News Release

BASF strengthens performance materials production in China to better serve key industries in Asia Pacific

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- **BASF's biggest compounding facility in Asia Pacific for Ultramid® polyamide and Ultradur® PBT compounds starts operation ahead of schedule**
- **Significant increase in capacity of Elastollan® TPU reinforces BASF's position in Asia Pacific**
- **Expanded technical and production facilities of Cellasto® better serve dynamic Asian automotive market**

Shanghai, China – June 19, 2014 – BASF, the world's leading chemical company, has undertaken three key capacity expansion projects for performance materials at its Pudong site in Shanghai: Ultramid® (polyamide, PA), Ultradur® (polybutylene terephthalate, PBT), Elastollan® thermoplastics polyurethane elastomers (TPU), and Technical Center and capacity expansion of Cellasto® (microcellular polyurethane components).

"More than 60% of China's people will live in cities by 2020. Supporting an environmentally-friendly path for urbanization presents a huge opportunity for chemistry as an enabler for sustainable innovations in areas ranging from industrial manufacturing to construction, transportation and consumer goods," said Albert Heuser, President, Greater China and Functions Asia Pacific, BASF.

"As the leading producer of polyamide, PBT, TPU and Cellasto®, and preferred business partner for our customers, we continuously strengthen our position in key markets. With our technical and engineering competence, we help our customers differentiate in

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their markets and gain a competitive advantage. We put a strong emphasis on new market and product development, and these capacity expansions will support this future growth," said Raimar Jahn, President, Performance Materials, BASF.

BASF's biggest compounding facility in Asia Pacific for Ultramid® polyamide and Ultradur® PBT compounds starts operation ahead of schedule

BASF estimates the Asia Pacific market for engineering plastics will grow on average by about 7% per year. This growth is driven by the increasing usage of engineering plastics in various segments, including transportation, construction, high speed railway, as well as the electrical and electronics industry. Ultramid® and Ultradur® are used in automotive parts and innovative applications include seat structures, oil sump modules, sensors, engine mounts, connectors and highly integrated laser-structured electronic devices.

Additionally, according to China's national New Urbanization Plan (2014-2020), with additional 100 million people living in cities by 2020, the percentage of more energy-efficient and environmentally-friendly buildings among newly constructed buildings in China will rise to 50% from 2% today. BASF recently introduced co-extrudable Ultradur® to reinforce thermally insulated PVC window profiles, an important contributor to building energy efficiency.

The compounding plant's total capacity for Ultramid® and Ultradur® compounds has doubled from currently 45,000 to more than 100,000 metric tons per year– making it BASF's biggest engineering plastics compounding facility in Asia Pacific. The expansion, which is operational more than six months ahead of schedule, also includes a compounding line for specialty grades that enables BASF to tap the burgeoning market potential for specialty applications. With this project and the new compounding plant in Yesan, Chung Nam Province, Korea, which is expected to begin operations from the end of 2015, BASF's overall compounding capacities in Asia will increase from the current 130,000 to a total of 225,000 metric tons.

Significant increase in capacity of Elastollan® TPU reinforces BASF's position in the region

Elastollan® TPU is a versatile material that offers the highest innovation potential. It can be processed with different methods, including extrusion and injection molding as well as blow molding.

BASF has now completed a significant capacity expansion at its Shanghai-based Elastollan® plant, which was established in 2007. Elastollan® TPU has a long history of success in China. The expansion of capacity for TPU in China will support growth of the rapidly growing market for textile, footwear, transportation, wire and cable sheathing and other industrial applications.

Technical and capacity enhancement of Cellasto® better serves the dynamic Asian automotive market

In 2013, more than 42 million cars were sold in Asia Pacific and over 20 million in China, the world's largest automotive market. The number is foreseen to increase to 33 million in China and 62 million in Asia Pacific by 2020. (Source: LMC Automotive Ltd 2013 Report).

Cellasto® is the customized solution for damping and reduction of the noise, vibration and harshness (NVH) level of vehicles. In Asia Pacific, BASF will strengthen the technical leadership of Cellasto®, based on the existing facility at BASF Pudong site, which was established in 2011. The new investment project includes the expansion of the Cellasto® Asia Pacific Technical Center, the establishment of three new production lines, and the technical improvement of existing facilities. The production capacity will be doubled after the project completion in 2015.

Cellasto® components are sold to the automotive industry mainly as jounce bumpers, top mounts and coil spring isolators for suspension, as well as other NVH parts. BASF currently produces Cellasto® at six sites worldwide: Lemförde, Germany, Shanghai and Nansha, China, Guaratinguetá, Brazil, Shinshiro, Japan, and Wyandotte, USA.

The new technical and production facilities of Cellasto® mark another milestone of BASF as a leading supplier of automotive suspension parts in Asia, as well as enable BASF to better serve its OEM (Original Equipment Manufacturer) key accounts in the local market and help them perform more successfully in the competitive business environment.

About BASF's Performance Materials Division

BASF's Performance Materials division encompasses the entire materials know-how of BASF regarding innovative, customized plastics under one roof. Globally active in four major industry sectors - transportation, construction, industrial applications and consumer goods – the division has a strong portfolio of products and services combined with a deep understanding of application-oriented system solutions. Key drivers of profitability and growth are close collaboration with customers and a clear focus on solutions. Strong capabilities in R&D provide the basis to come up with innovative products and applications. In 2013, the Performance Materials division achieved global sales of € 6.5 bn.

About BASF

BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. We combine economic success with environmental protection and social responsibility. Through science and innovation, we enable our customers in nearly every industry to meet the current and future needs of society. Our products and solutions contribute to conserving resources, ensuring nutrition and improving quality of life. We have summed up this contribution in our corporate purpose: We create chemistry for a sustainable future. BASF had sales of about €74 billion in 2013 and over 112,000 employees as of the end of the year. Further information on BASF is available on the Internet at www.basf.com.