News Release

BASF expands production of waterborne automotive coatings in Brazil

**BASF invests €2.5 million in new equipment**

São Paulo, Brazil – April 11, 2014 – BASF has invested €2.5 million in its Demarchi coatings site, located in the state of São Paulo, Brazil, to expand its capacity to service Brazil’s automotive industry with waterborne automotive coatings.

The goal is to meet market demands generated by new car makers setting up their plants in the country and by the trend of using waterborne technology rather than solvent-borne. BASF is the pioneer in developing waterborne basecoats for the automotive industry. The technology is eco-efficient because water replaces most of the organic solvents.

In addition to the traditional clients such as GM, Volkswagen, Fiat and PSA, and a strong presence in the segment of coatings for trucks, BASF has in the past years conquered new supply contracts which include car makers such as Hyundai and Chery.

Another trend in the market is the use of integrated processes where the paintline is shortened by one step. This means that less material, time and energy are used. At the same time, the same application quality can be achieved.

In South America, BASF has two plants where automotive coatings are produced, one in Demarchi, Brazil, and the other in Buenos Aires, Argentina.
In 2013, Brazil was the fourth biggest car sales market in the world and on the seventh place worldwide as car producer, according to the International Organization of Motor Vehicle Manufacturers (OICA).

About the Coatings division
BASF’s Coatings division develops, produces and markets innovative automotive coatings, automotive refinishes and industrial coatings as well as decorative paints. We operate sites in Europe, North America and South America as well as Asia Pacific. Within this network, we collaborate closely with our customers all over the world. In 2013, the Coatings division achieved global sales of €2.9 billion. More information about the division is available at www.basf-coatings.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 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.