

# News Release



## **BASF discontinues lysine business**

- **Focus on more cyclically resilient portfolio**
- **Lysine production in Gunsan, South Korea, to be shut down**

BASF is discontinuing its lysine business and will shut down its production facility in Gunsan, South Korea, by mid-2007 to concentrate on its non-amino acids business. Lysine is the only amino acid in BASF's nutrition portfolio.

Over the last three years, BASF undertook an intensive cost reduction program at the Gunsan site. However, due to rising raw material costs, overcapacities and a high dependency on exports, the business is no longer sustainable. The Gunsan site has a current capacity for lysine of around 100,000 metric tons per year.

About 180 people work at the Gunsan site. BASF is in regular contact with employee representatives, and will immediately start negotiations on the situation arising from the shutdown of the lysine plant.

BASF is committed to South Korea, having started its business in the country in 1954. About 1,200 employees currently work at BASF in South Korea.

The closure is part of the ongoing restructuring program of BASF's fine chemicals business, initiated in January 2006. Among other

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measures, this program includes the merging of the human nutrition and animal nutrition businesses into one Nutrition unit as of November 2006 and the divestment of the global premix business. In February 2007, BASF sold a major part of its premix business to a Dutch company, Nutreco.

“In order to turn around our fine chemicals business, we are focusing on a more cyclically resilient product portfolio in nutrition as well as on growth areas in cosmetics and pharmaceuticals,” said Dr. Wolfgang Büchele, President of Fine Chemicals division. “By concentrating on the production and marketing of important non-amino acids such as vitamins, carotenoids, enzymes and organic acids, we are positioning ourselves as a reliable supplier of ingredients to the nutrition industry with a long-term commitment.”

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 high-value products and intelligent system solutions help its customers to be more successful. BASF develops new technologies and uses them to meet the challenges of the future and open up additional market opportunities. It combines economic success with environmental protection and social responsibility, thus contributing to a better future. BASF has over 95,000 employees and posted sales of €52.6 billion in 2006. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA), New York (BF) and Zurich (AN). Further information on BASF is available on the Internet at [www.basf.com](http://www.basf.com).