News Release

BASF expands automotive coatings production capacity in Brazil

Investment aims to meet the increased demand of the automotive OEM for waterborne technology coatings

BASF is going to expand its production capacity for waterborne coatings in the Demarchi Coatings Site, located in São Paulo state, Brazil. The €2 million investment will increase its capacity of both waterborne primer and basecoats. The expansion is expected to be finished in early 2014.

The primer smooths out uneven surface irregularities, offers stonechip protection and protects the e-coat from UV radiation. The basecoat lends the body its color, its effects and its aesthetic appearance.

"Increasing waterborne coatings production capacity, we aim to meet our customers' demand, that has been driven by new automotive manufacturing plants in Brazil and also by the tendency for waterborne technology instead of solvent borne", said Antonio Carlos Lacerda, Senior Vice President of the Functional Solutions Segment and Infrastructure for BASF South America.

BASF is the pioneer in developing waterborne coatings for the

The Chemical Company

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BASF S. A. (11) 2039-2273 http://www.basf.com.br Unidade de Comunicação Corporativa automotive industry. This technology is eco-efficient because water replaces most of the organic solvents that are used in solvent borne coatings thus reducing emissions of VOC – volatile organic compounds.

Furthermore, BASF has been supporting its customers in the use of integrated processes, which can reduce one or two steps of the painting process, maintaining the same high quality standards. The technology contributes to optimize time and resources of coatings and is more eco-efficiently compared to conventional processes. For instance, energy consumption and CO₂ emissions are reduced by up to 20%.

About the Coatings Division

In the Coatings Division, BASF develops, produces and markets a high-quality range of innovative automotive OEM coatings, automotive refinishes and industrial coatings as well as decorative paints. BASF has significant market positions in the Coatings sector in Europe, North America, South America and the Asia Pacific region. In 2012 the Coatings Division of the BASF Group achieved global sales of nearly 3,0 billion Euros. The internet address is <u>www.basf-coatings.com</u>. You can download a copy of BASF customer magazine Coatings Partner from <u>www.coatingspartner.com</u>

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 posted sales of €72.1 billion in 2012 and had more than 110,000 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>.