

Investments and acquisitions

In addition to innovations, investments and acquisitions will make a decisive contribution toward achieving our ambitious growth goals. We are intensifying our capital expenditures in emerging markets. This organic growth is complemented by targeted acquisitions.

For the period between 2011 to 2020, we have planned capital expenditures from €30 billion to €35 billion. We want to invest more than a third of this amount in emerging markets and expand our local presence in order to benefit from the robust growth in these regions. Furthermore, we continue to develop our portfolio through acquisitions that are innovation-driven and promise above-average profitable growth. Both investments as well as acquisitions are prepared by interdisciplinary teams and are assessed using various criteria. In this way, we ensure that economic, environmental and social matters are included in strategic decision-making. By investing in our plants, we also continuously improve the energy efficiency of our production processes.

Investments and acquisitions 2013 (million €)

	Investments	Acquisitions	Total
Intangible assets	135	1,158	1,293
Thereof goodwill	–	787	787
Property, plant and equipment	4,709	1,511	6,220
Total	4,844	2,669	7,513

Investments

We invested €4,709 million in property, plant and equipment in 2013. Total investments therefore exceeded the previous year's level by €731 million. Our investments in 2013 focused on the Oil & Gas, Chemicals, Performance Products and Functional Materials & Solutions segments.

In Ludwigshafen, we are building an integrated TDI facility with a capacity of 300,000 metric tons per year and expanding the plants for its associated precursors. Production is expected to start at the beginning of 2015. TDI is an important basic chemical product that is used in particular for soft polyurethane foams.

The construction of the new MDI plant in Chongqing, China, and acrylic acid and superabsorbent production complex in Camaçari, Brazil, as well as the expansion of our Verbund site in Nanjing, China, are progressing. With these major investments, we are expanding our presence in the growth regions Asia and South America.

To meet growing market demand, we invested in the expansion of production capacity for our F 500® fungicide at the Schwarzheide site as well as in the production of an important precursor for the new fungicide Xemium® in Ludwigshafen in 2013.

In the Oil & Gas segment, we invested primarily in field development projects in Norway and Russia in 2013.

 For more on investments within the segments, see pages 60 to 87

Additions to property, plant and equipment by segment in 2013

1	Chemicals	30%
2	Performance Products	17%
	Functional Materials & Solutions	10%
3	Agricultural Solutions	5%
4	Oil & Gas	36%
5	Other (infrastructure, R&D)	2%



Additions to property, plant and equipment by region in 2013

1	Europe	70%
2	North America	12%
3	Asia Pacific	11%
	South America, Africa, Middle East	7%



Acquisitions

In 2013, we received €1,511 million worth of tangible fixed assets through acquisitions. Additions to intangible assets including goodwill amounted to €1,158 million.

We boosted our presence in the growth market for enzymes in 2013 through two acquisitions in particular. To strengthen BASF's position as a supplier of important ingredients for the detergents and cleaners industry, we purchased the enzyme technology for detergents and cleaners from Henkel AG & Co. KGaA. The transaction comprised production hosts, various detergent enzymes, and the corresponding intellectual property. Enzymes are essential components in modern detergent and cleaner formulations. The activities have been integrated into the Care Chemicals division.

In addition, we acquired all shares in the San Diego, California-based Verenium Corporation. Verenium Corporation develops and markets high-quality enzymes which, as catalysts, enable and accelerate biological and chemical processes. The business has been allocated to the Performance Products segment as well as to Other.

In addition, we concluded a series of transactions in 2013 that had been announced in the previous year. In January 2013, we acquired Pronova BioPharma ASA, a company headquartered in Lysaker, Norway, which researches, develops and produces highly concentrated omega-3 fatty acids. The purchase price amounted to €526 million. With this acquisition, we aim to take a leading position in the global market for omega-3 fatty acids. Pronova BioPharma's business has been grouped into a global business unit of the Nutrition & Health division, together with our previous activities in this field. We now offer our customers the complete range of omega-3 fatty acids in various concentrations.

In March 2013, we completed the acquisition of parts of Ciech Group's TDI business. The acquisition largely comprised intellectual property rights and the customer list. TDI is used primarily in furniture and automotive industry applications. The acquired business has been integrated into the Monomers division.

We concluded the acquisition of assets from Statoil ASA, headquartered in Stavanger, Norway, in July 2013. The transaction included the acquisition of shares in the Brage (32.7%), Vega (30%) and Gjøa (15%) fields. The daily production of Wintershall in Norway thus increased from around 3,000 barrels of oil equivalent (BOE) to just under 40,000 BOE. As part of the transaction, Statoil is receiving a 15% share in the Edvard Grieg development project from Wintershall as well as a financial consideration. The transaction was concluded with retroactive commercial effect as of January 1, 2013. The purchase price amounted to €853 million; the net payment was €588 million.

 **For more information on acquisitions, see the Notes to the Consolidated Financial Statements from page 166 onward**

For information on divestitures, see the Notes to the Consolidated Financial Statements from page 169 onward

Investments

- Increase in total investments compared with 2012
 - Intensified investments in emerging markets
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Acquisitions

- Two acquisitions strengthen our presence in growth market for enzymes
 - Acquisition of Pronova BioPharma ASA concluded
 - Assets acquired from Statoil ASA
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