News Release

BASF plans worldwide expansion of PVP production

- Investment of up to €56 million in expansion of NVP/PVP value chain
- Extension of capacities in Ludwigshafen, Germany and Geismar, Louisiana; technology introduction in Shanghai, China
- PVP success story for more than 75 years: Polymer with versatile application options

Ludwigshafen, Germany – January 22, 2015 – BASF plans to invest up to €56 million in the expansion of its Polyvinylpyrrolidone (PVP) value chain over the next four years. PVP is a polymer which is used in diverse industries, for example the pharmaceutical or the personal and home care sector, mainly due to its binding properties. Through revamping existing plants in Ludwigshafen, Germany and Geismar, Louisiana and introducing the PVP technology at BASF's site in Shanghai, China, the company will increase its global PVP production capacities by up to 6,000 metric tons. All plants will operate under the highest possible quality standards (current Good Manufacturing Practice). BASF is the inventor and one of the market leaders for PVP.

"Our global production network and technology leadership enable us to obtain the highest levels of supply reliability and quality for our customers in multiple industries," said Michael Heinz, Member of the Board of Executive Directors, BASF SE. "With this investment we are actively participating in the strongly growing PVP market, especially within the pharmaceutical industry," added Saori Dubourg, President of BASF's Nutrition & Health division.

150 years

We create chemistry

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The polymer PVP can be used in a broad range of applications due to its varied features: It is water soluble, but can also absorb large quantities of water; it is non-irritant to the skin and does not pose a health hazard; it is temperature-resistant, pH-stable, non-ionic and colorless. A majority of BASF's PVP capacities are destined for the pharmaceutical industry. Under the name **Kollidon**[®], PVP is mainly used as an excipient in tablets with binding and disintegrant functionality. As a binder, it enables the individual active ingredients of a tablet to form a homogenous entity and as a disintegrant it ensures that the tablets break up in liquid and release the active ingredient quickly. The excipient can furthermore be deployed as lyophilisation agent, suspension stabilizer and thickener.

In addition to the pharmaceutical industry, PVP-based products are used in the cosmetic, detergent and food sector as well as for technical applications. Luviskol[®] types are key components in hair styling products to give, for example, styling sprays and gels their setting properties. Sokalan[®] types are detergent additives, which disperse particulate soil removed from the fibers during the washing process and prevent it from being redeposited on clean fabrics. With regard to the food sector, PVP can be used for the filtration of beer and the treatment of wine (Divergan[®]). Luvitec[®] plays an essential role, for example, in the production of membranes for micro- and ultra-filtration, which are employed for dialysis and water filtration. It can also be utilized for special adhesives.

PVP has a long tradition at BASF: 75 years ago the chemist Walter Reppe, working in a BASF laboratory in Ludwigshafen invented and patented the production process for this multi-industry polymer. The precursor of PVP, N-vinylpyrrolidone (NVP), has been produced in Ludwigshafen since 1939 and at BASF's Geismar site since 1992.

About BASF

At BASF, we create chemistry – and have been doing so for 150 years. Our portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. As the world's leading chemical company, we combine economic

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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. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (AN). Further information on BASF is available on the Internet at <u>www.basf.com</u>.