



Arysta LifeScience to buy major assets of Micro Flo Company from BASF

- **Arysta LifeScience increases size and scope of North American operations**
- **Transaction part of BASF Agricultural Products' innovation strategy**
- **BASF welcomes Arysta LifeScience as a strategic customer**

CARY, N.C./FLORHAM PARK, N.J., March 17, 2006 – Arysta LifeScience North America Corporation and BASF Corporation today announced that they have reached final agreement on the acquisition of major assets of Micro Flo Company LLC, Memphis, Tenn., a wholly owned subsidiary of BASF Corporation, Florham Park, NJ. The acquisition will significantly broaden the scope of Arysta LifeScience's North American sales operations and create a strategic position in the U.S. crop protection segment. Closing of the transaction is expected by the end of the first quarter 2006 pending customary regulatory approvals. Both companies agreed not to disclose financial details of the transaction.

Micro Flo, with headquarters in Memphis, Tenn., and a formulation site in Sparks, Ga., is a leading manufacturer and distributor of off-patent crop protection chemicals and offers a variety of manufacturing and distribution services. This includes wholesale distributorships for fungicides, herbicides, insecticides, and plant growth regulating agents. Micro Flo has relationships with the major U.S.-based agricultural distribution networks.

Under the agreement, Arysta LifeScience North America Corporation will acquire the commercial business of Micro Flo, including a portfolio of active ingredients and registrations, the Micro Flo trademark, patents and the development laboratory located in Sparks. BASF will continue to own and operate the formulation production facility in Sparks. Arysta LifeScience will be an important customer for BASF, and

long-term agreements will ensure continuity for the supply of the Micro Flo products sourced from BASF. With the exception of the employees at the Sparks manufacturing site who will remain with BASF, all Micro Flo personnel will be offered equivalent positions with Arysta LifeScience, including the development laboratory staff at the Sparks facility.

Dr. Christopher Richards, Arysta LifeScience president and CEO, said the acquisition is another key element of the company's long-term growth strategy. "With this acquisition, Arysta LifeScience gains a solid range of products, a proven U.S. distribution network and a capable and experienced sales force with excellent customer relationships. Micro Flo is highly regarded for its portfolio of products and its customer service focus," Richards said. "Adding Micro Flo's operations to our existing presence in North America will give Arysta LifeScience a substantially stronger platform for future growth in the region."

"We are proud to welcome the Micro Flo team to the Arysta LifeScience family," said Bill Lewis, Regional Head of Arysta LifeScience North America. "Micro Flo's strength in off-patent products complements our existing portfolio of strong proprietary, off-patent and third-party products. This combination will provide a compelling product range that will meet the needs of all our customers."

The divestiture is part of BASF Agricultural Products division's strategy of continuously evaluating its product portfolio and its asset structure. "As a leader in innovation, we have identified some products and assets that offer limited synergy for us, but are clearly a better strategic fit for a specialized company, such as the Micro Flo business with Arysta," said Mike Heinz, president of BASF's Agricultural Products division. "I'm convinced that the transition will be smooth. It will benefit our customers in the North American agricultural industry by enabling us to better focus our resources on bringing innovation to that market."

With sales of around four billion Dollars (€3,298 million) in 2005, BASF's Agricultural Products division is a leader in crop protection and a strong partner to the farming industry providing well-established and innovative fungicides, insecticides and herbicides. Farmers use these products and services to improve crop yields and crop quality. Other uses include public health, structural/urban pest control, turf and ornamental plants, vegetation management, and forestry. BASF aims to turn knowledge rapidly into market success. The vision of BASF's Agricultural Products division is to be the world's leading innovator, optimizing agricultural production, improving nutrition, and thus enhancing the quality of life for a growing world population. Further information can be found on the web at www.agro.basf.com.

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 (approximately \$50.4 billion). Further information on BASF is available on the Internet at www.basf.com.

Headquartered in Tokyo, Japan, Arysta LifeScience is the world's largest privately held crop protection and life science company with 2005 revenues of ¥115.7 billion (US\$1 billion). An entrepreneurial provider of crop protection and life science products in more than 125 countries worldwide, Arysta LifeScience specializes in the marketing and distribution of respected crop protection brands and life science products in harmony with the needs of global producers. More information on the company is available at: www.arystalifescience.com

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