Interim Report
1st Half 2013

BASF maintains good business performance in challenging environment in first half of 2013

- Slight increase in sales and EBIT before special items
- Successful business development in Agricultural Solutions segment
- Outlook for 2013: sales and earnings increase continues to be targeted in volatile economic environment

BASF
The Chemical Company

BASF Group
1st Half 2013

		2nd Quarter[1]			1st Half[1]		
		2013	2012	Change in %	2013	2012	Change in %
Sales	million €	18,353	17,836	2.9	38,091	36,676	3.9
Income from operations before depreciation and amortization (EBITDA)	million €	2,489	2,510	(0.8)	5,343	5,814	(8.1)
Income from operations (EBIT) before special items	million €	1,832	1,937	(5.4)	4,046	3,947	2.5
Income from operations (EBIT)	million €	1,773	1,676	5.8	3,942	4,274	(7.8)
Financial result	million €	(162)	(145)	(11.7)	(288)	(303)	5.0
Income before taxes and minority interests	million €	1,611	1,531	5.2	3,654	3,971	(8.0)
Net income	million €	1,157	1,208	(4.2)	2,603	2,911	(10.6)
Earnings per share	€	1.26	1.32	(4.2)	2.83	3.17	(10.7)
Adjusted earnings per share[2]	€	1.40	1.59	(11.9)	3.07	3.13	(1.9)
Cash provided by operating activities	million €	1,989	1,872	6.3	4,030	3,411	18.1
Additions to long-term assets[3]	million €	1,119	1,140	(1.8)	2,685	1,857	44.6
Research and development expenses	million €	455	422	7.8	884	825	7.2
Amortization and depreciation[3]	million €	716	834	(14.1)	1,401	1,540	(9.0)
Segment assets (as of June 30)[4]	million €	54,397	52,932	2.8	54,397	52,932	2.8
Personnel costs	million €	2,356	2,087	12.9	4,635	4,457	4.0
Number of employees (as of June 30)		111,614	109,614	1.8	111,614	109,614	1.8

1 We have applied International Financial Reporting Standards 10 and 11 and International Accounting Standard 19 (revised) since January 1, 2013; the figures for 2012 have been restated accordingly. For more, see the Notes to the Interim Financial Statements from page 24 onward.
2 For further information, see page 39
3 Intangible assets and property, plant and equipment (including acquisitions)
4 Intangible assets, property, plant and equipment, inventories and business-related receivables

Contents

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

1st Half 2013

Sales
Change compared with 1st half 2012

+4%

EBIT before special items
(Change compared with 1st half 2012)
Million €

4,046 (+99)

← **On the cover:** Dr. Vijay Swaminathan (center) with colleagues Manoojkumar Poonoth (left) and Nitin Gupte (right) in the Organic Synthetic Lab in Mumbai, India. Here, the researchers work on innovative solutions for application areas like crop protection or energy.

BASF's Segments

Chemicals Page 7

The Chemicals segment comprises our business with basic chemicals and intermediates. Its portfolio ranges from glues and electronic chemicals to solvents, plasticizers and high-volume monomers as well as starting materials for detergents, plastics, textile fibers, paints and coatings and pharmaceuticals. In addition to supplying customers in the chemical industry and numerous other sectors, we also ensure that other BASF segments are supplied with chemicals for producing downstream products.

Performance Products Page 8

Our Performance Products lend stability and color to countless everyday items and help to improve their application properties. Our product portfolio also includes vitamins and food additives as well as ingredients for pharmaceuticals and for hygiene, home and personal care items. Other products from this segment 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 Materials & Solutions Page 10

In the Functional Materials & Solutions segment, we bundle system solutions, services and innovative products for specific sectors and customers, in particular for the automotive, chemical and construction industries as well as for household applications and for sports and leisure. Our portfolio comprises catalysts, battery materials, engineering plastics, polyurethane systems, 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, increase the quality of agricultural products and secure crop yields. Our research in plant biotechnology concentrates on plants for greater efficiency in agriculture, better nutrition, and 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

We focus our exploration and production on oil and gas-rich regions in Europe, North Africa, South America, Russia, the Middle East 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.

Little beads go a long way

→ The adidas Energy Boost running shoe uses new BASF specialty foam: Infinergy™

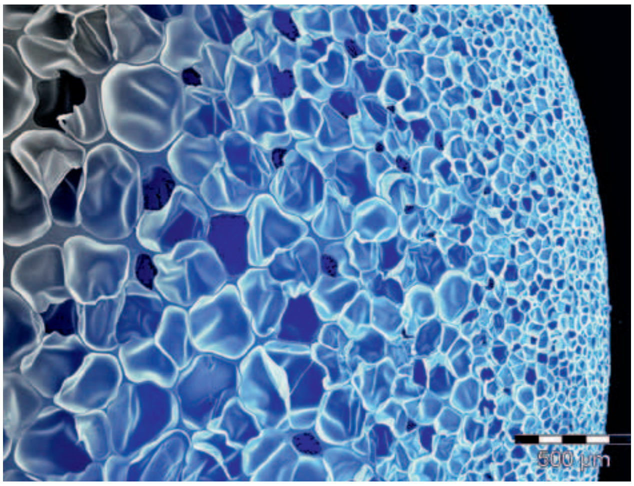
The world is on the move. To keep physically fit, more and more people are running for miles, across fields and along roadways. A good running shoe is essential: Even occasional joggers these days are looking for lightweight soles that provide optimal shock absorption and make running even more fun. Using BASF's new Infinergy™ foam, adidas has developed the Energy Boost running shoe with unique properties for cushioning and resilience.

The ingenious thing about the Energy Boost is its midsole made of Infinergy™: It absorbs the foot's impact while jogging and sends the energy right back to the runner. This is made possible by the distinctive structure of Infinergy™, the world's first expanded thermoplastic polyurethane (E-TPU). Infinergy™ is created by foaming up TPU granules, each of which expands to 10 times its volume. This produces foam beads with tiny gas bubbles sealed inside, making them very bouncy.

In addition to its high elasticity, Infinergy™ is marked by outstanding resilience. This works to the runner's benefit: As soon as the compression from the foot's impact is released, the foam springs instantly back into shape. The energy expended in a footfall is thus largely returned to the athlete. A further advantage: Infinergy™ remains elastic over a wide temperature span, ensuring that the Energy Boost is just as shock-absorbant and springy at minus 20 C as it is at a summery 30 C.

Its properties make Infinergy™ a material with a broad range of applications. E-TPU can be used anywhere customers require a combination of light weight, excellent mechanical properties and high durability, such as in automotive manufacturing or mechanical engineering.

adidas employs Infinergy™ in its innovative Energy Boost running shoe.



This scanning electron microscope image shows the sealed cells inside an Infinergy™ particle.

BASF innovations – Infinergy™

- The new BASF foam Infinergy™ provides the adidas Energy Boost running shoe with unique cushioning and shock absorption properties
- Infinergy™ is made up of highly elastic little beads produced by foaming up TPU granules
- Runners benefit from the outstanding resilience of Infinergy™ by receiving significant energy rebound from each footfall while jogging
- The foam maintains its elasticity over a broad range of temperatures

BASF Group Business Review 2nd Quarter 2013

After a solid first quarter, our business development was slightly more modest in the second quarter of 2013. Compared with the same period of the previous year, we increased sales by 3% to just under €18.4 billion thanks to higher sales volumes. Income from operations before special items decreased by €105 million to around €1.8 billion. Earnings in the Chemicals and Performance Products segments did not match the level of the previous second quarter; however, earnings increased significantly in the Functional Materials & Solutions, Agricultural Solutions and Oil & Gas segments.

Sales volumes rose in all segments. The strongest volume growth was achieved in the Agricultural Solutions and Oil & Gas segments. Sales prices were stable overall. Portfolio measures also had no material effect on sales development, but negative currency effects dampened sales.

Factors influencing sales (% of sales)

	2nd Quarter
Volumes	5
Prices	0
Portfolio	0
Currencies	(2)
	3

We have applied international accounting standards IFRS 10 and 11 since January 1, 2013. As a result, four companies which had previously been fully consolidated, along with 14 which had been proportionally consolidated, are accounted for in the BASF Group Financial Statements using the equity method. We have adjusted the figures for the 2012 business year in order to ensure comparability. These adjusted prior-year figures also take into account the new segment structure as of January 1, 2013.

→ **For more on IFRS 10 and 11, see the Notes to the Interim Financial Statements from page 24 onward.**

Sales decreased in the **Chemicals** segment. Reduced raw material costs led to lower sales prices. Volumes rose slightly. Compared with the second quarter of 2012, we posted a decline in earnings. This was mainly the result of weaker margins for caprolactam and polyamides.

In the **Performance Products** segment, sales were down on account of negative currency effects and lower sales prices resulting from reduced raw material costs. Increased volumes as well as portfolio effects from the acquisition of Pronova BioPharma both had a positive impact on sales. Intense competition in some product lines and the depreciation of the yen against the euro led to an earnings level below that of the previous second quarter.

Second-quarter sales (million €, relative change)

Chemicals	**2013**	**4,183**	**(4%)**
	2012	4,343	
Performance Products	**2013**	**4,032**	**(1%)**
	2012	4,079	
Functional Materials & Solutions	**2013**	**4,503**	**2%**
	2012	4,412	
Agricultural Solutions	**2013**	**1,727**	**18%**
	2012	1,467	
Oil & Gas	**2013**	**2,836**	**10%**
	2012	2,567	
Other	**2013**	**1,072**	**11%**
	2012	968	

We increased sales in the **Functional Materials & Solutions** segment as a result of higher volumes and sales prices. Currency effects reduced sales growth. Earnings considerably exceeded the level of the previous second quarter in all divisions. Better margins made a significant contribution to this.

BASF Group 2nd Quarter 2013

- BASF's business develops slightly more moderately in second quarter of 2013 than in first quarter
- Sales grow by 3% compared with second quarter of 2012 to just under €18.4 billion due to higher volumes, particularly in Agricultural Solutions and Oil & Gas segments
- Income from operations before special items decreases by 5% to around €1.8 billion
- Lower earnings in Chemicals and Performance Products segments
- Application of International Financial Reporting Standards 10 and 11 since January 1, 2013; previous year's figures have been adjusted

Our business continued to develop very successfully in the **Agricultural Solutions** segment: Sales and earnings considerably surpassed the level of the previous second quarter. We raised sales volumes in all regions and indications. Furthermore, higher prices and the acquisition of Becker Underwood also contributed to this sales and earnings growth.

Sales grew in the **Oil & Gas** segment, despite lower crude oil prices. This was mostly a result of increased volumes in natural gas trading. Earnings significantly exceeded the level of the previous second quarter thanks to a higher contribution from the Exploration & Production business sector.

Sales in **Other** were above the level of the same quarter of the previous year. Income from operations before special items declined, mainly due to valuation effects for the long-term incentive program: While the second quarter of 2013 included expenses for recognizing provisions, provisions had been reversed in the second quarter of 2012.

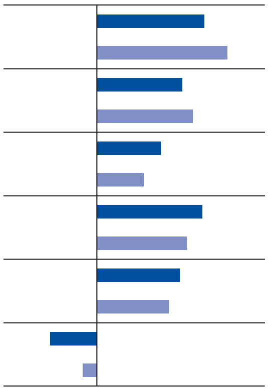
Special items in EBIT totaled minus €59 million in the second quarter of 2013. These were considerably below the previous second quarter's amount of minus €261 million, which had primarily comprised impairment charges on a Norwegian oilfield development project. Special items for restructuring measures matched the level of the previous second quarter. Furthermore, the second quarter of 2013 included special charges from the integration of Pronova BioPharma.

EBIT grew by €97 million to reach €1,773 million. EBITDA, however, decreased by €21 million to €2,489 million.

Despite a better interest result, the **financial result** was minus €162 million in the second quarter of 2013, representing a year-on-year decrease of €17 million. This was primarily the result of lower income from participations and higher net financing expenses from pension obligations. Special income in the financial result amounted to €13 million.

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

Chemicals	**2013**	**495**	**(106)**
	2012	601	
Performance Products	**2013**	**394**	**(48)**
	2012	442	
Functional Materials & Solutions	**2013**	**293**	**77**
	2012	216	
Agricultural Solutions	**2013**	**485**	**71**
	2012	414	
Oil & Gas	**2013**	**382**	**52**
	2012	330	
Other	**2013**	**(217)**	**(151)**
	2012	(66)	



Income before taxes and minority interests improved by €80 million to €1,611 million compared with the second quarter of 2012. At 23.8%, the tax rate was significantly above the level of the previous second quarter (18.5%). This was largely because of higher tax credits in the previous second quarter that had resulted from impairment charges on a Norwegian oilfield development project.

As a consequence of the increased tax expense and higher minority interests in profits, **net income** was reduced by €51 million to €1,157 million.

Earnings per share fell by €0.06 to €1.26. Adjusted for special items and amortization of intangible assets, earnings per share declined to €1.40 (second quarter of 2012: €1.59).

→ **Information on the calculation of adjusted earnings per share can be found on page 39.**

Special items reported in earnings before taxes (million €)

	2013	2012
1st quarter	10	588
2nd quarter	(46)	(261)
1st half	**(36)**	**327**
3rd quarter		(68)
4th quarter		(252)
Full year		**7**

Adjusted earnings per share (€)

	2013	2012
1st quarter	1.67	1.54
2nd quarter	1.40	1.59
1st half	**3.07**	**3.13**
3rd quarter		1.16
4th quarter		1.35
Full year		**5.64**

BASF Group Business Review 1st Half 2013

In the first half of 2013, both the world economy and global industrial production grew only moderately. In light of these challenging conditions, our business performed well: Sales reached around €38.1 billion, surpassing the level of the previous first half by 4%. We increased our income from operations before special items by 3% to more than €4 billion. Our business with crop protection products developed very successfully, contributing substantially to sales and earnings growth. Earnings rose considerably in the Functional Materials & Solutions segment. Higher volumes in the Oil & Gas segment also boosted sales and earnings development.

At €4 billion, our operating cash flow was significantly above that of the first half of 2012.

We increased sales volumes compared with the same period of the previous year. This was primarily attributable to higher volumes in the Agricultural Solutions and Oil & Gas segments. Sales prices matched the level of the first half of 2012. While prices declined slightly in Chemicals and Performance Products, we were able to raise prices in the other segments. Overall, portfolio effects did not significantly influence sales development, but currency effects had a negative impact on sales.

Factors influencing sales (% of sales)

	1st Half
Volumes	5
Prices	0
Portfolio	0
Currencies	(1)
	4

Sales in the **Chemicals** segment declined compared with the first half of 2012. This was mainly due to a volume and price-related lower sales level in the Petrochemicals division. We increased sales volumes in the Monomers and Intermediates divisions. Primarily as a result of weaker margins for caprolactam and polyamides, earnings were just below the level of the previous first half.

Sales decreased in the **Performance Products** segment owing to lower prices and negative currency effects. In the Paper Chemicals division, lower volumes also contributed to a sales decline. The Nutrition & Health division posted sales growth following the acquisition of Pronova BioPharma. Earnings were below the level of the previous first half. This was predominantly due to intensified competition in some product lines as well as the depreciation of the yen against the euro.

First-half sales (million €, relative change)

Chemicals	**2013**	**8,579**	**(3%)**
	2012	8,856	
Performance Products	**2013**	**7,912**	**(2%)**
	2012	8,042	
Functional Materials & Solutions	**2013**	**8,684**	**1%**
	2012	8,580	
Agricultural Solutions	**2013**	**3,283**	**18%**
	2012	2,794	
Oil & Gas	**2013**	**7,496**	**16%**
	2012	6,460	
Other	**2013**	**2,137**	**10%**
	2012	1,944	

In the **Functional Materials & Solutions** segment, sales were up compared with the first half of 2012. Higher volumes and prices more than compensated for negative currency effects. Sales volumes grew, particularly in the Performance Materials division. However, volumes fell in the Construction Chemicals

BASF Group 1st Half 2013

– BASF's business maintains good performance given challenging conditions
– Compared with first half of 2012, sales grow by 4% to around €38.1 billion as a result of higher volumes
– Especially in Agricultural Solutions and Oil & Gas, sales volumes significantly above level of previous first half
– Income from operations before special items raised by 3% to more than €4 billion
– Significant earnings improvement in Functional Materials & Solutions and Agricultural Solutions segments

division, due in part to the continuing difficult market environment in Southern Europe. Earnings were considerably above the level of the previous first half. All divisions in the segment significantly raised their earnings in the second quarter.

The first half of 2013 was very successful in the **Agricultural Solutions** segment. Sales considerably exceeded the level of the same period of the previous year, mainly as a result of the sharp increase in sales volumes. Higher sales prices and the acquisition of Becker Underwood also contributed to this sales growth. We significantly improved our earnings, especially through increased volumes.

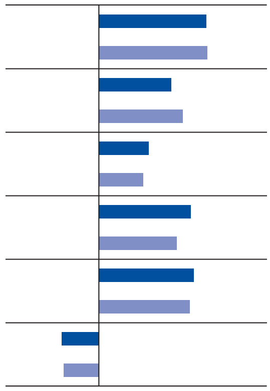
Sales rose in the **Oil & Gas** segment, mostly due to higher production and trading volumes as well as increased prices in natural gas trading. Thanks to a higher contribution from the Exploration & Production business sector, earnings grew compared with the first half of 2012. By contrast, continuing pressure on trading margins led to a decrease in earnings in the Natural Gas Trading business sector.

Sales in **Other** were considerably above the level of the first half of 2012. The increase resulted particularly from higher volumes in precursors not assigned to a particular segment, from raw material trading and from services. Income from operations before special items declined, however. This was mostly attributable to the high earnings compensation in the divested fertilizer business in the previous first half. Expenses from the long-term incentive program were lower in the first half of 2013 than in the same period of 2012.

EBIT included a total of minus €104 million in **special items**. These resulted from the integration of Becker Underwood and Pronova BioPharma in addition to various restructuring measures. The previous first half's EBIT had included special items totaling €327 million arising primarily from income of €645 million on the divestiture of our fertilizer business. These had been counterbalanced by impairment charges on a Norwegian oilfield development project.

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

Chemicals	**2013**	**1,145**	**(12)**
	2012	1,157	
Performance Products	**2013**	**773**	**(121)**
	2012	894	
Functional Materials & Solutions	**2013**	**532**	**59**
	2012	473	
Agricultural Solutions	**2013**	**983**	**150**
	2012	833	
Oil & Gas	**2013**	**1,012**	**42**
	2012	970	
Other	**2013**	**(399)**	**(19)**
	2012	(380)	



Compared with the first half of the previous year, **EBIT** declined by €332 million to €3,942 million. EBITDA fell by €471 million to €5,343 million.

The **financial result** amounted to minus €288 million. The improvement of €15 million was due in part to the improved interest result. Income from participations declined compared with the first half of 2012.

Income before taxes and minority interests decreased by €317 million to €3,654 million. At 24.1%, the tax rate in the first half of 2013 was slightly higher than in the same period of the previous year (23.4%).

Net income declined by €308 million to €2,603 million.

At €2.83, **earnings per share** were €0.34 below the first half of 2012. Adjusted for special items and amortization of intangible assets, earnings per share were €3.07, only marginally below the same period of the previous year (€3.13).

→ **Information on the calculation of adjusted earnings per share can be found on page 39.**

Earnings in the 1st Half of 2013

– At more than €4 billion, income from operations before special items exceeds level of previous first half by 3%
– Income before taxes and minority interests declines by €317 million to €3,654 million
– At €2,603 million, net income is €308 million lower than in first half of 2012
– Earnings per share of €2.83 (first half of 2012: €3.17)
– Adjusted earnings per share of €3.07 (first half of 2012: €3.13)

BASF on the Capital Market

Overview of BASF shares

		2nd Quarter 2013	1st Half 2013
Performance (with dividends reinvested)			
BASF	%	4.2	±0
DAX 30	%	2.1	4.6
DJ EURO STOXX 50	%	1.2	1.4
DJ Chemicals	%	(0.2)	1.7
MSCI World Chemicals	%	0.8	6.8
Share prices and trading (XETRA)			
Average	€	71.47	72.10
High	€	75.79	75.85
Low	€	65.55	65.55
Close (end of period)	€	68.63	68.63
Average daily trade	million shares	3.3	3.0
Outstanding shares (end of period)	million shares	918.5	918.5
Market capitalization (end of period)	billion €	63.0	63.0

Market trend

Stock markets initially saw favorable development in the second quarter of 2013. The U.S. benchmark index Dow Jones Industrial Average and the German DAX 30 achieved new peak levels in May. BASF's shares reached a new all-time high of €75.79 on June 3, 2013. However, investors took profits over the month of June, encouraged by increasing uncertainty about future economic development as well as by the Federal Reserve's statements on the potential end of the bond purchase program. The BASF share price receded as a result; at the end of the quarter, shares traded at €68.63. Compared with the first quarter's closing price, this represents a gain of 0.5%. Assuming the dividend of €2.60 paid out on April 29, 2013, was reinvested, our share performance was 4.2%. In the second quarter, the DAX 30 and the European benchmark index DJ EURO STOXX 50 rose 2.1% and 1.2%, respectively. The global industry index MSCI World Chemicals improved over the same period by 0.8%, while DJ Chemicals fell by 0.2%.

Good credit ratings and 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. Our financing remains solid. Since the beginning of the year, net debt has increased by €1,302 million to around €12.5 billion.

Financial communication honored again

Our financial communication has again won awards. In the annual survey conducted by Britain's IR Magazine, we received the Grand Prix for Best Overall Investor Relations and took several first prizes, including in the categories for Best Investor Relations by a German Company and Chemicals/Specialty Chemicals. Furthermore, we were honored for our corporate report and the effective use of online and social media in financial communication.

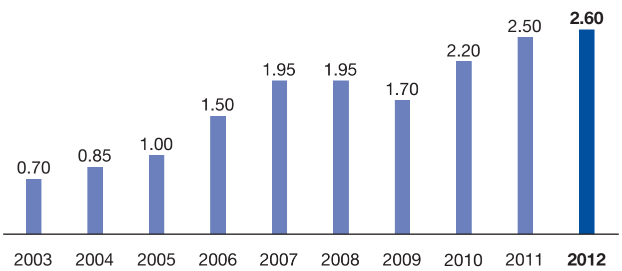
→ **For up-to-date information on BASF shares online, visit basf.com/share**

BASF on the Capital Market

– Rising by 4.2%, BASF shares outperform the most important industry indices in second quarter of 2013
– Dividend of €2.60 per share paid out
– Good credit ratings and solid financing; net debt rises by €1,302 million
– BASF's financial communication awarded once again

→ **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

Restructuring measures are progressing in the Performance Products segment. We signed a contract with Degrémont to sell Industrial Water Management France SAS, our company for industrial wastewater treatment in France. Degrémont, a subsidiary of SUEZ ENVIRONNEMENT Group, will continue operations at the production sites in Lyon and La Courneuve. We expect the transaction to close in the third quarter of 2013.

We are bolstering investments in our crop protection business in Asia Pacific and South America. In Rudong, China, we plan to build a new formulation and packaging plant. With an annual capacity of 10,000 metric tons, the plant is expected to begin operations in 2014. Furthermore, we will expand our AgCelence portfolio in the Asia Pacific region by more than ten additional crops by 2015. In South America, we aim to expand our production and formulation capacities for important crop protection products at our site in Guaratinguetá, Brazil. We will build a production facility for biological crop protection in Chile, strengthening the portfolio of our new Functional Crop Care business unit.

Through three separate transactions, we have fortified our activities in industrial enzyme technology. First, we acquired Henkel's enzyme technology for detergents and cleaners. In addition, we are able to use a new production technology for enzymes and other proteins thanks to a research and licensing agreement with the biotechnology company Dyadic International Inc. Furthermore, we have signed a collaboration agreement with Direvo Industrial Biotechnology GmbH to develop a highly efficient feed enzyme for animal nutrition.

Economic environment

At just under 2%, global gross domestic product grew very modestly in the first half of 2013 compared with the same period of the previous year. Global industrial production only rose by around 1% over the same period. In the eurozone, industrial production stabilized over the first half of the year, but consumer confidence and the business climate remained at a low level. Despite the dampening effects of fiscal policy, the United States posted moderate growth in gross domestic product, which nevertheless slowed down in the second quarter. Japan is currently experiencing an economic recovery as a result of government stimulus measures. With a growth rate of 7.6%, momentum in China remained behind the first half of 2012. Due to weak impetus from foreign trade and minimal gains in consumer spending, growth in Brazil was also restrained in the first half of 2013.

→ **The outlook for the full year 2013 can be found on page 16.**

Significant Events and Economic Environment

- The industrial wastewater treatment business in France will be sold to Degrémont
- We plan investments in our business with crop protection products in Asia Pacific and South America
- We strengthen our enzyme technology activities with three transactions
- Global gross domestic product increases by just under 2% compared with first half of 2012

Chemicals

Segment data Chemicals (million €)

	2nd Quarter			1st Half		
	2013	2012[1]	Change in %	2013	2012[1]	Change in %
Sales to third parties	4,183	4,343	(4)	8,579	8,856	(3)
Thereof Petrochemicals	1,849	1,959	(6)	3,865	4,178	(7)
Monomers	1,618	1,632	(1)	3,298	3,255	1
Intermediates	716	752	(5)	1,416	1,423	.
Income from operations before depreciation and amortization (EBITDA)	696	808	(14)	1,537	1,568	(2)
Income from operations (EBIT) before special items	495	601	(18)	1,145	1,157	(1)
Income from operations (EBIT)	494	601	(18)	1,144	1,157	(1)
Assets (as of June 30)	10,474	10,370	1	10,474	10,370	1
Research and development expenses	45	43	5	87	90	(3)
Additions to property, plant and equipment and intangible assets	424	356	19	748	564	33

[1] Figures restated according to IFRS 10 and 11 and the new segment structure of the BASF Group

2nd Quarter 2013

In the Chemicals segment, sales were down compared with the previous second quarter. This was largely due to lower sales prices resulting from reduced raw material costs. We increased volumes (volumes 1%, prices –4%, currencies –1%). In an inconsistent market environment, income from operations before special items did not match the level of the second quarter of 2012, primarily on account of weaker margins for caprolactam and polyamides.

Petrochemicals

Sales declined in the Petrochemicals division. Lower raw material costs led to a reduction in sales prices. In Asia, we posted lower sales volumes. Our business there was negatively affected by high product availability. By contrast, we were able to raise margins in several product lines in Europe and North America despite more intense pressure on prices. Earnings were above the level of the previous second quarter.

Monomers

Sales decreased slightly in the Monomers division despite greater sales volumes. Higher sales of ammonia, glues and impregnating resins, and the isocyanates MDI and TDI were only partly able to compensate for the price and currency-related sales decline in the polyamide business. Fixed costs exceeded the level of the previous second quarter due to scheduled plant shutdowns. Earnings declined significantly, primarily as a result of weaker margins for caprolactam and polyamides.

Intermediates

In the Intermediates division, sales were below the high level of the second quarter of 2012. This was particularly attributable to lower prices and volumes for some specialties. While we were able to increase sales volumes of our butanediol and derivatives as well as polyalcohols, we posted a decline in volumes of amines. Earnings did not match the level of the second quarter of 2012 due primarily to lower sales volumes in our specialties business.

Chemicals

- Sales below level of previous second quarter, especially as a result of lower prices
- Lower raw material costs largely responsible for price decrease
- Earnings down primarily on account of weaker margins for caprolactam and polyamides

2nd Quarter 2013

Sales
Change compared with 2nd quarter 2012

–4%

EBIT before special items
(Change compared with 2nd quarter 2012)
Million €

495 (–106)

Performance Products

Segment data Performance Products (million €)

		2nd Quarter			1st Half	
	2013	2012[1]	Change in %	2013	2012[1]	Change in %
Sales to third parties	4,032	4,079	(1)	7,912	8,042	(2)
Thereof Dispersions & Pigments	963	1,003	(4)	1,822	1,931	(6)
Care Chemicals	1,232	1,223	1	2,507	2,494	1
Nutrition & Health	544	509	7	1,037	985	5
Paper Chemicals	370	405	(9)	732	798	(8)
Performance Chemicals	923	939	(2)	1,814	1,834	(1)
Income from operations before depreciation and amortization (EBITDA)	556	582	(4)	1,124	1,214	(7)
Income from operations (EBIT) before special items	394	442	(11)	773	894	(14)
Income from operations (EBIT)	344	379	(9)	711	808	(12)
Assets (as of June 30)	14,254	14,133	1	14,254	14,133	1
Research and development expenses	92	85	8	184	165	12
Additions to property, plant and equipment and intangible assets	255	215	19	1.092	339	222

[1] Figures restated according to IFRS 10 and 11

2nd Quarter 2013

In the Performance Products segment, sales were down compared with the second quarter of 2012. Higher sales volumes could not entirely compensate for negative currency effects and the lower price levels brought about by reduced raw material costs (volumes 2%, prices –2%, portfolio 1%, currencies –2%). Income from operations before special items did not match the level of the previous second quarter. In addition to intense competition in some product lines, the depreciation of the yen against the euro was largely responsible for this.

Dispersions & Pigments

Sales declined in the Dispersions & Pigments division, mostly due to price and currency effects. The divestiture of our offset printing inks business (IMEX) in the third quarter of 2012 also contributed to this sales decline. We were able to raise sales volumes, particularly for dispersions. Restructuring measures resulted in lower fixed costs. Due to negative currency effects and a less favorable product mix, earnings nevertheless did not match the level of the previous second quarter.

Care Chemicals

In the Care Chemicals division, sales grew in comparison with the previous second quarter. We raised our sales volumes, particularly in ingredients for personal care and hygiene products. Sales prices decreased, predominantly as a result of lower raw material costs. The weaker U.S. dollar also had a negative impact on sales. In a difficult market environment, we were able to increase our earnings considerably thanks to higher sales volumes and improved margins.

Performance Products

– Sales decline due to negative currency effects and lower prices resulting from reduced raw material costs
– Portfolio measures and higher volumes support sales development
– Earnings below level of previous second quarter

2nd Quarter 2013

Sales
Change compared with 2nd quarter 2012

–1%

EBIT before special items
(Change compared with 2nd quarter 2012)
Million €

394 (–48)

Nutrition & Health

We posted a sales increase in the Nutrition & Health division. The inclusion of the acquired Pronova BioPharma's business was mostly responsible for this growth. Negative currency effects reduced sales growth. As a result of sustained intense competition, sales prices fell for vitamins. Higher sales volumes in the pharmaceutical and aroma chemicals businesses almost fully offset lower demand for human and animal nutrition products. In addition to strong pressure on margins, slightly higher fixed costs also led to a decrease in earnings.

Paper Chemicals

Sales were down in the Paper Chemicals division. Volumes and sales prices declined as competition intensified. Lower raw material costs increased the pressure on prices. Sales were also negatively impacted by currency effects. While demand for packaging products was stable, demand declined for chemicals for graphic paper production. Earnings did not match the level of the second quarter of 2012, especially as a result of the decrease in sales volumes.

Performance Chemicals

Sales declined in the Performance Chemicals division, primarily due to currency effects. Lower sales volumes in plastic additives and leather and textile chemicals were offset by higher volumes in the fuel and lubricant additives business and in water, oilfield and mining chemicals. Earnings were lower than in the second quarter of 2012. This was particularly attributable to the insurance payments received in the previous second quarter for damage sustained from the earthquake and tsunami in Japan.

Performance Products

– Dispersions & Pigments: sales decline primarily on account of negative currency effects and lower prices; less favorable product mix also contributes to decrease in earnings
– Care Chemicals: sales grow thanks to higher volumes; earnings considerably surpass previous second quarter's level thanks to increased volumes and better margins
– Nutrition & Health: sales rise as a result of portfolio effects; earnings below level of second quarter of 2012
– Paper Chemicals: sales decrease; earnings decline particularly because of lower volumes
– Performance Chemicals: sales down mainly due to currency effects; earnings below level of previous second quarter

Functional Materials & Solutions

Segment data Functional Materials & Solutions (million €)

		2nd Quarter			1st Half		
		2013	2012[1]	Change in %	2013	2012[1]	Change in %
Sales to third parties		4,503	4,412	2	8,684	8,580	1
Thereof	Catalysts	1,463	1,467	.	2,916	2,937	(1)
	Construction Chemicals	589	621	(5)	1,047	1,123	(7)
	Coatings	752	733	3	1,450	1,446	.
	Performance Materials	1,699	1,591	7	3,271	3,074	6
Income from operations before depreciation and amortization (EBITDA)		396	328	21	748	729	3
Income from operations (EBIT) before special items		293	216	36	532	473	12
Income from operations (EBIT)		283	215	32	523	505	4
Assets (as of June 30)		12,528	12,473	.	12,528	12,473	.
Research and development expenses		92	91	1	179	171	5
Additions to property, plant and equipment and intangible assets		133	239	(44)	251	399	(37)

[1] Figures restated according to IFRS 10 and 11 and the new segment structure of the BASF Group

2nd Quarter 2013

Sales grew in the Functional Materials & Solutions segment compared with the prior second quarter (volumes 3%, prices 2%, portfolio –1%, currencies –2%). We were able to increase volumes in the Coatings and Performance Materials divisions, while we posted a decline in sales volumes in the Construction Chemicals division. The sales contribution from precious metal trading was lower than in the second quarter of 2012 due to decreased volumes. We were able to significantly improve income from operations before special items. All divisions contributed to this increase.

Catalysts

The Catalysts division's sales were at the level of the second quarter of 2012. As a result of lower volumes, the sales contribution from precious metal trading fell to €588 million (second quarter of 2012: €631 million). Sales volumes of chemical catalysts declined, but we increased volumes of automotive and refinery catalysts. As a result of this and lower raw material costs, earnings grew considerably.

Construction Chemicals

In the Construction Chemicals division, sales declined due to portfolio effects, negative currency effects and lower sales volumes. The ongoing difficult market situation in Southern Europe was detrimental to our business. In the Middle East, however, we posted a considerable increase in sales owing to higher demand. We significantly raised our earnings. This was largely thanks to better margins as well as lower fixed costs resulting from our efficiency programs.

Functional Materials & Solutions

– Sales increase due to higher volumes and prices
– Lower sales contribution from precious metal trading
– Earnings improve significantly in all divisions

2nd Quarter 2013

Sales
Change compared with
2nd quarter 2012

+2%

EBIT before special items
(Change compared with
2nd quarter 2012)
Million €

293 (+77)

Coatings

Sales in the Coatings division were up year-on-year as a result of increased volumes and sales prices. Negative currency effects weakened sales growth. In the decorative paints business, sales fell due to lower demand and negative currency effects. Demand for industrial coatings continued to decline in Europe. We were able to raise sales volumes of our automotive OEM coatings in all regions. In the automotive refinish coatings business, we increased sales mostly on account of the strong demand outside of Europe. Earnings rose considerably compared with the second quarter of 2012.

Performance Materials

The Performance Materials division achieved a volume-driven sales increase. Sales in polyurethane systems rose in all regions, thanks especially to strong business with products for household appliances. In Europe, sales in engineering plastics grew, primarily as a result of higher volumes. Earnings considerably surpassed the level of the previous second quarter. This was supported in large part by our successful business with engineering plastics in Europe.

Functional Materials & Solutions

- Catalysts: sales match previous second-quarter level; significant earnings improvement as a result of lower raw material costs and higher sales volumes for automotive and refinery catalysts
- Construction Chemicals: sales decline as a result of portfolio measures, negative currency effects and lower volumes; earnings rise significantly thanks to better margins and lower fixed costs
- Coatings: volume and price-driven rise in sales; earnings significantly above level of previous second quarter
- Performance Materials: sales increase due to higher volumes; considerable earnings improvement thanks to successful business with engineering plastics in Europe

Agricultural Solutions

Segment data Agricultural Solutions (million €)

	2nd Quarter			1st Half		
	2013	2012	Change in %	2013	2012	Change in %
Sales to third parties	1,727	1,467	18	3,283	2,794	18
Income from operations before depreciation and amortization (EBITDA)	525	449	17	1,057	908	16
Income from operations (EBIT) before special items	485	414	17	983	833	18
Income from operations (EBIT)	485	414	17	977	833	17
Assets (as of June 30)	7,131	6,019	18	7,131	6,019	18
Research and development expenses	111	104	7	211	198	7
Additions to property, plant and equipment and intangible assets	78	50	56	137	81	69

2nd Quarter 2013

Our business developed very successfully in the Agricultural Solutions segment, particularly as a result of the good season in North America and Europe. We were able to raise sales volumes in all regions and indications with higher prices overall. Thanks as well to the acquisition of Becker Underwood, sales considerably surpassed the level of the second quarter of 2012 (volumes 14%, prices 3%, portfolio 3%, currencies –2%).

It was a very positive quarter in **Europe** despite the late start to the growing season. We increased sales in the region. This was primarily due to higher sales volumes in fungicides, especially in France, Germany and Southern Europe.

Sales grew significantly in **North America**, thanks in particular to increased demand for the innovative fungicide Xemium® and the herbicide Kixor®. The expansion of our portfolio which resulted from the Becker Underwood acquisition also contributed to this rise in sales.

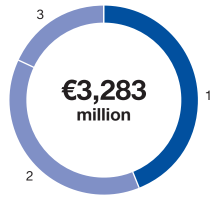
Sales in **Asia** grew considerably. This was largely brought about by higher demand for fungicides in China and for herbicides in India. Sales growth was reduced by negative currency effects from the weakening of the Japanese yen and Indian rupee against the euro.

In **South America**, higher demand for insecticides and for our fungicide F 500® led to a substantial sales increase.

We were able to significantly improve income from operations before special items. This was mostly attributable to higher sales volumes and increased prices. The acquisition of Becker Underwood and the successful integration of the acquired activities had a positive effect on earnings.

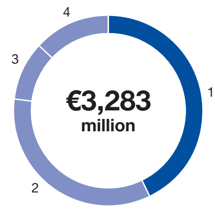
1st Half 2013 – Sales by indication

1	Fungicides	44%
2	Herbicides	38%
3	Insecticides and other	18%



1st Half 2013 – Sales by region (location of customer)

1	Europe	43%
2	North America	34%
3	Asia Pacific	10%
4	South America, Africa, Middle East	13%



Agricultural Solutions

- Sales increase considerably due to higher volumes and sales prices
- Positive portfolio effects from the acquisition of Becker Underwood
- Successful business development leads to significant rise in earnings

2nd Quarter 2013

Sales
Change compared with 2nd quarter 2012

+18%

EBIT before special items
(Change compared with 2nd quarter 2012)
Million €

485 (+71)

Oil & Gas

Segment data Oil & Gas (million €)

	2nd Quarter			1st Half		
	2013	2012[1]	Change in %	2013	2012[1]	Change in %
Sales to third parties	2,836	2,567	10	7,496	6,460	16
Thereof Exploration & Production	525	584	(10)	1,314	1,278	3
Natural Gas Trading	2,311	1,983	17	6,182	5,182	19
Income from operations before depreciation and amortization (EBITDA)	500	491	2	1,234	1,253	(2)
Thereof Exploration & Production	398	359	11	927	875	6
Natural Gas Trading	102	132	(23)	307	378	(19)
Income from operations (EBIT) before special items	382	330	16	1,012	970	4
Thereof Exploration & Production	323	242	33	791	681	16
Natural Gas Trading	59	88	(33)	221	289	(24)
Income from operations (EBIT)	381	250	52	1,011	890	14
Thereof Exploration & Production	322	162	99	790	601	31
Natural Gas Trading	59	88	(33)	221	289	(24)
Assets (as of June 30)	10,010	9,937	1	10,010	9,937	1
Thereof Exploration & Production	5,757	5,344	8	5,757	5,344	8
Natural Gas Trading	4,253	4,593	(7)	4,253	4,593	(7)
Exploration expenses	43	74	(42)	71	97	(27)
Additions to property, plant and equipment and intangible assets	233	250	(7)	428	408	5
Net income	280	208	35	677	623	9

[1] Figures restated according to IFRS 10 and 11

2nd Quarter 2013

Despite lower crude oil prices, sales grew considerably in the Oil & Gas segment. Higher volumes in the Natural Gas Trading business sector were largely responsible for this (volumes 10%, prices/currencies 0%). Income from operations before special items significantly exceeded the level of the second quarter of 2012. A higher contribution from the Exploration & Production business sector was able to more than compensate for lower earnings in the Natural Gas Trading business sector. Net income grew, as well.

→ **More information on net income in the Oil & Gas segment can be found in the Notes on page 29.**

In the **Exploration & Production** business sector, sales declined as a result of lower oil prices. The average price for Brent crude oil was $102 per barrel, compared with $108 per barrel (–5%) in the second quarter of 2012. Earnings improved, primarily because of higher contributions from Russia – resulting from increased production volumes from the Achimov reservoir – and from Argentina.

We raised sales in the **Natural Gas Trading** business sector, especially through intensified trade on the European spot trading markets. Despite greater volumes, earnings were below the high level of the previous second quarter. This decline was due to lower margins.

Oil & Gas

– Considerable sales increase from higher volumes in Natural Gas Trading business sector
– Lower crude oil prices dampen sales growth
– Significant earnings improvement as a result of higher contribution from Exploration & Production

2nd Quarter 2013

Sales
Change compared with 2nd quarter 2012

+10%

EBIT before special items
(Change compared with 2nd quarter 2012)
Million €

382 (+52)

Regional Results

Overview of regions (million €)

	Sales Location of company			Sales Location of customer			EBIT before special items		
	2013	2012[1]	Change in %	2013	2012[1]	Change in %	2013	2012[1]	Change in %
2nd Quarter									
Europe	10,333	10,067	3	9,788	9,557	2	1,074	1,333	(19)
Thereof Germany	7,287	6,904	6	3,325	3,564	(7)	498	875	(43)
North America	3,986	3,733	7	3,930	3,614	9	485	327	48
Asia Pacific	3,005	3,057	(2)	3,204	3,275	(2)	196	223	(12)
South America, Africa, Middle East	1,029	979	5	1,431	1,390	3	77	54	43
	18,353	**17,836**	**3**	**18,353**	**17,836**	**3**	**1,832**	**1,937**	**(5)**
1st Half									
Europe	22,571	21,363	6	21,444	20,411	5	2,551	2,696	(5)
Thereof Germany	16,215	15,042	8	7,563	7,794	(3)	1,261	1,643	(23)
North America	7,707	7,541	2	7,580	7,277	4	939	693	35
Asia Pacific	5,829	5,780	1	6,223	6,231	–	441	425	4
South America, Africa, Middle East	1,984	1,992	–	2,844	2,757	3	115	133	(14)
	38,091	**36,676**	**4**	**38,091**	**36,676**	**4**	**4,046**	**3,947**	**3**

[1] Figures restated according to IFRS 10 and 11

1st Half 2013

Sales at companies headquartered in **Europe** rose by 6% mainly as a result of higher sales volumes. Volumes grew significantly in the Oil & Gas segment. However, we posted a decline in sales volumes in the Petrochemicals division. Income from operations before special items decreased by €145 million to €2,551 million, particularly due to a lower contribution from the Chemicals segment.

In **North America**, we increased sales by 4% in U.S. dollars and 2% in euro terms. Sales rose significantly in the Agricultural Solutions segment, driven primarily by considerably higher sales volumes and the acquisition of Becker Underwood. Earnings grew by €246 million to €939 million, mostly through increased contributions from the Petrochemicals division and the Agricultural Solutions segment.

Sales in **Asia Pacific** grew by 4% in local-currency terms and by 1% in euro terms. We increased our volumes in all segments. In the Performance Products segment, lower sales prices and negative currency effects led to a decline in sales. Earnings rose by €16 million to €441 million. Significant earnings growth in the Monomers division and the Agricultural Solutions segment largely contributed to this.

In **South America, Africa, Middle East**, sales improved by 7% in local currency terms and remained stable in euro terms. Higher volumes and prices boosted sales development. Currency effects dampened sales in all divisions. Despite increased earnings in the Oil & Gas segment in Argentina, earnings in the region fell by €18 million to €115 million. This was mainly due to lower contributions from the Agricultural Solutions and Performance Products segments.

1st Half 2013

- Europe: sales rise compared with first half of 2012, driven particularly by volumes; earnings decline mainly as a result of lower contribution from Chemicals segment
- North America: sales increase largely on account of significantly higher sales in Agricultural Solutions; earnings improve, especially in Petrochemicals division and Agricultural Solutions segment
- Asia Pacific: sales growth thanks to volumes increase in all segments; earnings up, mostly as a result of considerably higher contributions from Monomers division and Agricultural Solutions segment
- South America, Africa, Middle East: sales match prior first-half level despite negative currency effects; earnings decline particularly as a result of lower contributions from Agricultural Solutions and Performance Products

Overview of Other Topics

Research and development

In April, we introduced our innovative FWC™ four-way conversion catalyst for gasoline engines at the International Vienna Motor Symposium. Unlike conventional three-way conversion catalysts, the single-component FWC™ technology can remove particulate matter in addition to carbon monoxide, hydrocarbons and nitrogen oxides from engine exhaust. This helps automobile manufacturers meet stricter emissions regulations, such as Euro 6c, without having to install a separate gasoline particulate filter.

A long service life is crucial for making wind turbines economically viable. For this reason, we have developed the RELEST® Wind RepKit, a refinishing system for wind turbine rotor blades. This easy-to-use system contains all the coatings and equipment needed to immediately repair damage sustained during operation or production. We have now launched the RELEST® Wind RepKit in Great Britain and Ireland.

BASF New Business GmbH has acquired the remaining 50% of shares in the technology company Deutsche Nanoschicht GmbH. The acquisition is a major step in developing our E-Power Management growth field, which comprises technological developments, materials and solutions for the entire electricity value chain. Deutsche Nanoschicht has developed an innovative process for producing thin films by means of chemical solution deposition, which allows high-temperature superconductors to be manufactured more efficiently and using fewer resources. These superconductors transmit electric currents with almost no loss, opening up huge savings potential in electricity generation and transport.

We are now offering Shadownyl™ for the gentle and effective care of the delicate eye area. The product's active ingredient, obtained from the brown seaweed *Fucus vesiculosus*, has antioxidant and anti-inflammatory properties and exhibits very good results for stimulating collagen type-1 synthesis, which helps plump up the skin. Shadownyl™ can thus reduce wrinkles and combat under-eye circles, revitalizing and brightening the eye area.

Employees

Compared with the end of 2012, the number of BASF Group employees rose by 832. Excluding acquisitions, divestitures and other changes to the scope of consolidation, headcount only increased by just under 200. As of June 30, 2013, the BASF Group's employees numbered 111,614. On this date, 63% were employed in Europe while North America accounted for 15% of employees, Asia Pacific for 15% and South America, Africa, Middle East for 7%.

Compared with the same period of 2012, personnel costs increased by 4% to €4,635 million in the first half of 2013. This was predominantly the result of wage and salary increases.

Research and development

– FWC™ four-way catalyst introduced for gasoline engines
– RELEST® Wind RepKit: refinishing system increases efficiency of wind turbines
– Acquisition of Deutsche Nanoschicht strengthens our E-Power Management growth field
– Effective and gentle care for the eye area thanks to Shadownyl™

Employees by region

	June 30, 2013	Dec. 31, 2012[1]
Europe	70,768	70,638
Thereof Germany	52,325	52,362
North America	16,814	16,665
Asia Pacific	16,523	16,406
South America, Africa, Middle East	7,509	7,073
	111,614	**110,782**

1 Figures restated according to IFRS 10 and 11

Outlook

The economic environment was challenging in the first half of 2013. The world economy and global industrial production grew slower than in the same period of the previous year. Nevertheless, our business maintained its good performance: We slightly increased sales and income from operations before special items compared with the first half of 2012.

Worldwide economic growth and demand for chemicals are unlikely to revive in the second half of 2013; they will probably remain below the levels expected at the beginning of the year. We anticipate uneven development marked by economic uncertainty. Despite this, we still aim to exceed the 2012 levels in sales and income from operations before special items.

Opportunities and risks

In 2013, opportunities for us may arise from stronger growth in the global economy and our customer industries. A stronger U.S. dollar would also have positive effects on our earnings.

We also see opportunities in 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. It is running right on schedule. Starting at the end of 2015, STEP is expected to contribute around €1 billion to earnings each year. The program comprises more than 100 individual projects that will lower fixed costs and raise profit margins.

But there are also risks to the development of our business. Economic growth would be impaired by an intensification of the debt crisis in the eurozone and the United States, as well as by lower demand in Asia. Increasing raw material costs could also be detrimental to our margins.

The statements on opportunities and risks made in the BASF Report 2012 remain valid.

→ **More detailed information can be found in the BASF Report 2012 in the Opportunities and Risks Report on pages 107–115.**

Forecast

We have revised some of our expectations downward for the global economy in 2013 (previous forecast in parentheses):

– Growth of gross domestic product: 2.0% (2.4%)
– Growth in industrial production: 2.7% (3.4%)
– Growth in chemical production: 3.1% (3.6%)
– An average (unchanged) euro/dollar exchange rate of $1.30 per euro
– An average oil price for the year of $105 per barrel ($110 per barrel)

In the first half of 2013, we increased sales volumes, thanks especially to higher volumes in the Agricultural Solutions and Oil & Gas segments. We expect stronger demand overall for 2013 compared with the previous year. Therefore, we strive to increase our sales volumes in 2013, excluding the effects of acquisitions and divestitures. We want to exceed the 2012 levels in sales and income from operations before special items, supported by our measures to improve operational excellence and increase efficiency. We also aim to earn a high premium on our cost of capital in 2013.

Outlook 2013

– We continue to strive to improve sales and earnings in a volatile economic environment 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 include an intensification of the debt crisis in the eurozone and the United States, lower demand in Asia and increasing raw material costs

BASF Group Interim Financial Statements
Statement of Income

Statement of income (million €)

	Explanations in Note	2nd Quarter			1st Half		
		2013	2012	Change in %	2013	2012	Change in %
Sales		**18,353**	**17,836**	**2.9**	**38,091**	**36,676**	**3.9**
Cost of sales		(13,627)	(13,183)	(3.4)	(28,499)	(27,341)	(4.2)
Gross profit on sales		**4,726**	**4,653**	**1.6**	**9,592**	**9,335**	**2.8**
Selling expenses		(1,891)	(1,854)	(2.0)	(3,697)	(3,634)	(1.7)
General and administrative expenses		(343)	(341)	(0.6)	(672)	(655)	(2.6)
Research and development expenses		(455)	(422)	(7.8)	(884)	(825)	(7.2)
Other operating income	[5]	204	169	20.7	544	1,189	(54.2)
Other operating expenses	[5]	(525)	(567)	7.4	(1,085)	(1,314)	17.4
Income from companies accounted for using the equity method	[6]	57	38	50.0	144	178	(19.1)
Income from operations		**1,773**	**1,676**	**5.8**	**3,942**	**4,274**	**(7.8)**
Other income from participations		22	30	(26.7)	28	42	(33.3)
Other expenses from participations		(6)	(3)	(100.0)	(21)	(5)	.
Interest income		35	40	(12.5)	61	83	(26.5)
Interest expense		(158)	(186)	15.1	(312)	(364)	14.3
Other financial result		(55)	(26)	.	(44)	(59)	25.4
Financial result	**[7]**	**(162)**	**(145)**	**(11.7)**	**(288)**	**(303)**	**5.0**
Income before taxes and minority interests		**1,611**	**1,531**	**5.2**	**3,654**	**3,971**	**(8.0)**
Income taxes	[8]	(383)	(283)	(35.3)	(882)	(928)	5.0
Income before minority interests		**1,228**	**1,248**	**(1.6)**	**2,772**	**3,043**	**(8.9)**
Minority interests	[9]	(71)	(40)	(77.5)	(169)	(132)	(28.0)
Net income		**1,157**	**1,208**	**(4.2)**	**2,603**	**2,911**	**(10.6)**
Earnings per share (€)	**[10]**						
Undiluted		**1.26**	**1.32**	**(4.2)**	**2.83**	**3.17**	**(10.7)**
Diluted		1.26	1.32	(4.2)	2.83	3.17	(10.7)

Statement of Income and Expense Recognized in Equity

Statement of income and expense recognized in equity (million €)

	1st Half	
	2013	**2012**
Income before minority interests	**2,772**	**3,043**
Income and expense recognized directly in equity		
Items that will not be recycled to the statement of income at a later date:		
Remeasurements of defined benefit plans	795	(1,916)
Revaluation due to acquisition of majority of shares	(1)	(2)
Deferred taxes for items that will not be recycled to the statement of income	(231)	600
Total items that will not be recycled to the statement of income at a later date	**563**	**(1,318)**
Items that will be recycled to the statement of income at a later date:		
Foreign currency translation adjustment	(290)	174
Fair value changes in available-for-sale securities	3	1
Cash flow hedges	18	(47)
Hedges of net investments in foreign operations	–	1
Deferred taxes for items that will be recycled to the statement of income	7	1
Total items that will be recycled to the statement of income at a later date	**(262)**	**130**
Minority interests	5	20
Total income and expense recognized directly in equity	**306**	**(1,168)**
Total income and expense for the period	**3,078**	**1,875**
Thereof attributable to shareholders of BASF SE	2,904	1,723
Thereof attributable to minority interests	174	152

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

	Other comprehensive income						
	Remeasure-ments of defined benefit plans	**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 income and expense recognized directly in equity**
As of January 1, 2013	**(3,571)**	**165**	**17**	**(73)**	**–**	**1**	**(3,461)**
Additions	–	–	3	–	–	–	3
Releases	795	(290)	–	18	–	(1)	522
Deferred taxes	(231)	4	(1)	4	–	–	(224)
As of June 30, 2013	**(3,007)**	**(121)**	**19**	**(51)**	**–**	**–**	**(3,160)**
As of January 1, 2012	**(1,686)**	**373**	**10**	**(71)**	**(2)**	**4**	**(1,372)**
Additions	(1,916)	174	1	(47)	–	–	(1,788)
Releases	–	–	–	–	1	(2)	(1)
Deferred taxes	600	(3)	–	4	–	–	601
As of June 30, 2012	**(3,002)**	**544**	**11**	**(114)**	**(1)**	**2**	**(2,560)**

Balance Sheet

Assets (million €)

	Explanations in Note	June 30, 2013	June 30, 2012	Change in %	Dec. 31, 2012	Change in %
Intangible assets	[11]	12,278	11,998	2.3	12,193	0.7
Property, plant and equipment	[11]	17,531	16,650	5.3	16,610	5.5
Investments accounted for using the equity method		3,476	3,491	(0.4)	3,459	0.5
Other financial assets		631	573	10.1	613	2.9
Deferred tax assets		1,500	1,482	1.2	1,473	1.8
Other receivables and miscellaneous assets		1,063	902	17.8	911	16.7
Long-term assets		**36,479**	**35,096**	**3.9**	**35,259**	**3.5**
Inventories	[12]	9,319	10,077	(7.5)	9,581	(2.7)
Accounts receivable, trade	[12]	10,621	11,730	(9.5)	9,506	11.7
Other receivables and miscellaneous assets	[12]	3,650	3,761	(3.0)	3,455	5.6
Marketable securities	[12]	18	15	20.0	14	28.6
Cash and cash equivalents	[12]	2,228	2,022	10.2	1,647	35.3
Assets of disposal groups		2,084	–	–	3,264	(36.2)
Short-term assets		**27,920**	**27,605**	**1.1**	**27,467**	**1.6**
Total assets		**64,399**	**62,701**	**2.7**	**62,726**	**2.7**

Equity and liabilities (million €)

	Explanations in Note	June 30, 2013	June 30, 2012	Change in %	Dec. 31, 2012	Change in %
Subscribed capital	[13]	1,176	1,176	–	1,176	–
Capital surplus	[13]	3,188	3,203	(0.5)	3,188	–
Retained earnings	[13]	23,934	21,792	9.8	23,708	1.0
Other comprehensive income		(3,160)	(2,560)	(23.4)	(3,461)	8.7
Equity of shareholders of BASF SE		**25,138**	**23,611**	**6.5**	**24,611**	**2.1**
Minority interests		987	1,034	(4.5)	1,010	(2.3)
Equity		**26,125**	**24,645**	**6.0**	**25,621**	**2.0**
Provisions for pensions and similar obligations	[14]	4,732	5,018	(5.7)	5,421	(12.7)
Other provisions	[15]	2,932	3,345	(12.3)	2,925	0.2
Deferred tax liabilities		2,622	2,431	7.9	2,234	17.4
Financial indebtedness	[16]	10,768	8,429	27.7	8,704	23.7
Other liabilities	[16]	1,205	1,138	5.9	1,111	8.5
Long-term liabilities		**22,259**	**20,361**	**9.3**	**20,395**	**9.1**
Accounts payable, trade		4,422	5,366	(17.6)	4,502	(1.8)
Provisions	[15]	2,588	3,269	(20.8)	2,628	(1.5)
Tax liabilities		994	1,194	(16.8)	870	14.3
Financial indebtedness	[16]	3,913	4,719	(17.1)	4,094	(4.4)
Other liabilities	[16]	2,646	3,147	(15.9)	2,623	0.9
Liabilities of disposal groups		1,452	–	–	1,993	(27.1)
Short-term liabilities		**16,015**	**17,695**	**(9.5)**	**16,710**	**(4.2)**
Total equity and liabilities		**64,399**	**62,701**	**2.7**	**62,726**	**2.7**

Statement of Cash Flows

Statement of cash flows (million €)

	1st Half	
	2013	**2012**
Net income	2,603	2,911
Depreciation and amortization of intangible assets, property, plant and equipment and financial assets	1,414	1,540
Changes in net working capital	(633)	(633)
Miscellaneous items	646	(407)
Cash provided by operating activities	**4,030**	**3,411**
Payments related to property, plant and equipment and intangible assets	(1,884)	(1,616)
Acquisitions/divestitures	(516)	430
Financial investments and other items	(182)	151
Cash used in investing activities	**(2,582)**	**(1,035)**
Capital increases/repayments, share repurchases	–	(5)
Changes in financial liabilities	1,762	205
Dividends	(2,585)	(2,446)
Cash used in financing activities	**(823)**	**(2,246)**
Net changes in cash and cash equivalents	625	130
Cash and cash equivalents as of beginning of year and other changes	1,603	1,892
Cash and cash equivalents at end of quarter	**2,228**	**2,022**

Cash provided by operating activities amounted to €4,030 million in the first half of 2013, up by €619 million year-on-year. The change of €633 million in net working capital was particularly due to the increase in trade accounts receivable. The rise in miscellaneous items was predominantly attributable to the decline in the net assets of the natural gas trading disposal group; the negative value in the previous first half had come mainly from the reclassification of the gain on the disposal of our fertilizer activities to cash provided by investing activities.

Investing activities led to a cash outflow of €2,582 million, compared with €1,035 million in the first half of 2012. The increase was largely due to the change in the balance of acquisitions and divestitures: The first half of 2013 particularly included payments related to the acquisition of Pronova BioPharma, headquartered in Lysaker, Norway. In the same period of the previous year, proceeds from divestitures had come predominantly from the disposal of the fertilizer activities. At €1,884 million, payments for property, plant and equipment and intangible assets were higher than the previous year's level.

Financing activities led to a cash outflow of €823 million, compared with an outflow of €2,246 million in the first half of 2012. Dividends of €2,388 million were paid to shareholders of BASF SE and €197 million was paid to minority shareholders in Group companies. The cash inflow resulting from the change in financial liabilities amounted to €1,762 million. This was mainly from the issuance of several bonds with a nominal value of around €2,100 million; counterbalancing this was the repayment of USD commercial paper and other bonds.

Cash and cash equivalents amounted to €2,228 million as of June 30, 2013, compared with €1,647 million at the end of 2012. Net debt rose to €12,453 million as of the end of the second quarter of 2013, compared with €11,151 million as of December 31, 2012.

Statement of Changes in Equity

1st Half 2013 (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, 2013	**918,478,694**	**1,176**	**3,188**	**23,708**	**(3,461)**	**24,611**	**1,010**	**25,621**
Effects of acquisitions achieved in stages	–	–	–	–	–	**–**	–	**–**
Dividends paid	–	–	–	(2,388)	–	**(2,388)**	(197)[2]	**(2,585)**
Net income	–	–	–	2,603	–	**2,603**	169	**2,772**
Change in income and expense recognized directly in equity	–	–	–	–	301	**301**	5	**306**
Changes in scope of consolidation and other changes	–	–	–	11	–	**11**	–	**11**
As of June 30, 2013	**918,478,694**	**1,176**	**3,188**	**23,934**	**(3,160)**	**25,138**	**987**	**26,125**

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**	**21,168**	**(1,372)**	**24,175**	**1,040**	**25,215**
Effects of acquisitions achieved in stages	–	–	–	–	–	**–**	(5)	**(5)**
Dividends paid	–	–	–	(2,296)	–	**(2,296)**	(150)[2]	**(2,446)**
Net income	–	–	–	2,911	–	**2,911**	132	**3,043**
Change in income and expense recognized directly in equity	–	–	–	–	(1,188)	**(1,188)**	20	**(1,168)**
Changes in scope of consolidation and other changes	–	–	–	9	–	**9**	(3)	**6**
As of June 30, 2012	**918,478,694**	**1,176**	**3,203**	**21,792**	**(2,560)**	**23,611**	**1,034**	**24,645**

[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)		
	2013	2012	Change in %	2013	2012	Change in %	2013	2012	Change in %	2013	2012	Change in %
Chemicals	4,183	4,343	(3.7)	696	808	(13.9)	495	601	(17.6)	494	601	(17.8)
Performance Products	4,032	4,079	(1.2)	556	582	(4.5)	394	442	(10.9)	344	379	(9.2)
Functional Materials & Solutions	4,503	4,412	2.1	396	328	20.7	293	216	35.6	283	215	31.6
Agricultural Solutions	1,727	1,467	17.7	525	449	16.9	485	414	17.1	485	414	17.1
Oil & Gas	2,836	2,567	10.5	500	491	1.8	382	330	15.8	381	250	52.4
Other	1,072	968	10.7	(184)	(148)	(24.3)	(217)	(66)	.	(214)	(183)	(16.9)
	18,353	**17,836**	**2.9**	**2,489**	**2,510**	**(0.8)**	**1,832**	**1,937**	**(5.4)**	**1,773**	**1,676**	**5.8**

2nd Quarter (million €)

	Research expenses			Assets			Additions to long-term assets[1]			Amortization and depreciation[2]		
	2013	2012	Change in %	2013	2012	Change in %	2013	2012	Change in %	2013	2012	Change in %
Chemicals	45	43	4.7	10,474	10,370	1.0	424	356	19.1	202	207	(2.4)
Performance Products	92	85	8.2	14,254	14,133	0.9	255	215	18.6	212	203	4.4
Functional Materials & Solutions	92	91	1.1	12,528	12,473	0.4	133	239	(44.4)	113	113	–
Agricultural Solutions	111	104	6.7	7,131	6,019	18.5	78	50	56.0	40	35	14.3
Oil & Gas	19	7	171.4	10,010	9,937	0.7	233	250	(6.8)	119	241	(50.6)
Other	96	92	4.3	10,002	9,769	2.4	(4)	30	.	30	35	(14.3)
	455	**422**	**7.8**	**64,399**	**62,701**	**2.7**	**1,119**	**1,140**	**(1.8)**	**716**	**834**	**(14.1)**

[1] Investments in intangible assets and property, plant and equipment (including acquisitions)

[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)		
	2013	2012	Change in %	2013	2012	Change in %	2013	2012	Change in %	2013	2012	Change in %
Chemicals	8,579	8,856	(3.1)	1,537	1,568	(2.0)	1,145	1,157	(1.0)	1,144	1,157	(1.1)
Performance Products	7,912	8,042	(1.6)	1,124	1,214	(7.4)	773	894	(13.5)	711	808	(12.0)
Functional Materials & Solutions	8,684	8,580	1.2	748	729	2.6	532	473	12.5	523	505	3.6
Agricultural Solutions	3,283	2,794	17.5	1,057	908	16.4	983	833	18.0	977	833	17.3
Oil & Gas	7,496	6,460	16.0	1,234	1,253	(1.5)	1,012	970	4.3	1,011	890	13.6
Other	2,137	1,944	9.9	(357)	142	.	(399)	(380)	(5.0)	(424)	81	.
	38,091	**36,676**	**3.9**	**5,343**	**5,814**	**(8.1)**	**4,046**	**3,947**	**2.5**	**3,942**	**4,274**	**(7.8)**

1st Half (million €)

	Research expenses			Assets			Additions to long-term assets[1]			Amortization and depreciation[2]		
	2013	2012	Change in %	2013	2012	Change in %	2013	2012	Change in %	2013	2012	Change in %
Chemicals	87	90	(3.3)	10,474	10,370	1.0	748	564	32.6	393	411	(4.4)
Performance Products	184	165	11.5	14,254	14,133	0.9	1,092	339	222.1	413	406	1.7
Functional Materials & Solutions	179	171	4.7	12,528	12,473	0.4	251	399	(37.1)	225	224	0.4
Agricultural Solutions	211	198	6.6	7,131	6,019	18.5	137	81	69.1	80	75	6.7
Oil & Gas	28	10	180.0	10,010	9,937	0.7	428	408	4.9	223	363	(38.6)
Other	195	191	2.1	10,002	9,769	2.4	29	66	(56.1)	67	61	9.8
	884	**825**	**7.2**	**64,399**	**62,701**	**2.7**	**2,685**	**1,857**	**44.6**	**1,401**	**1,540**	**(9.0)**

[1] Investments in intangible assets and property, plant and equipment (including acquisitions)

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

Other[3] (million €)

		2nd Quarter			1st Half		
		2013	2012	Change in %	2013	2012	Change in %
Sales		**1,072**	**968**	**10.7**	**2,137**	**1,944**	**9.9**
EBIT before special items		**(217)**	**(66)**	**.**	**(399)**	**(380)**	**(5.0)**
Thereof	Group corporate costs	(58)	(61)	4.9	(114)	(119)	4.2
	Corporate research	(97)	(94)	(3.2)	(194)	(191)	(1.6)
	Currency results, hedges and other valuation effects	(63)	92	.	(7)	(114)	93.9
	Other business	37	25	48.0	96	169	(43.2)
Special items		3	(117)	.	(25)	461	.
EBIT		**(214)**	**(183)**	**(16.9)**	**(424)**	**81**	**.**

[3] Further information on Other can be found in the Notes to the Interim Financial Statements on pages 28 and 29.

Notes to the Interim Financial Statements

1 – Basis of presentation

The Consolidated Financial Statements of the BASF Group for the year ending December 31, 2012, 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, 2013, have been prepared in line with the rules of International Accounting Standard 34 in abbreviated form and, with the exception of the changes presented below, 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 2012 containing the Consolidated Financial Statements as of December 31, 2012, can be found online at: basf.com/report**

Selected exchange rates

	Closing rates		Average rates 1st half	
1 € equals	June 30, 2013	Dec. 31, 2012	2013	2012
Brazil (BRL)	2.89	2.70	2.70	2.41
China (CNY)	8.03	8.22	8.04	8.19
Great Britain (GBP)	0.86	0.82	0.85	0.82
Japan (JPY)	129.39	113.61	129.07	103.31
Malaysia (MYR)	4.13	4.03	4.01	4.00
Mexico (MXN)	17.04	17.18	16.30	17.19
Russian Federation (RUB)	42.85	40.33	41.35	39.71
Switzerland (CHF)	1.23	1.21	1.23	1.20
South Korea (KRW)	1,494.24	1,406.23	1,467.08	1,480.41
United States (USD)	1.31	1.32	1.31	1.30

Application of changes to International Financial Reporting Standards (IFRS) as of January 1, 2013

IFRS 10 – Consolidated Financial Statements

IFRS 10 contains a new, comprehensive definition of control. The new standard replaces the provisions of IAS 27 – Consolidated and Separate Financial Statements, which regulates the preparation of consolidated financial statements, as well as SIC-12 Consolidation – Special Purpose Entities. According to both IAS 27 and IFRS 10, a group consists of a parent entity and its subsidiaries. Consolidated financial statements must present all assets, liabilities, equity, income and expenses, and cash flows of the parent company and its subsidiaries together as a single economic entity.

In contrast to IAS 27, IFRS 10 is geared more strongly toward the economic situation as opposed to the legal conditions. IFRS 10 contains a new definition of control, which is to be applied in determining the companies to be consolidated. Control now requires three elements:

- Decision-making power of the parent company over the relevant activities of the subsidiary,
- Variable returns from the subsidiary to the parent company, and
- The ability of the parent company to use decision-making power to affect the variable returns.

This new definition of control has led to a change in the consolidation method of some participations held by BASF. Upon application of the new standard as of January 1, 2013, four companies have been switched from full consolidation to the equity method. For three companies, no control exists according to IFRS 10, as BASF's partners in these companies retain significant rights for determining and carrying out relevant activities through supervisory bodies. With an investment of 51%, operational management will continue to be exercised at Wintershall AG, which produces oil and gas in Libya. However, because contractual obligations with the Libyan government strictly limit influence on variable returns after income taxes, the company is not controlled according to IFRS 10.

IFRS 11 – Joint Arrangements

Until the end of 2012, companies that BASF had operated together with a partner were, in general, proportionally consolidated in the financial statements, pursuant to IAS 31. According to IFRS 11, which regulates the accounting of joint arrangements, joint ventures are distinct from joint operations. In the case of a joint venture, the parties that have joint control of a legally independent company have rights to the net assets of that arrangement. In joint operations, the parties that have joint control have direct rights to the assets and obligations for the liabilities relating to the arrangement. This requirement is also fulfilled if a joint arrangement's production output is almost entirely transferred to the partners.

While shares in joint ventures must now be accounted for using the equity method, a joint operation is proportionally consolidated – that is, the proportional share of assets, liabilities, income and expenses must be reported.

BASF has applied the standard since January 1, 2013. As of that date, the equity result has been reported as part of EBIT. Upon application of the new standard, 14 companies at BASF were shifted to the equity method instead of being proportionally consolidated. This includes BASF-YPC Company Ltd., through which BASF operates the Verbund site in Nanjing with partner SINOPEC.

Eight companies will continue to be proportionally consolidated since they market their products directly to the partners, and are therefore classified as joint operations. The earnings for 14 associated companies which were previously accounted for using the equity method will likewise be disclosed in EBIT in the future.

IAS 19 (revised) – Employee Benefits

The most significant change of IAS 19 (revised) requires that experience-based adjustments and effects from changes of actuarial assumptions, reported as actuarial gains and losses, must be recognized directly in other comprehensive income (OCI). The previous option of immediate reporting in profit and loss, reporting in equity, or delayed reporting according to the corridor method, has been abolished. The amendment does not affect the total amount of BASF's equity because actuarial gains and losses have already been treated in accordance with the approach required by IAS 19 (revised). The accumulated amount of actuarial gains and losses has been reclassified from retained earnings to other comprehensive income. This reclassification amounted to €3,621 million at the end of the second quarter of 2013 and €3,003 million at the end of the previous second quarter.

With IAS 19 (revised), changes in the benefit levels resulting from plan amendments with retroactive effect on past service are no longer to be amortized over the vesting period. The retroactive benefit amendments are to be recognized immediately in EBIT in the year of the plan amendment. The application of this accounting policy means a €16 million increase in BASF's EBIT for 2012 and a likely reduction of €3 million in 2013.

Additionally, the revised standard requires that returns on plan assets recognized in profit or loss are no longer calculated according to expectations but are instead based on the discount rate applied for pension obligations. The application of this accounting method means a reduction of around €80 million in the BASF Group's financial result for 2012 and likely around €100 million for 2013.

The clarified definition of termination benefits in IAS 19 (revised) and the resulting change in accounting policy for early-retirement agreements means a reduction in EBIT of €17 million for 2012 and around €7 million for 2013.

Effects of the first-time application of IFRS 10/11 and IAS 19 (revised)

The figures for 2012 were restated to reflect the new and revised accounting standards and published on March 22, 2013. Detailed information is available online.

→ **For more on the adjusted figures for the previous year, see basf.com/restatedfigures2012**

The following tables present the effects of the retroactive application of these standards on the BASF Group for the 2012 reporting year:

Effects of the first-time application of IFRS 10/11 and IAS 19 (revised)

Overview BASF Group statement of income (million €)

Statement of income	1st half 2012			Full year 2012		
	adjusted	previous	change	adjusted	previous	change
Sales	36,676	40,071	(3,395)	72,129	78,729	(6,600)
Income from operations (EBIT)	4,274	5,349	(1,075)	6,742	8,976	(2,234)
Financial result	(303)	(185)	(118)	(765)	(540)	(225)
Income from participations	37	128	(91)	32	203	(171)
Interest result	(281)	(293)	12	(547)	(573)	26
Other financial result	(59)	(20)	(39)	(250)	(170)	(80)
Income before taxes and minority interests	3,971	5,164	(1,193)	5,977	8,436	(2,459)
Income taxes	(928)	(2,032)	1,104	(910)	(3,214)	2,304
Minority interests	(132)	(179)	47	(248)	(343)	95
Net income	2,911	2,953	(42)	4,819	4,879	(60)
Earnings per share (in €)	3.17	3.22	(0.05)	5.25	5.31	(0.06)

Overview BASF Group balance sheet (million €)

Assets	June 30, 2012			December 31, 2012		
	adjusted	previous	change	adjusted	previous	change
Long-term assets	35,096	35,435	(339)	35,259	35,538	(279)
Short-term assets	27,605	28,939	(1,334)	27,467	28,789	(1,322)
Total assets	62,701	64,374	(1,673)	62,726	64,327	(1,601)

Equity and liabilities	June 30, 2012			December 31, 2012		
	adjusted	previous	change	adjusted	previous	change
Equity	24,645	24,860	(215)	25,621	25,804	(183)
Long-term liabilities	20,361	21,216	(855)	20,395	21,191	(796)
Short-term liabilities	17,695	18,298	(603)	16,710	17,332	(622)
Total equity and liabilities	62,701	64,374	(1,673)	62,726	64,327	(1,601)

Overview BASF Group statement of cash flows (million €)

Statement of cash flows	1st half 2012			Full year 2012		
	adjusted	previous	change	adjusted	previous	change
Cash provided by operating activities	3,411	3,460	(49)	6,602	6,733	(131)
Cash used in investing activities	(1,035)	(1,084)	49	(3,977)	(4,088)	111
Cash used in financing activities	(2,246)	(2,198)	(48)	(2,904)	(2,928)	24

Amendments to IAS 1 – Presentation of Financial Statements

Components of other comprehensive income (OCI) that will be recycled to the statement of income under certain circumstances should be shown separately from those components that are never recycled. The rule must be applied for the first time in the first reporting period of the reporting year beginning on July 1, 2012, or thereafter. The application is reflected in the Statement of Income and Expense Recognized in Equity on page 18.

Reclassification of loans within long-term assets

Long-term loans are now reported under other receivables and miscellaneous assets. These loans were previously reported in the balance sheet under other financial assets. The change in presentation better reflects the economic substance of this item as a receivable. The prior-year figures have been adjusted for comparability. As of June 30, 2012, €268 million in loans were reclassified from other financial assets to other receivables and miscellaneous assets; as of December 31, 2012, loans amounting to €259 million were reclassified.

2 – Scope of consolidation

In addition to BASF SE, all material subsidiaries are included in the BASF Group Financial Statements on a fully consolidated basis. Joint arrangements that are classified as joint operations according to IFRS 11 are proportionally consolidated. The development of the number of fully and proportionally consolidated companies is shown in the table.

There have been six first-time consolidations since the beginning of 2013, three of which were due to reclassifications and three because of acquisitions.

Three companies have been deconsolidated since the beginning of the year as a result of mergers with other BASF companies.

Since the beginning of the year, two additional companies have been consolidated using the equity method for the first time, while one company was deconsolidated due to liquidation.

Scope of consolidation

	2013	2012
As of January 1	312	299
Thereof proportionally consolidated	8	10
First-time consolidations	6	16
Thereof proportionally consolidated	–	–
Deconsolidations	3	7
Thereof proportionally consolidated	–	1
As of June 30	**315**	**308**
Thereof proportionally consolidated	8	9

Companies consolidated using the equity method

	2013	2012
As of January 1	32	30
As of June 30	**33**	**32**

3 – Acquisitions/divestitures

Acquisitions

On January 31, 2013, BASF concluded the acquisition of Pronova BioPharma ASA, a company headquartered in Lysaker, Norway, which researches, develops and produces omega-3 fatty acids. With the acquisition of Pronova BioPharma, BASF aims to take a leading position in the global market for omega-3 fatty acids. Together with BASF's previous activities, Pronova BioPharma's business has been integrated into the global business unit Business Management Omega-3 in the Nutrition & Health division. BASF now offers its customers the complete range of omega-3 fatty acids – from natural fish oil to medium and very high concentrates. In the first half of 2013, Pronova BioPharma contributed €103 million to sales and minus €6 million to net income. The negative earnings contribution was attributable to the proportional use of inventories recognized at market value in the course of the purchase price allocation as well as the pro rata amortization of intangible assets totaling €41 million.

The following table shows an overview of the preliminary fair values of the assets and liabilities acquired with the Pronova BioPharma takeover as of January 31, 2013. Significant changes in the preliminary purchase price allocation compared with the first quarter of 2013 were based on a higher valuation of long-term intangible assets (up by €99 million) and a resulting increase in deferred tax liabilities (up by €39 million). Goodwill was reduced by a total of €63 million.

Preliminary purchase price allocation for acquisition of Pronova BioPharma (million €)

	Fair value on acquisition date
Long-term assets	657
Short-term assets	201
Total assets	**858**
Long-term liabilities	173
Short-term liabilities	254
Total liabilities	**427**
Net assets	**431**
Goodwill	**95**
Total purchase price	**526**

Effective March 11, 2013, BASF completed its acquisition of parts of Ciech Group's TDI business, as announced in the third quarter of 2012. The acquisition largely comprises intellectual property rights and access to customers. TDI is used primarily in the furniture and automotive industries. The acquired business has been integrated into the Monomers division.

BASF acquired Henkel's enzyme technology for detergents and cleaners on April 17, 2013. This comprises production hosts, various detergent enzymes, and the corresponding intellectual property. The business has been integrated into the Care Chemicals division.

The purchase prices for the businesses acquired in the first half of 2013 totaled €588 million. The purchase price allocations were carried out in accordance with IFRS 3 and are based on estimates. The resulting goodwill amounted to €95 million. The purchase price allocations should be regarded as preliminary and can be adjusted within one year after the acquisition.

Divestitures

Effective April 2, 2013, BASF concluded the sale of its sprayed concrete technology business for tunneling and mining to Atlas Copco, announced in the fourth quarter of 2012. The transaction comprises the production site in Winterthur, Switzerland, and the sales and service activities in Hermsdorf, Germany. The business had been part of the Construction Chemicals division.

4 – Segment reporting

BASF optimized its organizational structure effective January 1, 2013. Since this date, BASF's business has been conducted by 14 (previously 15) operating divisions aggregated into five (previously six) segments for reporting purposes. The divisions are allocated to the segments based on their business models. The Plastics segment has been dissolved; its businesses with high-volume products have been integrated into the Chemicals segment, and the businesses with innovative plastics have been bundled into the new Performance Materials division in the Functional Materials & Solutions segment.

The Chemicals segment comprises the classical chemicals business with basic chemicals and intermediates. It forms the core of BASF's Production Verbund and is the starting point for a majority of the value chains. In addition to supplying the chemical industry and other sectors, the segment ensures that other BASF divisions are supplied with chemicals for producing downstream products. Chemicals comprises the Petrochemicals, Monomers and Intermediates divisions.

The Performance Products segment consists of the Dispersions & Pigments, Care Chemicals, Nutrition & Health, Paper Chemicals and Performance Chemicals divisions. Customized products allow customers to make their production processes more efficient or to give their products improved application properties.

The Functional Materials & Solutions segment groups together system solutions, services and innovative products for specific sectors and customers, in particular for the automotive, electrical, chemical and construction industries. It comprises the Catalysts, Construction Chemicals, Coatings and Performance Materials divisions.

Agricultural Solutions is made up of the Crop Protection division, whose products guard crops against insects, weeds, and fungal infections, and secure yields. Plant biotechnology research is not assigned to this segment; it is reported in Other.

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

→ **For more on the new segment structure and the adjusted figures for the previous year, see basf.com/restatedfigures2012**

Activities not assigned to a particular division are reported in Other. These include the sale of raw materials, engineering and other services, rental income and leases.

With cross-divisional corporate research, BASF is developing growth fields and ensuring its long-term competence with regard to technology and methods. This includes plant biotechnology research. Corporate research costs are not allocated to the segments, but rather are also reported under Other, as are corporate costs that comprise 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, revenues and expenses from the long-term incentive (LTI) program are reported here.

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.

Sales in Other grew by €193 million compared with the first half of 2012. The increase resulted particularly from higher volumes in precursors not assigned to a particular segment, from raw material trading and from services. In the first half of 2013, income from operations in Other was significantly lower than the level of the previous first half, which had been positively affected by the special income of €645 million from the sale of the fertilizer business.

Assets of Other (million €)

	1st Half	
	2013	2012
Assets of businesses included under Other	3,207	3,060
Financial assets	631	573
Deferred tax assets	1,500	1,482
Cash and cash equivalents / marketable securities	2,246	2,037
Defined benefit assets	166	118
Miscellaneous receivables / prepaid expenses	2,252	2,499
Assets of Other	**10,002**	**9,769**

Reconciliation reporting for Oil & Gas (million €)

	2nd Quarter		1st Half	
	2013	2012	2013	2012
Income from operations	**381**	**250**	**1,011**	**890**
Income from participations	6	–	(3)	1
Other income	24	(7)	54	(47)
Income before taxes and minority interests	**411**	**243**	**1,062**	**844**
Income taxes	(114)	(7)	(310)	(131)
Income before minority interests	**297**	**236**	**752**	**713**
Minority interests	(17)	(28)	(75)	(90)
Net income	**280**	**208**	**677**	**623**

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 the segment's income from operations, the interest result and the miscellaneous financial result. The increase in the second quarter of 2013 arose predominantly from positive currency results.

The tax rate increase was largely the result of high tax credits in the previous second quarter. These were mostly related to impairment charges on a Norwegian oilfield development project.

5 – Other operating income and expenses

Other operating income (million €)

	2nd Quarter		1st Half	
	2013	2012	2013	2012
Income from currency conversion and foreign currency transactions	51	14	137	55
Gains on the disposal of property, plant and equipment	5	7	14	20
Reversal and adjustment of provisions	(12)	2	35	3
Gains on the reversal of allowances for business-related receivables	3	6	18	15
Revenue from miscellaneous typical business activities	14	5	34	41
Special income	5	9	10	689
Miscellaneous	138	126	296	366
Other operating income	**204**	**169**	**544**	**1,189**

Other operating expenses (million €)

	2nd Quarter		1st Half	
	2013	2012	2013	2012
Expenses from currency conversion and foreign currency transactions	74	78	136	153
Losses on the disposal of property, plant and equipment	7	8	12	16
Expenses from the addition of valuation allowances for business-related receivables	20	10	36	21
Oil and gas exploration expenses	43	74	71	97
Special charges	64	270	114	362
Miscellaneous	317	127	716	665
Other operating expenses	**525**	**567**	**1,085**	**1,314**

The foreign currency result improved by €41 million to minus €23 million. This was especially due to a stable exchange rate level between the euro and U.S. dollar in the second quarter of 2013, whereas the weakening of the euro against the U.S. dollar in the second quarter of 2012 had led to currency losses.

The decline in special income in the first half of 2013 was a result of the €645 million gain on the disposal of the fertilizer business in the previous first half.

In the first half of 2013, income reported in miscellaneous decreased. This was mainly on account of the previous first half's high earnings compensation in the fertilizer business.

Special charges in the second quarter fell especially because of the impairment charges on a Norwegian oilfield development project in the previous second quarter.

Expenses reported in miscellaneous rose primarily on account of higher provisions for the long-term incentive program; while the same period of the previous year had included gains for the reversal of provisions, the second quarter of 2013 included expenses from additions to provisions. Furthermore, higher expenses arose from hedging for raw material price risks.

6 – Income from companies accounted for using the equity method

The largest portion of income from companies accounted for using the equity method came from the Oil & Gas segment, mostly from OAO Severneftegazprom and Wintershall AG. Participations in Styrolution Holding GmbH and BASF-YPC Company Ltd. also contributed significantly to income.

Companies in the Oil & Gas segment were primarily responsible for the decline in income. Since the creation of the natural gas trading disposal group in November 2012, the equity book values of companies in this group remain unchanged and are only tested for impairment.

7 – Financial result

Million €	2nd Quarter		1st Half	
	2013	2012	2013	2012
Income from participations in affiliated and associated companies	18	20	20	26
Income from the disposal of participations	1	1	1	3
Income from profit transfer agreements	2	8	5	11
Income from tax allocation to participating interests	1	1	2	2
Income from participations	**22**	**30**	**28**	**42**
Expenses from profit transfer agreements	(1)	(3)	(11)	(4)
Write-downs on / losses from the sale of participations	(5)	–	(10)	(1)
Expenses from participations	**(6)**	**(3)**	**(21)**	**(5)**
Interest income from cash and cash equivalents	32	37	56	77
Interest and dividend income from securities and loans	3	3	5	6
Interest income	**35**	**40**	**61**	**83**
Interest expenses	**(158)**	**(186)**	**(312)**	**(364)**
Net interest income from overfunded pension plans and similar obligations	–	2	–	3
Net interest income from other long-term employee obligations	–	(3)	–	–
Income from the capitalization of construction interest	24	16	44	30
Miscellaneous financial income	(7)	–	48	–
Other financial income	**17**	**15**	**92**	**33**
Write-downs of / losses from the disposal of securities and loans	(3)	–	(4)	–
Net interest expense from underfunded pension plans and similar obligations	(48)	(30)	(96)	(58)
Net interest expense from other long-term employee obligations	(1)	–	(3)	–
Interest accrued on other long-term liabilities	(20)	(11)	(33)	(25)
Miscellaneous financial expenses	–	–	–	(9)
Other financial expenses	**(72)**	**(41)**	**(136)**	**(92)**
Financial result	**(162)**	**(145)**	**(288)**	**(303)**

The interest result improved compared with the previous first quarter. This was largely due to lower interest expenses for financial indebtedness, as BASF was able to refinance the bonds redeemed in 2012 with more favorable conditions.

Net interest expense from underfunded pension plans and similar obligations rose compared with the previous year, mainly as a result of the higher defined benefit obligation as of December 31, 2012.

Miscellaneous financial income included effects from the market valuation of options for the disposal of participations in the Styrolution joint venture in the amount of €13 million in the second quarter of 2013 and €68 million in the first half of 2013. Counterbalancing effects came from hedging transactions.

8 – Income taxes

Income before taxes and minority interests (million €)

	2nd Quarter		1st Half	
	2013	2012	2013	2012
Germany	414	663	1,091	1,406
Foreign	1,197	868	2,563	2,565
Income before taxes and minority interests	**1,611**	**1,531**	**3,654**	**3,971**

Income taxes (million €)

		2nd Quarter		1st Half	
		2013	2012	2013	2012
Germany	million €	118	236	297	417
Foreign	million €	265	47	585	511
		383	**283**	**882**	**928**
Tax rate	%	23.8	18.5	24.1	23.4

The tax rate increase was largely the result of high tax credits in the second quarter of 2012. These were mostly related to impairment charges on a Norwegian oilfield development project. Tax expenses on gains from the disposal of the fertilizer business in Belgium had raised the tax rate in the first quarter of 2012.

9 – Minority interests

Million €	2nd Quarter		1st Half	
	2013	2012	2013	2012
Minority interests in profits	76	57	174	149
Minority interests in losses	(5)	(17)	(5)	(17)
Minority interests	**71**	**40**	**169**	**132**

After a negative contribution to earnings in the previous year, there were minority interests in profits at BASF Total Petrochemicals LLC in Port Arthur, Texas, in 2013. Minority interests in profits were lower at BASF Petronas Chemicals Sdn. Bhd., Malaysia, and at WINGAS GmbH.

10 – Earnings per share

		2nd Quarter		1st Half	
		2013	2012	2013	2012
Net income	million €	1,157	1,208	2,603	2,911
Number of outstanding shares (weighted average)	in thousands	918,479	918,479	918,479	918,479
Earnings per share	**€**	**1.26**	**1.32**	**2.83**	**3.17**

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*.” There was no dilutive effect in the second quarter of 2013 and in the corresponding period of 2012; undiluted earnings per share were the same as the diluted value per share.

11 – Long-term assets

Development (million €)

	1st Half 2013			
	Intangible assets	**Property, plant and equipment**	**Investments accounted for using the equity method**	**Other financial assets**
Acquisition costs				
Balance as of January 1	14,876	53,919	3,459	792
Additions	555	2,130	–	36
Disposals	(122)	(448)	(6)	(5)
Transfers	42	(6)	38	1
Exchange differences	(176)	(158)	(15)	–
Balance as of June 30	**15,175**	**55,437**	**3,476**	**824**
Amortization and depreciation				
Balance as of January 1	2,683	37,309	–	178
Additions	306	1,095	–	13
Disposals	(114)	(401)	–	(4)
Transfers	53	(4)	–	6
Exchange differences	(31)	(93)	–	–
Balance as of June 30	**2,897**	**37,906**	**–**	**193**
Net carrying amount as of June 30	**12,278**	**17,531**	**3,476**	**631**

Development (million €)

	1st Half 2012			
	Intangible assets	**Property, plant and equipment**	**Investments accounted for using the equity method**	**Other financial assets**
Acquisition costs				
Balance as of January 1	14,988	53,434	3,486	735
Additions	277	1,580	48	11
Disposals	(625)	(301)	–	(9)
Transfers	58	36	(30)	(11)
Exchange differences	134	374	(13)	1
Balance as of June 30	**14,832**	**55,123**	**3,491**	**727**
Amortization and depreciation				
Balance as of January 1	3,138	37,252	–	157
Additions	294	1,246	–	–
Disposals	(615)	(265)	–	(1)
Transfers	4	4	–	(3)
Exchange differences	13	236	–	–
Balance as of June 30	**2,834**	**38,473**	**–**	**153**
Net carrying amount as of June 30	**11,998**	**16,650**	**3,491**	**574**

Significant investments in the first half of 2013 were related to the construction of production facilities for TDI in Ludwigshafen, Germany, and for MDI in Chongqing, China; for an acrylic acid production complex in Camaçari, Brazil; and for oil and gas production facilities and wells in Europe. Investments for expansion purposes were particularly made at the sites in Ludwigshafen; Antwerp, Belgium; Geismar, Louisiana; and Port Arthur, Texas. Property, plant and equipment rose by €298 million on account of acquisitions; €288 million of this total came from the acquisition of Pronova BioPharma.

Intangible assets increased by a total of €502 million in the first half of 2013 due to acquisitions, especially of Pronova BioPharma and of Ciech's TDI business. The bulk of this amount was related to production technology.

Disposals in intangible assets were primarily attributable to the derecognition of fully amortized technologies and software.

12 – Short-term assets

Million €	June 30, 2013	June 30, 2012	Dec. 31, 2012
Raw materials and factory supplies	2,538	2,699	2,629
Work-in-process, finished goods and merchandise	6,672	7,237	6,865
Advance payments and services-in-process	109	141	87
Inventories	**9,319**	**10,077**	**9,581**
Accounts receivables, trade	**10,621**	**11,730**	**9,506**
Other receivables and miscellaneous short-term assets	3,650	3,761	3,455
Marketable securities	18	15	14
Cash and cash equivalents	2,228	2,022	1,647
Assets of disposal groups	2,084	–	3,264
Other short-term assets	**7,980**	**5,798**	**8,380**
Short-term assets	**27,920**	**27,605**	**27,467**

Work-in-process, finished goods and merchandise are combined into one item due to the 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 in comparison with year-end 2012 as a result of seasonal effects in the Agricultural Solutions segment.

13 – 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 issuing new shares in an amount of up to €500 million 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 have been issued.

Retained earnings

Transfers from other retained earnings increased legal reserves by €5 million in the first half of 2013.

Reserves (million €)

	June 30, 2013	Dec. 31, 2012
Legal reserves	436	431
Other retained earnings	23,498	23,277
Retained earnings	**23,934**	**23,708**

Payment of dividends

In accordance with the resolution of the Annual Shareholders' Meeting on April 26, 2013, BASF SE paid a dividend of €2.60 per share from the retained profit of the 2012 fiscal year. With 918,478,694 shares entitled to dividends, this amounts to a total dividend payout of €2,388,044,604.40.

14 – Provisions for pensions

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

	Germany		Foreign	
	June 30, 2013	Dec. 31, 2012	June 30, 2013	Dec. 31, 2012
Discount rate	3.70	3.50	3.94	3.46
Projected pension increase	2.00	2.00	0.63	0.63

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

	Germany		Foreign	
	2013	2012	2013	2012
Discount rate	3.50	5.00	3.46	4.34
Projected pension increase	2.00	2.00	0.63	0.70

The assumptions used to determine the defined benefit obligation as of December 31, 2012, are used in the 2013 reporting year to determine the expenses for pension plans.

Since the first-time application of IAS 19 (revised), the standardized return on plan assets is ascertained by multiplying plan assets at the beginning of the year with the discount rate used for existing obligations at the beginning of the year. This takes into account benefit and contribution payments made during the year.

The discount rate increase in most of the significant currency zones due to the development of the capital markets in the first half of 2013 was primarily responsible for actuarial gains in pension obligations. Including the deviation between the actual and standardized return on plan assets, a positive remeasurement arose in the amount of €795 million. This was recognized in other comprehensive income (OCI), taking into account deferred taxes of €231 million. This valuation effect was also the main reason for the €689 million decline in pension provisions.

15 – Other provisions

Development of other provisions in first half of 2013 (million €)

	January 1, 2013	Additions	Accrued interest	Utilization	Reversals	Other changes	June 30, 2013
Restoration obligations	748	39	16	(9)	–	(10)	784
Environmental protection and remediation costs	617	35	3	(74)	(7)	5	579
Employee obligations	1,905	752	4	(1,119)	(29)	23	1,536
Sales and purchase risks	635	548	–	(126)	(19)	5	1,043
Restructuring measures	198	44	–	(49)	(4)	(8)	181
Litigation, damage claims, guarantees and similar commitments	171	11	–	(36)	(14)	(3)	129
Other	1,279	158	1	(120)	(33)	(17)	1,268
Total	**5,553**	**1,587**	**24**	**(1,533)**	**(106)**	**(5)**	**5,520**

On June 30, 2013, other provisions were €33 million below the level of year-end 2012. Provisions for employee obligations decreased significantly as a result of utilization for variable compensation payments for the past fiscal year. This decline was only partly offset by additions made in the first half of the year to provisions for employee obligations pertaining to variable compensation for the current reporting year. The rise in sales and purchase risks is particularly attributable to the recognition of new short-term provisions for rebates and other obligations from sales transactions, which exceeded the utilization of provisions from the previous year. Other provisions include long-term tax provisions, as well as further present obligations and accruals.

16 – Liabilities

Liabilities (million €)

	June 30, 2013		December 31, 2012		June 30, 2012	
	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term
Accounts payable, trade	**4,422**	**–**	**4,502**	**–**	**5,366**	**–**
Bonds and other liabilities to the capital market	2,470	9,715	2,736	7,658	3,522	7,198
Liabilities to credit institutions	1,443	1,053	1,358	1,046	1,197	1,231
Financial indebtedness	**3,913**	**10,768**	**4,094**	**8,704**	**4,719**	**8,429**
Tax liabilities	**994**	**–**	**870**	**–**	**1,194**	**–**
Advances received on orders	114	–	266	–	99	–
Negative fair values from derivatives and liabilities for precious metal obligations	254	197	203	238	496	139
Liabilities related to social security	173	20	148	17	168	21
Miscellaneous liabilities	1,983	810	1,807	787	2,043	773
Deferred income	122	178	199	69	341	205
Other liabilities	**2,646**	**1,205**	**2,623**	**1,111**	**3,147**	**1,138**

Financial indebtedness (million €)

			Carrying amounts based on effective interest method		
	Nominal value (million, in issuing currency)	Effective interest rate	June 30, 2013	Dec. 31, 2012	June 30, 2012
3.75% Euro Bond 2009/2012 of BASF SE	1,350	3.97%	–	–	1,353
4.5% Euro Bond 2006/2016 of BASF SE	500	4.62%	498	498	498
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%	464	487	493
4.625% Euro Bond 2009/2017 of BASF SE	300	4.69%	299	299	299
Floating Rate Note 2013/2018 of BASF SE	300	variable	300	–	–
1.5% Euro Bond 2012/2018 of BASF SE	750	1.63%	745	745	–
Floating Rate Note 2013/2020 of BASF SE	300	variable	300	–	–
1.875% Euro Bond 2013/2021 of BASF SE	500	2.03%	495	–	–
1.875% Euro Bond 2013/2021 of BASF SE	200	1.73%	202	–	–
2% Euro Bond 2012/2022 of BASF SE	1,000	2.16%	986	986	–
3.675% NOK Bond 2013/2025 of BASF SE	1,450	3.70%	184	–	–
3% Euro Bond 2013/2033 of BASF SE	200	3.12%	197	–	–
2.875% Euro Bond 2013/2033 of BASF SE	200	3.09%	197	–	–
3.25% Euro Bond 2013/2043 of BASF SE	200	3.27%	199	–	–
6% Euro Bond 2008/2013 of BASF Finance Europe N.V.	1,250	6.15%	1,249	1,248	1,248
5% Euro Bond 2007/2014 of BASF Finance Europe N.V.	1,000	5.09%	999	999	998
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%	162	165	165
5.125% Euro Bond 2009/2015 of BASF Finance Europe N.V.	1,500	5.30%	1,495	1,494	1,493
5.125% Euro Bond 2009/2015 of BASF Finance Europe N.V.	500	4.38%	507	508	510
4.5% Euro Anleihe 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
4.875% Euro Bond 2003/2018 of Ciba Spec. Chem. Finance Luxemburg S.A.	477	4.88%	423	418	414
USD commercial paper	1,600		1,221	1,288	1,778
Other bonds			463	659	685
Bonds and other liabilities to the capital market			**12,185**	**10,394**	**10,720**
Liabilities to credit institutions			2,496	2,404	2,428
Financial indebtedness			**14,681**	**12,798**	**13,148**

17 – Related-party transactions

The BASF Group maintains relationships with several related parties over which it exercises material or significant influence, or which are controlled by the Group but are not consolidated due to their minor significance. The following table shows the scope of the Group's transactions with related parties.

Sales to related parties (million €)

	2nd Quarter		1st Half	
	2013	2012	2013	2012
Non-consolidated subsidiaries	151	163	350	343
Joint ventures	161	175	319	350
Joint operations	108	110	217	205
Associated companies and other participations	899	791	1,663	1,603

The rise in sales to associated companies and other participations resulted mainly from increased sales to VNG – Verbundnetz Gas AG and to Shanghai Lianheng Isocyanate Co. Ltd. Sales to VNG – Verbundnetz Gas AG amounted to €198 million in the first half of 2013 compared with €157 million in the first half of 2012. Sales to Shanghai Lianheng Isocyanate Co. Ltd. rose from €25 million in the first half of 2012 to €43 million in the first half of 2013. Furthermore, substantial sales to associated companies and other participations were related to the Styrolution Group. Sales to Styrolution Group companies amounted to €1,196 million in the first half of 2013 compared with €1,203 million in the first half of 2012.

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

Trade accounts receivable from / trade accounts payable to related parties (million €)

	Accounts receivable, trade		
	June 30, 2013	June 30, 2012	Dec. 31, 2012
Non-consolidated subsidiaries	247	225	178
Joint ventures	123	121	109
Joint operations	34	45	57
Associated companies and other participations	373	384	268

	Accounts payable, trade		
	June 30, 2013	June 30, 2012	Dec. 31, 2012
Non-consolidated subsidiaries	52	54	64
Joint ventures	356	239	172
Joint operations	62	61	55
Associated companies and other participations	41	48	34

Calculation of Adjusted Earnings per Share

		2nd Quarter		1st Half	
		2013	**2012**	**2013**	**2012**
Income before taxes and minority interests	million €	1,611	1,531	3,654	3,971
Special items	million €	46	261	36	(327)
Amortization of intangible assets	million €	153	146	306	294
Amortization of intangible assets contained in the special items	million €	–	–	–	–
Adjusted income before taxes and minority interests	**million €**	**1,810**	**1,938**	**3,996**	**3,938**
Adjusted income taxes	million €	446	442	1,003	933
Adjusted income before minority interests	**million €**	**1,364**	**1,496**	**2,993**	**3,005**
Adjusted minority interests	million €	71	39	170	134
Adjusted net income	**million €**	**1,293**	**1,457**	**2,823**	**2,871**
Weighted average number of outstanding shares	in thousands	918,479	918,479	918,479	918,479
Adjusted earnings per share	**€**	**1.40**	**1.59**	**3.07**	**3.13**

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.

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 the 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 32. 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)(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 23, 2013

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 107 to 115 in the BASF Report 2012. 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

Oct. 25, 2013

Full-Year Results 2013

Feb. 25, 2014

Annual Shareholders' Meeting 2014 / Interim Report 1st Quarter 2014

May 2, 2014

Interim Report 1st Half 2014

July 24, 2014

Further Information

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