



Joint News Release

BASF and INEOS sign joint venture contract for Styrolution

- **Joint venture to be a leader in the global styrenics market**

Ludwigshafen, Germany and Lyndhurst, UK - May 30, 2011 – BASF SE and INEOS Industries Holdings Limited have made an important step towards the establishment of the joint venture company Styrolution. On May 27, 2011 the companies signed a joint venture contract, which regulates the formation of the joint venture company Styrolution. The establishment of the joint venture is subject to approval by the appropriate antitrust authorities.

BASF and INEOS plan to combine their global business activities in styrene monomers (SM), polystyrene (PS), acrylonitrile butadiene styrene (ABS), styrene-butadiene block copolymers (SBC) and other styrene-based copolymers (SAN, AMSAN, ASA, MABS) as well as copolymer blends into the new joint venture called Styrolution. The business with expandable polystyrene is not part of the transaction. BASF and INEOS will retain their respective businesses.

The company headquarters will be located in Frankfurt/Main, Germany. In the joint venture 50% of the shares will be owned by BASF and 50% by INEOS. BASF will receive cash consideration following the completion of the transaction.

Dr. Martin Brudermüller, Vice Chairman of the Board of Executive Directors of BASF SE and responsible for the Plastics segment said: "The signing of the joint venture contract is an important milestone. With the signing we have built a strong foundation to establish Styrolution, the leading global company for styrenics, before the end of the year, subject to regulatory approval. Styrolution will deliver to its customers around the globe even better service, a fast and secure supply as well as excellent product quality."

“The Joint Venture agreement paves the way for a globally competitive business that will provide significant benefit to its customers,” said Jim Ratcliffe, Chairman, INEOS Capital. “Styrolution will be capable of meeting the long-term needs of a rapidly changing market as it competes effectively with large-scale producers from Asia and the Middle East.”

Excellent global position

BASF intends to contribute its SM, PS, ABS, SBC and styrene-based copolymers businesses in the joint venture. This includes production plants located in Germany (Ludwigshafen, Schwarzheide), Belgium (Antwerp), Korea (Ulsan), India (Dahej) and Mexico (Altamira). BASF employs approximately 1,460 people in its styrenics business and generated sales of about €3.9 billion in 2010.

INEOS intends to contribute ABS production plants at sites in Germany (Cologne), Spain (Tarragona), India (Vadodara) and Thailand (Map Ta Phut) to the joint venture. In addition INEOS will contribute its SM and PS businesses to the joint venture, which includes INEOS and INEOS Styrenics sites in Canada (Sarnia), the United States (Indian Orchard, Joliet, Decatur, Texas City, Bayport), Germany (Marl), France (Wingles) and Sweden (Trelleborg). INEOS employs approximately 2,200 people in its styrenics activities and generated sales of about €2.8 billion in 2010.

BASF and INEOS will continue to operate as strictly independent companies until the completion of the deal, which is anticipated in 2011, subject to the approval by the appropriate antitrust authorities. On completion of the deal an indirect change in control of INEOS ABS India Limited is expected as part of the global structuring of the relevant businesses of BASF and INEOS.

Styrenics are mainly used for household and office products, for electrical and communication devices and for packaging. Styrene-based copolymers are thermoplastic resins on the basis of the monomers styrene and acrylonitrile. They are mainly used in the automotive and technical industries as well as for many everyday products.

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BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics, performance products and agricultural products to oil and gas. As a reliable partner BASF creates chemistry to help its customers in virtually all industries to be more successful. With its high-value products and intelligent solutions, BASF plays an important role in finding answers to global challenges such as climate protection, energy efficiency, nutrition and mobility. BASF posted sales of about €63.9 billion in 2010 and had approximately 109,000 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 or in its Social Media Newsroom at newsroom.basf.com.

About INEOS

INEOS is the world's third largest chemicals group and a leading manufacturer of petrochemicals, speciality chemicals and oil products. Comprising 15 businesses and with a production network spanning 61 manufacturing facilities in 13 countries, the group produces more than 40 million tonnes of petrochemicals and 20 million tonnes per annum of crude oil refined products (fuels) each year. INEOS employs around 15,000 people and has annual sales of around \$40 billion. Further information about INEOS is available on the internet at: www.ineos.com.

INEOS Industries Holdings Limited

INEOS Industries Holdings Limited is a wholly owned subsidiary of INEOS AG, comprising INEOS ABS, INEOS Styrenics, INEOS Melamines and INEOS Bio. INEOS Industries is not a part of INEOS Group Limited.

Forward-looking statements

This release contains forward-looking statements based on current experience, estimates and projections of BASF's and INEOS' 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 and INEOS to be materially different from those that may be expressed or implied by such statements. BASF and INEOS do not assume any obligation to update the forward-looking statements contained in this release.