Brenntag achieves strategic market entry in China

• Brenntag acquires in two steps Zhong Yung (International) Chemical Ltd, a chemical distributor with expected sales of EUR 255 million in 2011

• Thereby Brenntag gains market access to China, the world’s fastest-growing chemical market, offering great business opportunities

• Zhong Yung is focused on the distribution of solvents with established commercial and logistical infrastructure in the key economic regions in China

• Management teams of Zhong Yung and Brenntag are looking forward to bundle the distribution knowledge and market penetration to capitalize further growth opportunities in the Chinese distribution market

Today Brenntag, global market leader in chemical distribution, signed a purchase agreement to acquire 100% of Zhong Yung (International) Chemical Ltd. Deal closing for the first tranche is expected in the 3rd quarter of this year. Brenntag will hold a majority stake of 51% and will acquire the remaining stake in 2016. Entering into a joint venture for five years gives Brenntag the opportunity to use the experience and know-how of Zhong Yung and its management team to establish a solid business platform for Brenntag in China.

“This transaction strengthens Brenntag’s growth strategy in the Asia-Pacific region. This acquisition is a strategic investment for Brenntag in China and also a first step through which Brenntag demonstrates full commitment to build a solid distribution network in China. We are continuing to look for further opportunities to support our growth in Asia Pacific.” says Brenntag’s COO and designated CEO Steve Holland.
Henri Néjade, President of Brenntag Asia Pacific, highlights: “It is a significant milestone in Brenntag’s Asian business development following the successful acquisition of EAC Industrial Ingredients in 2010. We are delighted to team up with Zhong Yung because it opens the opportunity for further growth in China. Zhong Yung is a major chemical distributor with about 2,000 customers, more than 100 suppliers and has an excellent infrastructure including laboratories, blending and storage capabilities.”

Zhong Yung is a major chemical solvent distributor and serves all major solvents-applied industries such as paint and coatings, adhesives, printing inks, electronics and automobiles with a large variety of solvent products. Zhong Yung has a strong national sales organization covering North, East and South of China representing a large geographical coverage of the total domestic solvents market demand in China. The company has a strong market position supported by its own high standard storage and blending facilities, empowering distribution value added services to its business partners in China. The company is estimated to generate sales of EUR 255 million in 2011.

For additional information on this transaction, please refer to www.brenntag.com

About Brenntag:

Brenntag is the global market leader in full-line chemical distribution. Linking chemical manufacturers and chemical users, Brenntag provides business-to-business distribution solutions for industrial and specialty chemicals globally. With over 10,000 products and a world-class supplier base, Brenntag offers one-stop-shop solutions to about 160,000 customers. The value-added services include just-in-time delivery, product mixing, formulation, repackaging, inventory management, drum return handling as well as extensive technical support. Headquartered in Mülheim an der Ruhr, Germany, the company operates a global network with more than 400
locations in nearly 70 countries. In 2010 the company realized global sales of EUR 7.6 billion (USD 10.1 billion) with more than 12,000 employees.

This press release may contain forward-looking statements based on current assumptions and forecasts made by Brenntag AG and other information currently available to the company. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. Brenntag AG does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to conform them to future events or developments.

Press contact:
Hubertus Spethmann
Brenntag AG
Corporate Communications
Stinnes-Platz 1
45472 Mülheim an der Ruhr
Germany
Telefon: +49 (208) 7828-7701
Fax: +49 (208) 7828-7220
E-Mail: hubertus.spethmann@brenntag.de
http://www.brenntag.com

Investor contact:
Georg Müller, Stefanie Steiner, Diana Alester
Brenntag AG
Investor Relations
Stinnes-Platz 1
45472 Mülheim an der Ruhr
Germany
Telefon: +49 (208) 7828-7653
Fax: +49 (208) 7828-7755
E-Mail: ir@brenntag.de
http://www.brenntag.com