

News Release



BASF Future Business to buy PEMEAS – leading supplier of fuel cell components

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- **Innovation-driven acquisition strengthens research growth cluster energy management**
- **BASF extends position in high-growth market for fuel cells**

BASF Future Business GmbH, Ludwigshafen, has agreed to acquire Frankfurt-based PEMEAS GmbH, a leading supplier of fuel cell components, from a group made up of seven investors. No financial details were disclosed. The acquisition will be completed by the end of January. Through this move BASF is strengthening its activities in the field of energy management – one of five growth clusters, in which the world's leading chemical company is developing new technologies and materials for energy storage and energy conversion, as well as for alternative energy capture.

PEMEAS was founded in April 2004 as a spin-off of the former Hoechst Group's fuel cell activities. The company has approximately 50 employees and operates manufacturing and R&D facilities in Germany and the United States. PEMEAS is currently working with clients on projects to use fuel cells, for example, in portable electronics, residential applications or backup power systems.

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PEMEAS is currently pursuing two strategies. The *Celtec* division focuses on the development and commercialization of membrane electrode assemblies (MEAs) for high temperature polymer electrolyte membrane (PEM) fuel cells. These devices operate at temperatures between 120C to 180C, and are more reliable and cost efficient than conventional low temperature fuel cells. The *E-TEK* division develops and manufactures catalysts, gas diffusion layers and electrodes for low and high temperature PEM fuel cells as well as for direct methanol fuel cells (DMFC).

“PEMEAS is an excellent strategic fit and will speed up our ongoing activities in energy management,” said Dr. Thomas Wehlage, managing director of BASF Future Business and responsible for the growth cluster energy management. “Our developments are currently focusing on new materials for organic solar cells, innovative storage media for hydrogen and the membrane electrode assembly for small portable fuel cells.”

“BASF is the right partner to realize the full potential of our innovative, proprietary technology in the future,” said Dr. Horst-Tore Land, president and chief executive of PEMEAS. “My colleagues and I look forward to being part of the BASF team.”

According to industry expectations, the global fuel cell market will grow from €1 billion in 2010 to €21.5 billion in 2020. Fuel cells are environmentally friendly and can operate with a variety of fuels. They can also be used in a wide variety of applications, such as in laptop computers, homes and cars.

BASF combines key technology-driven topics of future relevance in five growth clusters: energy management, raw material change, nanotechnology, plant biotechnology and white biotechnology. These cross-sectional technologies are outside the realm of the classical

disciplines and can be brought to fruition by interdisciplinary and international cooperation. As part of the research and development expenditures, a total of approximately €850 million has been earmarked for research activities in the five growth clusters for the period from 2006 to 2008, of which €90 million will be spent on energy management. BASF expects annual sales of €2 billion to €4 billion from innovations arising from these growth clusters as of 2015.

BASF Future Business GmbH, a 100 percent subsidiary of BASF Aktiengesellschaft, was founded in April 2001. It aims to open up business areas with above-average growth rates that lie outside BASF's current activities. The company focuses on chemistry-based new materials, technologies and system solutions. BASF Future Business GmbH commissions research from BASF's R&D units on the one hand, and, on the other hand, cooperates with startup companies, industrial partners, universities and potential customers. Further tools include acquisition of a direct stake, joint ventures, with partner companies or provision of venture capital via the subsidiary BASF Venture Capital GmbH.

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 (approximately \$50.4 billion) in 2005. Further information on BASF is available on the Internet at www.basf.com.

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