

Joint News Release

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Media Inquiries

Kolon Contacts:

Yung-koo Park
Phone: +82 2 3677 3612

Yoon-kee Lee
Phone: +82 2 3677 3628

BASF Contacts:

Global
Sabrina van der Pütten
Phone: +49 (0)621 60-71233
sabrina.van-der-puetten@basf.com

Trade media
Martin Rissmann
Phone: +32 2 373-2131
martin.rissmann@basf.com

Kolon Plastics and BASF to set up joint venture for the production of polyoxymethylene (POM) in Korea

- Partners to build the world's largest POM production complex
- Joint venture to use highly efficient production technology
- Specialty products for the global market

Gimcheon, Korea and Ludwigshafen, Germany – March 16, 2016 – Kolon Plastics and BASF today signed an agreement to establish a joint venture in Korea to manufacture polyoxymethylene (POM), an engineering plastic used in industrial, transportation, construction and consumer markets.

The 50:50 joint venture named “Kolon BASF innoPOM, Inc.” will have an annual capacity of 70,000 metric tons. It will be located at the existing manufacturing site of Kolon Plastics in Gimcheon, Korea, which already includes a POM production. The start of operation is scheduled for the second half of 2018 creating in total the world's largest complex for the production of POM.

Both companies have long-term experience in POM production and will use Kolon's highly efficient production technology to provide best-in-class product quality. “In the new joint

venture the strengths of each company will be reinforced enhancing our overall competitiveness. Kolon Plastics' globally leading technology and the efficiencies of the existing infrastructure will generate significant synergies. We are looking forward to this joint venture that may lead to further opportunities for cooperation," said Mr. Hee Goo Jang, CEO of Kolon Plastics.

The products are to be marketed around the world separately by the two companies under their respective trade names and proprietary formulations. "Kolon and BASF have had an excellent business relationship for many years," said Raimar Jahn, President of BASF's Performance Materials division. "The markets for POM are growing around the world. Particularly in Asia the joint venture will strengthen our ability to support our customers with high-performing, innovative specialties."

Following the start-up of the new plant in Korea in the second half of 2018, BASF will discontinue production of POM in Ludwigshafen.

Polyoxymethylene resins are engineering plastics used in complex and highly durable components. Their high strength and resilience, friction performance and chemical resistance enable a broad range of applications used in automotive manufacturing as well as for electric and electronic goods, consumer goods, medical products and construction.

Kolon markets its POM product line under the trade name Kocetal®. BASF offers POM products for a wide range of applications under the trade name Ultraform®.

About Kolon Plastics

Kolon Plastics, 'Global Major Player' of engineering plastics and high-end materials, is the only engineering plastics specialist company in Korea that produces and sells engineering plastics. Kolon Plastics produces and sells base products of the world-best quality as well as compound products that can show various features that customers want. We have a sales network in over 90 countries around the globe including Japan, USA and Europe, and also have domestic branches with lots of experience. Based on such cumulated technical ability, R&D ability and global marketing ability, we will provide various services at all times by standing on the side of our customers. It is the strong will of Kolon Plastics to grow into a 'materials manufacturer leading the global market'. Kolon Plastics shares are traded on the stock exchanges in Korea (KOSPI). Further information on Kolon Plastics is available on the Internet at www.kolonplastics.com.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 112,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into five segments: Chemicals, Performance Products, Functional Materials & Solutions, Agricultural Solutions and Oil & Gas. BASF generated sales of more than €70 billion in 2015. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (AN). Further information at www.basf.com.