

Press Release



BASF sells European starch business

BASF will sell its starch business in Europe. The contracts to this effect were signed yesterday (August 2, 2010). The buyer is Chemigate Oy, a company newly founded by former managers of the starch business in Finland. The transaction, which also includes the cationic reagent business, comprises five production plants at four sites in Finland. Eighty-four employees will transfer to the new company.

The divestiture is a next step in the restructuring of BASF's Paper Chemicals division. "As the starch business is a regional, stand-alone business offering few synergies with BASF's paper chemical operations, we have taken the decision to divest this business," explained Christian Schulz, Vice President Business Management Paper Coating and Starch Europe. "With the management buyout, we have found a very good solution for the future development of the starch business."

Seppo Lamminmäki, CEO of Chemigate Oy, commented: "We see attractive opportunities to further improve the business, invest in it and run it successfully. Together with our recent acquisition of the starch-based fixative and dry strength business, this investment enables Chemigate to offer customers a broad portfolio that also includes starch products and cationic reagents." Divested to Chemigate in June 2010, the starch-based fixatives and dry strength products are sold

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under the brand names Raifix[®] and Raisabond[®]. The newly acquired products are marketed as Raisamyl[®] and Raisacat[®].

The sale requires the approval of antitrust authorities and is expected to close in this quarter. The companies have agreed not to comment on the purchase price or other financial details. Chemigate Oy will take over existing contracts as well as supply and service agreements.

BASF acquired the starch activities in 2009 with its acquisition of Ciba. Starch is used in many areas of paper and paperboard production.

About BASF's Paper Chemicals division

BASF's Paper Chemicals division offers process chemicals to optimize costs and increase machine efficiency, functional chemicals to lend specific properties to paper, and finishing chemicals to improve the appearance and performance characteristics of printed paper and board. With this comprehensive portfolio, BASF is the leading supplier of paper chemicals worldwide.

BASF established Paper Chemicals as a separate division when it acquired Ciba in April 2009. The ISO 9001:2000-certified Paper Chemicals division operates sites in Europe, Asia and the Americas. For more information, go to <http://www.paper-chemicals.basf.com>.

About BASF

BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics and performance products to agricultural products, fine chemicals as well as oil and gas. As a reliable partner BASF creates chemistry to help its customers in virtually all industries to be more successful. With its high-value products and intelligent solutions, BASF plays an important role in finding answers to global challenges such as climate protection, energy efficiency, nutrition and mobility. BASF posted sales of more than €50 billion in 2009 and had approximately 105,000 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 www.basf.com.