BASF sells animal feed premix sites

Important step in the restructuring of the Fine Chemicals division

BASF is selling its animal nutrition premix business in eight countries to Nutreco, an animal feed group headquartered in the Netherlands. Premixes are mixtures of vitamins and feed additives for animal nutrition. Nutreco is one of the world’s leading manufacturers of animal feed premixes and specialties.

The sales contract was signed on February 16, 2007, and is subject to approval by the responsible authorities. Both parties have agreed not to disclose the financial details. BASF expects the transaction to close in the second quarter of 2007.

The concerned premix sites are in Europe (UK, Poland, Italy), Asia (Indonesia, China), North America (USA, Mexico) and Central America (Guatemala). The sale affects 435 employees, who will transfer to Nutreco, and is an important step in the global restructuring of the Fine Chemicals division.

“This is an important step for Nutreco in a time where we have just mobilized all our resources for a full focus on the growth of our core businesses animal nutrition and fish feed for aquaculture,” said Jürgen Steinemann, Nutreco’s Chief Operating Officer. “Reinforcing
our strongholds in these growth markets with BASF’s operations will help us to gain momentum for further expansion in the Americas and Asia. At the same time our leading position in Europe in premix and feed specialties is now strengthened with the contribution of the mixing business of BASF in important animal feed markets.”

“The divestment of the animal nutrition premix business is part of our strategy to operate efficiently and flexibly in the food and feed markets and, thus, to position BASF Fine Chemicals as a sustainable feed ingredient supplier to the feed industry,” said Dr. Wolfgang Büchele, head of the BASF Fine Chemicals division. The consolidation of human and animal nutrition into one nutrition business in November 2006 was a first step in this direction. BASF is focusing on producing and marketing important vitamins, carotenoids, enzymes and organic acids.

This sale covers the majority of BASF’s animal nutrition premix business. The remaining part of this business at other sites is significantly smaller and locally focused. “We are working to find alternatives for these sites, too. Further divestments to potential local buyers are among the options being considered,” Büchele added.

In addition to premixes, BASF produces vitamins, carotenoids, enzymes and organic acids for animal feed.

**Fine Chemicals at BASF**

BASF’s Fine Chemicals division develops, produces and markets more than 1,000 products for nutrition and care. As a result of targeted research and development, the company is a preferred partner of customers from the cosmetic and pharmaceutical industries as well as for human and animal nutrition. The products offered by BASF Fine Chemicals include vitamins, carotenoids, enzymes and organic acids,
active pharmaceutical ingredients and excipients as well as intermediates, aroma chemicals, polymers and UV filters. The strict regulations applicable to the market licenses for numerous products ensure a high standard of safety. In 2005, the Fine Chemicals division posted sales of € 1.73 billion.

**BASF – The Chemical Company**

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.