

News Release



BASF to acquire motorcycle catalyst business in China to meet growing market demand

- **Broadens customer base for environmental technologies**
- **Helps meet increasingly stringent global emissions controls**

Iselin, NJ, and Hong Kong, December 11, 2006 – BASF said today that it has signed an agreement to acquire a motorcycle catalyst business in mainland China to meet the growing global demand for emissions-control technology.

BASF Catalysts LLC, a wholly owned subsidiary formed by BASF after its acquisition of Engelhard Corporation in 2006, will acquire Guilin REEcat Catalyst Co., Ltd (REEcat), a motorcycle emissions-control catalyst manufacturer based in Guilin, China. Terms of the deal were not disclosed. The transaction is expected to be completed by the end of the second quarter of 2007.

“This is an exciting step forward for BASF Catalysts,” said Wayne T. Smith, President of BASF’s Catalysts division. “As a world leader in catalysts, we believe it’s important that we continue to expand our strong technology presence throughout the world, particularly in the fast-growing China market.”

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“The acquisition will strengthen our ability to provide advanced emissions-control technology to motorcycle manufacturers in China as well as the rest of the world,” said Paul Lamb, Group Vice President Environmental Technologies in BASF’s Catalysts division. “REEcat holds a competitive position for motorcycle catalyst manufacturing and provides excellent service to its customers,” said Lamb. “The acquisition is a perfect complement to our continuous effort to help our customers to be more successful.”

Global motorcycle production is expected to grow at 5 percent annually through 2011, with China expected to produce more than 40 percent of all motorcycles. In 2008, China will adopt Euro III emissions regulations, which call for significant reductions of hydrocarbon, NO_x (oxides of nitrogen) and CO (carbon monoxide) emissions from two-wheel vehicles. These tighter clean air regulations will cause demand for emissions systems to grow faster than overall motorcycle production rates worldwide.

Founded in 1991, REEcat is a pioneer developer of mobile emission-control technologies in China. The company manufactures and sells catalysts and systems for motorcycles and small engines. The company has a manufacturing plant and a research and development center in Guilin, and sales offices in Guangdong and Chongqing, China.

BASF Catalysts LLC, a wholly owned subsidiary of BASF Corporation, is the world’s leading supplier of environmental and process catalysts. The group offers exceptional expertise in the development of technologies that protect the air we breathe, produce the fuels that power our world and ensure efficient production of a wide variety of chemicals, plastics, adsorbents and other products. Further information on BASF Catalysts is available on the Internet at www.basf-catalysts.com.

BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics, performance products, agricultural products and fine chemicals to crude oil and natural gas. As a reliable partner to virtually all industries, BASF's intelligent system solutions and high-value products help its customers to be more successful. BASF develops new technologies and uses them to open up additional market opportunities. It combines economic success with environmental protection and social responsibility, thus contributing to a better future. BASF has over 95,000 employees and posted sales of more than €42.7 billion in 2005. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA), New York (BF) and Zurich (AN). Further information on BASF is available on the Internet at www.basf.com.