

Invisible Contribution. Visible Success.  
BASF in Europe.



 **BASF**

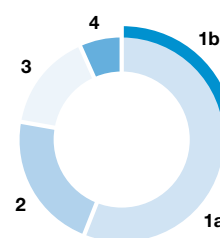
The Chemical Company

## BASF in Europe

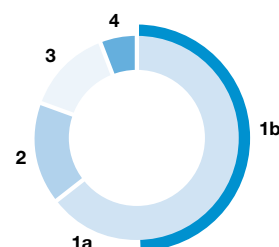
Key data BASF Group (31 December 2006)

		2006	2005	Change %
Sales	Million €	52,610	42,745	23.1
Income from operations before interest, taxes, depreciation and amortization (EBITDA)	Million €	9,723	8,233	18.1
Income from operations (EBIT) before special items	Million €	7,257	6,138	18.2
Income from operations (EBIT)	Million €	6,750	5,830	15.8
Europe	Million €	5,485	4,385	25.1
thereof Germany	Million €	4,125	3,019	36.6
North America (NAFTA)	Million €	869	855	1.6
Asia Pacific	Million €	181	297	-39.1
South America, Africa, Middle East	Million €	215	293	-26.6
Income before taxes and minority interests	Million €	6,527	5,926	10.1
Net income	Million €	3,215	3,007	6.9
Earnings per share	€	6.37	5.73	11.2
Dividend per share	€	3.00	2.00	50.0
Return on assets	%	17.5	17.7	-
Research and development expenses	Million €	1,277	1,064	20.0
Number of employees		95,247	80,945	17.7
Operating costs for environmental protection facilities	Million €	657	623	5.5
Investments in environment protection	Million €	116	78	48.7

Sales by region 2006 (location of customer)	Million €	%
1a Europe	29,529	56.1
1b thereof Germany	11,062	21.0
2 North America (NAFTA)	11,522	21.9
3 Asia Pacific	8,102	15.4
4 South America, Africa, Middle East	3,457	6.6
	52,610	100.0



Employees by region 2006		%
1a Europe	61,444	64.5
1b thereof Germany	47,296	49.7
2 North America (NAFTA)	15,513	16.3
3 Asia Pacific	12,788	13.4
4 South America, Africa, Middle East	5,502	5.8
	95,247	100.0



[www.basf.com/ir](http://www.basf.com/ir)

## **Who we are**

BASF is the world's leading chemical company: The Chemical Company. Our portfolio ranges from chemicals, plastics, performance products, agricultural products and fine chemicals to crude oil and natural gas. As a reliable partner to virtually all industries, our high-value products and intelligent system solutions help our customers to be more successful.

## **What we achieve**

Our goal is to use our products and services to successfully shape the future of our customers, business partners and employees. Through profitable growth we aim to consistently increase the value of our company.

## **How we shape the future**

We develop new technologies and use them to meet the challenges of the future and open up additional market opportunities. We combine economic success with environmental protection and social responsibility. This is our contribution to a better future for us and for coming generations.



[www.basf.com](http://www.basf.com)

## Essential building blocks with unlimited possibilities



»» *Our stomach tubes save the lives of many patients. Softeners are needed to make them, because they would otherwise become brittle and crack like dry noodles. Hexamoll DINCH® from BASF is an innovative softener whose health and safety credentials are beyond all doubt. Our production processes now exclusively use Hexamoll DINCH®.* ««

*Dagmar Dehler, Senior Product Manager at BASF customer Pfrimmer Nutricia GmbH in Erlangen (Germany). This company is one of the largest makers of feeding sets for the European medical market.*

Chemists call them essential building blocks. Without them, there would be no plastics, no crop protection agents, no paints, no microchips, no exhaust purification, no cosmetics and no drugs. We are talking about the key products of the chemical industry. BASF produces the majority of these “timeless” products – on the basis of only a few raw materials such as crude oil, natural gas, rock salt, water and sulphur.

BASF uses these raw materials to make base and intermediate products, which can then be refined over a series of successive steps. Using only a few of these materials, we can make thousands of high quality products.

Catalysts are the invisible drivers in the production processes. They lower the energy levels needed for chemical reactions, and by increasing yields, they also make the Company more competitive. We use them in around eighty percent of our processes. Our catalysts are among the best in the world – an essential key to success for BASF and its customers. They are also used in the automotive industry and refineries.

The Chemicals Segment forms the foundation of our production Verbund. By means of an intelligent integrated network that links the production facilities at our major sites, we ensure that the by-products and waste products of one plant can often serve as the starting substances for another. This saves energy and raw materials, lowers costs and preserves the environment. It is hard to think of another company that is as skilled at “Verbund management”, or integrating its production network, as “The Chemical Company”.

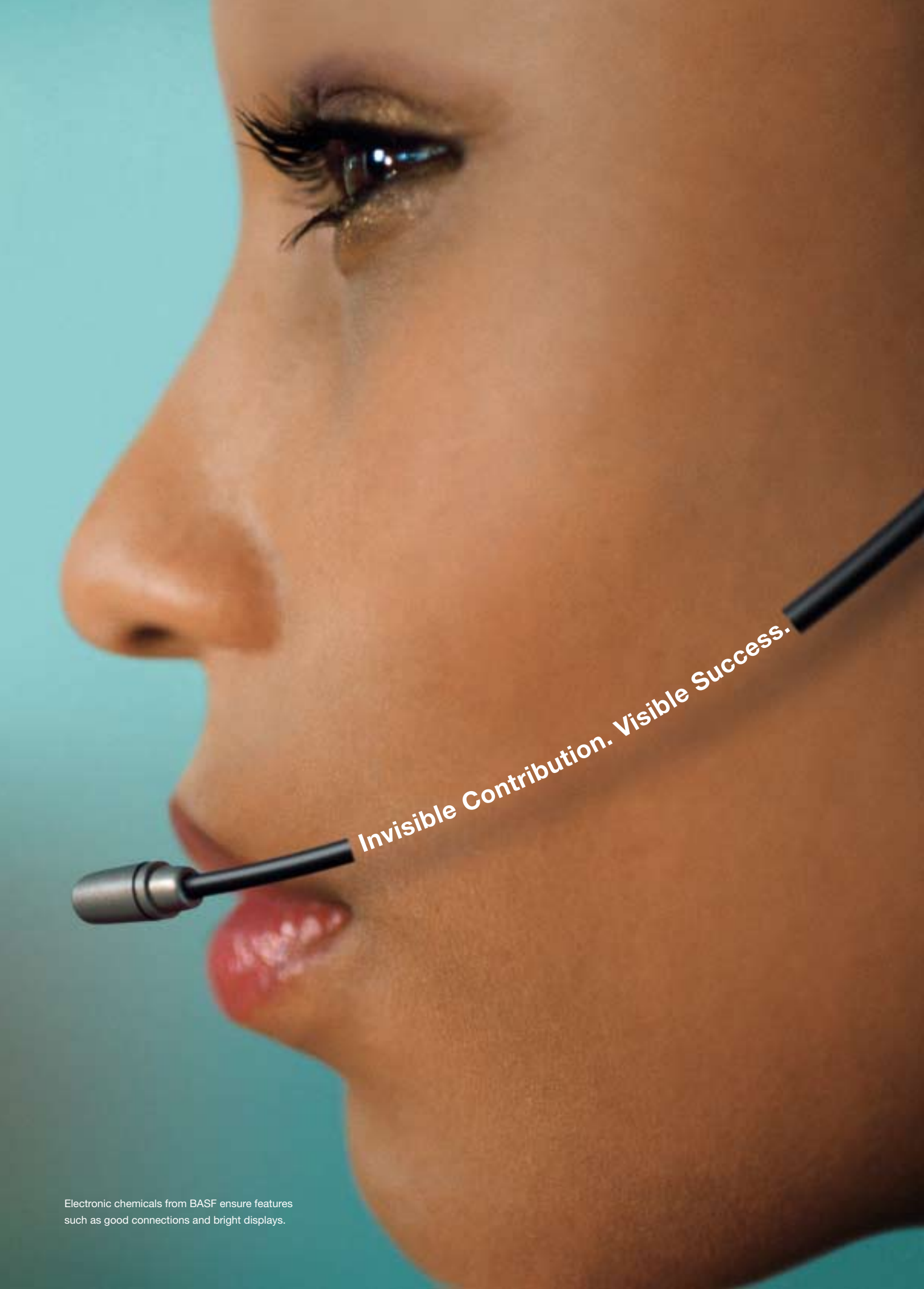


[www.basf.de/inorganics](http://www.basf.de/inorganics)

[www.basf.de/petrochemicals](http://www.basf.de/petrochemicals)

[www.basf.de/intermediates](http://www.basf.de/intermediates)

[www.basf.com/catalysts](http://www.basf.com/catalysts)



Invisible Contribution. Visible Success.

Electronic chemicals from BASF ensure features such as good connections and bright displays.

## All-round enablers



»» *We use the specialty plastic Terblend® N from BASF for the panelling on our Daytona 675 sports bike. What we especially like about this material is its ease of processing. Terblend® N does not exhibit many of the cosmetic problems associated with painted ABS components.* ««

*John Phillips, Product Engineer at Triumph Motorcycles Limited, Leicestershire (United Kingdom).*

Our customers want materials that are as strong and tough as possible – or flexible and elastic. Or both. Materials that are as lightweight as possible, and also retain their shape under extremely high or low temperature conditions. Materials that defy wind and weather, and that don't wear down under continuous strain. They should also feature an outstanding cost/benefit profile, and be quickly and easily formable into virtually any shape. In short, our customers want materials whose properties can be adapted to whatever purpose they desire. Our plastics meet these requirements.

BASF is one of the world's leading plastics manufacturers, and has played a major role in shaping developments in this field.

One of our greatest strengths lies in our ability to develop the properties of plastics to meet the requirements of our customers. Especially durable, especially easy to process, especially flame-resistant – we can fulfil just about any wish. For many years now, we have also been producing biodegradable plastics. With Ecoflex®, for example, we are one of the leaders on the market in this field. A recent development, Ecovio®, is a biodegradable plastic based on renewable raw materials.

These and many other innovations demonstrate that plastics are the most ecologically efficient materials of the 21st century.



[www.basf.de/plastics](http://www.basf.de/plastics)

[www.basf.de/plasticsportal\\_e](http://www.basf.de/plasticsportal_e)

**Invisible Contribution. Visible Success.**



BASF develops plastics that give inline skates superior durability and elasticity as well as minimum roll resistance.

## The art of performance



»» *BASF is committed to being the premier provider of solutions to the automotive industry. To secure a Gold Award from Ford, as we have for the year 2005, is a formidable achievement, but to be the only Ford supplier to receive three Gold Global Excellence Awards is an extraordinary honour, and a tremendous compliment to our people and their passion to be the best in the world.* <<

*Jim Love, Head of European Account Management  
Ford Group, BASF Coatings, Münster (Germany).*

Making our customers' products even better, or for that matter making them function in the first place – that is what the word “performance” in Performance Products means for us: Our solutions can truly improve many items in everyday life – making them more attractive, more convenient or more functional.

For example, our solutions enhance the quality and durability of textiles, leather, plastics and paper – but also of roads, bridges and buildings. Our pigments and paints make cars colourful and attractive – and protect them from rust. At the same time, our fuel additives help save energy and reduce the load on the environment. Without our raw materials, detergents and cleansers wouldn't be able to clean. Without our superabsorbents in nappies, babies' bottoms wouldn't stay dry. And without our help, adhesives wouldn't stick.

Our success is based on innovative developments that we pursue in intensive cooperation with our customers. In so doing, we promote system partnerships: We provide our customers not only with products, but also with the associated technologies, expertise and service – thus helping them become more successful.



[www.basf.de/constructionchemicals](http://www.basf.de/constructionchemicals)

[www.basf.de/coatings](http://www.basf.de/coatings)

[www.basf.de/functionalpolymers](http://www.basf.de/functionalpolymers)

[www.basf.de/performance-chemicals](http://www.basf.de/performance-chemicals)



**Invisible Contribution. Visible Success.**

BASF asphalt additives increase safety by making roads more resistant to weather and wear.

## Where ideas grow and bear fruit



»» *Our hairsprays and styling foams contain BASF products, and we write this on the packaging. The BASF name is one of our best sales arguments. Our customers value high-grade ingredients from BASF, because the company stands for quality.* ««

*Leonid Koromyslov, Executive Director at BASF customer OWK Aerosol, Moscow (Russia). OWK is Russia's second-largest manufacturer of cosmetics.*

BASF products also make substantial contributions to health and nutrition.

Our crop production agents are helping farmers meet the growing demand for high-grade and healthy nutrition, and helping them prepare for the future as well. Our products protect crops from fungal diseases, insects and weeds, while enhancing their quality and increasing their yield. Our F 500® fungicide, for example, supports the cultivation of grain, fruit, grape vines and soya beans. Boscalid is another fungicide with a broad range of applications, protecting fruit, vegetables, grape vines and ornamental plants from major damage. We also make pest control products for segments other than agriculture.

In addition, we pursue plant biotechnology research – for example, on plants with especially high levels of healthy omega-3 fatty acids. Here, too, we seek to use biotechnology to increase the yield of major crops such as maize, wheat and soya beans.

In the fine chemicals sector, we produce vitamins, aroma chemicals, sun protection agents and other high-grade products for the nutrition, pharmaceutical and cosmetics industries. As one of the world's leading producers of vitamins, we support numerous programmes that combat vitamin deficiency. We provide vitamin A for a UNICEF programme, for example. We also focus on supporting local food producers in the Third World by optimising the addition of vitamins to basic foodstuffs.



[www.basf.de/agro](http://www.basf.de/agro)

[www.basf.de/animalnutrition](http://www.basf.de/animalnutrition)

[www.basf.de/biotechnology](http://www.basf.de/biotechnology)

[www.basf.de/cosmetics](http://www.basf.de/cosmetics)

[www.basf.de/food](http://www.basf.de/food)

[www.basf.de/pharma](http://www.basf.de/pharma)

A close-up photograph of two vibrant red cherries hanging from a green stem. The cherries are covered in small, glistening water droplets, suggesting freshness. The background is a soft-focus green, likely other leaves and branches of the cherry tree. The lighting is bright, highlighting the smooth texture of the fruit.

*Invisible Contribution. Visible Success.*

BASF plant protection agents help crops grow free of pests and diseases.



»» *The Achimgaz joint venture serves as a model for working with foreign partners in the natural gas production sector. Our project with BASF is one of a kind, and spans the entire value-added chain. It includes exploration and production in West Siberia, transport in the Northern European gas pipeline, and further distribution via the joint gas supply grid in both Germany and other European countries. This opens up additional opportunities for the long-term and reliable supply of natural gas from Russia to Europe at competitive terms.* ‹‹

*Alexei Miller, Chairman of the Board of OAO Gazprom. The joint venture with BASF subsidiary Wintershall has been running for 17 years now, and the Achimgaz joint venture since 2003.*

## We fuel the future

All of our oil and gas activities are handled by our Wintershall subsidiary. In the Exploration and Production division, we focus on locating and drilling for oil and gas in selected priority regions: Europe, North Africa, South America, Russia and around the Caspian Sea.

With an annual volume of more than 100 million barrels of oil equivalent, we are the largest German producer of petroleum and natural gas. In Europe, we explore for and produce oil and gas in Germany and the North Sea off the coast of Holland. We also possess promising exploration rights for the British, Danish and Norwegian parts of the North Sea.

We pursue our second business area, namely natural gas, together with the largest producer of natural gas in the world – the Russian company Gazprom. Together with our partner, we make use of the opportunities that have arisen from market deregulation. Back in 1993, for example, we founded WINGAS, a German-Russian joint venture. These two successful business areas come together in our overall strategy known as “Gas for Europe”.

It concentrates on finding new gas deposits in and around Europe, producing this gas, and helping to design the requisite infrastructure – pipelines and reservoirs – in order to safely and reliably supply our European customers.



[www.basf.de/oilandgas](http://www.basf.de/oilandgas)



*Invisible Contribution. Visible Success.*

## Sustainable success



»» *BASF experts have trained our company doctors, security personnel and site managers in emergency medical planning for accidents involving hydrogen sulfide. BASF's experts have done an outstanding job of providing us with practical and realistic ways to respond in case of accidents.* ««

*Dr. Karin von Jeinsen, Chief Works Physician at ExxonMobil Production Deutschland GmbH in Hanover (Germany). ExxonMobil is the world's largest non-state-owned company active in producing and selling petroleum and natural gas.*

The world is undergoing rapid change in areas as diverse as the availability of natural resources, the level of greenhouse gas emissions, and the development of social conditions for a secure future. These changes also affect the environment in which BASF and its customers do business. We view sustainability as an opportunity – to promote our business, to acquire new areas of activity, and to minimise risks.

Linking profitability to environmental protection and social responsibility is crucial for long-term business success. That is why we have made sustainability one of our four strategic guidelines. At BASF, we place our long-term experience over a wide spectrum of sustainability concerns at the disposal of our customers as part of our SuccESS initiative. It provides consulting in areas such as energy, health, product responsibility, safety and the environment – including waste disposal and wastewater treatment.

BASF experts hold seminars on EU legislation affecting chemical regulations, run eco-efficiency checks, and help enhance transport safety – generating real added value for our partners.



[www.basf.de/sustainability](http://www.basf.de/sustainability)

[www.basf.de/ess](http://www.basf.de/ess)

## CONTACT ADDRESSES

Algeria:  
BASF SPA  
13, Rue Arezki Abri - Hydra  
16035 Algiers  
phone: +213 21 603581  
fax: +213 21 6938 11 / 601800

Austria:  
BASF Österreich GmbH  
Kolingasse 12  
1090 Vienna  
phone: +43 1 87890 0  
fax: +43 1 87890 120

Belgium:  
BASF Belgium NV  
Terhulpsesteeweg 178  
1170 Brussels  
phone: +32 2 373 2111  
fax: +32 2 373 2477

Bulgaria:  
BASF EOOD  
WV Ivan Vasov Balscha Str. 1  
1408 Sofia  
phone: +359 2 915 2010  
fax: +359 2 915 2020

Croatia:  
BASF Croatia d.o.o.  
Vlaska 40  
10 000 Zagreb  
phone: +385 1 4814 238  
fax: +385 1 4814 224

Czech Republic:  
BASF spol. s r.o.  
Safrankova 3  
15500 Prague  
phone: +420 2 350 00111  
fax: +420 2 350 00222

Denmark:  
BASF A/S  
Ved Stadsgraven 15  
Postboks 4042  
2300 Copenhagen S  
phone: +45 32 66 07 00  
fax: +45 32 57 22 02

Dubai:  
BASF - FZE Dubai  
Jebel Ali Free Zone  
P.O.Box 61309  
Dubai  
phone: +971 4 8838 773  
fax: +971 4 8836 675

Egypt:  
BASF Limited  
55, Street No. 18  
Maadi Sarayat  
11431 Cairo  
phone: +202 750 9880  
fax: +202 378 1442

Finland:  
BASF Oy  
Tammasaarekatu 3  
00180 Helsinki  
phone: +358 9 61598 1  
fax: +358 9 61598 250

France:  
BASF France S.A.S.  
49, avenue Georges Pompidou  
92593 Levallois Perret Cedex  
phone: +33 1 4964 5000  
fax: +33 1 4964 5050

Germany:  
BASF Aktiengesellschaft  
67056 Ludwigshafen  
phone: +49 621 60 0  
fax: +49 621 60 42525

Hungary:  
BASF Hungária Kft.  
BC 30  
1132 Budapest  
Váci út 30.  
phone: +36 1 250 9700  
fax: +36 1 250 4660

Iran:  
BASF Iran AG  
Sohrevardi Shomali Ave.  
Kangavar Alley-No.5  
Teheran 15579  
phone: +98 21 88 76 84 03  
fax: +98 21 88 76 28 94

Ireland:  
BASF Ireland Limited  
Bracetown Business Park  
Clonee  
County Meath  
phone: +353 1 8255701  
fax: +353 1 8252038

Italy:  
BASF Italia Spa  
Via Marconato 8  
20031 Cesano Maderno MI  
phone: +39 0362 512 1  
fax: +39 0362 512 210

Latvia:  
BASF UAB  
Vilandes iela 1  
1010 Riga  
phone: +371 7 508250  
fax: +371 7 508251

Lithuania:  
BASF UAB  
Tauro g. 12  
1114 Vilnius  
phone: +370 5 2107 450  
fax: +370 5 2107 455

Morocco:  
BASF Maroc S.A.  
7, Rue des Orchidees  
20250 Ain Sebaa/Casablanca  
phone: +212 22 669 400  
fax: +212 22 354832

Netherlands:  
BASF Nederland B.V.  
Groningensingel 1  
6835 EA Arnhem  
postal address:  
Post box 1019  
6801 MC Arnhem  
phone: +31 26 3717 171  
fax: +31 26 3717 246

Norway:  
BASF AS  
Leangbukta 40  
Post box 233  
1372 Asker  
phone: +47 66 79 21 00  
fax: +47 66 90 47 55

Poland:  
BASF Polska Sp. z o.o  
Aleje Jerozolimskie 154  
02-326 Warsaw  
phone: +48 22 570 99 99  
fax: +48 22 570 95 99

Portugal:  
BASF Portuguesa, Lda.  
Rua 25 de Abril, 1  
2689-538 Prior Velho  
phone: +351 219 499 900  
fax: +351 219 499 945

Romania:  
BASF SRL Romania  
Bucharest Business Park  
Sos. Bucuresti- Ploiesti nr 1A  
Interarea A, Etaj 3  
Sector 1  
013681, Bucharest  
phone: +40 1 529 90 00  
fax: +40 1 529 90 99

Russia:  
ZAO BASF  
Kadashevskaya Nabereshnaja 14  
Korp. 3  
119017 Moscow  
phone: +7 495 231 7200  
fax: +7 495 231 7201

Serbia:  
BASF Jugoslavija D.O.O.  
Trise Kaclerovica 27L  
11000 Belgrade  
phone: +381 11 30 93 400  
fax: +381 11 30 93 401

Slovakia:  
BASF Slovensko spol. s r.o.  
Prievozska 2  
821 09 Bratislava  
phone: +421 2 58 266 111  
fax: +421 2 58 266 166

Slovenia:  
BASF Slovenija d.o.o.  
Dunajska cesta 111 a  
1000 Ljubljana  
phone: +386 1 589 75 00  
fax: +386 1 568 55 56

South Africa:  
BASF South Africa (Pty.) Ltd.  
852 Sixteenth Road  
Midrand 1685  
P.O. Box 2801  
Halfway House 1685  
phone: +27 11 203 2400  
fax: +27 11 203 2430

Spain:  
BASF Española S.A.  
Ctra. Nacional 340, km 1,156  
43006 Tarragona  
phone: +34 977 256 200  
fax: +34 977 256 201

Sweden:  
BASF A/B  
Haraldsgatan 5  
413 14 Gothenburg  
phone: +46 31 63 98 00  
fax: +46 31 63 99 00

Switzerland:  
BASF Schweiz AG  
Moosacherstr. 2  
Postfach 99  
8820 Wädenswil/Au  
phone: +41 44 78 19 111  
fax: +41 44 78 19 388

Tunisia:  
BASF Tunisie S.A.  
5, Place Pasteur  
1002 Tunis Belvedere  
Tunisie  
phone: +216 71 796 800  
fax: +216 71 796 828

Turkey:  
BASF Türk Kimya San. ve Tic.Ltd.Sti.  
Defterdar Yokusu No: 3  
34425 Istanbul  
phone: +90 212 334 3400  
fax: +90 212 334 3499

United Kingdom:  
BASF plc  
P.O.Box 4  
Earl Road  
Cheadle Hulme  
Cheadle, Cheshire SK8 6QG  
phone: +44 161 4856222  
fax: +44 161 4860891



Sender:

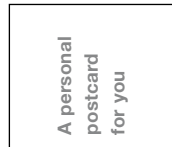
(Please use block capitals)

Name

Street

Post code/city

E-mail address



Reply

**BASF-Gruppe  
Mediencenter, GPB/BS - D 107  
67056 Ludwigshafen  
Germany**

Please send me:

- The current Corporate Report**  
Economy – Environment – Social Responsibility
- Additional copies of this brochure**  
**“BASF in Europe”**
- The current Financial Report**
- Please remove my name from the distribution list**



[www.basf.de/mediaorders](http://www.basf.de/mediaorders)



More information on the image campaign  
in Europe: [www.basf.com/more](http://www.basf.com/more)



BASF is a member of the World Business Council for Sustainable Development



**econsense**  
Forum Nachhaltige Entwicklung  
der Deutschen Wirtschaft

BASF stock made the Dow Jones Sustainability Index World for the sixth time in 2006.



Invisible Contribution. Visible Success.

**Publisher:**

BASF Aktiengesellschaft  
Corporate Communications Europe (EO/P)  
67056 Ludwigshafen  
Germany

Planning and editing:  
Reinhard Staudacher

Design, layout:  
Lesch + Frei GmbH, Frankfurt

Photography:  
Getty Images, National Geographic, Stefan Oberschelp,  
Volker Dautzenberg, Andreas Mühe, BASF archive

You can find this and other publications from BASF  
on the Internet at: [www.basf.com](http://www.basf.com)

You can also order the reports

- by telephone: +49 621 60 91827
- by fax: +49 621 60 20162
- by e-mail: [medien-service@basf.com](mailto:medien-service@basf.com)
- on the Internet: [www.basf.de/mediaorders](http://www.basf.de/mediaorders)