

Agreed-upon future transactions


– On December 12, 2013, BASF signed an agreement with the Hungarian MOL Group for the sale of selected oil and gas investments in the North Sea. The transaction comprises 14 licenses, including non-operated equity stakes in the Broom field (29%) as well as the Catcher (20%),

Cladhan (33.5%) and Scolty/Crathes (50%) developments. The transaction will be financially retroactive to January 1, 2013. Subject to approval by the relevant authorities and partners, it is expected to be closed in the first quarter of 2014.

3 – List of Shares Held of the BASF Group in accordance with Section 313(2) of the German Commercial Code

List of Shares Held

The list of consolidated companies and the complete list of all companies in which BASF SE has a share as required by Section 313(2) of the German Commercial Code is an integral

component of the audited Consolidated Financial Statements submitted to the electronic Federal Gazette. It is also published online.  basf.com/en/investor/cg

4 – Reporting by segment and region

BASF optimized its organizational structure effective January 1, 2013. Since this date, BASF's business has been conducted by 14 (previously 15) operating divisions aggregated into five (previously six) segments for reporting purposes. The divisions are allocated to the segments based on their business models. The Plastics segment has been dissolved; its businesses with high-volume products and basic polymers 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 previous year's figures have been adjusted to match the new organizational structure.

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 down stream products. Chemicals comprises the Petrochemicals, Monomers and Intermediates divisions.

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

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

Agricultural Solutions is made up of the Crop Protection division, whose products guard crops against fungal infections, insects and weeds, and secure yields as well serve as biological seed treatments. 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.

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 crossdivisional 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 are reported under Other, as are corporate costs that comprise expenses for the steering of 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 generally 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.

Income from operations (EBIT) of Other (million €)

	2013	2012
Corporate research costs	(386)	(391)
Costs of the corporate headquarters	(237)	(255)
Other businesses	251	871
Foreign currency results, hedging and other measurement effects	(190)	(454)
Miscellaneous income and expenses	(102)	14
Income from operations of Other	(664)	(215)

The decline in income from operations in Other is mainly attributable to the fact that it contained gains of €645 million on the disposal of the fertilizer business in 2012.

The year-on-year improvement in foreign currency results, hedging and other measurement effects resulted mainly from

reduced expenses arising from the long-term incentive program in 2013. At €104 million, they were €195 million lower than in the previous year. Furthermore, income rose from foreign currency translation and hedging transactions.

Assets of Other (million €)

	2013	2012
Assets of businesses included in Other	3,351	3,152
Financial assets	630	613
Deferred tax assets	992	1,473
Cash and cash equivalents/marketable securities	1,832	1,661
Defined benefit assets	47	41
Miscellaneous receivables/prepaid expenses/ assets of the disposal group not allocated to operations	2,416	1,845
Assets of Other	9,268	8,785

Reconciliation reporting Oil & Gas (million €)

	2013	2012
Income from operations	2,516	1,676
Income from shareholdings	(2)	(8)
Other income	71	(122)
Income before taxes and minority interests	2,585	1,546
Income taxes	(673)	(181)
Income before minority interests	1,912	1,365
Minority interests	(132)	(164)
Net income	1,780	1,201

The reconciliation reporting Oil & Gas reconciles the income from operations in the Oil & Gas segment with the contribution of the segment to the net income of the BASF Group.

The improvement in income from operations resulted primarily from the reclassification of GASCADE Transport GmbH, Kassel, Germany, and a special income related to the sale of a 15-percent share in the Edvard Grieg development project in return for the acquisition of assets from Statoil ASA. Due to low, partly regulated local gas prices, price compensations for gas producers were introduced in Argentina as part of

the New Gas Price Scheme (NGPS). This led to an increase in Other operating income in 2013.

The Oil & Gas segment's other income relate to income and expenses not included in the segment's income from operations, the interest result as well as the other financial result. The year-on-year increase is mostly attributable to currency effects.

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

Segments 2013 (million €)

	Chemicals	Performance Products	Functional Materials & Solutions	Agricultural Solutions	Oil & Gas	Thereof Exploration & Production	Other	BASF Group
Sales	16,994	15,534	17,252	5,227	14,776	2,929	4,190	73,973
Intersegmental transfers	6,388	489	835	36	1,160	305	53	8,961
Sales including intersegmental transfers	23,382	16,023	18,087	5,263	15,936	3,234	4,243	82,934
Income from operations	2,086	1,100	1,027	1,208	2,516	1,659	(664)	7,273
Assets	10,908	13,614	11,899	6,777	11,916	7,731	9,268	64,382
Thereof goodwill	56	1,967	2,032	1,796	959	959	62	6,872
intangible assets	256	1,818	1,331	364	1,529	1,527	65	5,363
property, plant and equipment	5,383	4,154	2,722	925	4,213	3,314	857	18,254
Debt	3,122	4,078	2,751	1,374	3,099	2,207	22,169	36,593
Research and development expenses	178	377	367	469	53	53	391	1,835
Additions to property, plant and equipment and intangible assets	1,958	1,497	611	324	2,954	2,834	169	7,513
Amortization of intangible assets and depreciation of property, plant and equipment	870	887	471	167	628	474	131	3,154
Thereof impairments	95	58	20	1	54	54	10	238

Segments 2012 (million €)

	Chemicals	Performance Products	Functional Materials & Solutions	Agricultural Solutions	Oil & Gas	Thereof Exploration & Production	Other	BASF Group
Sales	17,887	15,713	17,049	4,679	12,740	2,584	4,061	72,129
Intersegmental transfers	5,947	457	419	29	1,104	3	112	8,068
Sales including intersegmental transfers	23,834	16,170	17,468	4,708	13,844	2,587	4,173	80,197
Income from operations	2,173	1,276	806	1,026	1,676	1,187	(215)	6,742
Assets	10,559	13,457	12,146	6,527	11,252	5,766	8,785	62,726
Thereof goodwill	70	1,906	2,161	1,870	325	325	52	6,384
intangible assets	180	1,858	1,527	424	1,759	1,740	61	5,809
property, plant and equipment	4,693	3,867	2,455	785	4,042	1,727	768	16,610
Debt	3,600	4,355	3,182	1,485	3,199	1,370	21,284	37,105
Research and development expenses	184	345	348	430	32	32	393	1,732
Additions to property, plant and equipment and intangible assets	1,324	764	760	1,054	1,172	768	189	5,263
Amortization of intangible assets and depreciation of property, plant and equipment	848	814	557	156	769	588	123	3,267
Thereof impairments	–	38	95	–	200	200	2	335