



Acquisition of EAC Industrial Ingredients Ltd. A / S
Analyst / Investor Presentation - July 05, 2010



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Agenda

1. Transaction Highlights

2. EAC Industrial Ingredients - A Unique Opportunity in South & South East Asia

3. Joint Business and Growth Strategy

Appendix

Acquisition of EAC Industrial Ingredients in a Landmark Transaction

Today's news



Brenntag significantly expands its market presence in Asia Pacific with the acquisition of EAC Industrial Ingredients Ltd. A / S

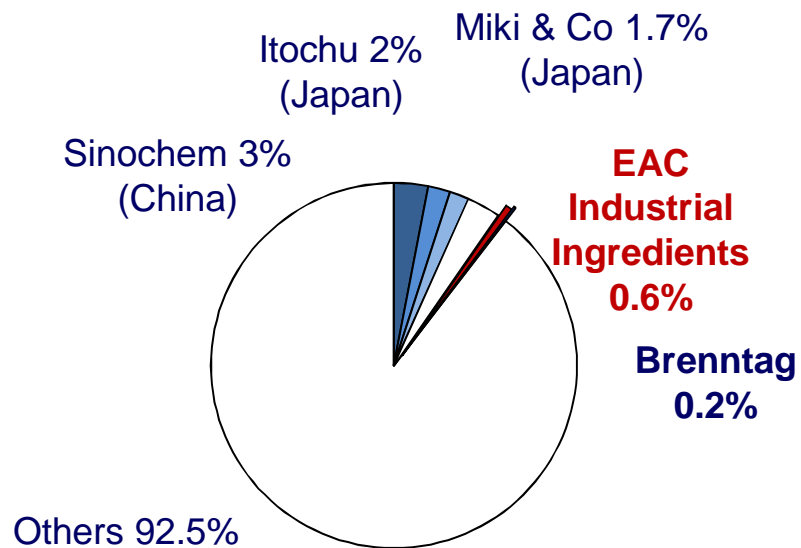


Strategic Rationale

- **Fully in line with Brenntag's growth strategy to expand presence in emerging markets**
- **Quantum leap from foothold in Asia Pacific to an established Asia Pacific platform**
 - Complements Brenntag's existing distribution network in South & South East Asia with an established operational network of 27 distribution sites in 9 countries
 - Provides access to more than 8,000 local customers
 - Broadens suppliers base by several hundred suppliers
 - Strengthens position in focused high-growth customer industries like Food & Beverage, Coatings, Personal Care and Pharma
 - EUR 220 m sales expected for 2010
- **Significant benefits with existing suppliers / customers and potential to further boost business**
- **A compelling strategic investment opportunity to unlock future value**

Huge Potential for Future Growth in Asia Pacific Markets

Market Structure Asia Pacific¹⁾



Market size = €32 bn

Specific Market Opportunities

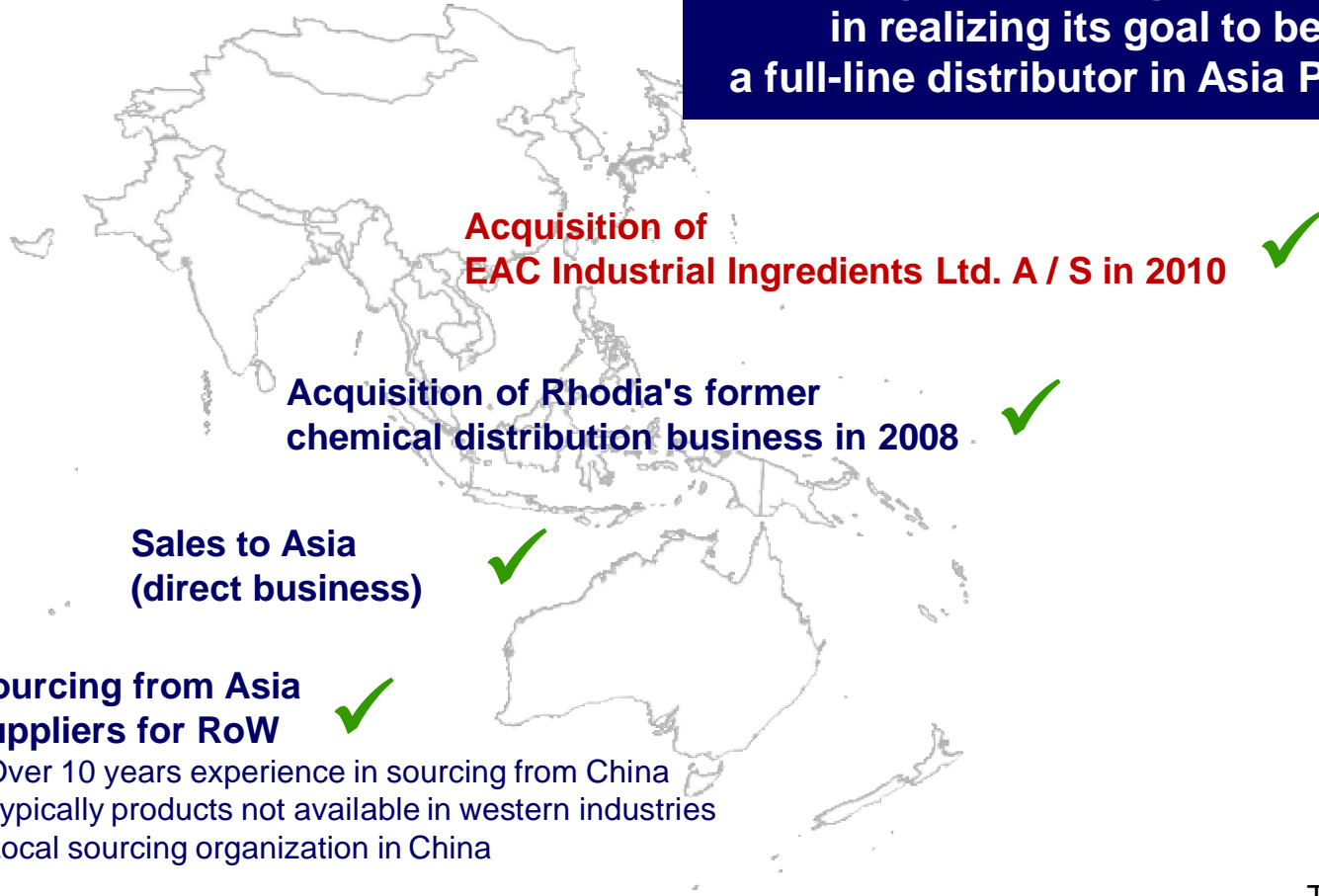
- Relatively well-established chemical distribution structures in South East Asia and Australia / New Zealand
- China and India as largest developing markets in the region
- Attractive growth rates in view of underlying GDP and Industrial Production growth
- The chemical distributor landscape varies from country to country, most often still highly fragmented, with consolidation yet to begin

1) As per end 2008: BCG Market Report (January 2010)

Brenntag's Clearly Defined Strategy in Asia Pacific

Strategic steps to build up pan-Asian network

Brenntag makes a significant step in realizing its goal to be a full-line distributor in Asia Pacific



Transaction Fully in Line with Brenntag's Growth Strategy

Brenntag's Vision

Be the fastest growing, most profitable, full-line global Chemical Distributor and preferred channel for strategic suppliers and customers

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**

EAC Industrial Ingredients' Contribution

- Experienced employees with in-depth market knowledge enhance customer proximity ✓
- Industrial and Specialty chemicals complement product portfolio in Asia Pacific ✓
- 27 warehouse sites in 9 countries expand geographic coverage in attractive South & South East Asia region ✓
- Focus on high-growth customer industries Food & Beverages, Coatings, Personal Care, Pharma (~60% of business) ✓
- Strategic value creating acquisition ✓

Favorable Conditions of Strategic Transaction

Transaction structure and value

- Acquisition of 100% of the shares of EAC Industrial Ingredients Ltd. A/S, Denmark
- EUR 160 m purchase price on a cash and debt free basis, implied
 - 2010E multiple of 9.5x EV/EBITDA¹
 - 2011E multiple of 6.6x EV/EBITDA
- Expected net debt slightly in excess of EUR 40 m corresponding to an expected equity value of slightly below EUR 120 m²

Timing and main conditions

- Closing expected in course of July 2010
- No merger control notification necessary

Financing

- The transaction will be funded through available cash

1) 7.9x including synergies which are expected to be realized in 2011 2) Calculated on base of expected June 30, 2010 figures

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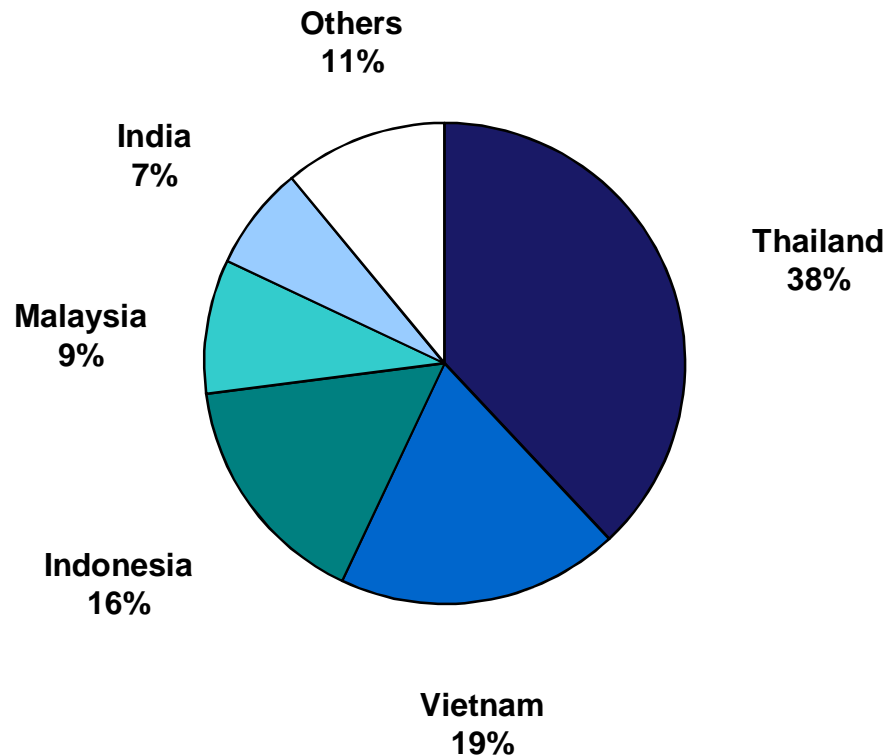
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EAC – Important Market Position in South & South East Asia

Company Description

- Start of chemical distribution business in 1932 in Thailand
- Headquarter in Bangkok
- Present in 9 countries namely Thailand, Vietnam, Indonesia, Philippines, Malaysia, Singapore, Cambodia, India and Bangladesh
- Operates 27 distribution sites with nearly 800 employees
- Focus on high growth customers industries Food & Beverages, Coatings, Personal Care and Pharma (~60% of business)
- Comprehensive network of several hundred suppliers and more than 8,000 customers
- Long term established business relationships
- 2010E sales EUR 220 m

Regional Sales Split 2010E



EAC – Established Distribution Network of 27 Sites in 9 Countries

India	
Market entry	2005
Staff	51
Warehouse	8

Thailand	
Market entry	1932
Staff	321
Warehouse	2

Bangladesh	
Market entry	2007
Staff	26
Warehouse	1

Singapore	
Market entry	2002
Staff	12
Warehouse	1



Vietnam	
Market entry	1989
Staff	80
Warehouse	3

Philippines	
Market entry	1997
Staff	61
Warehouse	2

Malaysia	
Market entry	2002
Staff	79
Warehouse	1

Cambodia	
Market entry	1998
Staff	2
Warehouse	1

Indonesia	
Market entry	1995
Staff	130
Warehouse	8

EAC – Future Value Creation

Company Financials

in EUR m	2010E	Outlook 2011	Outlook 2012
External Sales	220	+ 15 - 20%	+ ~ 10%
Gross Profit	40	+ 15 - 20%	+ ~ 10%
EBITDA	16.9	> 30%	+ ~ 15%

One-off integration expenses expected mainly for restructuring, IT, rebranding etc.

~ EUR 5 m in 2010

~ EUR 1.5 m in 2011

First quarter 2010 EBITDA was at EUR 4.7 m

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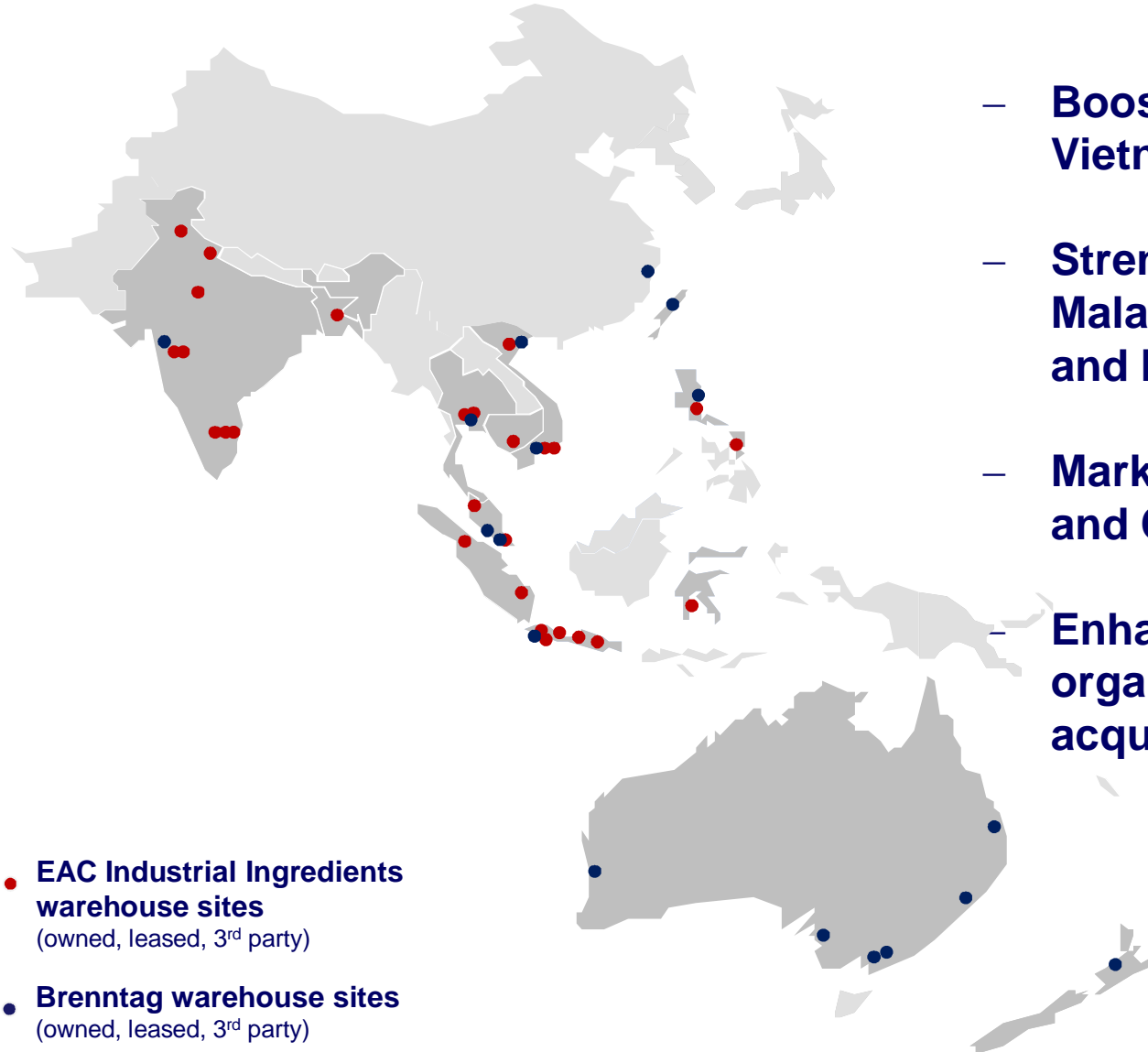
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Quantum Leap From a Foothold to an Established Asia Pacific Network



- **EAC Industrial Ingredients warehouse sites**
(owned, leased, 3rd party)
- **Brenntag warehouse sites**
(owned, leased, 3rd party)

- **Boost position in Thailand, Vietnam and Indonesia**
- **Strengthen position in Malaysia, India, Singapore and Philippines**
- **Market entry into Bangladesh and Cambodia**
- **Enhances platform for both organic growth and further acquisitions**

Enhanced Distribution Capabilities Through Acquisition

Integration Philosophy

1. **Adopt and adapt the best of both organizations**
2. **Clear accountability for execution, timing and tight cost control**
3. **Execution by integration team**

Action Plan

- Integration plan developed, integration process will start immediately after closing
- Take over all nearly 800 employees, employee road shows to start
- Identifying and realizing growth synergies (cross selling potential on supplier, product and customer level)
- Customer and supplier migration as key focus
- Harmonizing IT systems and solutions
- Adapting finance and reporting systems to fit into Brenntag standards
- Continue under the well-recognized Brenntag brand

Goal

- Boost future growth by combining EAC Industrial Ingredients' regionally experienced resources and country organizations with Brenntag's existing network
- Seamless integration from customers' and suppliers' point of view
- Engage employees

Summary

**Acquisition of EAC Industrial Ingredients
in South & South East Asia**

- 
- **Emerging market economies with strong growth dynamics**
 - **Fully in line with Brenntag's growth strategy**
 - **A unique opportunity that ideally complements and enhances the current network**
 - **Benefits from dock-on business with existing suppliers and customers as well as leverage of operational capabilities**
 - **Integration process will start immediately after closing**

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Strategy Focus on Continued Profitable Growth



Be the fastest growing, most profitable, full-line global Chemical Distributor and preferred channel for strategic suppliers and customers

- **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**
- **Global top initiatives and regional strategies**

Acquisitions Target 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

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
- **Asia Pacific, 2010**
EAC Industrial Ingredients

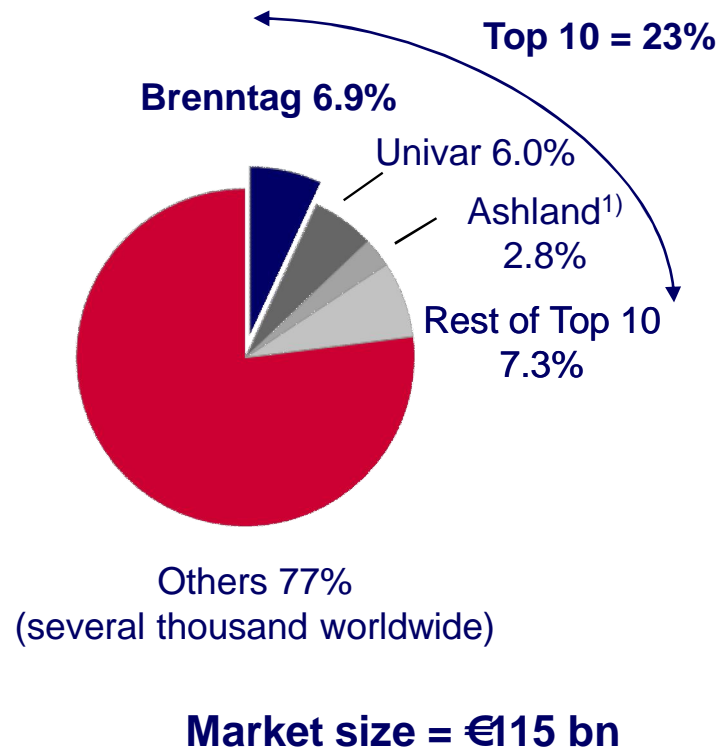
Improving Full-line Portfolio

- **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

1) Adhesives, coatings, elastomers, sealants

Brenntag's Successful Acquisition Track Record (prior to EAC Industrial Ingredients)

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

- 92 transactions since 1991, thereof 21 since 2007²⁾
- Total cost of acquisitions³⁾ of €228m since 2007
- Average investment amount of €1m per transaction for the period 2007-2009
- Synergy potential from cross-selling and cost saving opportunities mainly due to building up of scale and improved efficiency of acquisitions

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

1) Ashland Distribution. Only 49% of Ashland Distribution revenues sourced from distribution of chemicals (AR Sep 2009)

2) Without acquisitions performed by JV-Crest

3) Purchase price paid excluding debt assumed

Key Figures of Brenntag and EAC for Q1 / 2010

Key Figures Q1 / 2010

in EUR m	EAC Industrial Ingredients	Brenntag Asia Pacific
External Sales	53	18.5
Gross Profit	9.8	4.9
EBITDA	4.7	2.1
End of 2009		
Employees	~ 800	182
Sites	27	17
Customers	> 8,000	~ 1,800

Gross Profit stated for Brenntag Asia / Pacific is Operating Gross Profit for the segment, EBITDA is operating EBITDA

Superior Market Conditions in South & South East Asia

Thailand

Population (in m)	67
GDP (in EUR bn)	189.2
GDP growth (2009-13)	5.4%
IP (in % of GDP)	44%
IP growth (2009-13)	6.4%

Vietnam

Population (in m)	87.2
GDP (in EUR bn)	66.2
GDP growth (2009-13)	6.7%
IP (in % of GDP)	40.3%
IP growth (2009-13)	8.9%

Indonesia

Population (in m)	231.5
GDP (in EUR bn)	386.7
GDP growth (2009-13)	6.4%
IP (in % of GDP)	47.1%
IP growth (2009-13)	5.6%

Malaysia

Population (in m)	27.8
GDP (in EUR bn)	137.3
GDP growth (2009-13)	5.1%
IP (in % of GDP)	42.3%
IP growth (2009-13)	7.7%

India, Bangladesh

Population (in m)	1,364
GDP (in EUR bn)	954
GDP growth (2009-13)	6.0-8.0%
IP (in % of GDP)	21%
IP growth (2009-13)	6.0-9.0%

Philippines

Population (in m)	92.2
GDP (in EUR bn)	115.4
GDP growth (2009-13)	3.9%
IP (in % of GDP)	29.9%
IP growth (2009-13)	6.0%

Singapore

Population (in m)	4.8
GDP (in EUR bn)	127
GDP growth (2009-13)	5.2%
IP (in % of GDP)	26.8%
IP growth (2009-13)	6.3%

Cambodia

Population (in m)	~13.9
GDP (in EUR bn)	7.7
GDP growth (2009-13)	6.0%
IP (in % of GDP)	30%
IP growth (2009-13)	n.a.

Source: OEF, IMF