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# News Release

## **BASF and Solenis complete combination of their paper and water chemicals businesses**

FLORHAM PARK, NJ and WILMINGTON, DE, February 1, 2019 – Following the approval of all relevant authorities, BASF and Solenis have completed the transfer of BASF’s paper wet-end and water chemicals business to Solenis as announced in May 2018. Effective February 1, 2019, the combined business operates under the Solenis name and offers increased sales, service and production capabilities across the globe. With pro forma sales of around €2.4 billion in 2017 and approximately 5,200 employees, the combined company is positioned to provide an expanded product portfolio and cost-effective solutions for paper and water treatment customers. BASF holds a 49% share, 51% of the shares are held by funds managed by Clayton, Dubilier & Rice and the Solenis management.

The transaction includes production sites and plants of BASF’s paper wet-end and water chemicals business in Bradford and Grimsby, UK; Suffolk, Virginia, USA; Altamira, Mexico; Ankleshwar, India, and Kwinana, Australia. From closing, BASF accounts for its share in Solenis using the equity method and includes its share of the company’s net income in EBIT before special items and EBIT for the BASF Group (reported under “Other”).

“Combining our strong heritages creates the leading customer-focused, global solutions provider for the paper and water industries. Customers from these

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industries will benefit from our joint strengths, resulting in an unparalleled and complementary range of products and services, state-of-the-art innovations and know-how,” said John Panichella, president and CEO, Solenis.

“Joining forces with Solenis is the right step for BASF’s paper and water chemicals business to maintain sustainable growth and will enable us to share in the future success of this promising joint entity. Together, we will provide the broadest scope of products and services to meet the needs of the global paper and water industry,” added Anup Kothari, president of BASF’s Performance Chemicals division.

BASF’s paper and water chemicals production plants strongly embedded in the Verbund in Ludwigshafen, Germany, and Nanjing, China, are not transferred, and will deliver products and raw materials to the combined entity under mid- to long-term supply agreements. BASF’s paper coating chemicals portfolio is not part of the transaction.

### **About BASF**

BASF Corporation, headquartered in Florham Park, New Jersey, is the North American affiliate of BASF SE, Ludwigshafen, Germany. BASF has more than 18,200 employees in North America and had sales of \$17.9 billion in 2017. For more information about BASF’s North American operations, visit [www.basf.com](http://www.basf.com).

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The more than 115,000 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 six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of more than €60 billion in 2017. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (BAS). Further information at [www.basf.com](http://www.basf.com).