

Feature Story



Putting innovation in the driver's seat

"Seed-minded" BASF signs agreement to acquire parts of Bayer's seed and non-selective herbicide businesses

RESEARCH TRIANGLE PARK, NC, November 7, 2017 — BASF was feeling lucky on Friday, October 13, as the company announced an expanded herbicide portfolio and its entrance into the seed market, with the acquisition of significant parts of Bayer's seed and non-selective herbicide businesses.

"For BASF, this is an excellent opportunity for us to enter the seed market, and to add high-quality, fully enabled seed businesses for canola, cotton and soybeans to our portfolio," said Paul Rea, Senior Vice President, Crop Protection, BASF North America. "This transaction allows us to complement our herbicide business with glufosinate-ammonium based non-selective herbicides."

The acquisition will support BASF's strategy of providing innovative solutions for growers. This includes the well-established Liberty Link technology and high-quality trade research for canola, cotton and soybeans.

"Mother Nature continues to offer the grower different headaches by way of weed resistance, and I believe having this new chemistry added to our portfolio only helps to strengthen and to broaden that approach," said Scott Kay, Vice President, U.S. Crop Protection, BASF.

BASF is not entirely new to the seed business. It has been an active player in trait discovery research, with research and development expenditures around \$120 million annually.

"While we may not have sold seed directly, we've always been very seed minded with successful trait and seed treatment businesses," noted Rea.

BASF's agreement with Bayer also includes their relevant research and development pipeline and intellectual property, which comprises more than 250 patent families in total.

"One thing we've learned is that it takes more than one product to solve the problems growers have with weed resistance," said Rea. "So, I think it's great that we'll have more choices in our portfolio that will help growers make the right selections for their particular field, given the weed pressure that they have."

In addition to an expanded product offering, people will also play an important role in this acquisition. More than 1,800 employees from commercial, research and development, breeding and production will transfer from Bayer to BASF, with about 700 of these employees located in North America. An integration team will be announced soon and their work will continue through 2019.

"We look forward to welcoming our newest employees to BASF given their expertise and experience," said Kay. "Innovation will remain a key driver to continually meet the needs of our customers, and I think that is an aspect both BASF and Bayer employees have in common."

For more information contact:

Barbara Aguiar
BASF Corporation
Tel: (919) 547-2305
E-mail: barbara.aguiar@basf.com

The acquisition is subject to the closing of Bayer's acquisition of Monsanto and approval by relevant authorities. It is expected to close in the first quarter of 2018. Further information can be found by visiting basf.com/grow-with-us.

Editor's Note: Paul Rea and Scott Kay participated in a briefing call on the Bayer acquisition on October 17. If you would like a transcript of the audio file from the call, please contact odessa.hines@basf.com.

About BASF's Crop Protection division

With a rapidly growing population, the world is increasingly dependent on our ability to develop and maintain sustainable agriculture and healthy environments. BASF's Crop Protection division works with farmers, agricultural professionals, pest management experts and others to help make this possible. With their cooperation, BASF is able to sustain an active R&D pipeline, an innovative portfolio of products and services, and teams of experts in the lab and in the field to support customers in making their businesses succeed. In 2016, BASF's Crop Protection division generated sales of €5.6 billion. For more information, please visit us at www.agriculture.basf.com or on any of our social media channels.

About BASF

BASF Corporation, headquartered in Florham Park, New Jersey, is the North American affiliate of BASF SE, Ludwigshafen, Germany. BASF has more than 17,500 employees in North America, and had sales of \$16.2 billion in 2016. For more information about BASF's North American operations, visit www.basf.us.

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 114,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into five segments: Chemicals, Performance Products, Functional Materials & Solutions, Agricultural Solutions and Oil & Gas. BASF generated sales of about €58 billion in 2016. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (BAS). Further information at www.basf.com.