



PRESS RELEASE

Malaysian Prime Minister Officiates at Groundbreaking of Integrated Aroma Ingredients Complex at BASF PETRONAS Chemicals

Kuantan, Malaysia, April 10, 2014: Today in Gebeng, Kuantan, Malaysian Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak officiated at the groundbreaking of an integrated aroma ingredients complex, set up by BASF and PETRONAS Chemicals Group Berhad (PCG) via their joint venture company BASF PETRONAS Chemicals Sdn Bhd.

The complex, to be built within the existing site in Gebeng, which is jointly owned by BASF SE and PETRONAS Chemicals Group (PCG), will house a facility to produce citral and its precursors as well as associated downstream plants to manufacture citronellol and L-menthol.

Also present at the ceremony were Pahang *Menteri Besar*, Dato' Sri Diraja Haji Adnan Haji Yaakob; Dr Martin Bruder Müller; Vice Chairman of the Board of Executive Directors of BASF SE, responsible for Asia Pacific, and Chairman of PCG who is also PETRONAS Chief Operating Officer and Executive Vice President of Downstream Business, Datuk Wan Zulkiflee Wan Ariffin.

In his speech, Dato' Sri Najib said, "This project will benefit local people in Pahang through training and employment opportunities at all levels, as well as through positive economic impact and enhanced expertise in the sustainable operation of large scale projects like this one."

Dr Martin Bruder Müller said, "Our investment in the integrated aroma ingredients complex in Kuantan is a perfect example of how we are implementing our long-term strategy in Asia Pacific: we are collaborating with our longstanding trusted partner, PETRONAS; we are introducing an innovative production technology for the first time into Asia Pacific; and we are making another important step towards our objective to achieve local production of 75% of the products we sell in Asia Pacific."

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Datuk Wan Zulkiflee said, "The aroma ingredients to be produced by the Complex are highly attractive specialty products that are less susceptible to economic cycles experienced typically by the commodity chemicals market."

Saori Dubourg, President of BASF's Nutrition & Health division said, "With this investment, we will help meet the globally growing demand of customers for citral-based products, for example in the flavor and fragrance industry, especially in Asia Pacific."

BASF is the leading producer of citral-based products worldwide, with a portfolio that includes aroma ingredients, such as geraniol, citronellol, linalool and L-menthol, as well as vitamins and carotenoids. Aroma ingredients are sold to the flavor and fragrance industry, and are used mainly in home and personal care products and fine fragrances, as well as in the food industry and in pharmaceutical applications.

The MYR1.5 billion (approx. USD 500 million) complex will be developed in phases where the first plants of the complex are expected to come on-stream in 2016 and to create some 120 new employment opportunities.

Citral is nature-identical to the main component of many essential oils like lemongrass, and is used as fresh-citrus and fruity notes in fragrances and flavors. It is also used in the production of vitamins A and E and as precursor for aroma ingredients.

Citronellol is used for a fresh, powerful, and long-lasting rose fragrance, and is an indispensable component for numerous fresh-floral compounds.

L-menthol is used for cool freshness in various products in oral care, body care, flavorings and in pharmaceutical applications

BASF and PCG founded their joint venture BASF PETRONAS Chemicals Sdn Bhd in 1997. BPC currently operates an integrated complex situated at the Gebeng Industrial Zone, Pahang, Kuantan. Its share capital is 60% held by BASF and 40% by PCG with a total initial investment of about MYR 3.4 billion for acrylic monomers, oxo products and butanediol production facilities. In the new project, the partners will invest proportionately to their respective stakes in BASF PETRONAS Chemicals Sdn Bhd.

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.

About PETRONAS Chemicals Group

PETRONAS Chemicals Group Berhad (PCG) is the leading integrated chemicals producer in Malaysia and one of the largest in South East Asia. It operates a number of world class production sites, which are fully vertically integrated from feedstock to downstream end-products. With a total combined production capacity of over 10 million metric tons per annum (mtpa), it is involved primarily in manufacturing, marketing and selling a diversified range of chemical products, including olefins, polymers, fertilisers, methanol and other basic chemicals and derivative products. Listed on Bursa Malaysia and with nearly three decades of experience in the chemicals industry, PCG is established as part of the PETRONAS Group to maximise value from Malaysia's natural gas resources. Further details on PCG can be found at www.petronaschemicals.com.

About BASF PETRONAS Chemicals Sdn Bhd

BASF PETRONAS Chemicals is a Malaysian-based joint venture between BASF SE 'The Chemical Company' and Petroliaam Nasional Berhad (PETRONAS), Malaysia's National Oil Company, under its' subsidiary PETRONAS Chemicals Group (PCG). Incorporated in 1997, the company operates an integrated complex situated at the Gebeng Industrial Zone, Pahang. The company's share of capital is 60% held by BASF SE and 40% by PCG with a total investment of about RM3.4 billion (US\$900 million) in production facilities for Acrylic monomers, Oxo Products and Butanediol.

The range of chemicals produced by BASF PETRONAS Chemicals meet the growing demand in various industries including plastics, adhesives, lacquers, dyestuff, automobile and industrial coatings, paper, diapers, water treatment, textile and leather.

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