News Release

BASF to build new chelating agent plant for more sustainable detergents and cleaners

- Facility for Trilon[®]M to start up in 2015
- Investment responds to growing worldwide demand for phosphate alternatives

Ludwigshafen, Germany – January 28, 2014 – In order to meet the fast growing global market demand for its innovative chelating agent, BASF will build a new Trilon® M (methylglycinediacetic acid) world scale plant at Evonik's Theodore, Alabama site. The investment will be about \$90 million and create around 20 additional jobs. The new production facility is planned to start up in the second half of 2015.

BASF's innovative chelating agent is readily biodegradable and improves the cleaning effect of detergents and cleaners in home care and industrial and institutional (I&I) cleaning applications. It is emerging as the preferred alternative to phosphates in modern, high-performance, ecological dishwashing detergents. "We continue to see rapid market growth for more eco-friendly cleaning products," said Gabriel Tanbourgi, President of BASF's Care Chemicals division. "With the expansion and globalization of our Trilon® M production capacity we will be able to serve the global demand for Trilon® M and support our customers on their path towards sustainable cleaning solutions." The Chemical Company

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The investment in Theodore, Alabama, will free up capacity in

Ludwigshafen, Germany, to serve the increasing European demand for Trilon® M triggered by the phosphate regulation for consumer automatic dishwashing detergents which is expected in 2017. In the United States, phosphates were already banned from consumer automatic dishwashing detergents in 16 states in 2010.

BASF brought a new world scale plant expansion for Trilon® M on stream in Ludwigshafen in 2010. Trilon® M was approved by the Environmental Protection Agency's (EPA) Design for the Environment (DfE) certification program in 2011. BASF currently manufactures its chelating agents at its Ludwigshafen site, in Lima, Ohio and in Guaratinguetá, Brazil. Trilon® M is available worldwide in liquid and various solid forms.

About BASF Care Chemicals

BASF Care Chemicals division offers a broad range of ingredients for hygiene, personal care, home care, industrial & institutional cleaning, and technical applications. We are the global leading supplier for the cosmetics industry as well as the detergents and cleaners industry and support our customers with innovative and sustainable products, solutions and concepts. The division's high-performance product portfolio includes surfactants, emulsifiers, polymers, emollients, chelating agents, cosmetic active ingredients, pigments and UV filters. Superabsorbent polymers developed for the full spectrum of hygiene applications complete the range. We have production and development sites in all regions and are expanding our presence in emerging markets. We are where our customers need us around the world.

About BASF, South Africa

BASF has been doing business in South Africa over 45 years. Headquartered in Midrand, Johannesburg, the BASF Group in South Africa consists of eight companies with locations in Johannesburg, Port Elizabeth and Cape Town. Apart from a world-class automotive emission catalysts production site in Port Elizabeth BASF also recently invested in a dispersions production plant in Durban which is producing acrylic dispersions since third quarter of 2012. The local groups' employee complement is around 1000 people.

Other local group portfolio includes chemicals, plastics, dispersions, agricultural products and nutrition. BASF products are used for industrial applications in various sectors e.g. paper, packaging, and leather, detergents, cosmetics, construction, mining, agriculture and automotive industries. For further local information visit the Website: <u>www.basf.co.za</u>.

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 €72.1 billion in 2012 and more than 110,000 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.