



Arsenal | Capital Partners



## **Joint Press Release of BASF, Arsenal and Foosung**

April 26, 2012

### **BASF acquires Novolyte Technologies**

- **BASF becomes global supplier of Lithium Battery Electrolyte formulations**
- **Further step to becoming leading provider of functional materials and components to cell and battery manufacturers worldwide**
- **Performance materials business strengthens BASF's Intermediates portfolio in North America**

Ludwigshafen, Germany and Cleveland, Ohio – April 26, 2012 – BASF, Arsenal and Foosung today announced BASF's acquisition of Novolyte Technologies, based in Cleveland, Ohio (USA). Novolyte is a manufacturer of electrolyte formulations for lithium-ion batteries, as well as specialty chemicals for several key market segments. With 167 employees, Novolyte operates sites in the United States and China. BASF purchases Novolyte from Arsenal Capital Partners, a U.S.-based private equity firm. The companies have agreed not to disclose financial details of the transaction.

The acquisition comprises Novolyte's Energy Storage activities focused on developing, producing and marketing performance electrolyte formulations for lithium-ion batteries. BASF also buys

Novolyte's performance materials business in which the company is among the leading manufacturers of specialty chemicals in North America. The portfolio includes aryl phosphines, high-performance solvents and custom-made specialties. The acquisition includes 10 patent families in the fields of electrolyte formulation and performance chemicals held by Novolyte. Additionally within the framework of the acquisition, BASF will continue a joint venture of Novolyte with Korean partner Foosung Co., Ltd., a global producer of the high-purity specialty salt Lithium Hexafluorophosphate ( $\text{LiPF}_6$ ), a key material for manufacturing lithium-ion battery electrolytes. These electrolytes are key performance components in the fast-growing market of lithium-ion batteries for automotive, consumer and industrial markets.

Novolyte operates production sites in Baton Rouge, Louisiana, and in Suzhou, China. An additional site for  $\text{LiPF}_6$  production is currently under construction in Nantong, China, to be operated by the Foosung/BASF joint venture. Both Chinese sites are located in the greater Shanghai area.

"With this recent acquisition, BASF is now positioned as a global supplier of lithium battery electrolytes with production sites in Europe, the United States and Asia Pacific region", said Dr. Andreas Kreimeyer, Member of the Board of Executive Directors and BASF's Research Executive Director. "The acquisition also complements our current offering of Amines, Diols, Organic Acids, Polyalcohols and Specialties and strengthens our footprint in the North American market."

"Our acquisition of Novolyte Technologies further positions BASF to achieve its long-term objective of becoming the leading provider of functional materials and components to serve cell and battery manufacturers worldwide," said Ralf Meixner, Senior Vice President of BASF's Global Battery Materials Business. "This is the latest in a

series of strategic steps we have taken to strengthen our technology position while building a broad portfolio of battery materials technologies that will help us drive the future of electromobility.”

“Foosung is very excited to work with the world-renowned chemical company BASF in this fast-growing battery materials market,” said Hanjoo Song, Chief Executive Director of Foosung. “Through this newly established joint venture company, Foosung can retain its position as a high-quality LiPF<sub>6</sub> manufacturer while pursuing further opportunities to support the development of the global battery market.”

“We are delighted to see Novolyte find a great home. We have enjoyed a great partnership with Foosung and are pleased that this platform and its employees will be part of the world’s leading chemical company with a great commitment to electromobility,” said John Televantos, Partner, Arsenal Capital Partners, New York.

### **BASF’s electromobility activities**

Innovative materials and functional components are prerequisites for safe, efficient and affordable electromobility. Together with partners in industry and science BASF is developing materials and technologies for today’s and next generation lithium-ion batteries as well as for future battery systems. The aim is to reduce the time to market for new solutions to energy storage. A major step on this road is the construction of a manufacturing plant for battery materials in Elyria, Ohio. Along with battery materials, plastics and composites for lightweight automotive design and solutions for improved heat management, such as IR-reflective pigments for coatings and vehicle interior uses, have major roles to play. Follow this link for more about BASF’s battery activities: <http://www.battery-solutions.basf.com>

### **About BASF**

BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. We combine economic success, social responsibility and environmental protection. Through science and innovation we enable our customers in almost all industries to meet the current and future needs of society. Our products and system solutions contribute to conserving resources, ensuring healthy food and nutrition and helping to improve the quality of life. We have summed up this contribution in our corporate purpose: We create chemistry for a sustainable future. BASF posted sales of about €73.5 billion in 2011 and had more than 111,000 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](http://www.basf.com).

### **About Arsenal Capital Partners**

Arsenal Capital Partners is a leading New York-based private equity firm that invests in middle-market specialty industrial, healthcare and financial services companies. Arsenal makes investments in sectors where the firm has significant prior knowledge and experience. Arsenal targets businesses that have the potential for further value creation by working closely with management to accelerate growth and leverage the firm's operational improvement capabilities. Arsenal currently has \$800 million of committed equity capital. For additional information on Arsenal Capital Partners, please visit [www.arsenalcapital.com](http://www.arsenalcapital.com).

### **About Foosung**

Foosung is Korea's first and leading fluorine chemical company, providing chemical materials for the automobile, steel making, semiconductor, and construction industries, with significant influence on Korea's key industries. Our business relationship with customers is built on our focus on high quality fluorine product areas that range from refrigerants, high performance inorganic compounds, and semiconductor gases to lithium ion battery materials. Through a group of corporate affiliates, Foosung is present in diverse businesses and social contexts allowing us to promote our corporate purpose of green development within the chemical industry, including our innovative business initiatives such as UNFCC CDM.

For further information, visit us at [www.foosung.com](http://www.foosung.com).

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