

Investor Release



BASF significantly strengthens polyurethanes business in North America

- Expansion of polyol production at Geismar site in United States
- Acquisition of DNT plant from Air Products completed

BASF plans to increase the existing production capacities for polyols at its Verbund site in Geismar, Louisiana. Polyols are propylene oxide-based materials used to manufacture polyurethane products. BASF will construct two new reactors and revamp two existing reactors used to manufacture polyols. A new logistics center will also be built for polyurethane basic products and other chemicals. The total investment for these measures is about \$125 million.

In addition, BASF plans to transfer a major part of the polyol production from its site in Wyandotte, Michigan, to Geismar. These measures will lead to an increase in the annual capacity of polyols in the U.S. from currently 250,000 metric tons (including external tolling arrangements and purchases) to 350,000 metric tons in 2008. BASF's own capacity will better support the existing business and replaces to a large extent external tolling arrangements and purchases.

BASF has also successfully completed its acquisition of a dinitrotoluene (DNT) manufacturing plant in Geismar from Air Products and Chemicals Inc., Pennsylvania, for \$155 million. The transaction has already received all necessary regulatory approvals. DNT is an important raw material for the production of toluene

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diisocyanate (TDI), a polyurethane basic material used in various applications such as seat cushioning foams for furniture and automobiles. The DNT plant will supply BASF's TDI plant in Geismar, which has an annual capacity of 160,000 metric tons.

"Our investments at the Geismar site underline our commitment to the polyurethane market in North America," said Bill Bernstein, Group Vice President of BASF's polyurethanes business in North America. "These measures will improve the effectiveness of our polyol and TDI manufacturing at Geismar, and will secure a reliable supply of high-quality products to our customers in the long run."

BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics, performance products, agricultural products and fine chemicals to crude oil and natural gas. As a reliable partner to virtually all industries, BASF's intelligent system solutions and high-value products help its customers to be more successful. BASF develops new technologies and uses them to open up additional market opportunities. It combines economic success with environmental protection and social responsibility, thus contributing to a better future. In 2005, BASF had approximately 81,000 employees and posted sales of more than €42.7 billion. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA), New York (BF) and Zurich (AN). Further information on BASF is available on the Internet at www.basf.com.

Forward-looking statements

This release contains forward-looking statements under the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, estimates and projections of BASF management and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict and are based upon assumptions as to future events that may not prove to be accurate. Many factors could cause the actual results, performance or achievements of BASF to be materially different from those that may be expressed or implied by such statements. Such factors include those discussed in BASF's Form 20-F filed with the Securities and Exchange Commission. We do not assume any obligation to update the forward-looking statements contained in this release.