASF SE	200	4.40%	199	199	199
5.875% GBP Bond 2009/2017 of BASF SE	400	6.04%	493	475	440
4.625% Euro Bond 2009/2017 of BASF SE	300	4.69%	299	299	299
6% Euro Bond 2008/2013 of BASF Finance Europe N.V.	1,250	6.15%	1,248	1,247	1,246
5% Euro Bond 2007/2014 of BASF Finance Europe N.V.	1,000	5.09%	998	998	997
5% Euro Bond 2007/2014 of BASF Finance Europe N.V.	250	4.83%	251	251	251
3.625% CHF Bond 2008/2015 of BASF Finance Europe N.V.	200	3.77%	165	164	165
5.125% Euro Bond 2009/2015 of BASF Finance Europe N.V.	1,500	5.30%	1,493	1,492	1,491
5.125% Euro Bond 2009/2015 of BASF Finance Europe N.V.	500	4.38%	510	511	513
4.5% Euro Medium Term Note 2009/2016 of BASF Finance Europe N.V.	150	4.56%	150	150	150
3.25% CHF Bond 2006/2012 of Ciba Spezialitätenchemie Finanz AG	225	3.32%	186	184	184
4.875% Euro Bond 2003/2018 of Ciba Spec. Chem. Finance Luxemburg S.A.	477	4.88%	414	409	405
USD Commercial Paper	2,239		1,778	–	1,535
Other bonds			685	667	634
Bonds and other liabilities to the capital market			**10,720**	**10,300**	**11,752**
Liabilities to credit institutions			3,022	2,704	2,343
Financial indebtedness			**13,742**	**13,004**	**14,095**

[1] Interest rate swaps were performed in July 2011 to hedge against interest rate risks for the 3.75% Euro Bond of BASF SE. Fair value hedge accounting is applied in this context, resulting in an adjustment of the carrying amount of the bond by €4 million.

16 – Related-party transactions

Material supply relationships exist for the supply of 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 sales amounted to €533 million in the first half of 2012 and €443 million in the same period of 2011.

In addition, there are material supply relationships with the jointly-controlled entities Ellba C.V., the Netherlands, and Ellba Eastern Private Ltd., Singapore. The unconsolidated portion of these sales amounted to €280 million in the first half of 2012 and €246 million in the same period of 2011. Substantial sales with associated companies and other participations are related to Styrolution Belgium N.V., Antwerp, Belgium; Styrolution South East Asia Pte. Ltd., Singapore; and Styrolution GmbH, Ludwigshafen, Germany. Sales with these companies amounted to €957 million in the first half of 2012 and €1,529 million in the same period of 2011. These companies were fully consolidated until September 30, 2011.

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

Calculation of Adjusted Earnings per Share

Million €		2nd Quarter		1st Half	
		2012	2011	2012	2011
Income before taxes and minority interests		2,117	2,096	5,164	5,476
Special items		261	49	(327)	(656)
Amortization of intangible assets		150	165	302	367
Amortization of intangible assets contained in the special items		–	–	–	(30)
Adjusted income before taxes and minority interests		**2,528**	**2,310**	**5,139**	**5,157**
Adjusted income taxes		987	605	2,040	1,530
Adjusted income before minority interests		**1,541**	**1,705**	**3,099**	**3,627**
Adjusted minority interests		64	97	184	234
Adjusted net income		**1,477**	**1,608**	**2,915**	**3,393**
Weighted average number of outstanding shares	in thousands	918,479	918,479	918,479	918,479
Adjusted earnings per share	**€**	**1.60**	**1.75**	**3.17**	**3.69**

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. These involve 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 the International Financial Reporting Standards (IFRS) is presented in the Notes on page 30. Adjusted income before taxes and minority interests, adjusted net income and adjusted earnings per share are key ratios that are not defined under IFRS. They should not be viewed in isolation, but rather treated as supplementary information.

Statement in Accordance with Section 37y and Section 37w (2) No. 3 of the German Securities Trading Act

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the Interim Financial Statements give a true and fair view of the assets, liabilities, financial position and profit situation of the Group, and the Interim Management's Analysis includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remainder of the financial year.

Ludwigshafen, July 24, 2012
BASF SE
The Board of Executive Directors

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 104 to 112 in the BASF Report 2011. The BASF Report can be found online at: basf.com/report. We do not assume any obligation to update the forward-looking statements contained in this report.

Interim Report 3rd Quarter 2012

Oct. 25, 2012

Full Year Results 2012

Feb. 26, 2013

Annual Shareholders' Meeting 2013 / Interim Report 1st Quarter 2013

April 26, 2013

Interim Report 1st Half 2013

July 25, 2013

Further Information

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