



Acquisition of Multisol Group Limited

Analyst / Investor Presentation – September 02, 2011

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1. Transaction highlights

2. Multisol Group – Expanding Brenntag’s full-line portfolio

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Acquisition of Multisol Group

Today's news



Brenntag extends its focus into the growth segment of lubricant additives and high quality base oils with the acquisition of specialty chemical distributor Multisol



Strategic Rationale

- **Fully in line with Brenntag's growth strategy to expand its full-line portfolio**
- **Further expansion of Brenntag's specialty chemicals' product portfolio into lubricant additives and base oils**
 - Multisol is a specialty chemical distributor with focus on lubricant additives and base oils.
 - Multisol demonstrates a solid financial track record and strong underlying growth delivered by an experienced management team.
 - Operating in multiple geographies, foremost UK, France, CEE and South Africa, Multisol offers the potential to leverage Brenntag's infrastructure and logistics network to drive sales growth.
 - With the acquisition of Multisol Brenntag enters the lubricant additives business, where Multisol has in-depth technical know-how and which is expected to grow due to regulatory changes and the demand for higher performance lubricants.
- **Acquisition expands Brenntag's mixing and blending capabilities, a core Multisol strength**

Lubricant basics

Base oil



Additive



Lubricant

Creates the volume

- Main component blended in
 - mineral oils and/or
 - synthetic oils and/or
 - compound lubricating oils such as engine oils, gear oils etc., or
 - in products which contain a lubricating oil fraction e.g. lubricating greases.
- Type and amount of base oils in a product determine the lubricant properties such as the viscosity temperature behaviour, oxidation stability, responsiveness of the additives, penetration, friction behaviour etc.

Changes the properties

- Active substances are added to base oils in order to
 - achieve properties in the finished product, which are required for commercial lubrication and/or which are not already available in the base oil or
 - in order to still enhance positive properties or
 - in order to eliminate unwanted properties or
 - to at least suppress unwanted properties.

- Product that can be used for multiple purposes depending on formulation:
 - Friction reduction in all kind of engines and gears (cars, trucks, airplanes, production machines etc.)
 - Oxidation protection
 - Heat transfer
 - Transfer of power in hydraulic systems
 - Refrigeration

Potential for future growth in additives business

Market characteristics

- Whilst lubricants volumes are stable in Western Europe the tightening of product specifications essentially means a move to better base oils and a much increased use of specialty additives.
- Growth in lubricant volumes is expected in Central and Eastern Europe.
- Lubricant producers are increasingly demanding more technical support, smarter supply chains and more product choice.
- Lubricant producers are also increasingly looking to outsource the formulation of small volume, higher value, specialist products to those with the technical expertise and flexible mixing and blending capabilities.

Specific opportunities

- Multisol is well positioned to benefit from the regulatory changes and the demand for higher performance lubricants.
- Multisol can supply both the lubricant additives and the base oils.
- Multisol provides mixing and blending services on behalf of its customers on the basis of its formulation capabilities and the strong sales force.
- Multisol has strong and long-term relationships with important suppliers.
- Multisol is well positioned to benefit from growth in CEE.

Transaction fully in line with Brenntag's growth strategy

Brenntag's Vision

Be the safest, fastest growing, most profitable, full-line global Chemical Distributor and preferred channel for both specialty and industrial chemicals

Strategic guidelines

- **Focus on organic growth and acquisitions**
 - Intense customer orientation
 - Full-line product portfolio
 - Less-than-truckload
 - Complete geographic coverage
 - Accelerated growth in target markets
 - Continued commitment to Responsible Care / Distribution
- **Maintain focus on profitability and returns**

Multisol Group's Contribution

- ⇒ Formulation capabilities and the strong technical sales team enhance customer proximity ✓
- ⇒ Lubricant additives and base oils complement product portfolio in Europe ✓
- ⇒ Mixing and blending as well as the breaking of bulk loads for onward sale in smaller volumes are key Multisol strengths ✓
- ⇒ Focus on high-growth customer industry Oil & Gas ✓
- ⇒ Strategic value creating acquisition ✓

Conditions of transaction

Transaction structure and value

- Acquisition of 100% of the shares of Multisol Group Limited in a share deal
- GBP 112.1 m purchase price on a cash and debt free basis
- 2011¹⁾ multiple of 6.6x EBITDA
- Depending on the level of working capital as per the completion accounts the final purchase price will vary.

Timing

- Completion expected in November, depending on merger approvals.

Financing

- The transaction will be financed by a combination of available liquidity and additional debt under Brenntag's existing financing arrangements.

1) The Financial Year of Multisol Group ends on 31st March

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Multisol – Company description

- The head office is located in Nantwich, Cheshire (UK)
- Multisol is present in the UK, France and South Africa; in addition it has sales activities in Russia, Poland and Spain
- Operates 3 distribution sites with nearly 170 employees
- Main activities comprise :
 - Distribution of lubricant additives and base oils.
 - Mixing and Blending of lubricants on behalf of its customers.
- Long-term established business relationships



Multisol – Unique selling points making it a strategic fit

- **Expansion of Brenntag's mixing and blending capabilities, a core strength of Multisol**
- **Strengthen Brenntag's product range in the sector of base oils**
- **Add new product line: Lubricant Chemicals**
 - **Increasing emission standards can only be achieved with specialty lubricants**
 - **Beside the high quality urea solutions needed for catalyst reactions (Air1 / DEF) Brenntag can now provide a further measure to reduce emissions**
- **Strategy to be safe in all operations:**
 - **Responsible Care**
 - **ISO 9001:2000**



Multisol – Strong customer and supplier base

Strong supplier base

- **Multisol cooperates with key major suppliers of lubricant additives and base oils (group I – IV)**
- **Long-term contracts ensure security of supply**

Strong customer base

- **Multisol's customer base consists of:**
 - **Large players in the oil & gas industry**
 - **Small customers either from the oil & gas industry or other sectors**
 - **Lubricant manufacturers**

Multisol – Financials

Company financials

in GBP m	2012E	CAGR 2012-2016
External Sales	238	+ ~ 3%
Gross Profit	39	+ ~ 7%
EBITDA ¹⁾	19	+ ~ 9%

One-off expenses: mainly advisory costs, due diligence, merger control filing, stamp duty etc. ~ GBP 3 m in 2011

1) EBITDA excluding one-off expenses

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Brenntag's Re-defined Strategy of Continued Profitable Growth



Be the safest, fastest growing, most profitable, global Chemical Distributor and preferred channel for both specialty and industrial chemicals

- **Focus on organic growth and acquisitions**
 - Intense customer orientation
 - Value added services
 - Complete geographic coverage
 - Accelerated growth in target markets
 - Commercial and technical competence
 - Continued commitment to Responsible Care / Distribution
- **Maintain focus on profitability and returns**
- **Global top initiatives and regional strategies**

Acquisitions have achieved three main objectives

Building up scale and efficiencies

- **Germany, 2002**
Biesterfeld
- **UK and Ireland, 2006**
Albion
- **Switzerland, 2006**
Schweizerhall
- **Western US, 2006**
Quadra and LA Chemicals
- **Mid-South US, 2007**
Ulrich Chemicals
- **North-Eastern US, 2010**
Houghton Chemicals
- **Northern US, 2011**
G.S. Robins

Expanding geographic coverage

- **CEE, 2000**
Neuber
- **Canada / Latin America / Nordic, 2000**
Holland Chemical Intl
- **North Africa, 2005**
Group Alliance
- **Ukraine & Russia, 2008**
Dipol
- **Asia Pacific, 2008**
Rhodia's distribution network
- **Asia Pacific, 2010 EAC**
Industrial Ingredients

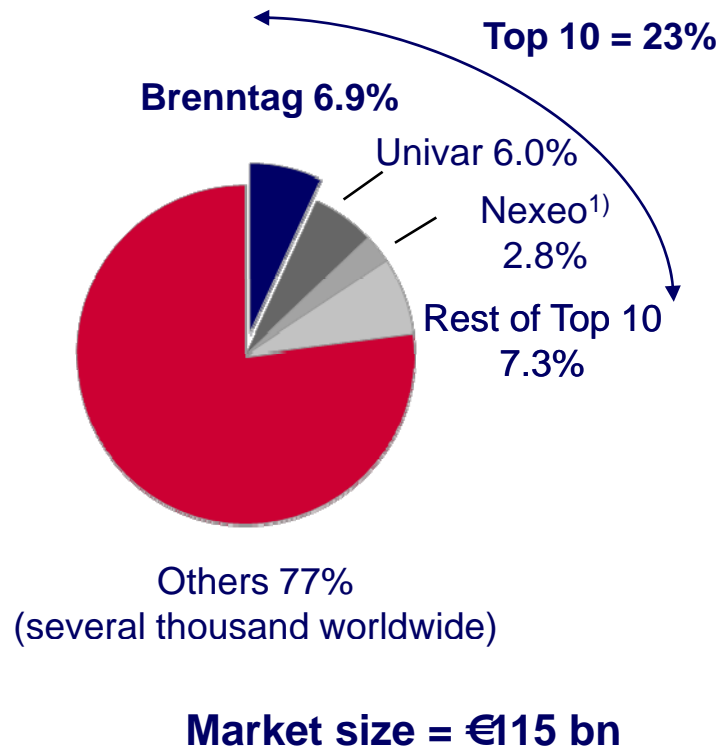
Improving full-line portfolio

- **ACES¹⁾, 2004**
Acquacryl / Chemacryl (UK)
- **ACES¹⁾, 2007**
St. Lawrence (Canada)
- **Food, 2005, 2007-09**
6 distributors in Spain, Italy, Turkey, Mexico and the UK
- **Oil & Gas, 2005-06, 2008**
3 distributors in North America
- **Food, 2010**
Riba (Spain)

1) Adhesives, coatings, elastomers, sealants

Brenntag's successful acquisition track record (prior to Multisol Group Limited)

Global market shares of largest full-line chemical distributors



Highly fragmented market

- Only three full-line chemical distributors with a significant multi-continental footprint
- Key competitors not present in all Brenntag regions
- Thousands of local and regional chemical distributors as a result of historical market development

Brenntag's acquisition track record

- 100 transactions since 1991, thereof 29 since 2007²⁾
- Total cost of acquisitions³⁾ of €413 m since 2007 – June 2011
- Average investment amount of €14m per transaction until June 2011
- Synergy potential from cross-selling and cost saving opportunities mainly due to building up of scale and improved efficiency of acquisitions
- Market remains highly fragmented facilitating significant further consolidation potential

As per end 2008; BCG Market Report (January 2010)

1) Former Ashland Distribution, renamed to Nexeo. Only 49% of Ashland Distribution revenues sourced from distribution of chemicals (Ashland Annual Report 2009)

2) Without acquisitions performed by JV-Crest

3) Purchase price paid excluding debt assumed