

News Release



BASF to acquire Taiwan Sheen Soon, a leading manufacturer for TPU adhesives

- **Strategic move to broaden BASF's Performance Materials product portfolio**
- **Strengthening of BASF's leadership for thermoplastic polyurethanes (TPU)**
- **Stronger synergies for further product innovation and deeper engagement with customers**

Taiwan, Greater China – December 8, 2014 – BASF has entered into a definitive agreement to fully acquire the business and assets in Taiwan and Mainland China of Taiwan Sheen Soon (“TWSS”), a leading manufacturer for thermoplastic polyurethanes (“TPU”) adhesives base material.

“The acquisition is part of our efforts to systematically pursue growth in the attractive TPU market. It is a valuable addition to our existing TPU portfolio; strengthening our manufacturing footprint in Asia,” said Mr Raimar Jahn, President, Performance Materials, BASF. “As TWSS has been at the forefront of TPU adhesives innovation, the acquisition is a strategic move that will strengthen BASF’s competences in this important growth field.”

The acquisition of the adhesives business of TWSS complements BASF’s established position in TPU extrusion as well as injection molding grades for various segments, such as footwear. An example of TPU application in the footwear segment is the “Energy Boost”

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running shoe from adidas, made with expanded TPU, which BASF markets under the name Infinergy™.

With the acquisition, the company will become an integrated solution provider for TPU and TPU adhesives, which enhances its value proposition to customers.

The acquisition is expected to close in 2015, pending necessary internal and external approvals. The integration will take effect in 2015. The parties have agreed not to disclose financial details of the agreement.

“TWSS’s cutting edge and proven technologies enable us to offer innovative solutions in a more integrated and efficient manner. Accordingly, the acquisition will greatly benefit our customers in short innovation cycle segments such as shoes,” said Albert Heuser, President, Greater China and Functions Asia Pacific, BASF.

“TWSS’s unique expertise for TPU adhesives is backed by established long-standing customer relationships and a global presence,” said Jason Chou, managing director and owner of TWSS, who will continue to oversee the business as a consultant to BASF. “TWSS’s existing customers and employees will gain access to the full portfolio of BASF products, technical expertise and resources through this acquisition.”

With this acquisition, BASF will secure and integrate all existing assets, customers and employees into the existing BASF legal entities and business. The company will also ensure a smooth transition and uninterrupted supply for customers.

About BASF’s Performance Materials Division

BASF’s Performance Materials division encompasses the entire materials know-how of BASF regarding innovative, customized plastics under one roof. Globally active in four major industry sectors - transportation, construction, industrial applications and consumer goods – the division has a strong portfolio of products and services combined with a deep understanding of application-oriented system solutions. Key drivers of profitability and growth are close collaboration with

customers and a clear focus on solutions. Strong capabilities in R&D provide the basis to come up with innovative products and applications. In 2013, the Performance Materials division achieved global sales of €6.5 bn.

About BASF

At BASF, we create chemistry – and have been doing so for 150 years. Our portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. As the world's leading chemical company, we combine economic success with environmental protection and social responsibility. Through science and innovation, we enable our customers in nearly every industry to meet the current and future needs of society. Our products and solutions contribute to conserving resources, ensuring nutrition and improving quality of life. We have summed up this contribution in our corporate purpose: We create chemistry for a sustainable future. BASF had sales of about €74 billion in 2013 and over 112,000 employees as of the end of the year. 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.

About Taiwan Sheen Soon

Taiwan Sheen Soon Co., Ltd (TWSS) is a leading TPU manufacturer, specialized in TPU for solvent based adhesive and hotmelt. Established in July 1997, TWSS's products currently reach over 25 countries worldwide. In 2009, it won the title of the 12th Rising Star in Taiwan. TWSS is devoted to research and development, innovation and quality improvement. Further information on TWSS is available on the Internet at www.tpu-twss.com.tw.