BASF AKTIENGESELLSCHAFT
Form 6-K
August 03, 2005

6-K UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

August 3, 2005

BASF AKTIENGESELLSCHAFT
(Exact name of Registrant as Specified in its Charter)

BASF CORPORATION
(Translation of Registrant's name into English)

Carl Bosch Strasse 38, LUDWIGSHAFEN, GERMANY 67056
(Address of Principal Executive Offices)

Indicate by check mark whether the Registrant files or will file annual reports under cover Form 20-F or Form 40-F

Form 20-F X Form 40-F

Indicate by check mark whether the Registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No X

If "Yes" is marked, indicate below the file number assigned to the Registrant in connection with Rule 12g3-2(b): 82- .

BASF Raises Outlook for 2005

LUDWIGSHAFEN, Germany--(BUSINESS WIRE)--Aug. 3, 2005--BASF (NYSE:BF)(FWB:BAS)(LSE:BFA):

-- Significant increase in sales to EUR 10.6 billion (plus 14 percent)

-- EBIT before special items of EUR 1.7 billion (plus 31 percent)

-- Successful start of Verbund site in Nanjing, China

-- Earnings jump in North America

-- Outlook for 2005: sales and earnings above strong 2004 level

BASF remained on its path to success in the second quarter of 2005 and again posted very strong earnings. Sales rose 14 percent to EUR

10.6 billion compared with the second quarter of 2004; income from operations (EBIT) before special items climbed 31 percent to EUR 1.7 billion. Cumulative sales in the first half of 2005 amounted to EUR 20.7 billion, or almost 13 percent more than in the same period of the previous year. In the first half, BASF increased EBIT before special items by 32 percent to EUR 3.2 billion compared with 2004.

Sales growth was primarily due to urgently needed price increases. Although raw material costs were volatile and rose continuously, BASF succeeded in gradually raising its margins to the necessary level. The good volume growth of 3 percent in the second quarter and 2 percent in the first half builds on the already strong level posted in 2004 and fits with the company's "value over volume" concept.

During his presentation of the quarterly results on August 3, 2005, BASF Chairman Dr. Jurgen Hambrecht thanked all employees for their outstanding performance in a difficult economic environment: "Prices for raw materials, and for crude oil in particular, have reached unprecedented levels. Economic growth remains weak in many parts of Europe. The geopolitical situation remains tense."

Outlook for full year 2005: Stronger performance than in 2004

Hambrecht expects the chemical industry to continue on a growth path in the second half of the year. At approximately 3 percent, however, he anticipates production growth for the full year to be slower than in the record year 2004, which represents a very high baseline for further growth. The strongest impulses for growth are again likely to continue to come from North America and Asia.

"The coming months therefore offer both opportunities and risks. Our aim is to capitalize on the opportunities and to assess the risks correctly. We want to complete our major capital expenditure projects on schedule and to continue with our successful measures for restructuring and achieving additional cost savings. At the same time, we are working hard to further expand our market position as The Chemical Company," said Hambrecht.

Overall, Hambrecht is confident when looking to the future, and the company has raised its outlook for the full year 2005: "We are expecting significantly higher sales and an increase in EBIT before special items compared with our already strong performance in 2004."

This forecast assumes that economic growth is not impacted by unexpected events such as terror attacks, dramatic increases in raw material prices or currency fluctuations.

Sales and earnings performance

Chief Financial Officer Dr. Kurt Bock pointed out that both EBIT and earnings after tax in the first half of 2005 were higher than the full year figures in 2003 and 2002. "This is an indication of BASF's current earning power," he said.

"We increased sales prices in our chemical businesses in the second quarter of 2005. In addition, the higher oil price had a positive impact on sales. Compared with the high level posted in the second quarter of 2004, most of our operating divisions also increased sales volumes slightly," said Bock.

After special charges of EUR 70 million, EBIT was EUR 1.6 billion in the second quarter. The charges were primarily related to restructuring measures.

Net income increased to a lesser extent than pre-tax earnings. This was due to the level of noncompensable oil production taxes, which are tied to the oil price. These taxes more than doubled in the second quarter, increasing to EUR 267 million. Net of this effect, the tax rate was at the same level as in the second quarter of 2004 at approximately 34 percent.

Earnings per share increased 14 percent to EUR 1.48. The decline in the number of shares outstanding as a result of share buybacks had a positive effect.

Successful projects in all regions

BASF is continuing with its restructuring measures and is optimizing its portfolio in all regions.

Second-quarter sales by location of company in Europe totaled EUR 6.2 billion. This corresponds to an increase of 11 percent. EBIT before special items rose 28 percent in Europe.

There was very positive news from the Ludwigshafen site in the second quarter. After three years, the Site Project has been successfully completed, thus significantly improving the site's competitiveness. At the same time, costs in Ludwigshafen were permanently reduced by EUR 480 million per year.

In North America, sales rose by more than 17 percent. In local currency terms, sales increased by 23 percent. This was due equally to higher prices and higher volumes. The increase in EBIT before special items by 65 percent to EUR 351 million is evidence of the success of the company's measures to restructure its business in North America. BASF has already achieved its targeted savings of $250 million, one year ahead of schedule.

In the South America, Africa, Middle East region, sales by location of company declined by 4 percent. This was due to unfavorable conditions in the agro business as a result of extremely dry weather in parts of South America. EBIT before special items fell by 73 percent.

The Asia Pacific region continues to demonstrate rapid growth. BASF increased sales by location of company by 24 percent and EBIT before special items by 34 percent.

"China continues to be the most powerful engine for growth in the region. We want to increase the performance of this engine even further through major investments in China, in particular the startup of our Verbund site with our partner Sinopec in Nanjing," said Hambrecht. In Nanjing, the two partners have invested $2.9 billion in their joint venture BASF-YPC. With its steam cracker and nine downstream plants, the new site has an annual capacity of 1.7 million metric tons of high-quality chemicals.

BASF also announced that it had recently put the world's largest PolyTHF(R) complex into full production at the integrated site in Caojing near Shanghai. PolyTHF(R) is an important component in the production of spandex fibers for the textile industry.

The new plants are an important step in achieving the company's strategic goals in Asia: By 2010, BASF aims to generate 20 percent of sales and earnings in its chemical activities in Asia Pacific.

BASF is the world's leading chemical company: The Chemical Company. Its 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, BASF's intelligent solutions and high-value products help its customers to be more successful. BASF develops new technologies and uses them to open up additional market opportunities. It combines economic success with environmental protection and social responsibility, thus contributing to a better future. In 2004, BASF had approximately 82,000 employees and posted sales of more than EUR 37 billion. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA), New York (BF), Paris (BA) and Zurich (AN). Further information on BASF is available on the Internet at www.basf.com.

The following information is also available on the Internet at the addresses shown:

Interim report (from 7:30 a.m. CEST)
www.basf.de/interimreport (English)
www.basf.de/zwischenbericht (German)

Press release (from 7:30 a.m. CEST)
www.basf.de/pressrelease (English)
www.basf.de/pressemitteilungen (German)

Live-Transmission (from 10:00 a.m. CEST)
www.basf.de/pcon (English)
www.basf.de/pk (German)

Speech Dr. Jurgen Hambrecht/Dr. Kurt Bock - print version
(from 10:00 a.m. CEST)
www.basf.de/pressconference (English)
www.basf.de/pressekonferenz (German)

Photos (from 7:30 a.m. CEST)
www.basf.de/photos (English)
www.basf.de/fotos (German)

Live transmission Analyst Conference (from 3:00 p.m. CEST)
www.basf.de/share (English)
www.basf.de/aktie (German)

Information about BASF shares
www.basf.de/share (English)
www.basf.de/aktie (German)

Forward-looking statements

This release contains forward-looking statements under the U.S. 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 release.

Strong second quarter, improved outlook for full year

Second-Quarter Results
April - June 2005, published on August 3, 2005

Overview BASF Group

Million EUR	2nd Quarter 2005	2004	Change in %	1st Half 2005	2004	Change in %
Sales	10,581	9,314	13.6	20,664	18,365	12.5
Income from operations before interest, taxes						

amortization and depreciation (EBITDA)	2,149	1,815	18.4	4,168	3,429	21.6
Income from operations (EBIT) before special items	1,657	1,266	30.9	3,220	2,441	31.9
Income from operations (EBIT)	1,587	1,250	27.0	3,086	2,325	32.7
Financial result	(82)	12	.	(37)	(28)	(32.1)
Income before taxes and minority interests	1,505	1,262	19.3	3,049	2,297	32.7
Net income	778	714	9.0	1,639	1,234	32.8
Earnings per share (EUR)	1.48	1.30	13.8	3.08	2.23	38.1
EBIT before special items in percent of sales	15.7	13.6	-	15.6	13.3	-
Cash provided by operating activities	977	1,218	(19.8)	2,081	2,206	(5.7)
Additions to fixed assets*	850	466	82.4	1,212	984	23.2
Excluding acquisitions	482	466	3.4	844	923	(8.6)
Amortization and depreciation*	562	565	(0.5)	1,082	1,104	(2.0)
Segment assets (end of period)**	28,631	27,521	4.0	-	-	-
Personnel costs	1,393	1,338	4.1	2,670	2,631	1.5
Number of employees (end of period)	80,946	85,124	(4.9)	-	-	-

* Tangible and intangible fixed assets (including acquisitions)

** Tangible and intangible fixed assets, inventories and business-related receivables

Starting from January 1, 2005, the accounting and reporting of the BASF Group is performed according to International Financial Reporting Standards (IFRS). The previous year's figures have been restated in accordance with IFRS.

Contents

BASF shares	2nd Quarter 2005	1st Half 2005
Share price (end of period)* (EUR)	55.00	-
High* (EUR)	56.82	58.30
Low* (EUR)	50.11	50.11
Average daily trade (million shares)*	2.84	2.73
BASF share performance**	+4.0%	+7.3%

DAX 30 performance**	+5.5%	+7.8%
EURO STOXX 50 performance**	+6.0%	+10.0%
Market capitalization (end of period) (billion EUR)	29.2	-
Number of shares (end of period) (million shares)***	531.7	-

XETRA trading
With dividends reinvested
Including bought back shares intended for cancellation

From our innovation centers

Combined protection against sunburn

Effective filters protect skin from harmful UV radiation

The requirements placed on sunscreens are high: They should reliably provide the longest possible protection against UV radiation, be resistant to water and sweat, and have a pleasant conditioning effect. These demands are met by effective products containing organically and inorganically based UV-filtering substances. Often several of these chemical UV filters are combined in one sunscreen product to filter out the complete wavelength spectrum of UV-A and UV-B radiation from sunlight.

"Sun care products are being used with increasing frequency and with a definite trend toward higher sun protection factors," says Dr. Valerie Andre of BASF's Strategic Marketing Cosmetics. "Even with an extremely high sun protection factor, our UV filters are suitable for producing sun cosmetics with a delicately creamy and transparent texture which remain effective even after prolonged sunbathing." BASF is the world's largest manufacturer of UV filters and supplies highly effective organic and inorganic UV-A and UV-B filters for many prominent sunscreen manufacturers.

Inorganic UV filters are produced from microfine particles of titanium dioxide or zinc oxide which reflect the incident UV light like tiny mirrors. They cover the longer-wave UV-A but also the shorter-wave UV-B ranges and are used especially in sunscreens with very high sun protection factors. Organic UV filters, on the other hand, absorb the radiation; in other words, they process the absorbed energy within themselves.

Organic UV filters are usually effective in the UV-B range. BASF's cosmetic experts, however, are currently engaged in introducing a novel organic absorber for UV-A radiation. This innovative product will shortly be making its debut on the market under the tradename Uvinul(R) A Plus. The new active ingredient can be superbly combined with other organic and inorganic filters to provide optimal protection. Not only is it especially effective in screening out UV-A radiation, it is also completely photo-stable, thereby assuring a long duration of action. In addition, it can be combined with other cosmetic raw materials without any problems.

Even with a high sun protection factor, BASF's UV filters are suitable for producing sun cosmetics with a delicately creamy and transparent texture which remain effective even after prolonged sunbathing.

From our innovation centers

Firefighting with superabsorbents

Phos-Chek(R) Focstop from Astaris can also be applied from the air, for example from helicopters.

Environmentally friendly water-based gel offers firefighters numerous advantages In the hot, dry summer months, forest and bush fires can threaten both property and lives. Firefighters have a dangerous job, and so innovative extinguishing and fire protection agents that make their work easier are extremely welcome. As the world's leading manufacturer of superabsorbents, BASF has therefore developed a firefighting gel based on these functional polymers. The gel is distributed worldwide by Astaris LLC -- a leading provider of chemical firefighting solutions -- under the brand name Phos-Chek(R) Focstop. The product has been approved for use by the U.S. Department of Agriculture's Forest Service agency under the brand name Phos-Chek(R) AquaGel in the United States.

The new firefighting gel can applied either as a protective cover against fire over homes, gardens or other terrain, or used directly for firefighting. Applied via suitable hoses or aerially from helicopters or planes, the gel can effectively protect neighboring homes or villages from forest or bush fires.

"Phos-Chek(R) Focstop is a new, high-performance, environmentally friendly product that is available to firefighters with immediate effect," says Dr. Martin Beck, from BASF's acrylic monomers and superabsorbents business unit. "We are expanding the areas of application for superabsorbents beyond the field of hygiene, and are thus strengthing our specialties portfolio." Unlike conventional firefighting gels, Phos-Chek(R) Focstop does not leave an oily residue on surfaces after use. Consequently, residue cleanup after the fire is extinguished is faster, easier and less expensive. Another advantage is that it is supplied in powder form, and therefore has a longer storage life and requires less warehouse space than ready-mixed gels. Users simply add water to the powder, and the gel is immediately ready to use.

Technical superabsorbents are crosslinked polyacrylates and are marketed worldwide by BASF as a direct derivative of acrylic acid. Thanks to their capacity to safely absorb large volumes of liquid, superbsorbents are widely used in the hygiene industry. The advantage for firefighting is that just a small volume of superabsorbents forms a gel when mixed with water. This aqueous gel offers effective and longer lasting protection because it does not seep away as quickly as water. Instead it adheres well to the surfaces in need of protection and can easily be washed off later.

BASF Group Business Review and Outlook

-- Value over volume concept successful: - Sales +14% - EBIT before special items +31%

-- Earnings jump in North America

-- Successful start of Nanjing Verbund site in China

-- Improved outlook for full year 2005: Sales and EBIT before special items up on 2004

Sales

Compared with the same quarter of 2004, we increased sales in the second quarter of 2005 by 14% to EUR 10.6 billion. Sales increased 16% if divestitures and currency effects are not taken into account. The sales growth was due primarily to higher sales prices in our chemical businesses as well as the higher price of oil in the Oil & Gas segment. Sales volumes increased 3% compared with the previous year's high level.

Factors influencing sales in comparison with previous year

% of sales	2nd Quarter	1st Half
Volumes	3	2
Prices	13	14
Currencies	(1)	(2)
Acquisitions/divestitures	(1)	(1)
Total	14	13

In addition to higher sales prices, the increase in sales in the Chemicals segment was due to higher volumes of petrochemicals, as well as the effect of the acquisition of Merck's electronic chemicals business.

The Plastics segment also benefited from significantly higher sales prices compared with the same period of 2004, but sales volumes declined for some products.

Sales by segment, 2nd quarter 2005

Million EUR

Chemicals	2005	2,007	15%
	2004	1,748	
Plastics	2005	2,924	16%
	2004	2,522	
Performance Products	2005	2,098	3%
	2004	2,029	
Agricultural Products & Nutrition	2005	1,465	(4)%
	2004	1,527	
Oil & Gas	2005	1,650	51%
	2004	1,090	

The Performance Products segment more than made up for the loss in sales resulting from the divestiture of the printing systems business in the fourth quarter of 2004. Sales in the Agricultural Products & Nutrition segment declined due to the drastic fall in prices for lysine in the Fine Chemicals divisions, and due to currency effects. The sales growth in the Oil & Gas segment was due to higher oil prices and an increase in sales volumes.

Special items	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
Million EUR	2005	2004	2005	2004	2005	2004	2005	2004
Special items in Income from operations	(64)	(100)	(70)	(16)		(96)		175
Financial result	–	(21)	–	(1)		(16)		(580)
Income before taxes and minority interests	(64)	(121)	(70)	(17)		(112)		(405)

Earnings Compared with the same quarter of 2004, we increased income from operations (EBIT) before special items by 31 % to EUR 1,657 million. All segments contributed to the improvement in earnings.

In the Chemicals segment, higher raw material costs were largely passed on to the market. Capacity utilization was particularly high in the Petrochemicals division.

In the Plastics segment, higher margins for poly-urethanes led to significantly higher earnings. The Performance Products segment posted higher earnings, in particular thanks to the strong performance of the Functional Polymers division.

In the Agricultural Products division, we achieved higher earnings due to our higher value portfolio and improved cost structures. Earnings in the Fine Chemicals division remained unsatisfactory.

The exploration and production business sector in the Oil & Gas segment benefited from high oil prices and increased production. In the second quarter, EBIT after special items rose 27% to EUR 1.587 million.

Special items were primarily related to the planned closure of part of the Chemicals segment's site in Feluy, Belgium, and to restructuring measures in the Fine Chemicals division's vitamin C business.

The change in the financial result was due to a decline in the market values of financial derivatives used to hedge interest rate and currency risks.

EBIT before special items, 2nd quarter 2005

Million EUR

Chemicals	2005	415	22%
	2004	340	
Plastics	2005	274	52%
	2004	180	
Performance Products	2005	272	17%
	2004	233	
Agricultural Products & Nutrition	2005	302	11 %
	2004	273	
Oil & Gas	2005	579	71%
	2004	339	

Income before taxes and minority interests increased by 19% to EUR 1,505 million.

The tax rate increased to 46% compared with 41 % in the second quarter of 2004. Income taxes contain taxes for oil production that are noncompensable with German corporate income tax. Due to the higher earnings contribution from the exploration and production of oil, these taxes increased from EUR 128 million to EUR 267 million. Net of this effect, the tax rate was at the same level as in the second quarter of 2004 at approximately 34%.

Net income rose 9% to EUR 778 million. Earnings per share were EUR 1.48 compared with EUR 1.30 in the same period of the previous year.

Outlook

We continue to expect global chemical production to grow by approximately 3% in 2005. The United States and Asia will likely continue to drive growth, whereas economic growth in Europe is expected to decline.

For 2005, we are forecasting an average price for Brent crude of $50 per barrel and an average dollar exchange rate of $1.25 per euro. Demand for our products remains strong. However, the extremely high and volatile oil price may cause a further increase in raw material prices and restrict economic growth.

We intend to rigorously pursue our strategy of value-based growth and continue with our restructuring measures. For the full year 2005, we are expecting significantly higher sales and an increase in EBIT before special items compared with the previous year's strong level (IFRS).

Significant events

In the first half of 2005, BASF YPC Co. Ltd., a 50-50 joint venture between BASF and SINOPEC, successfully started up a steam cracker and nine downstream plants as planned at the new Verbund site in Nanjing, China.

On May 5, 2005, BASF and Shell Chemicals announced that they would sell their 50-50 joint venture Basell, one of the world's leading manufacturers of poly-olefins, to Nell Acquisition S.a.r.l., Luxembourg, an affiliate of New York-based Access Industries. The deal closed on August 1, 2005. The sales price totaled EUR 4.4 billion including debt.

On June 25, 2005, BASF announced the acquisition of 100% of the shares in the Swiss fine chemicals company Orgamol S.A. The acquisition significantly strengthens BASF's pharma contract manufacturing business.

The Ludwigshafen Site Project was successfully completed, reducing costs at the Ludwigshafen production site by EUR 480 million per year.

On June 28, 2005, the U.S. Court of Appeals for the District of Columbia reached a decision in the Empagran case, in which BASF was one of the defendents. The plaintiffs' action was dismissed.

On May 19, 2005, BASF Aktiengesellschaft issued a euro benchmark bond with a nominal volume of EUR 1.4 billion, a maturity of seven years and a coupon of 3.375% per year. The proceeds were used to refinance a bond that matured in July.

Chemicals

-- Sales growth due to higher sales prices

-- Rise in earnings; good capacity utilization

-- Successful startup of new plants in China

Overview Chemicals		2nd Quarter			1st Half		
Million EUR				Change			Change
		2005	2004	in %	2005	2004	in %
Sales		2,007	1,748	15	3,829	3,330	15
Thereof	Inorganics	268	211	27	475	412	15
	Petrochemicals	1,227	1,047	17	2,363	1,966	20
	Intermediates	512	490	4	991	952	4
EBITDA		477	459	4	1,021	813	26

EBIT before special items	415	340	22	841	591	42
EBIT before special items in percent of sales	20.7	19.5	-	22.0	17.7	-
EBIT	345	335	3	771	569	36

Quarterly sales exceeded EUR 2 billion for the first time despite negative currency effects (volumes 3%, portfolio 2%, prices 12%, currencies -2%). Capacity utilization was high, and earnings increased significantly. In Nanjing, China, all of the Chemical segment's eight production plants successfully started operations. Special items were incurred in association with the planned closure of plants belonging to the Petrochemicals and Intermediates divisions at the site in Feluy, Belgium.

Inorganics

Sales increased significantly due to the contribution from the electronic chemicals business acquired from Merck in April 2005 and due to price increases for products in the existing portfolio. Higher raw material costs were passed on to the market, especially in the adhesives and impregnating resins business. In addition, persistently strong demand for our catalysts and an improved cost structure for the production of basic chemicals led to an increase in earnings. The integration of the electronic chemicals business acquired from Merck is proceeding as planned and is expected to be completed by the end of the year.

Petrochemicals

A further increase in sales volumes together with price increases resulted in strong sales growth, which eased somewhat in the second half of the quarter. Capacity utilization remained very high, and the division's earnings again exceeded the level posted in the strong second quarter of the previous year. In Nanjing, China, we successfully started operations at a steam cracker with an annual capacity of 600,000 metric tons of ethylene as well as at additional world-scale plants, for example for oxo alcohols and ethylene oxide. We are planning to cease the uncompetitive production of plasticizers at the site in Feluy, Belgium. BASF is focusing on the plasticizers Palatinol(R) N, Palatinol(R) 10P and the innovative specialty Hexamoll DINCH(R).

Intermediates

The Intermediates division is also rigorously implementing the "value over volume" concept. Sales increased slightly despite a decline in sales volumes. Earnings were significantly higher as a result of fixed cost reductions. In Nanjing, China, plants for propionic and formic acids and for methylamine and dimethylformamide started operations as planned.

Plastics

-- Strong sales growth despite decline in volumes

-- Rigorous restructuring in North America

-- Further earnings improvement in Polyurethanes division

Overview Plastics Million EUR	2nd Quarter 2005	2004	Change in %	1st Half 2005	2004	Change in %

Sales		2,924	2,522	16	5,724	4,829	19
Thereof	Styrenics	1,128	1,019	11	2,264	1,937	17
	Performance Polymers	732	649	13	1,421	1,262	13
	Polyurethanes	1,064	854	25	2,039	1,630	25
EBITDA		400	292	37	780	566	38
EBIT before special items		274	180	52	543	335	62
EBIT before special items in percent of sales		9.4	7.1	-	9.5	6.9	-
EBIT		280	171	64	548	325	69

Compared with the same quarter of 2004, sales increased significantly as a result of higher sales prices (volumes -5%, prices 22%, currencies -1%). Sales volumes declined in the Styrenics division. The Polyurethanes division was primarily responsible for the strong increase in earnings.

Styrenics

Sales were higher than in the same period of 2004 due exclusively to high sales prices. Sales growth was especially pronounced in North and South America. Overall, however, it was not possible to compensate for the high and volatile price of the division's most important raw material, benzene. Earnings therefore declined. The sale of our polystyrene site in Joliet, Illinois, is a key element of our business optimization in North America.

Performance Polymers

The price increases implemented at the start of the year led to an increase in sales. Despite high and volatile prices for important raw materials such as benzene, earnings improved slightly, in particular as a result of stable sales volumes for engineering plastics. In May, we started consolidating nylon 6 production in the United States by expanding capacities in Freeport, Texas. In July, Bosch awarded its "Supplier Award 2005" to BASF as the best supplier of engineering plastics.

Polyurethanes

The strong increase in sales was almost completely due to higher prices, and was seen in all regions and product groups. Earnings rose significantly as a result of our consistent value orientation. The capacity of the MDI plant in Antwerp was extended from 360,000 to 450,000 metric tons per year, and the expanded plant started operations successfully in May. In July, we further strengthened our global market position by acquiring Huntsman's TDI business.

Performance Products

-- Further increase in sales and earnings

-- Profitable growth, especially in Functional Polymers division

-- Strong growth in Asia

Overview Performance Products	2nd Quarter			1st Half		
Million EUR	2005	2004	Change in %	2005	2004	Change in %

Sales		2,098	2,029	3	4,006	3,958	1
Thereof	Performance Chemicals	734	825	(11)	1,428	1,621	(12)
	Coatings	555	520	7	1,027	1,025	0
	Functional Polymers	809	684	18	1,551	1,312	18
EBITDA		366	321	14	670	615	9
EBIT before special items		272	233	17	497	443	12
EBIT before special items in percent of sales		13.0	11.5	-	12.4	11.2	-
EBIT		282	230	23	506	433	17

Sales increased, in particular due to price increases (volumes 1%, portfolio -6%, prices 9%, currencies -1 %). The significant improvement in earnings was primarily due to higher margins for functional polymers. Earnings contain special gains from the divestiture of the printing systems business, which has now been completed.

Performance Chemicals

The decline in sales compared with the same period of 2004 was due to the sale of the printing systems business. Earnings from ongoing business were higher than in the second quarter of 2004, in particular due to the strong performance of performance chemicals for detergents and formulators and for the automotive and oil industry. In Caojing, China, the cornerstone for a new plant to produce coatings raw materials for the Asian market was laid in June. We have added the newly developed polymer Sokalan(R) HP 70 to our portfolio, whose innovative properties enable the very efficient use of cleaning agents in domestic applications.

Coatings

Strong business with automotive refinish coatings in Europe and North America and the acquisition of the remaining shares in the joint venture BASF NOF Coatings in Japan in April led to an increase in sales. We further expanded our business with decorative paints in South America. Earnings declined slightly due to higher raw material costs and a reduction in the contribution from the automotive (OEM) coatings business.

Functional Polymers

Price increases resulted in significantly higher sales and earnings in almost all business areas. The earnings growth was particularly strong in North America. Our new production plants for acrylic acid and acrylates in Nanjing, China, successfully started operations. Together with a U.S. customer we have developed and launched a fire-fighting gel, Phos-Chek(R) AquaGel, based on technical superabsorbents.

Agricultural Products & Nutrition

-- Further increase in earnings in Agricultural Products

-- Earnings in Fine Chemicals impacted by significant decline in lysine prices

-- Strategic expansion of pharma contract manufacturing business

Overview Agricultural 2nd Quarter 1st Half

Products

Million EUR	2005	2004	Change in %	2005	2004	Change in %
Sales	1,043	1,071	(3)	2,002	2,054	(3)
EBITDA	351	306	15	683	608	12
EBIT before special items	295	239	23	571	493	16
EBIT before special items in percent of sales	28.3	22.3	-	28.5	24.0	-
EBIT	291	235	24	575	469	23

As a result of negative currency effects and persistently dry weather in parts of South America and southern Europe, sales declined slightly overall (volumes 1%, prices -1%, currencies -3%). Some factors, however, had a positive effect on sales: the continued successful launch of innovative products such as boscalid and F 500(R), as well as significantly higher demand for fungicides in North America, where our customers prepared themselves to combat the possible spread of Asian soybean rust. Earnings increased significantly despite negative currency effects, primarily as a result of our higher value product portfolio and improved cost structures.

Overview Fine Chemicals	2nd Quarter		
Million EUR	2005	2004	Change in %
Sales	422	456	(7)
EBITDA	12	69	(83)
EBIT before special items	7	34	(79)
EBIT before special items in percent of sales	1.7	7.5	-
EBIT	(19)	33.	

Overview Fine Chemicals	1st Half		
Million EUR	2005	2004	Change in %
Sales	817	914	(11)
EBITDA	62	148	(58)
EBIT before special items	27	80	(66)
EBIT before special items in percent of sales	3.3	8.8	-
EBIT	1	79	(99)

The decline in sales was largely due to the fall in the price of lysine, the division's highest volume product. The weaker dollar also negatively impacted sales. We increased sales volumes, however (volumes 4%, portfolio -3%, prices -7%, currencies -1%). Higher sales were posted for organic acids for animal nutrition, fat-soluble vitamins, and aroma chemicals. Earnings fell primarily due to the decline in the margin for lysine. Special items were incurred for the restructuring of the vitamin C business. We expanded our pharma contract manufacturing business by acquiring the Swiss fine chemicals company Orgamol.

Oil & Gas

-- Sales growth due to significantly higher crude oil prices

-- Higher oil and gas production

-- Natural gas trading expanded further

Overview Oil & Gas Million EUR		2nd Quarter 2005	2nd Quarter 2004	Change in %	1st Half 2005	1st Half 2004	Change in %
Sales		1,650	1,090	51	3,490	2,484	40
Thereof	Exploration and production	862	584	48	1,555	1,111	40
	Natural gas trading	788	506	56	1,935	1,373	41
EBITDA		686	443	55	1,276	872	46
Thereof	Exploration and production	609	351	74	1,068	655	63
	Natural gas trading	77	92	(16)	208	217	(4)
EBIT before special items		579	339	71	1,063	682	56
Thereof	Exploration and production	533	278	92	919	527	74
	Natural gas trading	46	61	(25)	144	155	(7)
EBIT before special items in percent of sales		35.1	31.1	-	30.5	27.5	-
Exploration and production		61.8	47.6	-	59.1	47.4	-
Natural gas trading		5.8	12.1	-	7.4	11.3	-
EBIT		579	346	67	1,063	689	54
Thereof	Exploration and production	533	285	87	919	534	72
	Natural gas trading	46	61	(25)	144	155	(7)

Sales (volumes 17%, prices/currencies 34%) and earnings increased significantly due to an average price for Brent crude of more than $50 in the second quarter and due to higher production volumes.

In the exploration and production business sector, the increase in sales and earnings was primarily due to the fact that the average price of Brent crude was $16 (EUR 11) higher than in the same quarter of 2004. Oil production was increased in Germany and Libya, and gas production was raised in Libya and the Netherlands.

We put the largest offshore gas field in Argentina into production off the coast of Tierra del Fuego, together with our consortium partners.

In April, we signed a memorandum of understanding with our partner Gazprom to further strengthen our successful cooperation. Together, we aim to develop natural gas fields in western Siberia and jointly participate in the construction of a pipeline through the Baltic Sea. At the same time, Gazprom will increase its stake in the WIN-GAS joint venture.

We significantly increased sales volumes in the natural gas trading business sector. Margins and earnings were below the previous year's level because the terms of supply contracts mean that sales prices could not be adjusted immediately to reflect higher prices. In May, BASF and its partners announced its plans to convert the Haidach gas reservoir in Austria into a gas storage facility.

Regions

-- Highest sales growth in North America and Asia

-- Successful restructuring in North America

-- Startup of Nanjing Verbund site in China

Overview Regions	Sales (location of company)			Sales (location of customer)		
Million EUR	2005	2004	Change in %	2005	2004	Change in %
2nd Quarter						
Europe	6,178	5,559	11	5,829	5,180	13
Thereof Germany	4,141	3,638	14	2,053	1,838	12
North America (NAFTA)	2,585	2,204	17	2,588	2,240	16
Asia Pacific	1,451	1,168	24	1,560	1,302	20
South America, Africa, Middle East	367	383	(4)	604	592	2
	10,581	9,314	14	10,581	9,314	14
1st Half						
Europe	12,280	11,193	10	11,680	10,567	11
Thereof Germany	8,451	7,531	12	4,254	3,787	12
North America (NAFTA)	4,850	4,122	18	4,831	4,149	16
Asia Pacific	2,750	2,267	21	2,926	2,494	17
South America, Africa, Middle East	784	783	0	1,227	1,155	6
	20,664	18,365	13	20,664	18,365	13

Overview Regions	EBIT before special items		
Million EUR	2005	2004	Change in %
2nd Quarter			
Europe	1,199	938	28
Thereof Germany	772	651	19
North America (NAFTA)	351	213	65
Asia Pacific	95	71	34
South America, Africa, Middle East	12	44	(73)
	1,657	1,266	31
1st Half			
Europe	2,333	1,850	26
Thereof Germany	1,514	1,305	16
North America (NAFTA)	622	303	105
Asia Pacific	182	166	10
South America, Africa, Middle East	83	122	(32)
	3,220	2,441	32

Second-quarter sales by location of company in Europe increased 11%. EBIT before special items rose EUR 261 million to EUR 1,199 million. The Chemicals and Plastics segments posted higher sales and earnings due to higher margins and a reduction in fixed costs; the Oil & Gas segment benefited from higher oil prices.

In North America, sales by location of company improved by 23% in dollar terms. EBIT before special items increased by EUR 138 million to EUR 351 million thanks to the contribution of all segments. The Agricultural Products division recorded the largest increase in earnings as a result of stronger demand for fungicides and reduced costs. We fully achieved cost savings of $250 million one year ahead of schedule by restructuring our service platform, sites and product portfolio in North America. Further cost-reduction measures will be defined by the end of this year.

In Asia Pacific, companies increased sales in local currencies by 25%. EBIT before special items rose EUR 24 million to EUR 95 million. At our Verbund site in Nanjing, China, all production plants started operations successfully in June. This brings us an important step closer toward our goal of generating 20% of our sales and earnings in our chemical activities in Asia Pacific by 2010, with 70% coming from local production.

In South America, Africa, Middle East, sales by location of company declined 9% in local currency terms. EBIT before special items declined by EUR 32 million to EUR 12 million. In the Agricultural Products division, sales and earnings were below the strong level in the same period of 2004. Demand for fungicides was significantly lower due to persistently dry weather. Earnings increased, however, in our chemical businesses.

Consolidated Statements of Income

Million EUR	2nd Quarter			1st Half		
	2005	2004	Change in %	2005	2004	Change in %
Sales	10,581	9,314	13.6	20,664	18,365	12.5
Cost of sales	7,083	6,221	13.9	13,928	12,361	12.7
Gross profit on sales	3,498	3,093	13.1	6,736	6,004	12.2
Selling expenses	1,085	1,146	(5.3)	2,089	2,257	(7.4)
General and administrative expenses	193	177	9.0	357	348	2.6
Research and development expenses	292	278	5.0	575	541	6.3
Other operating income	56	110	(49.1)	182	207	(12.1)
Other operating expenses	397	352	12.8	811	740	9.6
Income from operations	1,587	1,250	27.0	3,086	2,325	32.7
(Expenses)/income from financial assets	42	45	(6.7)	113	58	94.8
Interest result	(51)	(72)	29.2	(91)	(109)	16.5
Other financial results	(73)	39		(59)	23.	
Financial result	(82)	12		(37)	(28)	(32.1)
Income before taxes and minority interests	1,505	1,262	19.3	3,049	2,297	32.7
Income taxes	697	514	35.6	1,319	997	32.3
Net income before minority interests	808	748	8.0	1,730	1,300	33.1
Minority interests	30	34	(11.8)	91	66	37.9
Net income	778	714	9.0	1,639	1,234	32.8
Earnings per share (EUR)	1.48	1.30	13.8	3.08	2.23	38.1
Number of shares, in million (weighted)	527	551	(4.4)	532	553	(3.8)

The interim financial statements have not been audited. From January 1, 2005, the financial statements were prepared in accordance with International Financial Reporting Standards (IFRS); the previous year's figures have been restated. The transition in accounting and valuation methods and the reconciliation to IFRS for the 2004 figures are described on page 15 ff of the Interim Report for the first quarter of 2005.

As of the second quarter of 2005, we record the current expenses or income from combined interest rate and currency swaps in the interest result rather than under other financial results. The previous year's figures have been restated to allow comparison.

Consolidated Balance Sheets

Assets Million EUR	June 30, 2005	June 30, 2004	Change in %	Dec. 31, 2004	Change in %
Long-term assets					
Intangible assets	3,773	3,939	(4.2)	3,610	4.5
Property, plant and equipment	13,709	13,741	(0.2)	13,007	5.4
Investments accounted for using the equity method	1,168	1,682	(30.6)	1,092	7.0
Other financial assets	974	960	1.5	941	3.5
Deferred taxes	1,139	1,176	(3.1)	1,067	6.7
Other long-term assets	689	606	13.7	598	15.2
	21,452	22,104	(2.9)	20,315	5.6
Short-term assets					
Inventories	5,331	4,361	22.2	4,645	14.8
Accounts receivable, trade	6,815	6,329	7.7	5,861	16.3
Other receivables and miscellaneous short-term assets	1,869	2,069	(9.7)	2,073	(9.8)
Liquid funds	3,156	824	283.0	2,291	37.8
	17,171	13,583	26.4	14,870	15.5
Total assets	38,623	35,687	8.2	35,185	9.8

Stockholders' equity and liabilities Million EUR	June 30, 2005	June 30, 2004	Change in %	Dec. 31, 2004	Change in %
Stockholders' equity					
Subscribed capital	1,342	1,407	(4.6)	1,384	(3.0)
Capital surplus	3,066	3,001	2.2	3,022	1.5
Retained earnings	12,018	11,847	1.4	12,154	(1.1)
Other comprehensive income	416	110	278.2	(166).	
Minority interests	435	369	17.9	347	25.4
	17,277	16,734	3.2	16,741	3.2
Long-term liabilities					
Provisions for pensions and similar obligations	3,926	3,949	(0.6)	3,866	1.6
Other provisions	2,463	2,349	4.9	2,385	3.3
Deferred taxes	972	681	42.7	817	19.0
Financial indebtedness	3,496	3,124	11.9	1,845	89.5
Other liabilities	1,014	1,034	(1.9)	1,043	(2.8)
	11,871	11,137	6.6	9,956	19.2
Short-term liabilities					
Accounts payable, trade	2,369	2,502	(5.3)	2,372	(0.1)
Provisions	2,759	2,440	13.1	2,508	10.0
Tax liabilities	1,078	836	28.9	644	67.4
Financial indebtedness	1,510	376	301.6	1,453	3.9
Other liabilities	1,759	1,662	5.8	1,511	16.4
	9,475	7,816	21.2	8,488	11.6
Total stockholders' equity and liabilities	38,623	35,687	8.2	35,185	9.8

Consolidated Statements of Cash Flows

Million EUR	1st Half 2005	2004
Net income	1,639	1,234
Depreciation and amortization of long-term assets	1,082	1,116
Changes in net working capital	(573)	(75)
Miscellaneous items	(67)	(69)
Cash provided by operating activities	2,081	2,206
Payments related to tangible and intangible fixed assets	(875)	(960)
Acquisitions/divestitures	(51)	(66)

Financial investments and other items	13	23
Cash used in investing activities	(913)	(1,003)
Proceeds from capital increases/(decreases)	(858)	(340)
Changes in financial indebtedness	1,494	26
Dividends	(942)	(805)
Cash used in financing activities	(306)	(1,119)
Net changes in cash and cash equivalents	862	84
Cash and cash equivalents as of beginning of year and other changes	2,126	540
Cash and cash equivalents	2,988	624
Marketable securities	168	200
Liquid funds	3,156	824

The previous year's figures were restated due to the transition to IFRS. There were no significant changes.

Cash provided by operating activities declined by EUR 125 million, but remained high at EUR 2,081 million. Additional financing for net working capital was necessary due to the expansion of our business.

Cash used in investing activities led to a cash outflow of EUR 913 million compared with EUR 1,003 million in the first half of 2004. At EUR 875 million, payments related to tangible and intangible fixed assets were below the previous year's level and were significantly lower than the level of depreciation and amortization on fixed assets. Acquisitions/divestitures refer in particular to the acquisition of the global electronic chemicals business from Merck, Germany, and the sale of the polystyrene business in North America.

In cash used in financing activities, dividend payments and further share buybacks led to a cash outflow. In the first half of 2005, we bought back 16.4 million shares for EUR 867 million or an average of EUR 52.88 per share. Of this amount, EUR 0.6 billion was associated with the new EUR 1.5 billion buyback program. The emission of a euro benchmark bond resulted in a cash inflow of EUR 1.4 billion in the second quarter, which led to an increase in liquid funds as of June 30, 2005. Of this amount, EUR 1.25 billion was used to refinance the bond that matured in July 2005.

Liquid funds increased by EUR 865 million since the end of 2004 to EUR 3,156 million, and at EUR 5,006 million, financial indebtedness was EUR 1,708 million higher than on December 31, 2004. Net debt therefore increased by EUR 843 million to EUR 1,850 million compared with the end of 2004. The equity ratio was 45%.

Consolidated Statements of Equity

January - June 2005 Million EUR	Number of subscribed shares outstanding	Subscribed capital
As of January 1, 2005	540,440,410	1,384
Share buyback and cancellation of shares including own shares intended to be cancelled	(16,402,229)	(42)
Capital injection by minority interests	-	-
Dividends paid	-	-
Net income	-	-
Change in other comprehensive ncome*	-	
Change in scope of consolidation and	-	-

other changes		
As of June 30, 2005	524,038,181	1,342

January - June 2004 Million EUR	Number of subscribed shares outstanding	Subscribed capital
As of January 1, 2004	556,643,410	1,425
Share buyback and cancellation of shares including own shares intended to be cancelled	(7,170,000)	(18)
Capital injection by minority interests	-	-
Dividends paid	-	-
Net income	-	-
Change in other comprehensive ncome*	-	-
Change in scope of consolidation and other changes	-	-
As of June 30, 2004	549,473,410	1,407

January - June 2005 Million EUR	Capital surplus	Retained earnings	Other comprehensive income
As of January 1, 2005	3,022	12,154	(166)
Share buyback and cancellation of shares including own shares intended to be cancelled	44	(869)	
Capital injection by minority interests	-	-	-
Dividends paid	-	(904)	-
Net income	-	1,639	-
Change in other comprehensive ncome*	-	-	582
Change in scope of consolidation and other changes	-	(2)	-
As of June 30, 2005	3,066	12,018	416

January - June 2004 Million EUR	Capital surplus	Retained earnings	Other comprehensive income
As of January 1, 2004	2,983	11,673	28
Share buyback and cancellation of shares including own shares intended to be cancelled	18	(300)	
Capital injection by minority interests	-	-	-
Dividends paid	-	(774)	-
Net income	-	1,234	-
Change in other comprehensive ncome*	-	-	82
Change in scope of consolidation and other changes	-	14	-
As of June 30, 2004	3,001	11,847	110

January - June 2005 Million EUR	Minority interests	Stockholders' equity
As of January 1, 2005	347	16,741

Share buyback and cancellation of shares including own shares intended to be cancelled		(867)
Capital injection by minority interests	10	10
Dividends paid	(38)	(942)
Net income	91	1,730
Change in other comprehensive ncome*	23	605
Change in scope of consolidation and other changes	2	-
As of June 30, 2005	435	17,277

January - June 2004 Million EUR	Minority interests	Stockholders' equity
As of January 1, 2004	403	16,512
Share buyback and cancellation of shares including own shares intended to be cancelled		(300)
Capital injection by minority interests	(41)	(41)
Dividends paid	(31)	(805)
Net income	66	1,300
Change in other comprehensive ncome*	(60)	22
Change in scope of consolidation and other changes	32	46
As of June 30, 2004	369	16,734

* Contains income-neutral changes in equity (in particular, translation adjustments)

Segment Reporting

Segments Million EUR	Sales			EBITDA		
2nd Quarter	2005	2004	in %	2005	2004	in %
Chemicals	2,007	1,748	14.8	477	459	3.9
Plastics	2,924	2,522	15.9	400	292	37.0
Performance Products	2,098	2,029	3.4	366	321	14.0
Agricultural Products & Nutrition	1,465	1,527	(4.1)	363	375	(3.2)
Agricultural Products	1,043	1,071	(2.6)	351	306	14.7
Fine Chemicals	422	456	(7.5)	12	69	(82.6)
Oil & Gas	1,650	1,090	51.4	686	443	54.9
Other*	437	398	9.8	(143)	(75)	(90.7)
	10,581	9,314	13.6	2,149	1,25	18.4

2nd Quarter	Research and development expenses			Assets**		
Chemicals	28	25	12.0	6,026	5,373	12.2
Plastics	35	33	6.1	6,591	6,216	6.0
Performance Products	47	55	(14.5)	4,938	5,090	(3.0)
Agricultural Products &						

Nutrition	92	85	8.2	6,866	7,116	(3.5)
Agricultural Products	75	63	19.0	5,540	5,693	(2.7)
Fine Chemicals	17	22	(22.7)	1,326	1,423	(6.8)
Oil & Gas	36	37	(2.7)	4,210	3,726	13.0
Other*	54	43	25.6	9,992	8,166	22.4
	292	278	5.0	38,623	35,687	8.2

Segments Million EUR	Income from operations before special items			Income from operations (EBIT)		
2nd Quarter	2005	2004	in %	2005	2004	in %
Chemicals	415	340	22.1	345	335	3.0
Plastics	274	180	52.2	280	171	63.7
Performance Products	272	233	16.7	282	230	22.6
Agricultural Products & Nutrition	302	273	10.6	272	268	1.5
Agricultural Products	295	239	23.4	291	235	23.8
Fine Chemicals	7	34	(79.4)	(19)	33.	
Oil & Gas	579	339	70.8	579	346	67.3
Other*	(185)	(99)	(86.9)	(171)	(100)	(71.0)
	1,657	1,266	30.9	1,587	1,250	27.0

2nd Quarter	Additions to fixed assets***			Amortization and depreciation***		
Chemicals	369	143	158.0	132	124	6.5
Plastics	120	110	9.1	120	121	(0.8)
Performance Products	134	68	97.1	84	91	(7.7)
Agricultural Products & Nutrition	33	56	(41.1)	91	107	(15.0)
Agricultural Products	14	17	(17.6)	60	71	(15.5)
Fine Chemicals	19	39	(51.3)	31	36	(13.9)
Oil & Gas	156	58	169.0	107	97	10.3
Other*	38	31	22.6	28	25	12.0
	850	466	82.4	562	565	(0.5)

Segments Million EUR	Sales			EBITDA		
1st Half	2005	2004	in %	2005	2004	in %
Chemicals	3,829	3,330	15.0	1,021	813	25.6
Plastics	5,724	4,829	18.5	780	566	37.8
Performance Products	4,006	3,958	1.2	670	615	8.9
Agricultural Products & Nutrition	2,819	2,968	(5.0)	745	756	(1.5)
Agricultural Products	2,002	2,054	(2.5)	683	608	12.3
Fine Chemicals	817	914	(10.6)	62	148	(58.1)
Oil & Gas	3,490	2,484	40.5	1,276	872	46.3
Other*	796	796	0.0	(324)	(193)	(67.9)
	20,664	18,365	12.5	4,168	3,429	21.6

1st Half	Research and development expenses			Assets**		
Chemicals	55	52	5.8	6,026	5,373	12.2
Plastics	69	64	7.8	6,591	6,216	6.0
Performance Products	97	110	(11.8)	4,938	5,090	(3.0)
Agricultural Products & Nutrition	178	167	6.6	6,866	7,116	(3.5)
Agricultural Products	143	124	15.3	5,540	5,693	(2.7)

Fine Chemicals	35	43	(18.6)	1,326	1,423	(6.8)
Oil & Gas	70	62	12.9	4,210	3,726	13.0
Other*	106	86	23.3	9,992	8,166	22.4
	575	541	6.3	38,623	35,687	8,62

Segments Million EUR	Income from operations before special items			Income from operations (EBIT)		
1st Half	2005	2004	in %	2005	2004	in %
Chemicals	841	591	42.3	771	569	35.5
Plastics	543	335	62.1	548	325	68.6
Performance Products	497	443	12.2	506	433	16.9
Agricultural Products & Nutrition	598	573	4.4	576	548	5.1
Agricultural Products	571	493	15.8	575	469	22.6
Fine Chemicals	27	80	(66.3)	1	79	(98.7)
Oil & Gas	1,063	682	55.9	1,063	689	54.3
Other*	(322)	(183)	(76.0)	(378)	(239)	(58.2)
	3,220	2,441	31.9	3,086	2,325	32.7

1st Half	Additions to fixed assets***			Amortization and depreciation***		
Chemicals	457	318	43.7	250	244	2.5
Plastics	202	212	(4.7)	232	241	(3.7)
Performance Products	188	134	40.3	164	182	(9.9)
Agricultural Products & Nutrition	64	111	(42.3)	169	208	(18.8)
Agricultural Products	26	36	(27.8)	108	139	(22.3)
Fine Chemicals	38	75	(49.3)	61	69	(11.6)
Oil & Gas	250	144	73.6	213	183	16.4
Other*	51	65	(21.5)	54	46	17.4
	1,212	984	23.2	1,082	1,104	(2.0)

* "Other" includes the fertilizers business and other businesses as well as expenses, income and assets not allocated to the segments. This item also includes foreign currency results from financial indebtedness that are not allocated to the segments as well as from currency positions that are macro-hedged (EUR (94) million in the second quarter (previous year EUR 12 million) and EUR (139) million in the first half (previous year EUR (2) million)).

** The assets of "Other" includes the assets of the fertilizers business and other businesses as well as assets that are not allocated to the segments (financial assets, liquid funds, financial receivables, deferred taxes; 2nd quarter 2005: EUR 8,221 million, 2nd quarter 2004: EUR 6,590 million).

*** Tangible and intangible fixed assets

Forward-looking statements

This report contains forward-looking statements under the U.S. 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. (The Annual Report on Form 20-F is available on the Internet at www.basf.com.) We do not assume any obligation to update the forward-looking statements contained in this report.

Important Dates

-- November 2, 2005
   Interim Report Third Quarter 2005

-- February 22, 2006
   Financial Results 2005

-- May 4, 2006
   Annual Meeting, Mannheim
   Interim Report First Quarter 2006

-- August 2, 2006
   Interim Report Second Quarter 2006

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Current Report to be signed on its behalf by the undersigned, thereunto duly authorized.

BASF Aktiengesellschaft

Date: August 3, 2005

By: /s/ Elisabeth Schick

Name: Elisabeth Schick
Title: Director Site Communications
Ludwigshafen and Europe

By: /s/ Christian Schubert

Name: Christian Schubert
Title: Director Corporate
Communications BASF Group