



## Joint News Release

### **Alpek and BASF sign agreements regarding their EPS and PU business activities in the Americas**

**Monterrey, Mexico; Ludwigshafen, Germany – July 10, 2014** – Alpek, S.A.B. de C.V. (“Alpek”) and BASF announced today that they have signed agreements concerning the EPS (expandable polystyrene) and PU (polyurethane) business activities of their Polioles joint venture in Mexico, and BASF’s EPS business in North and South America, excluding BASF’s Neopor<sup>®</sup> (grey EPS) business.

Alpek will acquire all of Polioles’ EPS business activities, including its EPS production site in Altamira, Mexico. In parallel, BASF will acquire Polioles’ PU business activities, including selected assets in its Lerma facility as well as all marketing and selling rights for PU systems, isocyanates and polyols. Upon completion of the transaction, Polioles will continue operations as an Alpek-BASF joint venture with a product portfolio comprised of industrial and specialty chemicals.

Under the agreements, Alpek will also acquire BASF’s EPS business activities in North and South America, including:

- BASF’s EPS sales and distribution channels in North and South America,
- BASF’s EPS production facilities in Guaratinguetá, Brazil, and General Lagos, Argentina, and
- BASF’s EPS foam parts business in Chile (Aislapol, S.A.).

The combined capacity of all EPS production facilities that Alpek will acquire is approximately 230,000 metric tons per year. This figure includes Polioles' 165,000 metric tons per year production plant in Altamira, Mexico. Approximately 440 employees work in the businesses that are subject to the agreements – 380 employees in the EPS businesses and 60 employees in the PU business. The majority of these employees will keep their position under the new ownerships.

BASF will continue to sell Neopor to its customers in the United States, Canada and South America. In Mexico, Alpek will sell Neopor for BASF based on a distribution agreement.

All agreements are subject to approval by the appropriate authorities. Closing of the transaction is expected by early 2015. Financial terms of the agreement were not disclosed.

José de Jesús Valdez, Alpek's CEO, stated: "This transaction represents an attractive opportunity for Alpek to build upon its EPS operations in Mexico, expand its EPS footprint across the Americas, and consolidate its 'Plastics & Chemicals' product portfolio. It also reaffirms Alpek's commitment to the EPS value chain, where we will continue providing the highest standard of quality and service to all our customers."

"The acquisition of the PU business significantly strengthens BASF Performance Materials' industry-oriented customer solutions approach across North America and globally. BASF will focus its EPS business on strategic markets in Europe and Asia as well as on Neopor, which is produced in Germany and Korea," said Raimar Jahn, President Performance Materials, BASF.

**About Alpek**

Alpek is the largest petrochemical company in Mexico and the second largest in Latin America. The company operates two business segments: Polyester (PTA, PET and polyester fibers), and Plastics & Chemicals (PP, EPS, caprolactam, polyurethanes and other specialty and industrial chemicals). Alpek is a leading producer of PTA and PET worldwide, operates the largest expandable polystyrene plant in America and one of the largest polypropylene plants in North America. It is also the only producer of caprolactam in Mexico. In 2013, Alpek reported revenues of U.S. \$7.0 billion and EBITDA of U.S. \$572 million. The company operates 16 plants in Mexico, USA and Argentina, and employs over 4,500 people. Alpek is a publicly traded company listed on the Mexican Stock Exchange.

**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](http://www.basf.com)

**About Polioles**

Polioles is an Alpek-BASF joint venture headquartered in Mexico City. The company operates two production sites in Altamira and Lerma, Mexico, producing EPS, polyurethanes and industrial chemicals for the construction, electronics, paintings, cosmetics, automotive and furniture industry.

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