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BASF AKTIENGESELLSCHAFT

Form 6-K

November 12, 2004

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

November 11, 2004

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  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

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

Third-Quarter Results 2004; BASF Grows Faster Than the Market

LUDWIGSHAFEN, Germany--(BUSINESS WIRE)--Nov. 11, 2004--BASF  
(NYSE:BF) (FWB:BAS) (LSE:BFA):

- Further strong increase in sales and EBIT before special items
- Sales prices increased to reflect higher raw materials costs
- Risks due to high raw materials prices
- Outlook for full year 2004:
  - Significant increase in sales and EBIT before special items
  - Premium will be earned on cost of capital

BASF continued on its successful course in the third quarter of 2004 and again posted excellent interim results. The successful first half of 2004 ran seamlessly into the third quarter. There were no

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signs of the usual summer lull in business. Capacity utilization of BASF's plants improved due to strong demand. The high oil price, which has increased even further, allowed the company to pass on some necessary price increases to the market.

Compared with the third quarter of 2003, sales increased 20 percent to EUR 9.3 billion, and income from operations (EBIT) before special items rose 160 percent to more than EUR 1 billion.

Cumulative sales in the first nine months of 2004 amounted to EUR 27.7 billion. This was an increase of more than 11 percent compared with the same period of 2003. EBIT before special items in the first nine months climbed 55 percent to EUR 3.4 billion.

Outlook for full year 2004: significant increase in EBIT before special items

Dr. Juergen Hambrecht, Chairman of the Board of Executive Directors of BASF Aktiengesellschaft, announced that ongoing initiatives and programs to increase efficiency and reduce costs would be continued. "We cannot afford to take a break from our restructuring efforts. Tough global competition means that we have to constantly improve our productivity, especially in those areas with low growth rates," he said.

Hambrecht summarized his outlook as follows: "For the full year 2004, we confidently expect a significant increase in sales and EBIT before special items. We therefore anticipate that we will earn a premium on our cost of capital."

### Sales and earnings growth

BASF's Chief Financial Officer, Dr. Kurt Bock, pointed out that the third quarter of 2004 was the thirteenth quarter in succession in which sales volumes had increased compared with the previous year. For Bock, this shows that BASF is growing faster than the market.

The increase in third-quarter sales by about EUR 1.6 billion to a record high of EUR 9.3 billion was due to higher volumes, and for the first time in a while, to price increases for many products in the portfolio.

Negative currency effects were primarily due to the depreciation of the dollar against the euro. Adjusted for the exchange rate effect, sales increased by 25 percent.

The increase in EBIT before special items by EUR 651 million to more than EUR 1 billion was due to higher volumes as well as a reduction in fixed costs.

Special charges of EUR 96 million were primarily due to structural measures to increase productivity and were incurred in particular in the Chemicals and Agricultural Products & Nutrition segments.

EBIT after special items increased by 156 percent to EUR 958 million.

The tax rate was approximately 56 percent and was thus slightly higher compared with the previous year. The tax rate was significantly higher than in the second quarter. This was primarily due to noncompensable oil production taxes, which increased to EUR 197 million in the third quarter as a result of the high oil price.

Compared with the same period in 2003, net income climbed EUR 217 million to EUR 337 million. BASF has reduced the number of outstanding shares through its share buyback program. As a result, earnings per share almost tripled.

### Chemical activities successful in all regions

In the third quarter of 2004, BASF again increased its sales and earnings in all regions and gained market share worldwide. "I am

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particularly pleased by the good performance of our entire chemical activities in all regions. This was primarily due to strong volumes, higher sales prices and our global restructuring and cost reduction measures," said Hambrecht.

BASF is the world's leading chemical company. Our goal is to grow profitably and further increase the value of our company. We help our customers to be more successful through intelligent system solutions and high-quality products. BASF's portfolio ranges from chemicals, plastics, performance products, agricultural products and fine chemicals to crude oil and natural gas. Through new technologies we can tap into additional market opportunities. We conduct our business in accordance with the principles of sustainable development. In 2003, BASF had sales of more than EUR 33 billion (circa \$42 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](http://www.basf.com).

The following information is also available on the Internet:

Interim report (from 7:30 a.m. CET)  
[www.basf.de/interimreport](http://www.basf.de/interimreport) (English)  
[www.basf.de/zwischenbericht](http://www.basf.de/zwischenbericht) (German)

News release (from 7:30 a.m. CET)  
[www.basf.de/pressrelease](http://www.basf.de/pressrelease) (English)  
[www.basf.de/pressemitteilungen](http://www.basf.de/pressemitteilungen) (German)

Live transmission (from 10:30 a.m. CET)  
[www.basf.de/pcon](http://www.basf.de/pcon) (English)  
[www.basf.de/pk](http://www.basf.de/pk) (German)

Speech by Dr. Juergen Hambrecht/Dr. Kurt Bock - printed form  
(from 10:30 a.m. CET)  
[www.basf.de/pressconference](http://www.basf.de/pressconference) (English)  
[www.basf.de/pressekonferenz](http://www.basf.de/pressekonferenz) (German)

Photos (from 7:30 a.m. CET)  
[www.basf.de/photos](http://www.basf.de/photos) (English)  
[www.basf.de/fotos](http://www.basf.de/fotos) (German)

Information about BASF shares  
[www.basf.de/share](http://www.basf.de/share) (English)  
[www.basf.de/aktie](http://www.basf.de/aktie) (German)

Live transmission of the analysts' conference (from 3:30 p.m. CET)  
[www.basf.de/share](http://www.basf.de/share) (English)  
[www.basf.de/aktie](http://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

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forward-looking statements contained in this release.

Third-Quarter Results 2004

July - September 2004, published on November 11, 2004

BASF grows faster than the market

Overview

BASF Group	3rd Quarter			January - September		
	2004	2003	Change in %	2004	2003	Change in %
Million EUR						
Sales	9,314	7,740	20.3	27,679	24,821	11.5
Income from operations before interest, taxes, depreciation and amortization (EBITDA)	1,560	957	63.0	4,884	3,801	28.5
Income from operations before special items	1,054	403	161.5	3,389	2,179	55.5
Income from operations (EBIT)	958	374	156.1	3,177	2,090	52.0
Financial result	(93)	(108)	13.9	(176)	(299)	41.1
Income before taxes and minority interests	865	266	225.2	3,001	1,791	67.6
Net income	337	120	180.8	1,486	757	96.3
Earnings per share (EUR )	0.62	0.21	195.2	2.70	1.34	101.5
EBIT before special items in percent of sales	11.3	5.2	-	12.2	8.8	-
Cash provided by operating activities	1,559	1,677	(7.0)	3,718	3,555	4.6
Additions to fixed assets (a)	460	523	(12.0)	1,399	2,731	(48.8)
Amortization and depreciation (a)	602	583	3.3	1,707	1,711	(0.2)
Segment assets (end of period) (b)	26,336	26,483	(0.6)	-	-	-
Personnel costs	1,439	1,388	3.7	4,184	4,192	(0.2)
Number of employees (end of period)	84,784	88,045	(3.7)	-	-	-

(a) Tangible and intangible fixed assets (including acquisitions)

(b) Tangible and intangible fixed assets, inventories and  
business-related receivables

Segments	Sales			Income from operations before special items			Income from operations (EBIT)		
	2004	2003	Change in %	2004	2003	Change in %	2004	2003	Change in %
Million EUR									
3rd Quarter									
Chemicals	1,811	1,367	32.5	331	101	227.7	302	99	205.1
Plastics	2,827	2,135	32.4	158	67	135.8	147	64	129.7
Performance Products	2,068	1,930	7.2	192	144	33.3	190	135	40.7
Agricultural Products &									

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Nutrition	1,035	1,054	(1.8)	(36)	(97)	62.9	(66)	(114)	42.1
Oil & Gas	1,163	927	25.5	458	271	69.0	458	271	69.0
Other(a)	410	327	25.4	(49)	(83)	41.0	(73)	(81)	9.9
Thereof costs of exploratory and biotechno- logical research	-	-	-	37	44	(15.9)	37	44	(15.9)
	9,314	7,740	20.3	1,054	403	161.5	958	374	156.1
January - September									
Chemicals	5,141	4,319	19.0	909	380	139.2	858	370	131.9
Plastics	7,656	6,595	16.1	480	253	89.7	459	240	91.3
Performance Products	6,026	5,748	4.8	605	431	40.4	593	414	43.2
Agricultural Products & Nutrition	4,003	3,855	3.8	474	349	35.8	419	303	38.3
Oil & Gas	3,647	3,338	9.3	1,140	953	19.6	1,147	953	20.4
Other(a)	1,206	966	24.8	(219)	(187)	(17.1)	(299)	(190)	(57.4)
Thereof costs of exploratory and biotechno- logical research	-	-	-	110	129	(14.7)	110	129	(14.7)
	27,679	24,821	11.5	3,389	2,179	55.5	3,177	2,090	52.0

(a) "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.

### BASF Group Business Review and Analysis

- Sales and earnings significantly higher compared with weak third quarter of 2003
- High volume growth in excess of market
- Sales prices increased to reflect higher raw materials costs
- Strongest growth in Chemicals and Plastics segments
- Outlook for full year 2004:
  - Significant increase in sales and EBIT before special items
  - Premium will be earned on cost of capital

Sales: At EUR 9.3 billion, third-quarter sales increased 20% compared with the weak third quarter of the previous year. Sales volumes were increased significantly and sales prices were raised for many of our products.

Factors influencing sales in  
comparison with previous year

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	%	3rd Quarter	Jan.-Sept.
Volumes		14	12
Price		10	3
Currencies		(5)	(4)
Acquisitions/divestitures		1	1
Total		20	12

Earnings: At EUR 1,054 million, income from operations (EBIT) before special items climbed 162% compared with the same period of the previous year.

In the Chemicals, Plastics and Performance Products segments, earnings increased significantly due to higher sales volumes, higher capacity utilization, as well as due to continued successful cost management. In addition, it was possible to pass on the higher cost of raw materials in the form of higher sales prices for many products in our portfolio in this quarter. In the agricultural products business, the further optimized product portfolio and lower costs led to a significant improvement in earnings, which were negative in this quarter due to the seasonal nature of the business. In the Oil & Gas segment, higher crude oil prices and higher volumes in natural gas trading resulted in higher earnings.

Special items for restructuring measures were primarily incurred in the Chemicals and Agricultural Products & Nutrition segments.

EBIT after special items increased by 156% to EUR 958 million in the third quarter. The financial result rose 14% to EUR (93) million. Income before taxes and minority interests increased more than threefold to EUR 865 million.

The tax rate was 56% compared with 54% in the same period of 2003. Income taxes contain taxes for oil production that are noncompensable with German corporate income tax. These oil production taxes amounted to EUR 197 million compared with EUR 116 million in the third quarter of 2003.

Net income climbed 181% to EUR 337 million compared with the third quarter of 2003. At EUR 0.62, third-quarter earnings per share almost tripled.

	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
Million EUR	2004	2003	2004	2003	2004	2003	2004	2003
Special items								
- in income from operations	(100)	(2)	(16)	(58)	(96)	(29)		(246)
- in financial result	(21)	-	(1)	(3)	(16)	(27)		(133)
Total	(121)	(2)	(17)	(61)	(112)	(56)		(379)

Outlook: For the full year, we confidently expect a significant increase in sales and EBIT before special items. We therefore anticipate that we will earn a premium on our cost of capital. We are continuing with our efforts to improve our productivity so that we can meet the challenges of increasingly difficult international competition and uncertain economic conditions.

Key BASF share data	3rd Quarter	Jan. - Sept.
	2004	2004
Share price (end of period) (a)	EUR 47.45	EUR 47.45

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High(a)	EUR 47.65	EUR 47.65
Low(a)	EUR 42.54	EUR 40.49
Average daily trade (number of shares) (a)	2.36m	2.74m
BASF share performance(b)	+7.9%	+9.9%
DAX 30 performance(b)	-3.9%	-1.8%
EURO STOXX 50 performance(b)	-2.7%	+0.9%

(a) XETRA trading

(b) with dividends reinvested

**Significant Events:** On September 30, 2004 we signed a sales agreement with CVC Capital Partners for the printing inks and printing plates business, which is part of the Performance Chemicals division. The completion of the transaction is scheduled for the fourth quarter of 2004.

On October 4, 2004, we announced that we would increase our current share buyback program by EUR 500 million to EUR 1 billion.

### Chemicals

- High capacity utilization due to continuing increase in volumes
- Higher raw materials costs partially passed on to the market
- Highest increase in earnings of all segments

Overview	3rd Quarter			January - September		
	2004	2003	Change in %	2004	2003	Change in %
Million EUR						
Sales	1,811	1,367	32	5,141	4,319	19
Thereof Inorganics	214	181	18	626	548	14
Petrochemicals	1,097	764	44	3,063	2,444	25
Intermediates	500	422	18	1,452	1,327	9
EBITDA	419	215	95	1,195	718	66
EBIT before special items	331	101	228	909	380	139
EBIT	302	99	205	858	370	132
Additions to fixed assets	107	142	(25)	414	396	5
Assets (end of period)	5,105	4,913	4	-	-	-

In the third quarter, sales rose significantly. Volumes and prices were increased (volumes 18%, portfolio 5%, prices 14%, currencies -5%). This led to higher earnings in all operating divisions.

**Inorganics:** Higher volumes in all business units led to an increase in sales. Earnings also improved. Business benefited from a noticeable upturn in important customer industries such as the electronics and wood products industries.

**Petrochemicals:** Significantly higher volumes and the simultaneous increase in prices resulted in higher sales in all product lines. Sales growth was particularly high for cracker products, also as a result of the weak third quarter in 2003. The cracker margin improved despite a further increase in raw materials costs. High capacity utilization of our plants contributed to earnings. Overall, the Petrochemicals division made the greatest contribution to sales and earnings growth.

**Intermediates:** Sales increased in all regions, with Asia showing

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the strongest growth. Demand for amines increased in Europe. In North America, growth within our polyalcohols business was particularly strong. Earnings improved due to price increases and the rigorous implementation of fixed-cost reduction measures.

### Plastics

- Significantly higher volumes and prices in all operating divisions
- Margins remain impacted by high raw materials prices
- Business models and production further optimized

Overview	3rd Quarter			January - September		
	2004	2003	Change in %	2004	2003	Change in %
Million EUR						
Sales	2,827	2,135	32	7,656	6,595	16
Thereof Styrenics	1,276	850	50	3,213	2,738	17
Performance						
Polymers	644	547	18	1,906	1,667	14
Polyurethanes	907	738	23	2,537	2,190	16
EBITDA	268	185	45	813	602	35
EBIT before special items	158	67	136	480	253	90
EBIT	147	64	130	459	240	91
Additions to fixed assets	100	85	18	303	427	(29)
Assets (end of period)	6,231	5,964	4	-	-	-

Sales rose significantly as a result of higher volumes and prices (volumes 15%, portfolio 1%, prices 22%, currencies -6%). Nevertheless, the significantly higher sales prices compared with the same period of 2003 were unable to offset the massive increase in raw materials prices since the beginning of the year. The increase in earnings was due primarily to higher sales volumes, the continuing optimization of our portfolio and the significant improvement in earnings in the Performance Polymers division.

**Styrenics:** Prices for our products increased significantly against a background of strong demand. Earnings improved significantly. Even so, the extremely high price of benzene continued to have a negative impact on margins. The startup of the new, highly efficient ABS plant in Antwerp, Belgium, and the streamlining of the standard products range are contributing toward reducing long-term costs.

**Performance Polymers:** Sales volumes of engineering plastics increased. Sales prices for fiber intermediates and extrusion grades were largely adjusted to reflect higher raw materials costs, but pressure on margins for engineering plastics increased. Earnings rose due to higher capacity utilization combined with lower fixed costs. In order to meet rapidly growing demand in the automotive and electronic industries for our high-performance plastic Ultrason(R), production capacity at the site in Ludwigshafen, Germany, has been expanded by 20% to 6,000 metric tons per year.

**Polyurethanes:** Sales increased in all regions, mainly due to higher volumes. Global demand for isocyanates in particular remains strong. Significantly higher raw materials costs - in particular for benzene, toluene and propylene - could only be partially offset in the form of higher sales prices. Nevertheless, earnings improved due to volume growth and cost reduction measures. In Korea, the production capacity expansion at our MDI plant came on stream: Plant capacity has been increased from 100,000 to 160,000 metric tons per year to meet



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rising demand from our customers in Asia.

### Performance Products

- Higher sales volumes in all operating divisions
- Earnings improve thanks to higher capacity utilization and a reduction in fixed costs
- Printing systems business sold

Overview	3rd Quarter			January - September			
	2004	2003	Change in %	2004	2003	Change in %	
Million EUR							
Sales	2,068	1,930	7	6,026	5,748	5	
Thereof Performance							
Chemicals	830	788	5	2,451	2,386	3	
Coatings	516	500	3	1,541	1,509	2	
Functional Polymers	722	642	12	2,034	1,853	10	
EBITDA	283	247	15	867	726	19	
EBIT before special items	192	144	33	605	431	40	
EBIT	190	135	41	593	414	43	
Additions to fixed assets	58	59	(2)	187	157	19	
Assets (end of period)	4,919	4,909	0	-	-	-	

The sales growth in all operating divisions was primarily due to higher sales volumes (volumes 9%, prices 1%, currencies -3%). Earnings increased in all divisions as a result of higher capacity utilization and a reduction in fixed costs.

**Performance Chemicals:** Sales in all regions increased compared with the third quarter of 2003. Sales growth was particularly strong for performance chemicals for detergents and formulators as well as for performance chemicals for coatings, plastics and specialties. Earnings improved significantly compared with the previous year as a result of lower fixed costs. With the announced sale of our printing systems business we have further sharpened the strategic focus of our portfolio.

**Coatings:** Higher sales volumes of automotive refinish coatings and decorative paints led to a slight increase in sales. A significant reduction in fixed costs had a particularly positive effect on earnings in North America. At our site in Muenster, Germany, we have opened a new distribution center that helps us supply our customers even more efficiently.

**Functional Polymers:** Monomers and dispersions for decorative paints recorded the strongest sales growth in years. Third-quarter sales also increased significantly in the paper chemicals and superabsorbents product groups, which grew only moderately in the first half of the year. Earnings improved due to good capacity utilization and higher prices that offset the rise in raw materials prices to some extent. We have successfully launched our new latent heat accumulator products Micronal(R) PCM in the European construction materials market. As innovative additives to interior plaster and wallboard these products improve the room climate and reduce energy costs.

### Agricultural Products & Nutrition

- Earnings improve significantly in Agricultural Products

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-- Fine Chemicals hit by lower sales prices

Overview	3rd Quarter			January - September		
	2004	2003	Change in %	2004	2003	Change in %
Million EUR						
Sales	1,035	1,054	(2)	4,003	3,855	4
Thereof Agricultural Products	591	585	1	2,645	2,469	7
Fine Chemicals	444	469	(5)	1,358	1,386	(2)
EBITDA	65	17	282	797	685	16
EBIT before special items	(36)	(97)	63	474	349	36
Thereof Agricultural Products	(44)	(120)	63	395	247	60
Fine Chemicals	8	23	(65)	79	102	(23)
EBIT	(66)	(114)	42	419	303	38
Thereof Agricultural Products	(62)	(138)	55	353	198	78
Fine Chemicals	(4)	24	.	66	105	(37)
Additions to fixed assets	54	51	6	156	1,237	(87)
Assets (end of period)	6,338	7,226	(12)	-	-	-

Agricultural Products: Sales were at the previous year's level. The positive effects of higher sales volumes were offset by currency fluctuations and product divestitures (volumes 11%, portfolio -2%, prices -1%, currencies -7%). Demand for our innovative fungicides developed very positively in all important markets, in particular in South America. Earnings improved significantly compared with the same period of 2003, but were negative due to the seasonal nature of the business. This improvement was primarily due to our successful measures to optimize our portfolio and reduce costs.

Fine Chemicals: Lower sales prices, for example for lysine and vitamin C, led to a decline in sales in a challenging competitive environment (volumes 3%, prices -5%, currencies -3%). Business with pharmaceutical active ingredients, cosmetics ingredients and aroma chemicals developed positively. EBIT before special items was lower than in the previous year, partly due to higher research and development expenses. Earnings were negatively impacted by site restructuring measures. We are proceeding with our program of capital expenditures and restructuring measures to improve efficiency.

Oil & Gas

-- Earnings boosted by significant increase in crude oil prices

-- Natural gas trading successfully expanded

Overview	3rd Quarter			January - September		
	2004	2003	Change in %	2004	2003	Change in %
Million EUR						
Sales	1,163	927	25	3,647	3,338	9
Thereof natural gas trading	520	422	23	1,893	1,756	8
EBITDA	578	342	69	1,444	1,178	23
EBIT before special items	458	271	69	1,140	953	20

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Thereof natural gas trading	89	36	147	245	192	28
EBIT	458	271	69	1,147	953	20
Thereof natural gas trading	89	36	147	245	192	28
Additions to fixed assets	109	73	49	244	170	44
Assets (end of period)	3,743	3,471	8	-	-	-

Sales and earnings were positively affected by higher oil prices and higher volumes in gas production and gas trading (volumes 18%, prices/currencies 7%).

In exploration and production, gas production was considerably increased. This was primarily due to a significant increase in production in the Dutch North Sea and in Argentina. Production of oil and condensate was at approximately the same level as in the previous year. Overall, earnings again increased significantly as a result of high oil prices.

In natural gas trading, sales volumes rose significantly. We gained further customers in Germany. Supplies to customers in Austria started for the first time. In addition, agreements were signed with customers in the United Kingdom for supplies starting in October. Earnings doubled, as a result of the business expansion, and due to a one-time payment from an arbitration settlement. An innovative conditioning plant for natural gas was put into operation together with the municipal utility company of Bielefeld, Germany. This plant will mix gas of various qualities and make it possible to supply the local pipeline network. This model will allow access to additional regional markets in Germany.

### Regions

- Sales and earnings increase in all regions
- Europe improves significantly due to an upturn in business and successful restructuring

Overview	Sales (location of customer)			Sales (location of company)			EBIT before special items (location of company)		
	2004	2003	Change in %	2004	2003	Change in %	2004	2003	Change in %
Million EUR									
3rd Quarter									
Europe	4,962	4,225	17	5,357	4,522	18	776	288	169
Thereof									
Germany	1,728	1,513	14	3,610	3,145	15	526	210	150
North America (NAFTA)	2,058	1,637	26	2,042	1,656	23	78	(22)	.
South America	613	537	14	528	461	15	86	77	12
Asia, Pacific Area, Africa	1,681	1,341	25	1,387	1,101	26	114	60	90
January - September									
Europe	15,348	14,104	9	16,523	15,027	10	2,545	1,812	40
Thereof									
Germany	5,515	5,161	7	11,141	10,413	7	1,784	1,352	32

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North									
America									
(NAFTA)	6,207	5,573	11	6,164	5,595	10	362	59	.
South									
America	1,471	1,227	20	1,220	1,021	19	204	160	28
Asia, Pacific Area,									
Africa	4,653	3,917	19	3,772	3,178	19	278	148	88
	27,679	24,821	12	27,679	24,821	12	3,389	2,179	56

Sales by location of company increased by 18% in the third quarter in Europe and by 15% in Germany. EBIT before special items climbed EUR 488 million to EUR 776 million. This was due in particular to the upturn in business and successful restructuring in the Chemicals and Plastics segments, as well as the contribution of the Oil & Gas segment.

In North America, sales by location of company increased by 34% in dollar terms. All segments improved sales and EBIT, and growth was strongest in the Petrochemicals division due to the high steam cracker capacity utilization and the acquisition of the plasticizers business. EBIT before special items increased by EUR 100 million to EUR 78 million as a result of higher sales volumes and lower costs.

In South America, sales by location of company rose 26% in local currency terms. In particular, business with agricultural products contributed to this growth. EBIT before special items increased by 12% to EUR 86 million.

Companies in the Asia, Pacific Area, Africa region increased sales in local currency terms by 35%. The Plastics segment in particular benefited from strong demand. EBIT before special items almost doubled to EUR 114 million.

### Finance

-- High cash flow from operating activities

-- Almost EUR 500 million spent on share buybacks

Consolidated Statements of Cash Flows Million EUR	January - September	
	2004	2003
Net income	1,486	757
Depreciation and amortization of fixed assets	1,738	1,769
Changes in net working capital	437	798
Miscellaneous items	57	231
Cash provided by operating activities	3,718	3,555
Payments related to tangible and intangible fixed assets	(1,358)	(1,452)
Acquisitions/divestitures	5	(1,456)
Financial investments and other items	(298)	(229)
Cash used in investing activities	(1,651)	(3,137)
Proceeds from capital increases/(decreases)	(548)	(400)
Changes in financial indebtedness	(220)	1,442
Dividends	(825)	(831)
Cash provided by (used in) financing activities	(1,593)	211
Net changes in cash and cash equivalents	474	629
Cash and cash equivalents as of beginning of year and other changes	539	229
Cash and cash equivalents	1,013	858
Marketable securities	518	396

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Liquid funds 1,531      1,254

Cash provided by operating activities rose 5% to EUR 3,718 million in the first three quarters. This was primarily due to the higher level of net income. Net working capital was reduced despite the expansion of our business.

Cash used in investing activities led to a cash outflow of EUR 1,651 million compared with EUR 3,137 million in 2003. In the previous year, more than EUR 1.4 billion was spent on acquisitions. At EUR 1,358 million, payments related to tangible and intangible fixed assets were significantly lower than the level of amortization and depreciation on fixed assets of EUR 1,738 million.

In cash used for financing activities, dividend payments and share buybacks led to a cash outflow of EUR 1,593 million. In the first three quarters of 2004, 11.5 million shares were bought back for EUR 492 million or an average of EUR 42.85 per share.

Liquid funds increased to EUR 1,531 million, and at EUR 3,427 million financial indebtedness declined compared with the figure at the end of 2003. Net debt therefore declined by 34% to EUR 1,896 million.

### Interim Financial Statements of BASF Group

(abridged version)

The interim financial statements have not been audited. The valuation methods as used in the Consolidated Financial Statements for 2003 remain unchanged. Effective January 1, 2004, the U.S. dollar was defined as the functional currency for companies in Malaysia and Singapore as a result of the increased volume of business from local production. There were only minor changes in the scope of consolidation in the first nine months of 2004.

Consolidated Statements of Income	3rd Quarter			January - September		
Million EUR	2004	2003	Change in %	2004	2003	Change in %
Sales, net of natural gas taxes	9,314	7,740	20.3	27,679	24,821	11.5
Cost of sales	6,505	5,502	18.2	18,914	17,255	9.6
Gross profit on sales	2,809	2,238	25.5	8,765	7,566	15.8
Selling expenses	1,133	1,122	1.0	3,402	3,366	1.1
General and administrative expenses	182	173	5.2	535	509	5.1
Research and development expenses	308	304	1.3	843	842	0.1
Other operating income	61	64	(4.7)	264	256	3.1
Other operating expenses	289	329	(12.2)	1,072	1,015	5.6
Income from operations	958	374	156.1	3,177	2,090	52.0
(Expenses)/income from financial assets	(25)	(40)	37.5	(7)	(93)	92.5
Interest result	(68)	(68)	0.0	(169)	(206)	18.0
Financial result	(93)	(108)	13.9	(176)	(299)	41.1
Income before taxes and minority interests	865	266	225.2	3,001	1,791	67.6
Income taxes	482	143	237.1	1,403	995	41.0
Minority interests	46	3	.	112	39	187.2

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Net income	337	120	180.8	1,486	757	96.3
Earnings per share (EUR )	0.62	0.21	195.2	2.70	1.34	101.5
Number of shares in millions, weighted	546	561	(2.7)	551	563	(2.1)

### Consolidated Balance Sheets

Million EUR	Sept. 30, 2004	Sept. 30, 2003	Change in %	Dec. 31, 2003	Change in %
<b>Assets</b>					
Intangible assets	3,572	4,027	(11.3)	3,793	(5.8)
Property, plant and equipment	12,995	13,503	(3.8)	13,070	(0.6)
Financial assets	2,464	3,048	(19.2)	2,600	(5.2)
Fixed assets	19,031	20,578	(7.5)	19,463	(2.2)
Inventories	4,501	4,630	(2.8)	4,151	8.4
Accounts receivable, trade	5,792	5,123	13.1	4,954	16.9
Miscellaneous receivables	3,062	3,021	1.4	3,159	(3.1)
Deferred taxes	1,311	1,151	13.9	1,247	5.1
Liquid funds	1,531	1,254	22.1	628	143.8
Current assets	16,197	15,179	6.7	14,139	14.6
Total assets	35,228	35,757	(1.5)	33,602	4.8

### Stockholders' equity and liabilities

Subscribed capital and capital surplus	4,412	4,408	0.1	4,408	0.1
Retained earnings and other equity	11,330	11,350	(0.2)	11,083	2.2
Minority interests	355	389	(8.7)	388	(8.5)
Stockholders' equity	16,097	16,147	(0.3)	15,879	1.4
Provisions for pensions and similar obligations	3,890	3,894	(0.1)	3,862	0.7
Provisions for taxes and other provisions	5,965	5,319	12.1	5,325	12.0
Provisions	9,855	9,213	7.0	9,187	7.3
Financial indebtedness	3,427	5,097	(32.8)	3,507	(2.3)
Accounts payable, trade	2,599	2,081	24.9	2,056	26.4
Other liabilities	3,250	3,219	1.0	2,973	9.3
Liabilities	9,276	10,397	(10.8)	8,536	8.7
Total liabilities	19,131	19,610	(2.4)	17,723	7.9
Total stockholders' equity and liabilities	35,228	35,757	(1.5)	33,602	4.8

### Consolidated Statements of Stockholders' Equity January-September 2004

Currency  
trans- Minor-

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Million EUR	Number of shares	Sub- scribed capital	Capital surplus	Re- tained earnings	Relation adjust- ment	ity inter- ests	Stock- holders' equity
As of January 1, 2004	556,643,410	1,425	2,983	12,055	(972)	388	15,879
Net income	-	-	-	1,486	-	112	1,598
Share buyback and cancell- ation of shares including own shares intended to be cancelled	(11,493,000)	(29)	29	(492)	-	-	(492)
Dividends paid	-	-	-	(774)	-	(51)	(825)
(Decrease) /increase of foreign currency trans- lation adjust- ments	-	-	-	-	11	(65)	(54)
Capital injection by minority interests	-	-	-	-	-	(60)	(60)
Changes in scope of consolid- ation and other changes	-	-	4	16	-	31	51
As of September 30, 2004	545,150,410	1,396	3,016	12,291	(961)	355	16,097

Consolidated Statements of Stockholders' Equity  
January - September 2003

Million EUR	Number of shares	Sub- scribed capital	Capital surplus	Re- tained earnings	Currency trans- lation adjust- ment	Minor- ity inter- ests	Stock- holders' equity
As of January 1, 2003	570,316,410	1,460	2,948	12,468	(330)	396	16,942
Net income	-	-	-	757	-	39	796
Share buyback and cancell- ation of							

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shares including own shares intended to be cancelled	(11,255,000)	(28)	28	(400)	-	-	(400)
Dividends paid (Decrease) /increase of foreign currency trans- lation adjust- ments	-	-	-	(789)	-	(42)	(831)
Changes in scope of consolid- ation and other changes	-	-	-	(11)	-	2	(9)
As of September 30, 2003	559,061,410	1,432	2,976	12,025	(675)	389	16,147

### 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](http://www.basf.com).) We do not assume any obligation to update the forward-looking statements contained in this report.

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-- on the Internet: [www.basf.de/mediaorders](http://www.basf.de/mediaorders)

### Important dates

-- March 9, 2005  
Financial Results 2004

-- April 28, 2005  
Annual Meeting, Mannheim  
Interim Report First Quarter 2005

-- August 3, 2005  
Interim Report Second Quarter 2005

-- November 10, 2005  
Interim Report Third Quarter 2005

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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: November 11, 2004

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