

Mülheim an der Ruhr, November 10, 2011

**Brenntag again delivers strong results and cash flow in the 3rd quarter of 2011 and confirms full-year guidance**

- **Increase in operating EBITDA of 8.6% to EUR 166.6 million based on constant exchange rates (3.9% as reported)**
- **Gross profit grew by 7.7% based on constant exchange rates to EUR 445.5 million (3.7% as reported)**
- **Strong Profit after tax increased by 54.0% to EUR 66.7 million with EPS at EUR 1.30 up 64.6% after EUR 0.79 in Q3/2010**
- **Earnings growth across the regions, only Europe flat to weaker against the background of a slowdown in macro-economic growth**
- **Free cash flow of EUR 221.6 million versus EUR 90.8 million in Q3/2010**
- **Strong results in the first nine months of 2011 underpin full-year expectations for operating EBITDA of EUR 650 million to EUR 670 million**

**Brenntag (WKN A1DAH), the global market leader in chemical distribution, reported strong results in the third quarter of 2011. Sales increased by 13.6% based on constant exchange rates (9.7% as reported) to EUR 2,218.0 million (Q3 2010: EUR 2,022.6 million). More importantly, Brenntag's gross profit\*, one of the key performance indicators, reached EUR 445.5 million (Q3 2010: EUR 429.7 million), which corresponds to a currency adjusted growth rate of 7.7% (3.7% as reported). The second key performance indicator, operating EBITDA, improved by 8.6% based on constant exchange rates (3.9% as reported) to EUR 166.6 million (Q3 2010: EUR 160.3 million). Brenntag's profit after tax amounted to EUR 66.7 million (Q3 2010: EUR 43.3 million) in the third quarter, reflecting a growth rate of 54.0%. Equally strong, earnings per**

**share grew from EUR 0.79 in previous year's quarter by 64.6% to EUR 1.30 in the third quarter 2011. All regions reported earnings growth with the exception of Europe, which delivered earnings about at the level of the third quarter 2010 against the background of weakening macro-economic growth in Europe. Also, nine-month 2011 figures were consistently strong and support the full-year expectations for 2011.**

Steven Holland, CEO of Brenntag AG: "Our strategy is to position the company in higher growth markets and industries whilst at the same time building in resilience. We were able to grow our main earnings parameters while at the same time successfully delivering on our acquisition strategy with the acquisitions of Zhong Yung and Multisol Group. Thereby in the third quarter, which for many of our investors has been dominated by events outside of Brenntag with significant volatility in stock markets around the world, continuing issues around sovereign debt in the Euro-zone and fluctuation in the value of the US dollar, our strategy allowed Brenntag to balance its performance as a whole."

### **Nine months results**

Compared to the first nine months of 2010 Brenntag's sales increased by 16.5% based on constant exchange rates (14.2% as reported) to EUR 6,518.5 million (previous year: EUR 5,710.2 million). Gross profit reached EUR 1,323.7 million (previous year: EUR 1,225.9 million), growing by 10.5% based on constant exchange rates (as reported: 8.0%). Operating EBITDA came in at EUR 492.4 million (previous year: EUR 447.6 million) and thereby increased by 13.2% based on constant exchange rates (10.0% as reported).

### **Flat earnings in Europe against a slowdown of macro-economic growth**

Brenntag Europe felt a slight weakening of demand trends in the third quarter. Nevertheless, operating gross profit increased from EUR 218.2

million in the third quarter of 2010 by 1.7% based on constant exchange rates (1.5% as reported) to EUR 221.5 million in the third quarter of this year. Operating EBITDA in the third quarter of 2011 marginally fell by 0.3% at constant exchange rates (0.8% as reported) from EUR 75.7 million in the third quarter of 2010 to EUR 75.1 million in the reference period of this year. Brenntag will expand its geographic presence in Europe as well as in Africa by acquiring specialty chemicals distributor Multisol Group Limited. The acquisition will further enhance Brenntag's market position in the distribution of specialty chemicals with a focus on lubricant additives and base oils including mixing and blending capabilities. The acquisition is expected to close later this year after receiving the mandatory anti-trust clearance.

### **North America remains strong**

Brenntag North America remained on its strong growth path in the third quarter of 2011. Operating gross profit grew by 11.8% based on constant exchange rates (3.1% as reported) from EUR 165.6 million in the third quarter of 2010 to EUR 170.8 million in the corresponding period of this year. Operating EBITDA reached EUR 74.8 million in the third quarter of 2011 in comparison to EUR 72.2 million in the third quarter of the previous year. This corresponds to a growth rate of 12.3% if adjusted for exchange rate effects (3.6% as reported).

### **Latin America highly positive**

Brenntag again reported convincing results in the Latin American segment in the third quarter of 2011. Operating gross profit increased from EUR 34.7 million in the third quarter of the previous year to EUR 37.4 million in the third quarter of 2011, corresponding to a currency adjusted growth rate of 15.7% (7.8% as reported). Operating EBITDA grew by 18.6% at constant exchange rates (10.0% as reported) from EUR 11.0 million in the third quarter of 2010 to EUR 12.1 million in the corresponding period of this year.

### **Again excellent growth rates in Asia Pacific**

Brenntag Asia Pacific continued on its growth path and reported once again double-digit growth rates in the third quarter of 2011. Operating gross profit reached EUR 20.4 million in the third quarter of financial year 2011, rising by 29.9% based on constant exchange rates (25.9% as reported) compared to EUR 16.2 million in the prior-year quarter. The growth in operating gross profit was supported by the acquisition of Zhong Yung (International) Chemical Ltd., a China-based chemical distributor. Through this acquisition, which was closed in September, Brenntag achieved the strategic market entry in China, the world's fastest-growing chemical market. Operating EBITDA increased by 50.8% based on constant exchange rates (as reported growth: 48.3%) from EUR 6.0 million in the third quarter of 2010 to EUR 8.9 million in the third quarter of this year.

### **Strong free cash flow supported by reduction in working capital**

The free cash flow reached EUR 336.8 million in the first nine months of 2011 in comparison to EUR 223.1 million in the corresponding period of last year. The positive development of free cash flow was supported on the one hand, by the clear growth of EBITDA by 11.0% and, on the other hand, by a reduction of working capital to EUR 957.3 million in the third quarter. Capex remained roughly at the prior-year level which means that Brenntag continues to maintain and expand its facilities. The strong free cash flow generation underscores the Group's ability to make value accretive acquisitions and proves the high level of resilience in more challenging economic environments inherent in Brenntag's business model.

### **Prospects: Full-year expectations confirmed**

In the light of the positive business development and the strong results in the first nine months of this year, Brenntag confirms its forecast for its

full-year operating EBITDA. Under the assumption that the global economy does not slide into a recession and there will be no major changes in the average US-Dollar exchange rate for the remaining year compared to the first nine months of 2011, Brenntag is confident to achieve a range of EUR 650 to 670 million operating EBITDA in financial year 2011.

Financial figures at a glance (in EUR m)		
Income statement	July 1 – Sep. 30, 2011	July 1 – Sep. 30, 2010
Sales	2,218.0	2,022.6
Gross profit*	445.5	429.7
Operating EBITDA	166.6	160.3
Operating EBITDA/Gross profit (in %)	37.4	37.3
EBITDA	164.6	159.9
Profit after tax	66.7	43.3
Profit per share (in EUR)	1.30	0.79

Balance sheet	Sep. 30, 2011	December 31, 2010
Total assets	5,367.2	4,970.2
Equity	1,647.9	1,617.9
Working capital	957.3	831.7
Net debt	1,373.6	1,420.9

Cash flow	Jan. 1 – Sep. 30, 2011	Jan. 1 – Sep. 30, 2010
Cash used for/provided by operating activities	214.1	50.5
Investments in non-current assets (Capex)	-48.0	-47.2
Free cash flow	336.8	223.1

Europe (in EUR m)		
	July 1 – Sep. 30, 2011	July 1 – Sep. 30, 2010
Operating gross profit*	221.5	218.2
Growth in operating gross profit (in %)	1.5	
Growth in operating gross profit (in %, F/X adjusted)	1.7	
Operating EBITDA	75.1	75.7
Growth in operating EBITDA (in %)	-0.8	
Growth in operating EBITDA (in %, F/X adjusted)	-0.3	

North America (in EUR m)		
	July 1 – Sep. 30, 2011	July 1 – Sep. 30, 2010
Operating gross profit*	170.8	165.6
Growth in operating gross profit (in %)	3.1	
Growth in operating gross profit (in %, F/X adjusted)	11.8	
Operating EBITDA	74.8	72.2
Growth in operating EBITDA (in %)	3.6	
Growth in operating EBITDA (in %, F/X adjusted)	12.3	

Latin America (in EUR m)		
	July 1 – Sep. 30, 2011	July 1 – Sep. 30, 2010
Operating gross profit*	37.4	34.7
Growth in operating gross profit (in %)	7.8	
Growth in operating gross profit (in %, F/X adjusted)	15.7	
Operating EBITDA	12.1	11.0
Growth in operating EBITDA (in %)	10.0	
Growth in operating EBITDA (in %, F/X adjusted)	18.6	

Asia Pacific (in EUR m)		
	July 1 – Sep. 30, 2011	July 1 – Sep. 30, 2010
Operating gross profit*	20.4	16.2
Growth in operating gross profit (in %)	25.9	
Growth in operating gross profit (in %, F/X adjusted)	29.9	
Operating EBITDA	8.9	6.0
Growth in operating EBITDA (in %)	48.3	
Growth in operating EBITDA (in %, F/X adjusted)	50.8	

\* While Brenntag reports operating gross profit on segment level, the company reports gross profit on group level. Operating gross profit is defined as sales less costs of material for goods purchased and supplies, services purchased, packaging materials, supplier rebates and increase/decrease in finished goods. Gross profit is defined as operating gross profit less production/mixing and blending costs.

## **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.

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