Joint News Release of BASF and CSM

BASF and CSM establish 50-50 joint venture for biobased succinic acid

- Succinity GmbH to become a leading succinic acid supplier
- Plans for industrial scale succinic acid production

LUDWIGSHAFEN, GERMANY, and DIEMEN, THE NETHERLANDS – October 5, 2012 – BASF and Purac, a subsidiary of CSM, are establishing a joint venture for the production and sale of biobased succinic acid. The company will be named Succinity GmbH and will be operational in 2013. The establishment of Succinity GmbH is subject to filing with the relevant competition authorities. The company headquarters will be in Düsseldorf, Germany.

BASF and CSM have been conducting research on succinic acid under a joint development agreement since 2009. The complementary strengths in fermentation and downstream processing led to the development of a sustainable and highly efficient manufacturing process based on a proprietary microorganism. The bacterium used is Basfia succiniciproducens, which produces succinic acid through natural processes. It is capable of metabolizing a variety of renewable feedstocks into succinic acid. The new process combines high efficiency with the use of renewable raw materials and the fixation of the greenhouse gas carbon dioxide (CO₂) in the production of succinic acid. This makes biobased succinic acid an economically and ecologically attractive alternative to petrochemical raw materials.
The demand for succinic acid is anticipated to grow strongly in the years ahead, driven mainly by bioplastics, chemical intermediates, solvents, polyurethanes and plasticizers.

BASF and CSM are currently modifying an existing fermentation facility at Purac’s Montmélo site near Barcelona, Spain, for the production of succinic acid. This plant, which will commence operations in late 2013 with an annual capacity of 10,000 metric tons of succinic acid, will put the new joint venture company in a leading position in the global marketplace. This is complemented by plans for a second large-scale facility with an annual capacity of 50,000 metric tons of succinic acid to enable the company to respond to the expected increase in demand. The final investment decision for this facility will be made following a successful market introduction.

“Our strategy clearly focuses on innovations for a sustainable future. Chemistry-driven innovations are the responses to megatrends, such as the shift to renewable raw materials. The development of a succinic acid production process based on fermentation in cooperation with Purac is a good example of this strategy being put into practice,” said Dr. Andreas Kreimeyer, Member of the Board of Executive Directors and Research Executive Director of BASF.

“CSM is developing into a leading provider of biobased ingredients and solutions. Our joint venture with BASF for the production and sale of succinic acid is a milestone in this journey. The succinic acid project is fully in line with our strategy to develop commercially attractive biobased alternatives using renewable and sustainable resources,” explained Gerard Hoetmer, Chief Executive Officer of CSM.

“Our cooperation with Purac to produce biobased succinic acid is a perfect example of how we enable our customers in many industries to develop sustainable solutions,” said Sanjeev Gandhi, President of BASF’s Intermediates division.
“We know from many discussions with customers and samples we sent them that the demand for biobased succinic acid for example for biodegradable plastics is set to grow faster and more strongly than expected earlier,” said Fabrizio Rampinelli, President of Purac, and added, “We look forward to providing a high-quality product globally to customers in this industry at our usual high service levels.”

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, social responsibility and environmental protection. Through science and innovation we enable our customers in almost all industries to meet the current and future needs of society. Our products and system solutions contribute to conserving resources, ensuring healthy food and nutrition and helping to improve the quality of life. We have summed up this contribution in our corporate purpose: We create chemistry for a sustainable future. BASF posted sales of about €73.5 billion in 2011 and had more than 111,000 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.

About BASF Intermediates
The BASF Group’s Intermediates division develops, produces and markets a comprehensive portfolio of more than 600 intermediates around the world. The most important of the division’s product groups include amines, diols, polyalcohols, acids and specialties. Among other applications, intermediates are used as starting materials for coatings, plastics, pharmaceuticals, textile fibers, detergents and crop protectants. Innovative intermediates from BASF help to improve the properties of final products and the efficiency of production processes. The ISO 9001:2000-certified Intermediates division operates plants at production sites in Europe, Asia, and the Americas. Around the globe, 2,763 employees of the division generated sales to third parties of about €2.7 billion in 2011. For more information, go to www.intermediates.basf.com

About CSM
CSM is global market leader in lactic acid and lactic acid derivatives and is the largest supplier of bakery products worldwide. CSM operates in business-to-business markets throughout Europe, North America, South America, and Asia, generates annual sales of €3.1 billion and has a workforce of around 9,700 employees in 28 countries. CSM is listed on Euronext Amsterdam. For more information: www.csmglobal.com

About Purac
Purac is a leading company in lactic acid based chemistry and the worldwide market leader in lactic acid, lactic acid derivatives and lactides. Purac is innovation driven and develops new products, technology and services in close cooperation with customers and knowledge centers. Purac has almost 80 years of experience in the development, manufacturing and marketing of its products in a broad range of industries. Purac operates production plants in the USA, the Netherlands, Spain, Brazil and Thailand and markets its products through a worldwide network of sales offices and distributors. Purac is headquartered in The Netherlands and is part of CSM.
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