Interim Report
3rd Quarter 2013

Robust 3rd Quarter 2013 for BASF

- Slight sales growth and significant earnings increase
- Successful business development for Functional Materials & Solutions
- Outlook for 2013 confirmed: increase in sales and earnings expected; environment to remain challenging

The Chemical Company

BASF Group
3rd Quarter 2013

		3rd Quarter[1]			January – September[1]		
		2013	2012	Change in %	2013	2012	Change in %
Sales	million €	17,733	17,472	1.5	55,824	54,148	3.1
Income from operations before depreciation and amortization (EBITDA)	million €	2,494	2,141	16.5	7,837	7,955	(1.5)
Income from operations (EBIT) before special items	million €	1,692	1,471	15.0	5,738	5,418	5.9
Income from operations (EBIT)	million €	1,682	1,403	19.9	5,624	5,677	(0.9)
Financial result	million €	(167)	(175)	4.6	(455)	(478)	4.8
Income before taxes and minority interests	million €	1,515	1,228	23.4	5,169	5,199	(0.6)
Net income	million €	1,096	925	18.5	3,699	3,836	(3.6)
Earnings per share	€	1.20	1.01	19.2	4.03	4.18	(3.5)
Adjusted earnings per share[2]	€	1.28	1.16	10.3	4.35	4.29	1.4
Cash provided by operating activities	million €	1,952	1,614	20.9	5,982	5,025	19.0
Additions to long-term assets[3]	million €	2,995	998	200.1	5,680	2,855	98.9
Research and development expenses	million €	445	448	(0.7)	1,329	1,273	4.4
Amortization and depreciation[3]	million €	812	738	10.0	2,213	2,278	(2.9)
Segment assets (as of September 30)[4]	million €	56,062	52,906	6.0	56,062	52,906	6.0
Personnel costs	million €	2,352	2,403	(2.1)	6,987	6,860	1.9
Number of employees (as of September 30)		112,617	110,983	1.5	112,617	110,983	1.5

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 22 onward.

2 For further information, see page 37

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.

3rd Quarter 2013

Sales
Change compared with 3rd quarter 2012

+1.5%

EBIT before special items
(Change compared with 3rd quarter 2012)
Million €

1,692 (+221)

← **The cover photo shows** laboratory employees Dr. Jurith Montag and Justus Rabe. BASF's goal is to develop innovative crop protection products from active ingredients using an automated process.

BASF's Segments

Chemicals Page 5

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, crop protection 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 6

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 8

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 10

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 11

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.

Insulation loves design

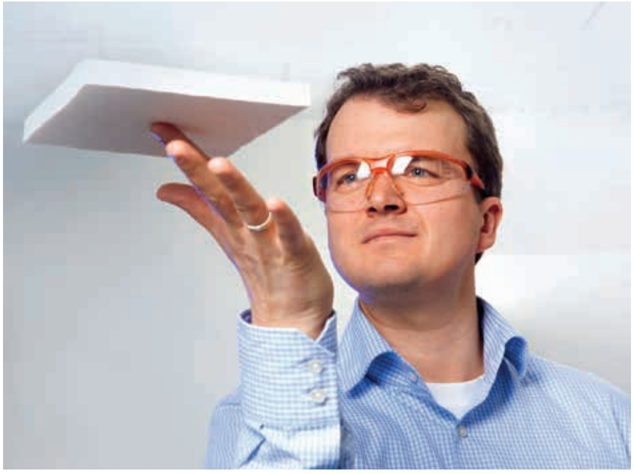
→ The new high-performance insulation panel, SLENTITE™, reduces heating costs and allows freedom of design

Rising energy costs are making it increasingly important to ensure efficient, climate-friendly insulation in building façades, especially for older structures. With SLENTITE™, BASF's researchers have developed the first high-performance, polyurethane-based insulation panel that needs only half the space to do the same job as conventional materials.

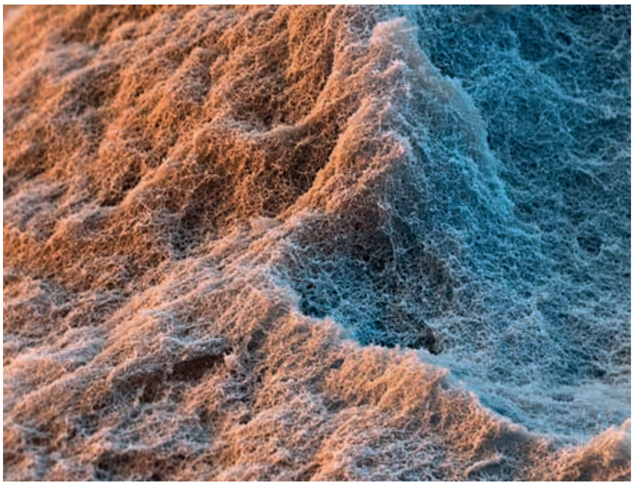
SLENTITE™ is an innovative "organic aerogel." The special production process results in a product whose tiny pores measure only 50 to 100 nanometers in size. Air molecules have limited room to move inside these small pores, and are thus hardly able to transfer any heat. The organic aerogel's open-pore cell structure regulates a room's moisture level and ensures a comfortable climate with interior insulation, as well.

This material not only provides especially effective insulation, it also takes up extremely little space. Innovative solutions are especially in demand for the renovation of old buildings, the protection of historic landmarks and for interior construction. The new aerogel panels require half as much space, allowing architects more freedom of design. SLENTITE™ is also easy to work with – sawing, shaping, drilling and gluing are no problem when attaching the polyurethane panels.

The new high-performance insulation material is not only suitable for façades, it also offers new possibilities for refrigerator manufacturers. As a core material in the vacuum insulation panels that are integrated into refrigerators for particularly efficient insulation, SLENTITE™ creates more space while reducing energy costs, as well.



Dr. Marc Fricke, laboratory manager for Advanced Materials & Systems Research, presents SLENTITE™ as a ready-to-use panel.



This scanning electron microscope image shows the aerogel's open-pored structure.

BASF Innovations – SLENTITE™

– BASF's new high-performance insulation panels offer architects freedom of design
– SLENTITE™ is an organic aerogel with nanopores and excellent insulation properties
– The mechanically stable panels are easy to work with and especially space-saving for use in façade insulation as well as in refrigerators

BASF Group Business Review 3rd Quarter 2013

Our business performance was robust in the third quarter of 2013. Despite significantly negative currency effects, we raised sales by €261 million to around €17.7 billion. This growth was mainly the result of increased volumes, particularly in the Oil & Gas segment. We posted lower sales in the Chemicals segment. Income from operations before special items rose by €221 million to just under €1.7 billion. This was largely due to higher contributions from the Functional Materials & Solutions and Performance Products segments in addition to improved earnings in Other.

We increased sales volumes compared with the same quarter of the previous year. In the Oil & Gas segment, we posted significant volumes growth. Sales prices saw a minor decline on average, while portfolio measures slightly increased sales. Currency effects, however, negatively impacted sales in all segments.

Factors influencing sales (% of sales)

	3rd Quarter	Jan. – Sept.
Volumes	6	5
Prices	(1)	0
Portfolio	1	1
Currencies	(5)	(3)
	1	**3**

Sales in the **Chemicals** segment did not match the level of the third quarter of 2012. Reduced prices dampened sales, especially in the Monomers division. In addition to negative currency effects, lower volumes in all divisions contributed to this sales decrease. Earnings were down largely as a result of lower margins for isocyanates in Asia and ammonia.

We increased sales volumes in the **Performance Products** segment, while sales saw a slight, mostly currency-related decline. Margins were largely stable. Earnings nevertheless exceeded the level of the third quarter of 2012. This was mainly the result of our fixed-cost management.

Third-quarter sales (million €, relative change)

	Year	Sales	Change
Chemicals	**2013**	**4,224**	**(8%)**
	2012	4,601	
Performance Products	**2013**	**3,939**	**(1%)**
	2012	3,975	
Functional Materials & Solutions	**2013**	**4,439**	**3%**
	2012	4,304	
Agricultural Solutions	**2013**	**1,054**	**5%**
	2012	1,008	
Oil & Gas	**2013**	**3,130**	**25%**
	2012	2,497	
Other	**2013**	**947**	**(13%)**
	2012	1,087	

Sales rose in the **Functional Materials & Solutions** segment compared with the prior third quarter. While the Catalysts and Performance Materials divisions were able to increase sales through higher volumes, we posted a sales decline in the Construction Chemicals and Coatings divisions. This was mostly attributable to negative currency effects. We significantly increased our earnings in all divisions except Coatings.

BASF Group 3rd Quarter 2013

– Robust business development in third quarter of 2013
– Sales rise year-on-year by €261 million to around €17.7 billion despite negative currency effects
– Increased volumes, especially in Oil & Gas, largely responsible for sales growth
– Income from operations before special items increases by 15% to €1.7 billion
– Higher earnings in Functional Materials & Solutions and Performance Products; earnings improvement in Other

Sales grew in the **Agricultural Solutions** segment, despite negative currency effects. We posted higher volumes and sales prices in all indications. The acquisition of Becker Underwood also contributed to sales growth. Due to increased investments in research and development, production, and distribution, earnings remained at the level of the previous third quarter.

In the **Oil & Gas** segment, sales were up thanks primarily to increased volumes in the Natural Gas Trading business sector. Sales rose in the Exploration & Production business sector predominantly as a result of the activities in Norway acquired from Statoil on July 31, 2013. Earnings decreased on account of a volumes-related earnings decline in Libya and higher field abandonment costs as well as a lower contribution from the Natural Gas Trading business sector.

Sales in **Other** did not match the level of the third quarter of 2012. By contrast, income from operations before special items improved as a result of lower charges, including those from the long-term incentive program.

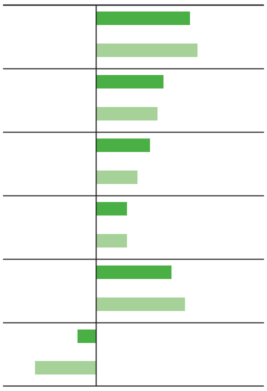
Special items in EBIT totaled minus €10 million in the third quarter of 2013, compared with minus €68 million in the same quarter of the previous year. Special income was predominantly attributable to the sale of a share in a Norwegian oil and gas field. This was partly offset by expenses from restructuring measures, impairment charges and the integration of Pronova BioPharma and Becker Underwood.

Compared with the previous third quarter, **EBIT** rose by €279 million to €1,682 million. EBITDA increased by €353 million to €2,494 million.

In the third quarter of 2013, the **financial result** improved by €8 million to minus €167 million compared with the same period of the previous year. While the interest result declined, income from participations and other financial result both increased.

Third-quarter EBIT before special items
(Million €, absolute change)

Chemicals	**2013**	**527**	**(42)**
	2012	569	
Performance Products	**2013**	**376**	**32**
	2012	344	
Functional Materials & Solutions	**2013**	**300**	**69**
	2012	231	
Agricultural Solutions	**2013**	**172**	**1**
	2012	171	
Oil & Gas	**2013**	**422**	**(77)**
	2012	499	
Other	**2013**	**(105)**	**238**
	2012	(343)	



Income before taxes and minority interests grew by €287 million to €1,515 million compared with the previous third quarter. At 23.1%, the tax rate was higher than in the third quarter of 2012 (20.8%).

Net income rose by €171 million to €1,096 million.

Earnings per share were €1.20 in the third quarter of 2013, compared with €1.01 in the same quarter of 2012. Adjusted for special items and amortization of intangible assets, earnings per share rose to €1.28 (third quarter of 2012: €1.16).

→ **Information on the calculation of adjusted earnings per share can be found on page 37**

Special items reported in earnings before taxes (million €)

	2013	2012
1st quarter	10	588
2nd quarter	(46)	(261)
3rd quarter	(21)	(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
3rd quarter	1.28	1.16
4th quarter		1.35
Full year		**5.64**

BASF on the Capital Market

Overview of BASF shares

		3rd Quarter 2013	Jan. – Sept. 2013
Performance (with dividends reinvested)			
BASF	%	3.3	3.3
DAX 30	%	8.0	12.9
DJ EURO STOXX 50	%	11.5	13.1
DJ Chemicals	%	8.0	9.8
MSCI World Chemicals	%	5.2	12.4
Share prices and trading (XETRA)			
Average	€	68.77	70.95
High	€	72.35	75.85
Low	€	64.79	64.79
Close (end of period)	€	70.90	70.90
Average daily trade	million shares	2.8	2.9
Outstanding shares (end of period)	million shares	918.5	918.5
Market capitalization (end of period)	billion €	65.1	65.1

Market trend

In the third quarter of 2013, the crisis in Syria as well as uncertainty regarding the U.S. Federal Reserve's monetary policy resulted in volatile developments on the stock markets. At the end of the quarter, share prices recovered in expectation of continuing low interest rates in the United States, and BASF shares traded at €70.90, 3.3% over the previous quarter's closing rate. This performance was weaker than that of the German stock index DAX 30 and the European benchmark index DJ EURO STOXX 50, which gained 8.0% and 11.5%, respectively. In the same period, the global industry indices DJ Chemicals and MSCI World Chemicals improved by 8.0% and 5.2%, respectively.

Good credit ratings and solid financing

With "A+/A1 outlook stable" from rating agency Standard & Poor's and "A1/P1 outlook stable" from Moody's, we have good credit ratings, especially compared with competitors in the chemical industry. Our financing is solid. Since the beginning of the year, net debt has increased by €1,844 million to around €13 billion. In August, we increased our 20-year bond issued in February with a coupon rate of 3% by €300 million to €500 million, and issued a variable-rate, three-year bond of €200 million.

BASF a sustainable investment

In September, BASF shares were included in the Dow Jones Sustainability World Index (DJSI World) for the thirteenth year in succession. Analysts particularly lauded our commitment in the areas of climate strategy, risk and crisis management, and human resource development. In addition, BASF was – as in previous years – the top scorer in the Materials sector of the Carbon Disclosure Leadership Index (CDLI).

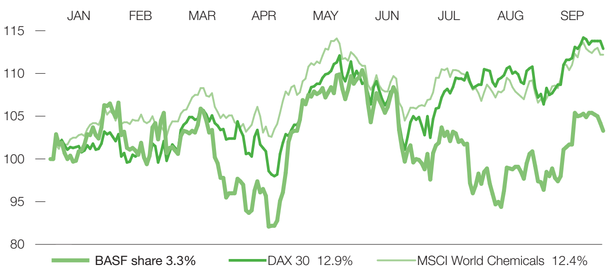
→ **For up-to-date information on BASF shares online, visit: basf.com/share**

BASF on the Capital Market

- Stock market recovers during third quarter; BASF share trades at 3.3% above previous quarter's closing price
- Good credit ratings and solid financing
- BASF once again represented in important sustainability indices

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

Change in value of an investment in BASF shares (Jan. – Sept. 2013)
(with dividends reinvested; indexed)



Significant Events

On July 31, 2013, we concluded our previously announced transaction with Statoil ASA: With the transfer of shares in the Brage, Vega and Gjøa fields, Wintershall's daily production in Norway has risen from approximately 3,000 barrels of oil equivalent (BOE) to nearly 40,000 BOE. As part of the transaction, Statoil received from Wintershall a 15-percent share in the Edvard Grieg development project as well as a financial consideration in the amount of $1.35 billion (€1.02 billion). The transaction was concluded with retroactive economic effect as of January 1, 2013. Taking into account earnings due to us from shares in the production of the Brage, Vega and Gjøa fields, as well as investments made in the fields affected by the swap since January 1, 2013, this resulted in a net payment to Statoil of €588 million.

We have entered into an agreement with Verenium Corporation, a biotechnology company specializing in enzymes, to commence a public takeover bid for all outstanding Verenium shares for $4.00 per share. Based on outstanding shares and including all net financial liabilities, the enterprise value amounts to around $62 million (approximately €48 million). With this acquisition, which we aim to conclude in the fourth quarter of 2013, we plan to strengthen our position in the strategic growth market for enzymes.

We are building an Ultramid® production plant with a capacity of 100,000 metric tons per year in Shanghai, China. With this investment, we intend to benefit from growing demand for polyamide in the Asia Pacific region in the engineering plastics, film and fiber business areas. The plant is expected to start up in 2015.

We have signed a contract with the ROCKWOOL Group to sell BASF Wall Systems GmbH & Co. KG. BASF Wall Systems is a medium-sized supplier on the German market for insulation and finishing systems, whose approximately 200 current employees will be transferred to the new owner. The sale is subject to approval by the relevant authorities. The transaction is expected to close at the end of 2013.

Significant Events

- In Norway, our daily oil and gas production increases from 3,000 to 40,000 barrels of oil equivalent
- Acquisition of biotechnology company Verenium Corporation to strengthen our position in strategic growth market for enzymes
- We are building an Ultramid® production plant in Shanghai, China, with startup planned for 2015
- Contract signed with ROCKWOOL Group for sale of BASF Wall Systems

Chemicals

Segment data Chemicals (million €)

	3rd Quarter			January – September		
	2013	2012[1]	Change in %	2013	2012[1]	Change in %
Sales to third parties	4,224	4,601	(8)	12,803	13,457	(5)
Thereof Petrochemicals	1,925	2,053	(6)	5,790	6,231	(7)
Monomers	1,599	1,797	(11)	4,897	5,052	(3)
Intermediates	700	751	(7)	2,116	2,174	(3)
Income from operations before depreciation and amortization (EBITDA)	718	785	(9)	2,255	2,353	(4)
Income from operations (EBIT) before special items	527	569	(7)	1,672	1,726	(3)
Income from operations (EBIT)	442	570	(22)	1,586	1,727	(8)
Assets (as of September 30)	10,495	10,371	1	10,495	10,371	1
Research and development expenses	44	48	(8)	131	138	(5)
Additions to property, plant and equipment and intangible assets	445	291	53	1,193	855	40

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

3rd Quarter 2013

In the Chemicals segment, sales decreased compared with the third quarter of 2012. This decline was especially due to lower prices and negative currency effects (volumes –2%, prices –3%, currencies –3%). Income from operations before special items did not match the level of the previous third quarter, largely on account of weaker margins for isocyanates in Asia and for ammonia. Special charges arose from an impairment on a production plant.

Petrochemicals

Sales were down in the Petrochemicals division. This was mainly attributable not only to decreased volumes and negative currency effects, but also to declining sales prices due in part to lower raw material costs. We significantly increased our earnings, thanks in particular to considerably improved margins for steam cracker products in North America. This development was largely attributable to the more flexible use of feedstocks in our steam cracker in Port Arthur, Texas.

Monomers

We posted a price and currency-related sales decline in the Monomers division. Particularly in the polyamide monomers and ammonia businesses, sales were dampened by lower prices. Earnings fell considerably due to weaker margins for isocyanates in Asia and for ammonia, while margins remained stable for caprolactam.

Intermediates

Sales in the Intermediates division declined compared with the level of the third quarter of 2012. This was due to negative currency effects, lower volumes in some high-priced specialties, and a more pronounced seasonal letup in demand, especially in Europe. Earnings therefore also remained below the level of the previous third quarter.

Chemicals

– Sales below the level of the previous third quarter
– Lower prices and negative currency effects largely responsible for sales decline
– Earnings down primarily on account of weaker margins for isocyanates in Asia and for ammonia

3rd Quarter 2013

Sales
Change compared with 3rd quarter 2012

–8%

EBIT before special items
(Change compared with 3rd quarter 2012)
Million €

527 (–42)

Performance Products

Segment data Performance Products (million €)

		3rd Quarter			January – September	
	2013	2012[1]	Change in %	2013	2012[1]	Change in %
Sales to third parties	3,939	3,975	(1)	11,851	12,017	(1)
Thereof Dispersions & Pigments	929	944	(2)	2,751	2,875	(4)
Care Chemicals	1,209	1,216	(1)	3,716	3,710	.
Nutrition & Health	540	492	10	1,577	1,477	7
Paper Chemicals	365	395	(8)	1,097	1,193	(8)
Performance Chemicals	896	928	(3)	2,710	2,762	(2)
Income from operations before depreciation and amortization (EBITDA)	532	522	2	1,656	1,736	(5)
Income from operations (EBIT) before special items	376	344	9	1,149	1,238	(7)
Income from operations (EBIT)	322	321	.	1,033	1,129	(9)
Assets (as of September 30)	14,006	13,877	1	14,006	13,877	1
Research and development expenses	91	94	(3)	275	259	6
Additions to property, plant and equipment and intangible assets	207	171	21	1,299	510	155

[1] Figures restated according to IFRS 10 and 11

3rd Quarter 2013

We increased sales volumes in the Performance Products segment. Nevertheless, sales were just under the level of the third quarter of 2012. Negative currency effects, together with lower prices pushed down by decreased raw material costs, had a detrimental effect on sales (volumes 6%, prices –3%, portfolio 1%, currencies –5%). Income from operations before special items increased, thanks in particular to lower fixed costs. Special charges arose primarily from our restructuring measures.

Dispersions & Pigments

Sales declined in the Dispersions & Pigments division, predominantly as a result of negative currency effects. Lower sales prices additionally reduced sales. We were able to raise sales volumes in all business areas. While margins remained stable for dispersions, pigments and additives, pressure intensified on margins for resins. Earnings nevertheless considerably exceeded the level of the previous third quarter, largely owing to reduced fixed costs as a result of our cost-cutting measures.

Care Chemicals

Despite higher volumes, sales in the Care Chemicals division were slightly below the level of the third quarter of 2012. Sales prices decreased particularly as a result of passing on lower raw material costs. The weaker U.S. dollar also put a strain on sales development. In a difficult market environment, we were able to significantly increase our earnings thanks to higher volumes and successful fixed-cost management.

Performance Products

– Sales below third quarter 2012 level despite higher sales volumes
– Decline largely owing to negative currency effects and reduced prices resulting from lower raw material costs
– Earnings up, primarily due to decreased fixed costs

3rd Quarter 2013

Sales
Change compared with 3rd quarter 2012

–1%

EBIT before special items
(Change compared with 3rd quarter 2012)
Million €

376 (+32)

Nutrition & Health

In the Nutrition & Health division, sales exceeded the level of the previous third quarter thanks in particular to the inclusion of the acquired business from Pronova BioPharma. We raised sales volumes in the pharmaceutical, human nutrition and aroma chemicals business areas. By contrast, we posted a volumes decline in animal nutrition products due to weaker demand. Competitive pressure on vitamin prices and negative currency effects in all business areas reduced the sales increase. Earnings surpassed the previous third quarter's level thanks to the contribution from Pronova BioPharma.

Paper Chemicals

Sales declined in the Paper Chemicals division on account of negative currency effects, lower sales prices and decreased volumes. While demand for packaging products remained stable, demand fell sharply for chemicals for graphic paper production, primarily in Europe and North America. Increasing competitive pressure was additionally intensified by overcapacity on the market. Despite our strict margin and cost management, earnings declined as a result of lower sales volumes.

Performance Chemicals

In the Performance Chemicals division, sales decreased mainly because of currency effects. Slightly declining sales prices were more than offset by higher sales volumes. We were especially able to raise our volumes for plastic additives, fuel and lubricant additives, and water, oilfield and mining chemicals. We reduced fixed costs through our cost-cutting measures. However, earnings were just under the level of the previous third quarter as a result of lower margins.

Performance Products

- Dispersions & Pigments: sales decline mainly as a result of negative currency effects; earnings improve significantly thanks to lower fixed costs
- Care Chemicals: sales just below previous third-quarter level; considerable earnings increase resulting from higher volumes and successful fixed-cost management
- Nutrition & Health: acquisition of Pronova BioPharma leads to sales and earnings growth
- Paper Chemicals: sales decrease; earnings decline due to lower volumes
- Performance Chemicals: sales down, particularly on account of currency effects; earnings just below previous third-quarter level owing to lower margins

Functional Materials & Solutions

Segment data Functional Materials & Solutions (million €)

	3rd Quarter			January – September		
	2013	2012[1]	Change in %	2013	2012[1]	Change in %
Sales to third parties	4,439	4,304	3	13,123	12,884	2
Thereof Catalysts	1,466	1,310	12	4,382	4,247	3
Construction Chemicals	576	634	(9)	1,623	1,757	(8)
Coatings	728	767	(5)	2,178	2,213	(2)
Performance Materials	1,669	1,593	5	4,940	4,667	6
Income from operations before depreciation and amortization (EBITDA)	405	345	17	1,153	1,074	7
Income from operations (EBIT) before special items	300	231	30	832	704	18
Income from operations (EBIT)	292	231	26	815	736	11
Assets (as of September 30)	12,402	12,503	(1)	12,402	12,503	(1)
Research and development expenses	95	91	4	274	262	5
Additions to property, plant and equipment and intangible assets	166	157	6	417	556	(25)

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

3rd Quarter 2013

We raised our sales in the Functional Materials & Solutions segment compared with the previous third quarter due to increased volumes and prices (volumes 8%, prices 2%, portfolio –1%, currencies –6%). In the Catalysts and Performance Materials divisions, sales grew particularly as a result of higher sales volumes. Sales declined, however, in the Construction Chemicals and Coatings divisions, primarily on account of negative currency effects. Income from operations before special items considerably exceeded the level of the third quarter of 2012. All divisions except Coatings contributed to this increase.

Catalysts

Sales grew significantly in the Catalysts division. This is mainly attributable to increased sales volumes for mobile emissions catalysts and higher volumes in precious metal trading. The sales contribution from precious metal trading rose to €657 million (third quarter 2012: €512 million). Sales volumes for chemical catalysts were below the high level of the prior third quarter.

We significantly improved our earnings. This was largely the result of increased volumes in addition to lower raw material costs.

Construction Chemicals

In the Construction Chemicals division, sales did not match the level of the previous third quarter, especially as a result of negative currency effects as well as portfolio measures. Demand remained weak in Southern Europe. By contrast, we were able to raise our sales volumes in North America, the Middle East and Russia. Thanks to better margins and reduced fixed costs from our efficiency program, we significantly increased our earnings.

Functional Materials & Solutions

- Sales rise thanks to higher sales volumes and increased sales prices
- Negative currency effects reduce sales growth
- Earnings improve considerably in all divisions except Coatings

3rd Quarter 2013

Sales
Change compared with 3rd quarter 2012

+3%

EBIT before special items
(Change compared with 3rd quarter 2012)
Million €

300 (+69)

Coatings

Sales decreased in the Coatings division mostly because of negative currency effects, particularly in South America and Japan. Higher sales volumes and slightly increased sales prices partly countered this decline. We boosted our volumes for automotive OEM coatings in all regions. We improved sales volumes for our automotive refinish coatings, especially in Asia; in addition, we were able to raise prices. In the decorative paints business, both negative currency effects in South America and the divestiture of the Relius® decorative paints business in Europe led to a significant decline in sales. Demand for industrial coatings decreased slightly in Europe. Because of the lower level of sales, earnings were slightly down compared with the previous third quarter.

Performance Materials

We increased our sales to all customer industries in the Performance Materials division. We posted stronger demand from the automotive industry, especially in our engineering plastics and polyurethane systems businesses. Sales to the consumer goods sector and to the electric and electronics industry slightly increased. Negative currency effects reduced sales growth. Higher sales volumes led to a significant rise in earnings.

Functional Materials & Solutions

- Catalysts: sales considerably above level of previous third quarter, mainly due to higher volumes; earnings improve significantly, supported by increased sales volumes and lower raw material costs
- Construction Chemicals: decline in sales particularly attributable to negative currency effects and portfolio measures; better margins and lower fixed costs lead to significant earnings increase
- Coatings: sales down mostly on account of currency effects; earnings slightly below level of previous third quarter
- Performance Materials: sales rise in all customer industries; earnings improve significantly thanks to higher sales volumes

Agricultural Solutions

Segment data Agricultural Solutions (million €)

	3rd Quarter			January – September		
	2013	2012	Change in %	2013	2012	Change in %
Sales to third parties	1,054	1,008	5	4,337	3,802	14
Income from operations before depreciation and amortization (EBITDA)	210	204	3	1,267	1,112	14
Income from operations (EBIT) before special items	172	171	1	1,155	1,004	15
Income from operations (EBIT)	168	169	(1)	1,145	1,002	14
Assets (as of September 30)	6,636	5,533	20	6,636	5,533	20
Research and development expenses	118	109	8	329	307	7
Additions to property, plant and equipment and intangible assets	92	54	70	229	135	70

3rd Quarter 2013

Our business continued to develop positively in the Agricultural Solutions segment in the third quarter of 2013. Sales were above the strong level of the previous third quarter, despite negative currency effects (volumes 8%, prices 4%, portfolio 3%, currencies –10%). We were able to increase volumes and prices in all indications. The acquisition of Becker Underwood also contributed to sales growth. We successfully completed the integration of the acquired activities.

We raised our sales in **Europe** thanks to higher sales prices. Our business with fungicides for specialty crops in Southern Europe and herbicides in Western Europe progressed especially well.

In **North America**, we achieved a considerable increase in sales. Stronger demand for crop health products and the acquisition of Becker Underwood contributed significantly to this development. Negative currency effects from the weaker U.S. dollar reduced sales growth.

Sales declined considerably in **Asia**. This was mainly attributable to significantly negative currency effects. Unfavorable wet weather in India put an additional strain on sales development.

Despite significantly negative currency effects, we increased our sales in **South America**, particularly for fungicides and herbicides. We successfully launched our herbicide, Kixor®, on the Brazilian market.

Income from operations before special items matched the high level of the previous third quarter. Negative currency effects as well as increased investments in research and development, production, and distribution dampened earnings for the quarter.

Agricultural Solutions

- Sales rise mainly due to higher volumes and sales prices
- Acquisition of Becker Underwood contributes to sales increase
- With increased investments and negative currency effects, earnings at previous third-quarter level

3rd Quarter 2013

Sales
Change compared with 3rd quarter 2012

+5%

EBIT before special items
(Change compared with 3rd quarter 2012)
Million €

172 (+1)

Oil & Gas

Segment data Oil & Gas (million €)

	3rd Quarter			January – September		
	2013	2012[1]	Change in %	2013	2012[1]	Change in %
Sales to third parties	3,130	2,497	25	10,626	8,957	19
Thereof Exploration & Production	754	656	15	2,068	1,934	7
Natural Gas Trading	2,376	1,841	29	8,558	7,023	22
Income from operations before depreciation and amortization (EBITDA)	726	641	13	1,960	1,894	3
Thereof Exploration & Production	636	493	29	1,563	1,368	14
Natural Gas Trading	90	148	(39)	397	526	(25)
Income from operations (EBIT) before special items	422	499	(15)	1,434	1,469	(2)
Thereof Exploration & Production	360	396	(9)	1,151	1,077	7
Natural Gas Trading	62	103	(40)	283	392	(28)
Income from operations (EBIT)	587	499	18	1,598	1,389	15
Thereof Exploration & Production	525	396	33	1,315	997	32
Natural Gas Trading	62	103	(40)	283	392	(28)
Assets (as of September 30)	12,523	10,622	18	12,523	10,622	18
Thereof Exploration & Production	7,737	5,571	39	7,737	5,571	39
Natural Gas Trading	4,786	5,051	(5)	4,786	5,051	(5)
Exploration expenses	37	45	(18)	108	142	(24)
Additions to property, plant and equipment and intangible assets	2,024	265	.	2,452	673	264
Net income	451	318	42	1,128	941	20

[1] Figures restated according to IFRS 10 and 11

3rd Quarter 2013

Sales grew significantly in the Oil & Gas segment, predominantly as a result of higher volumes in the Natural Gas Trading business sector (volumes 22%, prices/currencies –2%, portfolio 5%). Income from operations before special items remained below the level of the previous third quarter. In addition to a volumes-related earnings decline in Libya, this was largely due to higher field abandonment costs and the lower contribution from natural gas trading. Income from operations and net income rose due to special gains on the sale of our share in a Norwegian oil and gas field.

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

Sales rose considerably in the **Exploration & Production** business sector, primarily because of the acquired activities in Norway. The average price for Brent crude oil was $110.29 per barrel, compared with $109.51 per barrel (+1%) in the third quarter of 2012; in euro terms, however, the price of oil decreased. Income from operations before special items declined. Lower production volumes in Libya and higher field abandonment costs were not fully offset by increased production in Norway.

We significantly boosted sales in the **Natural Gas Trading** business sector through intensified activity on the European spot trading markets. Earnings nevertheless declined as a result of continuing pressure on margins.

Oil & Gas

- Considerable sales increase, mainly from higher volumes in Natural Gas Trading business sector
- Acquired activities in Norway largely responsible for significant sales growth in Exploration & Production
- Earnings decline as a result of decreased production in Libya and lower contribution from natural gas trading

3rd Quarter 2013

Sales
Change compared with 3rd quarter 2012

+25%

EBIT before special items
(Change compared with 3rd quarter 2012)
Million €

422 (–77)

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 %
3rd Quarter									
Europe	9,970	9,507	5	9,507	8,947	6	928	867	7
Thereof Germany	7,153	6,633	8	3,404	3,328	2	271	333	(19)
North America	3,602	3,609	.	3,468	3,543	(2)	355	227	56
Asia Pacific	2,919	3,033	(4)	3,095	3,209	(4)	206	220	(6)
South America, Africa, Middle East	1,242	1,323	(6)	1,663	1,773	(6)	203	157	29
	17,733	**17,472**	**1**	**17,733**	**17,472**	**1**	**1,692**	**1,471**	**15**
January – September									
Europe	32,541	30,870	5	30,951	29,358	5	3,479	3,563	(2)
Thereof Germany	23,368	21,675	8	10,967	11,122	(1)	1,532	1,976	(22)
North America	11,309	11,150	1	11,048	10,820	2	1,294	920	41
Asia Pacific	8,748	8,813	(1)	9,318	9,440	(1)	647	645	.
South America, Africa, Middle East	3,226	3,315	(3)	4,507	4,530	(1)	318	290	10
	55,824	**54,148**	**3**	**55,824**	**54,148**	**3**	**5,738**	**5,418**	**6**

[1] Figures restated according to IFRS 10 and 11

3rd Quarter 2013

Sales for companies headquartered in **Europe** rose by 5%, especially as a result of increased volumes in the Oil & Gas segment. In the Chemicals segment, however, we posted a primarily volume and price-related decline in sales. Income from operations before special items grew by €61 million to €928 million. This was due to higher contributions from the Performance Products and Functional Materials & Solutions segments as well as improved earnings in Other.

In **North America**, sales increased by 6% in U.S. dollars while remaining stable in euro terms. Negative currency effects put a strain on sales growth in all divisions. This was offset by higher sales volumes, especially in the Catalysts division and in the Agricultural Solutions segment. We raised our earnings by €128 million to €355 million, thanks in particular to a higher contribution from the Chemicals segment.

Sales in **Asia Pacific** rose by 4% in local-currency terms, but were down by 4% in euro terms. Higher sales volumes were only partly able to offset the negative currency effects. Lower prices additionally reduced sales in the region. Earnings declined by €14 million to €206 million especially as a result of reduced margins in the Chemicals segment.

In **South America, Africa, Middle East**, we raised sales by 8% in local currency terms, while they fell by 6% in euro terms, largely because of significantly negative currency effects. Higher volumes and prices partly offset this. Thanks to increased earnings in the Oil & Gas segment in Argentina and our successful business with crop protection products, earnings for the region improved by €46 million to €203 million.

3rd Quarter 2013

- Europe: sales grow, mainly as a result of higher volumes in Oil & Gas; earnings improve thanks to increased contributions from Performance Products and Functional Materials & Solutions, as well as improved earnings in Other
- North America: sales at previous third-quarter level with increased sales volumes and negative currency effects; earnings up especially due to higher contribution from Chemicals
- Asia Pacific: currency and price-related decline in sales; earnings down, mostly because of lower margins in Chemicals
- South America, Africa, Middle East: sales below level of third quarter of 2012 due to distinctly negative currency effects; earnings improve thanks to increased contributions from Oil & Gas and Agricultural Solutions

Overview of Other Topics

Research and development

Our compostable plastic, ecovio®, will be used in a system solution for packaging. Together with the Swiss Coffee Company, we have developed a system comprising a coffee capsule and an aroma-tight outer packaging based predominantly on renewable resources. It fulfills the demanding requirements for protecting the product and brewing coffee in high-pressure coffee machines, yet can still be composted.

BASF, Cargill and Novozymes have achieved an important milestone in their joint development of technologies for producing bio-based acrylic acid: the successful production of 3-hydroxypropionic acid (3-HP) on a pilot scale. Obtainable from renewable resources, 3-HP is an important precursor for the production of bio-based acrylic acid, which we plan to use in the production of superabsorbent polymers. This will enable diaper manufacturers to meet consumers' increasing demand for bio-based products.

More than a quarter of worldwide natural gas production in 2011 was liquified and shipped in ocean-going tankers. Up to now, these tankers have only been able to travel when fully laden; otherwise, the possible sloshing of the liquified gas could put the ship at risk of capsizing. Together with the South Korean company Samsung Heavy Industries, we have developed an anti-sloshing solution made of Basotect® foam for the transport of liquified gas. A carpet of Basotect® cubes calms the liquid's surface. This is possible because the foam retains its flexibility even at extremely low temperatures, such as those present in the tanks.

Employees

Compared with the end of 2012, the number of BASF Group employees rose by 1,835. Excluding acquisitions, divestitures and other changes to the scope of consolidation, headcount increased by just under 1,100. As of September 30, 2013, the BASF Group's employees numbered 112,617. On this date, 63% of BASF Group employees 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 2% to €6,987 million from January to September 2013. This was predominantly the result of wage and salary increases.

Research and Development

- First mass production application of compostable plastic ecovio® in coffee capsules
- BASF, Cargill and Novozymes achieve milestone in bio-based production process for acrylic acid
- Carpet of Basotect® cubes prevents sloshing of liquified gas in tankers

Employees by region

	Sept. 30, 2013	Dec. 31, 2012[1]
Europe	71,627	70,638
Thereof Germany	53,135	52,362
North America	16,903	16,665
Asia Pacific	16,575	16,406
South America, Africa, Middle East	7,512	7,073
	112,617	**110,782**

[1] Figures restated according to IFRS 10 and 11

Outlook

Our business performance was robust in the third quarter of 2013. We were able to raise sales volumes, slightly increasing our sales despite significantly negative currency effects. Income from operations before special items considerably exceeded the level of the third quarter of the previous year.

We do not anticipate an upturn in the global economy for the fourth quarter of 2013. The environment is likely to remain challenging: We anticipate uneven development marked by economic uncertainty. Currency effects will continue to negatively impact sales and earnings for the fourth quarter. Nevertheless, we still aim to exceed the 2012 levels in sales and income from operations before special items.

Opportunities and risks

In the fourth quarter of 2013, we may be presented with opportunities arising from stronger growth in the global economy and our customer industries. A stronger U.S. dollar would also have positive effects on our earnings.

Furthermore, we see opportunities in consistently implementing our “We create chemistry” strategy and further improving our operational excellence, as well as in strengthening research and development. We will continue to concentrate on expanding our business in growth markets as well as on innovations, portfolio optimization, restructuring and increasing efficiency. For example, our excellence program, STEP, serves to strengthen our competitiveness and profitability. It is running right on schedule. Starting 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 aim to lower fixed costs and raise profit margins.

But there are also risks to the development of our business. Economic growth would be once again 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

Our expectations for the global economic environment in 2013 remain unchanged:

- Growth of gross domestic product: 2.0%
- Growth in industrial production: 2.7%
- Growth in chemical production: 3.1%
- An average euro/dollar exchange rate of $1.30 per euro
- An average oil price for the year of $105 per barrel

We expect overall stronger demand 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 aim to earn a high premium on our cost of capital once again 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 a renewed 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	3rd Quarter			January – September		
		2013	2012	Change in %	2013	2012	Change in %
Sales		**17,733**	**17,472**	**1.5**	**55,824**	**54,148**	**3.1**
Cost of sales		(13,243)	(12,967)	(2.1)	(41,742)	(40,308)	(3.6)
Gross profit on sales		**4,490**	**4,505**	**(0.3)**	**14,082**	**13,840**	**1.7**
Selling expenses		(1,811)	(1,888)	4.1	(5,508)	(5,522)	0.3
General and administrative expenses		(331)	(348)	4.9	(1,003)	(1,003)	–
Research and development expenses		(445)	(448)	0.7	(1,329)	(1,273)	(4.4)
Other operating income	[5]	415	192	116.1	959	1,381	(30.6)
Other operating expenses	[5]	(713)	(716)	0.4	(1,798)	(2,030)	11.4
Income from companies accounted for using the equity method	[6]	77	106	(27.4)	221	284	(22.2)
Income from operations		**1,682**	**1,403**	**19.9**	**5,624**	**5,677**	**(0.9)**
Other income from participations		22	1	.	50	43	16.3
Other expenses from participations		(16)	(3)	.	(37)	(8)	.
Interest income		33	39	(15.4)	94	122	(23.0)
Interest expense		(178)	(172)	(3.5)	(490)	(536)	8.6
Other financial result		(28)	(40)	30.0	(72)	(99)	27.3
Financial result	**[7]**	**(167)**	**(175)**	**4.6**	**(455)**	**(478)**	**4.8**
Income before taxes and minority interests		**1,515**	**1,228**	**23.4**	**5,169**	**5,199**	**(0.6)**
Income taxes	[8]	(350)	(255)	(37.3)	(1,232)	(1,183)	(4.1)
Income before minority interests		**1,165**	**973**	**19.7**	**3,937**	**4,016**	**(2.0)**
Minority interests	[9]	(69)	(48)	(43.8)	(238)	(180)	(32.2)
Net income		**1,096**	**925**	**18.5**	**3,699**	**3,836**	**(3.6)**
Earnings per share (€)	**[10]**						
Undiluted		**1.20**	**1.01**	**19.2**	**4.03**	**4.18**	**(3.5)**
Diluted		1.20	1.01	19.2	4.03	4.18	(3.5)

Statement of Income and Expense Recognized in Equity

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

	January – September 2013	January – September 2012
Income before minority interests	**3,937**	**4,016**
Income and expense recognized directy in equity that will not be reclassified to the statement of income at a later date:		
Remeasurements of defined benefit plans	1,059	(2,287)
Remeasurements due to acquisition of majority shares	(1)	(2)
Deferred taxes on items that will not be reclassified to the statement of income	(290)	722
Total income and expense recognized directly in equity that will not be reclassified to the statement of income at a later date	**768**	**(1,567)**
Income and expense recognized directy in equity that will be reclassified to the statement of income at a later date:		
Foreign currency translation adjustment	(675)	65
Fair value changes in available-for-sale securities	2	6
Cash flow hedges	9	(40)
Hedges of net investments in foreign operations	–	1
Deferred taxes on items that will be reclassified to the statement of income	20	12
Total income and expense recognized directly in equity that will be reclassified to the statement of income at a later date	**(644)**	**44**
Minority interests	(38)	3
Total income and expense recognized directly in equity	**86**	**(1,520)**
Total income and expense for the period	**4,023**	**2,496**
Thereof attributable to shareholders of BASF SE	3,823	2,313
Thereof attributable to minority interests	200	183

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

	Other comprehensive income						
	Remeasurements 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	–	–	2	–	–	–	2
Releases	1,059	(675)	–	9	–	(1)	392
Deferred taxes	(290)	10	(1)	11	–	–	(270)
As of September 30, 2013	**(2,802)**	**(500)**	**18**	**(53)**	**–**	**–**	**(3,337)**
As of January 1, 2012	**(1,686)**	**373**	**10**	**(71)**	**(2)**	**4**	**(1,372)**
Additions	(2,287)	65	6	(40)	–	–	(2,256)
Releases	–	–	–	–	1	(2)	(1)
Deferred taxes	722	(1)	–	13	–	–	734
As of September 30, 2012	**(3,251)**	**437**	**16**	**(98)**	**(1)**	**2**	**(2,895)**

Balance Sheet

Assets (million €)

	Explanations in Note	Sept. 30, 2013	Sept. 30, 2012	Change in %	Dec. 31, 2012	Change in %
Intangible assets	[11]	12,500	11,877	5.2	12,193	2.5
Property, plant and equipment	[11]	18,338	16,883	8.6	16,610	10.4
Investments accounted for using the equity method		3,706	3,477	6.6	3,459	7.1
Other financial assets		623	513	21.4	613	1.6
Deferred tax assets		1,279	1,548	(17.4)	1,473	(13.2)
Other receivables and miscellaneous assets		1,341	919	45.9	911	47.2
Long-term assets		**37,787**	**35,217**	**7.3**	**35,259**	**7.2**
Inventories	[12]	9,471	10,332	(8.3)	9,581	(1.1)
Accounts receivable, trade	[12]	9,846	11,208	(12.2)	9,506	3.6
Other receivables and miscellaneous assets	[12]	3,900	3,846	1.4	3,455	12.9
Marketable securities	[12]	17	15	13.3	14	21.4
Cash and cash equivalents	[12]	1,661	1,550	7.2	1,647	0.9
Assets of disposal groups		2,868	–	–	3,264	(12.1)
Short-term assets		**27,763**	**26,951**	**3.0**	**27,467**	**1.1**
Total assets		**65,550**	**62,168**	**5.4**	**62,726**	**4.5**

Equity and liabilities (million €)

	Explanations in Note	Sept. 30, 2013	Sept. 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]	25,032	22,716	10.2	23,708	5.6
Other comprehensive income		(3,337)	(2,895)	(15.3)	(3,461)	3.6
Equity of shareholders of BASF SE		**26,059**	**24,200**	**7.7**	**24,611**	**5.9**
Minority interests		986	997	(1.1)	1,010	(2.4)
Equity		**27,045**	**25,197**	**7.3**	**25,621**	**5.6**
Provisions for pensions and similar obligations	[14]	4,371	5,259	(16.9)	5,421	(19.4)
Other provisions	[15]	3,098	3,562	(13.0)	2,925	5.9
Deferred tax liabilities		2,955	2,323	27.2	2,234	32.3
Financial indebtedness	[16]	10,011	7,973	25.6	8,704	15.0
Other liabilities	[16]	1,176	1,125	4.5	1,111	5.9
Long-term liabilities		**21,611**	**20,242**	**6.8**	**20,395**	**6.0**
Accounts payable, trade		4,618	5,311	(13.0)	4,502	2.6
Provisions	[15]	2,868	3,404	(15.7)	2,628	9.1
Tax liabilities		1,017	963	5.6	870	16.9
Financial indebtedness	[16]	4,645	4,190	10.9	4,094	13.5
Other liabilities	[16]	2,282	2,861	(20.2)	2,623	(13.0)
Liabilities of disposal groups		1,464	–	–	1,993	(26.5)
Short-term liabilities		**16,894**	**16,729**	**1.0**	**16,710**	**1.1**
Total equity and liabilities		**65,550**	**62,168**	**5.4**	**62,726**	**4.5**

Statement of Cash Flows

Statement of cash flows (million €)

	January – September	
	2013	**2012**
Net income	3,699	3,836
Depreciation and amortization of intangible assets, property, plant and equipment and financial assets	2,236	2,278
Changes in net working capital	374	(639)
Miscellaneous items	(327)	(450)
Cash provided by operating activities	**5,982**	**5,025**
Payments related to property, plant and equipment and intangible assets	(3,038)	(2,702)
Acquisitions/divestitures	(1,093)	411
Financial investments and other items	(498)	273
Cash used in investing activities	**(4,629)**	**(2,018)**
Capital increases/repayments, share repurchases	–	(5)
Changes in financial liabilities	1,304	(868)
Dividends	(2,604)	(2,510)
Cash used in financing activities	**(1,300)**	**(3,383)**
Net changes in cash and cash equivalents	53	(376)
Cash and cash equivalents as of beginning of year and other changes	1,608	1,926
Cash and cash equivalents at end of quarter	**1,661**	**1,550**

Cash provided by operating activities amounted to €5,982 million in the first three quarters of 2013, up by €957 million compared with the same period of the previous year. The decline of €374 million in net working capital was particularly due to the increase in trade accounts payable, as well as higher provisions. The negative value in miscellaneous items was predominantly attributable to the increase in net assets of the natural gas trading disposal group; in the same period of the previous year, the negative value had arisen mainly from the reclassification of the gain on the disposal of our fertilizer activities to cash provided by investing activities.

On balance, investing activities led to a cash outflow of €4,629 million, compared with €2,018 million in the same period of 2012. The increase was largely due to the change in the balance of acquisitions and divestitures: The first three quarters of 2013 particularly included payments related to the acquisition of assets from Statoil ASA, headquartered in Stavanger, Norway, as well as of Pronova BioPharma, based in Lysaker, Norway. In the same period of 2012, proceeds from divestitures had come predominantly from the disposal of the fertilizer activities. At €3,038 million, payments for property, plant and equipment and intangible assets were higher than in the same period of the previous year.

Financing activities led to a cash outflow of €1,300 million, compared with an outflow of €3,383 million in the first three quarters of 2012. Dividends of €2,388 million were paid to shareholders of BASF SE and €216 million was paid to minority shareholders in Group companies. The cash inflow resulting from the change in financial liabilities amounted to €1,304 million. This was mainly from the issuance of several bonds with a principal amount of around €2.6 billion; counterbalancing this was the repayment of bank liabilities and several bonds.

Cash and cash equivalents amounted to €1,661 million as of September 30, 2013, compared with €1,647 million at the end of 2012. Net debt rose to €12,995 million at the end of the third quarter of 2013, compared with €11,151 million as of December 31, 2012.

Statement of Changes in Equity

January – September 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)**	(216)[2]	**(2,604)**
Net income	–	–	–	3,699	–	**3,699**	238	**3,937**
Change in income and expense recognized directly in equity	–	–	–	–	124	**124**	(38)	**86**
Changes in scope of consolidation and other changes	–	–	–	13	–	**13**	(8)	**5**
As of September 30, 2013	**918,478,694**	**1,176**	**3,188**	**25,032**	**(3,337)**	**26,059**	**986**	**27,045**

January – September 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)**	(214)[2]	**(2,510)**
Net income	–	–	–	3,836	–	**3,836**	180	**4,016**
Change in income and expense recognized directly in equity	–	–	–	–	(1,523)	**(1,523)**	3	**(1,520)**
Changes in scope of consolidation and other changes	–	–	–	8	–	**8**	(7)	**1**
As of September 30, 2012	**918,478,694**	**1,176**	**3,203**	**22,716**	**(2,895)**	**24,200**	**997**	**25,197**

[1] Details are provided in “Development of income and expense recognized directly in equity of shareholders of BASF SE” on page 16.

[2] Including profit and loss transfers

Segment Reporting

3rd 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	4,224	4,601	(8.2)	718	785	(8.5)	527	569	(7.4)	442	570	(22.5)
Performance Products	3,939	3,975	(0.9)	532	522	1.9	376	344	9.3	322	321	0.3
Functional Materials & Solutions	4,439	4,304	3.1	405	345	17.4	300	231	29.9	292	231	26.4
Agricultural Solutions	1,054	1,008	4.6	210	204	2.9	172	171	0.6	168	169	(0.6)
Oil & Gas	3,130	2,497	25.4	726	641	13.3	422	499	(15.4)	587	499	17.6
Other	947	1,087	(12.9)	(97)	(356)	72.8	(105)	(343)	69.4	(129)	(387)	66.7
	17,733	**17,472**	**1.5**	**2,494**	**2,141**	**16.5**	**1,692**	**1,471**	**15.0**	**1,682**	**1,403**	**19.9**

3rd 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	44	48	(8.3)	10,495	10,371	1.2	445	291	52.9	276	215	28.4
Performance Products	91	94	(3.2)	14,006	13,877	0.9	207	171	21.1	210	201	4.5
Functional Materials & Solutions	95	91	4.4	12,402	12,503	(0.8)	166	157	5.7	113	114	(0.9)
Agricultural Solutions	118	109	8.3	6,636	5,533	19.9	92	54	70.4	42	35	20.0
Oil & Gas	8	8	–	12,523	10,622	17.9	2,024	265	.	139	142	(2.1)
Other	89	98	(9.2)	9,488	9,262	2.4	61	60	1.7	32	31	3.2
	445	**448**	**(0.7)**	**65,550**	**62,168**	**5.4**	**2,995**	**998**	**200.1**	**812**	**738**	**10.0**

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

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

January – September (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	12,803	13,457	(4.9)	2,255	2,353	(4.2)	1,672	1,726	(3.1)	1,586	1,727	(8.2)
Performance Products	11,851	12,017	(1.4)	1,656	1,736	(4.6)	1,149	1,238	(7.2)	1,033	1,129	(8.5)
Functional Materials & Solutions	13,123	12,884	1.9	1,153	1,074	7.4	832	704	18.2	815	736	10.7
Agricultural Solutions	4,337	3,802	14.1	1,267	1,112	13.9	1,155	1,004	15.0	1,145	1,002	14.3
Oil & Gas	10,626	8,957	18.6	1,960	1,894	3.5	1,434	1,469	(2.4)	1,598	1,389	15.0
Other	3,084	3,031	1.7	(454)	(214)	.	(504)	(723)	30.3	(553)	(306)	(80.7)
	55,824	**54,148**	**3.1**	**7,837**	**7,955**	**(1.5)**	**5,738**	**5,418**	**5.9**	**5,624**	**5,677**	**(0.9)**

January – September (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	131	138	(5.1)	10,495	10,371	1.2	1,193	855	39.5	669	626	6.9
Performance Products	275	259	6.2	14,006	13,877	0.9	1,299	510	154.7	623	607	2.6
Functional Materials & Solutions	274	262	4.6	12,402	12,503	(0.8)	417	556	(25.0)	338	338	0.0
Agricultural Solutions	329	307	7.2	6,636	5,533	19.9	229	135	69.6	122	110	10.9
Oil & Gas	36	18	100.0	12,523	10,622	17.9	2,452	673	264.3	362	505	(28.3)
Other	284	289	(1.7)	9,488	9,262	2.4	90	126	(28.6)	99	92	7.6
	1,329	**1,273**	**4.4**	**65,550**	**62,168**	**5.4**	**5,680**	**2,855**	**98.9**	**2,213**	**2,278**	**(2.9)**

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 €)

		3rd Quarter			January – September		
		2013	2012	Change in %	2013	2012	Change in %
Sales		**947**	**1,087**	**(12.9)**	**3,084**	**3,031**	**1.7**
EBIT before special items		**(105)**	**(343)**	**69.4**	**(504)**	**(723)**	**30.3**
Thereof	Group corporate costs	(57)	(63)	9.5	(171)	(182)	6.0
	Corporate research	(90)	(95)	(5.3)	(284)	(286)	0.7
	Currency results, hedges and other valuation effects	(74)	(249)	70.3	(81)	(363)	77.7
	Other business	59	30	96.7	155	199	(22.1)
Special items		(24)	(44)	45.5	(49)	417	.
EBIT		**(129)**	**(387)**	**66.7**	**(553)**	**(306)**	**(80.7)**

3 Further information on Other can be found in the Notes to the Interim Financial Statements on pages 26 and 27.

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 September 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 January – September	
1 € equals	**Sept. 30, 2013**	**Dec. 31, 2012**	**2013**	**2012**
Brazil (BRL)	3.04	2.70	2.79	2.46
China (CNY)	8.26	8.22	8.12	8.11
Great Britain (GBP)	0.84	0.82	0.85	0.81
Japan (JPY)	131.78	113.61	127.36	101.61
Malaysia (MYR)	4.41	4.03	4.13	3.97
Mexico (MXN)	17.85	17.18	16.71	16.94
Russian Federation (RUB)	43.82	40.33	41.69	39.80
Switzerland (CHF)	1.22	1.21	1.23	1.20
South Korea (KRW)	1,451.84	1,406.23	1,456.82	1,458.78
United States (USD)	1.35	1.32	1.32	1.28

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 SIC12 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.

By 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 leads 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. Yet contractual obligations with the Libyan government strictly limit influence on variable returns after income taxes, so that the company is not controlled according to IFRS 10.

IFRS 11 – Joint Arrangements

Until the end of 2012, BASF principally consolidated companies operated together with a partner in the financial statements on a proportional basis, 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, China, with partner SINOPEC.

Eight companies will continue to be proportionally consolidated since they market their products directly to the partner, therefore classifying these 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. 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 €3,596 million at the end of the third quarter of 2013 and €3,251 million at the end of the previous third 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 an increase of €16 million 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 by €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	January - September 2012			Full year 2012		
	adjusted	previous	change	adjusted	previous	change
Sales	54,148	59,081	(4,933)	72,129	78,729	(6,600)
Income from operations (EBIT)	5,677	7,351	(1,674)	6,742	8,976	(2,234)
Financial result	(478)	(299)	(179)	(765)	(540)	(225)
Income from participations	35	174	(139)	32	203	(171)
Interest result	(414)	(433)	19	(547)	(573)	26
Other financial result	(99)	(40)	(59)	(250)	(170)	(80)
Income before taxes and minority interests	5,199	7,052	(1,853)	5,977	8,436	(2,459)
Income taxes	(1,183)	(2,898)	1,715	(910)	(3,214)	2,304
Minority interests	(180)	(255)	75	(248)	(343)	95
Net income	3,836	3,899	(63)	4,819	4,879	(60)
Earnings per share (in €)	4.18	4.25	(0.07)	5.25	5.31	(0.06)

Overview BASF Group balance sheet (million €)

Assets	September 30, 2012			December 31, 2012		
	adjusted	previous	change	adjusted	previous	change
Long-term assets	35,217	35,505	(288)	35,259	35,538	(279)
Short-term assets	26,951	28,363	(1,412)	27,467	28,789	(1,322)
Total assets	62,168	63,868	(1,700)	62,726	64,327	(1,601)

Equity and liabilities	September 30, 2012			December 31, 2012		
	adjusted	previous	change	adjusted	previous	change
Equity	25,197	25,382	(185)	25,621	25,804	(183)
Long-term liabilities	20,242	21,086	(844)	20,395	21,191	(796)
Short-term liabilities	16,729	17,400	(671)	16,710	17,332	(622)
Total equity and liabilities	62,168	63,868	(1,700)	62,726	64,327	(1,601)

Overview BASF Group statement of cash flows (million €)

Statement of cash flows	January - September 2012			Full year 2012		
	adjusted	previous	change	adjusted	previous	change
Cash provided by operating activities	5,025	5,156	(131)	6,602	6,733	(131)
Cash used in investing activities	(2,018)	(2,081)	63	(3,977)	(4,088)	111
Cash used in financing activities	(3,383)	(3,395)	12	(2,904)	(2,928)	24

Amendments to IAS 1 – Presentation of Items in Other Comprehensive Income

Components of other comprehensive income (OCI) that, under certain circumstances, will be reclassified to the profit and loss statement are shown separately from those components which are never reclassified. This rule first applies for the first reporting period of the business year beginning on July 1, 2012, or thereafter. The application is reflected in the "Statement of income and expense recognized in equity" on page 16.

Reclassification of loans within long-term assets

Long-term loan receivables 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 September 30, 2012, €312 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 eight first-time consolidations since the beginning of 2013, four of which were due to reclassifications, three because of acquisitions, and one newly established company.

Since the beginning of 2013, nine companies have been deconsolidated as a result of mergers with other BASF companies, sale to third parties or decreased significance.

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	8	17
Thereof proportionally consolidated	–	–
Deconsolidations	9	14
Thereof proportionally consolidated	–	2
As of September 30	**311**	**302**
Thereof proportionally consolidated	8	8

Companies consolidated using the equity method

	2013	2012
As of January 1	32	30
As of September 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 Business Management Omega-3 global business unit in the Nutrition & Health division. BASF offers its customers the complete range of omega-3 fatty acids – from natural fish oil to medium and very high concentrates. In the first three quarters of 2013, Pronova BioPharma contributed €155 million to sales and minus €9 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 €65 million.

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.

BASF concluded the acquisition of assets from Statoil ASA, headquartered in Stavanger, Norway, effective July 31, 2013. The transaction included the acquisition of shares in the Brage (32.7%), Vega (30%) and Gjøa (15%) fields, which increased the company's daily production in Norway from around 3,000 BOE to 40,000 BOE. In return, Statoil received a 15% share in the Edvard Grieg development project as well as a financial consideration in the amount of $1.35 billion. BASF will pay an additional $100 million contingent on the successful development of the Vega field. Special income of €164 million resulted from the fair value measurement of the transferred portion of the Edvard Grieg development project. The transaction was concluded with retroactive commercial effect as of January 1, 2013. Earnings from shares in the production of the Brage, Vega and Gjøa fields as well as investments made in the fields affected by the swap since the beginning of the year have been offset against the compensation payment, which resulted in a net payment of €588 million as of the acquisition date.

The following table shows an overview of the preliminary fair values of the assets and liabilities acquired from Statoil ASA as of July 31, 2013.

Preliminary purchase price allocation for transaction with Statoil ASA (million €)

	Fair value on acquisition date
Property, plant and equipment	1,154
Other intangible assets	32
Deferred tax assets	147
Other short-term assets	3
Total assets	**1,336**
Provisions for field abandonment obligations	207
Deferred tax liabilities	665
Tax liabilities	252
Total liabilities	**1,124**
Net assets	**212**
Goodwill	**640**
Total purchase price	**852**

The purchase prices for the businesses acquired in the first three quarters of 2013 totaled €1,440 million, including non-cash purchase price components. The purchase price allocations were carried out in accordance with IFRS 3 and are based on estimates. The resulting goodwill amounted to €735 million. The purchase price allocations should be regarded as preliminary and can be adjusted within one year after the acquisition.

On September 20, 2013, BASF announced an agreement between BASF Corporation and the biotechnology company Verenium Corporation, headquartered in San Diego, California, to commence a public takeover bid for all outstanding shares for $4.00 per share. The takeover offer is contingent on acquiring majority shares by the end of the offer period. Based on all outstanding shares and including all net financial liabilities, the enterprise value amounts to around $62 million (approximately €48 million). The offer period began on October 2, 2013, and ends on October 31, 2013, unless extended or concluded. Verenium Corporation develops and markets high-quality enzymes which, as catalysts, enable and accelerate biological and chemical processes.

Divestitures

Effective April 2, 2013, BASF concluded the sale of its sprayed concrete technology business for tunneling and mining to Atlas Copco, which was 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.

On July 1, 2013, BASF sold its activities in the CONICA Sports Surfaces business, including the site in Schaffhausen, Switzerland, to the Serafin Group. The sale included the development, production and marketing of flooring systems for running tracks, gymnasiums, tennis courts and playgrounds as well as artificial turf solutions. The activities had been allocated to the Construction Chemicals division.

On September 30, 2013, BASF concluded the sale of Industrial Water Management France S.A.S., headquartered in Lyon, to Degrémont, a subsidiary of SUEZ ENVIRONNEMENT. The transaction had been announced on May 15, 2013. The business had been part of the Performance 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 grouping into segments is based on the business model of each division. 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 bundles system solutions, services and innovative products for specific sectors and customers, in particular for the automotive, 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 declined by €140 million compared with the third quarter of 2012. This decrease was mostly the result of lower volumes in raw materials trading. In Other, income from operations in the third quarter of 2013 considerably exceeded the level of the same period of 2012. This was due in part to lower additions to provisions for the long-term incentive program.

Assets of Other (million €)

	January – September	
	2013	2012
Assets of businesses included under Other	3,233	3,369
Financial assets	623	513
Deferred tax assets	1,279	1,548
Cash and cash equivalents / marketable securities	1,679	1,565
Defined benefit assets	151	91
Miscellaneous receivables / prepaid expenses	2,523	2,176
Assets of Other	**9,488**	**9,262**

Reconciliation reporting for Oil & Gas (million €)

	3rd Quarter		January – September	
	2013	2012	2013	2012
Income from operations	**587**	**499**	**1,598**	**1,389**
Income from participations	–	–	(3)	1
Other income	24	(62)	78	(109)
Income before taxes and minority interests	**611**	**437**	**1,673**	**1,281**
Income taxes	(153)	(97)	(463)	(228)
Income before minority interests	**458**	**340**	**1,210**	**1,053**
Minority interests	(7)	(22)	(82)	(112)
Net income	**451**	**318**	**1,128**	**941**

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.

The improvement in income from operations in the third quarter was primarily due to special income from the sale of a 15% share in the Edvard Grieg development project. However, earnings declined in the natural gas trading business on account of lower margins.

Other income includes all expenses and income not included in income from operations of the segment, the interest result and the miscellaneous financial result. The increase in the third quarter of 2013 resulted predominantly from currency effects.

The higher tax rate in the third quarter is largely attributable to non-deductable taxes on Group company dividends. Higher earnings in Norway and Argentina led to an increase in the tax rate in the first three quarters of 2013. The special income from the sale of a 15% share in the Edvard Grieg development project did not result in tax burdens. The previous year included tax credits from impairment charges on a Norwegian oilfield development project.

5 – Other operating income and expenses

Other operating income (million €)

	3rd Quarter		January – September	
	2013	**2012**	**2013**	**2012**
Income from currency conversion and foreign currency transactions	18	10	155	65
Gains on the disposal of property, plant and equipment	4	6	18	26
Reversal and adjustment of provisions	(1)	2	34	5
Gains on the reversal of allowances for business-related receivables	6	9	24	24
Revenue from miscellaneous typical business activities	31	41	65	82
Special income	164	9	174	698
Miscellaneous	193	115	489	481
Other operating income	**415**	**192**	**959**	**1,381**

Other operating expenses (million €)

	3rd Quarter		January – September	
	2013	**2012**	**2013**	**2012**
Expenses from currency conversion and foreign currency transactions	93	62	229	215
Losses on the disposal of property, plant and equipment	5	4	17	20
Expenses from the addition of valuation allowances for business-related receivables	11	13	47	34
Oil and gas exploration expenses	37	45	108	142
Special charges	174	77	288	439
Miscellaneous	393	515	1,109	1,180
Other operating expenses	**713**	**716**	**1,798**	**2,030**

In the third quarter of 2013, the foreign currency result declined by €23 million to minus €75 million. This was attributable to the exchange rate development of currencies for which hedges are not feasible due to the high associated costs, such as the Argentinian peso.

The rise in special income in the third quarter of 2013 resulted from disposal gains on a 15% share in the Edvard Grieg development project in return for assets from Statoil ASA. The divestiture of the fertilizer business resulted in special income of €645 million between January and September 2012.

Income reported in miscellaneous rose in the third quarter of 2013. This was mainly due to the Argentinian government's price compensation for production volumes in the Oil & Gas segment.

Special charges in the third quarter rose largely on account of restructuring measures, impairment charges and the integration of Pronova BioPharma and Becker Underwood. From January to September of the previous year, impairment charges had arisen for a Norwegian oilfield development project.

Expenses reported in miscellaneous decreased in the third quarter of 2013. This was because of lower additions to provisions for the long-term incentive program, due to the smaller rise in the BASF share price compared with the previous third quarter.

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 €	3rd Quarter		January – September	
	2013	2012	2013	2012
Income from participations in affiliated and associated companies	10	(8)	30	18
Income from the disposal of participations	11	6	12	9
Income from profit transfer agreements	2	3	7	14
Income from tax allocation to participating interests	(1)	–	1	2
Income from participations	**22**	**1**	**50**	**43**
Expenses from profit transfer agreements	(1)	(2)	(12)	(6)
Write-downs on / losses from the sale of participations	(15)	(1)	(25)	(2)
Expenses from participations	**(16)**	**(3)**	**(37)**	**(8)**
Interest income from cash and cash equivalents	23	38	79	115
Interest and dividend income from securities and loans	10	1	15	7
Interest income	**33**	**39**	**94**	**122**
Interest expenses	**(178)**	**(172)**	**(490)**	**(536)**
Net interest income from overfunded pension plans and similar obligations	–	1	–	4
Net interest income from other long-term employee obligations	–	1	–	1
Income from the capitalization of construction interest	31	18	75	48
Miscellaneous financial income	9	–	57	–
Other financial income	**40**	**20**	**132**	**53**
Write-downs of / losses from the disposal of securities and loans	–	–	(4)	–
Net interest expense from underfunded pension plans and similar obligations	(48)	(29)	(144)	(87)
Net interest expense from other long-term employee obligations	(3)	–	(6)	–
Interest accrued on other long-term liabilities	(17)	(12)	(50)	(37)
Miscellaneous financial expenses	–	(19)	–	(28)
Other financial expenses	**(68)**	**(60)**	**(204)**	**(152)**
Financial result	**(167)**	**(175)**	**(455)**	**(478)**

Between January and September 2013, the interest result improved in comparison with the same period of the previous year. This was essentially due to lower interest expenses for financial indebtedness, as the bonds redeemed in 2012 were able to be refinanced with more favorable conditions. The rise in interest expenses in the third quarter was largely based on higher guarantee costs.

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.

In the first three quarters of 2013, 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 €57 million.

8 – Income taxes

Income before taxes and minority interests (million €)

	3rd Quarter		January – September	
	2013	**2012**	**2013**	**2012**
Germany	167	213	1,258	1,619
Foreign	1,348	1,015	3,911	3,580
Income before taxes and minority interests	**1,515**	**1,228**	**5,169**	**5,199**

Income taxes

		3rd Quarter		January – September	
		2013	**2012**	**2013**	**2012**
Germany	million €	87	49	384	466
Foreign	million €	263	206	848	717
Income taxes	**million €**	**350**	**255**	**1,232**	**1,183**
Tax rate	%	23.1	20.8	23.8	22.8

In Germany, the tax rate increase compared with the previous third quarter was particularly the result of non-deductable taxes on Group company dividends.

Higher earnings contributions from the Oil & Gas segment led to an increase in tax rate in the first three quarters of 2013. This came mostly from activities in Norway, which are subject to a tax rate of 78%. The previous year had included tax credits from impairment charges on a Norwegian oilfield development project.

Special income from the sale of a 15% share in the Edvard Grieg development project did not result in tax burdens.

9 – Minority interests

Million €	3rd Quarter		January – September	
	2013	**2012**	**2013**	**2012**
Minority interests in profits	66	55	240	204
Minority interests in losses	3	(7)	(2)	(24)
Minority interests	**69**	**48**	**238**	**180**

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. By contrast, minority interests in profits were lower at WINGAS GmbH and BASF Petronas Chemicals Sdn. Bhd., Malaysia.

10 – Earnings per share

		3rd Quarter		January – September	
		2013	2012	2013	2012
Net income	million €	1,096	925	3,699	3,836
Number of outstanding shares (weighted average)	in thousands	918,479	918,479	918,479	918,479
Earnings per share	**€**	**1.20**	**1.01**	**4.03**	**4.18**

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

In the third quarter of 2013, and in the corresponding period of 2012, there was no dilutive effect; undiluted earnings per share were the same as the diluted value per share.

11 – Long-term assets

Development (million €)

	January – September 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	1,247	4,433	205	51
Disposals	(225)	(776)	(6)	(24)
Transfers	39	(520)	92	–
Exchange differences	(439)	(656)	(44)	(3)
Balance as of September 30	**15,498**	**56,400**	**3,706**	**816**
Amortization and depreciation				
Balance as of January 1	2,683	37,309	–	178
Additions	470	1,743	–	23
Disposals	(146)	(597)	–	(11)
Transfers	54	(8)	–	3
Exchange differences	(63)	(385)	–	–
Balance as of September 30	**2,998**	**38,062**	**–**	**193**
Net carrying amount as of September 30	**12,500**	**18,338**	**3,706**	**623**

Development (million €)

	January – September 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	337	2,518	29	10
Disposals	(855)	(472)	–	(18)
Transfers	85	164	(22)	(53)
Exchange differences	66	28	(16)	(1)
Balance as of September 30	**14,621**	**55,672**	**3,477**	**673**
Amortization and depreciation				
Balance as of January 1	3,138	37,252	–	157
Additions	440	1,838	–	–
Disposals	(838)	(425)	–	(1)
Transfers	4	113	–	3
Exchange differences	–	11	–	–
Balance as of September 30	**2,744**	**38,789**	**–**	**159**
Net carrying amount as of September 30	**11,877**	**16,883**	**3,477**	**514**

Significant investments in the first three quarters 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 €1,451 million on account of acquisitions; €1,154 million of this total came from the acquisition of assets from Statoil ASA and €288 million from the acquisition of Pronova BioPharma.

Intangible assets grew by a total of €1,174 million in the first three quarters of 2013 as a result of acquisitions, particularly of assets from Statoil ASA and of Pronova BioPharma. Depreciation of property, plant and equipment included €101 million in impairments, mostly related to a production plant in the Chemicals segment.

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

Transfers from property, plant and equipment in the amount of €504 million were the result of transferring assets from fully consolidated to equity-accounted Group companies in the Oil & Gas segment.

12 – Short-term assets

Million €	September 30, 2013	September 30, 2012	December 31, 2012
Raw materials and factory supplies	2,581	2,697	2,629
Work-in-process, finished goods and merchandise	6,750	7,491	6,865
Advance payments and services-in-process	140	144	87
Inventories	**9,471**	**10,332**	**9,581**
Accounts receivables, trade	**9,846**	**11,208**	**9,506**
Other receivables and miscellaneous short-term assets	3,900	3,846	3,455
Marketable securities	17	15	14
Cash and cash equivalents	1,661	1,550	1,647
Assets of disposal groups	2,868	–	3,264
Other short-term assets	**8,446**	**5,411**	**8,380**
Short-term assets	**27,763**	**26,951**	**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 €9 million in the first three quarters of 2013.

Reserves (million €)

	Sept. 30, 2013	Dec. 31, 2012
Legal reserves	440	431
Other retained earnings	24,592	23,277
Retained earnings	**25,032**	**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	
	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2013	Dec. 31, 2012
Discount rate	3.70	3.50	4.05	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 September 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 three quarters 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 occurred in the amount of €1,059 million. This was recognized in other comprehensive income (OCI), taking into account deferred taxes of €290 million. This valuation effect was also the main reason for the €1,050 million decline in pension provisions.

15 – Other provisions

Development of other provisions January – September 2013 (million €)

	Jan. 1, 2013	Additions	Unwind of discount	Utilization	Reversals	Other changes	Sept. 30, 2013
Restoration obligations	748	307	28	(15)	–	(54)	1,014
Environmental protection and remediation costs	617	59	4	(94)	(8)	–	578
Employee obligations	1,905	1,078	6	(1,196)	(38)	39	1,794
Sales and purchase risks	635	619	–	(174)	(39)	(11)	1,030
Restructuring measures	198	88	–	(66)	(5)	(8)	207
Litigation, damage claims, guarantees and similar commitments	171	15	–	(40)	(15)	(6)	125
Other	1,279	191	–	(153)	(50)	(49)	1,218
Total	**5,553**	**2,357**	**38**	**(1,738)**	**(155)**	**(89)**	**5,966**

On September 30, 2013, other provisions had increased by €413 million compared with year-end 2012. Provisions for field abandonment obligations rose considerably following the acquisition of assets from Statoil ASA in the Oil & Gas segment. Provisions for employee obligations were utilized for variable compensation payments for the past fiscal year; this was almost fully offset by additions for variable compensation for the current fiscal 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, especially in the seasonally driven Agricultural Solutions segment. Other provisions include long-term tax provisions, as well as further present obligations and accruals.

16 – Liabilities

Liabilities (million €)

	September 30, 2013		December 31, 2012		September 30, 2012	
	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term
Accounts payable, trade	**4,618**	**–**	**4,502**	**–**	**5,311**	**–**
Bonds and other liabilities to the capital market	3,868	8,955	2,736	7,658	2,466	7,192
Liabilities to credit institutions	777	1,056	1,358	1,046	1,724	781
Financial indebtedness	**4,645**	**10,011**	**4,094**	**8,704**	**4,190**	**7,973**
Tax liabilities	**1,017**	**–**	**870**	**–**	**963**	**–**
Advances received on orders	112	–	266	–	100	–
Negative fair values from derivatives and liabilities for precious metal obligations	252	210	203	238	397	144
Liabilities related to social security	141	18	148	17	156	22
Miscellaneous liabilities	1,663	777	1,807	787	1,947	764
Deferred income	114	171	199	69	261	195
Other liabilities	**2,282**	**1,176**	**2,623**	**1,111**	**2,861**	**1,125**

Financial indebtedness (million €)

			Carrying amounts based on effective interest method		
	Nominal value (million, in issuing currency)	Effective interest rate	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
3.75% Euro Bond 2009/2012 of BASF SE	1,350	3.97 %	–	–	1,350
4.5% Euro Bond 2006/2016 of BASF SE	500	4.62 %	498	498	498
Euro Floating Rate Note 2013/2016 of BASF SE	200	variable	200	–	–
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 %	476	487	498
4.625% Euro Bond 2009/2017 of BASF SE	300	4.69 %	299	299	299
Euro Floating Rate Note 2013/2018 of BASF SE	300	variable	300	–	–
1.5% Euro Bond 2012/2018 of BASF SE	750	1.63 %	746	745	–
Euro 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 %	987	986	–
3.675% NOK Bond 2013/2025 of BASF SE	1,450	3.70 %	178	–	–
3% Euro Bond 2013/2033 of BASF SE	200	3.12 %	197	–	–
3% Euro Bond 2013/2033 of BASF SE	300	3.17 %	293	–	–
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 %	1,250	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 %	250	251	251
3.625% CHF Bond 2008/2015 of BASF Finance Europe N.V.	200	3.77 %	163	165	165
5.125% Euro Bond 2009/2015 of BASF Finance Europe N.V.	1,500	5.30 %	1,496	1,494	1,493
5.125% Euro Bond 2009/2015 of BASF Finance Europe N.V.	500	4.38 %	506	508	509
4.5% Euro Bond 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 %	425	418	416
USD commercial paper	1,850		1,369	1,288	727
Other bonds			449	659	671
Bonds and other liabilities to the capital market			**12,823**	**10,394**	**9,658**
Liabilities to credit institutions			**1,833**	**2,404**	**2,505**
Financial indebtedness			**14,656**	**12,798**	**12,163**

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 €)

	3rd Quarter		January – September	
	2013	2012	2013	2012
Non-consolidated subsidiaries	137	140	487	483
Joint ventures	178	143	498	493
Joint operations	90	107	308	312
Associated companies and other participations	700	701	2,363	2,304

Sales to associated companies and other participations match the level of the previous third quarter. Furthermore, substantial sales to associated companies and other participations were related to the Styrolution Group. Sales to the Styrolution Group amounted to €1,735 million in the first three quarters of 2013, compared with €1,779 million in the same period 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		
	Sept. 30, 2013	Sept. 30, 2012	Dec. 31, 2012
Non-consolidated subsidiaries	212	204	178
Joint ventures	114	134	109
Joint operations	32	45	57
Associated companies and other participations	350	330	268

	Accounts payable, trade		
	Sept. 30, 2013	Sept. 30, 2012	Dec. 31, 2012
Non-consolidated subsidiaries	51	50	64
Joint ventures	317	174	172
Joint operations	51	64	55
Associated companies and other participations	63	39	34

Calculation of Adjusted Earnings per Share

		3rd Quarter		January – September	
		2013	**2012**	**2013**	**2012**
Income before taxes and minority interests	million €	1,515	1,228	5,169	5,199
Special items	million €	21	68	57	(259)
Amortization of intangible assets	million €	164	146	470	440
Amortization of intangible assets contained in the special items	million €	–	(4)	–	(4)
Adjusted income before taxes and minority interests	**million €**	**1,700**	**1,438**	**5,696**	**5,376**
Adjusted income taxes	million €	453	316	1,456	1,249
Adjusted income before minority interests	**million €**	**1,247**	**1,122**	**4,240**	**4,127**
Adjusted minority interests	million €	71	52	241	186
Adjusted net income	**million €**	**1,176**	**1,070**	**3,999**	**3,941**
Weighted average number of outstanding shares	in thousands	918,479	918,479	918,479	918,479
Adjusted earnings per share	**€**	**1.28**	**1.16**	**4.35**	**4.29**

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 31. 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.

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.

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