

News Release



BASF buys Chinese producer of concrete admixtures Hi Con

➤ **Construction chemicals adds to strong presence in China**

BASF Construction Chemicals (Sichuan) Co. Ltd., a wholly owned affiliate of the BASF Group, announced today (December 18, 2006) that it has acquired the assets of Hi Con (Sichuan Pengshan) Concrete Admixture Ltd. ("Hi Con China"), a major producer of concrete admixtures in China. Financial details were not disclosed. The acquisition gives BASF a powerful presence in the important Western China construction chemicals market and represents a significant step in BASF's plan to become the number one player in China's admixture market.

"By acquiring Hi Con China, BASF will be able to provide the most recent technologies from a local production site close to our customers in a rapidly developing market," said Dr. Boris Gorella, head of the Regional Business Unit Construction Chemicals Asia Pacific. "This step also increases our ability to react quickly to local market demands."

BASF has been producing admixtures in China since 1988 and operates six production facilities for construction chemicals in Shanghai, Beijing, Nanjing, Chongqing and Huzhou, as well as 12 branch offices across China. Admixtures are used to provide

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concrete with superior application performance. Innovative admixture technologies make concrete easier to place and finish, allowing construction to continue even in very hot or very cold temperatures, accelerating or delaying the hardening of concrete and increasing final strength and durability. Customers include ready-mix concrete producers, pre-cast operators, dry-cast and concrete block manufacturers, as well as contractors active in civil, commercial, institutional and residential construction.

Hi Con China was established in 1996 and is located in Sichuan's Pengshan County. It also has a branch in Suzhou, Jiangsu Province. The company produces a range of concrete admixtures as well as intermediate products needed for their production, and is well known for its excellent and reliable service and sophisticated products. Hi Con's operations outside of the P.R. China are not part of the acquisition.

BASF Construction Chemicals is the world's largest supplier of construction chemicals and has operations in more than 75 countries. The business was previously part of the Degussa Group and became part of BASF in July 2006. In Asia Pacific, BASF Construction Chemicals has production plants and sales offices in 14 countries.

In China, BASF Construction Chemicals is pursuing a consistent growth strategy. In 2005, it recently acquired the assets of Beijing Xinzhuang Huiqiang Admixture Company, strengthening its presence in Northern China. As Dr. Karsten Eller, Vice President responsible for acquisition projects, said: "We use selected acquisitions as well as investments into new production plants to improve our geographical coverage of the whole Chinese admixture market. This strategy has made us the only truly national player in China."

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.