

News Release



BASF further expands its position for engineering plastics in Europe

- **Acquisition of SABIC Innovative Plastics' shares in the joint venture for PBT production in Schwarzheide**
- **Strong growth of the European market for engineering plastics expected to continue unabated**

BASF has signed an agreement with SABIC Innovative Plastics on the acquisition of SABIC Innovative Plastics' shares in the PBT joint venture, BASF GE Schwarzheide GmbH & Co. KG. PBT (polybutylene terephthalate) is an engineering plastic. The shares will be transferred on December 31, 2007, provided the transfer has been approved by the relevant authorities. The transfer of the shares will not have any effects for the employees since those working in the joint venture are already personnel of BASF Schwarzheide GmbH, the joint venture's general partner, today. Both companies have agreed to keep the financial details confidential. BASF GE Schwarzheide GmbH & Co. KG had been a joint venture between BASF Aktiengesellschaft and GE Plastics (GEP). With the recent takeover of GE Plastics by the Saudi Arabian petrochemical company SABIC (Saudi Basic Industries Corporation), GE Plastics' shares in the joint venture were transferred to SABIC.

"With the purchase of SABIC's shares in the production joint venture, we are able to satisfy our customers' rising PBT demand and we are

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thus making a long-term investment in this field of activity,” explains Willy Hoven-Nievelstein, head of BASF’s business unit Engineering Plastics Europe. “Through this acquisition, we are also consolidating our high ranking in the market for engineering plastics,” says Hoven-Nievelstein. BASF is projecting unabated strong growth of the European market for engineering plastics in the coming years. The production capacity of the joint venture is 100,000 metric tons per year.

The purchase of SABIC Innovative Plastics’ shares in BASF GE Schwarzheide marks BASF’s fifth acquisition in the sector of engineering plastics within the last five years. In 2003, Honeywell’s worldwide engineering plastics business and Ticona’s polyamide 66 business were bought and have been successfully integrated. This was followed in 2005 by the takeover of Leuna-Miramid GmbH and the engineering plastics business of LATI USA Inc. Moreover, BASF has started up operations in the growth market of Asia within the last 18 months, including a new production joint venture for PBT together with Toray in Malaysia and a new compounding plant in Pudong near Shanghai, China.

BASF is marketing PBT under the trade name Ultradur®. The engineering plastic is mainly used in automotive construction as well as in the electrical & electronics industry. Particularly innovative examples of applications for PBT are housings for transmission control units with integrated circuit-board conductors, headlight reflectors and laser-structured electronic components. Other engineering plastics made by BASF are Ultramid®, Miramid® and Capron® (PA: polyamide), Ultraform® (POM: polyoxymethylene) and Ultrason® (PSU, PESU, PPSU: polysulfone, polyether sulfone, poly phenyl sulfone).

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 high-value products and intelligent system solutions help its customers to be more successful. BASF develops new technologies and uses them to meet the challenges of the future and open up additional market opportunities. It combines economic success with environmental protection and social responsibility, thus contributing to a better future. BASF has approximately 95,000 employees and posted sales of €52.6 billion in 2006. 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.