



Joint News Release

BASF and PETRONAS Chemicals Group to build an integrated aroma ingredients complex in Kuantan, Malaysia

- **USD 500 million (MYR 1.5 billion) investment at existing joint venture BASF PETRONAS Chemicals**
- **First plants of integrated project operational in 2016**
- **Citral, citronellol and L-menthol: bringing the freshness of citrus, rose and mint to the flavors and fragrance industry**
- **Site expansion will create 110 new jobs in Gebeng, Kuantan**

Kuala Lumpur, Malaysia and Hong Kong – April 25, 2013 – BASF and PETRONAS Chemicals Group Berhad (PCG) intend to invest USD 500 million (MYR 1.5 billion) in an integrated aroma ingredients project at their existing joint venture site BASF PETRONAS Chemicals in Gebeng, Kuantan. With this investment, the partners will help meet the globally growing demands of customers in the flavor and fragrance industry, especially in Asia Pacific.

At the heart of the complex will be a plant for citral and precursor plants. The partners will also invest in downstream production for aroma ingredients including a new world-scale plant for L-menthol and a plant for citronellol. Production will be developed in phases, with the first plants of the project operational in 2016, creating some 110 new employment opportunities.

“This investment is built on the solid, long-term relationship with our strategic partner PCG. Since the establishment of our joint venture, BASF and PCG have successfully served the needs of the region with high-quality and innovative products,” said Dr. Martin Brudermüller, Vice Chairman of the Board of Executive Directors of BASF SE, responsible for Asia Pacific.

“With this strategic investment we are increasing our contribution to the aroma ingredients market to bring attractive fragrances and flavors to our daily lives.

Embedding this investment into our Kuantan Verbund allows our customers to benefit from a global production network for their future growth plans in the Asia Pacific region,” said Saori Dubourg, President Asia Pacific BASF.

“The integrated aroma chemicals complex will open up a new business frontier for PCG, tapping into the flavors, fragrance and pharmaceuticals markets. This indeed presents exciting prospects for the company, as we endeavor to provide innovative customer solutions,” said Datuk Wan Zulkiflee Wan Ariffin, Chairman of PETRONAS Chemicals Group Berhad.

“The Gebeng expansion adds further value creation to our existing product streams and we are strengthening the joint venture by leveraging on our strategic partner’s technology and expertise in the aroma ingredients,” said Dr. Abd Hapiz Abdullah, President/Chief Executive Officer of PCG.

BASF is one of the leading producers of aroma ingredients worldwide, with a product range that includes geraniol, citronellol, linalool and L-menthol. 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.

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. The cool freshness of L-menthol makes it popular as an ingredient in numerous 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. The company currently operates an integrated complex situated at the Gebeng Industrial Zone, Pahang. The company’s 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 according to their stake.

About PETRONAS Chemicals Group Berhad

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 11 million metric tons per year, 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 over 25 years of experience in the chemicals industry, PCG is established as part of PETRONAS Group to maximise value from Malaysia's natural gas resources. Further details on PCG can be found at www.petronaschemicals.com.

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.

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