

kaolin connection

No 2 | 2013

Newsletter for Kaolin
partners worldwide



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Georgia Mining Association Awards

At this year's Georgia Mining Association's convention two of our own were honored for their exemplary service:

Lifetime Achievement Award

Keith Brooks, Site Director

Miner of the Year Award

Jack Hodge, EHS Team Leader



We are very pleased to see them recognized with these prestigious and much-deserved awards for their hard work and dedication to GMA and to MidGa!

Foreword from our Vice President

Dear Colleagues and Partners,

Results from the first half of 2013 are in and show a strong trend. Volumes are up 12% in Q2 compared to Q1 and up slightly YTD vs. last year. We expect volumes to remain strong throughout the second half of the year. This encouraging news is the result of intense efforts on the part of the entire team from our trusted channel partners to our sales, marketing, administrative and technical staff to our supply chain and production force - all focused on capturing business. As the year develops our activities turn increasingly to retaining the volumes we have gained. This means a focus on value, quality and reliability for our customers - an exercise inextricably linked to our overarching strategic goal - to create a sustainable Kaolin business.

To achieve this goal, we have launched a comprehensive program to transform our business. It involves a turnaround plan for the short to mid-term as well as a comprehensive strategy for the long term. But it also requires a change in how we do things, one that will transform not only our business, but our team, ourselves. This is a cultural change. For we are not only talking about turning around our financial results and our safety performance, we are talking about making Kaolin sustainable - ensuring a legacy, Your Legacy! We call this

project: **Diggin' Success**. The project and logo are explained in greater detail later in this newsletter.



A difficult challenge stands before us. Implementing such an ambitious program will not be easy. Nothing worth doing ever is. But we are a committed and experienced team, with a long tradition of success. Every one of us must lay the ground work to build our shared legacy. Diggin' Success is about your contribution to creating a sustainable Kaolin business. Diggin' Success is about feeling good, taking pride in what you do and seeing the fruit of your labor. It's about "Diggin' It"

Shane Porzio
Vice President, Global Business Management, Kaolin

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 **BASF**
The Chemical Company

Meet the Employee: Dr. Norbert Mahr

Hello, I am Norbert Mahr, Director Business Management Kaolin Europe & Asia. I have been with BASF for 19 years and with the Kaolin business for more than 6 years now. I graduated as a Chemist from the University of Würzburg in Germany where I earned a Ph.D. in Polymer Chemistry. I am married and have 2 daughters.



After my study at university I started my career in the research department at BASF headquarters in Ludwigshafen, Germany and later joined the development team for paper chemicals. After 5 years as marketing manager for paper coating I joined the Kaolin team in the beginning of 2007 – directly after the acquisition of Engelhard – and moved to Florham Park, New Jersey. This was for me the start of an exciting journey, and it opened the door for new experiences. Leaving the area of chemical molecules, sold in small quantities, to selling an inorganic material, mined from the ground, with more than 1 million tons globally - what a huge difference! It is a great experience to be part of such a strong, motivated, and dedicated team and to enjoy the spirit of the Kaolin family. I am still impressed by how closely the global team is working together, in particular – like in my team – with many of our people working remotely. In my role as business manager I have the opportunity and pleasure to meet and work together with our business partners in EMEA and Asia, and I would like to thank you for your support of the business. During the last 6 years I have had my office in several countries: New Jersey (USA), Basel (Switzerland) and now since fall 2011 in Ludwigshafen (Germany). Due to my job I am traveling quite often to meet our channel partners and customers. I am open and interested in exploring new areas and opportunities, which I believe is important in order to be successful. In my private life my family and I are interested in new cultures and countries, so we love to travel and enjoy the time we can spend together.

I believe the changes and challenges we faced during the last few years will continue, but I am also convinced that we - acting as a global team and “Kaolin family” - can cope with these challenges. I am looking forward to meeting you all again soon.

Diggin' Success

As part of our commitment to a long-term sustainable business, a new program has been introduced to unify and coordinate efforts which support that mission. That program has been given a memorable new name: **Diggin' Success!**



The logo poignantly emphasizes two ideas: turnaround and success. The turnaround is graphical with an upward trending arrow which wraps around to form a K for Kaolin. Success is capitalized and means not only financial success, but success in all dimensions. This idea is extended in a subtle play on words - the word Diggin' is purposefully written without the g at the end - we literally “dig” our success as a mining-based business, but we also enjoy what we do!

The words underpinning the logo refer to the three pillars of the project: the development of a long-term **strategy**, a focus on operational and organizational **excellence** to achieve a turnaround in the near term, and a change in mindset and **culture** to enable the entire project and ensure the long-term sustainability of our Kaolin business.

Diggin' Success is now underway with teams working in each of the three pillars: Strategy, Excellence, and Culture. For example, in the Excellence area, a team covering Operational Excellence in Middle Georgia has already developed, validated, and approved through senior leadership over 20 site-based initiatives that will increase the efficiency and capability of our operations. While major project milestones are set through the first quarter of 2014, the benefits are already being realized and will continue to be realized for long after the project reaches its official conclusion.

We are excited to be advancing in these and other initiatives. Together we can ‘dig’ to uncover many other opportunities for continued improvement and success!

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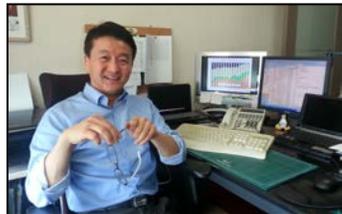
 **BASF**
The Chemical Company

Channel Partner: Hanseng Opus Ltd.

Korea is a very competitive market for most industries and the paper industry is no exception. In this challenging market, BASF is the largest supplier of paper kaolin and Hanseng Opus Ltd is proud to be associated as the local sales agent and representative of BASF.

Hanseng Opus Ltd was founded in 1997 under the name of "Hanseng Ltd." by Mr T. S. Lee, father of Mr. K.H.Lee, current President & CEO of Hanseng Opus. Hanseng Ltd changed its name to "Pamtec Ltd." in 1994. In 2007, on the 30th anniversary of its foundation, the company name reverted closer to its roots and became "Hanseng Opus Ltd."

Over the past thirty-five years, Hanseng Opus has contributed to the Korean paper industry by introducing and supplying premium quality imported raw materials, machinery, instruments,



and has maintained a deep, profound relationship with the Korean paper industry. Business cooperation with BASF paper kaolin clay dates back to the mid-1980's when Hanseng started to represent Engelhard Corporation's

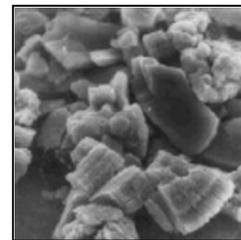
paper pigment division in the Korean market. Throughout the thirty years of association in the paper kaolin business in Korea, Hanseng Opus has helped BASF to keep its leading position, supplying various paper kaolin grades for premium paper coating and calcined clays for thermal paper to most major, reliable, and sustainable paper manufacturers in Korea.

Besides paper kaolin, Hanseng Opus supplies key imported raw materials and instruments to the Korean pulp & paper industry - starches, talc powder, pitch control talc, cellulose fiber, precipitated calcium carbonate, woodchips, testing instruments, analyzers etc. Hanseng Opus currently represents more than 10 international firms (including BASF) for pulp & paper, brewery and feed industry and it is one of major suppliers of malt and malting barley for the Korean brewery industry.

Hanseng Opus with its wealth of experience, knowledge and deep understanding of the Korean paper industry is able to provide the valuable bridge and sensitive fine tuning between BASF and Korean customers for mutual benefit and success based on long-term partnership for all parties. This is strongly reflected in Hanseng Opus company motto: "Your Success, Our Value!"

Product Spotlight: M04-1014

M04-1014 is a premium brightness specialty pigment with a high whiteness and a low yellowness index. M04-1014 can replace significant levels of TiO₂ in filling and coating applications. One application is in decorative papers. These papers are printed, saturated and laminated onto various substrates and used in the manufacture of furniture, flooring, cabinets, etc. High levels of TiO₂ filler are normally used in order to develop the paper opacity required to hide the substrate onto which the decorative papers are laminated and to maintain that opacity after being saturated and subjected to the pressures and temperatures used during lamination.



The unique feature of M04-1014 pigment is its ability to replace significant levels of the TiO₂ filler and maintain these high levels of opacity and brightness even after the paper is saturated and laminated. Furthermore, the high whiteness and low yellowness index of M04-1014 pigment typically makes it possible to replace TiO₂ with minimal adjustments in the quality and type of dyes used to control color and shade. Significant cost savings are possible by replacing TiO₂ with M04-1014 pigment.

Typical Properties	Value
TAPPI Brightness (%)	91.0
ISO Brightness (%)	89.0
L Value	97.5
B Value	3.50
Screen Residue (%), +325 Mesh	0.02
Free Moisture (%), measured at 105°C	0.5
pH (20% solids)	4.0
Sedigraph Particle Size (%<2µm)	86
Isoelectric Point	5.5
Specific Gravity	2.70
Bulk Density, Tamped (lb/ft³ / (kg/m³))	21.8 / 350
Bulk Density, Loose (lb/ft³ / (kg/m³))	17.5 / 280

Available in paper re-pulpable bags, bulk bags, & bulk

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Personnel Announcements

Lauren Seward

We are pleased to announce that Lauren Seward, formerly Human Resources Manager at the Charlotte Technical Center, has joined the Kaolin team in the newly created position of Change Management Leader. This position is responsible for the development and execution of cultural transformation as part of the Kaolin turnaround strategy project, Diggin' Success. Lauren graduated from Franklin Pierce College with an MBA in Leadership and Human Resources. She has 12 years of experience in Human Resources and 5 years with BASF as a Human Resources Manager.

Chris Stokes

We welcome another new member to our team, Chris Stokes, who will be joining us as our new Business Support Associate. Chris comes to us from her previous role as a Financial Assistant supporting the Dispersions & Pigments Controlling Group in Charlotte. Chris has been with BASF for 15 years, supporting Dispersions & Pigments Controlling since 2007 and the Performance Chemicals division's Leathers & Textiles group at the Chesapeake Drive site prior to her move to the Charlotte Technical Center. Chris holds AS degrees in Business Administration and Computer Science.

Phillip Langenkamp

Joining us until the end of the year, we are happy to have Phillip Langenkamp spend his second and final 9-month rotation within BASF's Professional Development Program with us. Phillip will be assisting with a variety of efforts through the end of the year. His first rotation was at BASF's Geismar, Louisiana site where he did process optimization and automation work. Phillip graduated from the University of Cincinnati in 2012 with a Bachelor's Degree in Chemical Engineering.

Americas Distributor of the Year: Brandt Technologies LLC

We are happy to announce the winner of the 2012 BASF Kaolin Distributor of the Year Award for the Americas, **Brandt Technologies!** This award currently recognizes the exceptional service given by our distributors in the Americas. Similar awards will be given in EMEA and Asia in both paper and industrial markets during the first quarter of 2014 to recognize 2013 performance. We hope that these awards will help to highlight the success and strength of our distribution team around the globe.



Brandt Technologies LLC won both award categories: Growth and Performance. Nate Renwald, Managing Partner, and Ben Hotchkiss, President, accepted the awards in their Bensenville, Illinois offices. Nate and Ben assumed control of Brandt in January of 2012 from founders Tom Brandt and Art Fox. In 2012, Brandt enjoyed greater than 20% growth in new business year over year. The exclusive BASF Midwest Kaolin distributor also excelled in investment relating to the sales of kaolin, key account management, pricing, communications and forecasting, thereby earning them the Performance award.

Brandt Technologies has always been a strong reliable performer and well positioned in the markets they serve. Nate and Ben, with the mentoring and support of Tom and Art, are ascending Brandt Technologies to the next level, delivering mutually beneficial results for our businesses. We both congratulate and greatly appreciate their success!

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