Disclaimer

This presentation contains forward-looking statements under the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, 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 in BASF’s Form 20-F filed with the Securities and Exchange Commission. We do not assume any obligation to update the forward-looking statements contained in this presentation.
The world’s leading chemical company:
No. 1–3 market position in 75% of all products and markets

Sales 2006: 52.6 billion Euro;
Income from operations (EBIT) 2006: 6.8 billion Euro;
EBIT Margin 2006: 12.8%

Customers in more than 170 countries

150 Production sites in 38 countries

More than 95,000 employees worldwide
BASF’s balanced portfolio
Focusing on our core activities

2006 total sales*: 52.6 billion Euro

*Including other activities 2006: 2.5 billion Euro (5%)
Profitable growth
EBIT by activity*

* Before special items as of 1999, excl. Others, ** excl. Pharma, Polyolefins, *** based on IFRS
BASF worldwide

Verbund site

Major chemical production site

Antwerp Ludwigshafen

Freeport Geismar

Nanjing Kuantan
## Employees by region in 2006

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Employees</th>
<th>Change compared with 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>61,444</td>
<td>+ 8.5%</td>
</tr>
<tr>
<td>thereof Germany</td>
<td>47,296</td>
<td>+ 3.7%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>12,788</td>
<td>+ 32.3%</td>
</tr>
<tr>
<td>North America</td>
<td>15,513</td>
<td>+ 57.9%</td>
</tr>
<tr>
<td>South America, Africa, Middle East</td>
<td>5,502</td>
<td>+ 13.8%</td>
</tr>
<tr>
<td>*<em>Total</em></td>
<td>95,247</td>
<td>+ 17.7%</td>
</tr>
</tbody>
</table>

* as of December 31, 2006
BASF actively shapes the challenges of demographic change

Challenge: demographic change

Phase 1: analyze the need for action
- Rough analysis of European sites
  - External demographic changes
  - Internal personnel structure
- Definition of targets / guidelines – first steps

Board
April 06

Phase 2: GENERATIONS@WORK BASF AG
- 12 projects
- Timeline by the end of 2009

Phase 3: GENERATIONS@WORK Group
- Global risk portfolio by 2nd Q 2007
- Implementation by way of existing structures from 3rd Q 2007

Aim: maintain innovative ability and safeguard necessary productivity
The population is shrinking in Europe
Parts of Asia as life expectancy overall is rising

Population changes in selected countries with BASF sites up to 2050 in percentages

Worldwide rise in life expectancy up to 2050

Source: UN World Population Prospects, 2004 Revision, Medium Variant
The greatest pressure for action in respect of HR in Europe

... is on the Ludwigshafen site: high risk externally and internally – at the same time, the largest site

**Demographic portfolio of selected BASF sites in Europe**

Demographic risk in the area around the sites

- High
- Medium
- Low

Demographic risk arising from the age structure

- Balanced
- Centred on the young
- Compressed
- Centred on older people

Circle area: number of employees

BASF AG Ludwigshafen
GENERATIONS@WORK –
Risk portfolio of BASF Group shows need for action

... in Europe, USA, Australia and Japan – other countries are not affected

Extract of demographic – portfolio of BASF Group

Demographic risk in the area around the sites

Circle area: number of employees

Demographic risk arising from the age structure
The workforce is getting older
Today 55% are between 35 and 50 years old

... in 2020 this majority will be 50-65 years old

Compressed age structure in BASF AG
The GENERATIONS@WORK programme plans all areas of action

... early on and enables BASF to face up to demographic change

<table>
<thead>
<tr>
<th>Effects of demographic change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sites with a shrinking number of potentially employable people in the surrounding area</td>
</tr>
<tr>
<td>Increasing life expectancy and longer working life</td>
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<tr>
<td>BASF: older employees, fluctuating need for replacement</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Areas of action in BASF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employability</td>
</tr>
<tr>
<td>Recruitment</td>
</tr>
<tr>
<td>Productivity</td>
</tr>
<tr>
<td>Company pension</td>
</tr>
<tr>
<td>Social responsibility</td>
</tr>
<tr>
<td>Cultural change</td>
</tr>
</tbody>
</table>

GENERATIONS@WORK
Employability
BASF employees are physically and mentally fit right through to retirement age – as a result of targeted measures by the company and their own initiative.

Cultural change
As the result of a fundamental change in how we deal with aging, we are creating a motivating working environment for all generations.

Social responsibility
Our social responsibility helps us to identify and realise the opportunities of demographic change in the surrounding area.

Sustainable recruitment
We are an attractive employer in all relevant employment markets; we train continuously and appoint innovative management trainees.

Competitive productivity
Our productivity and innovative power remains competitive on the international stage even with an increasing average age.

Financing of pensions
The company pension scheme remains on a sound financial footing and will be safe in the future.
### Structure of the GENERATIONS@WORK programme

<table>
<thead>
<tr>
<th>Aims</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employability</strong></td>
<td>Personnel development</td>
</tr>
<tr>
<td></td>
<td>Health management</td>
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<tr>
<td></td>
<td>Occupational safety, ergonomics and work organization</td>
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<tr>
<td><strong>Sustainable recruitment</strong></td>
<td>Personnel structure management</td>
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<td></td>
<td>Training 2015</td>
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<td></td>
<td>Agencies</td>
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<td>Best Employer BASF</td>
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<td></td>
<td>Compatibility of work and family</td>
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<tr>
<td><strong>Productivity</strong></td>
<td>Performance Management LU/Europe</td>
</tr>
<tr>
<td></td>
<td>Financing of company pension scheme</td>
</tr>
<tr>
<td><strong>Cultural change</strong></td>
<td>Communication &amp; Change Management</td>
</tr>
<tr>
<td><strong>Social responsibility</strong></td>
<td>Social responsibility in the education field</td>
</tr>
</tbody>
</table>
Back-up
Successful implementation
Ex. 1: further expansion of the measures to combine work and family

Create scope for choice

- Proportion of qualified women in the employment market will continue to grow
- Being an attractive employer for women – and fathers
- Social responsibility: making it easier to decide to have a family by offering a range of support services
- Comprehensive package of measures:
  - supporting parents
  - making it easier to return after a childcare break
  - making it possible to combine work and children

Global Family
Summer holiday programme
Part-time work offensive
Parent and child programme
Flexitime models
Personal review “return agreement”
Hertie Audit “Work & Family”
Parents’ network
Childminder network
Further company / contractual benefits
Teleworking
Information / Advice / Communication
Successful implementation
Example 2: Learning Centre

Learn lifelong learning

- Matching the learning curve with the working curve
  - Basic training is not the end, but the start of occupational learning
  - The 50+ generation must open up more to further occupational training and accept it

- Hence the Learning Centre:
  - Individualised, age-specific advice on learning
  - A variety of training opportunities - for different age groups
  - Joint learning events on practical topics bring young and old together
  - Wide range of different learning media
Successful implementation
Example 3: Proactive Education

- Germany is missing opportunities: too many young people without a qualification
- Our aging society urgently requires well-trained young people
- Provide children with optimum encouragement and support at an early stage
- Hence “Proactive Education“:
  - Programme to promote the learning capability of young children in the region

Quasi

Sprache macht stark! Erzählwerkstatt