PROSPECTUS DATED MARCH 15, 2010

Prospectus

for the public offering

of

up to 10,500,000 newly issued registered shares from a capital increase against contribution in cash to be approved by an extraordinary shareholders' meeting of the Company

and of

up to 2,500,000 existing registered shares from the holdings of the Selling Shareholder

and of

up to 1,950,000 existing registered shares from the holdings of the Selling Shareholder to cover a potential overallotment

and at the same time for the

admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange

of

up to 10,500,000 newly issued registered shares and 41,000,000 existing registered shares

each such share with no par value and a notional value of €1.00 and full dividend rights as of January 1, 2010

of

Brenntag AG

Mülheim an der Ruhr

Price Range: €46.00 to €56.00

International Securities Identification Number (ISIN): DE000A1DAHH0
WKN: A1DAHH
Common Code: 048987532
Trading Symbol: BNR

Joint Global Coordinators

Deutsche Bank **Goldman Sachs International**

Joint Bookrunners

BofA Merrill Lynch **Deutsche Bank** **Goldman Sachs International** **J.P. Morgan**

Co-Lead Managers

COMMERZBANK **HSBC Trinkaus** **SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking** **The Royal Bank of Scotland**

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SUMMARY

*Brenntag AG, with its registered office at Stinnes-Platz 1, 45472 Mülheim an der Ruhr, Germany, and registered with the Commercial Register maintained by the Local Court (Amtsgericht) of Duisburg under HRB number 22178 (the "**Company**" and, together with its subsidiaries, "**we**", "**our**", "**our Group**", the "**Brenntag Group**" or "**Brenntag**"), along with Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany ("**Deutsche Bank**") and Goldman Sachs International, London, United Kingdom ("**Goldman Sachs**" and, together with Deutsche Bank, the "**Joint Global Coordinators**"), Merrill Lynch International, London, United Kingdom ("**Merrill Lynch**") and J.P. Morgan Securities Ltd., London, United Kingdom ("**J.P. Morgan**" and, together with Merrill Lynch and the Joint Global Coordinators, the "**Joint Bookrunners**"), and COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Germany ("**COMMERZBANK**"), HSBC Trinkaus & Burkhardt AG, Düsseldorf, Germany ("**HSBC Trinkaus**"), SOCIÉTÉ GÉNÉRALE, Paris, France ("**SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking**") and The Royal Bank of Scotland N.V. (London Branch), London, United Kingdom ("**The Royal Bank of Scotland**" and, together with COMMERZBANK, HSBC Trinkaus and SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking the "**Co-Lead Managers**" and, together with the Joint Bookrunners, the "**Underwriters**"), assume responsibility for the contents of this summary pursuant to Section 5(2) Sentence 3 no. 4 of the German Securities Prospectus Act (Wertpapierprospektgesetz). Where mentioned, "**Brenntag Predecessor**" refers to Brenntag Investor Holding GmbH together with its respective subsidiaries, which was indirectly acquired in September 2006 by funds advised by BC Partners Limited (such funds, "**Funds Advised by BC Partners**"), funds advised by affiliates of Goldman Sachs (such funds, "**Funds Advised by GSMP**"), and (as part of a disposition and partial repurchase) funds advised by Bain Capital, Ltd. (such funds, "**Funds Advised by Bain Capital**").*

This summary should be read as an introduction to this prospectus. The information in this summary is supplemented by more detailed information contained elsewhere in this prospectus. Investors should base their investment decision on an examination of this prospectus in its entirety. Where a claim relating to the information contained in this prospectus is brought before a court, the plaintiff investor might, under the respective national legislation of the relevant member state of the European Economic Area, need to bear the costs of translating this prospectus before legal proceedings are commenced. With regard to the content of this summary, civil liability attaches to those persons who have tabled the summary, but only if and to the extent that the summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus.

*Certain information provided in this summary on the market environment, market developments, growth rates, market trends and competitive situation in the markets and segments in which the Company operates is taken from publicly available sources, including, without limitation, the BCG Market Report, January 2010 (as defined below). The information from third-party sources that is cited here has been reproduced accurately. As far as the Company is aware and can independently verify with respect to such published information, no facts have been omitted that would render the information published false or misleading in any material respect. To the extent not otherwise indicated, the information contained in this summary on the market environment, market developments, growth rates, market trends and competition in the markets in which we operate are based on assessments of the Company. These assessments, in turn, are based in part on internal observations of the market and on market studies that we have commissioned. In addition, in certain places in this summary we cite a publicly available industry report compiled by Boston Consulting Group ("**BCG**"), dated January 6, 2010 (the "**BCG Market Report, January 2010**"). We commissioned BCG on October 5, 2009 to conduct a separate study of our Group's business and market position. The Company has not independently verified the market data and other information on which third parties have based their studies or the external sources on which the Company's own estimates are based. Therefore, the Company assumes no responsibility for the accuracy of the information on the market environment, market developments, growth rates, market trends and competitive situation presented in this summary from third-party studies or the accuracy of the information on which its own estimates are based.*

Overview

Brenntag is a leading international provider of business-to-business ("**B2B**") distribution solutions in the area of chemical distribution (*BCG Market Report, January 2010*). We are the worldwide leader in full-line distribution of industrial and specialty chemicals in terms of sales, and operate more than 400 distribution facilities in over 60 countries. Headquartered in Mülheim an der Ruhr, Germany, Brenntag serves as an intermediary between chemical producers and manufacturers that use chemicals, acting as a "one-stop shop" with over 10,000 chemical products, delivering to over 150,000 customers, typically in less-than-truckload quantities with a focus on warehouse delivery. Founded in Germany more than 130 years ago, our Group has grown into a global business. Much of our growth has been effected by selective acquisitions that we have made in key markets around the world.

Today, our business is divided into four geographical segments: Europe, North America, Latin America and Asia Pacific, with the rest of its operations reported as Rest of the World.

We provide a comprehensive solution to both suppliers and customers, including:

- purchasing and storing larger scale quantities of industrial and specialty chemicals,
- repackaging chemicals in smaller quantities for distribution,
- distributing a full-line of chemicals, and
- providing value-added services, such as just-in-time delivery, product mixing, formulation, repackaging, inventory management, drum return handling and technical services and support.

Our diversified customer base comprises small-to-mid-sized companies, as well as multi-national companies with global sourcing and production. We believe we provide significant scale and scope benefits to both our customers and suppliers by allowing them to deal with a single partner to meet all their chemical distribution needs. We serve customers operating in highly diverse end-markets which we believe makes our business more resilient than it would be if we were more heavily exposed to any single end market. In 2009, none of our customers individually accounted for more than 1% of our sales, and our top ten customers together accounted for less than 4% of our sales. In addition, we purchase chemicals from a wide range of different suppliers, and in 2009, none of our suppliers individually accounted for more than 6% of the Group's cost of goods sold.

As the largest full-line chemical distribution company in the world in terms of 2008 sales (*BCG Market Report, January 2010*), we believe that both the scale (geographic reach and density of our network and infrastructure) and scope (breadth of product and service offering and know-how) of our business provide us with distinct advantages relative to our competitors. Our vision is to be the preferred full-line chemical distributor for strategic customers and suppliers globally and to lead the industry in growth, profitability and returns. To achieve this vision we have adopted a strategy that we seek to implement through a combination of global and regional initiatives focused on: (i) enhancing our product and service offering capabilities by actively pursuing both organic and external growth opportunities; and (ii) maintaining our ongoing focus on profitability and returns.

We manage our Group on the basis of gross profit, EBITDA, EBITDA/gross profit margin and EBITA, as well as free cash flow and return on net assets (RONA). The following table presents these figures for each of the years ended December 31, 2009, December 31, 2008 and December 31, 2007:

	2009	2008	2007
	(unaudited, € million, unless otherwise indicated)		
Gross profit (audited)	1,459.5	1,492.3	1,354.5
EBITDA[(1)(2)(6)(7)]	476.6	480.9	407.9
EBITDA[(1)(2)(6)(7)]/gross profit (in %)	32.7	32.2	30.1
EBITA[(2)(3)(6)]	394.3	397.6	320.9
Free cash flow (FCF)[(2)(4)]	646.8	343.1	278.9
RONA[(2)(5)] (in %)	26.8	24.4	20.2

(1) EBITDA is defined as earnings before financial result, income taxes, depreciation and amortization. We are not presenting EBITDA here as a measure of our operating results. Our management considers EBITDA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

(2) We are presenting this figure on the basis that some investors may find it helpful as a measure of our performance. This figure is not recognized as a measure under IFRS and should not be considered a substitute for income statement or cash flow data, as determined in accordance with IFRS, or as a measure of profitability or liquidity. It does not necessarily indicate whether cash flow will be sufficient or available for our cash requirements, nor is it necessarily indicative of our historical or future operating results. Because not all companies define this measure in the same way, our presentation of it is not necessarily comparable to similarly-titled measures used by other companies.

(3) EBITA is EBITDA less depreciation. We are not presenting EBITA here as a measure of our operating results. Our management considers EBITA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

(4) Free cash flow (FCF) is defined as EBITDA less other additions to property, plant and equipment less other additions to acquired software, licenses and similar rights plus/less changes in working capital; working capital is defined as trade receivables plus inventories less trade payables. FCF is not a synonym for, and does not necessarily indicate or correspond with, discretionary cash. For a reconciliation of EBITDA to FCF, see "*—Summary Consolidated Financial Data—Summary Other Consolidated Financial Data*".

(5) Return on net assets (RONA) is defined as EBITA divided by the sum of average property, plant and equipment (PPE) plus average working capital. Average PPE is defined for a particular year as the mean average of values for PPE at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year. Average working capital is defined for a particular year as the mean average of the values for working capital (as defined in note 4 above) at each of the following five times: the beginning of

the year, the end of each of the first, second and third quarters, and the end of the year. Average working capital amounted to €691.9 million in 2009, €833.1 million in 2008 and €774.4 million in 2007.

(6) In 2009, EBITDA, as well as EBITA on the Group level, include expense items relating to the early termination of a multi-year incentive program. These expenses for the members of the management board amount to €22.8 million.

(7) Audited in 2009 and 2008.

Summary of our Key Strengths

We believe the following key strengths have been primary drivers in our past success and will continue to set us apart in the future:

Global Market Leader

We are the largest third-party chemical distribution company in the world and the leading full-line chemical distributor in Europe and Latin America, as well as the third-largest in the United States (based on 2008 sales, the most recent market data available) (Source: *BCG Market Report, January 2010*). We are also continuing to grow our platform in the Asia Pacific region. Global reach and local presence for a large chemical distributor are key to meeting customer and producer needs, and to fully benefit from scale and scope relative to smaller operators. These benefits provide us a significant competitive advantage compared with the thousands of smaller distributors with which we compete.

Significant Growth Potential in an Attractive Industry

We are leaders in an industry that has shown positive growth trends and offers attractive growth opportunities (Source: *BCG Market Report, January 2010*). At the end of 2008, third-party chemical distribution represented only 9% of global chemical consumption relevant for distribution, and this has been forecast to increase over the next several years reflecting the trend towards increased outsourcing (Source: *BCG Market Report, January 2010*). The international scale of our business allows us to develop our existing relationships with customers and suppliers, thereby providing opportunities to further penetrate markets where we are currently underrepresented, or where we estimate the potential for growth to be greater than average. The third-party chemical distribution market is highly fragmented, with the top 5 companies accounting for less than 19% and top 10 only 23% of the global market as of December 31, 2008, and having a total population of more than 10,000 third-party distributors (Source: *BCG Market Report, January 2010*). We benefit from an extensive track record of 92 acquisitions completed since 1991, and we believe that our combination of a worldwide network, infrastructure, know-how and leading market positions will allow us to continue to be a successful consolidator in the industry. As the market leader we believe we are particularly well positioned to take advantage of these growth opportunities.

Superior Business Model with Resilience

We believe our superior business model positions us to take advantage of industry growth trends while building in a demonstrable measure of resiliency due to diversification. Additionally, we believe that our pricing discipline and flexible cost base give us a low risk profile; that our multi-purpose asset base enhances our flexibility and ability to take advantage of growth opportunities; and that the scale and scope of our operations provide us with significant benefits.

With distribution operations in over 60 countries, our diverse regional business mix provides us with the ability to achieve economies of scale while at the same time mitigating the effects of economic fluctuations in specific regions. We offer over 10,000 products in more than 30,000 stocking units, and we are not dependent on any one product or product family. In 2009, the revenue from our 10 best-selling products accounted for less than 17% of total revenue. With more than 150,000 customers, our 10 largest customers accounted for less than 4% of our total revenue in 2009. We believe this large customer base makes us attractive to suppliers seeking to move new products. Moreover, with our customers present in a wide variety of industries globally, we believe that we are not materially dependent on any one industry. This diversity also gives us the flexibility to shift resources to industries that appear to show exceptional potential for growth or profitability.

Our supplier base is also diverse, with our 10 largest suppliers accounting for approximately 22% of our total purchases by value in 2009. Customers gain the benefit of redundancy of supply from our multiple sourcing relationships. We are a strategic partner of choice for certain customers and suppliers, which helps us gain access to new products and provides us market intelligence which allows us to better anticipate price changes. Collaborative relationships with customers place us on the leading edge of new service developments which may be unavailable to smaller competitors.

Excellence in Execution

We believe the balance between our decentralized, locally-focused management system and the global, centralized organization of certain key management and strategic functions, together with our extensive market intelligence, has positioned us well to take advantage of trends favoring larger distributors while maintaining competitive advantages over the thousands of smaller local distributors that constitute the majority of the third party chemical distribution market.

We generally serve our customers on a decentralized basis, enabling us to provide services nearer to the sites of our customers and to better understand their needs. We empower local management to identify, evaluate and address local market trends as they arise, and encourage them to maximize cash flows and return on assets. We handle core management functions at the Group level. We develop our strategic growth initiatives (including those relating to acquisitions, as well as those targeting synergies and economies of scale) centrally, in cooperation with local management. We also manage national and cross-border business relationships through specialized central sales teams that seek to strengthen customer relationships Group-wide. We also adopt a centralized approach where we can achieve synergies or economies of scale, for example in sourcing and strategic supplier relationships, health, safety and environmental programs, information technology, and reporting and treasury functions.

We take a project-management-based approach to strategy, growth initiatives, planning and problem solving at all levels of our organization, which we believe results in an excellence in execution that sets us apart from our competitors.

Attractive Performance Indicators Driven by Strong Operating Results

Our market leading positions (Source: *BCG Market Report, January 2010*), attractive industry fundamentals, superior business model and excellence in execution have enabled us to deliver strong operating results over a sustained period of time. We were able to grow our sales from €4,990.8 million in 2005 (as Brenntag Predecessor) to €6,364.6 million in 2009. Over the same period, our gross profit grew from €1,033.3 million (as Brenntag Predecessor) in 2005 to €1,459.5 million in 2009, and our EBITDA grew from €254.0 million (as Brenntag Predecessor) in 2005 to €476.6 million in 2009. Our growth over this period is reflected in compound annual growth rates for our Group's sales, gross profit and EBITDA of 6.3%, 9.0% and 17.0%, respectively, between 2005 and 2009.

Our Group's return on capital (expressed as RONA) has also shown steady improvements since 2007. In addition, our Group has generated strong free cash flow over the period 2007 to 2009. This strong performance in both RONA and free cash flow generation is a function of our Group's strong EBITDA, as well as disciplined capital management, particularly with respect to capital expenditures and working capital. We believe that the improvements in EBITDA, cash flow generation and RONA against the backdrop of the challenging macro-economic environment over the past few years demonstrate the strength, resilience and growth potential of our business.

Entrepreneurial Culture led by a Highly Experienced Management Team

We have developed an entrepreneurial and highly motivating management culture throughout our organization. A high proportion of a manager's compensation is variable and directly linked to the individual's performance with respect to specific key performance indicators and individual targets. Our management board consists of experienced senior managers with over 75 years combined experience in the chemical industry and chemical distribution sector. Stephen Clark, our Chief Executive Officer, joined Brenntag in 1981 and has been a Brenntag board member since 1993. Jürgen Buchsteiner, our Chief Financial Officer, joined Brenntag in 2000 and has over 20 years of experience in leading management positions in the chemical manufacturing and distribution industries. Steve Holland, our Chief Operating Officer and Chief Executive Officer of Brenntag Europe, joined Brenntag in 2006 and has a distinguished career of 30 years in chemical manufacturing and distribution. Together, these individuals lead a management team that is highly experienced in chemical distribution, characterized by a strong commitment to profitable growth and safety.

Summary of our Strategy

Our vision is to be the preferred full-line chemical distributor for strategic customers and suppliers globally and to lead the industry in growth, profitability and returns. Our strategy seeks to implement this vision through a combination of global and regional initiatives focused on: (i) enhancing our product and service offering capabilities by actively pursuing both organic and external growth opportunities; and (ii) maintaining our ongoing focus on profitability and returns.

Enhance our Product and Service Offering by Pursuing Organic Growth and Acquisitions

We believe that the scale and scope of our worldwide operations will enable us to leverage our key strengths to further enhance our product and service offering capabilities largely organically. In addition, we continue to seek acquisition opportunities that assist us in achieving our overall strategy.

Our strategic initiatives around the world follow these guiding principles:

- *Intense Customer Orientation:* Our needs-based sales approach focuses on selling total solutions rather than just products and is organized and implemented at both the global and local levels.
- *Full-line Product Portfolio Focused on Less-than-truckload Deliveries:* We aim to continue to position ourselves both as an attractive outsourcing option for chemical producers and as a provider of value-enhancing services to our customers focused on less-than-truckload deliveries.
- *Complete Geographic Coverage:* We continuously seek to expand and optimize our geographical coverage by filling gaps in our network through capital expenditure and acquisitions. Our current focus is on expanding our presence in emerging markets, in particular in Asia Pacific, Latin America and Eastern Europe, to capture the expected strong growth in demand for chemicals in these regions.
- *Accelerated Growth in Target Markets:* We seek to effectively leverage our capabilities through accelerated growth in target markets including our six global focus industries (ACES (adhesives, coatings, elastomers and sealants), food, oil & gas, personal care, pharmaceuticals and water treatment) and specific target markets at the regional level.
- *Continued Commitment to Principles of Responsible Care and Distribution:* Health, safety and environmental protection are, and continue to be, paramount in everything we do and form an important aspect to our strategy. Our health, safety and environmental principles continue to form part of our future policies for safety, product stewardship, environment, compliance and quality for our customers, suppliers and employees.

Maintain Focus on Profitability and Returns

We believe that our entrepreneurial culture and excellence in execution, combined with our superior business model, contribute to our ability to improve gross profits, EBITDA, cash flows and return on assets. The strategic initiatives outlined above are aimed at improving our profitability and returns by leveraging our scale and scope both organically and through acquisitions. In addition we focus on specific cost initiatives to further improve profitability and returns.

Auditors

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Moskauer Straße 19, 40227 Düsseldorf, Germany (“**PwC**”), a member of the German Chamber of Chartered Accountants (*Wirtschaftsprüferkammer*), Berlin, is the auditor of our financial statements.

PwC audited our annual consolidated financial statements as of and for the years ended December 31, 2009, December 31, 2008 and December 31, 2007 prepared in accordance with International Financial Reporting Standards as adopted in the EU (“**IFRS**”) and the unconsolidated financial statements as of and for the year ended December 31, 2009 prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*), issuing in each case an unqualified auditors’ report reproduced elsewhere in this prospectus.

Summary of the Offering

Offering	This offering consists of (i) initial public offerings in the Federal Republic of Germany and the Grand Duchy of Luxembourg and (ii) private placements in certain jurisdictions outside the Federal Republic of Germany and the Grand Duchy of Luxembourg consisting of: up to 10,500,000 newly issued shares from a capital increase expected to be approved by the extraordinary general shareholders' meeting of the Company expected to be held on March 19, 2010; and up to 2,500,000 existing shares from the holdings of the sole shareholder of the Company immediately prior to the offering, Brachem Acquisition S.C.A., Luxembourg (the "**Selling Shareholder**"). In addition, the Selling Shareholder will grant the Joint Bookrunners an option, exercisable for 30 calendar days following the date on which the shares commence trading on the regulated market segment (regulierter Markt) of the Frankfurt Stock Exchange, to purchase up to 1,950,000 additional existing shares of the Company from the holdings of the Selling Shareholder for the account of the Underwriters at the offer price, less the underwriting discount, solely to cover over-allotments, if any, in connection with the offering. In the United States of America, the shares will be offered for sale to qualified institutional buyers as defined in and in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended. Outside the United States of America, the shares will be offered in reliance on Regulation S under the Securities Act.
Offered Shares	The registered shares that are the subject of this offering have no par value and a notional value of €1.00 each. All of the shares are fully paid in.
Offer Period	This offering will commence on March 16, 2010 and end on March 26, 2010 (i) at 12:00 noon (Central European Time) for retail investors and (ii) at 16:00 (Central European Time) for institutional investors.
Joint Global Coordinators	Deutsche Bank and Goldman Sachs
Joint Bookrunners	Deutsche Bank, Goldman Sachs, J.P. Morgan and Merrill Lynch
Co-Lead Managers	COMMERZBANK, HSBC Trinkaus, SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking and The Royal Bank of Scotland
Underwriters	COMMERZBANK, Deutsche Bank, Goldman Sachs, HSBC Trinkaus, J.P. Morgan, Merrill Lynch, SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking and The Royal Bank of Scotland
Price Range and Offer Price	The price range within which offers to purchase may be submitted is between €46.00 and €56.00 per share. Purchase orders must be for at least 10 shares and be expressed in full euro amounts or increments of 25, 50 or 75 eurocents. For retail investors, up to two purchase orders may be made per securities account. Retail investors may place orders with more than one bank. The Company and the Selling Shareholder reserve the right, in consultation with the Joint Bookrunners, to reduce or increase the number of shares offered, to reduce or increase the upper/lower limits of the price range and/or to extend or curtail the offer period. The Company and the Selling Shareholder may increase the total number of shares offered in this offering up to a maximum of the total number of shares for which the application for admission to the Regulated Market of the Frankfurt Stock Exchange is being filed in accordance with this prospectus or any supplement published. If the option to change the terms of the offering is exercised, the change will be announced through electronic media such as Reuters or Bloomberg, on the Company's website (www.brenntag.com) and published, if required, as an ad-hoc notice and as a supplement to this prospectus.

The Selling Shareholder and the Company expect to determine the offer price together with the Joint Bookrunners, on the basis of a bookbuilding process, on or about March 27, 2010. The offer price is expected to be published by means of electronic media, such as Reuters or Bloomberg, and on the Company's website (www.brenntag.com). Following the publication of the offer price in the electronic media, investors may obtain the offer price from the Joint Bookrunners.

Delivery and Payment

Delivery of the shares against payment of the offer price is expected to take place on or about March 31, 2010.

Stabilization Measures, Overallotments and Greenshoe Option

In connection with the placement of the shares offered, Deutsche Bank, or persons acting on its behalf, may, as stabilization manager and acting in accordance with legal requirements, make overallotments and take stabilization measures to support the market price of the shares of the Company and thereby counteract any selling pressure.

The stabilization manager is under no obligation to take any stabilization measures. No assurance can therefore be provided that any stabilization measures will be taken. Where stabilization measures are taken, these may be terminated at any time without notice. Such measures may be taken from the date the shares of the Company are listed on the regulated market on the Frankfurt Stock Exchange and must be terminated no later than the thirtieth calendar day after this date.

Under the possible stabilization measures, investors may, in addition to the Company shares being offered, be allocated up to 1,950,000 additional shares in the Company as part of the allocation of the shares to be placed. Within the scope of a possible overallotment, Deutsche Bank will be provided for the account of the Underwriters in the form of a securities loan with up to 1,950,000 shares of the Selling Shareholder; this number of shares will not exceed 15% of the number of shares offered excluding any overallotment.

In addition, the Selling Shareholder has granted the Underwriters an option to acquire the loaned shares at the offer price less the agreed commission (Greenshoe Option). This option will terminate 30 calendar days after commencement of the stock exchange trading of the shares.

Once the stabilization period has ended, an announcement will be made within one week in various media distributed across the entire European Economic Area as to whether stabilization measures were taken, when price stabilization started and finished, and the price range within which stabilization was taken; the latter will be made known for each occasion on which price stabilization measures were taken. Exercise of the Greenshoe Option, the timing of exercise and the number of shares concerned will also be announced promptly in the manner stated.

Allotment Criteria

The allotment of shares to private investors and institutional investors will be decided after consultation with the Joint Bookrunners. The ultimate decision rests with the Selling Shareholder and the Company. Allotments will be made on the basis of the quality of the individual investors and individual orders and other important allotment criteria to be determined after consultation with the Joint Bookrunners. The allocation to retail investors will be compatible with the "Principles for the Allotment of Share Issues to Private Investors" published by the Commission on Stock Exchange Experts (*Börsensachverständigenkommission*). "Qualified investors" under the German Securities Prospectus Act (WpPG), as well as "professional clients" and "suitable counterparties" under the German Securities Trading Act (WpHG) are

	not viewed as "private investors" within the meaning of the allocation rules.
Listing	The Company expects to apply on March 16, 2010 for admission of its shares to trading in the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange and, simultaneously, in the sub-segment thereof with additional post-admission obligations (Prime Standard). An admission decision is expected to be announced on March 26, 2010. The decision on the admission of the Company's shares for trading will be made solely in the discretion of the Frankfurt Stock Exchange. Currently, trading on the Frankfurt Stock Exchange is expected to commence on March 29, 2010.
Lock-up Agreements	The Company will, in the underwriting agreement among the Company, the Selling Shareholder and the Underwriters, expected to be entered into on March 24, 2010 (the "**Underwriting Agreement**"), commit to an obligation vis-à-vis the Underwriters in accordance with the relevant provisions of German securities law, that it will not, and will not agree to, without the prior consent of the Joint Bookrunners, within a period of six months following the first day of trading of the shares of the Company: • announce or carry out a capital increase from authorized capital; • submit a resolution for a capital increase at its extraordinary general shareholders' meeting; • announce, implement or propose the issuance of any financial instruments carrying conversion or option rights with respect to the shares of the Company; or • conduct any transactions that have an economic effect similar to the above measures. The foregoing does not apply to issuances or sales of shares or other securities as part of management participation plans of the Company or its affiliates, nor to any corporate actions undertaken for purposes of entering into joint ventures or acquiring companies, provided the respective counterparty agrees to be bound by the same lock-up restrictions vis-à-vis the Joint Bookrunners that apply to the Selling Shareholder. The Selling Shareholder will, in the Underwriting Agreement, commit to an obligation vis-à-vis the Underwriters that it will not, and will not agree to, without the prior consent of the Joint Bookrunners, within a period of six months following the first day of trading of the shares of the Company: • offer, pledge, allot, sell, distribute, transfer or otherwise dispose of shares or other securities of the Company; the same applies to all transactions that have an economic effect similar to a sale, such as the issue of option or conversion rights with respect to shares of the Company; • either directly or indirectly cause or give consent for a capital increase or direct or indirect placing of the shares of the Company to be announced or carried out; • either directly or indirectly propose or give consent for a capital increase at the general shareholders' meeting of the Company; • either directly or indirectly cause or give consent for the issuance of any financial instruments carrying conversion or option rights with respect to the shares of the Company to be announced, implemented or proposed; or • conduct any transactions that have an economic effect similar to the above measures. The foregoing lock-up restrictions do not apply to transactions with persons that agree to be bound by these restrictions. The Selling

	Shareholder currently is considering to engage in transactions to bring its ownership of the Company below 50% after the expiration of the lock-up period.
Use of Proceeds and Costs of the Offering	The Company will receive only the proceeds of the offering resulting from the sale of newly issued shares. The Company will not receive any proceeds from the sale of existing shares from the holdings of the Selling Shareholder. Costs of the Company related to the offering are expected to total approximately €20.0 million[1)], including underwriting commissions of up to €13.5 million (assuming an offer price at the mid point of the price range; assuming payment in full on the discretionary fee of up to 1.25% of the aggregate gross offering proceeds; excluding tax effects), and estimated other expenses of €6.5 million. The Company will pay that portion of the fees of the Underwriters attributable to the sale of the newly issued shares. The Company estimates that these fees will be between €12.0 million[1)] (low-end of the price range) and €14.9 million[1)] (high-end of the price range). We estimate that, at the low end of the price range, net proceeds to the Company would amount to approximately €464.4 million[2)], that at the mid-point of the price range, net proceeds to the Company would amount to approximately €515.5 million[2)] and that at the high end of the price range, net proceeds to the Company would amount to approximately €566.5 million[2)]. The Company intends to use approximately €431.7 million of its portion of the net proceeds of the offering to pay back an outstanding mezzanine credit facility in its entirety. Assuming an offer price at the low end of the price range, any of the Company's portion of the net proceeds of the offering remaining after repayment of the mezzanine credit facility, up to an amount of approximately €32.7 million, would be used for general corporate purposes (for example, changes in short-term financing needs, capital expenditures, projects and acquisitions). Assuming an offering price at either the mid-point or at the high end of the price range, the Company intends to use its portion of the net proceeds of the offering remaining after repayment of the mezzanine credit facility primarily for general corporate purposes and the remainder if any to repay a portion of the Second Lien Credit Facility. The Selling Shareholder will pay that portion of the fees of the Underwriters attributable to the sale of the existing shares. We estimate that at the low end, mid-point and high end of the price range, net proceeds to the Selling Shareholder would amount to approximately €197.1 million, €218.8 million and €240.5 million, respectively.
Voting Rights	Each of the shares is entitled to one vote at the Company's general shareholders' meeting.
Dividend Rights	The shares carry full dividend rights as of January 1, 2010.
International Securities Identification Number (ISIN)	DE000A1DAHH0
German Securities Code (WKN)	A1DAHH
Common Code	048987532
Trading Symbol	BNR
Paying Agent	Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany

1) Of the fees in connection with obtaining the necessary waivers under the Company's debt facilities, which are payable to Deutsche Bank and Goldman Sachs upon the closing of the offering, €1.25 million are allocated to fees payable by the Company to the Underwriters. This amount has been deducted from the figure presented.

2) Without this allocation (see footnote 1), the net proceeds would be €1.25 million lower.

Summary Consolidated Financial Data

The financial information contained in the following tables is derived from the audited consolidated financial statements of the Company for the fiscal years ended December 31, 2009, December 31, 2008 and December 31, 2007. These consolidated financial statements have been prepared in accordance with IFRS. Additional information included in this prospectus has been taken from the audited unconsolidated financial statements of the Company for the fiscal year ended December 31, 2009, which were prepared in accordance with HGB. PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Düsseldorf, Germany, audited and issued an unqualified auditors' report with respect to each of these consolidated and unconsolidated financial statements and are printed elsewhere in this prospectus. The aforementioned IFRS and HGB financial statements of the Company are reproduced in this prospectus beginning at page F-1. IFRS and HGB differ in material ways. Some of the performance indicators and ratios reproduced below were taken from the Company's accounting records.

Where financial data in the following tables is labeled "audited", this means that it was taken from the audited financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial data that was taken from a source other than the audited financial statements mentioned above or derived from the audited financial statements mentioned above or sources other than these audited financial statements. All of the financial data presented in the text and tables of this section of the prospectus is shown in thousands and millions of euro (€ thousand and € million), respectively, commercially rounded to one decimal point. Unless expressly otherwise noted, the percentage changes that are stated in the text and the tables have been commercially rounded to one decimal point. Because of this rounding, the figures shown in the tables do not in all cases add up exactly to the respective totals given, and the percentages shown do not always add up exactly to 100%.

The following summary financial information should be read together with the section "Management's Discussion and Analysis of Financial Condition and Results of Operations", the consolidated financial statements contained in this prospectus and the related notes and the additional financial information contained elsewhere in this prospectus.

Summary Data from the Consolidated Income Statement

	For the years ended December 31,		
	2009	2008	2007
	(audited, € million)		
Sales	**6,364.6**	**7,379.6**	**6,671.4**
Cost of goods sold	(4,905.1)	(5,887.3)	(5,316.9)
Gross profit	**1,459.5**	**1,492.3**	**1,354.5**
Selling expenses[(1)]	(1,080.4)	(1,111.0)	(1,058.8)
Administrative expenses	(123.6)	(119.4)	(121.2)
Other operating income	41.9	43.6	46.0
Other operating expenses	(26.7)	(27.3)	(18.3)
Operating profit	**270.7**	**278.2**	**202.2**
Result of investments accounted for at equity	(8.8)	4.1	3.4
Finance income	9.3	16.4	21.2
Finance costs	(220.8)	(281.3)	(290.7)
Distribution to minorities under IAS 32	(1.6)	(2.0)	(3.1)
Other financial result	(1.7)	(16.7)	(2.5)
Financial result	**(223.6)**	**(279.5)**	**(271.7)**
Profit (loss) before taxes	**47.1**	**(1.3)**	**(69.5)**
Income taxes	(46.6)	(40.5)	6.3
Net profit (loss) for the period	**0.5**	**(41.8)**	**(63.2)**
Attributable to:			
Brenntag shareholders	(0.1)	(42.1)	(64.0)
Minority shareholders	0.6	0.3	0.8

(1) Including amortization of customer relationships and similar rights, amounting to €114.4 million in 2009, €109.8 million in 2008 and €109.1 million in 2007. Thereof €102.4 million in 2009, €103.7 million in 2008 and €107.2 million in 2007 relate to customer relationships and similar rights capitalized in the course of the purchase price allocation made in September 2006, when Brenntag Group was indirectly acquired by Funds Advised by BC Partners, Funds Advised by GSMP and (as part of a disposition and partial repurchase) Funds Advised by Bain Capital, of which the remaining book value as of December 31, 2009 was €76.4 million and which will be fully amortized by September 2010.

Summary Other Consolidated Financial Data

	For the years ended December 31,		
	2009	2008	2007
	(unaudited, € million unless otherwise indicated)		
Net profit (loss) for the period (audited)	**0.5**	**(41.8)**	**(63.2)**
+/− Income Taxes (audited)	46.6	40.5	(6.3)
Profit (loss) before taxes (audited)	**47.1**	**(1.3)**	**(69.5)**
+ Financial result (audited)	223.6	279.5	271.7
+ Amortization (audited)(9)	123.6	119.4	118.7
EBITA(1)(2)(7)	**394.3**	**397.6**	**320.9**
+ Depreciation (audited)	82.3	83.3	87.0
EBITDA(2)(3)(7)(8)	**476.6**	**480.9**	**407.9**
+ Transaction expenses(8)	3.7	1.2	4.3
Operating EBITDA(2)(4)(7)(8)	**480.3**	**482.1**	**412.2**
EBITDA(2)(3)(7)(8)/gross profit (in %)	**32.7**	**32.2**	**30.1**
EBITDA(2)(3)(7)(8)	**476.6**	**480.9**	**407.9**
+/− Changes in working capital	242.0	(53.5)	(24.4)
− Capital expenditures	(71.8)	(84.3)	(104.6)
Free cash flow (FCF)(2)(5)	**646.8**	**343.1**	**278.9**
RONA(2)(6) (in %)	**26.8**	**24.4**	**20.2**

(1) EBITA is EBITDA less depreciation. We are not presenting EBITA here as a measure of our operating results. Our management considers EBITA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

(2) We are presenting this figure on the basis that some investors may find it helpful as a measure of our performance. This figure is not recognized as a measure under IFRS and should not be considered a substitute for income statement or cash flow data, as determined in accordance with IFRS, or as a measure of profitability or liquidity. It does not necessarily indicate whether cash flow will be sufficient or available for our cash requirements, nor is it necessarily indicative of our historical or future operating results. Because not all companies define this measure in the same way, our presentation of it is not necessarily comparable to similarly-titled measures used by other companies.

(3) EBITDA is defined as earnings before financial result, income taxes, depreciation and amortization. We are not presenting EBITDA here as a measure of our operating results. Our management considers EBITDA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

(4) Operating EBITDA is a performance measure that our management observes and uses to manage our business on regional level. At the Group level, operating EBITDA is defined as EBITDA plus transaction expenses. We are not presenting operating EBITDA here as a measure of our operating results. Our management considers operating EBITDA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

At the segment level, the adjustment from operating EBITDA to EBITDA includes both transaction expenses and headquarter charges (at the Group level, only transaction expenses are relevant, as headquarter charges net to zero).

Transaction expenses are expenses that are connected with the restructuring and refinancing under company law. They are eliminated for purposes of management reporting to permit a clear presentation of the operating performance and comparability on segment level.

Headquarter charges are certain intercompany charges imposed on the operating companies. Operating companies cannot be held responsible for the amount of such charges, so they are eliminated for purposes of management reporting. On the Group level they net to zero.

(5) Free cash flow (FCF) is defined as EBITDA less other additions to property, plant and equipment less other additions to acquired software, licenses and similar rights plus/less changes in working capital; working capital is defined as trade receivables plus inventories less trade payables. FCF is not a synonym for, and does not necessarily indicate or correspond with, discretionary cash.

(6) RONA means return on net assets and is defined as EBITA divided by the sum of average PPE plus average working capital. Average PPE is defined for a particular year as the mean average of values for PPE at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year. Average working capital is defined for a particular year as the mean average of the values for working capital (as defined in note 5 above) at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year. Average working capital amounted to €691.9 million in 2009, €833.1 million in 2008 and €774.4 million in 2007.

(7) In 2009, EBITDA, as well as operating EBITDA, and EBITA on the Group level, include expense items relating to the early termination of a multi-year incentive program. These expenses for the members of the management board amount to €22.8 million.

(8) Audited in 2009 and 2008.

(9) Including amortization of customer relationships and similar rights, amounting to €114.4 million in 2009, €109.8 million in 2008 and €109.1 million in 2007. Thereof, €102.4 million in 2009, €103.7 million in 2008 and €107.2 million in 2007 relate to customer relationships and similar rights capitalized in the course of the purchase price allocation made in September 2006, when the Brenntag Group was indirectly acquired by Funds Advised by BC Partners, Funds Advised by GSMP and (as part of a disposition and partial repurchase) Funds

Advised by Bain Capital, of which the remaining net book value as of December 31, 2009 was €76.4 million and will be fully amortized by September 2010.

Summary Data from the Consolidated Balance Sheet

	As of December 31,					
	2009		2008		2007	
			(audited, € million)			
Assets	**4,653.8**		**4,792.6**		**4,867.4**	
Of which:						
Current Assets	1,966.3		1,980.5		1,991.6	
Of which:						
Cash and cash equivalents		602.6		298.7		343.8
Trade receivables		831.4		979.1		976.0
Other receivables		85.2		95.2		97.3
Inventories		422.3		547.2		526.5
Non-current Assets	2,687.5		2,812.1		2,875.8	
Of which:						
Property, plant and equipment		784.1		795.6		813.6
Intangible assets		1,785.9		1,896.6		1,941.6
Liabilities and Equity	**4,653.8**		**4,792.6**		**4,867.4**	
Of which:						
Current Liabilities	1,084.7		1,183.8		1,231.9	
Of which:						
Trade payables		655.6		694.5		741.0
Financial liabilities		61.5		119.0		138.1
Non-current Liabilities	3,396.8		3,480.5		3,437.8	
Of which:						
Financial liabilities		3,077.0		3,134.9		3,061.4
Equity	172.3		128.3		197.7	

Summary Data from the Consolidated Cash Flow Statement

	For the years ended December 31,		
	2009	2008	2007
	(audited, € million)		
Cash provided by operating activities	490.3	177.1	116.5
Cash used for investing activities	(76.1)	(173.2)	(185.0)
Cash used for financing activities	(113.0)	(51.3)	(108.0)
Change in cash and cash equivalents	301.2	(47.4)	(176.5)
Cash and cash equivalents at end of period	602.6	298.7	343.8

Summary Operating (Geographical) Segment Data

	Year ended December 31, 2009	Change 2008-2009	Year ended December 31, 2008	Change 2007-2008	Year ended December 31, 2007
	(audited)		(audited)		(unaudited, except for sales)
	(€ million)	(%)	(€ million)	(%)	(€ million)
Europe					
Sales	3,434.4	(14.7)	4,027.5	6.7	3,773.6
Operating gross profit(1)(6)(8)	807.6	(3.8)	839.8	4.7	802.4
Operating EBITDA(2)(8)	250.6	(1.4)	254.2	6.8	238.1
North America					
Sales	2,050.5	(16.2)	2,447.9	16.2	2,106.7
Operating gross profit(1)(6)(8)	537.7	(0.8)	542.0	15.7	468.6
Operating EBITDA(2)(8)	196.8	(3.7)	204.4	26.4	161.7
Latin America					
Sales	610.5	(2.5)	626.2	18.7	527.7
Operating gross profit(1)(6)(8)	123.3	(2.4)	126.3	35.8	93.0
Operating EBITDA(2)(8)	42.3	(4.1)	44.1	88.5	23.4
Asia Pacific					
Sales	58.4	289.3	15.0	—	—
Operating gross profit(1)(6)(8)	14.5	326.5	3.4	—	—
Operating EBITDA(2)(8)	2.2	120.0	1.0	—	—
Rest of the World(4)					
Sales	210.8	(19.8)	263.0	(0.2)	263.4
Operating gross profit(1)(6)(8)	10.1	21.7	8.3	(16.2)	9.9
Operating EBITDA(2)(8)	(11.6)	46.3	(21.6)	(96.4)	(11.0)
Total for Group					
Sales	6,364.6	(13.8)	7,379.6	10.6	6,671.4
Operating gross profit(1)(3)(6)(8)	1,493.2	(1.8)	1,519.8	10.6	1,373.9
Costs related to production/mixing and blending (unaudited)(6)	(33.7)	(22.5)	(27.5)	(41.8)	(19.4)
Gross profit	1,459.5	(2.2)	1,492.3	10.2	1,354.5
Operating EBITDA(2)(3)(7)(8)	480.3	(0.4)	482.1	17.0	412.2
Less transaction expenses(8)	(3.7)	(208.3)	(1.2)	72.1	(4.3)
EBITDA(3)(5)(7)(8)	476.6	(0.9)	480.9	17.9	407.9

(1) Operating gross profit is sales less cost of material for goods purchased and supplies (e.g., consumption of purchased goods, impairments of marketable purchased goods, write-downs as well as reversals of write-downs, stock-taking differences), purchased services (e.g., inbound freight charges, commissions), packaging materials, supplier bonuses, and increases/decreases in finished goods.

(2) Operating EBITDA is a performance measure that our management observes and uses to manage our business on regional level. At the Group level, operating EBITDA is defined as EBITDA plus transaction expenses. We are not presenting operating EBITDA here as a measure of our operating results. Our management considers operating EBITDA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

At the segment level, the adjustment from operating EBITDA to EBITDA includes both transaction expenses and headquarter charges (at the Group level, only transaction expenses are relevant, as headquarter charges net to zero).

Transaction expenses are expenses that are connected with the restructuring and refinancing under company law. They are eliminated for purposes of management reporting to permit a clear presentation of the operating performance and comparability on segment level.

Headquarter charges are certain intercompany charges imposed on the operating companies. Operating companies cannot be held responsible for the amount of such charges, so they are eliminated for purposes of management reporting. On the Group level they net to zero.

(3) We are presenting this figure on the basis that some investors may find it helpful as a measure of our performance. This figure is not recognized as a measure under IFRS and should not be considered a substitute for income statement or cash flow data, as determined in accordance with IFRS, or as a measure of profitability or liquidity. It does not necessarily indicate whether cash flow will be sufficient or available for our cash requirements, nor is it necessarily indicative of our historical or future operating results. Because not all companies define this measure in the same way, our presentation of it is not necessarily comparable to similarly-titled measures used by other companies.

(4) We report our operating segment "Rest of the World" under IFRS 8 within "All other segments"; within this table, Rest of the World covers, in addition to various holding companies, the activities of Brenntag International Chemicals, which buys and sells chemicals in bulk on an international scale without regional boundaries. The segment also includes our sourcing and market research activities in China.

(5) EBITDA is defined as earnings before financial result, income taxes, depreciation and amortization. We are not presenting EBITDA here as a measure of our operating results. Our management considers EBITDA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

(6) Operating gross profit is determined according to the nature of expense method (as defined in IAS 1). Operating gross profit equals gross profit determined according to the function of expense or cost of sales method (as defined in IAS 1), which is the measure presented in our financial statements, excluding certain costs related to production as well as to our mixing and blending activities.

(7) In 2009, EBITDA, as well as operating EBITDA, on the Group level include expense items relating to the early termination of a multi-year incentive program. These expenses for the members of the management board amount to €22.8 million, of which €12.8 million are attributable to the North American segment, €5.2 million to the European segment and €4.8 million to Rest of the World.

(8) Audited in 2009 and 2008. Unaudited in 2007, except for sales figures.

Summary of the Risk Factors

Investors should carefully consider the following risks, in addition to the other information contained in this prospectus, when deciding whether to invest in our shares. The market price of our shares could fall if any of these risks were to materialize, in which case investors could lose all or part of their investments. The following risks, alone or together with additional risks and uncertainties not currently known to us or that we might currently deem immaterial, could materially adversely affect our business, financial condition and results of operations.

The order in which the risk factors are presented is not an indication of the likelihood of the risks actually occurring, the significance or degree of the risks or the scope of any potential impairment to our business. The risks mentioned could materialize individually or cumulatively.

Risks Relating to our Business

- We are affected by demand fluctuations and other developments in the broader economy, including in the manufacturing sector, and our operations and financial results could be adversely affected by a prolonged or deeper economic crisis.
- Intense competition, both from other third-party distributors and from chemical producers, in many of the markets in which we operate could limit our potential for profit and growth.
- Consolidation of our competitors in the markets in which we operate could place us at a competitive disadvantage and reduce our profitability.
- We might be unable to successfully integrate or achieve the expected benefits from past or future acquisitions and our growth strategy could be unsuccessful.
- In connection with acquisitions or divestitures, we might inadvertently acquire or retain actual or potential liabilities or defects.
- We might not be able to pass through cost increases. If our inventories of one or more chemicals exceed our sales and the purchase price of those chemicals decreases significantly, or if our inventories fall short and our sales or the purchase price of those chemicals increases significantly, we could experience financial losses. In addition, if we are unable to meet customer demand for a particular product, we could lose customers and suffer damage to our reputation.
- Accidents, environmental damage, misuse of our products, major or systemic delivery failures involving our distribution network or the products we carry, or adverse health effects or other harm related to hazardous materials that we carry or store could result in damage to our reputation and substantial remedial obligations.
- Our business is subject to many operational risks for which we might not be adequately insured.
- Due to the international nature of our business, we are exposed to a variety of economic, political, legal and other related risks, and we cannot guarantee that our decentralized structure will not lead to incidents or developments that could damage our reputation, operations or financial condition.
- We rely on the proper functioning of our computer and data processing systems, and a larger-scale malfunction could result in disruptions to our business in the countries or regions affected by the disruption.
- We are dependent on our ability to attract and retain key management, technical, sourcing and sales personnel, as well as on continuing good relations with organized labor. Because we are a regionally managed business, the success of our operations is also dependent on the performance of local management.
- Our balance sheet includes significant intangible assets, which could become impaired.
- We could be forced to write down assets securing a portion of our pension obligations if such assets decline in value.
- Changes in foreign exchange rates and interest rates could have material adverse effects on our financial results. Our hedging efforts might be unsuccessful.

Risks Related to our Capital Structure

- Our leverage and debt-service obligations could limit the amount of cash we have available, for example for acquisition financing and dividend payments, and a significant increase in our net indebtedness could result in changes in the terms on which credit is extended to us.
- Our indebtedness imposes restrictions on our business.

- Our working capital needs are expected to increase in the future, which could result in having less free cash available for, among other things, capital expenditure, acquisition financing and dividends.

Legal Risks

- We are exposed to ongoing litigation and other legal and regulatory actions and risks in the course of our business, and we could incur significant liabilities and substantial legal fees.
- We could incur substantial legal fees and potential sanctions in connection with antitrust matters.
- Changes in laws and regulations could adversely affect our business and competitive position, and we could incur liabilities and additional costs due to environmental, health and safety laws, as well as other laws and regulations.
- Many of our contracts with suppliers and customers are terminable upon notice, and the termination of these contracts could negatively affect our business.
- Our tax burden could increase due to changes in tax laws or their application or interpretation, or as a result of current or future tax audits.

Risks Related to our Shares, the Listing, and the Shareholder Structure of the Company and the Group

- The shares have not been publicly traded, and there is no guarantee that an active and liquid market for our shares will develop.
- Our share price may fluctuate significantly, and investors could lose all or part of their investment.
- Following the offering, our largest shareholder will be in a position to exert substantial influence on the Company. The interests pursued by this shareholder could differ from the interests of our other shareholders.
- Future sales of shares by our existing shareholder could depress the price of our shares.
- Future offerings of debt or equity securities by us may adversely affect the market price of the shares, and future capitalization measures could lead to substantial dilution of existing shareholders' interests in the Company.
- The payment of future dividends will depend on our financial condition and results of operations, as well as on our operating subsidiaries' distributions to us.

GERMAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS
ZUSAMMENFASSUNG DES PROSPEKTS

*Die Brenntag AG mit Sitz in Stinnes-Platz 1, 45472 Mülheim an der Ruhr, eingetragen im Handelsregister des Amtsgerichts Duisburg unter der Nummer HRB 22178 (die "**Gesellschaft**" und gemeinsam mit ihren Tochtergesellschaften ,,**wir**", ,,**unser**", ,,**unsere Gruppe**", die ,,**Brenntag-Gruppe**" oder ,,**Brenntag**"), zusammen mit der Deutsche Bank Aktiengesellschaft, Frankfurt am Main (,,**Deutsche Bank**") und Goldman Sachs International, London, Vereinigtes Königreich (,,**Goldman Sachs**" und gemeinsam mit der Deutschen Bank die ,,**Joint Global Coordinators**"), Merrill Lynch International, London, Vereinigtes Königreich (,,**Merrill Lynch**") und J.P. Morgan Securities Ltd., London, Vereinigtes Königreich (,,**J.P. Morgan**" und gemeinsam mit Merrill Lynch und den Joint Global Coordinators die ,,**Joint Bookrunners**") und COMMERZBANK Aktiengesellschaft, Frankfurt am Main (,,**COMMERZBANK**"), HSBC Trinkaus & Burkhardt AG, Düsseldorf (,,**HSBC Trinkaus**"), SOCIÉTÉ GÉNÉRALE, Paris, Frankreich (,,**SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking**") und The Royal Bank of Scotland N.V. (Zweigniederlassung London), London, Vereinigtes Königreich (,,**The Royal Bank of Scotland**" und gemeinsam mit COMMERZBANK, HSBC Trinkaus und SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking die ,,**Co-Lead Managers**" und gemeinsam mit den Joint Bookrunners die ,,**Konsortialbanken**") übernehmen gemäß § 5 Abs. 2 Satz 3 Nr. 4 Wertpapierprospektgesetz die Verantwortung für den Inhalt dieser Zusammenfassung. Im Folgenden bezeichnet der Begriff ,,**Vorgängerin von Brenntag**" die Brenntag Investor Holding GmbH zusammen mit ihren jeweiligen Tochtergesellschaften, die im September 2006 durch von BC Partners Limited beratenen Fonds (diese Fonds ,,**durch BC Partners beratene Fonds**"), von Tochtergesellschaften von Goldman Sachs beratenen Fonds (diese Fonds ,,**durch GSMP beratene Fonds**") und (im Rahmen einer Veräußerung und eines teilweisen Rückkaufs) von Bain Capital, Ltd. beratenen Fonds (diese Fonds ,,**durch Bain Capital beratene Fonds**") erworben wurde.*

Diese Zusammenfassung sollte als Einleitung zu diesem Prospekt gelesen werden. Die Informationen in dieser Zusammenfassung werden durch ausführlichere Informationen, die an anderer Stelle in diesem Prospekt enthalten sind, ergänzt. Anleger sollten ihre Anlageentscheidung auf eine Prüfung des gesamten Prospekts stützen. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der jeweiligen einzelstaatlichen Rechtsvorschriften des betreffenden Mitgliedstaates des Europäischen Wirtschaftsraums die Kosten für die Übersetzung dieses Prospekts vor Prozessbeginn zu tragen haben. Für den Inhalt dieser Zusammenfassung können die für die Zusammenfassung Verantwortlichen haftbar gemacht werden, jedoch nur soweit die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird.

*Bestimmte Angaben in dieser Zusammenfassung zu Marktumfeld, Marktentwicklungen, Wachstumsraten, Markttrends und Wettbewerbssituation in den Märkten und Bereichen, in denen die Gesellschaft tätig ist, entstammen öffentlich zugänglichen Quellen, einschließlich des BCG Market Reports vom Januar 2010 (wie nachstehend definiert). Hierin zitierte Angaben aus Drittquellen wurden korrekt wiedergegeben. Soweit der Gesellschaft bekannt ist und sie dies bezüglich dieser Angaben unabhängig bestätigen kann, wurden keine Tatsachen ausgelassen, durch welche die veröffentlichten Angaben in wesentlicher Hinsicht unrichtig oder irreführend würden. Soweit nicht anderweitig angegeben, basieren die in dieser Zusammenfassung enthaltenen Angaben zu Marktumfeld, Marktentwicklungen, Wachstumsraten, Markttrends und Wettbewerb in den Märkten und Bereichen, in denen die Gesellschaft tätig ist, auf Einschätzungen der Gesellschaft. Diese Einschätzungen wiederum basieren zum Teil auf internen Marktbeobachtungen und auf von uns in Auftrag gegebenen Marktstudien. Zudem zitieren wir an verschiedenen Stellen in dieser Zusammenfassung einen öffentlich verfügbaren Branchenbericht der Boston Consulting Group (,,**BCG**") vom 6. Januar 2010 (der ,,**BCG-Marktbericht vom Januar 2010**"). Wir haben die BCG am 5. Oktober 2009 beauftragt, eine gesonderte Studie zum Geschäft und zur Marktposition unserer Gruppe anzufertigen. Die Gesellschaft hat die Marktdaten und anderen Angaben, auf deren Grundlage Dritte ihre Studien angefertigt haben, oder die externen Quellen, auf denen die Einschätzungen der Gesellschaft basieren, nicht unabhängig geprüft. Deshalb übernimmt die Gesellschaft keine Haftung für die Richtigkeit der Angaben zu Marktumfeld, Marktentwicklungen, Wachstumsraten, Markttrends und Wettbewerbssituation in dieser Zusammenfassung aus Studien Dritter oder die Richtigkeit der Angaben, auf denen ihre eigenen Einschätzungen beruhen.*

Überblick

Brenntag ist ein führender internationaler Anbieter von Business-to-Business-Lösungen (,,**B2B**") im Bereich der Chemiedistribution (Quelle: *BCG Market Report, January 2010*). Mit mehr als 400 Distributionszentren in mehr als 60 Ländern ist Brenntag gemessen an Umsatzerlösen weltweit führend in der Distribution sowohl von Industrie- als auch von Spezialchemikalien aller Art. Brenntag hat seinen Sitz in Mülheim an der Ruhr und fungiert

als Bindeglied zwischen Chemieproduzenten und der weiterverarbeitenden Industrie als "One-Stop-Shop" für über 10.000 Chemieprodukte und beliefert mehr als 150.000 Kunden weltweit, für gewöhnlich mit Kleinmengen, die in der Regel über das Lager laufen und in Teilladungsverkehren distribuiert werden. Vor mehr als 130 Jahren in Deutschland gegründet, ist Brenntag zu einem global agierenden Unternehmen aufgestiegen. Unser Wachstum wurde zu einem großen Teil durch gezielte Akquisitionen in Schlüsselmärkten auf der ganzen Welt erreicht. Heute ist unsere Geschäftstätigkeit in vier geografische Segmente aufgeteilt: Europa, Nordamerika, Lateinamerika und der asiatisch-pazifische Raum; über die übrigen Tätigkeiten wird unter Rest der Welt berichtet.

Wir bieten Zulieferern wie Kunden umfassende Lösungen. Dazu zählen:

- Beschaffung und Lagerung von Großgebinden an Industrie- und Spezialchemikalien,
- Konfektionierung von Chemikalien zu bedarfsgerechten, kleineren Mengen,
- Distribution von Chemikalien aller Art und
- Erbringung von Mehrwertleistungen wie Just-in-time-Lieferung, Chemikalienmischungen, Verpackung, Bestandsverwaltung, Abwicklung der Gebinderückgabe sowie Dienstleistungen und Support im technischen Bereich.

Zu unserem diversifizierten Kundenstamm zählen sowohl kleine und mittlere Unternehmen als auch multinationale Unternehmen mit weltweiter Beschaffung und Produktion. Wir sind der Ansicht, dass unsere Größe und die Breite unseres Betätigungsfeldes sowohl für unsere Kunden als auch für unsere Zulieferer wesentliche Vorteile mit sich bringen, da es ihnen so ermöglicht wird, ihren gesamten Chemiedistributionsbedarf mit einem einzigen Partner abzudecken. Wir beliefern Kunden, die in den unterschiedlichsten Endmärkten tätig sind, was unsere Geschäftstätigkeit unserer Ansicht nach stabiler macht, als wenn wir den Risiken eines einzigen Endmarktes stärker ausgesetzt wären. 2009 entfiel auf keinen einzelnen unserer Kunden mehr als 1 % unseres Umsatzes, auf unsere zehn größten Kunden entfielen insgesamt weniger als 4 % unseres Umsatzes. Darüber hinaus kaufen wir Chemikalien von vielen verschiedenen Zulieferern; in 2009 entfielen auf keinen einzelnen Zulieferer mehr als 6 % der gesamten Umsatzkosten der Gruppe.

Als 2008 umsatzbezogen weltweit größtes Unternehmen in der Chemiedistribution mit Vollsortiment (Quelle: *BCG Market Report, January 2010*) sind wir der Auffassung, dass Größe (geografische Reichweite sowie Netzwerk- und Infrastrukturdichte) und Breite des Betätigungsfeldes (Produkt- und Dienstleistungsangebot sowie Know-how) unseres Unternehmens klare Vorteile gegenüber unseren Wettbewerbern darstellen. Unsere Vision ist es, weltweit bevorzugter Distributeur von Chemikalien mit Vollsortiment für strategische Kunden und Zulieferer sowie Branchenführer bei Wachstum, Rentabilität und Rendite zu sein. Zur Verwirklichung dieser Vision verfolgen wir eine Strategie, die wir durch eine Kombination von globalen und regionalen Initiativen umsetzen wollen, deren Schwerpunkte darauf liegen, (i) unser Produkt- und Leistungsangebot durch pro-aktives Verfolgen interner wie externer Wachstumschancen auszubauen und (ii) unseren kontinuierlichen Fokus auf Rentabilität und Rendite aufrecht zu erhalten.

Wir steuern unser Geschäft anhand der folgenden Kennzahlen: Bruttoergebnis, EBITDA, Verhältnis von EBITDA zum Bruttoergebnis und EBITA, sowie Free Cash Flow und der anhand von RONA gemessenen Rendite. Die nachstehende Tabelle zeigt diese Zahlen für jedes der zum 31. Dezember 2009, 31. Dezember 2008 bzw. 31. Dezember 2007 abgelaufenen Geschäftsjahre:

	2009	2008	2007
	(ungeprüft, in Mio. €, soweit nicht anders angegeben)		
Bruttoergebnis vom Umsatz (geprüft)	1.459,5	1.492,3	1.354,5
EBITDA(1)(2)(6)(7)	476,6	480,9	407,9
EBITDA(1)(2)(6)(7)/Bruttoergebnis vom Umsatz (in %)	32,7	32,2	30,1
EBITA(2)(3)(6)	394,3	397,6	320,9
Free Cash Flow (FCF)(2)(4)	646,8	343,1	278,9
RONA(2)(5) (in %)	26,8	24,4	20,2

(1) EBITDA ist definiert als das Ergebnis vor Finanzergebnis, Steuern vom Einkommen und Ertrag, und Abschreibungen. Wir weisen das EBITDA hier nicht als Kennzahl für unsere operativen Ergebnisse aus. Unsere Geschäftsführung berücksichtigt EBITDA neben einigen anderen Kennzahlen für die Ertragskraft bei der Führung unseres Geschäfts, da sie EBITDA als eine von verschiedenen hilfreichen Kennzahlen für die Ertragskraft ansieht.

(2) Wir weisen diese Kennzahl aus, da sie für einige Investoren eine hilfreiche Kennzahl zur Beurteilung unserer Ertragskraft darstellen könnte. Diese Kennzahl ist jedoch keine unter IFRS definierte Kennzahl und sollte nicht als Ersatz für Angaben zu Posten der Gewinn- und Verlustrechnung oder Kapitalflussrechnung, die nach den IFRS ermittelt werden, oder als Kennzahl für die Rentabilität oder Liquidität verstanden werden. Sie gibt nicht notwendigerweise an, ob der Cashflow ausreichen wird, um unseren Liquiditätsbedarf zu decken, und ist nicht notwendigerweise ein Indikator für vergangene oder zukünftige operative Ergebnisse. Da diese Kennzahl nicht von allen Unternehmen

gleich definiert wird, ist die von uns ausgewiesene Kennzahl nicht unbedingt mit ähnlich bezeichneten Kennzahlen, die von anderen Unternehmen verwendet werden, vergleichbar.

(3) EBITA entspricht dem EBITDA abzüglich Abschreibungen auf Sachanlagen. Wir weisen EBITA hier nicht als Kennzahl für unsere operativen Ergebnisse aus. Unsere Geschäftsführung berücksichtigt EBITA neben einigen anderen Kennzahlen für die Ertragskraft bei der Führung unseres Geschäfts, da sie EBITA als eine von verschiedenen hilfreichen Kennzahlen für die Ertragskraft ansieht.

(4) Free Cash Flow (FCF) ist definiert als EBITDA abzüglich sonstiger Zugänge zu Sachanlagen abzüglich sonstiger Zugänge zu erworbener Software, Lizenzen und ähnlichen Rechten zuzüglich bzw. abzüglich Änderungen des Working Capital; das Working Capital ist definiert als Forderungen aus Lieferungen und Leistungen zuzüglich der Vorräte abzüglich der Verbindlichkeiten aus Lieferungen und Leistungen. FCF ist nicht als Synonym oder Bezeichnung von frei verfügbaren flüssigen Mitteln zu verstehen und entspricht nicht unbedingt frei verfügbaren flüssigen Mitteln. Zur Überleitung von EBITDA auf FCF siehe *„—Zusammenfassung der konsolidierten Finanzangaben — Zusammenfassung der sonstigen Konzernfinanzkennzahlen“*.

(5) Return on Net Assets (RONA) ist definiert als EBITA geteilt durch die Summe aus durchschnittlichem Sachanlagevermögen plus durchschnittlichem Working Capital. Das durchschnittliche Sachanlagevermögen ist für ein bestimmtes Jahr definiert als das arithmetische Mittel aus den jeweiligen Werten für Sachanlagen an den fünf folgenden Zeitpunkten: am Jahresanfang, jeweils am Ende des ersten, des zweiten und des dritten Quartals, sowie am Jahresende. Das durchschnittliche Working Capital ist für ein bestimmtes Jahr definiert als das arithmetische Mittel aus den jeweiligen Werten für das Working Capital (wie in Fußnote 4 oben definiert) an den fünf folgenden Zeitpunkten: am Jahresanfang, jeweils am Ende des ersten, des zweiten und des dritten Quartals, sowie am Jahresende. Das durchschnittliche Working Capital betrug € 691,9 Mio. im Jahr 2009, € 833,1 Mio. im Jahr 2008 und € 774,4 Mio. im Jahr 2007.

(6) Im Geschäftsjahr 2009 enthalten sowohl das EBITDA als auch das EBITA auf Gruppenebene Aufwendungen in Zusammenhang mit der vorzeitigen Beendigung eines mehrjährigen vergütungsbezogenen Anreizprogrammes. Diese Aufwendungen für Mitglieder der Geschäftsführung betragen € 22,8 Mio.

(7) Die Zahlen für 2009 und 2008 sind geprüft.

Unsere wesentlichen Stärken — Zusammenfassung

Wir sind der Auffassung, dass in der Vergangenheit die wichtigsten Garanten unseres Erfolgs folgende wesentliche Stärken waren und wir uns auch zukünftig durch sie von der Konkurrenz abheben werden:

Weltweiter Marktführer

Wir sind der größte unabhängige Chemiedistributeur der Welt, der führende Chemiedistributeur mit Vollsortiment in Europa und Lateinamerika sowie der drittgrößte in den USA (basierend auf Umsätzen im Jahr 2008, den aktuellsten verfügbaren Marktdaten) (Quelle: *BCG Market Report, January, 2010*). Außerdem bauen wir unsere Plattform im asiatisch-pazifischen Raum derzeit weiter aus. Globale Reichweite kombiniert mit lokaler Präsenz sind für ein großes Chemiedistributionsunternehmen der Schlüssel, um den Bedürfnissen von Kunden und Produzenten gerecht zu werden und um in vollem Umfang von Größe und Breite im Vergleich zu kleineren Marktteilnehmern zu profitieren. Aus diesen Vorteilen entsteht uns ein deutlicher Wettbewerbsvorteil gegenüber den Tausenden kleinerer Distributionsunternehmen, mit denen wir im Wettbewerb stehen.

Signifikantes Wachstumspotenzial in einer attraktiven Branche

Wir sind führend in einer Branche, die positive Wachstumstrends verzeichnete und attraktive Wachstumsmöglichkeiten bietet (Quelle: *BCG Market Report, January 2010*). Ende 2008 machte die Chemiedistribution durch unabhängige Dritte lediglich 9 % des für die Distribution relevanten Chemikalienverbrauchs aus, und es wurde für die nächsten Jahre ein Anstieg dieses Anteils infolge des Trends zu verstärktem Outsourcing prognostiziert (Quelle: *BCG Market Report, January 2010*). Die Internationalität unseres Geschäfts erlaubt uns den weiteren Ausbau unserer bestehenden Kunden- und Lieferantenbeziehungen und bietet uns so die Möglichkeit der weiteren Durchdringung von Märkten, in denen wir derzeit unterrepräsentiert sind oder deren Wachstumspotenzial wir als überdurchschnittlich hoch einschätzen. Der Markt für unabhängige Chemiedistribution, in dem zum 31. Dezember 2008 ein weltweiter Marktanteil von weniger als 19 % auf die fünf größten Unternehmen und von weniger als 23 % auf die zehn größten Unternehmen entfiel, ist mit insgesamt mehr als 10.000 Distributeuren in hohem Maße fragmentiert (Quelle: *BCG Market Report, January 2010*). Wir profitieren davon, dass wir 92 erfolgreich abgeschlossene Akquisitionen in dem Zeitraum ab 1991 vorweisen können, und wir sind der Auffassung, dass wir auch zukünftig aufgrund der Kombination aus weltweitem Netzwerk, Infrastruktur, Know-how und führenden Marktpositionen in der Lage sein werden, erfolgreich in der Branche konsolidierend zu agieren. Wir glauben, dass wir als Marktführer besonders gut positioniert sind, um diese Wachstumschancen auszunutzen.

Überlegenes, robustes Geschäftsmodell

Wir sind der Auffassung, dass unser überlegenes Geschäftsmodell uns in die Lage versetzt, von branchenspezifischen Wachstumstrends zu profitieren und gleichzeitig ein hohes Maß an Ausfallsicherheit aufgrund von Diversifizierung zu gewährleisten. Weiterhin sind wir der Auffassung, dass wir aufgrund unseres disziplinierten Preismanagements und unserer flexiblen Kostenstrukturen über ein geringes Risikoprofil verfügen, dass unsere vielseitig einsetzbaren Anlagegüter unsere Flexibilität und unsere Fähigkeit, von Wachstumsmöglichkeiten zu

profitieren, stärken und dass der Umfang und die Breite unserer Geschäftsaktivitäten uns signifikante Vorteile bietet.

Wir sind in mehr als 60 Ländern präsent und durch unsere zahlreichen regionalen Aktivitäten nicht nur in der Lage, Skaleneffekte zu erzielen, sondern auch, uns gleichzeitig gegen wirtschaftliche Schwankungen in bestimmten Regionen abzusichern. Wir bieten über 10.000 Produkte in mehr als 30.000 Artikelvarianten an und sind damit nicht von einem einzelnen Produkt bzw. einer einzelnen Produktfamilie abhängig. Der Umsatz mit unseren zehn umsatzstärksten Produkten betrug 2009 weniger als 17 % des Gesamtumsatzes. Bei mehr als 150.000 Kunden entfiel 2009 weniger als 4 % unseres Gesamtumsatzes auf unsere zehn größten Kunden. Wir sind der Auffassung, dass unser großer Kundenstamm uns zu einem attraktiven Partner für Zulieferer macht, die nach Absatzmöglichkeiten für neue Produkte suchen. Da unsere Kunden in einer Vielzahl von Branchen weltweit zu finden sind, sind wir der Auffassung, dass wir von keiner einzelnen Branche in erheblichem Maße abhängig sind. Diese Vielfalt ermöglicht uns eine Flexibilität, Ressourcen auf diejenigen Branchen zu verlagern, die außergewöhnliche Wachstums- und/oder Rentabilitätspotenziale aufweisen.

Auch unsere Lieferantenbasis ist vielschichtig. Auf unsere zehn größten Zulieferer entfielen 2009 ca. 22 % unseres gesamten Einkaufswarenwertes. Kunden profitieren so von der gesicherten Versorgung aufgrund unserer zahlreichen Beschaffungsbeziehungen. Für bestimmte Kunden und Zulieferer sind wir der strategische Partner ihrer Wahl. Dies hilft uns, sowohl Zugang zu neuen Produkten als auch zu Marktinformationen zu erhalten, die es uns ermöglichen, Preisänderungen besser zu antizipieren. Durch partnerschaftliche Beziehungen zu Kunden sind wir an der Spitze der Entwicklung neuer Dienstleistungen, die kleineren Wettbewerbern unzugänglich sein könnte.

Hervorragende operative Umsetzung

Wir sind der Auffassung, dass wir aufgrund der Ausgewogenheit unseres dezentralen, lokal orientierten Managementsystems einerseits und unserer globalen, zentralisierten Organisation bestimmter Schlüsselfunktionen in den Bereichen Management und Strategie andererseits, sowie aufgrund unserer umfangreichen Marktkenntnis ausgezeichnet positioniert sind, um von den Trends zu profitieren, die größere Distributeure begünstigen, während wir gleichzeitig unsere Wettbewerbsvorteile gegenüber den Tausenden kleineren lokalen Distributionsunternehmen, die die Mehrheit am Markt für unabhängige Chemiedistribution bilden, aufrecht erhalten.

In der Regel stehen wir unseren Kunden mit einer dezentralen Struktur zur Verfügung, so dass wir in der Lage sind, Leistungen ortsnah zu erbringen und so gleichzeitig die Bedürfnisse unserer Kunden besser zu verstehen. Wir übertragen dem lokalen Management die Verantwortung, lokale Markttendenzen zu identifizieren, zu bewerten und auf sie zu reagieren, und wir bestärken das lokale Management, Cashflow und Gesamtkapitalrendite zu maximieren. Kernfunktionen im Management werden auf Gruppenebene wahrgenommen. Unsere strategischen Wachstumsinitiativen (einschließlich solcher, die Akquisitionen betreffen, als auch solcher, die auf Synergie- und Skaleneffekte abzielen) entwickeln wir zentral in Zusammenarbeit mit dem lokalen Management. Wir steuern überregionale und grenzübergreifende Geschäftsbeziehungen durch spezialisierte zentrale Vertriebsteams, die danach streben, unsere Kundenbeziehungen gruppenweit zu stärken. Wir verfolgen außerdem einen zentralisierten Ansatz in solchen Bereichen, in denen wir Synergie- oder Skaleneffekte erzielen können, wie z. B. bei der Beschaffung und dem Management strategischer Zulieferer, Gesundheitsschutz-, Arbeitssicherheits- und Umweltschutzprogrammen, Informationstechnologie sowie Berichtswesen und Liquiditätssteuerung.

Auf allen Ebenen unserer Organisation verfolgen wir einen auf Projektmanagement basierenden Ansatz bei Strategie, Wachstumsinitiativen, Planung und spezifischen Problemlösungen, der sich unserer Ansicht nach in einer hervorragenden operativen Umsetzung und Geschäftsabwicklung äußert, durch die wir uns von unseren Wettbewerbern abheben.

Attraktive Leistungsindikatoren aufgrund überzeugender operativer Ergebnisse

Durch unsere marktführenden Positionen (Quelle: *BCG Market Report, January 2010*), attraktive Branchencharakteristika, unser überlegenes Geschäftsmodell und hervorragende operative Umsetzung waren wir in der Lage, überzeugende operative Ergebnisse über einen anhaltenden Zeitraum zu generieren. Dadurch konnten wir die Umsatzerlöse von € 4.990,8 Mio. in 2005 (Vorgängerin von Brenntag) auf € 6.364,6 Mio. in 2009 steigern. In der gleichen Periode ist das Bruttoergebnis vom Umsatz von € 1.033,3 Mio. (Vorgängerin von Brenntag) in 2005 auf € 1.459,5 Mio. in 2009 und das EBITDA von € 254,0 Mio. (Vorgängerin von Brenntag) in 2005 auf € 476,6 Mio. in 2009 gestiegen. In der gleichen Periode waren unsere durchschnittlichen jährlichen Wachstumsraten beim Umsatz, Bruttoertrag und EBITDA zwischen 2005 und 2009 6,3 %, 9,0 % bzw. 17,0 %.

Unsere Kapitalrendite (angegeben als RONA) hat sich auch seit 2007 gleichmäßig verbessert. Darüber hinaus konnten wir im Zeitraum von 2007 bis 2009 einen überzeugenden Free Cashflow erzielen. Die positive Entwicklung des

RONA und beim Free Cashflow basiert einerseits auf unserem starken EBITDA und andererseits auf dem disziplinierten Umgang mit Kapital, insbesondere in Bezug auf Investitionsaufwand und Working Capital. Wir sind der Auffassung, dass die Verbesserungen des EBITDA, Aufbaus des Free Cashflow und RONA angesichts der schwierigen Wirtschaftslage in den letzten Jahren die Stärke, Belastbarkeit und das Wachstumspotenzial unseres Geschäftsmodelles zeigen.

Kultur unternehmerischen Denkens gesteuert durch ein höchst erfahrenes Management-Team

Wir haben in unserer gesamten Organisation eine unternehmerische und außerordentlich motivierende Führungskultur entwickelt. Die Vergütung eines Geschäftsführers ist zu einem hohen Anteil variabel und steht im direkten Zusammenhang mit der Erfüllung von speziellen Key Performance-Indikatoren und individuell gesetzten Zielen. Unser Vorstand setzt sich aus erfahrenen Führungskräften zusammen, die über insgesamt mehr als 75 Jahre Erfahrung in der Chemieindustrie und im Chemiedistributionssektor verfügen. Stephen Clark, Chief Executive Officer, kam 1981 zu Brenntag und ist seit 1993 Mitglied des Vorstands von Brenntag. Jürgen Buchsteiner, Chief Financial Officer, kam 2000 zu Brenntag und verfügt über mehr als 20 Jahre Erfahrung in führenden Managementpositionen bei Chemieherstellern und -distributionsunternehmen. Steve Holland, Chief Operating Officer und Chief Executive Officer von Brenntag Europe, kam 2006 zu Brenntag und blickt auf eine eindrucksvolle Karriere von 30 Jahren in der Chemieproduktion und -distribution zurück. Gemeinsam leiten sie ein Management-Team, das in höchstem Maße in der Chemiedistribution erfahren ist, und das sich durch ein ausgeprägtes Bekenntnis zu profitablem Wachstum und Sicherheit auszeichnet.

Zusammenfassung unserer Strategie

Unsere Vision ist es, bevorzugter Chemiedistributeur mit Vollsortiment für strategische Kunden und Zulieferer weltweit zu sein, sowie branchenführend bei Wachstum, Rentabilität und Rendite. Unsere Strategie zielt darauf ab, diese Vision mit einer Kombination von globalen und regionalen Initiativen umzusetzen, deren Schwerpunkte darin liegen, (i) unser Produkt- und Leistungsangebot durch pro-aktives Verfolgen interner wie externer Wachstumschancen auszubauen und (ii) den Schwerpunkt auf Rentabilität und Rendite kontinuierlich aufrecht zu erhalten.

Ausbau unseres Produkt- und Dienstleistungsangebots durch organisches Wachstum und Akquisitionen

Wir sind der Auffassung, dass die Größe und die Breite unserer weltweiten Aktivitäten es uns erlauben wird, unsere zentralen Stärken dazu einzusetzen, unser Produkt- und Dienstleistungsangebot weitgehend durch organisches Wachstum zu erweitern. Darüber hinaus sind wir kontinuierlich auf der Suche nach Akquisitionsmöglichkeiten, die uns bei dem Erreichen unserer Gesamtstrategie unterstützen.

Weltweit folgen unsere strategischen Initiativen den folgenden Richtlinien:

- *Intensive Kundenorientierung:* Unser Ansatz einer bedarfsgerechten Belieferung zielt eher auf den Vertrieb von Gesamtlösungen ab, als nur auf den Vertrieb von Produkten und wird sowohl auf globaler als auch auf lokaler Ebene organisiert und umgesetzt.
- *Vollsortiment mit Schwerpunkt auf LKW-Teilladungen:* Unser Ziel ist es, uns weiterhin sowohl als attraktiven Outsourcing-Partner für Hersteller von Chemikalien als auch als Anbieter von Mehrwert-Dienstleistungen für unsere Kunden mit einem Schwerpunkt auf LKW-Teilladungen zu positionieren.
- *Flächendeckende Präsenz:* Wir streben ständig danach, unsere geografische Präsenz auszuweiten und zu optimieren, indem wir Lücken in unserem Netz durch Investitionen und Akquisitionen schließen. Derzeit konzentrieren wir uns in stärkerem Maße darauf, in den Märkten aufstrebender Volkswirtschaften präsent zu sein, insbesondere im asiatisch-pazifischen Raum, in Lateinamerika und Osteuropa, um von der in diesen Regionen zu erwartenden stark steigenden Nachfrage nach Chemikalien zu profitieren.
- *Beschleunigtes Wachstum in Zielmärkten:* Wir streben den wirksamen Einsatz unserer Ressourcen durch beschleunigtes und zielgerichtetes Wachstum an, unter anderem in unseren sechs globalen Fokusbranchen (ACES (Klebstoffe, Beschichtungen, Elastomere und Versiegelungsmittel), Nahrungsmittel, Öl & Gas, Körperpflege, Pharmaka und Wasseraufbereitung) sowie in speziellen regionalen Zielmärkten.
- *Dauerhaftes Engagement gemäß der Responsible Care und Responsible Distribution Grundsätze:* Gesundheitsschutz, Arbeitssicherheit und Umweltschutz sind und bleiben bei allem, was wir tun, von herausragender Bedeutung und bilden einen wichtigen Aspekt unserer Strategie. Unsere Grundsätze im Bereich Gesundheitsschutz, Arbeitssicherheit und Umweltschutz werden weiterhin Teil unserer Politik in Sachen Sicherheit, Produktverantwortung, Umwelt, Compliance und Qualität für unsere Kunden, Lieferanten und Mitarbeiter sein.

Schwerpunkt liegt weiterhin auf Rentabilität und Rendite

Wir glauben, dass unser unternehmerisches Denken und unsere hervorragende operative Umsetzung in Verbindung mit unserem überlegenen Geschäftsmodell dazu beitragen, dass wir unsere Bruttoergebnisse, EBITDA, Cashflows und Kapitalrentabilität weiterhin verbessern können. Die hier aufgeführten strategischen Initiativen sind darauf ausgerichtet, unsere Rentabilität und Rendite durch die Erweiterung der Größe und der Breite des Betätigungsfeldes unserer Gruppe mittels organischen Wachstums und Akquisitionen zu verbessern. Daneben setzen wir auf spezifische Kosteninitiativen, um Rentabilität und Rendite weiter zu steigern.

Abschlussprüfer

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Moskauer Straße 19, 40227 Düsseldorf („**PwC**"), ein Mitglied der deutschen Wirtschaftsprüferkammer in Berlin, ist unser Abschlussprüfer.

PwC hat unsere Konzernabschlüsse zum 31. Dezember 2009, 31. Dezember 2008 und 31. Dezember 2007, die entsprechend den in der EU geltenden internationalen Rechnungslegungsstandards (*International Financial Reporting Standards* („**IFRS**")) erstellt wurden, sowie den Einzelabschluss zum 31. Dezember 2009, der entsprechend den Vorschriften des Handelsgesetzbuchs erstellt wurde, geprüft und hat jeweils uneingeschränkte Bestätigungsvermerke, die an anderer Stelle in diesem Prospekt abgedruckt sind, erteilt.

Zusammenfassung des Angebots

Angebot	Dieses Angebot besteht aus (i) erstmaligen öffentlichen Angeboten von Aktien in der Bundesrepublik Deutschland und in dem Großherzogtum Luxemburg und (ii) Privatplatzierungen in bestimmten anderen Jurisdiktionen außerhalb der Bundesrepublik Deutschland und des Großherzogtums Luxemburg und setzt sich zusammen aus: bis zu 10.500.000 neu auszugebenden Aktien aus einer Kapitalerhöhung, die voraussichtlich von der am 19. März 2010 abzuhaltenden außerordentlichen Hauptversammlung der Gesellschaft beschlossen wird; und bis zu 2.500.000 bestehenden Aktien aus dem Eigentum der einzigen Aktionärin der Gesellschaft unmittelbar vor dem Angebot, der Brachem Acquisition S.C.A., Luxemburg (die „**Abgebende Aktionärin**"). Darüber hinaus räumt die Abgebende Aktionärin den Joint Bookrunners eine Option, die innerhalb von 30 Kalendertagen nach dem Datum, an dem der Handel der Aktien am Regulierten Markt der Frankfurter Börse aufgenommen wird, auszuüben ist, zum Kauf von bis zu 1.950.000 zusätzlichen bestehenden Aktien der Gesellschaft aus dem Eigentum der Abgebenden Aktionärin für Rechnung der Konsortialbanken zum Platzierungspreis abzüglich des Konsortialrabatts ein, jedoch ausschließlich zur Deckung etwaiger Mehrzuteilungen in Verbindung mit dem Angebot. In den Vereinigten Staaten von Amerika werden die Aktien an Qualified Institutional Buyers gemäß Rule 144A nach dem U.S. Securities Act von 1933 angeboten. Außerhalb der Vereinigten Staaten von Amerika werden die Aktien gemäß Regulation S nach dem U.S. Securities Act von 1933 angeboten.
Angebotene Aktien	Gegenstand dieses Angebots sind auf den Namen lautende nennwertlose Stammaktien mit einem anteiligen Betrag am Grundkapital von jeweils € 1,00. Sämtliche Aktien sind vollständig eingezahlt.
Angebotszeitraum	Dieses Angebot beginnt am 16. März 2010 und endet am 26. März 2010 (i) um 12:00 Uhr (MEZ) für Privatanleger und um (ii) 16:00 Uhr (MEZ) für institutionelle Anleger.
Joint Global Coordinators	Deutsche Bank und Goldman Sachs
Joint Bookrunners	Deutsche Bank, Goldman Sachs, J.P. Morgan und Merrill Lynch
Co-Lead Managers	COMMERZBANK, HSBC Trinkaus, SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking und The Royal Bank of Scotland
Konsortialbanken	COMMERZBANK, Deutsche Bank, Goldman Sachs, HSBC Trinkaus, J.P. Morgan, Merrill Lynch, SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking und The Royal Bank of Scotland
Preisspanne und Platzierungspreis	Die Preisspanne, innerhalb derer Kaufangebote abgegeben werden können, beträgt von €46,00 bis €56,00 je Aktie. Kaufangebote müssen sich auf eine Mindestzahl von 10 Aktien beziehen und auf glatte Eurobeträge oder volle 25, 50 oder 75 Eurocents lauten. Pro Depot eines Privatanlegers können bis zu zwei Kaufangebote abgegeben werden. Privatanleger können bei mehreren Banken Kaufangebote abgeben. Die Gesellschaft und die Abgebende Aktionärin behalten sich in Abstimmung mit den Joint Bookrunners das Recht vor, die Anzahl der insgesamt angebotenen Aktien zu erhöhen oder zu verringern, die obere und/oder untere Begrenzung der Preisspanne zu ermäßigen oder

zu erhöhen und/oder den Angebotszeitraum zu verlängern oder zu verkürzen. Die Gesellschaft und die Abgebende Aktionärin können die Gesamtzahl der im Rahmen dieses Angebots angebotenen Aktien maximal auf diejenige Gesamtzahl an Aktien erhöhen, für die die Zulassung zum Regulierten Markt der Frankfurter Börse entsprechend diesem Prospekt oder einem veröffentlichten Nachtrag beantragt wird. Wird die Option zur Änderung der Bedingungen des Angebots ausgeübt, so wird diese Änderung über elektronisch betriebene Informationssysteme wie Reuters oder Bloomberg und unter der Internetadresse der Gesellschaft (www.brenntag.com) bekanntgegeben und, sofern dies erforderlich ist, als Ad-hoc-Meldung sowie als Nachtrag zu diesem Prospekt veröffentlicht.

Der Platzierungspreis pro Aktie wird mit Hilfe eines Bookbuilding-Verfahrens bestimmt und von der Abgebenden Aktionärin und der Gesellschaft gemeinsam mit den Joint Bookrunners voraussichtlich am oder um den 27. März 2010 festgelegt. Der Platzierungspreis wird voraussichtlich im Wege eines elektronisch betriebenen Informationssystems wie Reuters oder Bloomberg und unter der Internetadresse der Gesellschaft (www.brenntag.com) veröffentlicht. Nach der Veröffentlichung des Platzierungspreises in den elektronisch betriebenen Informationssystemen können Anleger den Platzierungspreis bei den Joint Bookrunners erfahren.

Lieferung und Abrechnung

Die angebotenen Aktien werden voraussichtlich am oder um den 31. März 2010 gegen Zahlung des Platzierungspreises geliefert.

Stabilisierung/Mehrzuteilung und Greenshoe-Option

Im Zusammenhang mit der Platzierung der angebotenen Aktien handeln die Deutsche Bank oder die in ihrem Namen handelnden Personen als Stabilisierungsmanager und können im Einklang mit den rechtlichen Bestimmungen Mehrzuteilungen vornehmen und Stabilisierungsmaßnahmen ergreifen, um den Marktpreis der Aktien der Gesellschaft zu stützen und um dadurch einem etwaigen Verkaufsdruck entgegenzuwirken.

Der Stabilisierungsmanager ist nicht zur Ergreifung von Stabilisierungsmaßnahmen verpflichtet. Es kann daher nicht zugesichert werden, dass Stabilisierungsmaßnahmen ergriffen werden. Sollten Stabilisierungsmaßnahmen ergriffen werden, können sie jederzeit ohne Ankündigung eingestellt werden. Solche Maßnahmen können ab dem Zeitpunkt der Aufnahme der Börsennotierung der Aktien der Gesellschaft am Regulierten Markt der Frankfurter Börse vorgenommen werden und müssen spätestens am dreißigsten Kalendertag nach diesem Zeitpunkt eingestellt werden.

Im Rahmen der möglichen Stabilisierungsmaßnahmen können Anlegern zusätzlich zu den angebotenen Aktien der Gesellschaft bis zu 1.950.000 zusätzliche Aktien an der Gesellschaft als Teil der Zuteilung der zu platzierenden Aktien zugeteilt werden. Im Rahmen einer möglichen Mehrzuteilung werden der Deutschen Bank Aktien für Rechnung der Konsortialbanken in Form eines Wertpapierdarlehens mit bis zu 1.950.000 Aktien der Abgebenden Aktionärin zur Verfügung gestellt; diese Anzahl an Aktien übersteigt nicht 15 % der Anzahl an angebotenen Aktien, ausschließlich aller Mehrzuteilungen.

Darüber hinaus hat die Abgebende Aktionärin den Konsortialbanken eine Option zum Erwerb der als Darlehen gewährten Aktien zum Platzierungspreis abzüglich der vereinbarten Provision eingeräumt (Greenshoe-Option). Diese Option endet 30 Kalendertage nach Beginn des Börsenhandels der Aktien.

	Nach dem Ende des Stabilisierungszeitraums wird innerhalb einer Woche eine Bekanntmachung in verschiedenen Medien im gesamten Europäischen Wirtschaftsraum darüber erfolgen, ob Stabilisierungsmaßnahmen ergriffen wurden und wann die Preisstabilisierung begann und endete sowie innerhalb welcher Preisspanne die Stabilisierung erfolgte; letztere wird für jeden Fall bekanntgegeben, in dem Preisstabilisierungsmaßnahmen ergriffen wurden. Die Ausübung der Greenshoe-Option, der Zeitpunkt der Ausübung sowie die Anzahl der Aktien werden ebenfalls umgehend in der beschriebenen Weise bekanntgemacht.
Zuteilungskriterien	Über die Zuteilung von Aktien an Privatanleger und institutionelle Anleger wird in Abstimmung mit den Joint Bookrunners entschieden. Die letzte Entscheidung haben die Abgebende Aktionärin und die Gesellschaft. Zuteilungen erfolgen anhand der Qualität der einzelnen Anleger und einzelnen Aufträge sowie sonstiger wichtiger, in Abstimmung mit den Joint Bookrunners festzulegenden Zuteilungskriterien. Die Zuteilung an Privatanleger steht im Einklang mit den von der Börsensachverständigenkommission veröffentlichten „Grundsätzen für die Zuteilung von Aktienemissionen an Privatanleger". Qualifizierte Anleger im Sinne des Wertpapierprospektgesetzes, sowie Professionelle Kunden und Geeignete Gegenparteien im Sinne des Wertpapierhandelsgesetzes werden nicht als Privatanleger im Sinne der Zuteilungsregeln angesehen.
Notierung	Die Gesellschaft wird voraussichtlich am 16. März 2010 die Zulassung ihrer Aktien zum Handel am regulierten Markt der Frankfurter Börse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) beantragen. Der Zulassungsbeschluss wird voraussichtlich am 26. März 2010 erteilt werden. Der Beschluss über die Zulassung der Aktien der Gesellschaft zum Handel liegt ausschließlich im Ermessen der Frankfurter Börse. Nach derzeitigem Stand wird der Handel an der Frankfurter Börse voraussichtlich am 29. März 2010 aufgenommen werden.
Marktschutzvereinbarungen/ Veräußerungsbeschränkungen (Lock-Up)	Die Gesellschaft wird sich im Übernahmevertrag zwischen der Gesellschaft, der Abgebenden Aktionärin und den Konsortialbanken, der voraussichtlich am 24. März 2010 geschlossen wird (der „**Übernahmevertrag**"), gegenüber den Konsortialbanken entsprechend den maßgeblichen Bestimmungen des deutschen Wertpapierrechts verpflichten, innerhalb eines Zeitraums von sechs Monaten nach dem ersten Tag, an dem die Aktien der Gesellschaft an der Börse gehandelt wurden, ohne vorherige Zustimmung der Joint Bookrunners weder: • eine Kapitalerhöhung aus genehmigtem Kapital anzukündigen oder durchzuführen; • ihrer außerordentlichen Hauptversammlung eine Kapitalerhöhung zur Beschlussfassung vorzuschlagen; • die Ausgabe von Finanzinstrumenten mit Umwandlungs- oder Optionsrechten in Bezug auf die Aktien der Gesellschaft anzukündigen, umzusetzen oder vorzuschlagen; oder • Transaktionen durchzuführen, deren wirtschaftliche Auswirkungen den vorgenannten Maßnahmen ähnlich sind, noch einer solchen Maßnahme ohne die vorherige Zustimmung der Joint Bookrunners zuzustimmen.

Die vorstehenden Ausführungen gelten nicht für Begebungen oder Verkäufe von Aktien oder sonstigen Wertpapieren als Teil von Management-Beteiligungsprogrammen der Gesellschaft oder ihrer Tochtergesellschaften oder Maßnahmen der Gesellschaft, die mit dem Ziel durchgeführt werden, ein Joint Venture einzugehen oder Gesellschaften zu erwerben, vorausgesetzt, dass die jeweilige Gegenpartei damit einverstanden ist, dass sie gegenüber den Joint Bookrunners an die gleichen Marktschutzbeschränkungen wie die Abgebende Aktionärin gebunden ist.

Die Abgebende Aktionärin wird sich im Übernahmevertrag gegenüber den Konsortialbanken verpflichten, innerhalb eines Zeitraums von sechs Monaten nach dem ersten Tag, an dem die Aktien der Gesellschaft gehandelt wurden, ohne vorherige Zustimmung der Joint Bookrunners weder:

- direkt oder indirekt Aktien oder sonstige Wertpapiere der Gesellschaft anzubieten, zu verpfänden, zuzuteilen, zu verkaufen, auszuschütten, zu übertragen oder anderweitig abzugeben; das Gleiche gilt für sämtliche Transaktionen, deren wirtschaftliche Auswirkungen einem Verkauf ähnlich sind, wie etwa die Erteilung von Options- oder Umwandlungsrechten in Bezug auf die Aktien der Gesellschaft;
- direkt oder indirekt herbeizuführen oder zuzustimmen, dass eine Kapitalerhöhung oder eine direkte oder indirekte Platzierung der Aktien der Gesellschaft angekündigt oder durchgeführt wird;
- direkt oder indirekt eine Kapitalerhöhung bei der Hauptversammlung der Gesellschaft vorzuschlagen oder ihr zuzustimmen;
- direkt oder indirekt herbeizuführen oder zuzustimmen, dass die Begebung von Finanzinstrumenten mit Umwandlungs- oder Optionsrechten in Bezug auf die Aktien der Gesellschaft angekündigt, umgesetzt oder vorgeschlagen wird; oder
- Transaktionen durchzuführen, deren wirtschaftliche Auswirkungen den vorgenannten Maßnahmen ähnlich sind,

noch einer solchen Maßnahme ohne die vorherige Zustimmung der Joint Bookrunners zuzustimmen.

Die vorstehenden Marktschutzbeschränkungen gelten nicht für Transaktionen mit Personen, die damit einverstanden sind, dass sie an diese Beschränkungen gebunden sind. Die Abgebende Aktionärin erwägt derzeit, ihre Beteiligung an der Gesellschaft nach Ablauf der Marktschutzfrist auf unter 50 % zu senken.

Verwendung des Emissionserlöses und Kosten des Angebots

Der Gesellschaft kommt lediglich der aus dem Verkauf neu auszugebender Aktien stammende Erlös des Angebots zu. Der Gesellschaft kommt der Erlös aus dem Verkauf bestehender Aktien aus dem Eigentum der Abgebenden Aktionärin nicht zu. Die in Verbindung mit dem Angebot entstehenden Kosten belaufen sich in Summe voraussichtlich auf ca. € 20,0 Mio.[1)], einschließlich Konsortialprovisionen von bis zu € 13,5 Mio.[1)] (unter Annahme eines Platzierungspreises in Höhe der Mitte der Preisspanne unter Annahme der Gewährung der ermessenabhängigen Erfolgsprovision in vollem Umfang von bis zu 1,25 % der gesamten Bruttoerlöse; nicht berücksichtigt sind Steuereffekte), und voraussichtliche sonstige Aufwendungen von € 6,5 Mio.

1) Von den im Zeitpunkt des Abschlusses des Angebotes an Deutsche Bank und Goldman Sachs im Zusammenhang mit der Abgabe von notwendigen Zustimmungserklärungen bezüglich der Darlehensverbindlichkeiten der Gesellschaft zu zahlenden Gebühren sind €1,25 Mio. auf die Konsortialprovisionen angerechnet. Diese sind bereits von dem genannten Betrag abgezogen.

	Die Gesellschaft zahlt den Teil der Gebühren der Konsortialbanken, der sich auf den Verkauf der neu auszugebenden Aktien bezieht. Die Gesellschaft schätzt, dass diese Gebühren sich insgesamt auf einen Gesamtbetrag zwischen € 12,0 Mio.[1] (unteres Ende des Preisspanne) und € 14,9 Mio.[1] (oberes Ende der Preisspanne) belaufen. Wir gehen davon aus, dass sich der Nettoerlös der Gesellschaft am unteren Ende der Preisspanne auf etwa € 464,4 Mio.[2], in der Mitte der Preisspanne auf etwa € 515,5 Mio.[2] und am oberen Ende der Preisspanne auf etwa € 566,5 Mio.[2] belaufen wird. Die Gesellschaft beabsichtigt, etwa € 431,7 Mio. ihres Anteils an den Nettoerlösen aus dem Angebot zur vollständigen Tilgung eines ausstehenden Mezzanine-Kredits zu verwenden. Bei einem Platzierungspreis am unteren Ende der Preisspanne würde der Anteil der Gesellschaft am Nettoerlös aus dem Angebot, der nach der Rückzahlung des Mezzanine-Kredits noch verbleibt, bis zur Höhe von etwa € 32,7 Mio. für allgemeine Unternehmenszwecke verwendet. Bei einem Platzierungspreis in der Mitte oder am oberen Ende der Preisspanne beabsichtigt die Gesellschaft, ihren Anteil am Nettoerlös aus dem Angebot, der nach der Rückzahlung des Mezzanine-Kredits noch verbleibt, für allgemeine Unternehmenszwecke (z.B. Veränderung im kurzfristigen Finanzierungsbedarf, Capex, Projekte und Akquisitionen) und den Rest ihres Anteils am Nettoerlös aus dem Angebot zur teilweisen Rückzahlung eines nachrangigen Kredits zu verwenden. Die Abgebende Aktionärin zahlt den Teil der Gebühren der Konsortialbanken, der sich auf den Verkauf der bestehenden Aktien bezieht. Wir schätzen, dass sich der Nettoerlös der Abgebenden Aktionärin am unteren Ende der Preisspanne auf etwa € 197,1 Mio., in der Mitte der Preisspanne auf etwa € 218,8 Mio. und am oberen Ende der Preisspanne auf etwa € 240,5 Mio. beläuft.
Stimmrechte	Jede Aktie berechtigt zu einer Stimme bei der Hauptversammlung der Gesellschaft.
Dividendenansprüche	Die Aktien sind ab dem 1. Januar 2010 vollständig dividendenberechtigt.
International Securities Identification Number (ISIN)	DE000A1DAHH0
Wertpapierkennnummer (WKN)	A1DAHH
Common Code	048987532
Börsenkürzel	BNR
Zahlstelle	Deutsche Bank Aktiengesellschaft, Frankfurt am Main

1) Von den im Zeitpunkt des Abschlusses des Angebotes an Deutsche Bank und Goldman Sachs im Zusammenhang mit der Abgabe von notwendigen Zustimmungserklärungen bezüglich der Darlehensverbindlichkeiten der Gesellschaft zu zahlenden Gebühren sind €1,25 Mio. auf die Konsortialprovisionen angerechnet. Diese sind bereits von dem genannten Betrag abgezogen.

2) Ohne diese Anrechnung (siehe Fußnote 1) wären die Nettoerlöse um €1,25 Mio. geringer.

Zusammenfassung der konsolidierten Finanzangaben

Die in den nachstehenden Tabellen enthaltenen Finanzangaben sind den geprüften Konzernabschlüssen der Gesellschaft für die zum 31. Dezember 2009, 31. Dezember 2008 und 31. Dezember 2007 endenden Geschäftsjahre entnommen. Diese Konzernabschlüsse wurden nach IFRS erstellt. Zusätzliche in diesem Prospekt enthaltene Angaben wurden dem nach HGB erstellten Einzelabschluss der Gesellschaft für das am 31. Dezember 2009 endenden Geschäftsjahr entnommen. Jeder dieser Konzernabschlüsse und der Einzelabschluss wurde durch PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Düsseldorf, geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen und sind an anderer Stelle in diesem Prospekt abgedruckt. Die vorgenannten Jahresabschlüsse nach IFRS und HGB sind in diesem Prospekt ab Seite F-1 abgedruckt. Zwischen IFRS und HGB bestehen wesentliche Unterschiede. Einige der nachstehend abgedruckten Indikatoren und Kennzahlen für die Ertragskraft wurden dem Rechnungswesen der Gesellschaft entnommen.

Sind Finanzdaten in den nachstehenden Tabellen als „geprüft" gekennzeichnet, so bedeutet dies, dass sie den genannten geprüften Jahresabschlüssen entnommen wurden. Die Kennzeichnung „ungeprüft" wird in den nachstehenden Tabellen zur Kenntlichmachung von Finanzdaten verwendet, die einer anderen Quelle als den oben genannten geprüften Jahresabschlüssen entnommen wurden bzw. aus den oben genannten geprüften Jahresabschlüssen bzw. einer anderen Quelle als den geprüften Jahresabschlüssen abgeleitet wurden. Sämtliche Finanzdaten, die im Text und den Tabellen dieses Abschnitts des Prospekts dargestellt sind, sind in Tausend bzw. Millionen Euro angegeben (Tsd. € und Mio. €), kaufmännisch auf eine Stelle nach dem Komma gerundet. Sofern nicht ausdrücklich etwas anderes angegeben ist, wurden die prozentualen Änderungen im Text und in den Tabellen kaufmännisch auf eine Dezimalstelle gerundet. Dadurch ergeben die in den Tabellen ausgewiesenen Zahlen nicht in allen Fällen in der Summe exakt den jeweils angegebenen Gesamtbetrag und die ausgewiesenen Prozentzahlen ergeben in der Summe nicht immer exakt 100 %.

Die folgende Zusammenfassung von Finanzangaben sollte zusammen mit dem Abschnitt „Management's Discussion and Analysis of Financial Condition and Results of Operations", den in diesem Prospekt enthaltenen Konzernabschlüssen und den dazugehörigen Anmerkungen sowie den an anderer Stelle in diesem Prospekt enthaltenen zusätzlichen weiteren Finanzangaben gelesen werden.

Zusammenfassung der Kennzahlen aus der Konzern-Gewinn- und Verlustrechnung

	Geschäftsjahre zum 31. Dezember		
	2009	2008	2007
	(geprüft, in Mio. €)		
Umsatzerlöse	**6.364,6**	**7.379,6**	**6.671,4**
Umsatzkosten	(4.905,1)	(5.887,3)	(5.316,9)
Bruttoergebnis vom Umsatz	**1.459,5**	**1.492,3**	**1.354,5**
Vertriebsaufwendungen[(1)]	(1.080,4)	(1.111,0)	(1.058,8)
Verwaltungsaufwendungen	(123,6)	(119,4)	(121,2)
Sonstige betriebliche Erträge	41,9	43,6	46,0
Sonstige betriebliche Aufwendungen	(26,7)	(27,3)	(18,3)
Betriebsergebnis	**270,7**	**278,2**	**202,2**
Ergebnis aus nach der Equity-Methode bilanzierten Finanzanlagen	(8,8)	4,1	3,4
Finanzierungserträge	9,3	16,4	21,2
Finanzierungsaufwendungen	(220,8)	(281,3)	(290,7)
Zuführung zu Verbindlichkeiten gegenüber KG-Minderheitsgesellschaftern nach IAS 32	(1,6)	(2,0)	(3,1)
Sonstiges finanzielles Ergebnis	(1,7)	(16,7)	(2,5)
Finanzergebnis	**(223,6)**	**(279,5)**	**(271,7)**
Ergebnis vor Steuern vom Einkommen und Ertrag	**47,1**	**(1,3)**	**(69,5)**
Steuern vom Einkommen und Ertrag	(46,6)	(40,5)	6,3
Ergebnis nach Steuern vom Einkommen und Ertrag	**0,5**	**(41,8)**	**(63,2)**
Davon entfallen auf:			
Brenntag-Gesellschafter	(0,1)	(42,1)	(64,0)
Minderheitsgesellschafter	0,6	0,3	0,8

(1) Einschließlich Abschreibungen auf Kundenbeziehungen und ähnliche Rechte in Höhe von €114,4 Mio. in 2009, € 109,8 Mio. in 2008 und € 109,1 Mio. in 2007. Davon beziehen sich € 102,4 Mio. in 2009, € 103,7 Mio. in 2008 und € 107,2 Mio. in 2007 auf Kundenbeziehungen

und ähnliche Rechte, die im Rahmen der Kaufpreisallokation aktiviert wurden, als die Brenntag-Gruppe indirekt von durch BC Partners beratene Fonds, durch GSMP beratene Fonds und (im Rahmen einer Veräußerung und eines teilweisen Rückkaufs) durch Bain Capital beratene Fonds erworben wurde. Der daraus verbleibende Buchwert zum 31. Dezember 2009 betrug € 76,4 Mio. und wird bis September 2010 vollständig abgeschrieben sein.

Zusammenfassung der sonstigen Konzernfinanzkennzahlen

	Geschäftsjahre zum 31. Dezember		
	2009	2008	2007
	(ungeprüft, in Mio. €, sofern nicht anders gekennzeichnet)		
Ergebnis nach Steuern vom Einkommen und Ertrag (geprüft)	**0,5**	**(41,8)**	**(63,2)**
+/− Steuern von Einkommen und vom Ertrag (geprüft)	46,6	40,5	(6,3)
Ergebnis vor Steuern vom Einkommen und Ertrag (geprüft)	**47,1**	**(1,3)**	**(69,5)**
+ Finanzergebnis (geprüft)	223,6	279,5	271,7
+ Abschreibungen auf immaterielle Vermögenswerte (geprüft)(9)	123,6	119,4	118,7
EBITA(1)(2)(7)	**394,3**	**397,6**	**320,9**
+ Abschreibungen auf Sachanlagen (geprüft)	82,3	83,3	87,0
EBITDA(2)(3)(7)(8)	**476,6**	**480,9**	**407,9**
+ Transaktionskosten(8)	3,7	1,2	4,3
Operatives EBITDA(2)(4)(7)(8)	**480,3**	**482,1**	**412,2**
EBITDA(2)(3)(7)(8)/Bruttoergebnis vom Umsatz (in %)	**32,7**	**32,2**	**30,1**
EBITDA(2)(3)(7)(8)	**476,6**	**480,9**	**407,9**
+/− Änderungen des Working Capital	242,0	(53,5)	(24,4)
− CAPEX	(71,8)	(84,3)	(104,6)
Free Cashflow (FCF)(2)(5)	**646,8**	**343,1**	**278,9**
RONA(2)(6) (in %)	**26,8**	**24,4**	**20,2**

(1) EBITA entspricht EBITDA abzüglich Abschreibungen auf Sachanlagen. Wir weisen EBITA hier nicht als Kennzahl für unsere operativen Ergebnisse aus. Unsere Geschäftsführung berücksichtigt EBITA neben einigen anderen Kennzahlen für die Ertragskraft bei der Führung unseres Geschäfts, da sie EBITA als eine von verschiedenen hilfreichen Kennzahlen für die Ertragskraft ansieht.

(2) Wir weisen diese Kennzahl aus, da sie für einige Investoren eine hilfreiche Kennzahl zur Beurteilung unserer Ertragskraft darstellen könnte. Diese Zahl ist jedoch keine unter IFRS definierte Kennzahl und kann nicht als Ersatz für Angaben zu Posten der Gewinn- und Verlustrechnung oder Kapitalflussrechnung, die nach den IFRS ermittelt werden, oder als Kennzahl für die Rentabilität oder Liquidität verstanden werden. Sie gibt nicht unbedingt an, ob der Cashflow ausreichen wird, um unseren Liquiditätsbedarf zu decken, und ist nicht unbedingt ein Indikator für vergangene oder zukünftige operative Ergebnisse. Da diese Kennzahl nicht von allen Unternehmen gleich definiert wird, ist die von uns ausgewiesene Kennzahl nicht unbedingt mit ähnlich bezeichneten Kennzahlen, die von anderen Unternehmen verwendet werden, vergleichbar.

(3) EBITDA ist definiert als Ertrag vor Finanzergebnis, Steuern vom Einkommen und Ertrag und Abschreibungen. Wir weisen EBITDA hier nicht als Kennzahl für unsere operativen Ergebnisse aus. Unsere Geschäftsführung berücksichtigt EBITDA neben einigen anderen Kennzahlen für die Ertragskraft bei der Führung unseres Geschäfts, da sie EBITDA als eine von verschiedenen hilfreichen Kennzahlen für die Ertragskraft ansieht.

(4) Das operative EBITDA ist eine Kennzahl für die Ertragskraft, an der sich unsere Geschäftsführung bei der Führung ihrer Geschäfte auf regionaler Ebene orientiert. Auf Gruppenebene wird das operative EBITDA definiert als EBITDA zuzüglich Transaktionskosten. Wir weisen das operative EBITDA hier nicht als Kennzahl für unser operatives Ergebnis aus. Unsere Geschäftsführung berücksichtigt das operative EBITDA neben einigen anderen Kennzahlen für die Ertragskraft bei der Führung unseres Geschäfts, da sie das operative EBITDA als eine von verschiedenen hilfreichen Kennzahlen für die Ertragskraft ansieht.

Auf der Segmentebene umfasst die Überleitung vom Operativen EBITDA auf das EBITDA sowohl Transaktionskosten als auch Headquarter Charges (auf Gruppenebene sind lediglich Transaktionskosten relevant, da Headquarter Charges sich auf Gruppenebene aufheben).

Transaktionskosten sind Kosten im Zusammenhang mit gesellschaftsrechtlicher Restrukturierung und Refinanzierung. Sie werden für Zwecke des Management Reporting herausgerechnet, um auf Segmentebene die operative Ertragskraft eindeutig darzustellen und die Vergleichbarkeit zu gewährleisten.

Headquarter Charges sind bestimmte konzerninterne Umlagen, die den operativen Gesellschaften belastet werden. Operative Gesellschaften können nicht für die Höhe der Headquarter Charges verantwortlich gemacht werden. Aus diesem Grund werden sie für Zwecke des Management Reporting eliminiert. Auf Gruppenebene heben sie sich auf.

(5) Free Cash Flow (FCF) ist definiert als EBITDA abzüglich CAPEX (d.h. sonstige Zugänge zu Sachanlagen zuzüglich sonstige Zugänge zu erworbener Software, Lizenzen und ähnlichen Rechten) zuzüglich/abzüglich Änderungen des Working Capital; das Working Capital ist definiert als Forderungen aus Lieferungen und Leistungen zuzüglich der Vorräte abzüglich der Verbindlichkeiten aus Lieferungen und Leistungen. FCF ist nicht als Synonym oder Bezeichnung von frei verfügbaren flüssigen Mitteln zu verstehen und entspricht nicht unbedingt frei verfügbaren flüssigen Mitteln.

(6) RONA steht für return on net assets und ist definiert als EBITA geteilt durch die Summe aus durchschnittlichem Sachanlagevermögen plus durchschnittliches Working Capital. Das durchschnittliche Sachanlagevermögen ist für ein bestimmtes Jahr definiert als das arithmetische Mittel aus den jeweiligen Werten für Sachanlagen an den fünf folgenden Zeitpunkten: am Jahresanfang, jeweils am Ende des ersten, des zweiten und des dritten Quartals, sowie am Jahresende. Das durchschnittliche Working Capital (wie oben in Fußnote 5 definiert) ist für ein bestimmtes Jahr definiert als das arithmetische Mittel aus den jeweiligen Werten für das Betriebskapital an den fünf folgenden Zeitpunkten: am Jahresanfang, jeweils am Ende des ersten, des zweiten und des dritten Quartals, sowie am Jahresende. Das durchschnittliche Working Capital betrug € 691,9 Mio. im Jahr 2009, € 833,1 Mio. im Jahr 2008 und € 774,4 Mio. im Jahr 2007.

(7) Im Geschäftsjahr 2009 enthalten sowohl das EBITDA als auch das operative EBITDA und das EBITA auf Gruppenebene Aufwendungen im Zusammenhang mit der vorzeitigen Beendigung eines mehrjährigen vergütungsbezogenen Anreizprogrammes. Diese Aufwendungen für Mitglieder der Geschäftsführung betragen € 22,8 Mio.

(8) Die Zahlen für 2008 und 2009 sind geprüft.

(9) Einschließlich Abschreibungen auf Kundenbeziehungen und ähnliche Rechte in Höhe von € 114,4 Mio. in 2009, € 109,8 Mio. in 2008 und € 109,1 Mio. in 2007. Davon beziehen sich € 102,4 Mio. in 2009, € 103,7 Mio. in 2008 und € 107,2 Mio. in 2007 auf Kundenbeziehungen und ähnliche Rechte, die im Rahmen der Kaufpreisallokation aktiviert wurden, als im September 2006 die Brenntag-Gruppe indirekt von durch BC Partners beratene Fonds, durch GSMP beratene Fonds und (im Rahmen einer Veräußerung und eines teilweisen Rückkaufs) durch Bain Capital beratene Fonds erworben wurde. Der daraus verbleibende Nettobuchwert zum 31. Dezember 2009 betrug € 76,4 Mio. und wird bis September 2010 vollständig abgeschrieben sein.

Zusammenfassung der Kennzahlen aus der Konzernbilanz

	Geschäftsjahre zum 31. Dezember					
	2009		2008		2007	
			(geprüft, in Mio. €)			
Aktiva	**4.653,8**		**4.792,6**		**4.867,4**	
davon:						
Kurzfristige Vermögenswerte	1.966,3		1.980,5		1.991,6	
davon:						
Flüssige Mittel		602,6		298,7		343,8
Forderungen aus Lieferungen und Leistungen		831,4		979,1		976,0
Sonstige Forderungen		85,2		95,2		97,3
Vorräte		422,3		547,2		526,5
Langfristige Vermögenswerte	2.687,5		2.812,1		2.875,8	
davon:						
Sachanlagen		784,1		795,6		813,6
Immaterielle Vermögenswerte		1.785,9		1.896,6		1.941,6
Passiva	**4.653,8**		**4.792,6**		**4.867,4**	
davon:						
Kurzfristige Schulden	1.084,7		1.183,8		1.231,9	
davon:						
Verbindlichkeiten aus Lieferungen und Leistungen		655,6		694,5		741,0
Finanzverbindlichkeiten		61,5		119,0		138,1
Langfristige Schulden	3.396,8		3.480,5		3.437,8	
davon:						
Finanzverbindlichkeiten		3.077,0		3.134,9		3.061,4
Eigenkapital	172,3		128,3		197,7	

Zusammenfassung der Kennzahlen aus der Konzern-Kapitalflussrechnung

	Geschäftsjahre zum 31. Dezember		
	2009	2008	2007
		(geprüft, in Mio. €)	
Mittelzufluss aus laufender Geschäftstätigkeit	490,3	177,1	116,5
Mittelabfluss aus der Investitionstätigkeit	(76,1)	(173,2)	(185,0)
Mittelabfluss aus der Finanzierungstätigkeit	(113,0)	(51,3)	(108,0)
Liquiditätswirksame Veränderung des Zahlungsmittelfonds	301,2	(47,4)	(176,5)
Zahlungsmittelfonds zum Jahresende	602,6	298,7	343,8

Zusammenfassung der Operativen Segmentkennzahlen (nach Region)

	Geschäftsjahr zum 31. Dezember 2009	Veränderung 2008-2009	Geschäftsjahr zum 31. Dezember 2008	Veränderung 2007-2008	Geschäftsjahr zum 31. Dezember 2007
	(geprüft)		(geprüft)		(ungeprüft außer Umsatzerlöse)
	(Mio. €)	(%)	(Mio. €)	(%)	(Mio. €)
Europa					
Umsatzerlöse	3.434,4	(14,7)	4.027,5	6,7	3.773,6
Rohertrag(1)(6)(8)	807,6	(3,8)	839,8	4,7	802,4
Operatives EBITDA(2)(8)	250,6	(1,4)	254,2	6,8	238,1
Nordamerika					
Umsatzerlöse	2.050,5	(16,2)	2.447,9	16,2	2.106,7
Rohertrag(1)(6)(8)	537,7	(0,8)	542,0	15,7	468,6
Operatives EBITDA(2)(8)	196,8	(3,7)	204,4	26,4	161,7
Lateinamerika					
Umsatzerlöse	610,5	(2,5)	626,2	18,7	527,7
Rohertrag(1)(6)(8)	123,3	(2,4)	126,3	35,8	93,0
Operatives EBITDA(2)(8)	42,3	(4,1)	44,1	88,5	23,4
Asien-Pazifik					
Umsatzerlöse	58,4	289,3	15,0	—	—
Rohertrag(1)(6)(8)	14,5	326,5	3,4	—	—
Operatives EBITDA(2)(8)	2,2	120,0	1,0	—	—
Rest der Welt(4)					
Umsatzerlöse	210,8	(19,8)	263,0	(0,2)	263,4
Rohertrag(1)(6)(8)	10,1	21,7	8,3	(16,2)	9,9
Operatives EBITDA(2)(8)	(11,6)	46,3	(21,6)	(96,4)	(11,0)
Gruppe insgesamt					
Umsatzerlöse	6.364,6	(13,8)	7.379,6	10,6	6.671,4
Rohertrag(1)(6)(8)	1.493,2	(1,8)	1.519,8	10,6	1.373,9
Betriebskosten (ungeprüft)(6)	(33,7)	(22,5)	(27,5)	(41,8)	(19,4)
Bruttoergebnis vom Umsatz	1.459,5	(2,2)	1.492,3	10,2	1.354,5
Operatives EBITDA(2)(3)(7)(8)	480,3	(0,4)	482,1	17,0	412,2
Abzüglich Transaktionskosten(8)	(3,7)	(208,3)	(1,2)	72,1	(4,3)
EBITDA(3)(5)(7)(8)	476,6	(0,9)	480,9	17,9	407,9

(1) Der Rohertrag ist definiert als Umsatzerlöse abzüglich Materialaufwendungen für bezogene Waren und Roh-/Hilfs-/Betriebsstoffe (z.B. Verbrauch bezogener Güter, Wertberichtigungen für schwer absetzbare Waren, Abschreibungen sowie Wertaufholungen, Inventurdifferenzen), bezogene Dienstleistungen (z. B. Frachtkosten für eingehende Waren, Provisionen), Verpackungsmaterial, Lieferantenboni und Erhöhung oder Verminderung des Bestands an fertigen und unfertigen Erzeugnissen.

(2) Das operative EBITDA ist eine Kennzahl für die Ertragskraft, an der sich unsere Geschäftsführung bei der Führung ihrer Geschäfte auf regionaler Ebene orientiert. Auf Gruppenebene wird das operative EBITDA definiert als EBITDA zuzüglich Transaktionskosten. Wir weisen das operative EBITDA hier nicht als Kennzahl für unser operatives Ergebnis aus. Unsere Geschäftsführung berücksichtigt das operative EBITDA neben einigen anderen Kennzahlen für die Ertragskraft bei der Führung unseres Geschäfts, da sie das operative EBITDA als eine von verschiedenen hilfreichen Kennzahlen für die Ertragskraft ansieht.

Auf der Segmentebene umfasst die Überleitung vom operativen EBITDA auf das EBITDA sowohl Transaktionskosten als auch Headquarter Charges (auf Konzernebene sind lediglich Transaktionskosten relevant, da Headquarter Charges sich auf Konzernebene aufheben).

Transaktionskosten sind Kosten im Zusammenhang mit gesellschaftsrechtlicher Restrukturierung und Refinanzierung. Sie werden für Zwecke des Management Reporting herausgerechnet, um auf Segmentebene die operative Ertragskraft eindeutig darzustellen und die Vergleichbarkeit zu gewährleisten.

Headquarter Charges sind bestimmte konzerninterne Umlagen, die den operativen Gesellschaften belastet werden. Operative Gesellschaften können nicht für die Höhe der Headquarter Charges verantwortlich gemacht werden. Aus diesem Grund werden sie für Zwecke des Management Reporting eliminiert. Auf Konzernebene heben sie sich auf.

(3) Wir weisen diese Zahl aus, da sie für einige Investoren eine hilfreiche Kennzahl zur Beurteilung unserer Ertragskraft darstellen könnte. Diese Zahl ist jedoch keine unter IFRS definierte Kennzahl und kann nicht als Ersatz für Angaben zu Posten der Gewinn- und Verlustrechnung oder Kapitalflussrechnung, die nach den IFRS ermittelt werden, oder als Kennzahl für die Rentabilität oder Liquidität verstanden werden. Sie gibt nicht unbedingt an, ob der Cashflow ausreichen wird um unseren Liquiditätsbedarf zu decken, und ist nicht unbedingt ein Indikator für vergangene oder zukünftige operative Ergebnisse. Da diese Kennzahl nicht von allen Unternehmen gleich

definiert wird, ist die von uns ausgewiesene Kennzahl nicht unbedingt mit ähnlich bezeichneten Kennzahlen, die von anderen Unternehmen verwendet werden, vergleichbar.

(4) Wir berichten über unser operatives Segment „Rest der Welt" nach IFRS 8 unter „Alle Sonstigen Segmente"; in dieser Tabelle umfasst das Segment „Rest der Welt" neben verschiedenen Holdinggesellschaften die Aktivitäten der Brenntag International Chemicals, die Chemikalien in Massen auf internationaler Ebene ohne regionale Grenzen kauft und verkauft. Das Segment umfasst außerdem unsere Beschaffungs- und Marktforschungsaktivitäten in China.

(5) EBITDA ist definiert als Ergebnis vor Finanzergebnis, Steuern vom Einkommen und Ertrag und Abschreibungen. Wir weisen EBITDA hier nicht als Kennzahl für unsere operativen Ergebnisse aus. Unsere Geschäftsführung berücksichtigt EBITDA neben einigen anderen Kennzahlen für die Ertragskraft bei der Führung unseres Geschäfts, da sie EBITDA als eine von verschiedenen hilfreichen Kennzahlen für die Ertragskraft ansieht.

(6) Der Rohertrag ist definiert im Rahmen des Gesamtkostenverfahrens (wie in IAS 1 definiert). Der Rohertrag entspricht dem Bruttoergebnis vom Umsatz, das im Rahmen des Umsatzkostenverfahrens (wie definiert in IAS 1) definiert ist, das in unserem Konzernabschluss ausgewiesen ist, wobei Betriebskosten nicht berücksichtigt werden.

(7) Im Geschäftsjahr 2009 enthalten sowohl das EBITDA als auch das operative EBITDA auf Konzernebene Aufwendungen in Zusammenhang mit der vorzeitigen Beendigung eines mehrjährigen vergütungsbezogenen Anreizprogrammes. Diese Aufwendungen für Mitglieder der Geschäftsführung betragen € 22,8 Mio., wovon € 12,8 Mio. auf das Segment Nordamerika, € 5,2 Mio. auf das Segment Europa und € 4,8 Mio. auf „Rest der Welt" entfallen.

(8) Die Zahlen für 2008 und 2009 sind geprüft. Die Zahlen für 2007 sind, mit Ausnahme der Umsatzerlöse, nicht geprüft.

Zusammenfassung der Risikofaktoren

Anleger sollten bei einer Entscheidung über eine Anlage in Aktien der Gesellschaft die nachfolgend beschriebenen Risiken sowie die übrigen in diesem Prospekt enthaltenen Informationen sorgfältig prüfen. Der Marktpreis der Aktien der Gesellschaft könnte bei Eintritt jedes einzelnen dieser Risiken fallen; in diesem Fall könnten die Anleger ihre Anlagen ganz oder teilweise verlieren. Die folgenden Risiken könnten allein oder zusammen mit weiteren Risiken und Unsicherheiten, die der Gesellschaft derzeit nicht bekannt sind oder die sie derzeit als unwesentlich erachtet, die Geschäfts-, Finanz- und Ertragslage der Gesellschaft erheblich beeinträchtigen.

Die Reihenfolge, in der die Risikofaktoren dargestellt sind, stellt weder eine Aussage über die Eintrittswahrscheinlichkeit noch über die Bedeutung und Höhe der Risiken oder das Ausmaß der möglichen Beeinträchtigung des Geschäfts der Gesellschaft dar. Die genannten Risiken könnten einzeln oder kumulativ eintreten.

Risiken in Verbindung mit unserem Geschäft

- Unser Unternehmen wird von Nachfrageschwankungen und sonstigen Entwicklungen der allgemeinen Wirtschaft einschließlich der produzierenden Branchen beeinflusst, und eine längere oder schwerere wirtschaftliche Krise könnte sich nachteilig auf unsere Geschäfts- und Finanzlage auswirken.
- Intensiver Wettbewerb sowohl von Seiten anderer unabhängiger Chemiedistributeure als auch von Chemieproduzenten in zahlreichen Märkten, in denen wir tätig sind, könnten unser Gewinn- und Wachstumspotential beschränken.
- Eine Konsolidierung unserer Wettbewerber in den Märkten, in denen wir tätig sind, könnte für uns einen Wettbewerbsnachteil bedeuten und unsere Rentabilität schmälern.
- Wir sind möglicherweise nicht in der Lage, frühere oder künftige Akquisitionen erfolgreich zu integrieren oder die erwarteten Vorteile zu erzielen, und unsere Wachstumsstrategie könnte sich als nicht erfolgreich erweisen.
- Bei Akquisitionen oder Veräußerungen könnten unbeabsichtigt tatsächliche oder mögliche Verbindlichkeiten oder Belastungen erworben werden oder zurückbleiben.
- Wir können Kostensteigerungen möglicherweise nicht weitergeben. Falls unsere Bestände einzelner oder mehrerer Chemikalien unsere Verkäufe übersteigen und der Kaufpreis für diese Chemikalien deutlich fällt oder falls unsere Bestände knapp werden und unsere Verkäufe oder der Kaufpreis für diese Chemikalien deutlich steigen, könnten wir finanzielle Verluste erleiden. Falls wir die Kundennachfrage nach einem bestimmten Produkt nicht decken können, könnten wir außerdem Kunden verlieren und unser Ruf könnte beschädigt werden.
- Unfälle, Umweltschäden, die missbräuchliche Verwendung unserer Produkte, größere oder systemische Lieferausfälle, die unser Vertriebsnetz oder die von uns beförderten Produkte betreffen, oder gesundheitsgefährdende Auswirkungen oder sonstige Schäden in Verbindung mit gefährlichen Materialien, die wir transportieren oder lagern, könnten unseren Ruf schädigen und zu erheblichen Ausgleichspflichten führen.
- Unser Geschäft birgt zahlreiche betriebliche Risiken, gegen die wir möglicherweise nicht ausreichend versichert sind.
- Aufgrund der Internationalität unseres Geschäfts sind wir einer Reihe wirtschaftlicher, politischer, rechtlicher und sonstiger Risiken ausgesetzt und können nicht garantieren, dass unsere dezentralisierte Struktur nicht zu Vorfällen oder Entwicklungen führt, die unserem Ruf oder unserer Geschäfts- oder Finanzlage schaden könnten.
- Wir verlassen uns auf die ordnungsgemäße Funktionsfähigkeit unserer Computer und Datenverarbeitungssysteme; eine größere Fehlfunktion könnte zu Störungen bei unserem Geschäft in den von der Störung betroffenen Ländern oder Regionen führen.
- Wir sind von unserer Fähigkeit abhängig, wichtige Mitarbeiter für die Geschäftsführung und in den Bereichen Technik, Beschaffung und Vertrieb zu gewinnen und zu halten und gute Beziehungen mit der organisierten Arbeiterschaft zu führen. Da wir eine regional geführte Gruppe sind, hängt der Erfolg unseres Geschäfts auch von der Leistung des örtlichen Managements ab.
- Unsere Bilanz enthält erhebliche immaterielle Vermögenswerte, deren Wert gemindert werden könnte.
- Wir könnten gezwungen sein, Vermögenswerte abzuschreiben, mit denen ein Teil unserer Pensionsverpflichtungen besichert ist, wenn diese Vermögenswerte an Wert verlieren.

- Veränderungen bei den Wechselkursen und Zinssätzen könnten erhebliche nachteilige Auswirkungen auf unser Finanzergebnis haben. Unsere Bemühungen zur Absicherung dieser Risiken könnten sich als nicht erfolgreich erweisen.

Risiken in Verbindung mit unserer Kapitalstruktur

- Unser Fremdkapitalanteil und unsere Verpflichtungen beim Schuldendienst könnten die Menge verfügbarer Barmittel vermindern, beispielsweise für die Finanzierung von Akquisitionen und Dividendenzahlungen; eine wesentliche Zunahme unserer Nettoverschuldung könnte dazu führen, dass sich die uns gewährten Bedingungen bei der Kreditvergabe ändern.

- Unsere Schulden bedeuten Beschränkungen für unser Geschäft.

- Unser Bedarf an Working Capital wird künftig voraussichtlich steigen, was zu einer Verringerung der frei verfügbaren Barmittel unter anderem für Investitionen in das Anlagevermögen, zur Finanzierung von Akquisitionen und Dividenden führen könnte.

Rechtliche Risiken

- Wir sind im Rahmen unseres Geschäfts laufenden Verfahren und sonstigen rechtlichen und aufsichtsrechtlichen Maßnahmen ausgesetzt, und es könnten uns wesentliche Verpflichtungen und erhebliche Anwaltsgebühren entstehen.

- Im Zusammenhang mit Kartellangelegenheiten könnten für uns erhebliche Anwaltsgebühren und mögliche Sanktionen entstehen.

- Rechtliche und aufsichtsrechtliche Änderungen könnten sich nachteilig auf unser Geschäft und unsere Wettbewerbssituation auswirken, und es könnten uns aufgrund umwelt-, gesundheits- und sicherheitsrechtlicher Bestimmungen sowie sonstiger Rechtsvorschriften Verbindlichkeiten und sonstige Kosten entstehen.

- Viele unserer Verträge mit Lieferanten und Kunden sind kündbar und die Kündigung dieser Verträge könnte sich nachteilig auf unser Geschäft auswirken.

- Unsere Steuerlast könnte aufgrund von Änderungen von steuerrechtlichen Vorschriften oder deren Anwendung oder Auslegung oder aufgrund laufender oder künftiger Steuerprüfungen steigen.

Risiken in Verbindung mit unseren Aktien, der Börsennotierung und der Aktionärsstruktur der Gesellschaft und der Gruppe

- Die Aktien wurden bisher nicht öffentlich gehandelt, und es kann nicht gewährleistet werden, dass sich ein aktiver und liquider Markt mit unseren Aktien entwickeln wird.

- Unser Aktienkurs kann erheblich schwanken, und Anleger können ihren Anlagebetrag ganz oder teilweise verlieren.

- Nach dem Börsengang wird unsere größte Aktionärin in der Lage sein, erheblichen Einfluss auf die Gesellschaft auszuüben. Die von dieser Aktionärin verfolgten Interessen könnten von den Interessen unserer übrigen Aktionäre abweichen.

- Zukünftige Verkäufe von Aktien durch unsere Altaktionärin könnten den Kurs unserer Aktien drücken.

- Zukünftige Ausgaben von Anleihen oder Aktien durch uns könnten den Marktpreis der Aktien negativ beeinflussen, und künftige Kapitalmaßnahmen könnten zu einer erheblichen Verwässerung der Anteile der bestehenden Aktionäre an der Gesellschaft führen.

- Die Zahlung künftiger Dividenden wird von unserer Finanzlage und unserem Geschäftsergebnis abhängen sowie von den Ausschüttungen unserer Tochtergesellschaften an uns.

RISK FACTORS

Investors should carefully consider the following risks, in addition to the other information contained in this prospectus, when deciding whether to invest in our shares. The market price of our shares could fall if any of these risks were to materialize, in which case investors could lose all or part of their investments. The following risks, alone or together with additional risks and uncertainties not currently known to us or that we might currently deem immaterial, could materially adversely affect our business, financial condition and results of operations.

The order in which the risk factors are presented is not an indication of the likelihood of the risks actually occurring, the significance or degree of the risks or the scope of any potential impairment to our business. The risks mentioned could materialize individually or cumulatively.

Risks Relating to our Business

We are affected by demand fluctuations and other developments in the broader economy, including in the manufacturing sector, and our operations and financial results could be adversely affected by a prolonged or deeper economic crisis.

We are a leading provider of business-to-business solutions in the area of chemical distribution with operations worldwide (Source: *BCG Market Report, January 2010*). Our industry is affected by general levels of industrial and manufacturing output in the industries and markets that it serves, as well as by levels of government spending, and our business is susceptible to downturns in the economies of Europe, North America, Latin America and Asia Pacific. Our profit margins, as well as overall demand for our products, could decline as a result of factors outside our control, including economic recessions, significant episodes of inflation, fluctuations in interest and exchange rates, and changes in the fiscal or monetary policies of governments.

General economic conditions and macroeconomic trends could affect overall demand for chemicals, as well as the creditworthiness of our customers. If overall demand for chemical products declines, it could have a significant negative impact on our sales and profitability. If the creditworthiness of our customers declines, we would face an increased credit risk with respect to our trade receivables. Specific major events affecting the markets in which we operate, including but not limited to natural disasters (for example, the recent earthquake in Chile) and major national or international political and/or monetary developments (for example, the recent devaluation of the official currency of Venezuela and related events) could also have an adverse impact on our regional business or results of operations, which could, individually or in combination with developments in other regions, have a material adverse effect on our Group's business, financial condition and results of operations.

Over the past two years, a worldwide financial and economic crisis has expanded to and affected essentially all regions of the world and all business sectors, especially manufacturing. Even if there are currently indications that the economy starts to recover, the economic crisis could continue or could worsen, and there is no guarantee that the manufacturing sector will return to former, higher levels of production in the near term or at all, or that a downturn in one market could be offset by a recovery in another market. A protracted economic crisis could lead to insolvencies among our customers or our suppliers, as well as among financial institutions with which we have accounts. In addition, the creditworthiness of parties to present or future contracts with us could deteriorate. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

Intense competition, both from other third-party distributors and from chemical producers, in many of the markets in which we operate could limit our potential for profit and growth.

We face intense competition. Many of the products we distribute are made to industry specifications and are interchangeable with products that other third-party chemical distributors also offer. Especially with regard to industrial chemicals, the chemicals we distribute often are available from a number of suppliers and distributors. The competitive pressure we face is particularly strong in sectors and markets where local competitors have strong positions. Furthermore, during economic downturns, chemical producers or (to a lesser extent) distributors could decide to flood the market with products when faced with declining profits. Such practices, or increased competition from existing or new competitors, could depress the profit margins on our products and services, which could have an adverse affect on our business, financial condition and results of operations.

In addition, in some of the markets in which we operate and in respect of certain products, large chemical producers sometimes elect to distribute their products directly to end-user customers, rather than rely on a third-party distributor. While we believe that we are not dependent on sales of any particular supplier's products, if the market were to move generally toward more chemical distribution in-sourcing, we may find ourselves underbid by

suppliers, or products may become unavailable to us. Any of these developments could have a material adverse effect on our business, financial condition and results of our operations.

Consolidation of our competitors in the markets in which we operate could place us at a competitive disadvantage and reduce our profitability.

We operate in an industry which is highly fragmented on a global scale, but in which there has been a trend toward consolidation in recent years. Consolidations of our competitors into larger companies may jeopardize the strength of our positions in one or more of the markets in which we operate and any advantages we currently enjoy due to the comparative scale of our operations. Losing some of those advantages could adversely affect our business, financial condition and results of operations, as well as our growth potential.

We might be unable to successfully integrate or achieve the expected benefits from past or future acquisitions and our growth strategy could be unsuccessful.

During the past several years we have completed a number of acquisitions as a means of expanding our business, and it is an important part of our strategy to pursue targeted acquisitions in the future. To the extent we are successful in making acquisitions we may have to expend substantial amounts of cash, incur debt, assume loss-making divisions and incur other types of expenses. In particular, future acquisitions could result in increased indebtedness and significant commitments of management resources. We might not achieve the cost savings, synergies or other benefits that we hope to achieve from acquisitions. We cannot guarantee that the ongoing integration of recently acquired operations or the integration of any future acquisitions will yield benefits to our Group that are sufficient to justify the expenses we incurred or will incur in completing such acquisitions. We could also incur extraordinary or unexpected legal, regulatory, contractual, labor or other costs as a consequence of acquisitions. Furthermore, our future acquisitions might not be as successful as the acquisitions we have completed in the past. For example, in Asia Pacific, where we have begun to gain new footholds in markets, we cannot guarantee that we will continue to grow successfully or at all, as both future acquisition opportunities and the successful future integration of any acquired companies is inherently uncertain. In addition, our broader growth strategy could be unsuccessful and might fail to achieve anticipated benefits for our Group's future earnings and profitability.

In connection with acquisitions or divestitures, we might inadvertently acquire or retain actual or potential liabilities or defects.

Acquisitions and divestitures are an important part of our strategy, and we engage in a relatively large number of these transactions in the course of our business. In connection with these transactions, we cannot exclude that, in spite of the due diligence we perform, we will not inadvertently or unknowingly acquire, or fail to divest, as the case may be, actual or potential liabilities or defects, including but not limited to the following: legal claims, including but not limited to third-party liability and other tort claims; claims for breach of contract; employment-related claims; environmental liabilities, conditions or damage; hazardous materials or liability for hazardous materials; or tax liabilities. If we acquire or retain, as the case may be, any of these or other liabilities, and such liabilities are not adequately covered by an applicable and enforceable indemnity, keep well, guarantee or similar agreement from a creditworthy counterparty, we could become actually liable for them. Such liabilities, if they materialize, could have a material adverse effect on our business, financial condition and results of operations.

We might not be able to pass through cost increases. If our inventories of one or more chemicals exceed our sales and the purchase price of those chemicals decreases significantly, or if our inventories fall short or our sales and the purchase price of those chemicals increases significantly, we could experience financial losses. In addition, if we are unable to meet customer demand for a particular product, we could lose customers and suffer damage to our reputation.

The prices and availability of the chemicals we deliver, as well as our costs for transportation, fluctuate over time. We might not always be able to pass through increases in the prices we pay for chemicals or increases in our costs, including transportation cost increases (for example, due to rising fuel prices), in our own pricing.

In order to successfully manage our inventories of the chemicals we carry, we must estimate the demand of our customers and purchase supplies in our various regions that substantially correspond to the expected demand in those regional markets. If we overestimate demand and purchase too much of a particular chemical, we face a risk that the price of that chemical will fall, leaving us with inventory that we cannot profitably sell. If we underestimate demand and do not purchase sufficient quantities of a particular chemical and prices of that chemical rise, we could be forced to purchase that chemical at an unprofitably high price in order to meet our customers' demand for that

chemical. If either or both of these situations occur on a large-scale or systemic basis for our Group, it could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, we face the risk of dissatisfied customers and possible damage to our reputation if we are short on inventories of a particular chemical and are therefore unable to meet our customers' demand for that chemical. Access to certain chemicals can be difficult due to various reasons, such as relationship management issues with certain suppliers, especially in regions and countries where markets are less globalized or where we have a smaller presence. In addition, particularly in cases of pronounced cyclicality in the end market, it can be difficult to determine in advance what our customers' requirements for particular chemicals will be, and we could be asked to deliver larger-than-expected quantities of a particular chemical on short notice. If for any reason we experience widespread, systemic difficulties in filling orders of our customers, we could face the risk of customer dissatisfaction, possible loss of customers, or paying a producer a higher price in order to obtain the needed chemical on short notice.

Accidents, environmental damage, misuse of our products, major or systemic delivery failures involving our distribution network or the products we carry, or adverse health effects or other harm related to hazardous materials that we carry or store could result in damage to our reputation and substantial remedial obligations.

Our business depends to a significant extent on our customers' and suppliers' trust in our reputation for quality, safety and environmental responsibility. Actual or alleged instances of safety deficiencies, inferior product quality, exposure to hazardous materials resulting in illness, injury or other harm to persons or property, as well as misuse or misappropriation of our products, such as for use in terrorist activities or in the processing of illegal drugs, or of environmental damage caused by us or our products, could damage our reputation in the markets in which we operate and could lead to customers and suppliers becoming less willing to work with us. Any of these events, outcomes or allegations could also lead to our Group or Group companies becoming subject to substantial legal claims, and we could incur substantial legal fees and other costs in defending such legal claims.

Accidents or other incidents alleged to have taken place at our facilities or to otherwise involve any of our Group companies, personnel or operations could also result in claims for damages by third parties. Since many of the chemicals that we handle are potentially dangerous, we are faced with the ongoing risk of explosions, fires and other hazards that can cause property damage, illness, physical injury or death. If such events occur, whether through our own fault, through preexisting conditions at our facilities, through the fault of a third party, or through a natural disaster or other event outside our control, our reputation could suffer significant damage, particularly in the communities in which we operate. We could also become financially responsible, as a result of environmental or other laws or by court order, for substantial monetary damages or expensive remedial obligations, including but not limited to those resulting from third-party lawsuits or environmental clean-up obligations. The amount of any costs, including fines or damages payments, that we might incur under such circumstances could substantially exceed any insurance we have to cover such losses.

An actual or alleged improper or late delivery of a product to a customer could result in legal claims against us and damage our reputation in the market. Our business depends to a significant extent on our customers' and suppliers' trust in our reputation for reliability, quality, safety and environmental responsibility. Actual or alleged instances of safety deficiencies or inferior product quality, late delivery, or damage caused by us or our products, could harm our reputation in the markets in which we operate and could lead to customers and suppliers becoming less willing to work with us. Any of these risks, if they materialize, could significantly harm our reputation, expose us to substantial liabilities and could have a material adverse effect on our business, financial condition and results of operations.

Our business is subject to many operational risks for which we might not be adequately insured.

We are exposed to risks including, but not limited to, accidents, environmental damage and other events which could potentially lead to interruptions of our business operations and/or to our incurring significant costs. Although we attempt to cover these risks with insurance policies in instances and to the extent that our management deems appropriate, we cannot guarantee that we will not incur losses beyond the limits, or outside the coverage, of our insurance policies. From time to time, various types of insurance for companies involved in chemical distribution have not been available on commercially acceptable terms or, in some cases, have been unavailable. We cannot assure investors that in the future we will be able to maintain existing coverage, or that premiums, which have increased significantly in the last several years, will not continue to increase in the future.

Due to the international nature of our business, we are exposed to a variety of economic, political, legal and other related risks, and we cannot guarantee that our decentralized structure will not lead to incidents or developments that could damage our reputation, operations or financial condition.

We are active in over 60 countries around the world, including some countries or regions with less political or social stability than is generally found in Europe or North America, and we face certain inherent risks as a result of the international nature of our business. These risks relate to a wide range of factors, including but not limited to the following: exchange controls and currency restrictions; currency fluctuations, devaluations and inflation, including hyperinflation; tariffs and trade barriers; export duties and quotas; diverse systems of law and regulation, particularly regarding environmental issues; changes in tax and other laws and regulations; exposure to possible expropriation, nationalization or other government actions; restrictions on our ability to repatriate cash from our subsidiaries; restrictions in certain countries on investments by foreign companies; divergent labor regulations and cultural expectations regarding employment; and divergent cultural expectations regarding industrialization, international business and business relationships. Our operations in Asia are at an early stage, and it may prove difficult to achieve our goals and take advantage of growth and acquisition opportunities in those or in other emerging markets due to legal restrictions and other factors, such as a lack of comprehensive market knowledge and network. Unexpected adverse changes in foreign laws and regulations can also affect our operations. In addition, terrorist attacks against or involving our facilities, if they occur, could result in damage to our facilities, substantial financial losses or injuries to our personnel.

Our operations are generally structured in a decentralized manner. Although we exercise what we believe to be an appropriate level of central control and active supervision of our subsidiary operations around the world, those subsidiaries retain a substantial amount of operational flexibility. We therefore cannot guarantee that our subsidiary operations around the world will not experience problems that could lead to damage to our reputation, or that could otherwise have a material adverse effect on our business, financial condition and results of operations.

We rely on the proper functioning of our computer and data processing systems, and a larger-scale malfunction could result in disruptions to our business in the countries or regions affected by the disruption.

Our ability to keep our business operating depends on the functional and efficient operation of our computer and data processing and telecommunications systems around the world. Since computer and data processing systems are susceptible to malfunctions and interruptions (including due to equipment damage, power outages, computer viruses, and a range of other hardware, software and network problems) we cannot guarantee that we will not experience such malfunctions or interruptions in the future. Although our IT system is diversified, including multiple server locations and a range of software applications for different regions and functions, a significant or large-scale malfunction or interruption of our computer or data processing systems could adversely affect our ability to manage and keep our operations running efficiently, particularly in the country, region, or functional area in which the malfunction occurs. If a malfunction results in a wider or sustained disruption to our business, it could have a material adverse effect on our business, financial condition and results of operations.

We are dependent on our ability to attract and retain key management, technical, sourcing and sales personnel, as well as on continuing good relations with organized labor. Because we are a regionally managed business, the success of our operations is also dependent on the performance of local management.

Our management and employees are critical to the successful development and implementation of our business strategy. If we fail to retain and attract the necessary key personnel to fill management and technical roles, it will adversely affect our ability to operate our business effectively and could have a material adverse effect on our results of operations. In addition, our business results depend largely upon the experience, knowledge of local market dynamics, technical know-how and long-standing customer and producer relationships of our sales and sourcing personnel. If we are unable to retain or hire effective personnel to fill these roles at economically reasonable compensation levels, it could materially and adversely affect our ability to operate profitably and grow our business. Our business and results of operations could also be negatively affected in the event of strikes or problems with organized labor.

We have a decentralized management system which provides our local management with significant discretion over operations in each region. Responsibility for profit and loss and reporting are allocated locally, and local management is responsible for making operational decisions, including product portfolio, sourcing, pricing and other sales decisions. Failure of our local management to adequately manage our operations or a failure in the adequate controlling of the local management may have a material adverse effect on regional operations.

Our balance sheet includes significant intangible assets, which could become impaired.

We carry significant intangible assets on our balance sheet. As of December 31, 2009, the intangible assets on our balance sheet totaled €1,785.9 million, including €1,349.3 million in goodwill resulting from the acquisition of our Group by our current shareholder, Brachem Acquisition S.C.A. (indirectly through two acquisition vehicles that now operate under the names of Brenntag Management GmbH and Brenntag Holding GmbH), as well as trademarks totaling €201.0 million. The goodwill resulting from the acquisition transaction is reported within the consolidated balance sheet of the Brenntag Group because the former acquisition vehicles are included in the scope of consolidation of the Brenntag Group. Although we currently do not expect that these intangible assets will be impaired, we cannot guarantee that no impairment will occur, particularly in the event of a substantial deterioration of our future prospects. If our intangible assets become significantly impaired, it could have a material adverse effect on our share price, financial condition and results of operations.

We could be forced to write down assets securing a portion of our pension obligations if such assets decline in value.

We have substantial pension obligations, for which we have made what we believe to be appropriate provisions. A certain portion of our pension obligations relates to defined benefit pension plans. We make provisions on our balance sheet in respect of our liabilities under these defined benefit plans and also seek to cover our obligations by insurance and by holding plan assets including shares in external funds and fixed-interest securities. We make a provision on our balance sheet for the net amount of obligations less plan assets. If these plan assets lose some or all of their value, the amount of this provision for pension obligations would increase, which could have an adverse effect on our business, financial condition or results of operations.

Changes in foreign exchange rates and interest rates could have material adverse effects on our financial results. Our hedging efforts might be unsuccessful.

A considerable portion of our assets, liabilities, sales, expenses and earnings is denominated in currencies other than euro, for example the U.S. dollar. Our exposure to the U.S. dollar is significantly greater than just the exposure to the U.S. dollar relating directly to the Group's business operations that are based in the United States since many of our operations outside the United States are conducted in U.S. dollars or currencies that are linked to the U.S. dollar. When preparing our consolidated financial statements, results in other currencies must be translated into euro. Fluctuations in the values of these other currencies with respect to the euro have had and could continue to have a significant impact on our financial results expressed in euro. For example, in 2009, the increase in the value of the U.S. dollar relative to the euro increased our reported sales of those companies based in the United States by 5.5%. A long-term weakening of the U.S. dollar (or of other currencies which we convert into dollars for financial reporting purposes) could reduce our reported profitability and lessen the euro-denominated amount of sales generated in such currency or currencies. Currency fluctuations can also have a significant impact on our balance sheet, particularly shareholders' equity, when we translate the financial statements of our subsidiaries located outside of the euro-zone into euro. Further foreign exchange rate risks exist in our companies that carry balance sheet items in a different currency than the local functional currency. Although we manage this risk through foreign exchange hedge contracts, our financial results could nonetheless be affected by foreign exchange fluctuations. Because in our local operations we generally seek to match the expenses incurred and income generated in the respective currency and hedge remaining risk positions, the foreign currency risks we face that could be material to our results at the Group level are primarily translational, not transactional.

We are also exposed to interest rate risk. Fluctuations in interest rates affect our interest expense on existing debt and our cost of new financing. Although we use interest rate hedging to manage a substantial portion of this risk, substantial interest rate increases could still adversely affect our financial condition and results of operations.

Risks Related to our Capital Structure

Our leverage and debt-service obligations could limit the amount of cash we have available, for example for acquisition financing and dividend payments, and a significant increase in our net indebtedness could result in changes in the terms on which credit is extended to us.

We have incurred substantial indebtedness. Only a portion of the offer proceeds will flow to the Company (the rest will flow to the Selling Shareholder), and following the offering the Company will still carry a high level of debt. As of December 31, 2009, our total consolidated financial liabilities amounted to €3,138.5 million and our Company equity amounted to €172.3 million while our total consolidated assets as of December 31, 2009 amounted to €4,653.8 million and we had EBITDA for the 12 months ended December 31, 2009 of €476.6 million and net interest expense of €211.5 million (EBITDA is defined as earnings before financial result, income taxes,

depreciation and amortization and minority interests related to EBITDA, and is a non-IFRS, non-GAAP measure that the Company uses as part of its assessment of the Group's financial performance and may not be comparable to similarly defined measures at other companies). Based on this capital structure, the Company expects a potential rating by rating agencies also after the completion of the offering to be sub-investment grade. In the event of significant and/or sustained financial difficulties, and a resulting possible significant impairment of goodwill, there would be no guarantee that we would continue to be able to meet all of our debt service obligations, and in the unlikely event that inability to meet debt payment obligations resulted in insolvency proceedings or reorganization, investors could lose all or a significant portion of their investment.

In addition, our debt financing arrangements contain covenants that place certain restrictions on our ability to pay dividends under certain circumstances. While dividends may be paid freely following a qualifying IPO, they are otherwise limited to a maximum amount of 75% of our net income (determined in accordance with our annual consolidated financial statements for the relevant financial year). A "qualifying IPO" is defined as an initial public offering the application of the offering proceeds of which results in (i) our Group's total leverage being less than 3.00:1 and (ii) the mezzanine credit facilities being repaid in full. As of the date of this prospectus, our pro forma total leverage exceeds 3.00:1. Although our pro forma total leverage will be less than 3.00:1 immediately following the closing of the offering, we cannot guarantee that we will not exceed this ratio in the future, in which event our debt covenants would limit our ability to pay dividends.

Our substantial current level of indebtedness presents the risk that we might not generate sufficient cash to service our indebtedness, that our financing arrangements could be terminated prior to maturity, or that our leveraged capital structure could limit our ability to finance further acquisitions and develop additional projects, thereby limiting our ability to grow and possibly also limiting our ability to successfully execute our strategy. Furthermore, since a substantial portion of our cash flow from operations is dedicated to the payment of principal and interest on our indebtedness, it reduces the amount of cash we have available for other purposes, including our working capital needs, capital expenditures, the exploitation of business opportunities and growth, future acquisitions and other general corporate needs, as well as dividends. Furthermore, a significant increase in our net indebtedness could result in changes in the terms on which banks and suppliers are willing to extend credit to us. Any of these events, if they occur, could increase our costs of financing or cause us to become obligated to make early repayment on some or all of our indebtedness, either of which could have a material adverse effect on our business, financial condition and results of operations.

Our indebtedness imposes restrictions on our business.

The various debt instruments, including the Senior Credit Agreement, to which we are a party, contain covenants that bind us. These covenants restrict or limit, among other things, our ability to incur additional indebtedness, create liens, have our subsidiaries pay dividends or make other payments to us, transfer or sell shares, engage in sale-and-leaseback transactions, merge or consolidate with other entities, and enter into transactions with our affiliates (in each case subject to a number of important exceptions and qualifications). In addition, the Senior Credit Agreement and the Second Lien Credit Facility contain financial covenants that require us to maintain, among other things, a maximum leverage ratio and a minimum interest coverage ratio. If we breach any of these covenants with respect to any financing arrangement and are unable to cure the breach (to the extent the breach is capable of being cured) or to obtain a waiver from the lenders (to the extent the covenant is capable of being waived), we would be in default under the terms of such arrangement. A default under any financing arrangement could result in a default under other financing arrangements, including the Senior Credit Agreement, and could cause or permit lenders under the relevant financing arrangements to accelerate such financing arrangements, causing the amounts owed under those arrangements to become due. In the case of an acceleration of the Senior Credit Agreement and/or the Second Lien Credit Facility, there can be no assurance that our assets would be sufficient to repay that indebtedness in full and continue to make other payments we are obligated to make.

Our working capital needs are expected to increase in the future, which could result in having less free cash available for, among other things, capital expenditure, acquisition financing and dividends.

The amount of working capital we require to run our business is expected to increase in the future. If our working capital needs increase, the amount of free cash we have at our disposal to devote to other uses will decrease. A decrease in free cash could, among other things, limit our flexibility, including our ability to make capital expenditures and to acquire suitable acquisition targets that we have identified. Lower free cash could also constrain our ability to pay dividends or the amount of the dividends which we can pay. If increases in our working capital occur and have the effect of decreasing our free cash, it could have a material adverse effect on our business, financial condition and results of operations, as well as our ability to pay dividends.

Legal Risks

We are exposed to ongoing litigation and other legal and regulatory actions and risks in the course of our business, and we could incur significant liabilities and substantial legal fees.

We are subject to the risk of litigation, other legal claims and proceedings, and regulatory enforcement actions in the ordinary course of our business. The results of legal proceedings cannot be predicted with certainty. We cannot guarantee that the results of current or future legal proceedings will not materially harm our business, reputation or brand, nor can we guarantee that we will not incur losses in connection with current or future legal proceedings that exceed any provisions we may have set aside in respect of such proceedings or that exceed any applicable insurance coverage. The occurrence of any of these events could have a material adverse effect on our business, financial condition or results of operations.

We could incur substantial legal fees and potential sanctions in connection with antitrust matters.

We are exposed to the risk that governmental bodies may take legal action against us under antitrust laws. We are currently subject to pending antitrust actions, including in Germany and France, and we could become subject to further public or private proceedings in these or other jurisdictions in the future. If we are found to be in violation of antitrust laws, we could incur substantial fines or other penalties and may be required to divest assets (potentially at prices significantly below their market value or below their carrying value on our books). The legal fees we could face in these proceedings could also be significant. Any of these consequences of one or more antitrust actions could have a material adverse effect on our business, financial condition and results of operations.

Changes in laws and regulations could adversely affect our business and competitive position, and we could incur liabilities and additional costs due to environmental, health and safety laws, as well as other laws and regulations.

Our operations involve the management, storage, handling and transport of chemicals. As a result, we are subject to extensive environmental, health and safety laws and regulations in multiple jurisdictions, including those governing our management, storage and transportation of chemicals; air, water and ground contamination; and the cleanup of contaminated sites, including any spills that may result from our transportation of chemicals. Some aspects of our business activities require that we hold a wide range of permits and licenses. Compliance with these laws and regulations entails significant ongoing compliance and remedial costs. The failure to comply with such laws or regulations can lead to the imposition of fines and other civil, administrative or criminal sanctions, including the revocation of permits and licenses necessary to continue our business activities. In addition, we may be required to pay damages or civil judgments in respect of third-party claims, including those relating to personal injury (including exposure to hazardous substances managed, stored, transported or disposed of by us) or property damage. Such developments could have a material adverse effect on our business, financial condition and results of operations.

These laws and regulations change frequently and vary significantly from country to country. Changes in laws and regulations in the future could have an adverse economic impact on us by tightening restrictions, reducing our freedom to do business, increasing our costs of doing business and reducing our profitability. For example, the introduction of the REACH regulations in the European Union (which require, among other things, registration of chemical substances with the European Chemical Agency and impose requirements for end-user documentation and authorizations for certain chemicals), has increased our cost of doing business. It is also possible that certain chemicals could become prohibited in some or all of the jurisdictions in which we operate, for example if government agencies find that they pose especially great environmental or health risks. Current and additional future climate change regulation in the United States and in other jurisdictions around the world could also have a material effect on our business. Increased energy costs or emissions associated with customer products could materially affect demand for those products and indirectly affect our business. Demand for our customers' products could also be affected by competing alternative products having lower indirect emissions. Changes in and introductions of regulations have in the past caused us to devote significant management and capital resources to compliance programs and measures, and future stricter regulations with which we must comply would likely further increase these compliance costs and could have a material adverse effect on our business, financial condition and results of operations.

Many of our contracts with suppliers and customers are terminable upon notice, and the termination of these contracts could negatively affect our business.

Our purchases and sales of chemicals are usually not made pursuant to long-term contracts. While some of our contracts do have exclusivity provisions, these provisions could be void under applicable law or we may be unable

to enforce them for legal or business reasons. Many of our contracts with both customers and suppliers are terminable without cause upon notice to us from the producer or customer. Since many of our suppliers and customers are not subject to contracts or can terminate their contracts on short notice, we might in certain instances be unable to meet our obligations to deliver chemicals, which could harm our business relationships and reputation. In addition, our sales margins could be negatively affected if contractual terms are effectively renegotiated to our disadvantage. Any of these developments could adversely affect our business, financial condition and results of operations.

Our tax burden could increase due to changes in tax laws or their application or interpretation, or as a result of current or future tax audits.

Our tax burden is dependent on certain aspects of the tax laws across several different jurisdictions and their application and interpretation. Changes in tax laws or in their interpretation or application could increase our tax burden. As a result of current or future tax audits or other review actions of the relevant financial authorities, additional taxes (for example, in connection with acquisitions and restructuring measures) could be assessed, which could lead to an increase in our tax obligations, either as a result of the relevant tax payment being assessed directly against us or as a result of us becoming liable for the relevant tax as a secondary obligor due to the primary obligor's (such as, for example, an employee) failure to pay.

Use of Net Operating Losses: Some of the Brenntag Group companies have significant tax loss carry forwards. Some of these tax loss carry forwards may in the future be forfeited in whole or part, or their utilization might be restricted by statutory law in the relevant jurisdiction. The tax burden for future periods would increase if gained profits could not be set off against tax loss carry forwards.

Audits: Several companies within the Brenntag Group are currently subject to tax audits. Moreover many companies have not yet been subject to tax audits regarding the most recent fiscal years and might therefore be subject to tax audits in future periods. Current or future tax audits could question some or all positions taken by Brenntag and could result in additional tax payments.

Intercompany financing: Several companies within the Brenntag Group are financed inter alia by shareholder and third party loans. In several jurisdictions Brenntag companies are subject to rules limiting the tax deductibility of interest expenses. As a result a certain amount of interest expenses might not be tax deductible under the relevant tax laws in place. Such rules might be further tightened and could result in an increase of non-tax deductible interest expenses.

Corporate Reorganization: Our corporate structure has been and probably will be subject to reorganization measures. Although we have tried to consider the relevant tax issues arising from such restructurings it cannot be excluded that the tax authorities will question some or all of the positions that we have taken.

Transfer pricing: Many of the jurisdictions where we are active have implemented transfer pricing regulations. Although we have adopted a transfer pricing policy, it cannot be excluded that the tax authorities will challenge it.

The occurrence of any of the foregoing circumstances could have an adverse effect on our business results and/or financial conditions.

Risks Related to our Shares, the Listing, and the Shareholder Structure of the Company and the Group

The shares have not been publicly traded, and there is no guarantee that an active and liquid market for our shares will develop.

Prior to the offering, there has been no public market for our shares. The issue price is being determined by way of the bookbuilding process. There is no guarantee that the issue price will correspond to the price at which the shares will be traded on the stock exchange after the offering or that, following the listing, liquid trading in our shares will develop and become established. Investors may not be in a position to sell their shares quickly or at the market price if there is no active trading in our shares.

Our share price may fluctuate significantly, and investors could lose all or part of their investment.

Following this offering, the price of our shares will be affected primarily by supply and demand for such shares, as well as other factors including, but not limited to, fluctuations in the actual or projected operating results, changes in projected earnings or failure to meet securities analysts' earnings expectations, changes in trading volumes in our shares, changes in macroeconomic conditions, the activities of competitors and suppliers, changes in the market valuations of similar companies, changes in investor and analyst perception in our Company or our industry, changes in the statutory framework in which we operate and other factors, and can therefore be subject to

substantial fluctuations. In addition, general market conditions and fluctuations of share prices and trading volumes generally, could lead to pricing pressures on our shares, even though there may not necessarily be a reason for this in our business or earnings outlook.

Following the offering, our largest shareholder will be in a position to exert substantial influence on the Company. The interests pursued by this shareholder could differ from the interests of our other shareholders.

Brachem Acquisition S.C.A., our sole shareholder prior to the offering, will continue to be our largest shareholder and will hold 70.97% of our issued and outstanding voting shares following the offering (assuming full placement of shares and full exercise of the greenshoe option). Through their respective beneficial holdings in Brachem Acquisition S.C.A., Funds Advised by BC Partners will beneficially own approximately 53.87%, and Funds Advised by Bain Capital and Funds Advised by GSMP will collectively beneficially own approximately 9.12%, of the issued and outstanding voting shares of the Company after completion of the offering. Due to their large shareholdings, these shareholders will be in a position to exert substantial influence on the general shareholders' meeting and, consequently, on matters decided by the general shareholders' meeting, including the appointment of the supervisory board, the distribution of dividends or any proposed capital increase. In addition, since the Funds Advised by BC Partners will beneficially own a majority of the issued and outstanding shares of the Company upon completion of the offering, these funds will have sufficient voting power to block certain measures without the cooperation of other shareholders.

Furthermore, since attendance at the general shareholders' meeting is a prerequisite for voting, even if the Selling Shareholder, Brachem Acquisition S.C.A., would not otherwise have sufficient votes to pass or block a shareholder resolution on its own, it might, depending on the level of attendance of other shareholders at the Company's general shareholders' meeting, nonetheless have sufficient votes to block or pass measures at a particular general shareholders' meeting without the concurrence of other shareholders. In any of the above instances, the interests of these shareholders could deviate from the interests of our other shareholders. This concentration of share ownership may delay, postpone or prevent a change of control in the Company and may inhibit mergers, consolidations, acquisitions or other forms of combination that might be advantageous for investors.

Future sales of shares by our existing shareholder could depress the price of our shares.

Following successful completion of this offering, Brachem Acquisition S.C.A., our sole shareholder prior to the offering, will continue to be our largest shareholder and will hold 70.97% of our issued and outstanding voting shares following the offering (assuming full placement of shares and full exercise of the greenshoe option). Funds advised by BC Partners will beneficially hold 53.87% of our issued and outstanding voting shares after completion of the offering (assuming full placement of shares and full exercise of the greenshoe option). If these funds advised by BC Partners or one or more of the Company's other existing beneficial shareholders effects a sale or sales of a substantial number of shares in the stock market, or if the market believes that such sales might take place, the market price of our shares could decline.

Future offerings of debt or equity securities by us may adversely affect the market price of the shares, and future capitalization measures could lead to substantial dilution of existing shareholders' interests in the Company.

We may require additional capital in the future to finance our business operations and growth. In the future, we may seek to raise capital through offerings of debt securities (potentially including convertible debt securities) or additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity, such as convertible debentures and option debentures, could potentially reduce the market price of the shares and would dilute the economic and voting rights of existing shareholders if made without granting subscription rights to existing shareholders. Because the timing and nature of any future offering would depend on market conditions at the time of such an offering, we cannot predict or estimate the amount, timing or nature of future offerings. In addition, the acquisition of other companies or investments in companies in exchange for newly issued shares of the Company, as well as the exercise of stock options by our employees in the context of future stock option programs or the issuance of shares to employees in the context of future employee stock participation programs, could lead to a dilution of the economic and voting rights of existing shareholders. Thus, holders of our Company's shares bear the risk of our future offerings reducing the market price of our Company's shares and/or diluting their shareholdings in the Company.

The payment of future dividends will depend on our financial condition and results of operations, as well as on our operating subsidiaries' distributions to us.

Our general shareholders' meeting will decide matters relating to the payment of future dividends. Such decisions are based on the particular situation of the Company at the time, including our earnings, our financial and investment needs, and the availability of distributable balance sheet income or reserves. Because the Company is a holding company that conducts its operational business mainly through its subsidiaries, our ability to pay dividends depends directly on our operating subsidiaries' distributions of earnings to the Company. The amount and timing of such distributions will depend on the laws of the operating companies' respective jurisdictions. Any of these factors, individually or in combination, could restrict the Company's ability to pay dividends.

In addition, our debt financing arrangements contain covenants that place certain restrictions on our ability to pay dividends under certain circumstances. While dividends may be paid freely following a qualifying IPO where our pro forma total leverage, defined as consolidated total net debt of the Group (measured quarterly, taking into account the amount of the proposed dividend) over Group EBITDA, does not exceed 3.00:1, they are otherwise limited to a maximum amount of 75% of our net income (determined in accordance with our annual consolidated financial statements for the relevant financial year). As of the date of this prospectus, our pro forma total leverage exceeds 3.00:1. Although our pro forma total leverage will be less than 3.00:1 immediately following the closing of the offering, we cannot guarantee that we will not exceed this ratio in the future, in which event our debt covenants would limit our ability to pay.

GENERAL INFORMATION

Certain Defined Terms

In this prospectus, unless the context otherwise requires,

- "We," "us," "our", "our Group" and "the Group" refer to Brenntag AG and its subsidiaries on a consolidated basis, and statements such as "we believe," "we expect," and "we estimate" refer to the beliefs, expectations and estimates of the board of directors of the Company and the management of the Company and its subsidiaries
- "Company" refers to Brenntag AG, with its registered office at Stinnes-Platz 1, 45472 Mülheim an der Ruhr, Germany, and registered with the Commercial Register maintained by the Local Court (Amtsgericht) of Duisburg under number HRB 22178
- "BaFin" refers to the German Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht)
- "Bain Capital" refers to Bain Capital, Ltd., London, United Kingdom
- "BC Partners" refers to BC Partners Limited, a company organized under the laws of the United Kingdom, and, as applicable, its subsidiaries and affiliates
- "CHF" refers to the Swiss Franc, the legal currency of Switzerland
- "Co-Lead Managers" refers to COMMERZBANK, HSBC Trinkaus, SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking and The Royal Bank of Scotland
- "COMMERZBANK" refers to COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Germany
- "Deutsche Bank" refers to Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany
- "DKK" refers to Denmark Kroner, the legal currency of Denmark
- "EEA" refers to the European Economic Area
- "EU" refers to the European Union
- "euro" and "€" refer to the legal currency of the euro area countries of the economic and monetary union of the EU, including Germany and Luxembourg
- "Funds Advised by BC Partners" refers to those shareholders of the Selling Shareholder that are affiliated with BC Partners
- "Funds Advised by Bain Capital" refers to those shareholders of the Selling Shareholder that are affiliated with Bain Capital
- "Funds Advised by GSMP" refers to those shareholders of the Selling Shareholder that are affiliated with GSMP
- "GAAP" refers to the generally accepted accounting principles in the relevant jurisdiction at the relevant time, as the context requires
- "GBP" refers to the British Pound, the legal currency of the United Kingdom
- "Goldman Sachs" refers to Goldman Sachs International, London, United Kingdom
- "GSMP" refers to those affiliates of Goldman Sachs that advise funds owning a portion of the interests in the Selling Shareholder
- "HGB" refers to the German Commercial Code (Handelsgesetzbuch)
- "HSBC Trinkaus" refers to HSBC Trinkaus & Burkhardt AG, Düsseldorf, Germany
- "IFRS" refers to International Financial Reporting Standards as adopted by the EU
- "J.P. Morgan" refers to J.P. Morgan Securities Ltd., London, United Kingdom
- "Joint Bookrunners" refers to J.P. Morgan, Merrill Lynch and the Joint Global Coordinators
- "Joint Global Coordinators" refers to Deutsche Bank and Goldman Sachs
- "Merrill Lynch" refers to Merrill Lynch International, London, United Kingdom

- "PwC" refers to PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Moskauer Straße 19, 40227 Düsseldorf, Germany
- "Regulation S" refers to Regulation S under the Securities Act
- "The Royal Bank of Scotland" refers to The Royal Bank of Scotland N.V. (London Branch), London, United Kingdom
- "Rule 144A" refers to Rule 144A under the Securities Act
- "Securities Act" refers to the U.S. Securities Act of 1933, as amended
- "SEK" refers to Swedish Kronor, the legal currency of Sweden
- "Selling Shareholder" refers to Brachem Acquisition S.C.A.
- "Shareholder Loan Contribution Agreement" refers to the Shareholder Loan Contribution Agreement, dated as of March 11, 2010, between the Company and the Selling Shareholder
- "SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking" refers to SOCIÉTÉ GÉNÉRALE, Paris, France
- "Underwriters" refers jointly to the Joint Bookrunners together with the Co-Lead Managers
- "Underwriting Agreement" refers to the Underwriting Agreement, expected to be dated as of March 24, 2010, by and among the Company and each of the Underwriters
- "U.K." and "United Kingdom" refer to the United Kingdom of Great Britain and Northern Ireland
- "U.S." and "United States" refer to the United States of America
- "U.S. dollar" and "US$" refer to the legal currency of the United States

Other defined terms used throughout the prospectus are indicated in the text.

Responsibility Statement

Brenntag AG, Mülheim an der Ruhr, Germany, along with Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany, Goldman Sachs International, London, United Kingdom, J.P. Morgan Securities Ltd., London, United Kingdom, Merrill Lynch International, London, United Kingdom, COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Germany, HSBC Trinkaus & Burkhardt AG, Düsseldorf, Germany, SOCIÉTÉ GÉNÉRALE, Paris, France, and The Royal Bank of Scotland N.V. (London Branch), London, United Kingdom, assume responsibility for the contents of this prospectus pursuant to Section 5(4) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and declare, pursuant to Section 5(4) of the German Securities Prospectus Act, that the information contained therein is, to their knowledge, correct and contains no material omissions, and that they have taken all reasonable care to ensure that the information contained therein is, to their knowledge, correct and no facts have been omitted that are likely to affect its import. Notwithstanding Section 16 of the German Securities Prospectus Act, neither the Company nor the Underwriters are required by law to update the prospectus.

If an investor files claims in court on the basis of the information contained in this prospectus, the plaintiff investor may be required by the laws of the individual member states of the EEA to bear the cost of translating the prospectus before the proceedings begin.

Purpose of this Prospectus

For the purposes of the public offering, this prospectus covers up to 14,950,000 ordinary registered shares, each such share with no par value and a notional value of €1.00 each in the share capital and full dividend rights from January 1, 2010, specifically:

- up to 10,500,000 shares from a capital increase by means of cash contributions expected to be approved by the extraordinary general shareholders' meeting of the Company expected to be held on March 19, 2010; and
- up to 2,500,000 shares owned by the Selling Shareholder; and
- up to 1,950,000 shares owned by the Selling Shareholder in respect of a possible overallotment.

For the purposes of admission to the regulated market and simultaneous admission to the Prime Standard section of the regulated market of the Frankfurt Stock Exchange with additional post-admission obligations, this prospectus covers a total of up to 51,500,000 ordinary registered shares of the Company comprising:

- 41,000,000 shares (existing share capital); and

- up to 10,500,000 shares from the above-mentioned capital increase; each such share with no par value and a notional value of €1.00 in the share capital and full dividend rights as of January 1, 2010.

Forward-looking Statements

This prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events. This applies, in particular, to statements in this prospectus containing information on future earning capacity, plans and expectations regarding the business of Brenntag, its growth and profitability, and general economic conditions to which it is exposed. Statements made using wording such as "should", "is likely", "will", "believes", "proceeding on the premise", "expects", "assumes", "estimates", "intends", "is of the opinion", "to our knowledge", "in our estimation" or similar wording are forward-looking statements. Forward-looking statements in this prospectus are based on estimates and assessments made to the best of the Company's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause our actual results, including the financial condition and profitability of our Group, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. In light of the uncertainties and assumptions, it is also possible that the future events mentioned in this prospectus might not occur. In addition, the forward-looking estimates and forecasts reproduced in this prospectus from third-party reports could prove to be inaccurate. See "—*Sources of Market Data*." Actual results, performance or events may differ materially from those in such statements due to, without limitation,

- Changes in general economic conditions, in particular economic conditions in our core markets,
- Changes in the markets in which we operate,
- Changes affecting interest rate levels,
- Changes affecting currency exchange rates,
- Changes in competition levels,
- Changes in laws and regulations,
- Occurrence of accidents, environmental damages or systemic delivery failures,
- Our ability to achieve operational synergies from past or future acquisitions.

Moreover, it should be noted that neither the Company nor any of the Underwriters assume any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments. See "*Risk Factors*" for further description of the factors that could influence our forward-looking statements.

Sources of Market Data

Certain information provided in this prospectus on the market environment, developments, growth rates, trends and competitive situation in the markets and segments in which the Company operates is taken from publicly available sources, including, without limitation, the BCG Market Report, January 2010 (as defined below). The information from third-party sources that is cited here has been reproduced accurately. As far as the Company is aware and can independently verify with respect to such published information, no facts have been omitted that would render the information published false or misleading in any material respect.

To the extent not otherwise indicated, the information contained in this prospectus on the market environment, market developments, growth rates, market trends and competition in the markets in which we operate are based on assessments of the Company. These assessments, in turn, are based in part on internal observations of the market and on market studies that we have commissioned. In addition, in certain places in this prospectus we cite a publicly available industry report compiled by Boston Consulting Group ("**BCG**"), dated January 6, 2010 (the "**BCG Market Report, January 2010**"). We commissioned BCG on October 5, 2009 to conduct a separate study of our Group's business and market position.

The Company has not independently verified the market data and other information on which third parties have based their studies or the external sources on which the Company's own estimates are based. Therefore, the Company assumes no responsibility for the accuracy of the information on the market environment, market developments, growth rates, market trends and competitive situation presented in this prospectus from third-party studies or the accuracy of the information on which its own estimates are based.

Documents Available for Inspection

For the period during which this prospectus remains valid, hard copies of the following documents are available for inspection during regular business hours at the Company's offices at Stinnes-Platz 1, 45472 Mülheim an der Ruhr:

- the Company's articles of association;
- the Company's audited consolidated financial statements in accordance with IFRS (International Financial Reporting Standards) at December 31, 2009;
- the Company's audited consolidated financial statements in accordance with IFRS (International Financial Reporting Standards) at December 31, 2008;
- the Company's audited consolidated financial statements in accordance with IFRS (International Financial Reporting Standards) at December 31, 2007; and
- the Company's audited unconsolidated financial statements according to HGB for the fiscal year ended December 31, 2009.

All future annual and interim consolidated financial statements of the Company will be available from the Company and the paying agent designated in this prospectus. See "*General information on the Company and the Group — Notices, Paying Agent*". Future annual reports of the Company will also be announced in the electronic version of the German Federal Gazette (*elektronischer Bundesanzeiger*).

THE OFFERING

Subject Matter of the Offering

This offering consists of up to 13,000,000 ordinary registered shares of the Company with no par value, each such share with a notional value of €1.00 and with full dividend rights as of January 1, 2010, consisting of:

- up to 10,500,000 newly issued shares from a capital increase expected to be approved by the extraordinary general shareholders' meeting of the Company expected to be held on March 19, 2010; and
- up to 2,500,000 existing shares from the holdings of the Selling Shareholder.

In addition, the Selling Shareholder will grant the Joint Bookrunners an option (the "**Greenshoe Option**"), exercisable for 30 calendar days following the date on which the shares commence trading on the regulated market segment (regulierter Markt) of the Frankfurt Stock Exchange, to purchase up to 1,950,000 additional existing registered shares of the Company from the holdings of the Selling Shareholder for the account of the Underwriters at the offer price, less the underwriting discount, solely to cover overallotments, if any, in connection with the offering.

This offering consists of initial public offerings in the Federal Republic of Germany and the Grand Duchy of Luxembourg and private placements in certain jurisdictions outside the Federal Republic of Germany and the Grand Duchy of Luxembourg. In the United States of America, the shares will be offered for sale to qualified institutional buyers as defined in and in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") pursuant to a separate offering document. Outside the United States of America, the shares will be offered in reliance on Regulation S under the Securities Act.

The capital increase expected to be approved by the extraordinary general shareholders' meeting of the Company expected to be held on March 19, 2010 would result in a capital increase of the Company's share capital of up to €10,500,000. Assuming this capital increase is approved by the general shareholders meeting of the Company in the maximum amount and registered with the commercial register of the Company, the share capital of the Company will constitute €51,500,000.

Immediately prior to the offering, all of the Company's share capital was held by the Selling Shareholder (see "*Principal and Selling Shareholders*"). Following completion of the offering and assuming full placement of the offered shares and full exercise of the Greenshoe Option, the Selling Shareholder will hold approximately 70.97% of the Company's share capital. The Selling Shareholder will receive consideration for the sale of its shares (after deduction of fees and commissions). The Company will receive the proceeds from the sale of the newly issued shares (after deduction of fees and commissions), but will not receive any of the proceeds from the sale of the existing shares.

Selling Shareholder

Prior to completion of the offering, 100% of the share capital of the Company is held by the Selling Shareholder (Brachem Acquisition S.C.A., Luxembourg) (see "*Principal and Selling Shareholders*").

The Selling Shareholder intends to sell up to 2,500,000 shares in the offering. In addition, an option will be granted to the Joint Bookrunners (for the account of the Underwriters) to acquire up to 1,950,000 further shares from the Selling Shareholder in connection with possible overallotments. See "*—Stabilization Measures, Overallotments and Greenshoe Option*"). Following completion of the offering and assuming full placement of the offered shares and full exercise of the Greenshoe Option, the Selling Shareholder will hold approximately 70.97% of the Company's share capital. The Selling Shareholder will receive consideration for the sale of its shares (after deduction of fees and commissions).

Price Range, Offer Period, Offer Price and Allotment

The price range within which offers to purchase may be submitted is between €46.00 and €56.00 per share.

Purchase orders must be for at least 10 shares and be expressed in full euro amounts or increments of 25, 50 or 75 eurocents. For retail investors, up to two purchase orders may be made per securities account. Retail investors may place orders with more than one bank.

This offering will commence on March 16, 2010 and end on March 26, 2010 (i) at 12:00 noon (Central European Time) for retail investors and (ii) at 16:00 (Central European Time) for institutional investors.

The Company and the Selling Shareholder reserve the right, in consultation with the Joint Bookrunners, to reduce or increase the number of shares offered, to reduce or increase the upper/lower limits of the price range and/or to extend or curtail the offer period. The Company and the Selling Shareholder may increase the total number of shares offered in this offering up to a maximum of the total number of shares for which the application for admission to the Regulated Market of the Frankfurt Stock Exchange is being filed in accordance with this prospectus or any supplement published. If the option to change the terms of the offering is exercised, the change will be announced through electronic media such as Reuters or Bloomberg, on the Company's website (www.brenntag.com) and published, if required pursuant to the German Securities Trading Act (*Wertpapierhandelsgesetz,* "**WpHG**") and/or to the German Securities Prospectus Act (*Wertpapierprospektgesetz,* "**WpPG**"), as an ad-hoc notice and as a supplement to this prospectus. Investors who have submitted purchase orders will not, however, be informed individually. Changes to the number of shares offered or the price range or extension or curtailment of the offer period will not invalidate purchase orders already submitted. Under the WpHG, investors who have submitted a purchase order before a supplement is published are granted a period of two business days from publication of the supplement to withdraw their orders. As an alternative to cancellation, investors who have submitted purchase orders before publication of the supplement may, within two days of publication of the supplement, change such orders or submit new limited or unlimited orders. For cases where the offering is terminated prematurely as a result of a withdrawal by the Underwriters from the Underwriting Agreement, see "*Underwriting—Termination/Indemnification*".

Once the offer period has expired, the final number of shares to be placed and the offer price will be determined by the Company and the Selling Shareholder together with the Joint Bookrunners using the order book prepared during the bookbuilding process; it is anticipated that this will take place on or about March 27, 2010. The price will be set on the basis of the purchase orders submitted by investors during the offer period that have been collated in the order book. These orders will be evaluated according to the prices offered and the investment horizons of the respective investors. This method of setting the number of shares that will be placed at the offer price is aimed at maximizing proceeds. Consideration will also be given to whether the offer price and the number of shares to be placed allow for the reasonable expectation that the share price will demonstrate steady performance in the secondary market given the demand for the Company's shares noted in the order book. Attention will be paid not only to the prices offered by investors and the number of investors wanting shares at a particular price, but rather also to the composition of the group of shareholders in the Company that would result at a given price, and expected investor behavior. For further information regarding allotment criteria see "*—Allotment Criteria*".

Investors are free to withdraw their offers to purchase until the end of the offer period. After the offer price has been set, shares will be allotted to investors on the basis of the offers to purchase then available. The offer price is expected to be published on or about March 27, 2010, by means of an ad hoc announcement on an electronic information system and our website. Investors who have placed offers to purchase with one of the Underwriters can obtain information from that Underwriter about the offer price and the number of shares allotted to them presumably on March 27, 2010. Book-entry delivery of the allotted shares against payment of the offer price is expected to occur on March 31, 2010. Should the placement volume prove insufficient to satisfy all orders placed at the offer price, the Underwriters reserve the right to reject orders, or to accept them in part only.

Currency of the Securities Issue

The currency of the securities issue is euro (€).

Expected Timetable for the Offering

We anticipate the following timetable for the offering, which is subject to extension or shortening.

March 15, 2010	Approval of the prospectus by the BaFin and publication of the approved prospectus on the website of the Company
March 16, 2010	Commencement of marketing (road show) Commencement of the offer period
March 17, 2010	Sale offer published in the Frankfurter Allgemeine Zeitung
March 26, 2010	Listing approval issued by the Frankfurt Stock Exchange
March 26, 2010	Close of the offer period for retail investors (natural persons) at 12:00 noon (Central European Time) and for institutional investors at 16:00 (Central European Time)
On or about March 27, 2010	Determination of the offer price and allotment; publication of the offer price as an ad hoc announcement on an electronic information system and on the website of the Company
March 29, 2010	Admission to trading and first day of trading
March 31, 2010	Book-entry delivery of the shares against payment of the offer price

The prospectus will be published on the Company's website at www.brenntag.com. In addition, copies of the printed prospectus will also be available upon publication free of charge during regular business hours at our offices at Stinnes-Platz 1, 45472 Mülheim an der Ruhr, Germany.

Information on the Shares

Voting Rights

Each share carries one vote at the Company's shareholders' meetings. There are no restrictions on voting rights.

Dividend Rights

The shares that are the subject of the offering carry full dividend rights as of January 1, 2010. In the event of a liquidation, any proceeds would be distributed to the holders of these shares in proportion to their interest in the Company's share capital.

Form and Representation of the Shares

The current articles of association of the Company provide for all shares in the Company to be issued as ordinary registered shares. The Company's share capital is certificated in one or more global share certificates without dividend coupons deposited with Clearstream Banking AG, Frankfurt am Main, Germany. Any right of shareholders to certification of their shares is excluded to the extent permitted by law and that certification is not required under the rules of any stock exchange on which the share is admitted to trading. The company is entitled to issue share certificates embodying individual shares or several shares. The form and content of certificates over shares, profit-sharing certificates, renewal certificates, bonds and interest coupons is determined by the management board with the consent of the supervisory board. The relevant certificates are signed by the management board alone.

Delivery and Settlement

Delivery of the shares against payment of the offer price is expected to take place on March 31, 2010. The shares will be made available to shareholders as co-ownership interests in the relevant global certificates.

At their discretion, investors, may choose to have shares they acquire in the offering credited to the custody account of a bank held for their account at Clearstream Banking AG, Neue Börsenstrasse 1, 60487 Frankfurt am Main, Germany, or to the securities account of a participant in Euroclear Bank S.A./N.V., 1, Boulevard Roi Albert II, 1120 Brussels, Belgium, as the operator of the Euroclear system, or to Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg.

ISIN, WKN, Common Code and Trading Symbol

International Securities Identification Number (ISIN)	DE000A1DAHH0
German Securities Code (*Wertpapierkennnummer — WKN*)	A1DAHH
Common Code	048987532
Trading Symbol	BNR

Transferability of the Shares

The shares will be freely transferable at the time of delivery to investors subscribing under this offering. With the exception of the limitations specified in the section headed "*—Market Protection Agreement, Limitations on Disposal (Lock-up)*" there are no restrictions on transferability or lock-ups affecting the shares of the Company.

Allotment Criteria

The allotment of shares to private investors and institutional investors will be decided after consultation with the Joint Bookrunners. The ultimate decision rests with the Selling Shareholder and the Company. Allotments will be made on the basis of the quality of the individual investors and individual orders and other important allotment criteria to be determined after consultation with the Joint Bookrunners. The allocation to retail investors will be compatible with the "Principles for the Allotment of Share Issues to Private Investors" published by the Commission on Stock Exchange Experts (*Börsensachverständigenkommission*). "Qualified investors" under the German Securities Prospectus Act (WpPG), as well as "professional clients" and "suitable counterparties" under the German Securities Trading Act (WpHG) are not viewed as "private investors" within the meaning of the allocation rules.

Stabilization Measures, Overallotments and Greenshoe Option

In connection with the placement of the shares offered, Deutsche Bank, or persons acting on its behalf, may, as stabilization manager and acting in accordance with legal requirements (Section 20a (3) of the WpHG in conjunction with EU Commission Regulation 2273/2003 of December 22, 2003), make overallotments and take stabilization measures to support the market price of the shares of the Company and thereby counteract any selling pressure.

The stabilization manager is under no obligation to take any stabilization measures. No assurance can therefore be provided that any stabilization measures will be taken. Where stabilization measures are taken, these may be terminated at any time without notice. Such measures may be taken from the date the shares of the Company are listed on the regulated market on the Frankfurt Stock Exchange and must be terminated no later than the thirtieth calendar day after this date (the "**Stabilization Period**").

These measures may result in the market price for shares of the Company being higher than would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level.

Under the possible stabilization measures, investors may, in addition to the Company shares being offered, be allocated up to 1,950,000 additional shares in the Company as part of the allocation of the shares to be placed ("**Overallotment**"). Within the scope of a possible Overallotment, Deutsche Bank will be provided for the account of the Underwriters in the form of a securities loan with up to 1,950,000 shares of the Selling Shareholder; this number of shares will not exceed 15% of the number of shares offered excluding any Overallotment. In addition, the Selling Shareholder, under the Greenshoe Option, has granted the Underwriters an option to acquire the loaned shares at the offer price less the agreed commission. This option will terminate 30 calendar days after commencement of the stock exchange trading of the shares.

Once the stabilization period has ended, an announcement will be made within one week in various media distributed across the entire European Economic Area as to whether stabilization measures were taken, when price stabilization started and finished, and the price range within which stabilization was taken; the latter will be made known for each occasion on which price stabilization measures were taken. Exercise of the Greenshoe Option, the timing of exercise and the number and type of shares concerned will also be announced promptly in the manner stated.

Market Protection Agreement, Limitations on Disposal (Lock-up)

The Company will, in the Underwriting Agreement, commit to an obligation vis-à-vis the Underwriters in accordance with the relevant provisions of German securities law, that it will not, and will not agree to, without the

prior consent of the Joint Bookrunners, within a period of six months following the first day of trading of the shares of the Company:

- announce or carry out a capital increase from authorized capital;
- submit a resolution for a capital increase at its general shareholders' meeting;
- announce, implement or propose the issuance of any financial instruments carrying conversion or option rights with respect to the shares of the Company; or
- conduct any transactions that have an economic effect similar to the above measures.

The foregoing does not apply to issuances or sales of shares or other securities as part of management participation plans of the Company or its affiliates, nor to any corporate actions undertaken for purposes of entering into joint ventures or acquiring companies, provided the respective counterparty agrees to be bound by the same lock-up restrictions vis-à-vis the Joint Bookrunners that apply to the Selling Shareholder.

The Selling Shareholder will, in the Underwriting Agreement, commit to an obligation vis-à-vis the Underwriters that it will not, and will not agree to, without the prior consent of the Joint Bookrunners, within a period of six months following the first day of trading of the shares of the Company:

- offer, pledge, allot, sell, distribute, transfer or otherwise dispose of shares or other securities of the Company; the same applies to all transactions that have an economic effect similar to a sale, such as the issue of option or conversion rights with respect to shares of the Company;
- either directly or indirectly cause or give consent for a capital increase or direct or indirect placing of the shares of the Company to be announced or carried out;
- either directly or indirectly propose or give consent for a capital increase at the general shareholders' meeting of the Company;
- either directly or indirectly cause or give consent for the issuance of any financial instruments carrying conversion or option rights with respect to the shares of the Company to be announced, implemented or proposed; or
- conduct any transactions that have an economic effect similar to the above measures.

The foregoing lock-up restrictions do not apply to transactions with persons that agree to be bound by these restrictions. The Selling Shareholder is considering to engage in transactions to bring its ownership of the Company below 50% after the expiration of the lock-up period.

It is intended for the participation program (see "*Management—Management Participation Program*") to provide that the members of the management board realize cash proceeds under the program (see "*Management—Management Board—Shareholdings of Management Board Members*") once Funds Advised by BC Partners, Funds Advised by GSMP and Funds Advised by Bain Capital indirectly own an aggregate of less than 25% of the shares in the Company (such date, the "**Exit**"), but in any event no earlier than 12 months after the closing of the offering. The members of the management board intend to commit to reinvest 50% of the realized net (after-tax) proceeds (i.e., of the nominal value plus realized gains thereon) in shares of the Company within one month after the Exit, up to a maximum investment of €12 million for each member of the management board. This commitment to reinvest within one month of any Exit expires 36 months after the closing of the offering.

With regard to these shares (if any), the members of the management board will commit vis-à-vis the Underwriters and the Selling Shareholder that they will not:

- either directly or indirectly offer, pledge, allot, sell, distribute, transfer or otherwise dispose of the shares in the Company thus acquired; the same applies to all transactions that have an economic effect similar to a sale, such as the issue of option or conversion rights with respect to shares of the Company; or
- conduct any transactions that have an economic effect similar to the above measures

until 12 months after the Exit with regard to 50% of these shares and until 24 months after the Exit with regard to the other 50% of these shares or, if earlier, a termination of the individual management board member's position with the Company.

Admission to the Frankfurt Stock Exchange and Commencement of Trading

The Company expects to apply on March 16, 2010 for admission of its shares to trading in the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange and, simultaneously, in the sub-segment thereof with

additional post-admission obligations (Prime Standard). An admission decision is expected to be announced on March 26, 2010. The decision on the admission of the Company's shares for trading will be made solely in the discretion of the Frankfurt Stock Exchange. Currently, trading on the Frankfurt Stock Exchange is expected to commence on March 29, 2010.

The lead underwriters for an issue often make purchase offers at the time of listing in order to support the development of the initial share price. Such purchase offers, when made, lead to the development of a higher initial share price than would have been the case in the absence of such measures.

Designated Sponsors

Each of the Joint Bookrunners has agreed to assume the function of a designated sponsor of the shares traded on the Frankfurt Stock Exchange for a period of at least two years, and each of them is entitled to designate an appropriately admitted third party to perform its functions. Pursuant to the designated sponsor agreement expected to be concluded among the Joint Bookrunners and the Company, each of the Joint Bookrunners will, among other things, place limited buy and sell orders for shares in the electronic trading system of the Frankfurt Stock Exchange during regular trading hours. This is intended to achieve greater liquidity in the market for the shares.

Interests of the Parties Participating in the Offering

The Selling Shareholder, Brachem Acquisition S.C.A., Luxembourg, will receive the proceeds of the existing shares sold in the offering. Assuming full placement of all shares at the midpoint of the price range and full exercise of the Greenshoe Option, and after deducting fees and expenses to be paid by the Selling Shareholder in connection with the offering, the proceeds to the Selling Shareholder from the offering would accrue to approximately €218.8 million, or 29.8% of the total offer proceeds. See "*Reasons for the Offering and Use of Proceeds*". Of these proceeds to the Selling Shareholder, approximately €166.1 million would accrue to the benefit of Funds Advised by BC Partners; approximately €19.0 million would accrue to the benefit of Funds Advised by Bain Capital; and approximately €9.1 million would accrue to the benefit of Funds Advised by GSMP.

The Underwriters have provided and may in the future provide services to the Company and the Selling Shareholder in the ordinary course of business and may extend credit to and have regular business dealings with the Company and the Selling Shareholder in their capacity as financial institutions. In particular, the Underwriters have the following interests in the offering:

- The Selling Shareholder, Brachem Acquisition S.C.A., Luxembourg, will receive the proceeds from the sale of the existing shares in the offering. See "*The Offering*". We estimate that at the low end, mid-point and high end of the price range, net proceeds to the Selling Shareholder would amount to approximately €197.1 million, €218.8 million and €240.5 million, respectively. Each of the beneficial owners of the Selling Shareholder will indirectly receive a portion of the net proceeds to the Selling Shareholder. See "*Principal and Selling Shareholders*".
- Funds Advised by GSMP, which are affiliates of Goldman Sachs (specifically GSMP 2006 Onshore International (Brenntag) LLC, GSMP 2006 Institutional International (Brenntag) LLC and GSMP 2006 Offshore International (Brenntag) LLC), indirectly hold a total of approximately 4.18% of the outstanding shares in the Selling Shareholder, which is the sole shareholder of the Company prior to the offering. Thus, immediately prior to the offering, Funds Advised by GSMP beneficially own approximately 4.18% of the outstanding voting shares of the Company. Immediately following the offering, Funds Advised by GSMP, through their continued holdings in the Selling Shareholder, are expected to beneficially own approximately 2.97% of the issued and outstanding voting shares of the Company. See "*Principal and Selling Shareholders*".
- The participants of the management participation program (see "*Management—Management Participation Program*") indirectly hold a total of approximately 11.25% of the outstanding shares in the Selling Shareholder, which is the sole shareholder of the Company prior to the offering. Thus, immediately prior to the offering, the members of the management participation program beneficially own approximately 11.25% of the outstanding voting shares of the Company. Immediately following the offering, the members of the management participation program, through their continued holdings in the Selling Shareholder, are expected to beneficially own approximately 7.98% of the issued and outstanding voting shares of the Company. See "*Principal and Selling Shareholders*".
- Goldman Sachs or its affiliates are parties to the Senior Facility Agreement, the Second Lien Credit Facility Agreement and the Mezzanine Facility Agreement, and Deutsche Bank or its affiliates are parties to the Senior Facility Agreement and the Second Lien Credit Facility Agreement. The Company's outstanding

indebtedness under the Mezzanine Credit Facilities is scheduled to be repaid in full out of the proceeds of the offering. See "*Business—Material Contracts—Mezzanine Credit Facilities*". In addition, depending on the final offer price, a portion of the Second Lien Credit Facilities may be repaid with a portion of the proceeds of the offering. See "*Reasons for the Offering and Use of Proceeds*".

- Each of JPMorgan Chase Bank, N.A. (an affiliate of J.P. Morgan), The Royal Bank of Scotland plc (an affiliate of The Royal Bank of Scotland) and COMMERZBANK is party to the Receivables Loan Agreement in connection with the Group's asset backed securitization program. See "*Business—Material Contracts—Asset Backed Securitization*".

REASONS FOR THE OFFERING AND USE OF PROCEEDS

The Company will receive only the proceeds of the offering resulting from the sale of newly issued shares. The Company will not receive any proceeds from the sale of existing shares from the holdings of the Selling Shareholder. Costs of the Company related to the offering are expected to total approximately €20.0 million[1)], including underwriting commissions of up to €13.5 million (assuming an offer price at the mid point of price range; assuming payment in full on the discretionary fee of up to 1.25% of the aggregate gross offering proceeds; excluding tax effects), and estimated other expenses of €6.5 million.

The Company will pay that portion of the fees of the Underwriters associated with the offer and sale of the newly issued shares. The Company estimates that these fees will be between €12.0 million[1)] (at the low end of the price range) and €14.9 million[1)] (at the high end of the price range). The Selling Shareholder will pay that portion of the fees of the Underwriters associated with the offer and sale of the existing shares.

We estimate that, at the low end of the price range, net proceeds to the Company would amount to approximately €464.4 million[2)], that at the mid-point of the price range, net proceeds to the Company would amount to approximately €515.5 million[2)] and that at the high end of the price range, net proceeds to the Company would amount to approximately €566.5 million[2)].

The Company intends to use approximately €431.7 million of its portion of the net proceeds of the offering to pay back its indebtedness under the Mezzanine Credit Facilities in its entirety. See "*Business—Material Contracts—Mezzanine Credit Facilities*". Assuming an offer price at the low end of the price range, any of the Company's portion of the net proceeds of the offering remaining after repayment of the Mezzanine Credit Facilities, up to an amount of approximately €32.7 million, would be used for general corporate purposes. Assuming an offering price at either the mid-point or at the high end of the price range, the Company intends to use its portion of the net proceeds of the offering remaining after repayment of the Mezzanine Credit Facilities primarily for general corporate purposes and the remainder, if any, to repay a portion of the Second Lien Credit Facility. See "*Business—Material Contracts—Second Lien Credit Facility*".

We estimate that at the low end, mid-point and high end of the price range, net proceeds to the Selling Shareholder would amount to approximately €197.1 million, €218.8 million and €240.5 million, respectively.

1) Of the fees in connection with obtaining the necessary waivers under the Company's debt facilities, which are payable to Deutsche Bank and Goldman Sachs upon the closing of the offering, €1.25 million are allocated to fees payable by the Company to the Underwriters. This amount has been deducted from the figure presented.

2) Without this allocation (see footnote 1), the net proceeds would be €1.25 million lower.

DIVIDEND POLICY

General Provisions Relating to Profit Allocation and Dividend Payments

The shareholders' share of profits is determined based on their respective interests in the Company's share capital. In a German stock corporation (*Aktiengesellschaft*), resolutions concerning the distribution of dividends for a given fiscal year, and the amount and payment date thereof, are adopted by the general shareholders' meeting of the subsequent fiscal year upon a joint proposal by the management board and the supervisory board.

Dividends may only be distributed from the distributable profit of the Company. The distributable profit is calculated based on the Company's annual unconsolidated financial statements prepared in accordance with the accounting principles of HGB. Accounting regulations under HGB differ from IFRS in material respects.

When determining the amount available for distribution, net income for the year must be adjusted for profit/loss carry-forwards from the prior year and release of or allocations to reserves. Certain reserves are required to be set up by law and must be deducted when calculating the profit available for distribution. The management board must prepare the financial statements (balance sheet, income statement and notes to the financial statements) and the management report for the previous fiscal year by the statutory deadline, and present these to the auditors and then the supervisory board after preparation. At the same time, the management board and supervisory board must present a proposal for the allocation of the Company's distributable profit pursuant to Section 170 of the German Stock Corporation Act. According to Section 171 of the German Stock Corporation Act, the supervisory board must review the financial statements, the management board's management report and the proposal for the allocation of the distributable profit, and report to the general shareholders' meeting in writing on the results. The supervisory board must submit its report to the management board within one month after the documents were received. If the supervisory board approves the financial statements after its review, these are deemed adopted unless the management board and supervisory board resolve to assign adoption of the financial statements to the general shareholders' meeting. If the management board and supervisory board choose to allow the general shareholders' meeting to adopt the financial statements, or if the supervisory board does not approve the financial statements, the management board must convene a general shareholders' meeting without delay.

The general shareholders meeting's resolution on the allocation of the distributable profit must be passed with a simple majority of votes cast. If the management board and supervisory board adopt the financial statements, they can allocate an amount of up to half of the Company's net income for the year to other surplus reserves. Additions to the legal reserves and loss carry-forwards must be deducted in advance when calculating the amount of net income for the year to be allocated to other surplus reserves. Dividends resolved by the general shareholders' meeting are paid annually shortly after the general shareholders' meeting, as provided in the dividend resolution, in compliance with the rules of the respective clearing system. Generally, withholding tax (*Kapitalertragsteuer*) of 25% plus the 5.5% solidarity surcharge (*Solidaritätszuschlag*) thereon is withheld from the dividends paid. For more information on the taxation of dividends, see "*Taxation in the Federal Republic of Germany—Taxation of the Shareholders*."

Dividend payment claims are subject to a three-year standard limitation period. If dividend payment claims expire, then the Company becomes the beneficiary of the dividends. Details concerning any dividends resolved by the general shareholders' meeting and the paying agents named by the Company in each case will be published in the electronic version of the German Federal Gazette (*elektronischer Bundesanzeiger*) and in at least one national newspaper designated for exchange notices by the Frankfurt Stock Exchange.

Dividend Policy and Earnings Per Share

The Company plans to distribute an annual dividend in the range of 30% to 45% of consolidated net profit. To the extent that any dividend will be paid in 2011, it will be based on the results 2010. Further for any dividend paid in 2011, the consolidated net profit 2010 will be adjusted for the effects (net of any corresponding deferred tax effects) relating to the amortization of the customer relationships and similar rights capitalized in course of the purchase price allocation made in September 2006, when the Brenntag Group was indirectly acquired by Funds Advised by BC Partners, Funds Advised by GSMP and (as part of a disposition and partial repurchase) Funds Advised by Bain Capital. Our ability to pay future dividends will also depend on our continuing fulfillment of the applicable covenants under the Senior Facilities and Second Lien Credit Facilities. See "*Business—Material Contracts—Senior Facilities*", "*Business—Material Contracts—Second Lien Credit Facilities*" and "*Risk Factors—Risks Relating to Our Capital Structure—Our leverage and debt-service obligations could limit the amount of cash we have available, for example for acquisition financing and dividend payments, and a significant increase in our net indebtedness could result in changes in the terms on which credit is extended to us*".

The following table shows (i) the total and per share net income and distributable reserves of the Company as of and for the year ended December 31, 2009, as shown in our audited unconsolidated financial statements prepared in accordance with HGB for such year, (ii) our total and per share net loss on a consolidated basis for the year ended December 31, 2009, as shown in our audited consolidated financial statements prepared in accordance with IFRS

for such year. The per share figures are calculated assuming subscribed capital comprising 51.5 million shares (the number of shares that would result from a completion of the capital increase in full), which is the number of shares expected to be outstanding immediately following completion of the offering.

	Year ending December 31, 2009	
	(in €)	**(in € million)**
	Per share (unaudited)	**Total (audited)**
Net income according to (HGB) audited unconsolidated annual financial statements of Brenntag Management GmbH	2.86	147.2
Consolidated net loss (not including minority interest of €0.6 million) according to (IFRS) audited consolidated financial statements	(0.0)	(0.1)

As of December 31, 2009 distributable reserves of the Company amount to €965.5 million (thereof, additional paid in capital of €381.6 million and retained earnings of €583.9 million (including net income from 2009)).

CAPITALIZATION

The following table sets forth our actual capitalization and financial indebtedness (i) as of December 31, 2009, as well as adjustments for (ii) the capital increase (see "*Description of Share Capital—Provisions Relating to the Share Capital of the Company—Share Capital of the Company on Formation and Development of Share Capital over the Last Three Years*") and the contribution to equity (*Leistung in die Kapitalrücklage*) of a shareholder loan, which will become effective upon the end of the first day of trading of the Company's shares on the Frankfurt Stock exchange (see "*Business—Material Contracts—Shareholder Loan Contribution Agreement")*, (iii) the receipt by the Company of the proceeds of the offering, and (iv) the repayment in full of the Mezzanine Credit Facilities with a portion of the proceeds of the offering (see "*Reasons for the Offering and Use of Proceeds*"), (v) the effects from the amendment of our credit facility agreements and (vi) as of December 31, 2009, as adjusted to reflect the adjustments described in (ii), (iii), (iv) and (v). Both the adjustment for the receipt by the Company of the proceeds of the offering and the as adjusted column assume the placement of all 10,500,000 newly issued shares at the mid-point of the price range (€51.00). For more information see "*The Offering*". Information within the column headed "actual as of December 31, 2009", is taken from the Company's audited consolidated financial statements, except as otherwise noted.

	(i)	(ii)[13][14]	(iii)[15]	(iv)[16]	(v)[17]	(vi)
	Actual as of December 31, 2009	Pre-offering capital increase, and contribution of shareholder loan	Proceeds of the offering	Repayment of credit facilities per planned use of proceeds	Refinancing	As adjusted to reflect capital increase, offering and use of proceeds
	(prior to implementation of the offering)		(after implementation of the offering)			
	(audited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
			(€ million)			
Total Current liabilities[1]	**1,084.7**	**—**	**—**	**—**	**1.6**	**1,086.3[3]**
Total Non-current liabilities[2]	**3,396.8**	**(702.2)**	**—**	**(428.5)**	**(2.2)**	**2,263.9[3]**
Company equity	**172.3**	**699.0**	**515.5**	**—**	**(20.3)**	**1,366.5[3]**
of which: share capital	0[4]	41.0	10.5	—	—	51.5
of which: additional paid-in capital	381.6	658.0[5]	509.9	—	—	1,549.5
of which: reserves and retained earnings	(143.5)	—	(4.9)	—	(20.3)	(168.7)
of which: other comprehensive income	(74.0)	—	—	—	—	(74.0)
of which: equity attributable to minority interest	8.2	—	—	—	—	8.2
Capitalization (total)[6][7]	**4,653.8**	**(3.2)**	**515.5**	**(428.5)**	**(20.9)**	**4,716.7[3]**
Cash and cash equivalents[8]	602.6	—	515.5	(428.5)	(20.9)	668.7[3]
Current financial liabilities	61.5	—	—	—	1.6	63.1
of which secured[7]	30.7	—	—	—	1.6	32.3
of which unsecured/not guaranteed[7]	30.8	—	—	—	—	30.8
Current net financial debt[7][9][10]	**(541.1)**	**—**	**(515.5)**	**428.5**	**22.5**	**(605.6)**
Non-current financial liabilities	3,077.0	(702.2)	—	(428.5)	(2.2)	1,944.1
of which secured[7]	2,301.5	—	—	(428.5)	(2.2)	1,870.8
of which unsecured/not guaranteed[7]	775.5	(702.2)	—	—	—	73.3
Total financial liabilities[11]	**3,138.5**	**(702.2)**	**—**	**(428.5)**	**(0.6)**	**2,007.2[3]**
Net financial debt[7][10][12]	**2,535.9**	**(702.2)**	**(515.5)**	**—**	**20.3**	**1,338.5[3]**
Off-balance-sheet liabilities						
Contingent liabilities	38.9	—	—	—	—	38.9
Other financial obligations	130.1	—	—	—	—	130.1

(1) Including current financial liabilities.

(2) Including non-current financial liabilities.

(3) These figures assume pricing at the midpoint of the price range. At the low end of the price range, cash and cash equivalents, total current liabilities, total non-current liabilities, total financial liabilities, net financial debt, shareholders' equity and capitalization (total) would be estimated at €617.6 million, €1,086.3 million, €2,263.9 million, €2,007.2 million, €1,389.6 million, €1,315.4 million and €4,655.6 million, respectively. At the high end of the price range, these figures would be estimated at €719.7 million, €1,086.3 million, €2,263.9 million, €2,007.2 million, €1,287.5 million, €1,417.5 million and €4,767.7 million, respectively.

(4) Share capital at December 31, 2009 totalled €0.025 million.

(5) The increase of additional paid-in capital consists of the impact on equity of the shareholder loan conversion of €699.0 million, net of the pre-offering capital increase from its own resources of €41.0 million.

(6) Capitalization (total) is the sum of total current liabilities, total non-current liabilities and Company equity.

(7) Unaudited.

(8) In addition the Company also has recorded €1.4 million of available for sale financial assets within other financial assets in our consolidated balance sheet.

(9) Current net financial debt is defined as current financial liabilities (as shown in our consolidated balance sheet) less cash and cash equivalents.

(10) We are presenting this figure on the basis that some investors may find it helpful as a measure of our performance. This figure is not recognized as a measure under IFRS and should not be considered a substitute for balance sheet, income statement or cash flow data, as determined in accordance with IFRS, or as a measure of profitability or liquidity. It does not necessarily indicate whether cash flow will be sufficient or available for our cash requirements, nor is it necessarily indicative of our historical or future operating results. Because not all companies define this measure in the same way, our presentation of it is not necessarily comparable to similarly-titled measures used by other companies.

(11) Total financial liabilities are the sum of current financial liabilities and non-current financial liabilities (as shown in Note 23 to our consolidated financial statements for the year ended December 31, 2009).

(12) Net financial debt is defined as total financial liabilities less cash and cash equivalents.

(13) The contribution, in connection with the offering, of the shareholder loan from the Selling Shareholder to the Company to shareholders' equity will have a positive impact on interest expenses. In 2009 €64.7 million of interest attributable to the shareholder loan was recorded.

(14) The Selling Shareholder has agreed to contribute a shareholder loan to the Company's additional paid-in capital (within the meaning of Section 272 paragraph 2 no. 4 of the HGB), which will become effective upon the end of the first day of trading of the Company's shares on the Frankfurt Stock exchange, presumably on March 29, 2010, 23:59 Central European Time (the "**Shareholder Loan Contribution Date**"). Concurrent with this transaction, the Company has agreed to waive all receivables under certain loans, granted by the Group in favor of the Selling Shareholder (the "**Upstream Loans**"), in the amount of €3.2 million as of December 31, 2009, and in return, the Selling Shareholder has agreed to waive a corresponding amount under the shareholder loan. Therefore in the table above, liabilities as of December 31, 2009 have been adjusted by €702.2 million reflecting the elimination shareholder loan at December 31, 2009, while equity has been adjusted by €699.0 million to reflect the amount contributed to equity. The actual amounts that will be contributed to additional paid-in capital and deducted from liabilities on the Shareholder Loan Contribution Date will differ from the amounts shown in the table, because the actual amounts of both shareholder loan converted and the Upstream Loans waived will include interest accrued thereon until and up to the Shareholder Loan Contribution Date and additional loans granted under the Upstream Loans. We expect that the shareholder loan and Upstream Loans at March 29, 2010 will amount to approximately €719.2 million and €4.3 million, respectively.

(15) The Company's gross proceeds from the offering are expected to amount to €535.5 million (assuming pricing at the mid-point of the range). The costs related to the offering total €20.0 million, thereof €15.1 million will be recorded as reduction of additional paid-in capital, the remaining portion (€4.9 million) will be recorded as expense in the current period. Of the fees in connection with obtaining the necessary waivers under the Company's debt facilities, which are payable to Deutsche Bank and Goldman Sachs upon the closing of the offering (see footnote 17), €1.25 million are allocated to fees payable by the Company to the Underwriters. This amount has been deducted from the costs presented.

(16) The €428.5 million shown in the table reflects the nominal value of the credit facility as of December 31, 2009, plus the accrued interest to be paid in kind thereon up to that date. The actual amount of the Mezzanine Credit Facility to be repaid upon completion of the offering will be approximately €431.7 million reflecting additional interest to be paid in kind up to the expected date of payment. The proposed repayment of the Mezzanine Credit Facilities in connection with the offering will lead to a lower amount of total debt with a positive impact on the interest expenses. However, this effect will be partially offset by higher margins on the remaining debt under the syndicated facilities which will apply after the IPO. See "*Business—Material Contracts—Senior Facilities*", "*Business—Material Contracts—Second Lien Credit Facilities*" and "*Business—Material Contracts—Mezzanine Credit Facilities*".

(17) In 2010 transaction costs relating to the amendment of the credit facility agreements totalling €20.9 million will be paid, thereof an amount of €14.3 million will be expensed prior to the implementation of the offering, and the remaining portion which are dependent upon the completion of the offering (€6.6 million) will be amortized over the remaining term of the credit facilities. The transaction costs previously recorded (€6.0 million, thereof €1.6 million relating to current liabilities and €4.4 million relating to non-current liabilities) will be fully expensed in connection with the completion of the amendment of the credit facility agreements.

DILUTION

Balance sheet equity of the Company excluding minority interests (equity attributable to shareholders of the Company) amounted to €164.1 million at December 31, 2009, and would amount to €4.00 per share based on 41,000,000 outstanding shares of the Company immediately before the offering.

After giving effect to the maximum placement of shares from the capital increase against cash contributions by as many as 10,500,000 shares in the context of the Offering, which is expected to be resolved by the extraordinary general shareholders' meeting of the Company expected to be held on March 19, 2010 and which is expected to be registered with the Commercial Register in the amount of the subscribed shares on or about March 25, 2010 assuming an offer price of €51.00 based on the mid-point of the price range per share, and after subtracting the estimated issuance expenses in the amount of €20.0 million[1)], the equity of the Company attributable to shareholders of Brenntag AG as of December 31, 2009 would have been €679.6 million (based on the mid-point of the price range) or €13.20 per share. That would correspond to a direct dilution of €37.80 (74.1%) per share for the parties acquiring the offered shares. At the low end and high end of the price range, the corresponding figures would be €33.80 (73.5%) and €41.81 (74.7%), respectively.

The table below illustrates the amount by which the mid-point of the price range per share exceeds the total share capital per share after completion of the offering, assuming execution of the capital increase in the maximum number of offered new shares:

	Low End	Mid Point	High End
Price per share, in €	46.00	51.00	56.00
Equity attributable to shareholders of the Company per share as of December 31, 2009 (based on 41,000,000 outstanding shares of the Company before the offering), in €	4.00	4.00	4.00
Equity attributable to shareholders of the Company per share following the offering (based on 51,500,000 outstanding shares of the Company after completion of the offering assuming execution of the capital increase in the maximum number of offered new shares), in €	12.20	13.20	14.19
Amount by which the price per share exceeds the total share capital per share (immediate dilution per share), in €	33.80	37.80	41.81
Immediate dilution, in %	73.50	74.10	74.70

1) Of the fees in connection with obtaining the necessary waivers under the Company's debt facilities, which are payable to Deutsche Bank and Goldman Sachs upon the closing of the offering, €1.25 million are allocated to fees payable by the Company to the Underwriters. This amount has been deducted from the figure presented.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

*The financial information contained in the following tables is derived from the audited consolidated financial statements of the Company for the fiscal years ended December 31, 2009, December 31, 2008 and December 31, 2007. These consolidated financial statements have been prepared in accordance with IFRS as adopted in the European Union (“**IFRS**”). Additional information included in this prospectus has been taken from the audited unconsolidated financial statements of the Company for the fiscal year ended December 31, 2009, which were prepared in accordance with the German Commercial Code (Handelsgesetzbuch) (“**HGB**”). PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Düsseldorf, Germany, audited and issued an unqualified auditors’ report with respect to each of these consolidated and unconsolidated financial statements. The aforementioned IFRS and HGB financial statements of the Company are reproduced in this prospectus beginning at page F-1. IFRS and HGB differ in material ways. Some of the performance indicators and ratios reproduced below were taken from the Company’s accounting records.*

Where financial data in the following tables is labeled “audited”, this means that it was taken from the audited financial statements mentioned above. The label “unaudited” is used in the following tables to indicate financial data that was taken from a source other than the audited financial statements mentioned above or derived from the audited financial statements mentioned above or sources other than these audited financial statements. All of the financial data presented in the text and tables in this section of the prospectus is shown in millions of euro (€ million), commercially rounded to one decimal point. Unless expressly otherwise noted, the percentage changes that are stated in the text and the tables have been commercially rounded to one decimal point. Because of this rounding, the figures shown in the tables do not in all cases add up exactly to the respective totals given, and the percentages shown do not always add up exactly to 100%.

The following selected financial information should be read together with the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, the consolidated financial statements contained in this prospectus and the related notes and the additional financial information contained elsewhere in this prospectus.

Selected Data from the Consolidated Income Statement

	For the years ended December 31,		
	2009	2008	2007
	(audited, € million)		
Sales	**6,364.6**	**7,379.6**	**6,671.4**
Cost of Goods Sold	(4,905.1)	(5,887.3)	(5,316.9)
Gross profit	**1,459.5**	**1,492.3**	**1,354.5**
Selling expenses(1)	(1,080.4)	(1,111.0)	(1,058.8)
Administrative expenses	(123.6)	(119.4)	(121.2)
Other operating income	41.9	43.6	46.0
Other operating expenses	(26.7)	(27.3)	(18.3)
Operating profit	**270.7**	**278.2**	**202.2**
Result of investments accounted for at equity	(8.8)	4.1	3.4
Finance income	9.3	16.4	21.2
Finance costs	(220.8)	(281.3)	(290.7)
Distribution to minorities under IAS 32	(1.6)	(2.0)	(3.1)
Other financial result	(1.7)	(16.7)	(2.5)
Financial result	**(223.6)**	**(279.5)**	**(271.7)**
Profit (loss) before taxes	**47.1**	**(1.3)**	**(69.5)**
Income taxes	(46.6)	(40.5)	6.3
Net profit (loss) for the period	**0.5**	**(41.8)**	**(63.2)**
Attributable to:			
Brenntag shareholders	(0.1)	(42.1)	(64.0)
Minority shareholders	0.6	0.3	0.8

(1) Including amortization of customer relationships and similar rights, amounting to €114.4 million in 2009, €109.8 million in 2008 and €109.1 million in 2007. Thereof €102.4 million in 2009, €103.7 million in 2008 and €107.2 million in 2007 relate to customer relationships and similar rights capitalized in the course of the purchase price allocation made in September 2006, when Brenntag Group was indirectly acquired by Funds Advised by BC Partners, Funds Advised by GSMP and (as part of a disposition and partial repurchase) Funds Advised by Bain Capital, of which the remaining book value as of December 31, 2009 was €76.4 million and which will be fully amortized by September 2010.

Selected Other Consolidated Financial Data

	For the years ended December 31,		
	2009	2008	2007
	(unaudited, € million unless otherwise indicated)		
Net profit (loss) for the period (audited)	**0.5**	**(41.8)**	**(63.2)**
+/− Income Taxes (audited)	46.6	40.5	(6.3)
Profit (loss) before taxes (audited)	**47.1**	**(1.3)**	**(69.5)**
+ Financial result (audited)	223.6	279.5	271.7
+ Amortization (audited)(9)	123.6	119.4	118.7
EBITA(1)(2)(7)	**394.3**	**397.6**	**320.9**
+ Depreciation (audited)	82.3	83.3	87.0
EBITDA(2)(3)(7)(8)	**476.6**	**480.9**	**407.9**
+ Transaction expenses(8)	3.7	1.2	4.3
Operating EBITDA(2)(4)(7)(8)	**480.3**	**482.1**	**412.2**
EBITDA(2)(3)(7)(8)/gross profit (in %)	**32.7**	**32.2**	**30.1**
EBITDA(2)(3)(7)(8)	**476.6**	**480.9**	**407.9**
+/− Changes in working capital	242.0	(53.5)	(24.4)
− Capital expenditures	(71.8)	(84.3)	(104.6)
Free cash flow (FCF)(2)(5)	**646.8**	**343.1**	**278.9**
RONA(2)(6) (in %)	**26.8**	**24.4**	**20.2**

(1) EBITA is EBITDA less depreciation. We are not presenting EBITA here as a measure of our operating results. Our management considers EBITA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

(2) We are presenting this figure on the basis that some investors may find it helpful as a measure of our performance. This figure is not recognized as a measure under IFRS and should not be considered a substitute for income statement or cash flow data, as determined in accordance with IFRS, or as a measure of profitability or liquidity. It does not necessarily indicate whether cash flow will be sufficient or available for our cash requirements, nor is it necessarily indicative of our historical or future operating results. Because not all companies define this measure in the same way, our presentation of it is not necessarily comparable to similarly-titled measures used by other companies.

(3) EBITDA is defined as earnings before financial result, income taxes, depreciation and amortization. We are not presenting EBITDA here as a measure of our operating results. Our management considers EBITDA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

(4) Operating EBITDA is a performance measure that our management observes and uses to manage our business on the regional level. At the Group level, operating EBITDA is defined as EBITDA plus transaction expenses. We are not presenting operating EBITDA here as a measure of our operating results. Our management considers operating EBITDA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

At the segment level, the adjustment from operating EBITDA to EBITDA includes both transaction expenses and headquarter charges (at the Group level, only transaction expenses are relevant, as headquarter charges net to zero).

Transaction expenses are expenses that are connected with the restructuring and refinancing under company law. They are eliminated for purposes of management reporting to permit a clear presentation of the operating performance and comparability on segment level.

Headquarter charges are certain intercompany charges imposed on the operating companies. Operating companies cannot be held responsible for the amount of such charges, so they are eliminated for purposes of management reporting. On the Group level they net to zero.

(5) Free cash flow (FCF) is defined as EBITDA less other additions to property, plant and equipment less other additions to acquired software, licenses and similar rights plus/less changes in working capital; working capital is defined as trade receivables plus inventories less trade payables. FCF is not a synonym for, and does not necessarily indicate or correspond with, discretionary cash.

(6) RONA means return on net assets and is defined as EBITA divided by the sum of average PPE plus average working capital. Average PPE is defined for a particular year as the mean average of values for PPE at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year. Average working capital is defined for a particular year as the mean average of the values for working capital (as defined in note 5 above) at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year. Average working capital amounted to €691.9 million in 2009, €833.1 million in 2008 and €774.4 million in 2007.

(7) In 2009, EBITDA, as well as operating EBITDA, and EBITA on the Group level, include expense items relating to the early termination of a multi-year incentive program. These expenses for the members of the management board amount to €22.8 million.

(8) Audited in 2009 and 2008.

(9) Including amortization of customer relationships and similar rights, amounting to €114.4 million in 2009, €109.8 million in 2008 and €109.1 million in 2007. Thereof €102.4 million in 2009, €103.7 million in 2008 and €107.2 million in 2007 relate to customer relationships and similar rights capitalized in the course of the purchase price allocation made in September 2006, when Brenntag Group was indirectly acquired by Funds Advised by BC Partners, Funds Advised by GSMP and (as part of a disposition and partial repurchase) Funds Advised by Bain Capital, of which the remaining book value as of December 31, 2009 was €76.4 million and which will be fully amortized by September 2010.

Selected Data from the Consolidated Balance Sheet

	As of December 31,		
	2009	2008	2007
	(audited, € million)		
Assets	**4,653.8**	**4,792.6**	**4,867.4**
Of which:			
Current Assets	1,966.3	1,980.5	1,991.6
Of which:			
Cash and cash equivalents	602.6	298.7	343.8
Trade receivables	831.4	979.1	976.0
Other receivables	85.2	95.2	97.3
Inventories	422.3	547.2	526.5
Non-current Assets	2,687.5	2,812.1	2,875.8
Of which:			
Property, plant and equipment	784.1	795.6	813.6
Intangible assets	1,785.9	1,896.6	1,941.6
Liabilities and Equity	**4,653.8**	**4,792.6**	**4,867.4**
Of which:			
Current Liabilities	1,084.7	1,183.8	1,231.9
Of which:			
Trade payables	655.6	694.5	741.0
Financial liabilities	61.5	119.0	138.1
Non-current Liabilities	3,396.8	3,480.5	3,437.8
Of which:			
Financial liabilities	3,077.0	3,134.9	3,061.4
Equity	172.3	128.3	197.7

Selected Data from the Consolidated Cash Flow Statement

	For the years ended December 31,		
	2009	2008	2007
	(audited, € million)		
Cash provided by operating activities	490.3	177.1	116.5
Cash used for investing activities	(76.1)	(173.2)	(185.0)
Cash used for financing activities	(113.0)	(51.3)	(108.0)
Change in cash and cash equivalents	301.2	(47.4)	(176.5)
Cash and cash equivalents at end of period	602.6	298.7	343.8

Selected Operating (Geographical) Segment Data

	Year ended December 31, 2009	Change 2008-2009	Year ended December 31, 2008	Change 2007-2008	Year ended December 31, 2007
	(audited)		(audited)		(unaudited, except for sales)
	(€ million)	(%)	(€ million)	(%)	(€ million)
Europe					
Sales	3,434.4	(14.7)	4,027.5	6.7	3,773.6
Operating gross profit(1)(6)(8)	807.6	(3.8)	839.8	4.7	802.4
Operating EBITDA(2)(8)	250.6	(1.4)	254.2	6.8	238.1
North America					
Sales	2,050.5	(16.2)	2,447.9	16.2	2,106.7
Operating gross profit(1)(6)(8)	537.7	(0.8)	542.0	15.7	468.6
Operating EBITDA(2)(8)	196.8	(3.7)	204.4	26.4	161.7
Latin America					
Sales	610.5	(2.5)	626.2	18.7	527.7
Operating gross profit(1)(6)(8)	123.3	(2.4)	126.3	35.8	93.0
Operating EBITDA(2)(8)	42.3	(4.1)	44.1	88.5	23.4
Asia Pacific					
Sales	58.4	289.3	15.0	—	—
Operating gross profit(1)(6)(8)	14.5	326.5	3.4	—	—
Operating EBITDA(2)(8)	2.2	120.0	1.0	—	—
Rest of the World(4)					
Sales	210.8	(19.8)	263.0	(0.2)	263.4
Operating gross profit(1)(6)(8)	10.1	21.7	8.3	(16.2)	9.9
Operating EBITDA(2)(8)	(11.6)	46.3	(21.6)	(96.4)	(11.0)
Total for Group					
Sales	6,364.6	(13.8)	7,379.6	10.6	6,671.4
Operating gross profit(1)(3)(6)(8)	1,493.2	(1.8)	1,519.8	10.6	1,373.9
Costs related to production/mixing and blending(6) (unaudited)	(33.7)	(22.5)	(27.5)	(41.8)	(19.4)
Gross profit	1,459.5	(2.2)	1,492.3	10.2	1,354.5
Operating EBITDA(2)(3)(7)(8)	480.3	(0.4)	482.1	17.0	412.2
Less transaction expenses(8)	(3.7)	(208.3)	(1.2)	72.1	(4.3)
EBITDA(3)(5)(7)(8)	476.6	(0.9)	480.9	17.9	407.9

(1) Operating gross profit is sales less cost of material for goods purchased and supplies (e.g., consumption of purchased goods, impairments of marketable purchased goods, write-downs as well as reversals of write-downs, stock-taking differences), purchased services (e.g., inbound freight charges, commissions), packaging materials, supplier bonuses, and increases/decreases in finished goods.

(2) Operating EBITDA is a performance measure that our management observes and uses to manage our business on regional level. At the Group level, operating EBITDA is defined as EBITDA plus transaction expenses. We are not presenting operating EBITDA here as a measure of our operating results. Our management considers operating EBITDA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

At the segment level, the adjustment from operating EBITDA to EBITDA includes both transaction expenses and headquarter charges (at the Group level, only transaction expenses are relevant, as headquarter charges net to zero).

Transaction expenses are expenses that are connected with the restructuring and refinancing under company law. They are eliminated for purposes of management reporting to permit a clear presentation of the operating performance and comparability on segment level.

Headquarter charges are certain intercompany charges imposed on the operating companies. Operating companies cannot be held responsible for the amount of such charges, so they are eliminated for purposes of management reporting. On the Group level they net to zero.

(3) We are presenting this figure on the basis that some investors may find it helpful as a measure of our performance. This figure is not recognized as a measure under IFRS and should not be considered a substitute for income statement or cash flow data, as determined in accordance with IFRS, or as a measure of profitability or liquidity. It does not necessarily indicate whether cash flow will be sufficient or available for our cash requirements, nor is it necessarily indicative of our historical or future operating results. Because not all companies define this measure in the same way, our presentation of it is not necessarily comparable to similarly-titled measures used by other companies.

(4) We report our operating segment "Rest of the World" under IFRS 8 within "All other segments"; within this table, Rest of the World covers, in addition to various holding companies, the activities of Brenntag International Chemicals, which buys and sells chemicals in bulk on an international scale without regional boundaries. The segment also includes our sourcing and market research activities in China.

(5) EBITDA is defined as earnings before financial result, income taxes, depreciation and amortization. We are not presenting EBITDA here as a measure of our operating results. Our management considers EBITDA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

(6) Operating gross profit is determined according to the nature of expense method (as defined in IAS 1). Operating gross profit equals gross profit determined according to the function of expense or cost of sales method (as defined in IAS 1), which is the measure presented in our financial statements, excluding certain costs related to production as well as to our mixing and blending activities.

(7) In 2009, EBITDA, as well as operating EBITDA, include expense items relating to the early termination of a multi-year incentive program. These expenses for the members of the management board amount to €22.8 million, of which €12.8 million are attributable to the North American segment, €5.2 million to the European segment and €4.8 million to Rest of the World.

(8) Audited in 2009 and 2008. Unaudited in 2007, except for sales figures.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Investors should read the following discussion of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes to those consolidated financial statements. Some of the statements contained below, including those concerning future sales, costs, capital expenditures, acquisitions and financial condition, include forward-looking statements. Because such statements involve inherent uncertainties, actual results may differ materially from the results expressed in or implied by such forward-looking statements. Investors can find a discussion of such uncertainties in "General Information—Forward-looking Statements". In addition, investing in our shares involves risks. Investors can find a discussion of such risks in "Risk Factors".

*The financial information contained in the following discussion is based on the audited consolidated financial statements of the Company for the fiscal years ended December 31, 2009, December 31, 2008 and December 31, 2007. These consolidated financial statements have been prepared in accordance with IFRS as adopted in the European Union ("**IFRS**"). Additional information included in this prospectus has been taken from the audited unconsolidated financial statements of the Company for the fiscal year ended December 31, 2009, which were prepared in accordance with the German Commercial Code ("**HGB**"). The aforementioned IFRS and HGB financial statements of the Company are reproduced in this prospectus beginning at page F-1. IFRS and HGB differ in material ways. Some of the performance indicators and ratios reproduced below were taken from the Company's accounting records.*

Where financial data in the following tables is labeled "audited," this means that it was taken from the audited financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial data that was taken from a source other than the audited financial statements mentioned above or derived from the audited financial statements mentioned above or sources other than these audited financial statements. All of the financial data presented in the text and tables in this section of the prospectus is shown in millions of euro (€ million), commercially rounded to one decimal point. Unless expressly otherwise noted, the percentage changes that are stated in the text and the tables have been commercially rounded to one decimal point. Because of this rounding, the figures shown in the tables do not in all cases add up exactly to the respective totals given, and the percentages shown do not always add up exactly to 100%.

Overview

Brenntag is a leading international provider of business-to-business ("**B2B**") distribution solutions in the area of chemical distribution (Source: *BCG Market Report, January 2010*). We are the worldwide leader in full-line distribution of industrial and specialty chemicals in terms of sales, and operate more than 400 distribution facilities in over 60 countries. Headquartered in Mülheim an der Ruhr, Germany, Brenntag serves as an intermediary between chemical producers and manufacturers that use chemicals, acting as a "one-stop shop" with over 10,000 chemical products, delivering to over 150,000 customers, typically in less-than-truckload quantities with a focus on warehouse delivery. Founded in Germany more than 130 years ago, we have grown into a global business. Much of our growth has been effected by selective acquisitions that we have made in key markets around the world. Today, our business is divided into four geographical segments: Europe, North America, Latin America and Asia Pacific, with the rest of its operations reported as Rest of the World.

We provide a comprehensive solution to both suppliers and customers, including:

- purchasing and storing larger scale quantities of industrial and specialty chemicals,
- repackaging chemicals in smaller quantities for distribution,
- distributing a full-line of chemicals, and
- providing value-added services, such as just-in-time delivery, product mixing, formulation, repackaging, inventory management, drum return handling and technical services and support.

Our diversified customer base comprises small-to-mid-sized companies, as well as multi-national companies with global sourcing and production. We believe we provide significant scale and scope benefits to both our customers and suppliers by allowing them to deal with a single partner to meet all their chemical distribution needs. We serve customers operating in highly diverse end-markets, which we believe makes our business more resilient than it would be if we were more heavily exposed to any single end market. In 2009, none of our customers individually accounted for more than 1% of our sales, and our top ten customers together accounted for less than 4% of our sales. In addition, we purchase chemicals from a wide range of different suppliers, and in 2009, none of our suppliers individually accounted for more than 6% of the Group's cost of goods sold.

As the largest full-line chemical distribution company in the world in terms of 2008 sales, we believe that both the scale (geographic reach and density of our network and infrastructure) and scope (breadth of product and service offering and know-how) of our business provide us with distinct advantages relative to our competitors. Our vision is to be the preferred full-line chemical distributor for strategic customers and suppliers globally and to lead the industry in growth, profitability and returns. To achieve this vision we have adopted a strategy that we seek to implement through a combination of global and regional initiatives focused on: (i) enhancing our product and service offering capabilities by actively pursuing both organic and external growth opportunities; and (ii) maintaining our ongoing focus on profitability and returns.

We manage our Group on the basis of gross profit, EBITDA, EBITDA/gross profit margin, as well as free cash flow and returns as measured by RONA. The following table presents these figures for each of the years ended December 31, 2009, December 31, 2008 and December 31, 2007:

	2009	2008	2007
	(unaudited, € million, unless otherwise indicated)		
Gross profit (audited)	1,459.5	1,492.3	1,354.5
Costs related to production/mixing and blending[(2)]	33.7	27.5	19.4
Operating gross profit[(1)(2)(4)(9)]	1,493.2	1,519.8	1,373.9
EBITDA[(3)(4)(8)(9)]	476.6	480.9	407.9
EBITDA[(3)(4)(8)(9)]/gross profit (in %)	32.7	32.2	30.1
EBITA[(4)(5)(8)]	394.3	397.6	320.9
Free cash flow (FCF)[(4)(6)]	646.8	343.1	278.9
RONA[(4)(7)] (in %)	26.8	24.4	20.2

(1) Operating gross profit is sales less cost of material for goods purchased and supplies (e.g., consumption of purchased goods, impairments of marketable purchased goods, write-downs as well as reversals of write-downs, stock-taking differences), purchased services (e.g., inbound freight charges, commissions), packaging materials, supplier bonuses, and increases/decreases in finished goods.

(2) Operating gross profit is determined according to the nature of expense method (as defined in IAS 1) and excludes certain costs related to production as well as our mixing and blending activities. This differs from gross profit as presented in our consolidated financial statements, which is determined according to the function of expense or cost of sales method (as defined in IAS 1). The latter includes these costs within cost of goods sold and, accordingly, gross profit.

(3) EBITDA is defined as earnings before financial result, income taxes, depreciation and amortization. We are not presenting EBITDA here as a measure of our operating results. Our management considers EBITDA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

(4) We are presenting this figure on the basis that some investors may find it helpful as a measure of our performance. This figure is not recognized as a measure under IFRS and should not be considered a substitute for income statement or cash flow data, as determined in accordance with IFRS, or as a measure of profitability or liquidity. It does not necessarily indicate whether cash flow will be sufficient or available for our cash requirements, nor is it necessarily indicative of our historical or future operating results. Because not all companies define this measure in the same way, our presentation of it is not necessarily comparable to similarly-titled measures used by other companies.

(5) EBITA is EBITDA less depreciation. We are not presenting EBITA here as a measure of our operating results. Our management considers EBITA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

(6) Free cash flow (FCF) is defined as EBITDA less other additions to property, plant and equipment less other additions to acquired software, licenses and similar rights plus/less changes in working capital; working capital is defined as trade receivables plus inventories less trade payables. FCF is not a synonym for, and does not necessarily indicate or correspond with, discretionary cash. For a reconciliation of EBITDA to FCF, see "*Selected Consolidated Financial Information—Selected Other Consolidated Financial Data*".

(7) Return on net assets (RONA) is defined as EBITA divided by the sum of average property, plant and equipment (PPE) plus average working capital. Average PPE is defined for a particular year as the mean average of values for PPE at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year. Average working capital is defined for a particular year as the mean average of the values for working capital (as defined in note 6 above) at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year. Average working capital amounted to €691.9 million in 2009, €833.1 million in 2008 and €774.4 million in 2007.

(8) In 2009, EBITDA as well as operating EBITDA and EBITA on the Group level, includes expense items relating to the early termination of a multi-year incentive program. These expenses for the members of the management board amount to €22.8 million.

(9) Audited in 2009 and 2008.

Key Factors Affecting our Results of Operations and Financial Condition

Factors affecting our results of operations include the following:

- *Considerations relating to Sales.* As the prices of chemicals increase, both our cost of goods sold and our sales tend to show largely correlative increases when the volume of the products we sell stays constant. As a

result, an increase or decrease in our sales attributable to price fluctuation is not necessarily indicative of a corresponding increase or decrease in our net profit, which is much more a function of gross profit than it is a function of the total price of the goods we sell.

- *Considerations relating to Working Capital.* Whenever prices of chemicals fluctuate, inventories, trade receivables and trade payables tend to show largely correlative increases or decreases when the volume of the products we sell and the average turnover rate of each working capital component stays constant. Inventories tend to show a compensating effect against trade payables in the event of price variations, leaving trade receivables as the dominant component responsible for working capital fluctuations. As a result, an increase or decrease in chemical prices affects our working capital and free cash flow even when the volume of the products we sell and working capital turnover rates stay constant.

- *Acquisitions.* We completed 21 acquisitions between 2007 and 2009. The following table shows the purchase price paid in euro and directly attributable costs (excluding debt assumed) of the acquisitions we closed in the period indicated below by geographic region:

	Year Ended December 31,		
	2009	2008	2007
	(unaudited unless otherwise indicated, € million)		
Europe	4.0	56.0	19.2
North America	1.5	3.1	86.3
Latin America	6.0	8.8	—
Asia Pacific	—	43.1	—
Rest of the World	—	—	—
Total (audited)	11.5	111.0	105.5

For more information on our recent acquisitions and our strategy, see "—Liquidity and Capital Resources—Recent Acquisitions", "*Business—Acquisitions*" and "*Business—Strategy*". For selected additional information regarding our historical acquisitions, see "*Business—History*". See also "*Risk Factors—Risks Relating to our Business—We might be unable to successfully integrate or achieve the expected benefits from past or future acquisitions and our growth strategy could be unsuccessful*" and "*Risk Factors—Risks Relating to our Business—In connection with acquisitions or divestitures, we might inadvertently acquire or retain actual or potential liabilities or defects*".

- *Currency Translation.* We conduct our business on a global basis in several major international currencies, although the primary currencies in which we conduct our business are the euro and the U.S. dollar. Our reporting currency is the euro. In 2009, 54.0% of our consolidated sales came from our Europe segment, the sales of which are mostly denominated in euro, and 41.8% of our consolidated sales came from our North America and Latin America segments, the sales of which are mostly denominated in U.S. dollars. The Company's exposure to the U.S. dollar is significantly greater than just the exposure to the U.S. dollar relating directly to the Group's business operations that are based in the United States since many of our operations outside the United States are conducted in U.S. dollars or currencies linked to the U.S. dollar. In addition, a substantial amount of our indebtedness is drawn in U.S. dollars, GBP, CHF and, to a lesser extent, SEK and DKK. Fluctuations in exchange rates between the euro and other, non-euro currencies, primarily the U.S. dollar, affect the translation of our consolidated financial results into euro. Exchange rate changes also affect our consolidated balance sheet. Changes in the euro values of our consolidated assets and liabilities resulting from exchange rate movements may cause us to record foreign currency gains and losses.

During the period under review, the fluctuations of the U.S. dollar against the euro had negative as well as positive impacts on our reported sales largely due to the substantial percentage of our sales that are generated in the United States. On average over the year, the euro-equivalent of the U.S. dollar was 5% higher in 2009 than in 2008, 7% lower in 2008 than in 2007, and 8% lower in 2007 than in 2006. In 2009 our reported sales in North America decreased by €397.4 million, or 16.2% compared with 2008. On a constant-currency basis, sales decreased in North America by 19.8% or €507.5 million.

Currency translation can have a considerable impact on the Group's consolidated financials, which are reported in euro. On the other hand, our operations around the world are managed on a sufficiently local basis that transactional currency risks do not present a material risk for our Group as a whole.

For more information on exchange rate risks, see *"Risk Factors—Risks Relating to Our Business—Changes in foreign exchange rates and interest rates could have material adverse effects on our financial results. Our hedging efforts might be unsuccessful"*.

- *General and regional economic conditions.* Our business around the world depends on the demand of our customers for chemicals, which in turn depends to a large extent on general economic conditions in the regions, countries and localities in which our customers operate, as well as the economic conditions that affect their own customers. When general economic conditions improve or deteriorate, production generally and consumption of chemicals specifically tend to show corresponding movements, particularly in those industry sectors or political or geographic areas most affected by such changes in economic conditions. Although we believe that our business is particularly stable in this regard compared with many other business models (for more information, see "*Industry*"), changes in economic conditions, particularly when they are widespread and pronounced, can and do affect our results.

We believe that the broad geographic diversity of our business can lessen the impact of local and regional economic changes. However, particularly if these changes are pronounced and/or long-lasting, such changes can also have a significant impact on our business and results of operations. For more information on risks related to economic conditions, see *"Risk Factors—Risks Relating to Our Business—We are affected by demand fluctuations and other developments in the broader economy, including in the manufacturing sector, and our operations and financial results could be adversely affected by a prolonged or deeper economic crisis*".

Results of Operations

The following table summarizes our financial performance and certain operating results for the periods indicated:

	For the years ended December 31,				
	2009	% change	2008	% change	2007
	(audited, € million)				
Sales	**6,364.6**	**(13.8)**	**7,379.6**	**10.6**	**6,671.4**
Cost of goods sold(1)	(4,905.1)	16.7	(5,887.3)	10.7	(5,316.9)
Gross profit	**1,459.5**	**(2.2)**	**1,492.3**	**10.2**	**1,354.5**
Selling expenses(2)	(1,080.4)	2.8	(1,111.0)	4.9	(1,058.8)
Administrative expenses(3)	(123.6)	(3.5)	(119.4)	(1.5)	(121.2)
Other operating income(4)	41.9	(3.9)	43.6	(5.2)	46.0
Other operating expenses(5)	(26.7)	2.2	(27.3)	49.2	(18.3)
Operating profit	**270.7**	**(2.7)**	**278.2**	**37.6**	**202.2**
Financial result(6)	(223.6)	20.0	(279.5)	2.9	(271.7)
Profit (Loss) before taxes	**47.1**	**—**	**(1.3)**	**98.1**	**(69.5)**
Income taxes	(46.6)	(15.1)	(40.5)	—	6.3
Net profit (loss) for the period	**0.5**	**101.2**	**(41.8)**	**33.9**	**(63.2)**

(1) Cost of goods sold include cost of material for goods purchased and supplies (e.g., consumption of purchased goods, impairments of marketable purchased goods, write-downs, as well as reversals of write-downs, stock-taking differences), purchased services (e.g., inbound freight charges, commissions), packaging materials, supplier bonuses and increases/decreases in finished goods, and costs related to production/mixing/blending.

(2) Selling expenses include all costs connected with the preparation, promotion, performance and monitoring of the sale of products and services (e.g., outbound freight charges, selling commissions, depreciation of packaging materials, advertising expenses, marketing expenses, costs of warehouses, personnel expenses related to selling, marketing and representation activities etc.) as well as amortization of customer relationships and similar rights, amounting to €114.4 million in 2009, €109.8 million in 2008 and €109.1 million in 2007. Thereof, €102.4 million in 2009, €103.7 million in 2008 and €107.2 million in 2007 relate to customer relationships and similar rights capitalized in the course of the purchase price allocation made in September 2006, when the Brenntag Group was indirectly acquired by Funds Advised by BC Partners, Funds Advised by GSMP and (as part of a disposition and partial repurchase) Funds Advised by Bain Capital, of which the remaining net book value as of December 31, 2009 was €76.4 million and will be fully amortized by September 2010. 2009 also includes expense items relating to the early termination of a multi-year incentive program amounting to €18.0 million.

(3) Administrative expenses include expenses of a general and administrative nature, not only the personnel expenses but also the corresponding non-personnel costs. 2009 also includes expense items relating to the early termination of a multi-year incentive program amounting to €4.8 million.

(4) Other operating income includes income from the disposal of non-current assets, income from the reversal of provisions no longer required (as far as not allocated to selling or administrative expenses), income from the collection of receivables derecognized in prior periods,

income from operating leases, proceeds from recognition of liabilities, income from supporting services, as well as various other income from operating activities.

(5) Other operating expenses include impairments of receivables net of income from the reversal of impairments of receivables in prior periods, losses on the disposal of non-current assets as various other expenses in course of operating activities.

(6) Financial result includes finance costs and finance income, results from foreign exchange gains and losses and results of associates and joint ventures accounted for at equity, as well as result from minority interests under IAS 32.

Geographic Segment Data

Our business is organized and managed in four geographical regions: Europe, North America, Latin America and Asia Pacific, with the rest of its operations reported as Rest of the World. We do not divide our business into operating segments based on type of business; our operating segments for financial reporting purposes are based on geography (with the exception of Rest of the World, which includes certain headquarters and other administrative operations regardless of where those functions are actually carried out).

The following table sets forth our sales and operating (segment) results for the periods indicated, as well as the percentage change from year to year for each:

	Year ended December 31, 2009	Change 2008-2009	Year ended December 31, 2008	Change 2007-2008	Year ended December 31, 2007
	(audited)		(audited)		(unaudited, except for sales)
	(€ million)	(%)	(€ million)	(%)	(€ million)
Europe					
Sales	3,434.4	(14.7)	4,027.5	6.7	3,773.6
Operating gross profit[(1)(6)(8)]	807.6	(3.8)	839.8	4.7	802.4
Operating EBITDA[(2)(8)]	250.6	(1.4)	254.2	6.8	238.1
North America					
Sales	2,050.5	(16.2)	2,447.9	16.2	2,106.7
Operating gross profit[(1)(6)(8)]	537.7	(0.8)	542.0	15.7	468.6
Operating EBITDA[(2)(8)]	196.8	(3.7)	204.4	26.4	161.7
Latin America					
Sales	610.5	(2.5)	626.2	18.7	527.7
Operating gross profit[(1)(6)(8)]	123.3	(2.4)	126.3	35.8	93.0
Operating EBITDA[(2)(8)]	42.3	(4.1)	44.1	88.5	23.4
Asia Pacific					
Sales	58.4	289.3	15.0	—	—
Operating gross profit[(1)(6)(8)]	14.5	326.5	3.4	—	—
Operating EBITDA[(2)(8)]	2.2	120.0	1.0	—	—
Rest of the World[(4)]					
Sales	210.8	(19.8)	263.0	(0.2)	263.4
Operating gross profit[(1)(6)(8)]	10.1	21.7	8.3	(16.2)	9.9
Operating EBITDA[(2)(8)]	(11.6)	46.3	(21.6)	(96.4)	(11.0)
Total for Group					
Sales	6,364.6	(13.8)	7,379.6	10.6	6,671.4
Operating gross profit[(1)(3)(6)(8)]	1,493.2	(1.8)	1,519.8	10.6	1,373.9
Operating EBITDA[(2)(3)(7)(8)]	480.3	(0.4)	482.1	17.0	412.2
Less transaction expenses[(8)]	(3.7)	(208.3)	(1.2)	72.1	(4.3)
EBITDA[(3)(5)(7)(8)]	476.6	(0.9)	480.9	17.9	407.9

(1) Operating gross profit is sales less cost of material for goods purchased and supplies (e.g., consumption of purchased goods, impairments of marketable purchased goods, write-downs as well as reversals of write-downs, stock-taking differences), purchased services (e.g., inbound freight charges, commissions), packaging materials, supplier bonuses, and increases/decreases in finished goods.

(2) Operating EBITDA is a performance measure that our management observes and uses to manage our business on regional level. At the Group level, operating EBITDA is defined as EBITDA plus transaction expenses. We are not presenting operating EBITDA here as a measure of our operating results. Our management considers operating EBITDA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

At the segment level, the adjustment from operating EBITDA to EBITDA includes both transaction expenses and headquarter charges (at the Group level, only transaction expenses are relevant, as headquarter charges net to zero).

Transaction expenses are expenses that are connected with the restructuring and refinancing under company law. They are eliminated for purposes of management reporting to permit a clear presentation of the operating performance and comparability on segment level.

Headquarter charges are certain intercompany charges imposed on the operating companies. Operating companies cannot be held responsible for the amount of such charges, so they are eliminated for purposes of management reporting. On the Group level they net to zero.

(3) We are presenting this figure on the basis that some investors may find it helpful as a measure of our performance. This figure is not recognized as a measure under IFRS and should not be considered a substitute for income statement or cash flow data, as determined in accordance with IFRS, or as a measure of profitability or liquidity. It does not necessarily indicate whether cash flow will be sufficient or available for our cash requirements, nor is it necessarily indicative of our historical or future operating results. Because not all companies define this measure in the same way, our presentation of it is not necessarily comparable to similarly-titled measures used by other companies.

(4) We report our operating segment "Rest of the World" under IFRS 8 within "All other segments"; within this table, Rest of the World covers, in addition to various holding companies, the activities of Brenntag International Chemicals, which buys and sells chemicals in bulk on an international scale without regional boundaries. The segment also includes our sourcing and market research activities in China.

(5) EBITDA is defined as earnings before financial result, income taxes, depreciation and amortization. We are not presenting EBITDA here as a measure of our operating results. Our management considers EBITDA along with several other performance measures when managing our business, because it deems it to be one of several useful measures of performance.

(6) Operating gross profit is determined according to the nature of expense method (as defined in IAS 1). Operating gross profit equals gross profit determined according to the function of expense or cost of sales method (as defined in IAS 1), which is the measure presented in our financial statements, excluding certain costs related to production as well as to our mixing and blending activities.

(7) In 2009, EBITDA, as well as operating EBITDA, and EBITA on the Group level, includes expense items relating to the early termination of a multi-year incentive program. These expenses for the members of the management board amount to €22.8 million, of which €12.8 million are attributable to the North American segment, €5.2 million to the European segment and €4.8 million to Rest of the World.

(8) Audited in 2009 and 2008. Unaudited in 2007, except for sales figures.

Year Ended December 31, 2009, Compared with Year Ended December 31, 2008

EBITDA

EBITDA decreased by €4.3 million, or 0.9%, from €480.9 million in 2008 to €476.6 million in 2009. This result was achieved in an unfavorable macroeconomic environment through cost-cutting and margin optimization measures supported by a number of acquisitions made in 2008 including those in Eastern Europe and Asia Pacific. We also benefited from our wide customer, product and geographic diversification which makes us largely independent of negative developments in individual markets or customer industries.

Sales

Sales decreased by €1,015.0 million, or 13.8%, from €7,379.6 million in 2008 to €6,364.6 million in 2009. On a constant-currency basis, the decrease amounted to €1,030.9 million, or 13.9%. This decrease was due primarily to falling average selling prices and only to a small extent to the decrease of volumes compared with the previous year. Acquisitions in 2009 (Austro Corp. in Mexico and Trend Gida in Turkey) contributed €15.9 million in sales in the aggregate since their respective dates of acquisition.

Europe. In Europe, sales decreased by €593.1 million, or 14.7%, to €3,434.4 million in 2009. On a constant-currency basis, sales decreased by 12.3%. This decrease was due primarily to three main factors. First, the purchase prices for raw materials fell significantly, particularly in the solvents segment of the market, while the prices of inorganic basic products did not fluctuate as much. Second, due to the economic downturn, our customers reduced stocks and we saw consolidation on both the customer and supplier sides. Third, due to the relative strength of the euro against east European currencies and the British pound sales decreased even more on an as-reported basis than on a constant-currency basis.

North America. In North America, sales decreased by €397.4 million, or 16.2%, to €2,050.5 million in 2009. On a constant-currency basis, sales decreased by 19.8%. This decrease was driven by lower demand from our customers due largely to the impact of the recession in the overall U.S. economy. The sales volume was therefore well down compared to the previous year. Additionally the average sales price declined so all North American operating companies saw sales fall.

Latin America. In Latin America, sales decreased by €15.7 million, or 2.5%, to €610.5 million in 2009. On a constant-currency basis, sales decreased by 4.8%. This decrease was due primarily to lower average selling prices while volumes benefited from changes in the product portfolio over most of the Latin American countries. In Venezuela, however, we intentionally restricted our market presence in the light of the specific country risk

Asia Pacific. In Asia Pacific, sales increased by €43.4 million to €58.4 million in 2009. This increase was due primarily to the fact that we entered this market with effect from September 30, 2008, so the comparative period comprised only three months.

Rest of the World. In the Rest of the World, sales decreased by €52.2 million, or 19.8%, to €210.8 million in 2009. On a constant-currency basis, sales decreased by 19.8%. This decrease was due primarily to considerably lower average selling prices. Sales in the Rest of the World amounted to €210.8 million in 2009, these operating activities consist of the business of Brenntag International Chemicals which buys and sells chemicals in bulk on an international scale without regional boundaries.

Cost of Goods Sold

Cost of goods sold includes cost of materials and other costs which can be allocated directly or proportionally to this item. Cost of goods sold decreased by €982.2 million, or 16.7%, from €5,887.3 million in 2008 to €4,905.1 million in 2009. On a constant-currency basis, this decrease amounted to €994.1 million, or 16.9%. This decline mirrored the decrease in sales and was also due to falling average purchase prices and the unfavorable economic environment. The unfavorable economic environment has continued to some extent in 2010.

Gross Profit for the Group/Operating Gross Profit by region

Gross profit decreased by €32.8 million, or 2.2%, from €1,492.3 million in 2008 to €1,459.5 million in 2009. On a constant-currency basis, this decrease amounted to €36.8 million, or 2.5%. This decrease was much less pronounced than that of sales. The reason for this development is that our operating gross profit represents primarily the price for the services that we provide and which is largely independent of the purchase price of the chemicals. Furthermore, we continued to focus on customers and products with higher value added.

Europe. In Europe, operating gross profit decreased by €32.2 million, or 3.8%, to €807.6 million in 2009. On a constant-currency basis, operating gross profit decreased by 1.2%. This decrease was primarily due to the economic downturn. But we managed to mitigate this by our strategy of focusing on customers and products with a higher value added. In 2009, the Brenntag product and customer portfolio showed significant resilience to short-term procurement and sales trends. The business relations with many small and medium-sized customers and the proportionately larger share of warehouse business with its relatively high value-added help to make our business relatively stable in this difficult market environment. The falling purchase prices were passed on to our customers with a time lag. In addition, increases in surcharges, such as those for packaging and the transportation of hazardous goods, helped to improve the earnings situation.

North America. In North America, operating gross profit decreased by €4.3 million, or 0.8%, to €537.7 million in 2009. On a constant-currency basis, operating gross profit decreased by 4.9%. This decrease was due primarily to our focus on high-margin product lines. Moreover, we managed to profit from short-term fluctuations in market prices.

Latin America. In Latin America, operating gross profit decreased by €3.0 million, or 2.4%, to €123.3 million in 2009. On a constant-currency basis, operating gross profit decreased by 4.9%. Despite higher volumes, the operating gross profit in Latin America in 2009 could not quite match the unusually high operating gross profit recorded in 2008.

Asia Pacific. In Asia Pacific, operating gross profit increased by €11.1 million, or 326.5%, to €14.5 million in 2009. On a constant-currency basis, operating gross profit grew by 326.5%. This increase was due primarily to the fact that we entered this market with effect from September 30, 2008.

Rest of the World. In the Rest of the World, operating gross profit increased by €1.8 million, or 21.7%, to €10.1 million in 2009. On a constant-currency basis, operating gross profit grew by 21.7%. In this segment, the operating activities consist of the business of Brenntag International Chemicals, which is not the core business of Brenntag. We benefited in 2009 from the volatile nature of this business which involves a large amount of spot business.

Selling Expenses

Selling expenses decreased by €30.6 million, or 2.8%, from €1,111.0 million in 2008 to €1,080.4 million in 2009. On a constant-currency basis, selling expenses decreased by €32.3 million, or 2.9%. This decrease in selling expenses was mainly due to a decrease in expenses that vary based on volumes, such as freight expenses (€17.9 million) and fuel expenses (€8.7 million), but was also due to lower travel expenses (€5.7 million).

Selling expenses include all costs connected with the preparation, promotion, performance and monitoring of the sale of products and services (e.g., outbound freight charges, selling commissions, depreciation of packaging materials, advertising expenses, marketing expenses, costs of warehouses, personnel expenses related to selling,

marketing and representation activities etc.) as well as amortization of customer relationships and similar rights, amounting to €114.4 million in 2009, €109.8 million in 2008 and €109.1 million in 2007. Thereof, €102.4 million in 2009, €103.7 million in 2008 and €107.2 million in 2007 relate to customer relationships and similar rights capitalized in the course of the purchase price allocation made in September 2006, when the Brenntag Group was indirectly acquired by Funds Advised by BC Partners, Funds Advised by GSMP and (as part of a disposition and partial repurchase) Funds Advised by Bain Capital, of which the remaining net book value as of December 31, 2009 was €76.4 million and which will be fully amortized by September 2010. Selling expenses in 2009 also include expense items amounting to €18.0 million relating to the early termination of a multi-year incentive program.

Administrative Expenses

Administrative expenses increased by €4.2 million, or 3.5%, from €119.4 million in 2008 to €123.6 million in 2009. On a constant-currency basis, administrative expenses increased by €4.9 million. This increase in Administrative expenses on a constant-currency basis was primarily due to higher personnel expenses (€5.2 million), which include expense items relating to the early termination of a multi-year incentive program amounting to €4.8 million. The increase in personnel expenses was partly offset by a decrease in operating lease expenses (€1.3 million).

Other Operating Income

Other operating income decreased by €1.7 million, or 3.9%, from €43.6 million in 2008 to €41.9 million in 2009. On a constant-currency basis other operating income remained nearly stable, with a decrease of €0.8 million.

Other Operating Expenses

Other operating expenses decreased by €0.6 million, or 2.2%, from €27.3 million in 2008 to €26.7 million in 2009. On a constant-currency basis other operating expenses remained relative constant, decreasing marginally by €0.7 million.

Operating Profit

Operating profit decreased by €7.5 million, or 2.7%, from €278.2 million in 2008 to €270.7 million in 2009. On a constant-currency basis operating profit was not subject to major changes, decreasing slightly by €9.5 million, or 3.4%.

Financial Result

Financial result improved by €55.9 million, or 20.0%, from negative €279.5 million in 2008 to negative €223.6 million in 2009. The improvement in financial result on a constant-currency basis was €54.1 million, or 19.5%. The improvement in financial result is mainly attributable to generally lower base rates for our floating rate credit facilities. While the interest expense with respect to the third party credit facilities was €80.3 million lower, this was partially offset by the impact from interest rate derivatives (€22.7 million), higher non-cash interest on the subordinated shareholder loan (€5.9 million) and the loss from the sale of the equity interest in Staub & Co. Chemiehandelsgesellschaft mbH (€12.7 million).

Profit/Loss Before Taxes

Profit/loss before taxes increased by €48.4 million, from a loss before taxes of €1.3 million in 2008 to a gain before taxes of €47.1 million in 2009. On a constant-currency basis the increase in profit/loss before taxes was €44.6 million. This improvement in profit before taxes was primarily due to the improvement in financial result.

Income Taxes

Income taxes increased by €6.1 million, from expenses of €40.5 million in 2008 to expenses of €46.6 million in 2009. This increase was primarily due to the positive financial performance of our Group, which resulted in higher taxable income, and increasing current tax expenses. However, tax expenses in relation to pre-tax profit remain relatively high due to the high effective tax rates in North America and to losses of some Group companies for which no deferred tax assets can be established and non tax deductible expenses that do not lead to corresponding future reductions in tax burden.

Net Profit (Loss) for the Period

Net profit for the period improved by €42.3 million, from a net loss of €41.8 million in 2008 to a profit of €0.5 million in 2009. On a constant-currency basis, the net profit improved by €40.1 million. This improvement was primarily due to an improved financial result, partly offset by the increase in tax expenses. All of the net profit for the period was attributable to minority shareholders rather than to the shareholders of Brenntag.

Year Ended December 31, 2008, Compared with Year Ended December 31, 2007

EBITDA

EBITDA increased by €73.0 million, or 17.9%, to €480.9 million in 2008. This increase was due primarily to organic growth of our business and our gross profit. The increase in our gross profit was accompanied by a relatively modest increase in our expenses. In addition, our operating EBITDA benefited from a number of acquisitions, especially in Eastern Europe and Asia Pacific.

Sales

Sales increased by €708.2 million, or 10.6%, from €6,671.4 million in 2007 to €7,379.6 million in 2008. On a constant-currency basis, the increase amounted to €886.2 million, or 13.6%. This increase was due primarily to higher average selling prices in an increasingly difficult economic environment while the volume of goods sold remained largely the same. A number of smaller acquisitions completed during the year also contributed to the increase due to the first time inclusion of the Sales from such acquired companies (€73.4 million).

Europe. In Europe, sales increased by €253.9 million, or 6.7%, to €4,027.5 million in 2008. On a constant-currency basis, sales increased by €266.7 million, or 7.1%. This increase was due primarily to higher average selling prices and, to a lesser extent, to increasing volumes during the first three quarters of 2008. We were able to increase our average selling prices by focusing on higher value products and making moderate but continuous adjustments to our product portfolio. In addition, the prices of many chemicals increased, for example the prices of solvents increased due to rising oil prices during the first half of 2008. Late in the third quarter of 2008, the B2B chemical distribution market we serve experienced a first slowdown of demand developing into a more considerable reduction of demand across the European region in the fourth quarter. Consequently, overall volumes sold by our European organization were on the previous year's level. Our customers tended to order less frequently and to reduce order sizes as their own production levels dropped. In this environment we continued to follow our strategy of optimizing value rather than volume of sales, i.e., generally we do not seek to compete on price to grow volumes, but rather aim to provide a broad range of value added services together with the products that we offer. Following the general worldwide trend in prices of raw materials, there was a downward trend in chemicals prices during the fourth quarter.

North America. In North America, sales increased by €341.2 million, or 16.2%, to €2,447.9 million in 2008. On a constant-currency basis, sales increased by €481.8 million, or 24.5%. This increase was due primarily to significantly higher average selling prices and slightly higher volumes. The increase in average selling prices was due primarily to our strict margin management and the favorable changes in our product portfolio. The slight increase in volumes was due to acquisitions, increased demand in the chlorine-alkali business and positive market conditions in the oil & gas business. As was experienced in Europe, the unfavorable economic climate which began in the third quarter worsened in the fourth quarter of the year, especially in the construction, automotive and consumer goods industries.

Latin America. In Latin America, sales increased by €98.5 million, or 18.7%, to €626.2 million in 2008. On a constant-currency basis, sales increased by €123.0 million, or 24.4%. This increase was due primarily to higher average selling prices which were partially offset by smaller volumes. The increase of the average selling prices was due to our strict margin management especially in particular markets such as the agricultural industry and the Venezuelan market, and an overall increase of purchase prices of many chemicals. While the macroeconomic environment was positive for most of the year, in the fourth quarter clear signs of weakness emerged. Our business in Latin America nevertheless showed positive results for the full year. We were able to continue to take over distribution activities (turned-over business) from certain suppliers (for example, in Puerto Rico). The declining volumes were due primarily to the weaker economy and to our intentionally limiting sales in Venezuela in light of the volatile political environment (and therefore the risks of hyperinflation, compelled transfers of capital, and extreme fluctuations in exchange and interest rates) in that country.

Asia Pacific. In Asia Pacific, sales were €15.0 million in 2008. Since our operations in this region began with our acquisition of Rhodia's distribution business, our 2008 sales results in Asia Pacific include only the final three months of 2008, and there were no sales in 2007.

Rest of the World. In the Rest of the World, sales remained largely unchanged at €263.0 million in 2008 compared to €263.4 million in 2007. On a constant-currency basis, sales also remained largely unchanged at €263.0 million compared to €263.3 million in 2007. In this segment, the operating activities consist of the business of Brenntag International Chemicals which buys and sells chemicals in bulk on an international scale without regional boundaries.

Cost of Goods Sold

Cost of goods sold includes cost of materials and other costs which can be allocated directly or proportionally to this item. Cost of goods sold also includes write-downs on inventories of €8.5 million (€2.4 million in 2007). Cost of goods sold increased by €570.4 million, or 10.7%, from €5,316.9 million in 2007 to €5,887.3 million in 2008. On a constant-currency basis, this increase amounted to €704.8 million, or 13.6%. These increases were in line with the increases in sales and were primarily due to higher average purchasing prices with volume remaining flat. The higher average purchasing prices were due in part to a shift in our product portfolio towards higher-value products and in part to significantly higher prices for chemicals (for example, higher prices for solvents due to higher oil prices), but also, in part, due to increased overall demand.

Gross Profit for the Group/Operating Gross Profit by Region

Gross profit increased by €137.8 million, or 10.2%, from €1,354.5 million in 2007 to €1,492.3 million in 2008. On a constant-currency basis, this increase amounted to €181.4 million, or 13.8%. This increase was due primarily to our strict margin management and the favorable changes in our product portfolio, as well as acquisitions made during the period. This was true for all regions, except for Rest of the World, even though competition continued to be significant.

Europe. In Europe, operating gross profit increased by €37.4 million, or 4.7%, to €839.8 million in 2008, or 5.8% on a constant-currency basis. Our policy of focusing on customers and products where we can achieve a higher value-added helped to boost the result, despite short-term procurement and sales trends. Our strong business relations with many small and medium-sized customers and the proportionately larger share of warehouse business with its higher value-added stabilized our business in a market environment which became increasingly difficult, especially in the fourth quarter of 2008. We were generally able to pass on the high and, in some cases, strongly fluctuating purchase prices to the customers.

North America. In North America, operating gross profit increased by €73.4 million, or 15.7%, to €542.0 million in 2008, or 23.9% on a constant-currency basis. Our focus on higher-margin chemicals helped to boost gross profit. Furthermore, we were generally able to pass on the higher purchase costs to the market.

Latin America. In Latin America, operating gross profit increased by €33.3 million, or 35.8%, to €126.3 million in 2008, or 42.4% on a constant-currency basis. We experienced a slight decline of volumes sold. However, due to the systematic margin management and rising product prices, which we successfully passed on to our customers, the effects of lower volumes were more than offset.

Asia Pacific. In Asia Pacific, operating gross profit amounted to €3.4 million in 2008 for the final three months of 2008 reflecting the acquisition of Rhodia's distribution activities.

Rest of the World. In the Rest of the World, operating gross profit decreased by €1.6 million, or 16.2%, to €8.3 million in 2008, or 15.3% on a constant-currency basis. In this segment, the operating activities consist of chemicals trading, which is not the core business of Brenntag. Due to the volatile nature of this business which involves a large amount of spot business, the results of 2007 could not be repeated.

Selling Expenses

Selling expenses increased by €52.2 million, or 4.9%, from €1,058.8 million in 2007 to €1,111.0 million in 2008. On a constant-currency basis, selling expenses increased by €84.7 million, or 8.3%. This increase was primarily due to higher personnel expenses (€45.2 million), mainly resulting from an increase in headcount but also from increased bonuses due to good performance, and higher freight expenses (€14.3 million), mainly due to rising fuel prices which affected the freight rate, which were partly offset by an increase in the income from the release of other provisions (€10.6 million). The increase also relates to changes in the scope of consolidation due to acquisitions. Provisions released were those provisions that were set up under selling expenses in prior periods; reduction mainly related to environmental provisions.

Administrative Expenses

Administrative expenses decreased slightly, by €1.8 million, or 1.5%, from €121.2 million in 2007 to €119.4 million in 2008. On a constant-currency basis, however, administrative expenses increased by €4.0 million. This increase in administrative expenses on a constant-currency basis was primarily due to increased personnel expenses resulting, among other things, from increased bonuses paid for outstanding performance (€7.1 million) and an increase in operating lease expenses (€2.3 million), partly offset by a decrease in amortization of intangible assets (€2.4 million). The increase also relates to changes in scope of consolidation due to acquisitions.

Other Operating Income

Other operating income decreased by €2.4 million, or 5.2%, from €46.0 million in 2007 to €43.6 million in 2008. On a constant-currency basis, however, other operating income remained nearly stable, with an increase of €0.4 million.

Other Operating Expenses

Other operating expenses increased by €9.0 million, or 49.2%, from €18.3 million in 2007 to €27.3 million in 2008. On a constant-currency basis, other operating expenses increased by €9.5 million. This increase was primarily due to an increase in the impairment of trade receivables (€8.7 million), which was partly offset by an increase in income from reversals of impairments of trade receivables (€2.2 million). Expenses for impairments of trade receivables net of income from reversals of impairments of trade receivables comprised 0.1% of sales in 2007 and 0.2% of sales in 2008.

Operating Profit

Operating profit increased by €76.0 million, or 37.6%, from €202.2 million in 2007 to €278.2 million in 2008. The increase in operating profit on a constant-currency basis was €83.6 million, or 43.0%. This increase was primarily due to the increase in gross profit and to selling expenses and administrative expenses increasing at a rate slower than the gross profit.

Financial Result

Financial result decreased by €7.8 million, or 2.9%, from negative €271.7 million in 2007 to negative €279.5 million in 2008. The decrease in financial result on a constant-currency basis was €14.3 million, or 5.4%. The decrease in financial result is mainly due to losses resulting from the translation of foreign currency receivables and liabilities at the closing rate partly offset by higher income from the measurement of foreign currency derivatives at fair value.

Loss Before Taxes

Loss before taxes decreased by €68.2 million, from a loss before taxes of €69.5 million in 2007 to a loss before taxes of €1.3 million in 2008. On a constant-currency basis, the decrease in loss before taxes was €69.3 million. This improvement in loss before taxes was primarily due to the increase in operating profit.

Income Taxes

Income taxes increased by €46.8 million, from an income of €6.3 million in 2007 to expenses of €40.5 million in 2008. This increase was primarily due to the decrease of the loss before taxes. The relatively high tax expense compared with the pre-tax loss is mainly due to losses of Group companies for which no deferred tax assets can be established and non-deductible expenses that did not lead to corresponding future reductions in tax burden.

Net Profit (Loss) for the Period

Net profit (loss) for the period improved by €21.4 million, or 33.9%, from a net loss of €63.2 million in 2007 to a net loss of €41.8 million in 2008. On a constant-currency basis, the net loss improved by €21.2 million. This improvement was primarily due to the increase in operating profit, partly offset by the increase in tax expenses.

Liquidity and Capital Resources

Overview

We have historically financed our capital and working capital requirements through a combination of cash flows from our segments' operating activities and bank borrowings. The most important components in our

financing structure are Group-wide syndicated loan agreements that we have concluded with a consortium of international banks. These syndicated loans became effective January 18, 2006. As of December 31, 2009, liabilities under these loans (including accrued interest and excluding transaction costs) totaled €2,160.4 million.

Our financing is largely provided by long-term financing instruments which are broken down into various tranches with different maturity dates. As part of the syndicated loan we also have available a long-term variable credit line of €200.0 million to provide periodic liquidity. As of December 31, 2009, this credit line was utilized for guarantees in an amount of around €39.0 million. In addition €65.0 million were allocated in form of ancillary facilities to certain Group companies. The Company's usage of these ancillary facilities has varied.

Some of our subsidiaries are direct borrowers under the syndicated loan agreement. Other subsidiaries obtain their financing from intra-Group loans provided by other Group companies. Two companies in Luxembourg, which are borrowers under the loan agreement, exist specially for this purpose. All major Group companies are liable for the liabilities under the syndicated credit lines and have pledged substantial parts of their assets as security in favor of the lenders.

An international accounts receivable securitization program also provides liquidity financing for the Group in the amount of up to €250.0 million. 11 Brenntag companies in five countries regularly sell trade receivables as part of this program to a company qualifying as a consolidated SPV (Special Purpose Vehicle under the rules of IFRS). As a consequence these receivables are still reported on our Group balance sheet. As of December 31, 2009, we had financial liabilities of €173.4 million pursuant to this accounts receivable securitization program. In addition, some of our subsidiaries make use of credit lines with local banks on a minor scale (in each instance in an amount less than €15.0 million) in consultation with the Group treasury department.

Historically, we were also financed by a loan from the Selling Shareholder (€702.3 million at December 31, 2009). This shareholder loan will be contributed to equity (*Einzahlung in die Kapitalrücklage*) with effect from the end of the first day of trading of the Company's shares on the Frankfurt Stock Exchange. See "*Business—Material Contracts—Shareholder Loan Contribution Agreement*". Upon the contribution to equity of this shareholder loan, amounts outstanding under the two Upstream Loans from the Company (one of which was initially granted by Brenntag Holding GmbH and subsequently assigned to the Company under an assignment and settlement agreement dated March 11, 2010) to the Selling Shareholder will be waived, and correspondingly an equivalent amount under the shareholder loan will also be waived to reflect the extinguishment of the full amount outstanding under these Upstream Loans to the Selling Shareholder. Under the first of these Upstream Loans, from the Company to the Selling Shareholder, €1.9 million was outstanding (including principal and accrued interest) as of December 31, 2009. This loan bears interest at a rate of 10.0% per annum. Under the second of these Upstream Loans, from Brenntag Holding GmbH to the Selling Shareholder, €1.3 million was outstanding (including principal and accrued interest) as of December 31, 2009. This loan bears interest at the EURIBOR 3-month rate plus one percentage point per annum.

Included within our syndicated credit facilities are Mezzanine Credit Facilities with an aggregate amount outstanding as of December 31, 2009 of €428.5 million, reflecting the nominal value of the credit facility plus the accrued interest to be paid in kind thereon up to that date, which we intend to repay in full (including accrued interest through the date of repayment) with a portion of the offering proceeds. See "*Business—Material Contracts—Mezzanine Credit Facilities*", "*Reasons for the Offering and Use of Proceeds*" and "*Capitalization*".

We have historically financed our acquisitions primarily with funds that were set aside in the current syndicated loans for funding acquisitions and available cash.

In accordance with the shareholders' resolution dated February 3, 2009, a contribution of €40.0 million in the form of an additional payment (Section 272, paragraph 2 No. 4 HGB) was made to the additional paid-in capital. Thus the additional paid-in capital of the Company amounted to €381.6 million (prior period: €341.6 million).

We expect to be able to fund our operating activities and investments in property, plant and equipment from cash provided by operating activities.

Statement on Working Capital

The Company believes that the Brenntag Group currently has sufficient working capital to meet all of its payment obligations over the next 12 months.

Historical Consolidated Cash Flow

The following table summarizes our cash flow for the periods indicated:

	For the years ended December 31,		
	2009	2008	2007
	(audited, € million)		
Net profit/loss for the period	**0.5**	**(41.8)**	**(63.2)**
Depreciation and Amortization	205.9	202.7	205.7
Tax expense/income	46.6	40.5	(6.3)
Income tax payments	(84.4)	(67.9)	(51.6)
Interest result	211.5	264.9	269.5
Interest payments (net)	(158.9)	(177.9)	(193.2)
Dividends received	1.4	1.1	1.8
Changes in provisions	(7.3)	(8.7)	(5.8)
Changes in current assets and liabilities			
Inventories	124.2	(17.5)	(53.8)
Receivables	152.5	3.2	(77.9)
Liabilities	(31.0)	(53.6)	91.9
Non-cash distribution under IAS 32	1.6	2.0	3.1
Other non-cash expenses and income	27.7	30.1	(3.7)
Cash provided by operating activities	**490.3**	**177.1**	**116.5**
Proceeds from the sale of consolidated subsidiaries and other business units	—	3.8	—
Proceeds from the sale of investments accounted for at equity	7.4	—	—
Proceeds from disposals of other financial assets	0.5	1.5	4.3
Proceeds from disposals of intangible assets as well as property, plant and equipment	3.3	5.0	4.4
Purchases of consolidated subsidiaries and other business units	(17.8)	(102.1)	(96.3)
Purchases of other financial assets	(1.6)	(1.7)	(6.0)
Purchases of intangible assets as well as property, plant and equipment	(67.9)	(79.7)	(91.4)
Cash used for investing activities	**(76.1)**	**(173.2)**	**(185.0)**
Proceeds from capital increase	40.0	—	—
Dividends paid to minority shareholders	(4.5)	(5.9)	(4.8)
Proceeds from borrowings	—	67.6	—
Repayments of borrowings	(148.5)	(113.0)	(103.2)
Cash used for financing activities	**(113.0)**	**(51.3)**	**(108.0)**
Change in cash and cash equivalents	**301.2**	**(47.4)**	**(176.5)**
Change in cash and cash equivalents due to currency gains/losses	2.7	2.3	(12.8)
Cash and cash equivalents at beginning of period	298.7	343.8	533.1
Cash and cash equivalents at end of period	**602.6**	**298.7**	**343.8**

Year Ended December 31, 2009 Compared with Year Ended December 31, 2008

Cash provided by operating activities. Cash provided by operating activities increased by €313.2 million from €177.1 million in 2008 to €490.3 million in 2009. The increase in cash provided by operating activities in 2009 was primarily due to the following:

- Our net profit for the year was €42.3 million higher in 2009 than in 2008.
- The positive cash effect from a decrease in inventories in 2009 amounted to €124.2 million compared to a negative cash effect from an increase in inventories in 2008 amounting to €17.5 million. This development was mainly due to lower average purchase prices in 2009. However, due to improved inventory management we also increased our inventory turnover rate.
- The positive cash effect from changes in current receivables was €149.3 million higher in 2009. The positive cash effect from a decrease in current receivables in 2009 amounted to €152.5 million compared to €3.2 million in 2008. The change reflects the falling sales revenue in 2009 as a result of lower prices and volumes. However, it is also due to systematic receivables management and the resultant shorter debtor days.

- The negative cash effect of changes in current liabilities were €22.6 million lower in 2009. The negative cash effect from a decrease in current liabilities in 2009 amounted to €31.0 million compared to €53.6 million in 2008. This development is mainly due to purchase prices falling significantly while creditor days remained largely unchanged.
- Interest result was €53.4 million lower in 2009 than in 2008, mainly attributable to generally lower interest rates for our floating rate facilities. This effect was somewhat offset by increases in expenditures relating to higher non-cash interest on the shareholder loan.
- Interest payments (net) were €19.0 million lower in 2009 than in 2008, mainly attributable to generally lower interest rates for our floating rate facilities.
- Income tax payments were €16.5 million higher in 2009 than in 2008. This increase was mainly driven by the positive development of our Group, which generated higher profits in 2009 compared with 2008
- Tax expense was €6.1 million higher in 2009 than in 2008, mostly due to the positive financial performance of our Group, which resulted in higher taxable income and increasing current tax expenses.
- The cash effect of other non-cash expenses and income was €2.4 million lower in 2009 than in 2008. The decrease in the cash effect of other non-cash expenses and income was mostly due to foreign exchange translation effects (€3.7 million foreign exchange loss in 2009 versus €13.1 million in 2008), a decrease in the impairments of inventories from €10.9 million in 2008 to €5.0 million in 2009 and a decreased result at equity being €8.8 million loss in 2009 (including the €12.7 million loss from the sale of Staub & Co. Chemiehandelsgesellschaft mbH) vs. a €4.1 million gain in 2008.

Our working capital was lower in 2009, which had a positive effect on our cash flows. We expect the amount of our working capital to increase moderately in the future. Average working capital amounted to €691.9 million in 2009, €833.1 million in 2008 and €774.4 million in 2007.

Cash used for investing activities. Cash used for investing activities decreased substantially by €97.1 million from €173.2 million in 2008 to €76.1 million in 2009. The primary movements in our cash used for investing activities in 2009 compared with 2008 were the following:

- Purchases of consolidated subsidiaries and other business units were €84.3 million lower in 2009 than in 2008, because we undertook fewer acquisitions in 2009 compared to 2008.
- Purchases of intangible assets as well as property, plant and equipment were €11.8 million lower in 2009 than in 2008. Against the background of the unfavorable macroeconomic environment, we benefited from the flexibility of our capital expenditure and reduced the spending to further improve our liquidity.
- Proceeds from the sale of investments accounted for at equity were €7.4 million (including the proceeds of €7.3 million from the sale of Staub & Co. Chemiehandelsgesellschaft mbH) higher in 2009 than in 2008 when no such disposals occurred.
- Proceeds from the sale of consolidated subsidiaries and other business units were €3.8 million lower in 2009 when no such disposals occurred.

Cash used for financing activities. Cash used for financing activities increased by €61.7 million from €51.3 million in 2008 to €113.0 million in 2009. The primary movements in our cash used for financing activities in 2009 compared with 2008 were the following:

- Proceeds from capital increase were €40.0 million higher in 2009 as a result of a capital increase by our Selling Shareholder in 2009. In 2008, no such capital increase occurred.
- Dividends paid to minority shareholders were €1.4 million lower in 2009 than in 2008.
- Net repayments of borrowings were €103.1 million higher in 2009 (€148.5 million) than in 2008 (€45.4 million), mostly attributable to mandatory repayments under our syndicated loan agreements and a repayment under our securitization program.
- Net financial debt as of December 31, 2009 was €2,535.9 million, compared with €2,955.2 million at December 31, 2008. Net financial debt is defined as total financial liabilities (as shown in Note 23 to our consolidated financial statements for the year ended December 31, 2009) less cash and cash equivalents. We are presenting net financial debt on the basis that some investors may find it helpful as a measure of our performance. Our management considers net financial debt, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance. This figure is not recognized as a measure under IFRS and should not be considered a substitute for balance sheet

or cash flow data, as determined in accordance with IFRS, or as a measure of profitability or liquidity. It does not necessarily indicate whether cash flow will be sufficient or available for our cash requirements, nor is it necessarily indicative of our historical or future operating results. Because not all companies define this measure in the same way, our presentation of it is not necessarily comparable to similarly-titled measures used by other companies. Total financial liabilities were €3,138.5 million (thereof shareholder loan €702.3 million) as of December 31, 2009, compared with €3,253.9 million (thereof shareholder loan €637.5 million) as of December 31, 2008. Short-term financial liabilities (defined as financial liabilities with a time to maturity of less than one year) were €61.5 million as of December 31, 2009, compared with €119.0 million as of December 31, 2008. Long-term financial liabilities (defined as financial liabilities with maturities of one year or more) as of December 31, 2009 were €3,077.0 million (thereof shareholder loan €702.3 million), compared with €3,134.9 million (thereof shareholder loan €637.5 million) as of December 31, 2008.

Cash and cash equivalents. Cash and cash equivalents amounted to €602.6 million, a historical high, as of December 31, 2009 compared with €298.7 million as of December 31, 2008. Our cash and cash equivalents are subject to fluctuations throughout the financial year. Change in cash and cash equivalents due to currency gains/ losses accounted for €2.7 million of the increase in cash and cash equivalents from December 31, 2008 to December 31, 2009.

Year Ended December 31, 2008 Compared with Year Ended December 31, 2007

Cash provided by operating activities. Cash provided by operating activities increased by €60.6 million from €116.5 million in 2007 to €177.1 million in 2008. The primary movements in our cash provided by operating activities in 2008 compared with 2007 were the following:

- Our net loss for the year was €21.4 million lower at €41.8 million in 2008 than in 2007, when our net loss was €63.2 million.

- Tax expense/income was €46.8 million higher in 2008 (when we had tax expenses of €40.5 million) than in 2007 (when we had tax income of €6.3 million), mostly due to the positive financial performance of our Group, which resulted in higher taxable income, and increasing current tax expenses. Moreover, deferred tax income decreased due to tax losses in certain Brenntag companies, for which less deferred tax income was able to be recorded. Together this led to the increase of the total income taxes.

- Income tax payments increased by €16.3 million from €51.6 million in 2007 to €67.9 million in 2008. This increase was mainly driven by the positive development of our Group, which generated higher profits in 2008 compared with 2007.

- Interest result was €4.6 million lower in 2008 than in 2007, mostly due to the amendment of our bank loan facilities executed in July 2007 which led to a significant reduction in the interest rates on our loan agreements. This effect was somewhat offset by increases in expenditures relating to acquisitions and by higher non-cash interest on the shareholder loan.

- Interest payments (net) were €15.3 million lower in 2008 than in 2007, mostly due to the amendment of our bank loan facilities in July 2007 which reduced our interest payments.

- The negative cash effect of changes in inventories was €36.3 million higher in 2008 than in 2007, primarily due to higher purchase prices. In addition, our inventory turnover rate decreased slightly.

- The cash effect of changes in current receivables was €81.1 million higher in 2008 than in 2007 primarily due to the impact of higher sales prices. In addition, the average number of days outstanding of our receivables increased slightly.

- The cash effect of changes in current liabilities was €145.5 million lower in 2008 than in 2007, mostly due to the impact of higher purchase prices on the trade payables. The number of creditor days remained approximately the same from year to year.

- Other non-cash expenses and income were €33.8 million higher in 2008 than in 2007. The increase in other non-cash expenses and income was mostly due to foreign exchange translation effects (€13.1 million foreign exchange loss in 2008 versus €8.3 million foreign exchange gain in 2007) and an increase in the impairments of trade receivables and inventories from €10.1 million in 2007 to €21.1 million in 2008.

Cash used for investing activities. Cash used for investing activities decreased by €11.8 million from €185.0 million in 2007 to €173.2 million in 2008. The primary movements in our cash used for investing activities in 2008 compared with 2007 were the following:

- Purchases of other financial assets were €4.3 million less in 2008 than in 2007.
- Purchases of intangible assets as well as property, plant and equipment were €11.7 million less in 2008 than in 2007. 2008 featured fewer large expansion and modernization projects than 2007.

Cash used for financing activities. Cash used for financing activities decreased by €56.7 million from €108.0 million to €51.3 million in 2008. Cash used for financing activities was higher in 2007 due to the repayment during that year of a note we entered into in 2006 to pay for an acquisition in the United Kingdom. Apart from this difference, cash used for financing activities remained relatively stable from 2007 to 2008.

- Net financial debt as of December 31, 2008 was €2,955.2 million, compared with €2,855.7 million as of December 31, 2007. Net financial debt is defined as total financial liabilities (as shown in Note 23 to our consolidated financial statements for the year ended December 31, 2008) less cash and cash equivalents. Total financial liabilities were €3,253.9 million (thereof shareholder loan €637.5 million) as of December 31, 2008, compared with €3,199.5 million (thereof shareholder loan €578.2 million) as of December 31, 2007. Short-term financial liabilities (defined as financial liabilities with a time to maturity of less than one year) were €119.0 million as of December 31, 2008, compared with €138.1 million as of December 31, 2007. Long-term financial liabilities (defined as financial liabilities with maturities of one year or more) as of December 31, 2008 were €3,134.9 million (thereof shareholder loan €637.5 million), compared with €3,061.4 million as of December 31, 2007 (thereof shareholder loan €578.2 million).

Recent Acquisitions

For the year ended December 31, 2009, the purchase price for acquisitions, less purchase price liabilities and cash and cash equivalents acquired totaled €11.5 million. This figure includes both acquisitions of legal entities and acquisitions of assets where the legal entity was not acquired. Our acquisitions during 2009 included the acquisition of Austro Corp., a food-related chemicals distributor in Mexico, through which we increased our market share in Mexico, particularly in food-related and specialty chemical distribution. Through this acquisition we also gained access to an experienced food specialties team and were able to realize certain synergies, for example by consolidating Austro Corp.'s warehousing operations in our recently modernized Queretaro warehouse. During the first half of 2009, we scaled back the intensity of our acquisition process in light of the uncertain economic outlook.

For the year ended December 31, 2008, the purchase price for acquisitions, less purchase price liabilities and cash and cash equivalents acquired totaled €102.1 million. This figure includes both acquisitions of legal entities and acquisitions of assets where the legal entity was not acquired. In 2008, our largest acquisition by enterprise value was our purchase of the distribution business of Rhodia in Australia, India, Thailand, Indonesia, Malaysia, Singapore, Vietnam, Taiwan and the Philippines. Other significant acquisitions in 2008 included several companies of the Dipol Chemical Group (with operations in Latvia, Ukraine, Russia and the United States); C.N. Schmidt in the Netherlands; certain distribution rights of Yara International (in Sweden and Belgium); and certain assets of Inquimex in Argentina.

For the year ended December 31, 2007, the purchase price for acquisitions, less purchase price liabilities and cash and cash equivalents acquired totaled €91.7 million. This figure includes both acquisitions of legal entities and acquisitions of assets where the legal entity was not acquired. In addition, we acquired other business units with a value of €4.6 million by way of asset purchases in 2007. Major acquisitions during 2007 included Ulrich Chemicals in the Great Lakes region of the United States (industrial chemicals); St. Lawrence Chemical in Canada (specialty chemicals); Abaci Kimya in Turkey (specialty chemicals); and Natural World in Italy (specialty chemicals).

For more information on our recent acquisitions and our strategy, see "*Business—Acquisitions*" and "*Business—Strategy*". For selected additional information regarding our historical acquisitions, see "*Business—History*".

Investments

Key investment projects from 2007 through 2009 include the following:

- Modernization of facility in Kedzierzyn-Kozle, Poland. To meet the growing demand in the Polish market, we extended our largest site in the region and modernized it to enable us to institute best environmental and industrial practices, underscoring our pioneering role on these issues in Eastern Europe.

- Acquisition and renovation of warehouse in Queretaro, Mexico. We reinforced our strong position in this growth region by acquiring and modernizing a warehouse in Queretaro to replace our previous regional warehouse near Mexico City.

- New warehouses in Cleburne, Texas, United States. The Barnett Shale formation in the north of Texas is one of the largest natural gas deposits in the United States. Our subsidiary Coastal built a new warehouse with state-of-the-art technical equipment in Cleburne, Texas, to ensure the reliable, local supply of its customers in the gas industry.

- Construction of new facility in Rotterdam, the Netherlands. We constructed a new site in the port of Rotterdam that is now one of our largest facilities in Europe for the storage of liquid standard chemicals.

- Extension of warehouse in Deerlijk, Belgium. In order to strengthen our market position in the higher-value products market segment, we opened a new state-of-the-art warehouse that handles, among other things, products for our customers in the food industry.

- Extension of warehouse in Hamburg, Germany. We completed another phase in our long-term project to extend and modernize our primary facility in Hamburg, making it a central warehouse for the German market, including improvements specifically designed to enable storage of products for the food and pharmaceutical industries.

- Construction of new facility in Amiens, France. We determined that it was necessary to expand our storage capacity in order to grow our specialty chemicals business in France. For this purpose, a newly built warehouse in Amiens, France, will replace the current one in Sartrouville, France.

Capital Expenditures

Capital expenditures were €71.8 million for the year ended December 31, 2009, €84.3 million for the year ended December 31, 2008, and €107.8 million for the year ended December 31, 2007.

	Property, plant and equipment			**Intangible assets**		
	For the years ended December 31,			**For the years ended December 31,**		
	2009	**2008**	**2007**	**2009**	**2008**	**2007**
	(unaudited, unless otherwise indicated, € million)					
Purchases of property, plant and equipment/intangible assets[1] (audited)	69.3	80.6	98.3	2.5	3.7	9.5[3]
Of which:						
Europe	47.2	59.9	71.3	1.5	3.5	7.6
North America	15.8	13.3	16.3			0.1
Latin America	5.7	7.4	10.2	0.5	0.1	0.5
Asia Pacific	0.4			0.4		
All other segments[2]	0.2		0.5	0.1	0.1	1.3
Depreciation/amortization on property, plant and equipment and intangible assets[4] (audited)	82.3	83.3	87.0	123.6	119.4	118.7
Of which:						
Europe	56.8	59.8	62.9	71.2	70.9	69.0
North America	19.6	18.9	19.7	42.6	40.8	42.7
Latin America	5.1	3.8	3.5	6.7	5.9	5.7
Asia Pacific	0.2	0.1		1.7	0.4	
All other segments[2]	0.6	0.7	0.9	1.4	1.4	1.3

(1) Additions excluding those due to changes in the scope of consolidation in accordance with the development of property, plant and equipment (see Note 19 of our consolidated financial statements as of December 31, 2009).

(2) Comprises Rest of the World and Others/Holding/Consolidation.

(3) 2007 includes additions due to changes in the scope of consolidation/business combinations in accordance with IFRS 3; since 2008, such changes are reported separately in consolidated financial statements and thus are not included for 2008 or 2009 in this table.

(4) Including amortization of customer relationships and similar rights, amounting to €114.4 million in 2009, €109.8 million in 2008 and €109.1 million in 2007. Thereof €102.4 million in 2009, €103.7 million in 2008 and €107.2 million in 2007 relate to customer relationships and similar rights capitalized in the course of the purchase price allocation made in September 2006, when Brenntag Group was indirectly acquired by Funds Advised by BC Partners, Funds Advised by GSMP and (as part of a disposition and partial repurchase) Funds Advised by

Bain Capital, of which the remaining book value as of December 31, 2009 was €76.4 million and which will be fully amortized by September 2010.

We expect capital expenditures to return to historic levels after 2010.

We currently have no material committed capital expenditures for the next 12 months and no material ongoing capital expenditures.

Financial Liabilities

The following tables show our financial liabilities for each of the years ended December 31, 2009, December 31, 2008 and December 31, 2007, broken down by type of financial instrument and time until due. For more information on our material financing arrangements, see "*Business—Material Contracts—Senior Facilities*", "*Business—Material Contracts—Second Lien Credit Facilities*", and "*Business—Material Contracts—Mezzanine Credit Facilities*".

	As of December 31, 2009			
	Less than 1 year	1 to 5 years	More than 5 years	December 31, 2009
	(audited, € million)			
Liabilities under syndicated loan	30.7	1,216.7	913.0	2,160.4
Other liabilities to banks	16.7	171.8	10.3	198.8
Liabilities under finance leases	3.4	10.3	6.4	20.1
Financial liabilities to related parties	—	—	702.2	702.2
Derivative financial instruments	5.6	34.3	—	39.9
Other financial liabilities	5.1	10.6	1.4	17.1
Total	**61.5**	**1,443.7**	**1,633.3**	**3,138.5**

	As of December 31, 2008			
	Less than 1 year	1 to 5 years	More than 5 years	December 31, 2008
	(audited, € million)			
Liabilities under syndicated loan	73.7	98.8	2,122.9	2,295.4
Other liabilities to banks	29.7	206.5	12.4	248.6
Liabilities under finance leases	3.9	11.4	6.6	21.9
Financial liabilities to related parties	—	—	637.5	637.5
Derivative financial instruments	1.9	22.8	—	24.7
Other financial liabilities	9.8	16.0	—	25.8
Total	**119.0**	**355.5**	**2,779.4**	**3,253.9**

	As of December 31, 2007			
	Less than 1 year	1 to 5 years	More than 5 years	December 31, 2007
	(audited, € million)			
Liabilities to banks[(1)]	117.7	301.0	2,134.6	2,553.3
Liabilities under finance leases	4.7	9.6	12.3	26.6
Financial liabilities to related parties	—	—	578.2	578.2
Derivative financial instruments	6.3	5.2	—	11.5
Other financial liabilities	9.4	17.8	2.7	29.9
Total	**138.1**	**333.6**	**2,727.8**	**3,199.5**

(1) For the year ended December 31, 2008 and subsequent years, the Company has presented this line item as two separate line items in its consolidated financial statements: Liabilities under syndicated loan and Other liabilities to banks.

Investors can find additional information about the financial liabilities listed in the tables above in Notes 23 to our consolidated financial statements for the year ended December 31, 2009.

The ratio of shareholders' equity (shares of Brenntag shareholders, without equity attributable to minority interest) to net financial debt (financial liabilities less cash and cash equivalents) was 6.5% as of December 31, 2009, compared with 4.0% as of December 31, 2008 and 6.5% as of December 31, 2007.

By way of a shareholder resolution expected to be passed by the extraordinary general shareholders' meeting expected to be held on March 19, 2010, the Company's share capital will be further increased from €41,000,000 up to €51,500,000 against contribution in cash. Assuming that all 10,500,000 newly issued shares under this capital increase will be placed at the midpoint of the price range of €51.00, the Company's equity, assuming total costs to be paid by the Company of €20.0 million[1)], will increase by €515.5 million[2)]. Adjusted by the effects of this capital increase, the contribution to equity (*Leistung in die Kapitalrücklage*) of the shareholder loan and the adjustment for refinancing, the ratio of shareholders' equity to net financial debt (as defined in the above paragraph) per December 31, 2009 amounted to 101.5%. See "*Capitalization*".

1) Of the fees in connection with obtaining the necessary waivers under the Company's debt facilities that are payable to Deutsche Bank and Goldman Sachs upon the closing of the offering, €1.25 million are allocated to fees payable by the Company to the Underwriters. This amount has been deducted from the figure presented.

2) Without this allocation (see footnote 1), the net proceeds would be €1.25 million lower.

Other Financial Obligations and Contingent Liabilities

The other financial obligations of the Company as of December 31, 2009 are €130.1 million (€136.9 million in 2008), consisting of €1.5 million (€3.0 million in 2008) relating to purchase commitments for property, plant and equipment, €128.4 million (€133.7 million in 2008) relating to future minimum lease payments for land and buildings as well as other equipment, fixtures, furniture and office equipment, and obligations under consultancy agreements of €0.2 million (€0.2 million in 2008).

As part of the change in ownership, Brenntag conducted an extensive due diligence together with independent environmental experts. In recent years, the environmental risks including historical data which allow conclusions to be drawn about possible contamination were examined, evaluated at each of our locations and collated in an environmental database.

This environmental database serves as a basis for determining environmental provisions and is an instrument for organizing necessary environmental remediation work to ensure that its sustainability is guaranteed. In September 2006, when Brenntag Group was indirectly acquired by Funds Advised by BC Partners, Funds Advised by GSMP and (as part of a disposition and partial repurchase) Funds Advised by Bain Capital, we recognized certain contingent liabilities relating to environmental provisions existing at the date of acquisition. For additional detail on these matters, see Note 25 of our consolidated financial statements for the year ended December 31, 2009.

Quantitative and Qualitative Disclosure of Market Risk

Market Risks

Economic downturns, including the current global financial and economic crisis, may have a negative impact on our sales and gross profit in our main sales markets in Europe, North America and Latin America. We believe that the high geographic, product, supplier and customer diversification of our business and the fact that we mainly operate in stable market economies considerably reduce these risks. We also believe that these risks are further diversified since our customers come from many different industries, as well as from the public sector.

In all our main sales markets, we face intense competition. Therefore, we are continually working to improve the quality and price of our products and services. Furthermore, we see our size in relation to many smaller competitors as a decisive advantage. With some of our products or product groups, we are heavily dependent on certain suppliers. For this reason, we emphasize long-term relationships with our strategic suppliers. In addition, our relationships with certain specialty chemicals suppliers are also characterized by exclusivity.

As part of antitrust investigations in some parts of the chemicals distribution industry initiated in some European countries at the end of 2006, branches of some chemical distributors, including our Group, were searched in 2007. We do not currently expect any major impact on our Group as a result of these proceedings. For more information see "*Risk Factors—Legal Risks—We could incur substantial legal fees and potential sanctions in connection with antitrust matters*".

Inflation

The effects of inflation during the periods covered by our consolidated financial statements have not been significant to our results of operations. However, in the future we may experience increased operating costs (including labor and supply costs) due to inflation, which could materially adversely affect our results of operations.

Currency Risks

Due to the fact that we operate in countries with different currencies, changes in exchange rates may have positive or negative effects on the results of the Group. Currency risks arise particularly when a Group company's monetary items or contracts for future transactions are denominated in a currency other than the local currency of that company.

Any foreign currency net exposure arising from monetary items and contracted transactions is generally hedged, taking into account the claims and obligations in the same currency and with the same maturity. Forward exchange contracts and swaps are used as hedging instruments. The derivative financial instruments that we use in relation to foreign currency risks have maturities of less than one year and are not included in our hedge accounting.

For an analysis of the sensitivity of the Company's results to fluctuations in the euro, see "*Financial Information—Audited consolidated financial statements (prepared in accordance with IFRS) of Brenntag Management GmbH as of and for the fiscal year ended December 31, 2009—Reporting of Financial Instruments—Nature and extent of risks arising from financial instruments—Currency risks*".

Interest Rate Risks

Interest rate risks can occur due to changes in market interest rates. These risks result from changes in the fair values of fixed-interest financial instruments or in changes in the cash flows of variable interest-rate financial instruments. We attempt to determine the optimal structure of variable and fixed interest rates as part of our interest rate risk management. It is not possible to simultaneously minimize both kinds of interest rate risk.

Through our variable-interest-rate syndicated loan, we are exposed to an interest rate risk in the form of a cash flow risk. Interest rate swaps and interest caps have been concluded to limit that risk to the degree stipulated by our management. With respect to our interest rate swaps, a fixed interest rate is paid every six months and we receive a variable interest rate in return. With respect to our interest caps, any compensation payment is determined every six months.

For an analysis of the sensitivity of the Company's results to interest rate fluctuations, see "*Financial Information—Audited consolidated financial statements (prepared in accordance with IFRS) of Brenntag Management GmbH as of and for the fiscal year ended December 31, 2009—Reporting of Financial Instruments—Nature and extent of risks arising from financial instruments—Interest rate risks*".

Credit Risks

There is a credit risk with non-derivative financial instruments when contractually agreed payments are not made by the relevant contractual parties. As our Group has diverse business operations in many different countries with a broad customer base in each, significant concentrations of credit risk from trade receivables and loans are not to be expected. The maximum credit risk of our non-derivative financial instruments corresponds to their carrying amounts. We conduct detailed analyses of credit risks relating to individual customers on a local basis and assign appropriate credit limits accordingly.

With respect to the derivative financial instruments we use, the maximum credit risk is the sum total of all positive fair values of these instruments as, in the event of non-performance by the contractual parties, losses on assets would be restricted to this amount. As derivative financial instruments have only been concluded with banks that we believe have excellent credit standing, significant credit risks are not to be expected. Those interest rate swaps and interest caps that are significant due to their volumes and their terms are only concluded with banks which are also lenders to our Group.

Liquidity Risk

Liquidity risk is the risk that in the future we might not be able to meet our contractual payment obligations. Due to the fact that our business is not subject to any pronounced seasonal fluctuations, there is relatively little fluctuation in liquidity during the financial year.

To ensure that we can pay at all times, we maintain both liquidity reserves in the form of cash and cash equivalents and credit lines under the syndicated loan that can be utilized as needed. In order to identify liquidity risks, we have a multi-year liquidity plan, which we regularly review and adjust if necessary.

Since our Group's operations are subject to currency risks, we actively hedge against these risks using derivative financial instruments designed for this purpose. The nominal volume and fair values of derivative financial instruments are shown in the table below:

	As of December 31, 2008			As of December 31, 2009		
	Nominal volume	Positive fair value	Negative fair value	Nominal volume	Positive fair value	Negative fair value
	(audited, in € million)					
Foreign exchange forward transactions and foreign exchange swaps	175.5	17.6	1.2	222.1	0.6	5.2
Interest rate swaps in hedge accounting	860.0	1.1	23.5	882.7	—	34.3
Interest rate swaps excluding hedge accounting	66.0	0.7	—	—	—	—
Interest caps in hedge accounting	385.0	2.3	—	185.0	—	—
Interest caps excluding hedge accounting	71.9	—	—	100.0	—	—
Basis swaps in hedge accounting	—	—	—	131.9	—	0.2
Basis swaps excluding hedge accounting	—	—	—	138.8	—	0.2
Total		**21.7**	**24.7**		**0.6**	**39.9**

Critical Accounting Policies

Our reported financial condition and results of operations are sensitive to accounting methods, assumptions and estimates that are the basis for our consolidated financial statements. Our critical accounting policies, the judgments we make in the creation and application of these policies, and the sensitivities of reported results to changes in accounting policies, assumptions and estimates are factors to be considered along with our consolidated financial statements. See Note "*Financial Information—Accounting and Measurement Policies—Assumptions and Estimates*" to our consolidated financial statements.

Recoverability of Goodwill and Intangible Assets

Intangible assets, including goodwill and trade names, represent a significant part of the total assets of our Group. At December 31, 2009, December 31, 2008 and December 31, 2007, the carrying amount of goodwill and non-regularly amortizable intangible assets with indefinite useful lives was €1,650.3 million, €1,647.3 million and €1,612.1 million, respectively. This represented 35.5%, 34.4% and 33.1%, respectively, of our total assets.

Assets that have an indefinite useful life, which are not subject to scheduled amortization, are tested for impairment at least annually. Impairment exists when the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the value in use. The fair value is the best-possible estimate of the amount for which the asset would be acquired by a third-party in an arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from an asset. If the carrying amount is higher than the recoverable amount, the asset is immediately written down to this amount.

If the recoverable amount of an individual asset cannot be reliably established, the recoverable amount of the cash-generating unit ("**CGU**") to which the asset belongs is established and compared with the carrying amount of the CGU. Goodwill is tested for impairment regularly, at least annually, after completion of the annual budget process by comparing the carrying amount of the relevant group of CGUs with their recoverable amount. In addition, goodwill is tested for impairment at Group level as certain assets and cash flows can only be attributed to the Group as a whole. For the goodwill impairment test, the segments of the segment reporting were identified as the relevant groups of CGUs.

The fair value less costs to sell is taken as the recoverable amount. This amount is determined on the basis of a recognized company valuation model. The company valuation model is based on cash flow plans which are in turn based on the three-year plan approved by the management and applicable at the date of the performance of the impairment test. The planned cash flows are based on the management's past experience and expectations about the future market developments. They are discounted at the weighted average cost of capital ("**WACC**"). WACC is the average cost of debt and equity funding weighted by the proportion of the capital structure that the fair values of those two components constitute. If the carrying amount of a segment exceeds the recoverable amount, an impairment loss is recognized for the difference. In this case, the goodwill of the relevant segment is first written down. Any remaining impairment is allocated to the assets of the segment in proportion to the net carrying amounts of the assets on the balance-sheet date. The carrying amount of an individual asset must not be less than the highest of fair value less costs to sell, value in use (both in as far as they can be established) and nil.

The "Brenntag" trademark is an asset which has an indefinite useful life and has to be subjected to an annual impairment test. As the "Brenntag" trademark does not generate any cash flows on its own which are independent

from other assets or groups of assets, and its carrying amount cannot logically or consistently be allocated to individual CGUs, it is allocated to our Group as a whole.

Legal Contingencies

Our Group is involved in several legal matters arising in the ordinary course of our business. The outcome of these matters may have a material effect on our financial position, results of operations or cash flows. We regularly analyze current information about such claims for probable losses and provide accruals for such matters, including estimated expenses for legal services, as appropriate. We utilize our internal legal department as well as external resources for these assessments. In making the decision regarding the need for a loss accrual, we consider the degree of probability of an unfavorable outcome and our ability to make a reasonable estimate of the amount of loss. The filing of a suit or formal assertion of a claim, or the disclosure of any such suit or assertion, does not necessarily indicate that an accrual of loss is appropriate.

Collectability of Accounts Receivable

Trade accounts receivable are a significant asset of ours and the amount of impairment is a significant estimate made by management. Trade accounts receivable were €831.4 million in 2009, €979.1 million in 2008 and €976.0 million in 2007, in each case net of impairments. Investors can find more information about the accounts receivable program in Note 14 to our consolidated financial statements. Due to the geographic diversity of our operations and the fact that we are not dependent on any single customer or customer industry, we do not expect any significant concentration of credit risks in our trade receivables. Our broad and diverse customer base and the high volume of transactions in our business decreases the likelihood of significant risk concentrations in our accounts receivable. Our impairment of accounts receivables was €37.0 million as of December 31, 2009, €26.3 million as of December 31, 2008 and €11.9 million as of December 31, 2007.

Sales are invoiced at amounts estimated to be received in the future. Estimates for the impairments of our accounts receivables are based on our ongoing analysis of accounts receivable outstanding. Individual impairments are determined on an ongoing basis, taking into account late payment history, collection measures initiated and changes in credit rating. We also periodically review the aging of receivables to determine impairments in respect of individual customer accounts. We believe that these analyses result in a well-founded estimate of the impairments of receivables.

Deterioration in the aging of receivables or collection difficulties could require that we increase our estimates of the impairments of doubtful accounts. Additional expenses for uncollectible receivables could have a significant negative impact on our future operating results.

Income Taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred Tax Assets

Deferred tax assets are recognized by management based on their assumptions concerning the availability of future taxable income against which such assets may be relieved.

INDUSTRY

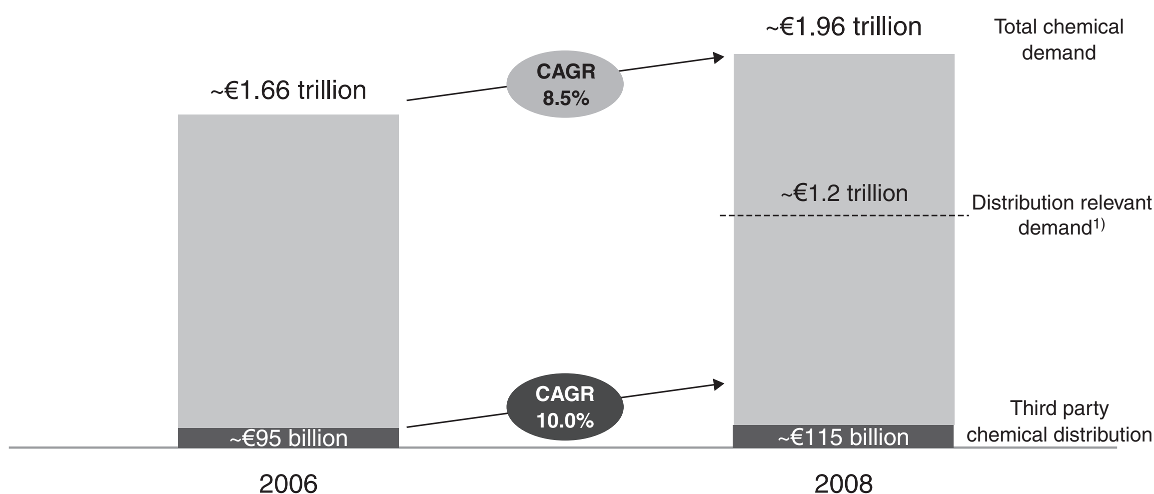
Sources of Information Presented in this Section

There is only limited publicly available information regarding the chemical distribution industry. Generally, the market and industry information presented below in this section "*Industry*" is taken or derived from the BCG Market Report, January 2010. Certain statements below are based on the Company's own proprietary information, insights, opinions or estimates, and not on any third-party or independent source; these statements contain words such as "we believe", "we estimate", "in our view", and as such do not purport to cite to or summarize any third-party or independent source and should not be so read.

The Global Market for Chemical Distribution

In 2008, global consumption of chemical products exceeded €1.9 trillion. There are over 100,000 chemical producers, and the market for chemical production shows considerable fragmentation. Third-party chemical distributors (including Brenntag) distribute chemical products from the companies that produce them to the customers that use them. The market is highly fragmented with more than 10,000 third-party distributors worldwide, covering approximately 9% of distribution-relevant global chemical consumption, representing €115 billion in global sales (2008 data). Most third-party chemical distributors operate locally or regionally, and many of them specialize in particular products. Products distributed range from inorganic chemicals to solvents, to polymers, and to application-driven and customized speciality chemicals, such as for the cosmetics or food industry.

The following chart depicts the approximate relative sizes of global chemical demand, global distribution-relevant chemical demand and the share of global chemical demand served by third-party chemical distributors.



BCG Market Report, January 2010
1) Excluding non-distribution relevant products like ethylene

The five largest chemical distribution companies worldwide, led by Brenntag, Univar and Ashland, accounted for less than 19% of the global market in 2008, while the top ten combined accounted for approximately 23%.

Europe was the largest regional market for third-party chemical distribution in 2008, followed by Asia Pacific and North America. The third-party chemical distribution market shows significant regional differences. In mature markets such as North America and Europe, the top five third-party chemical distributors had significantly higher market shares in 2008 than in emerging regions such as Latin America or Asia Pacific.

In the Asia Pacific region, which consumes more chemicals than any other region, third-party distributors accounted for only 6% of chemical consumption relevant for distribution in 2008, compared to third-party distributors' share of 9% of chemical consumption relevant for distribution worldwide. The top five third-party chemical distributors in the Asia Pacific region accounted for 9.7% of the market in 2008, a ratio significantly lower than in the other regions of the world. Asia Pacific is a heterogeneous market with very different levels of maturity.

The degree of customer fragmentation differs across industries, but it has been estimated that between 20% and 40% of all chemical products are consumed by small customers (defined as those consuming less than €100,000 of chemicals each year) which are the primary target of third-party distributors. There are also significant national differences, with variations, by country, in the composition of the customer industry and the mix of small-, medium-

and large customers. For example, Germany's consumption of €98 billion of chemicals in 2008 was spread across 170,000 companies, including 35,000 small customers (20%). Industrializing countries such as China or Brazil have a larger proportion of small customers (more than 75% in 2008).

Chemical Distribution Characteristics

Role of the Third-Party Chemical Distributor

Although third-party chemical distributors differ significantly in their product and service offerings, as well as with respect to customer and industry orientation, full-line distributors generally tend to operate with a diversified supplier and product portfolio and serve diversified customers in a variety of industries.

Key elements in a chemical distributor value chain include: sourcing from multiple producers to ensure a broad and complementary product offering; taking physical ownership of products, warehousing, optionally providing mixing and blending services, and downsizing and repackaging according to customers' needs; and then selling and physically transporting goods to customers. Chemical distribution needs to be distinguished from pure logistics companies that typically do not take ownership of products, and from trading companies that typically do not repackage and assemble product portfolios according to customers' needs.

Benefits of Independent Distribution

The Company believes that high product diversity and a fragmented chemical-producer and customer-industry landscape, characterized by numerous small companies, create a need for middlemen in chemical distribution who can match supply and demand. The distributors can add significant value by managing complexity for producers and customers, physically handling the chemical products in a safe manner, and providing support.

Often, chemical producers lack the critical scale or the density in their distribution networks and processes needed to handle low-quantity, high-diversity product portfolios. Distributors can help producers perform these functions more efficiently by sourcing from multiple producers in situations in which the individual producers would have too little of their own products at stake to justify undertaking the distribution of those products themselves. The bundling of products from multiple producers enables scope and scale effects that allow distributors to operate distribution networks more efficiently.

While smaller downstream users of chemicals lack the critical scale needed to bargain low prices with chemical producers, third-party distributors can create critical mass by aggregating demand from individual customers and so offer product portfolios sourced from numerous suppliers. Route density, enabling speedy and flexible deliveries, follows a similar logic. Sourcing from multiple producers can allow chemical distributors to create the critical mass needed to profitably operate warehouses, mix and blend assets, and so forth. This allows them to differentiate their services by offering single sourcing, speed, and flexibility of delivery (sometimes in the form of same-day delivery or customized volumes) that are not available through direct distribution by chemical producers.

Benefits and Barriers Created by Scale and Scope

Larger chemical distributors are generally able to better benefit from scale and scope, due to the size of their operations and their geographical reach. Increased scale facilitates the creation of a global network and the ability to provide a broader product offering. In addition, larger distributors tend to also benefit from spreading corporate overheads such as: technical knowledge and skilled people, regulatory compliance and health and safety and IT systems over a larger network, customer and supplier base. Chemical distributors operate with assets which are characterized by a high degree of flexibility and often suitable for multiple uses. Fixed assets such as warehouses, trucks and other assets can be adapted relatively quickly and at relatively low cost to a wide variety of new uses in response to changing market dynamics. In our view, scale distributors are better positioned to take advantage of this flexibility than smaller companies.

We believe that these scale and scope benefits are appealing to both suppliers and customers. Dealing with a smaller number of distributors allows chemical producers to supply the broad range of customers and geographies in a more cost-efficient manner. Producers therefore may tend to provide larger-scale distributors with better access to products, including to new chemical products, and periodic volume discounts designed to move excess inventories. We also believe that customers can derive significant benefits from working with a distributor that offers a broad product line and sources its products through a wider range of suppliers (one-stop shop).

We believe that the chemical distribution industry presents significant barriers to new entrants seeking to achieve critical scale. These barriers include: the challenge of establishing a distribution platform with a full-line

product offering; institutional product know-how and market intelligence; ability to attract skilled people; regulatory compliance, including increasing environmental and safety standards; the need to obtain a wide range of permits and licenses; relatively high levels of investment in capital, resources and time to replicate necessary critical infrastructure; and the decreasing number of suppliers (due to consolidations within the supplier base) available to build relationships with to form a global organization.

Market and Industry Trends

Growth in the worldwide third-party chemical distribution market from €95.0 billion in 2006 to €114.7 billion in 2008 represents a 10% compound annual growth rate, which is faster than the compound annual growth rates observed in industrial output and chemical consumption over the same period. Overall, it is expected that third-party chemical distribution markets will continue to grow slightly faster than global industrial output and more rapidly than chemical consumption in the mid- to long-term, with regional and possible short-term deviations.

The data in the following table are taken from the BCG Market Report, January 2010. It shows the impact of individual growth drivers on the development of the chemical distribution market from January 2006 through December 2008:

	Change in Industrial Output (%)	Change in Chemical Consumption (%)	Change in Chemical Product Prices (%)	Change in Distribution via Third-Party Distributors (%)	Change in Value-Added Services (%)	Total Compound Annual Growth Rate, 2006-2008 (%)[2]
Europe	1.7	(0.4)	4.1	0.5	0.4	6
North America	(1.1)	(0.3)	8.5	0.5	0.8	8
Asia Pacific	8.1	0.7	6.9	1.0	0.6	17
Latin America	3.2	0.5	6.9	0.5	0.6	12
Global[1]	2.7	0.1	5.7	1.0	0.5	10

(1) Regional growth rates do not add up to the global growth rate because global growth rates reflect the weighted average of the regions and because Rest of the World is not presented separately in this table.

(2) The numbers in the total compound annual growth rate column have been rounded.

There are several drivers for the growth in the third-party distribution market:

The growth of industrial output and increased use of chemicals contributed significantly to the global compound annual growth rate from January 2006 through December 2008. Because chemicals are consumed in a broad range of industries, chemical distribution addresses the needs of diverse customers. However, the specific industry exposure of individual third-party distributors varies, depending on their chosen strategy. Some focus on specific customer industries, resulting in a higher exposure to the industry's cyclicality; others distribute to highly diversified customer industries, thereby reducing their exposure to the cyclicality of single industries.

Increases in the chemical price index contributed to an even greater extent to growth in third party distribution. While the table shows that third-party chemical distributors can pass along price increases of chemical products, it also suggests that sales are linked, to a certain degree, to the volatility of raw materials and chemical price indexes.

Further growth comes from the increase in market share of third-party distributors due to increased outsourcing and the growth of value-added services. In 2008, there was a 1.0% increase in distribution via third-party distributors. Value-added services such as mixing and blending, formulation and technical assistance form an important growth driver and create additional potential profit pools for third-party distributors. Between January 2006 and December 2008, there was a 0.5% increase in value-added services provided by third-party chemical distributors.

Increased Outsourcing of Distribution to Third Parties

Chemical manufacturers have traditionally distributed their own products, and direct supply continues to account for around 90% of total global distribution (2008 data). Direct supply is likely to continue to predominate in serving large customers, whose purchases account for the bulk of producers' output and provides the necessary baseload for the chemical producer's plants, and create little complexity.

However, many producers have found it difficult to develop an effective sales model for small customers, sales areas and countries, particularly in a period when the need for greater cost efficiency has led to downward pressure (which continues) on the size of chemical producers' sales forces in the field and the level of technical assistance they can offer to customers. Higher contribution margins from these customers and countries have been offset by the

costs of complexity, so that EBIT (earnings before interest and tax) margins are often lower compared to the overall performance. Purchasing volumes from small customers often have been insufficient to generate the required profitability for producers, particularly in situations in which service levels, distribution models, and sales channels were not differentiated, and the same infrastructure and processes were used for both the high-quantity, low-diversity and the low-quantity, high-diversity product portfolios. Rapidly growing markets, such as China and Brazil, have a significantly larger share of small customers, so that differentiated distribution models are needed.

These segments of small and medium-sized customers have increasingly been handed over to third-party distributors. This process has been largely driven by customer size, although the reasons have differed between mature and emerging markets. In mature markets, established European or North American chemical producers typically have been looking for greater cost efficiency by reducing and refocusing their direct sales efforts. In emerging markets, these same chemical producers typically lack the critical scale in sales and purchasing volumes of their products needed to justify direct sales. In each case, however, customer size is the main criterion.

This outsourcing process, providing third-party distributors with an increasing share of distribution solutions, including value-added services, is expected to continue. The reductions in field sales and technical support that are among the drivers of outsourcing and, as a consequence the third-party distributors' share of serving overall chemical consumption, is forecast to grow at rates similar to those observed over the past three years.

Fragmented Market Exhibiting Trend Toward Consolidation

The third-party chemical distribution market is highly fragmented, with the top five companies accounting for only 18.6% and the top ten for approximately 23% of the global third-party chemical distribution market at the end of 2008. The leading distributors have been steadily consolidating the market: the top five companies' market share was 17.6% of the global third-party chemical distribution market in 2006 (Source: *BCG Market Report, January 2010*). Going forward, we believe that the scale benefits for larger operators position leading companies such as Brenntag to continue to drive consolidation of the chemical distribution industry.

Some larger distributors have used mergers and acquisitions to develop cross-regional capabilities, critical mass, scale effects, route density, and capabilities needed to meet producers' and customers' needs, while medium-sized enterprises have formed networks among themselves. Still, there is as yet no distributor with a significant presence in every region.

Nonetheless, mergers and acquisitions also play an important role within the chemical distribution landscape. Firstly, chemical distribution is a scale and route-density-driven business, so we believe there is a clear rationale for acquisitive growth as a value driver. Secondly, chemical producers increasingly expect third-party distributors to have strong local plus global capabilities, along with the critical mass to invest in market development, technical expertise, and information-exchange systems. Thirdly, customers increasingly expect chemical distributors to offer broad product bundles and to set up and operate a global network for sourcing and delivery. Last, but not least, critical mass and a global network form a competitive advantage. Whereas entry barriers for a local distribution business might in certain cases be lower, a global distribution network requires significant resources, time, and management. In addition, distributing to numerous industries creates scale effects that are difficult to duplicate because different, industry-specific regulatory requirements need to be met. The survey results clearly confirm this: 69% of the chemical distributors BCG interviewed see network and cost advantages as most important for their future growth and value generation.

Competition and Market Share

Third-party, full-line chemical distribution is a fragmented market in which only three companies (Brenntag, Univar and Ashland Distribution) have substantial international or global operations out of a total of over 10,000 distributors worldwide. Most of these distributors are local and regional chemical distributors and as such market shares vary by region. There is thus a significant gap in size and geographic reach between the few global market participants and the many smaller regional and local companies active in the third-party distribution market.

We have gained market share in each of Europe, North America and Latin America from 2006 through 2008, while our overall share of the global chemical distribution market remained steady at 6.9%. Over the same period, Univar increased its global market share from 5.1% to 6.0%, primarily as a result of the Chemcentral acquisition, while Ashland Distribution's global market share decreased from 3.1% to 2.8%.

The following table shows the market shares of the top five third-party chemical distributors globally and by region for the periods shown:

The data in the following table are taken from the BCG Market Report, January 2010:

	Global[1]				Europe				North America				Latin America				Asia Pacific			
Market Rank		**2006**	**2007**	**2008**		**2006**	**2007**	**2008**		**2006**	**2007**	**2008**		**2006**	**2007**	**2008**		**2006**	**2007**	**2008**
1	Brenntag	6.9	6.9	6.9	Brenntag	11.1	11.4	12.0	Univar	15.2	18.4	20.4	Brenntag	6.6	6.5	7.1	Sinochem	3.4	3.3	3.0
2	Univar	5.1	5.8	6.0	Univar	4.8	5.4	5.0	Ashland	14.2	13.5	13.0	Bandeirante[5]	2.0	2.0	2.0	Itochu	2.8	2.4	2.0
3	Ashland[2]	3.1	2.9	2.8	Azelis	2.8	3.1	3.1	Brenntag	9.8	9.7	10.0	quantiQ	1.4	1.5	1.5	Miki & Co. Ltd.	2.6	2.3	1.7
4	Ravago	1.5	1.5	1.5	Ravago	3.0	3.0	3.0	ICC[4]	2.8	3.7	3.0	M. Cassab	1.0	1.1	1.0	NCLI	1.9	1.4	1.6
5	Helm[3]	1.0	1.4	1.4	Helm[3]	2.0	2.3	2.5	Ravago	2.0	2.0	2.0	Pochteca	0.9	0.8	0.9	Orica	1.9	1.7	1.4
Market Share of Top 5 (%)		17.6	18.5	18.6		23.7	25.2	25.6		44.0	47.3	48.4		11.9	11.9	12.5		12.6	11.1	9.7
Market Size (€ billion)		95.0	102.7	114.7		32.8	35.4	36.9		20.9	21.8	24.5		9.5	10.4	11.8		23.2	27.0	31.5

(1) Global includes the four regions shown, as well as the rest of the world.

(2) Refers to Ashland's distribution business only.

(3) Adjusted to show distribution business only.

(4) ICC Chemical Corporation.

(5) Bandeirante Química.

Growth Opportunities

The share of distribution-relevant chemical demand served by third-party chemical distributors and the demand for value-added services have been forecast to continue to expand, enabling growth potentially above chemical consumption. Chemical producers are still in the process of transferring small customers to third-party distributors, so that the third-party distributor share of overall distribution-relevant chemical demand may continue to grow.

Larger distributors are also expected to gain market share from relatively smaller competitors as customers and chemical producers rationalize their distribution relationships by decreasing the number of chemical distributors with whom they interact. We believe that many chemical producers increasingly prefer larger distributors that can serve a larger number of customers or potential customers and which have the capability to invest in the resources needed for regulatory compliance, health, safety and environmental systems, and technical sales capabilities, among other attributes. We also believe that certain customers, especially multi-location customers, are favoring larger distributors that are able to distribute chemicals to all of their manufacturing sites in a cost-efficient manner, reducing complexity and system costs.

In addition, the number of chemical distributors who serve customers internationally is quite limited. Supplier and customer preference for avoiding unnecessary complexity is expected to further drive the ongoing trend toward consolidation in the third-party chemical distribution market. This consolidation trend is also expected to generally expand the geographic coverage of third-party chemical distributors.

BUSINESS

Overview

Brenntag is a leading international provider of B2B distribution solutions in the area of chemical distribution (Source: *BCG Market Report, January 2010*). We are the worldwide leader in full-line distribution of industrial and specialty chemicals in terms of sales, and operate more than 400 distribution facilities in over 60 countries. Headquartered in Mülheim an der Ruhr, Germany, we serve as an intermediary between chemical producers and manufacturers that use chemicals, acting as a "one-stop shop" with over 10,000 chemical products, delivering to over 150,000 customers, typically in less-than-truckload quantities with a focus on warehouse delivery. Founded in Germany more than 130 years ago, we have grown into a global business. Much of our growth has been effected by selective acquisitions that we have made in key markets around the world. Today, our business is divided into four geographical segments: Europe, North America, Latin America and Asia Pacific, with the rest of its operations reported as Rest of the World.

We provide a comprehensive solution to both suppliers and customers, including:

- purchasing and storing larger scale quantities of industrial and specialty chemicals,
- repackaging chemicals in smaller quantities for distribution,
- distributing a full-line of chemicals, and
- providing value-added services, such as just-in-time delivery, product mixing, formulation, repackaging, inventory management, drum return handling and technical services and support.

Our diversified customer base comprises small-to-mid-sized companies, as well as multi-national companies with global sourcing and production. We believe we provide significant scale and scope benefits to both our customers and suppliers by allowing them to deal with a single partner to meet all their chemical distribution needs. We serve customers operating in highly diverse end-markets which we believe makes our business more resilient than it would be if we were more heavily exposed to any single end market. In 2009, none of our customers individually accounted for more than 1% of our sales, and our top ten customers together accounted for less than 4% of our sales. In addition, we purchase chemicals from a wide range of different suppliers, and in 2009, none of our suppliers individually accounted for more than 6% of the Group's cost of goods sold.

As the largest full-line chemical distribution company in the world in terms of sales, we believe that both the scale (geographic reach and density of our network and infrastructure) and scope (breadth of product and service offering and know-how) of our business provide us with distinct advantages relative to our competitors. Our vision is to be the preferred full-line chemical distributor for strategic customers and suppliers globally and to lead the industry in growth, profitability and returns. To achieve this vision we have adopted a strategy that we seek to implement through a combination of global and regional initiatives focused on: (i) enhancing our product and service offering capabilities by actively pursuing both organic and external growth opportunities; and (ii) maintaining our ongoing focus on profitability and returns.

We manage our Group on the basis of gross profit, EBITDA, EBITDA/gross profit margin and EBITA, as well as free cash flow and return on net assets (RONA). The following table presents these figures for each of the years ended December 31, 2009, December 31, 2008 and December 31, 2007:

	2009	2008	2007
	(unaudited, € million, unless otherwise indicated)		
Gross profit (audited)	1,459.5	1,492.3	1,354.5
EBITDA(1)(2)(6)(7)	476.6	480.9	407.9
EBITDA(1)(2)(6)(7)/gross profit (in %)	32.7	32.2	30.1
EBITA(2)(3)(6)	394.3	397.6	320.9
Free cash flow (FCF)(2)(4)	646.8	343.1	278.9
RONA(2)(5) (in %)	26.8	24.4	20.2

(1) EBITDA is defined as earnings before financial result, income taxes, depreciation and amortization. We are not presenting EBITDA here as a measure of our operating results. Our management considers EBITDA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

(2) We are presenting this figure on the basis that some investors may find it helpful as a measure of our performance. This figure is not recognized as a measure under IFRS and should not be considered a substitute for income statement or cash flow data, as determined in accordance with IFRS, or as a measure of profitability or liquidity. It does not necessarily indicate whether cash flow will be sufficient or available for our cash requirements, nor is it necessarily indicative of our historical or future operating results. Because not all companies

define this measure in the same way, our presentation of it is not necessarily comparable to similarly-titled measures used by other companies.

(3) EBITA is EBITDA less depreciation. We are not presenting EBITA here as a measure of our operating results. Our management considers EBITA, along with several other performance measures, when managing our business because it deems it to be one of several useful measures of performance.

(4) Free cash flow (FCF) is defined as EBITDA less other additions to property, plant and equipment less other additions to acquired software, licenses and similar rights plus/less changes in working capital; working capital is defined as trade receivables plus inventories less trade payables. FCF is not a synonym for, and does not necessarily indicate or correspond with, discretionary cash. For a reconciliation of EBITDA to FCF, see "*Selected Consolidated Financial Information—Selected Other Consolidated Financial Data*".

(5) Return on net assets (RONA) is defined as EBITA divided by the sum of average property, plant and equipment (PPE) plus average working capital. Average PPE is defined for a particular year as the mean average of values for PPE at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year. Average working capital is defined for a particular year as the mean average of the values for working capital (as defined in note 4 above) at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year. Average working capital amounted to €691.9 million in 2009, €833.1 million in 2008 and €774.4 million in 2007.

(6) In 2009, EBITDA, as well as EBITA on the Group level, include expense items relating to the early termination of a multi-year incentive program. These expenses for the members of the management board amount to €22.8 million.

(7) Audited in 2009 and 2008.

Key Strengths

We believe the following key strengths have been primary drivers in our past success and will continue to set us apart in the future:

Global Market Leader

We are the largest third-party chemical distribution company in the world based on 2008 market data (the most recent available). As measured by 2008 sales, we are the leading full-line chemical distributor in Europe and Latin America, and the third-largest in the United States. (Source: *BCG Market Report, January 2010*). In addition, we are continuing to grow our platform in the Asia Pacific region.

Global reach and local presence for a large chemical distributor are key to meeting customer and producer needs, and to fully benefit from scale and scope relative to smaller operators (see "*Industry—Market and Industry Trends*"). These benefits provide us a significant competitive advantage compared with the thousands of smaller distributors with which we compete. For example, the international reach of our business, and the global service capabilities it provides, enable us to meet the increasing outsourcing needs of our customers and suppliers that are themselves increasingly active on a global scale. Our large scale also enables us to attract and retain highly qualified people and distribute their costs across a broader base than is possible for smaller companies.

The need for critical scale creates significant barriers to the establishment of additional full-line chemical distribution companies with a truly global reach. Replicating the network, permits and licenses, infrastructure and know-how of a leading operator such as Brenntag requires significant capital, resources and time, not least in terms of the number of acquisitions that would likely be required. Permits and licenses required for operating in our industry can be difficult to obtain, particularly in mature markets. Industry know-how can be especially difficult to assemble: the three members of our management board alone have more than 75 combined years of relevant industry experience.

Significant Growth Potential in an Attractive Industry

We are leaders in an industry that has shown positive growth trends and offers attractive growth opportunities. As the market leader we believe we are particularly well positioned to take advantage of these growth opportunities. The third-party chemical distribution market was valued at around €115 billion at the end of 2008, having grown on average by 10% per annum (on a nominal basis) since the beginning of 2006 (Source: *BCG Market Report, January 2010*). This growth is driven by four primary factors: (i) chemical consumption growth (which historically has been in line with industrial production); (ii) increased outsourcing of distribution from chemical producers to third-party chemical distributors; (iii) increasing potential for value added services; and (iv) increases in the prices of chemicals (see "*Industry—Market and Industry Trends*"). At the end of 2008, third-party chemical distribution represented only 9% of global chemical consumption relevant for distribution, and this has been forecast to increase over the next several years reflecting the trend towards increased outsourcing (Source: *BCG Market Report, January 2010*).

We believe that the scale of our worldwide operations positions us particularly well to take advantage of the growth opportunities that these trends present, both through organic growth and through selected acquisitions. For organic growth, we target selected customer industries to which we believe our geographic reach and full-line

product portfolio would be attractive to meet their needs and provide above-average growth potential; actively manage our global and pan-regional customer accounts; and focus on taking over small customer relationships from chemical producers that are seeking outsourcing options to reduce the costs and complexity of their distribution activities and to consolidate their distribution relationships. The international scale of our business allows us to develop our existing relationships with customers and suppliers, thereby providing opportunities to further penetrate markets where we are currently underrepresented, or where we estimate the potential for growth to be greater than average.

The third-party chemical distribution market is highly fragmented, with the top 5 companies accounting for less than 19% and top 10 only 23% of the global market as of December 31, 2008, and having a total population of more than 10,000 third-party distributors (Source: *BCG Market Report, January 2010*). Due to the scale and scope benefits for larger operators there has been an ongoing trend towards consolidation that is expected to continue (see "*Industry—Market and Industry Trends*").

With respect to acquisitions, we benefit from an extensive track record of 92 acquisitions completed since 1991, and we believe that our combination of a worldwide network, infrastructure, know-how and leading market positions (Source: *BCG Market Report, January 2010*) will allow us to continue to be a successful consolidator in the industry.

Superior Business Model with Resilience

We believe our superior business model positions us to take advantage of industry growth trends while building in a demonstrable measure of resiliency. Additionally, we believe that our pricing discipline and flexible cost base give us a low risk profile; that our multi-purpose asset base enhances our flexibility and ability to take advantage of growth opportunities; and that the scale and scope of our operations provide us with significant benefits.

- *Complete geographic coverage:* With distribution operations in over 60 countries, our diverse regional business mix provides us with the ability to achieve economies of scale while at the same time mitigating the effects of economic fluctuations in specific regions. With our global presence we believe we are well positioned to take advantage of opportunities in faster-growing economies, for example by growing with our customers and suppliers who are seeking to reduce complexity and costs on a global basis by reducing the number of companies with whom they conduct business.

- *Full-line product offering:* We offer over 10,000 products in more than 30,000 stocking units. We are not dependent on any one product or product family. In 2009, the revenue from our top-selling product accounted for less than 6% of our total revenue, while the revenue from our 10 best-selling products accounted for less than 17% of total revenue. We believe our full-line customized product offering, speed and flexibility of delivery allows us to capitalize on growth opportunities in attractive customer industries. The scope of our product line also permits us to shift short-term emphasis to products presenting better immediate profitability while remaining within the context of our longer-term strategies.

- *Large customer base:* With more than 150,000 customers our largest customer accounted for less than 1%, and our 10 largest customers accounted for less than 4%, of our total revenue in 2009. We believe this large customer base makes us attractive to suppliers seeking to move new products.

- *Diverse End-market Industry Exposure:* Moreover, with our customers present in a wide variety of industries globally, including, but not limited to, ACES (adhesives, coatings, elastomers and sealants); agriculture; chemicals processing; cleaning and detergents; food; metal finishing; mining; oil and gas; personal care; pharmaceuticals; pulp and paper; textiles; and water treatment, we believe that we are not materially dependent on any one industry and that our exposure to trends in any particular industry is low. Conversely, this diversity gives us the flexibility to shift resources to those industries that appear to show exceptional potential for growth or profitability.

- *Diverse Sourcing Relationships:* Our supplier base is also diverse, with our largest supplier accounting for less than 6%, and our 10 largest suppliers accounting for approximately 22%, of our total purchases by value in 2009. Customers gain the benefit of redundancy of supply from our multiple sourcing relationships.

- *Partner of Choice:* We are a strategic partner of choice for certain customers and suppliers, which helps us gain access to new products and provides us market intelligence which allows us to better anticipate price changes. Collaborative relationships with customers place us on the leading edge of new service developments which may be unavailable to smaller competitors.

- *Cost-Efficient Network:* The exceptional diversity of our end-markets enables a dense route network, which results in superior service and cost efficiency, which is a key driver of our returns on capital.
- *Pricing Discipline:* Generally, in our experience our product purchase costs tend to vary primarily with the market prices for chemicals. We generally purchase products at market rates and not on long term contracts. To adjust to changes in input prices, we have developed a structured pricing mechanism based on extensive market information collected by our sales force that gives us the flexibility to adjust our selling prices to reflect our input costs. With our sophisticated inventory management systems, sales and purchase planning process and advanced logistics management tools, we generally have been able to keep our exposure to risk fluctuations in chemical product prices at low levels between the time of purchase and sale, thus allowing us to be efficient in our use of working capital.
- *Flexible Cost Base:* The largest components of operating expenses are: personnel expenses, transportation costs, maintenance, rent, fuel and energy. Based on our experience, we are able to manage these costs to a certain extent in the context of varying levels of activity in the business.
- *Flexible Asset Base:* Our network of assets, infrastructure and management processes can be adapted relatively quickly and at relatively low cost in response to changing market dynamics. Capital expenditure required to maintain these assets to our current high standards is relatively low for a business of our size and reach and, combined with relatively short lead times, results in a flexible capital expenditures cycle.

Excellence in Execution

We believe the balance between our decentralized, locally-focused management system and the global, centralized organization of certain key management and strategic functions, together with our extensive market intelligence, has positioned us well to take advantage of trends favoring larger distributors while maintaining competitive advantages over the thousands of smaller local distributors that constitute the majority of the third party chemical distribution market.

- *Intense customer orientation at the local level.* We serve customers on a decentralized basis apart from national and cross-border relationships, which are handled centrally. This approach enables us to provide services nearer to the sites of our customers and to better understand their respective needs. We believe that the resulting know-how helps us both to adapt to customers' needs as they change and to offer services that are tailor-made to their requirements. To this end, we empower local management to identify, evaluate and address local market trends as they arise, and encourage them to maximize cash flows and return on assets.
- *Core management functions at the Group level.* We develop our strategic growth initiatives (including those relating to acquisitions, as well as those targeting synergies and economies of scale) centrally, in cooperation with local management. In addition, we also manage national and cross-border business relationships through specialized central sales teams that seek to develop local market positions by strengthening customer relationships Group-wide. We also adopt a centralized approach where we can achieve synergies or economies of scale, for example in the areas of sourcing and strategic supplier relationships, HSE, information technology, and reporting and treasury functions.

Our empowerment of local management to facilitate rapid decision making, in combination with a regular and effective flow of communications between our senior management and our sales force, is of critical importance to allowing local management to deal effectively with our more than 150,000 customers and compete effectively, while at the same time presenting a unified, high standard of quality to customers and suppliers around the world. We believe that our abilities in these areas distinguish us from our competitors.

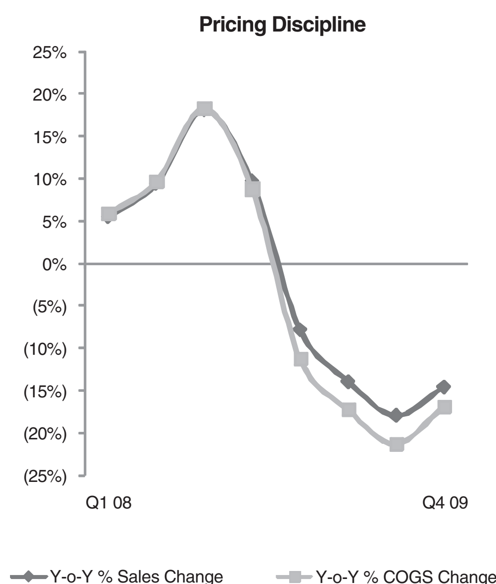
We take a project-management-based approach to strategy, growth initiatives, planning and problem solving at all levels of our organization, which we believe results in an excellence in execution that sets us apart from our competitors. We operate in a structured manner, implementing and employing systems fostering control and consistency but still facilitating the entrepreneurial spirit required for our business to succeed. We treat major business processes as projects, with key milestones, timetables and deadlines established with a view to achieving faster decision-making and high-quality execution. This process favors accountability, for which our compensation system provides appropriate rewards.

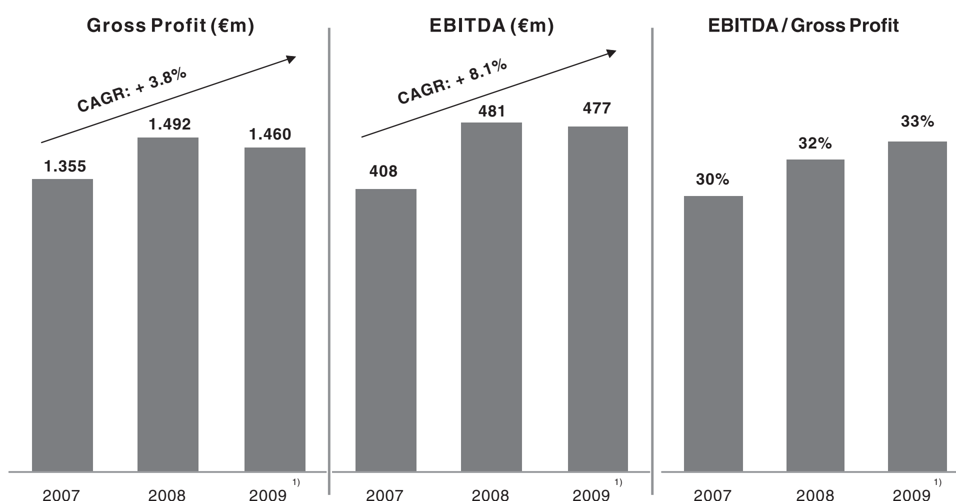
Our commitment to HSE includes regular external and internal reviews and includes audits by experienced external consultants to identify potential areas for improvement; an environmental database that continues to help us develop an effective environmental compliance strategy; and dedicated teams to help us ensure compliance with key laws and regulations, including REACH. We seek to have superior HSE programs and processes that differentiate us from our competitors.

Attractive Performance Indicators Driven by Strong Operating Results

Our market leading positions (Source: *BCG Market Report, January 2010*), attractive industry fundamentals, superior business model and excellence in execution have enabled us to deliver strong operating results over a sustained period of time. We were able to grow our sales from €4,990.8 million in 2005 (as Brenntag Predecessor) to €6,364.6 million in 2009. Over the same period, our gross profit grew from €1,033.3 million (as Brenntag Predecessor) in 2005 to €1,459.5 million in 2009, and our EBITDA grew from €254.0 million (as Brenntag Predecessor) in 2005 to €476.6 million in 2009. Our growth over this period is reflected in compound annual growth rates for our Group's sales, gross profit and EBITDA of 6.3%, 9.0% and 17.0%, respectively, between 2005 and 2009.

In particular, we believe that our business model has allowed us to significantly mitigate the effects of fluctuations in the larger economy upon our financial results. The following charts illustrate this resilience. The first chart below shows the development over the period indicated of the change in our sales year-on-year along with the change in our cost of goods sold year-on-year. The second chart below shows the development of gross profit, EBITDA and EBITDA/gross profit margin from 2007 through 2009.





1) 2009 EBITDA includes expense items relating to the early termination of a multi-year incentive program. The expenses for the members of the Management Board amount to €22.8m; thereof €12.8m relate to North America, €5.2m to Europe and €4.8m to RoW

Our Group's return on capital (expressed as RONA) has also shown steady improvements since 2007. In addition, our Group has generated strong free cash flow over the period 2007 to 2009. This strong performance in both RONA and free cash flow generation is a function of our Group's strong EBITDA, as well as disciplined capital management, particularly with respect to capital expenditures and working capital.

Our successful acquisition track record has been a key driver of our profitability growth. With 92 acquisitions completed since 1991, we have an outstanding track record in acquiring and integrating companies. Our acquisitions have given us access to new geographies, customers, suppliers and products and have helped us to deliver enhanced EBITDA growth.

We believe that the improvements in EBITDA, cash flow generation and RONA against the backdrop of the challenging macro-economic environment over the past few years demonstrate the strength, resilience and growth potential of our business.

Entrepreneurial Culture led by a Highly Experienced Management Team

We have developed an entrepreneurial and highly motivating management culture throughout our organization. The profitability- and returns-driven management orientation is deeply rooted in our corporate culture and reflected in our compensation system, which holds local management accountable and incentivizes them to achieve individually established Key Performance Indicators ("**KPIs**"). Rather than focus on volume or sales, specific yearly targets are defined for each manager depending on his or her function in relation to EBITDA, working capital, free cash flow and individual targets. A high proportion of a manager's compensation is variable and directly linked to the individual's performance with respect to the specific KPIs.

Our management board consists of experienced senior managers who combine over 75 years experience in the chemical industry and in the chemical distribution sector. Stephen Clark, our Chief Executive Officer, joined Brenntag in 1981 and has been a Brenntag board member since 1993. Jürgen Buchsteiner, our Chief Financial Officer, joined Brenntag in 2000 and has over 20 years of experience in leading management positions in the chemical manufacturing and distribution industries. Steve Holland, our Chief Operating Officer and Chief Executive Officer of Brenntag Europe, joined Brenntag in 2006 and has a distinguished career of 30 years in chemical manufacturing and distribution. Together, these individuals lead a management team that is highly experienced in chemical distribution, characterized by strong commitments to profitable growth and safety, with strong track records and project management skills.

Strategy

Our vision is to be the preferred full-line chemical distributor for strategic customers and suppliers globally and to lead the industry in growth, profitability and returns. To achieve this vision we have adopted a strategy that we seek to implement through a combination of global and regional initiatives focused on: (i) enhancing our product and service offering capabilities by actively pursuing both organic and external growth opportunities; and (ii) maintaining our ongoing focus on profitability and returns.

Enhance our Product and Service Offering by Pursuing Organic Growth and Acquisitions

Our objective is to leverage our key strengths to further enhance our product and service offering capabilities by pursuing both organic growth and acquisition opportunities. We believe that the scale and scope of our worldwide operations will enable us to pursue this strategy largely organically, and that our disciplined approach to execution allows us to pursue, evaluate and monitor multiple global and local projects and initiatives simultaneously.

Acquisitions are an important part of our strategy. As a consequence we expect that we could spend approximately €100 million to €150 million per year on acquisitions the in coming years. We continue to seek acquisition opportunities that assist us in achieving several elements of our overall strategy, including: expanding our geographic coverage to gain market presence in areas where we are underrepresented and to enter key emerging markets; gaining access to new products and further developing a full-line product portfolio; increasing scale in existing regions and markets through increased market share; and taking advantage of potential synergies. Through our disciplined approach to target identification, deal execution and post merger integration, acquisitions will continue to be an important part of our strategy to deliver growth, profitability and returns.

Our strategic initiatives around the world follow these guiding principles:

- *Intense Customer Orientation:* Brenntag's needs-based sales approach focuses on selling total solutions rather than just products and is organized and implemented at both the global and local levels. Specific initiatives to further enhance our service offering to customers include: identifying and servicing global, multi-regional and national key accounts, for example through our National Accounts Team in North America and the European Key Accounts Team ("**EKAT**") in Europe; introducing a new customer relationship management program to improve information flow between Brenntag and its customers;

and pursuing our turned-over business initiatives to benefit from the trend for chemical producers to increasingly outsource their distribution activities for smaller customers.

- *Full-line Product Portfolio Focused on Less-than-truckload Deliveries:* We aim to continue to position ourselves both as an attractive outsourcing option for chemical producers and as a provider of value-enhancing services to our customers focused on less-than-truckload deliveries. Specific initiatives to further develop our product portfolio include: development of our specialty chemicals business, our environmentally friendly products (Air1/DEF business, "green" chemicals, bio ethanol and bio diesel), and our Chlor-Alkali business. In addition the turned-over business and key accounts initiatives described are also expected to enhance our full-line product offering.
- *Complete Geographic Coverage:* We continuously seek to expand and optimize our geographical coverage by filling gaps in our network through capital expenditure and acquisitions. Our current focus is on expanding our presence in emerging markets, in particular in Asia Pacific (including China, South East Asia, Australia and India), Latin America and Eastern Europe, to capture the expected strong growth in demand for chemicals in these regions. Expansion in these areas is likely to involve further acquisitions. In addition we continue to improve our route density and network capabilities, with the aim of improving our market position in our core markets.
- *Accelerated Growth in Target Markets:* We seek to effectively leverage our capabilities through accelerated growth in target markets including our six global focus industries (ACES (adhesives, coatings, elastomers and sealants), food, oil & gas, personal care, pharmaceuticals and water treatment) and specific target markets at the regional level (for example, feed, polymers, mining, construction and nutrition industries in Latin America).
- *Continued Commitment to Principles of Responsible Care and Distribution:* Health, safety and environmental protection are, and continue to be, central to what we do and form an important aspect to our strategy. Our health, safety and environmental principles continue to form part of our future polices for safety, product stewardship, environment, compliance and quality for our customers, suppliers and employees.

Maintain Focus on Profitability and Returns

We believe that our entrepreneurial culture and excellence in execution, combined with our superior business model, contribute to our ability to improve gross profits, EBITDA, cash flows and return on assets. The strategic initiatives outlined above are aimed at improving our profitability and returns by leveraging our scale and scope both organically and through acquisitions. In addition we focus on specific cost initiatives to further improve profitability and returns which include: a pan-European strategy to improve efficiencies through selective hub-and-spoke structures, consolidation of sites, a fixed cost reduction program, process optimization, warehouse and transportation efficiency projects, and other regional efficiency programs.

History

Brenntag looks back at a successful history in the chemical distribution industry since the year 1912. We have become the leading chemical distributor by sales in both Europe and Latin America (which includes Mexico, Central America, the Caribbean and South America), as well as the third-largest chemical distributor by sales in North America (Source: *BCG Market Report, January 2010*). From our first expansion beyond Germany in 1966, through our entry into the U.S. market in the early 1970's, to our accelerated growth worldwide throughout the past two decades, much of our growth has been enabled by selective acquisitions in key growth areas around the world. Our most recent material acquisition was our purchase in late 2008 of the distribution business of Rhodia in Australia, India, Indonesia, Malaysia, the Philippines, Singapore, Taiwan, Thailand and Vietnam, giving us our first distribution presence in the Asia Pacific region.

Some highlights of our history include:

1874	Philipp Mühsam founds egg wholesale business in Berlin that later becomes Brenntag
1912	Entry into chemical distribution business
1938	"Brennstoff–, Chemikalien– und Transport AG" becomes "Brenntag"
1943-44	Headquarters moves from Berlin to Mülheim an der Ruhr
1950-1959	Expansion of warehousing network and product lines, including inorganic and organic chemicals, solvents, plastics, resins and specialty chemicals

1966	Brenntag becomes international, acquiring Balder in Belgium
1970-1979	U.S. business established; continued acquisitions in European and North American chemicals distribution business
1980-1989	U.S. expansion includes acquisitions of distributors Western Chemical (1980), Textile Chemical (1981), Delta (1986), Crown (1989) and PB&S Chemicals (1989)
1990-1999	Strong expansion in Europe via acquisitions (including Wülfing, Rühl, and Schuster & Sohn in Germany, GDC, Orchidis and Bonnave-Dubar in France, and Sepic and Bombardieri-Cambiaghi Group in Italy) and joint ventures (including Staub & Co. in Germany)
	Further U.S. acquisitions include Southchem (1993) and Milsov (1998)
2000	Acquisition of Holland Chemical International, then the fifth-largest chemical distributor worldwide with large market shares in Scandinavia, Eastern Europe and the United States, and the leading market position in Latin America, where Brenntag previously had not been represented
	Takeover of Neuber Group in Austria establishes foothold in Central and Eastern Europe
2002	Purchase of 50% of Biesterfeld Chemiedistribution, significantly expanding capacity in Germany (as of December 31, 2009, we owned 96.7% of Biesterfeld Chemiedistribution)
2004	Significant advances in facilities, including fully automatic high-bay warehouse in Duisburg, Germany, and expansion of key hub facility in Sao Paolo, Brazil
	Further expansion in Poland (with acquisition of Orlen Polimer) and into Turkey (with establishment of a new subsidiary, Brenntag Kimya)
	Acquisition of specialty chemicals distribution business of Aquacryl Ltd./Chemacryl Ltd. (United Kingdom)
2005	Opening of facility in Poznan, Poland, and integrated distribution center in Lancaster, Texas
	Integration of Herkommer & Bangerter business in Germany and acquisition of U.S. business of Quadra Chemicals
	Acquisition of Group Alliance, a small specialty chemical distribution business in North Africa with operations in Algeria, Morocco and Tunisia
2006	Continued expansion with focus on achieving leading market positions including acquisitions of LA Chemical (United States, operations in California, Arizona and Utah), Schweizerhall Chemie (Switzerland), Albion Chemicals Group (United Kingdom), and Wil-Chem Specialty Chemicals (Canada)
	The Company is established as a limited liability company under the name "BRAHMS Chemical Acquisition GmbH"; all shares in the Company were transferred to the Selling Shareholder
	The Company then acquires, through its wholly owned subsidiary, Brahms Chemical Investor Holding GmbH (now Brenntag Holding GmbH), 100% of the share capital of Brenntag Predecessor
2007-2009	Continued growth through targeted acquisitions, including St. Lawrence Chemical (Canada), Ulrich Chemicals (United States), Natural World (Italy), Abaci (Turkey), Schoofs (United States), Dipol (Ukraine, Latvia and Russia), C.N. Schmidt (Netherlands), Inquimex (Argentina) and Austro Corp. (Mexico), as well as distribution rights in Sweden and Belgium of Yara International (Norway)
	Acquisition of Southeast Asia chemicals distribution business of Rhodia establishes foothold in growing Asia Pacific market
2010	The Company changes its corporate form from a limited liability company into a stock corporation and changes its name to "Brenntag AG"

For more information, see "—*Acquisitions*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Recent Acquisitions*".

Acquisitions

Acquisitions played an important part for the growth of our Company over the last two decades. From 1991 through 2009 Brenntag completed 92 transactions. During the first half of 2009, we scaled back the intensity of our acquisition process in light of the uncertain economic outlook. As of the second half of 2009, we have stepped up our identification of potential targets and expect to resume our position as the leading consolidator in the industry.

We completed 21 acquisitions between 2007 and 2009. The following table shows the purchase price paid in euro and directly attributable costs (excluding debt assumed) of the acquisitions we closed in the period indicated below by geographic region:

	Year ended December 31,		
	2009	2008	2007
	(unaudited, unless otherwise indicated, € million)		
Europe	4.0	56.0	19.2
North America	1.5	3.1	86.3
Latin America	6.0	8.8	—
Asia Pacific	—	43.1	—
Rest of the World	—	—	—
Total (audited)	**11.5**	**111.0**	**105.5**

Acquisitions form an important part of our strategy to leverage both the attractive industry fundamentals and our attractive business model. We seek acquisition opportunities that can accelerate earnings growth via:

- Expanding geographic coverage through acquisitions, including acquisitions to gain entry into emerging markets. Examples include:
  - Holland Chemicals International, with large market shares in Scandinavia, Eastern Europe and the United States, as well as the leading market position in Latin America, in 2000
  - Neuber Group, with distribution operations in Austria and Central and Eastern Europe, in 2000
  - Group Alliance, a small specialty chemical distribution business in North Africa with operations in Algeria, Morocco and Tunisia, in 2005
  - Dipol Chemical Group, a polymers-related chemical distribution in Ukraine, Latvia and Russia, in 2008
  - The Rhodia distribution network, with specialty chemicals distribution locations throughout the Asia Pacific region, in 2008
- Building up scale and efficiencies in existing regions and markets. Examples of large acquisitions include:
  - Biesterfeld Chemiedistribution, which increased our presence in Northern, Eastern and Southern Germany, in 2002
  - Albion Chemicals Group in Ireland and the United Kingdom in 2006
  - Schweizerhall Chemie in Switzerland in 2006
  - Quadra Chemicals and LA Chemical Company (together with related companies) between 2005 and 2006 (in the Western United States)
  - Ulrich Chemicals in 2007 (in the Mid-South region of the United States)
- Improving our full-line product portfolio in targeted customer industries. Examples include:
  - St. Lawrence Chemical in Canada (in 2007) and Acquacryl and Chemacryl in the United Kingdom (in 2004) (both active in ACES chemical distribution)
  - 6 smaller distributors in Spain, Italy, Turkey, Mexico and the United Kingdom with a focus on food chemicals distribution between 2005 and 2009
  - 3 smaller distributors in the United States and Canada with a focus on chemicals distribution to the oil & gas industry (between 2005 and 2008)

Although we scaled back the intensity of our acquisition process during the first half of 2009 in light of the uncertain economic outlook, we continue to believe that our ability to identify, negotiate and execute strategically beneficial acquisitions remains a strength and will continue to be important to our success in the future.

We have instituted a multi-disciplinary and structured M&A process involving both our local management and our senior management, in which risks are identified at an early stage and the organization is capable of pursuing several M&A transactions quickly and simultaneously, but without compromising quality. We thoroughly analyze each potential acquisition on a range of operational and financial criteria. We examine the strength of the target's supplier and customer relationships, its potential to fit into and complement our Group, the growth perspective of the product portfolio, the market or markets it serves, potential synergies, the sales and relevant management experience of its personnel, the probability of the transaction and valuation. We also have precise guidelines as to the level of profitability that we seek in potential acquisition targets. After identifying a list of potential M&A targets across our various regions, our management board develops a short list of targets to be approached. This identification and selection process is a continuous process.

We identify potential synergies in our acquisition due diligence process and assess them in detail in developing our planning assumptions and setting up a comprehensive integration plan. Several kinds of synergies, such as net sales synergies (for example, cross-selling opportunities minus any negative effects due to supplier or customer conflicts), cost saving opportunities (for example, sourcing synergies, reduction of personnel and operating and logistics expenses), better utilization of combined inventories, savings on capital expenditures and the sale of redundant assets (including property) are considered carefully depending on the M&A opportunity. With respect to targets intended to build up scale, we focus primarily on cost savings, whereas we focus primarily on sales synergies with respect to targets intended to improve or extend our full-line portfolio.

Our post-acquisition integration process is driven by the early buy-in of local management, comprehensive risk identification during the due diligence process, and standardized post-acquisition reporting. We monitor our acquisitions for post-completion integration and performance and adopt measures as needed to achieve our integration goals.

In spite of the ongoing trend towards market consolidation, the chemical distribution industry remains highly fragmented, especially in the emerging markets (Source: *BCG Market Report, January 2010*), providing a large number of small- to medium-sized M&A targets. We believe our acquisition history and our record of successful integration are unparalleled in the chemical distribution industry. We have developed our institutional know-how of acquisitions and the post-acquisition integration processes over many years. We believe our dedicated Mergers and Acquisitions Team, consisting of five full-time employees, with over 35 years of combined experience in mergers and acquisitions, is an important asset and an advantage that will help us to achieve our acquisition objectives.

For more information on our recent acquisitions and our strategy, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Recent Acquisitions*" and "*Business—Strategy*". For selected additional information regarding our historical acquisitions, see "*Business—History*". See also "*Risk Factors—Risks Relating to our Business—We might be unable to successfully integrate or achieve the expected benefits from past or future acquisitions and our growth strategy could be unsuccessful*".

Our Business

As of December 31, 2009, Brenntag has operations in over 500 locations, including more than 400 distribution facilities in over 60 countries, with a workforce of more than 10,800 people, a total warehouse space of approximately 1,650,000 m^2, and approximately 24,000 tanks with a total storage capacity of approximately 600,000 cubic meters. We make use of a fleet of over 2,700 transport units worldwide.

Geographic coverage

Geographic Coverage and Facilities

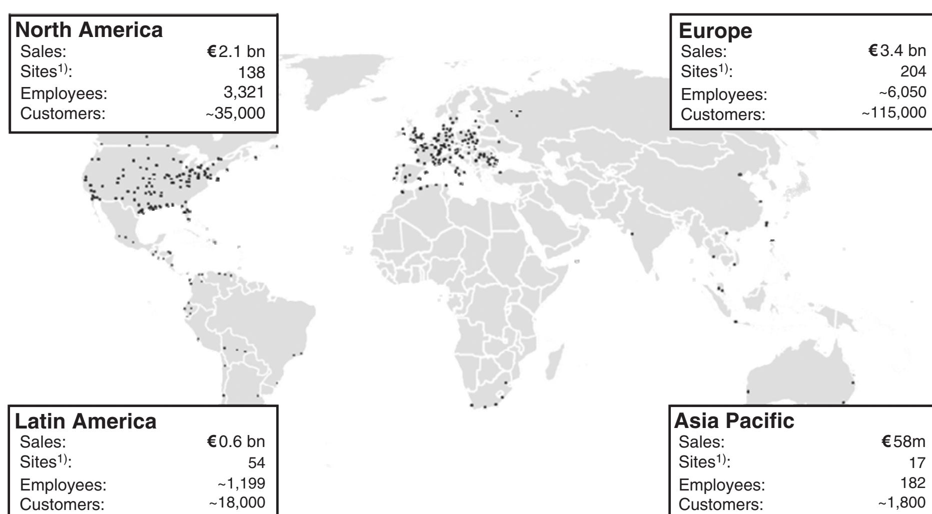
Brenntag has achieved broad international market coverage through a combination of organic growth and acquisitions. These activities have helped us achieve the following market positions:

- Brenntag has obtained leading market positions as of the end of 2008 (the most recent date for which data are available):
    - first in Europe (Source: *BCG Market Report, January 2010*) (as a result of acquisitions completed between 1992 and 2000),

- first in Latin America (Source: *BCG Market Report, January 2010*) (following the acquisition of HCI in 2000),
- third in the United States (Source: *BCG Market Report, January 2010*) (as a result of acquisitions completed between 1993 and 2000);

- Brenntag furthered its emerging markets presence via the purchase of a distribution network with a broad presence throughout Asia Pacific in 2008, as well as acquisitions in Turkey (2007), Ukraine and Russia (2008) and Hong Kong (2009) as platforms for new customers, expansion of existing supplier relationships and further regional acquisitions; and
- Brenntag has been the number one full-line chemical distributor in the world since 2004 (Source: *BCG Market Report, January 2010*).

The following map provides an overview of our global network as of and for the year ended December 31, 2009:



Figures excluding RoW, which, in addition to various holding companies, covers the activities of Brenntag International chemicals which is operating across regional boundaries.The segment also includes our sourcing and market research activities in China.
1) Warehouse sites owned, leased and 3rd Party

The distribution system in each of the different regions in which we operate is tailored to the specific characteristics of the local markets. Our operations in the United States and Canada, for example, operate largely on a "hub-and-spoke" model, in which network efficiencies are achieved by concentrating inventories for a given region primarily at a single warehouse location and shipping inventories to a larger number of smaller warehouses as needed to meet local demand. We believe the hub-and-spoke model, where we are able to use it, yields significant cost savings for our operations through efficient warehousing of inventories. In Europe, by contrast, our distribution system relies less on a hub-and-spoke model and features operations more attuned to the regional differences in language and business culture that characterize the European market. Although the hub-and-spoke organization is generally used less prominently in our non-U.S. operations than it is inside the United States, we are gradually expanding our use of hub-and-spoke organization where we feel it will yield operational benefits in markets outside the United States (for example, in Europe).

Regional Organization and Reporting

Our business is organized and managed in four geographical segments: Europe, North America, Latin America and Asia Pacific, with the rest of its operations reported as Rest of the World. Within each of these segments, our operations span multiple countries, and there are often significant differences in business culture from country to country within a particular region (this is the case, for example, in Europe). We believe that our decentralized structure enables our business to best adapt to and succeed in a wide variety of local markets and business cultures around the world.

The segment Europe includes our operations throughout Western Europe and Central and Eastern Europe, as well as our operations in Algeria, Morocco and Tunisia. In Western Europe we are active in Belgium, Denmark, Finland, France, Italy, Germany, Great Britain, Ireland, the Netherlands, Norway, Portugal, Spain, Sweden and Switzerland. The Central and Eastern European region includes our operations in Austria, Bulgaria, Croatia, the

Czech Republic, Greece, Hungary, Latvia, Lithuania, Poland, Romania, Russia, Slovakia, Slovenia, Turkey and Ukraine.

In North America we have a broad presence throughout the United States and Canada.

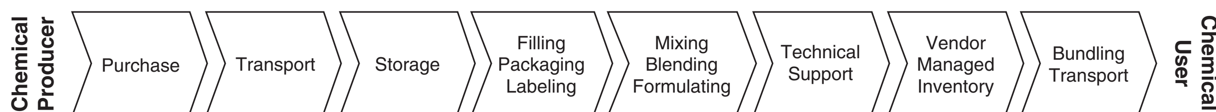
Our Latin American segment includes our operations in Mexico, Central America, the Caribbean (where we operate in the Dominican Republic and Puerto Rico), and South America. In Central America we are present in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama. In South America we operate in Brazil, the Northern Andean Region with our presence in Ecuador, Colombia and Venezuela, and the South Cone, which comprises our business in Argentina, Bolivia, Chile and Peru.

In Asia Pacific we operate in Australia, Hong Kong, India, Indonesia, Malaysia, New Zealand, the Philippines, Singapore, Thailand, Taiwan and Vietnam.

Rest of the World covers, in addition to our headquarters function, various holding companies and cross-border chemical trading companies, our sourcing and market research activities in China and our unconsolidated participation in South Africa (through our joint venture with Crest).

Our Role in the Supply Chain

We are a full-line distributor, providing services that connect specialty and industrial chemical producers with industrial and other customers that use those chemicals. The following chart illustrates our role in the chemical industry supply chain:



Supplier Base

We source our industrial and specialty chemicals from a diverse group of global and regional chemical suppliers including BASF, BP, Dow, ExxonMobil, Evonik, Ineos, Shell, Solvay and Wacker. We aim to source chemicals from suppliers with a strong regional presence, in order to shorten delivery times, reduce transportation costs and allow local managers to react more quickly to price fluctuations. Our supplier base is diverse: out of our several thousand suppliers worldwide, our top ten suppliers accounted for less than 22% of the value of our goods sold for the year ended December 31, 2009.

Distribution Channels

We have two primary methods of delivering products to our customers: warehouse distribution and direct distribution.

Warehouse distribution, which accounted for more than two-thirds of our sales and the bulk of our gross profit for the years 2007 through 2009, provides our customers with a full range of specialty and industrial chemicals, available to order in much smaller quantities than we believe chemical producers can usually economically supply on a direct basis. We typically purchase chemicals in truck load or larger quantities from chemical suppliers based on anticipated customer demand and store them in our warehouse facilities for subsequent sale and distribution in smaller, less-than-truckload quantities to our customers. In some cases, we repackage, mix and/or blend the chemicals prior to storing them in the warehouse. Our typical warehouse customers are those to which we provide small to moderate volumes. In our warehouse business, the average invoice value is less than €2,000 per customer invoice. As such, optimization of route densities and truck utilization rates are important drivers of profitability in our warehouse distribution business.

Direct distribution accounted for less than one third of our sales and a smaller proportion of our gross profit for the years 2007 through 2009. Direct distribution provides our customers with sourcing and logistics support services for delivery, directly from suppliers, of full-truckload or larger quantities of chemicals. The major distinguishing factor of our direct business is that the product moves directly from our suppliers' facilities to our

customers without entering our warehousing system, even though we generally take title to the products and subsequently invoice the customer. Direct distribution primarily involves industrial chemicals and allows us to leverage our existing customer relationships and administrative functions. Our direct distribution business typically has lower gross profit margins and lower capital and service requirements than our warehouse distribution business. We provide this service on a case-by-case basis after careful business selection. A small portion (less than 1%) of our direct distribution sales is made pursuant to commissioned sales.

Value-Added Services

We support our customers in managing their supply chain. Providing value-added services to our customers is an important part of our operations. We fill, label, barcode, pack and palletize chemicals in batch sizes from as small as one liter to as large as full truck loads according to customer specifications. Once packaged, we ship goods to their final destination or a distribution warehouse. We also offer just-in-time delivery services. In addition, we provide vendor-managed inventory services, in which we measure and refill, as needed, chemical tanks that are maintained on our customers' premises. Many of our customers also utilize our drum return service, in which we recycle and reprocess our chemical containers. Value-added services include services such as bundling, product mixing, inventory management, drum return and technical services and support. We also offer certain laboratory and technical services to a number of our customers. Our value-added services are an integral part of our services and business and generally do not form a separate profit center.

Customers and Industries Served

We distribute a wide range of industrial and specialty chemical products to over 150,000 customers worldwide, ranging from small local companies to large multinational conglomerates. No single customer is material to our Group's business, due to the broad diversity of our customer base. For the year ended December 31, 2009, our largest customer accounted for approximately 1% of our total Sales, and our top ten customers together accounted for approximately 4% of our Sales. Our customers operate in a wide range of industries, including ACES (adhesives, coatings, elastomers and sealants), agriculture, chemical processing, detergents, food, lubricants, metal finishing, mining, oil & gas, personal care, pharmaceuticals, plastics, pulp & paper, rubber and water treatment. As a result of the diversity of our customer base, demand for our products is driven more by broader trends in the manufacturing sector and general macroeconomic trends than by trends in any particular industry. In keeping with our growth objectives, we seek to focus on those industries that offer prospects that we believe are relatively more attractive.

Our business is in large part a repeat-order business. The scope of our sales coverage allows us to serve customers who require small-to-medium sized chemical deliveries, a market which we believe chemical suppliers generally have neither the sales and marketing resources nor the service reliability and product breadth to support, nor the operating model or infrastructure to economically service given the small volumes per order. The size of our shipments can vary significantly, but typically we ship in truckload-or-less quantities.

For the year ended December 31, 2009, we filled more than 3.3 million customer orders for approximately 10,000 chemical products. Over this same period, industrial chemicals accounted for approximately 68% of our Sales, with specialty chemicals accounting for the rest. We are not dependent on any one chemical for a significant amount of our Sales. For example, for the year ended December 31, 2009 our top 10 products by sales accounted for less than 17% of our total Group Sales. Over this same period, our top product by sales was caustic soda, which accounted for less than 6% of total Group Sales. Our next largest product by sales for the year ended December 31, 2009 was sodium hypochlorite, which accounted for less than 2% of total Group Sales.

We continuously seek to broaden our product portfolio be it by leveraging customer relationships to obtain new products from suppliers, through acquisitions, by organic means integrating new product developments, by obtaining product lines from suppliers seeking to outsource activities, or by assessing and pursuing product deficiencies in our focus customer industries.

Our sales and purchase planning process aims at efficient inventory and working capital management and seeks to reduce the risk from price fluctuations. Local management uses monthly sales forecasts together with supplier, inventory and logistics management tools to forecast customer needs, including the anticipated timing of deliveries.

Industrial chemicals are sold and marketed in a wide range of package and delivery sizes and accounted for the largest volume of the products sold in 2009. Our industrial chemical portfolio includes approximately 4,500 products including acids and alkalis, solvents, water treatment and general chemicals used extensively throughout industry. We also provide a number of mixtures and blends to customer's specific needs. Our laboratories and

personnel are well equipped to support the mixing, blending and formulation services. Industrial products are often stored in bulk tanks and repackaged into smaller containers. Average selling prices tend to be lower than those for specialty chemicals. Unlike specialty chemicals, industrial chemicals are normally produced from well established generic processes. As a result, industrial chemicals generally tend to be more widely available and have a wider range of suppliers than do specialty chemicals. Inventory turn for industrial chemicals tends to be high which reduces risk of inventory value loss should there be volatility in market prices.

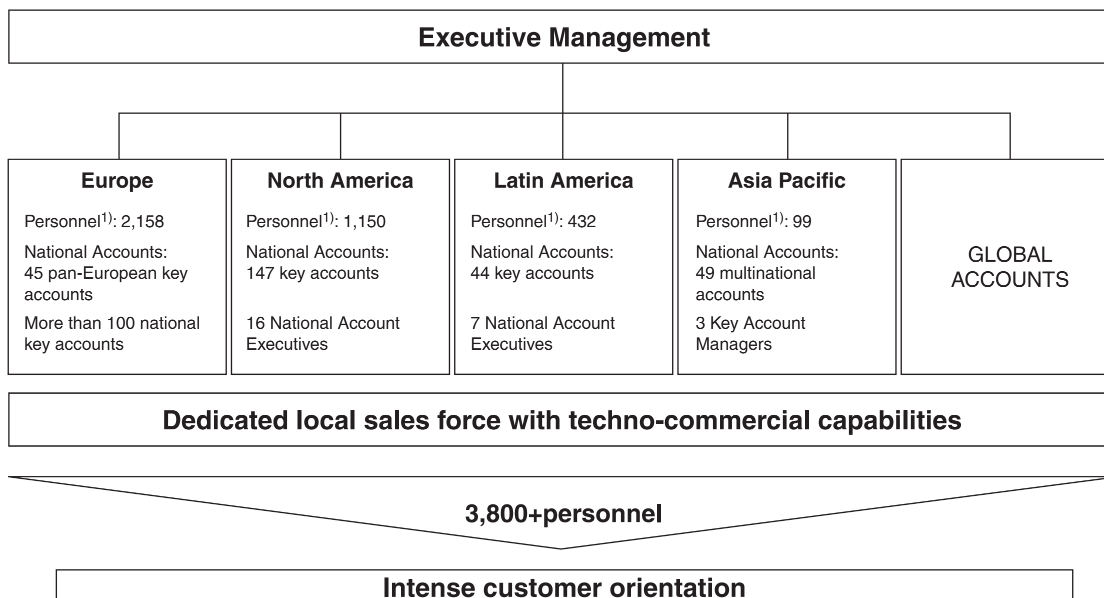
We believe we are the largest global specialty chemical distributor. Specialty chemicals are products with performance characteristics designed for specific applications. Our specialty chemicals product portfolio includes approximately 5,500 chemical products with specialist applications in industries such as paints and coatings, resins, food additives, pharmaceuticals, water treatment and fine chemicals. Average selling prices tend to be higher than industrial chemicals, and specialty chemicals require more technical support and are less subject to substitution by alternative products than industrial chemicals. As a result, there are generally fewer suppliers for specialty chemicals in a given region or application area, and the relationship between Brenntag and the producer is often exclusive on a regional basis. Once a specialty chemical product is established within a customer process or formulation, there tends to be less transactional volatility, as substitution by alternative products normally requires extensive additional technical support, trials and performance testing. Commercial relationships with specialty suppliers and customers are usually long term as there is often a need for detailed interaction in terms of service and application support. For example, we have a significant number of our employees situated at our customers' premises to purchase specialty chemicals. We believe that we have no material dependency on any individual producer on a global basis although within certain regions the relative importance of individual suppliers may be high.

Marketing and Sales

We serve our customers through a broad-based field sales force complemented by regional sales managers. Industrial chemicals are generally sold by our local sales forces, which are managed on a regional basis. We have a specialized, technically-oriented sales force that supports our sales and marketing of specialty chemicals. The members of this specialized sales force are focused on specific industries and have extensive knowledge of our specialty products and their applications. We also operate a number of application laboratories to provide value added services. The specialty chemicals sales forces and managers often operate on a cross-country or cross-regional basis, as is the case with the Brenntag Specialties Europe Team and the Brenntag Solutions Group in North America.

In order to service our major national and global customers, we have created centrally coordinated sales teams. EKAT is a cross-regional organization of key account managers that focuses on building continuous relationships with our pan-European customers. EKAT covers our European key accounts and works directly with our customers to provide specific solutions that add value and reduce costs throughout the chemical value chain. The North American National Accounts Team was created in response to the growing demands of our customers for centralized and unified sales and logistics. This program provides our most strategic, multi regional or nationwide present customers in North America with a single senior account executive who handles all aspects of the customer relationship. In response to an increasing interest from customers in such services, we have recently appointed a global accounts executive, who is responsible for coordinating our global accounts management across all regions to meet our global customers' needs.

The following chart provides information, as of December 31, 2009, relating to the number of our personnel and the number of our national accounts around the world by region (excluding the segment Rest of the World):



As of December 2009, excluding RoW
1) Total sales, marketing and customer services personnel

Quality, Health, Safety and Environmental Protection

Quality, safety, environmental protection, and occupational health ("**HSE**") are of key importance to our Group. Our HSE strategy, which we are currently implementing, is based on the following basic policies:

- **Safety Policy.** The health and safety of the workers and the communities in which we operate are a principal concern of Brenntag. We focus on reducing the risk of accidents through the design of safe processes and installations.
- **Product stewardship policy.** We strive to ensure the proper handling of our products while they are under our stewardship. This includes procurement, packaging, classification and labeling, handling and storage, possible disposal as well as product dossiers and safety instructions.
- **Environmental policy.** We strive to take appropriate measures to minimize environmental impacts to the soil, water and air.
- **Compliance policy.** We endeavor to comply with all health, safety and environmental legal requirements, including import and export regulations and marketing and use restrictions in all our operations and sales organizations.
- **Quality policy.** We strive to ensure the quality of our products and services by implementing ISO 9001 quality management systems.

We take part in the "Responsible Care/Responsible Distribution Program" of the organization of the International Council of Chemical Trade Associations ("**ICCTA**"). We are therefore committed to the sustained development and observance of the guidelines laid down in the global program covering the following eight guiding principles:

- Legal requirements
- Management of risk
- Policies and documentation
- Provision of information
- Training
- Emergency response

• Ongoing improvements

• Community interaction

The commitment to these guidelines and policies, which apply throughout our Group, is assessed by independent experts applying the relevant regional assessment systems (in Europe: SQAS Distributor/ESAD, European Single Assessment Document; in North America: SCV, Site Class Verification; in Latin America: CASA, Calidad, Seguridad, Salud y Medio Ambiente). By this means our environmental performance and safe handling of chemicals are reviewed and documented by independent experts.

The implementation of uniform procedures is overseen by the regional HSE coordinators, who meet regularly in different teams. At these meetings, they oversee compliance, share best practices, information and data and establish standard procedures for the implementation of improvements. These procedures include a global system for reporting accidents and similar occurrences, which have been recorded centrally for some years according to a standardized system. Last year, the number of notifiable industrial accidents within our Group fell from 144 in 2008 to 135 in 2009. This led to a reduction in our lost time injury rate (defined as the rate of accidents resulting in three or more missed working days per 1 million hours worked) from 6.4 in 2008 to 6.1 in 2009.

In addition to the regular external and internal reviews, we use audits by experienced external consultants to identify potential for improvements. For example, a safety assessment focusing on the safe handling and storage of flammable products was conducted by external experts at all relevant Brenntag sites. These projects have led and are still leading to a number of suggestions for improvement which are being continually processed by the regional HSE teams. Internationally applicable HSE manuals are produced and updated. In addition, in 2003 we conducted an extensive due diligence together with independent environmental experts. The environmental database we compiled in this process, which we update on an ongoing basis, serves as a basis for determining provisions for possible environmental liabilities.

In 2003, we purchased assets from certain companies whose past business activities had included, among other things, the distribution and/or sale of asbestos and/or asbestos-containing products in the United States. As these purchases were of certain assets only, and the companies themselves were not acquired by us and have continued to exist after our asset purchases, we do not believe we have any asbestos liabilities relating to these businesses. Moreover, the terms of the asset purchase and related agreements provide us with significant structural and other protection in the event of any asbestos-related claim. These protections have been effective for the 19 claims that have been made against us, we believe mistakenly, from time to time since the acquisition, but there can be no assurance that this situation will continue. To date, none of these claims has resulted in us suffering any damages or incurring any legal fees relating to these claims.

The basis for quality management within our Group is the internationally applicable ISO 9001 standard, which is implemented at the local level. As of December 31, 2009, 71% of our operating sites had introduced quality management systems certified according to this standard.

REACH, the new chemicals regulation of the European Union, has formed the legal framework for handling chemicals to protect the environment and human health since it came into force on June 1, 2007. The registration of all chemical substances as a basis for REACH will span a period of eleven years. With our international REACH implementation team, consisting of a European network of experienced HSE experts and a large number of REACH trained staff, we believe that we are well equipped to meet our statutory obligations under this new regulation.

For further information on the regulatory environment in which we operate see "*Regulatory Environment*". For information on risks relating to the environment that effect our Group, see "*Risk Factors—Legal Risks—We are exposed to ongoing litigation and other legal and regulatory actions and risks in the course of our business, and we could incur significant liabilities and substantial legal fees*"; "*Risk Factors—Legal Risks—Changes in law and regulation could adversely affect our business and competitive position, and we could incur liabilities and additional costs due to environmental, health and safety laws, as well as other laws and regulations*".

Information Technology and Intellectual Property

Information Technology

Information technology ("**IT**") is an important tool in B2B solutions generally and in chemical distribution in particular. Our IT systems handle customer orders in excess of 3.3 million per year, which amounts to an average of over 13,000 orders per business day. These highly sophisticated systems enable us to facilitate efficient supply chain management, global sourcing, customer relations, enterprise resource planning, risk management control, finance and controlling, and e-business. We believe the efficiencies we enjoy as a result of our IT systems enable us to provide B2B chemical distribution solutions with industry-leading efficiency and reliability and contribute

significantly to our ability to determine and implement proper pricing for our products and services. As a result, we believe we are well positioned not only to continue to meet the demands of our suppliers and customers, but for further growth and innovation as well.

Our IT organization reflects our decentralized business organization, and we manage our IT strategy in three layers: globally, by geographic business segment and locally. Within our global IT strategy we focus on facilitating the efficient consolidation of our worldwide financial results for reporting purposes. Recognizing the critical importance of information sharing across our global business, we also strive to create and maintain a collaborative IT platform that enables our various operations around the world to share and access information quickly and efficiently. Maintaining an optimal mix of global software contracts and ensuring that we have the highest possible standards of information security are also important elements of our global IT strategy.

Within our geographic business segments we strive to coordinate and harmonize our Enterprise Resource Planning ("**ERP**") systems (including SAP systems), and our Business Intelligence systems and give regional management access to key customer, supplier and sales data. We also strive to take advantage of e-business platforms wherever we believe they could help us grow our business and improve our gross profit margins, taking into consideration market practices and preferences. We also take advantage of our regional IT systems to spread institutional know-how in support of our environmental, health and safety initiatives, which we believe yields both efficiencies and better compliance.

Our local IT strategy recognizes and supports the important role that our local management plays in running many of the day-to-day aspects of our global business. Because our business differs from region to region in terms of activities and organization, each of our regional management teams oversees the deployment of IT solutions best suited to its market. The functionality and processes of ERP systems are managed at the local level in order to enable our local management to operate seamlessly with customers, suppliers, currencies and market practices in the countries in which they operate. Our Customer Relationship Management ("**CRM**") systems are also operated primarily at the local level to ensure maximum responsiveness to the needs of customers and suppliers in local markets.

Our business relies on the following key IT applications:

- Highly integrated ERP systems covering financial and logistics processes in each region;
- Interlinked reporting and data warehouse systems on a regional, continental and global scale, which enable comprehensive monitoring of the business from top level financial consolidation and reporting down to day-to-day operations KPIs;
- CRM systems deployed in operating units covering approximately 90% of our business with the remainder currently being planned for implementation. These systems allow for the development of an extensive body of market information on the chemical industry;
- Comprehensive coverage of the environmental, health & safety and REACH supply chain communication processes by a central European SAP Environmental, Health and Safety data system that is connected to most of our regional European SAP systems;
- Routing systems and other applications that support our physical hub-and-spoke distribution systems, which allow us to (i) lower logistics costs by improving routing and utilization of truck capacities, (ii) improve stock and storage management and lower working capital by sharing inventory and (iii) reduce delivery times;
- A flexible set of e-business solutions allowing us to interact with our customers and suppliers via customer portals, the electronic hub Elemica or individual electronic data interchange connections; in this context we process more than 100,000 electronic orders (purchasing and sell side) per year;
- Advanced logistics support systems such as barcode scanning, route planning, on board truck computers, high bay rack management and vendor managed inventory via telemetric tank monitoring; and
- Reliable and adequate data back up systems designed to protect against any risk of data loss.

Intellectual Property

Our wholly owned subsidiary Brenntag Holding GmbH owns approximately 750 trademarks worldwide (relating to 22 marks that we use, registered in multiple jurisdictions, in many cases several times per jurisdiction) relating to our services in Europe, North America and Latin America that we have identified as being material to our operations. Of particular importance are the Brenntag corporate name and associated trademarks. Our N-SPEC

trademark, registered in the United States, relates to an environmentally compatible process for removing pipeline sediment that we have marketed in North and Latin America.

In addition, our Group owns a number of internet domains, of which the following are the most material to our Group's business: www.brenntag.com; www.brenntag.de; www.brenntag.co.uk; www.brenntagla.com; www.brenntagnorthamerica.com; www.brenntag-nordic.com; www.brenntag.fr; www.brenntag.ca; www.brenntag.it; www.brenntag.nl; www.brenntag.pl; www.brenntag.es; www.brenntag.be; www.brenntag-cee.com.

Employees and Pension Liabilities

Employees

As of December 31, 2009, we had 10,876 employees, including 6,050 employees in Europe, 3,322 employees in North America, 1,199 employees in Latin America, 182 in Asia Pacific and 124 employees in Rest of the World. As of December 31, 2009, 35.4% of our employees worked in sales, 30.6% in warehouses, 19.0% in administration and 15.0% in distribution. We have not been affected by major events such as strikes or material labor law litigations in the recent past.

The following table shows our employees (full-time equivalent) by region as of December 31, 2007, 2008 and 2009:

Employees (Full Time Equivalent), by Region

	As of December 31,		
	2009	2008	2007
Europe	6,050	6,407	6,284
North America	3,321	3,576	3,484
Latin America	1,199	1,217	1,053
Asia Pacific	182	163	0
Rest of the World	124	120	125
Total	**10,876**	**11,483**	**10,946**

Human Resources and Compliance

We attach great importance to staff motivation and providing our employees with opportunities to improve their qualifications and take part in further training programs. Our staff's high level of competence forms the basis for all the services our company provides. Our Group's human resources ("**HR**") department works in a decentralized manner. Thus, personnel service, personnel support and personnel development are performed directly by the local HR departments of the national organizations. Alongside the local HR departments, the Corporate Human Resources department in our Group is responsible for providing personnel support for our international executive and senior management, as well as for the Brenntag corporate staff in Germany.

We believe that absolute integrity is vital in our dealings with customers, suppliers and competitors as well as with our employees and the public. To make sure we live up to these expectations, we revised our compliance rules (the "**Compliance Rules**") in 2008. The Compliance Rules are based on our corporate principles and summarize the standards that are applicable within our Group.

Expansion of Personnel Management Instruments

We pay significant attention to issues of management succession, focusing on key leadership positions. Members of our management and supervisory boards continuously review executive and senior management positions for interim and medium-term successors. As part of this process, in 2005 we initiated an assessment program of management potential, which we aim to update every two to three years. In our most recent update in 2008, we assessed 293 participants from all parts of the Group in 2008. In addition to this assessment program, we have also implemented coordinated development measures to raise the professional and personal qualifications of managers and potential leaders within our Group. Preference is given to emerging leaders in our Group when vacant management positions arise within in the company, in keeping with our motto of "Promotion instead of Recruitment".

Pension liabilities

The Company and its subsidiaries provide both defined contribution and defined benefit pension plans for the employees of our Group. The nature of these pension obligations varies depending on the legal, tax and economic circumstances in the respective countries and the employee's years of service and remuneration levels. The defined benefit plans are funded with provisions and largely backed by assets of external funds. In addition, many employees of our Group receive benefits from statutory social insurance funds, into which contributions are paid as part of their salary. Various other pension fund obligations also exist at the companies of our Group. As we generally have no further obligations after payment of the retirement pension contributions to state social insurance funds and private insurance companies, these plans are treated as defined contribution plans.

For additional information regarding our pension liabilities, see Note 26 (Provisions for pensions and similar obligations) to our consolidated financial statements as of and for the fiscal year ended December 31, 2009. See also "*Risk Factors—Risks Relating to our Business—We could be forced to write down assets securing a portion of our pension obligations if such assets decline in value*".

Property Owned and Leased

Our headquarters is located in Mülheim an der Ruhr, Germany, where we lease an office building with approximately 8,948 m^2 of office space. We operate a worldwide distribution network consisting of over 500 locations (including over 400 distribution facilities) in over 60 countries. The majority of our sites are in Europe and North America, where we have approximately 204 and 138 storage sites, respectively. We have 54 storage sites in Latin America, 17 storage sites in Asia Pacific, and a few additional sites in the Rest of the World. Our larger sites, including our U.S. hub facilities, are fully equipped with tanks, filling stations, mixing and blending facilities, storage facilities for packaged products and other specialized storage (such as temperature-controlled spaces for food ingredients). Smaller distribution sites are generally storage-only facilities for packaged products that are supplied from larger sites.

The following table provides an overview of the material real property of our Group as of December 31, 2009:

Location	Size	Rent/Owned	Primary Use
Mülheim an der Ruhr, Germany	8,948 m^2	Leased	Corporate Headquarters
Guntramsdorf, Austria	53,242 m^2	Owned	Distribution Site
Deerlijk, Belgium	82,079 m^2	Owned	Distribution Site
Mouscron, Belgium	63,656 m^2	Owned	Distribution Site
Montville, France	107,560 m^2	Owned	Distribution Site
Hamburg, Germany	50,798 m^2	Owned	Distribution Site
Duisburg, Germany	59,942 m^2	Owned	Distribution Site
Trezzano, Italy	49,050 m^2	Owned	Distribution Site
Kędzierzyn-Koźle, Poland	42,634 m^2	Owned	Distribution Site
Valencia, Spain	19,840 m^2	Owned	Distribution Site
Seville, Spain	29,088 m^2	Owned	Distribution Site
Granollers, Spain	15,393 m^2	Leased	Distribution Site
Basel, Switzerland	23,920 m^2	Owned	Distribution Site
Lancaster, Texas, United States	20,438 m^2	Owned	Distribution Site

The following paragraphs list the real estate of our Group that is encumbered.

The real property in Hamburg, land register of Harburg, folio 17175 and folio 17906, is owned by Brenntag Real Estate GmbH and Brenntag GmbH, respectively. The main plot (folio 17175, parcel 4901) is encumbered with a fencing right (*Einfriedungsrecht*) in the form of a limited personal easement (*beschränkte persönliche Dienstbarkeit*) in favour of the Federal Republic of Germany, and a comprehensive land charge in the amount of €30,000,000 (plus interest and one-time ancillary payment) in favour of Deutsche Bank AG, London Branch. The other plot (folio 17906, parcel 5093) is encumbered with several easements, such as an emission right and planting right (*Grünanlagenrecht*) in favour of Deutsche Bahn AG, conduct rights etc. in favour of certain electricity and water etc. providers and the respective owner of a neighbouring property.

The real property in Duisburg (land register of Mündelheim, folios 2764 and 2471) is owned by Brenntag Real Estate GmbH. The real property is encumbered with a comprehensive land charge in the amount of €21.3 million in favor of COMMERZBANK AG, Essen.

In addition to the facilities listed above, we own and lease hundreds of offices, warehouses and other facilities in support of our operations around the world.

Material Contracts

The majority of the material contracts described below relate to financing arrangements of our Group. The terms of these arrangements are based on agreement with the respective contracting parties. As a result, the financial terms used in the respective agreements and in these descriptions of those agreements do not have the same meaning as those provided under IFRS and as used in the financial statements included elsewhere in this prospectus.

Senior Facilities

The Group entered into a Senior Facility Agreement on December 23, 2005 (as subsequently amended and restated on January 17, 2006, June 23, 2006, September 21, 2006, February 13, 2007, July 10, 2007 and February 17, 2010) between, amongst others, Brenntag Holding GmbH as obligors' agent (authorized, inter alia, to receive and give all notices on behalf of the Brenntag entities and to execute amendments to the Senior Facilities Agreement on their behalf), Goldman Sachs International, Deutsche Bank AG, London Branch and Morgan Stanley Bank International Limited as mandated lead arrangers, Deutsche Bank AG, London Branch as facility agent, security trustee and issuing bank. The most recent amendment of the Senior Facilities was undertaken to enable the offering.

The Senior Facility Agreement governs the Senior Facilities, which consist of the Senior Term Facilities, the Senior Acquisition Facilities and the Senior Revolving Credit Facility.

The Senior Term Facilities consist of:

- seven-year Term Loan A Facilities in the aggregate principal amount of €91,191,751.78 for Facility A1 (made available to certain Group companies incorporated in France), €33,520,121.72 for Facility A2 (made available in SEK to certain Group companies incorporated in Sweden) and €25,288,126.52 for Facility A3 (made available in DKK to certain Group companies incorporated in Denmark). The Term Loan A Facilities amortize and are repayable in 14 unequal semi-annual installments with a final maturity date in January 2013;

- eight-year Term Loan B Facilities in the aggregate principal amount of €175,000,000 for Facility B (made available to certain Group companies incorporated in Luxembourg and the Netherlands), US$486,200,000 for Facility B2 (made available in to certain Group companies incorporated in Luxembourg, the Netherlands and the United States), €150,000,000 for Facility B3 (made available to certain Group companies incorporated in Germany, the Netherlands and the United States), GBP102,000,000 for Facility B4 (made available to certain Group companies incorporated in the United Kingdom), CHF100,000,000 for Facility B5 (made available to certain Group companies incorporated in Switzerland) and €165,000,000 for Facility B6 (made available to certain Group companies incorporated in Germany and France). The Term Loan B Facilities are repayable in a bullet payment in January 2014; and

- a nine-year Term Loan C Facility in the aggregate principal amount of €125,000,000 (made available to certain Group companies incorporated in Luxembourg, the Netherlands and France). The Term Loan C Facility is repayable in a bullet payment in January 2015.

The eight-year Senior Acquisition Facilities consist of a Senior Acquisition Facility 1 in the aggregate principal amount of US$118,800,000 made available to certain Group companies incorporated in Germany and other jurisdictions and a Senior Acquisition Facility 2 in the aggregate principal amount of €176,300,000 made available to certain Group companies incorporated in Germany, France and other jurisdictions. The Senior Acquisition Facilities are repayable in a bullet payment in January 2014.

The seven-year Senior Revolving Credit Facility is made available to certain Group companies incorporated in Denmark, France, Germany, Luxembourg, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States in the aggregate principal amount of €200,000,000 with a final repayment date in January 2013.

The interest rate on each borrowing under the Senior Facility Agreement is a rate per annum equal to the aggregate of (a) the applicable margin (as described below) (b) LIBOR or, in relation to any loan in euro, EURIBOR for the relevant period and (c) any mandatory costs. The applicable margin for the Senior Term Loan A Facilities, the Senior Term Loan B Facilities, the Senior Acquisition Facilities and the Senior Revolving Credit Facility prior to the offering was variable and depended on the total leverage ratio as defined in the Senior Facility Agreement:

Total Net Debt to EBITDA	**Facility A Margin % p.a.**	**Facility B1/B2/B3/B4/B5/B6 & the Acquisition Facility 2 Margin % p.a.**		**Acquisition Facility 1 (including amounts drawn under the Revolving Facility for Permitted Acquisitions) Margin % p.a.**	**Revolving Facility Margin (excluding amounts drawn under the Revolving Facility for Permitted Acquisitions) Margin % p.a.**
		euro, GBP and U.S. dollars	CHF		
Greater than or equal to 5.00:1	1.75%	2.00%	2.25%	2.00%	2.00%
Less than 5.00:1 but greater than or equal to 4.50:1	1.75%	2.00%	2.25%	2.00%	2.00%
Less than 4.50:1 but greater than or equal to 4.00:1	1.75%	1.75%	2.00%	1.75%	1.75%
Less than 4.00:1 but greater than or equal to 3.5:1	1.50%	1.75%	2.00%	1.75%	1.50%
Less than 3.5:1 but greater than or equal to 2.5:1	1.25%	1.75%	2.00%	1.75%	1.25%
Less than 2.5:1	1.25%	1.75%	2.00%	1.75%	1.25%

The applicable margin for the Senior Term Loan C Facilities prior to the offering was 2.25% per annum.

Following the offering, the margin table will change so that the applicable margin for the Senior Term Loan A Facilities, the Senior Term Loan B Facilities, the Senior Term Loan C Facilities, the Senior Acquisition Facilities and the Senior Revolving Credit Facility will vary in accordance with the total leverage ratio as follows:

Total Net Debt to EBITDA	**Facility A and Revolving Facility (excluding amounts drawn under the Revolving Facility for permitted acquisitions) Margin % p.a.**	**Facility B1/B2/B3 /B4/B6 (euro, GBP and U.S. dollars) and the Senior Acquisition Facilities (including amounts drawn under the Revolving Facility for permitted acquisitions) Margin % p.a.**	**Facility B5 (CHF) Margin % p.a.**	**Facility C Margin % p.a.**
Greater than or equal to 3.00:1	3.75%	4.00%	4.25%	4.50%
Less than 3.00:1 but greater than or equal to 2.50:1	3.50%	3.75%	4.00%	4.25%
Less than 2.50:1 but greater than or equal to 2.00:1	3.25%	3.50%	3.75%	4.00%
Less than 2.00:1	3.00%	3.50%	3.75%	4.00%

Subject to certain exceptions and threshold amounts, mandatory prepayments are required to be made under the Senior Facility Agreement upon the occurrence of certain events, including asset disposals, certain securitizations of receivables and receipt of insurance proceeds. Mandatory prepayments are also required from a certain percentage of excess cash flow, which percentage decreases from 50% to 25% to 0% depending on the total leverage ratio. A "qualifying IPO" is defined as an initial public offering the application of the offering proceeds of which results in (i) our Group's total leverage being less than 3.00:1 and (ii) the Mezzanine Credit Facilities being repaid in full. The offering will be a qualifying IPO.

Following a qualifying IPO, individual lenders under the Senior Facility Agreement can request to be repaid on the occurrence of a change of control which would occur if any person or group of persons acting in concert (other than the investors just prior to the offering) acquire (directly or indirectly) more than 50% of the voting rights in the Company. The Senior Facilities will also have to be repaid in full if all or substantially all of the business and assets of the Company and its subsidiaries is sold.

The Senior Facility Agreement is guaranteed by subsidiaries of the Company incorporated in Germany, France, the United States, the Netherlands, Luxembourg, Belgium, Spain, Sweden, Denmark, the United Kingdom, Canada, Poland and Switzerland. The Senior Facilities are secured by the assets of the Company and its subsidiaries, including inventory pledges, pledges of fixed assets, share pledges, account pledges and receivables pledges. Subject to the agreed security principles, following the offering, the assets securing the Senior Facilities must represent at least 75% of our total assets and must include assets of subsidiaries representing at least 75% of our consolidated EBITDA.

The Senior Facility Agreement contains a number of customary affirmative and negative covenants and other payment restrictions. These covenants include, among others, limitations on security, disposals of assets, incurrence of debt, investments, acquisitions and mergers. Following a qualifying IPO, dividends may be paid freely where pro forma total leverage, defined as the consolidated total net debt of our Group (measured quarterly, taking into account the amount of the proposed dividend) over Group EBITDA, does not exceed 3.00:1 and otherwise are limited to a maximum amount of 75% of the net income of the Company (determined in accordance with the Company's annual consolidated financial statements for the relevant financial year). The Senior Facility Agreement also includes financial covenants that require the Company and its subsidiaries to maintain a maximum total leverage ratio and a minimum interest coverage ratio. The terms of the Senior Facility Agreement that apply following the public offering are expected to give the Company and its subsidiaries greater operational flexibility and are generally less restrictive than the terms that applied prior to the public offering.

The Senior Facilities were originally fully drawn but have been partially repaid over time due to mandatory prepayment obligations. The Senior Revolving Credit Facility is currently only utilized for Guarantees in an amount of around €39 million. The ancillary facilities which have been made available under the Senior Revolving Credit Facility are mostly unused. A commitment fee is payable on unutilized available amounts under the Senior Revolving Credit Facility at a rate of 1.25% per annum.

Second Lien Credit Facilities

The Group entered into a Second Lien Facility Agreement on December 23, 2005 (as subsequently amended and restated on January 17, 2006, June 23, 2006, September 21, 2006, February 13, 2007, July 10, 2007 and February 17, 2010) between, amongst others, Brenntag Holding GmbH as obligors' agent (authorised, inter alia, to receive and give all notices on behalf of the Brenntag entities and to execute amendments to the Second Lien Facility Agreement on their behalf), Goldman Sachs International, Deutsche Bank AG, London Branch and Morgan Stanley Bank International Limited as mandated lead arrangers, Goldman Sachs Credit Partners L.P. as facility agent and Deutsche Bank AG, London Branch as security trustee. The most recent amendment of the Senior Lien Credit Facilities was undertaken to enable the offering.

The Second Lien Facility Agreement governs the Second Lien Credit Facilities.

The Second Lien Credit Facilities consist of nine-year and six month Term Loan Facilities in the aggregate principal amount of €100,000,000 for Facility 1 (made available to certain Group companies incorporated in the Netherlands), US$243,000,000 for Facility 2 (made available to certain Group companies incorporated in the United States) and €93,500,000 for Facility 3 (made available to certain Group companies incorporated in Germany and France). The Second Lien Credit Facilities are repayable in a bullet payment in July 2015.

The interest rate on each borrowing under the Second Lien Facility Agreement is a rate per annum equal to the aggregate of (a) the applicable margin (as described below) (b) LIBOR or, in relation to any loan in euro, EURIBOR for the relevant period and (c) certain additional costs. The applicable margin for the Second Lien Credit Facilities prior to the offering was 4.00% per annum and following the offering will be 6.00% per annum.

Subject to certain exceptions and threshold amounts, mandatory prepayments are required to be made under the Second Lien Facility Agreement upon the occurrence of certain events, including asset disposals, certain securitizations of receivables and receipt of insurance proceeds. Mandatory prepayments are also required from a certain percentage of excess cash flow, which percentage decreases from 50% to 25% to 0% depending on the total leverage ratio. Individual lenders under the Second Lien Facility Agreement can under certain circumstances request to be repaid on the occurrence of a change of control which would occur if any person or group of persons acting in concert (other than the investors in the Company just prior to the offering) acquire (directly or indirectly) more than 50% of the voting rights in the Company. The Second Lien Credit Facilities will also have to be repaid in full if all or substantially all of the business and assets of the Company and its subsidiaries is sold.

The Second Lien Facility Agreement is guaranteed by subsidiaries of the Company incorporated in Germany, France, the United States, the Netherlands, Luxembourg, Belgium, Spain, Sweden, Denmark, the United Kingdom, Canada, Poland and Switzerland. The Second Lien Credit Facilities are secured by the assets of the Company and

its subsidiaries, including inventory pledges, pledges of fixed assets, share pledges, account pledges and receivables pledges, such security ranking after that granted in respect of the Senior Facilities.

A "qualifying IPO" is defined as an initial public offering the application of the offering proceeds of which results in (i) our Group's total leverage being less than 3.00:1 and (ii) the Mezzanine Credit Facilities being repaid in full. The offering will be a qualifying IPO.

The Second Lien Facility Agreement contains a number of customary affirmative and negative covenants and other payment restrictions. These covenants include, among others, limitations on security, disposals of assets, incurrence of debt, investments, acquisitions and mergers. Following a qualifying IPO, dividends may be paid freely where pro forma total leverage, defined as consolidated total net debt of the Group (measured quarterly, taking into account the amount of the proposed dividend) over Group EBITDA, does not exceed 3.00:1 and otherwise are limited to a maximum amount of 75% of the net income of the Company (determined in accordance with the Company's annual consolidated financial statements for the relevant financial year). The Second Lien Facility Agreement also includes financial covenants that require the Company and its subsidiaries to maintain a maximum total leverage ratio and a minimum interest coverage ratio. The terms of the Second Lien Facility Agreement that apply following the public offering are expected to give the Company and its subsidiaries greater operational flexibility and are generally less restrictive than the terms that applied prior to the public offering.

The Second Lien Facilities are fully drawn. The Second Lien Facilities are subordinated to the Senior Facilities pursuant to an intercreditor agreement.

Mezzanine Credit Facilities

The Group entered into a €385,000,000 Mezzanine Facility Agreement on December 23, 2005 (as subsequently amended and restated on January 17, 2006, June 23, 2006, September 21, 2006, February 13, 2007 and July 10, 2007) between, amongst others, Brenntag Holding GmbH as obligors' agent, Goldman Sachs International, Deutsche Bank AG, London Branch and Morgan Stanley Bank International Limited as mandated lead arrangers, Deutsche Bank AG, London Branch as facility agent and security trustee which has a cash margin of EURIBOR plus 4.00% per annum and a cumulative PIK margin of 3.00% per annum. The Mezzanine Facility Agreement contains terms which are similar to those of the Senior Facility Agreement and the Second Lien Facility Agreement. The Mezzanine Credit Facilities are scheduled to mature in 2016 and will be repaid in full from the proceeds of the public offering.

Asset Backed Securitization

The Group established an asset backed securitization program on January 7, 2005 which was arranged by JPMorgan Chase Bank, N.A. Eleven group companies in five countries (France, Germany, Italy, Spain and the United States) participate in the asset backed securitization program and fund their trade receivables thereunder by selling such receivables (either directly or indirectly) to an Irish incorporated purchasing company, Brenntag Funding Ltd. Brenntag Funding Ltd qualifies as a consolidated Special Purpose Vehicle (SPV).

The term of the asset backed securitization program was five years and was due to expire in January 2010 but it was recently extended for a further two years and is now scheduled to terminate on January 6, 2012. The funding under the asset backed securitization program is provided by JPMorgan Chase Bank, N.A., The Royal Bank of Scotland plc and COMMERZBANK AG. The aggregate principal amount of funding available under the program is €250.0 million, of which a euro equivalent of €173.4 million (comprised of euro and U.S. dollar drawings) had been drawn under the asset backed securitization program as of December 31, 2009.

The principal document in the asset backed securitization program setting out the main terms and conditions pursuant to which those group companies participating in the program are able to borrow to finance their trade receivables is the Receivables Loan Agreement (dated January 7, 2005 and as amended on June 29, 2007 and as amended and restated on December 17, 2009).

Borrowings by Brenntag Funding Ltd pursuant to the Receivables Loan Agreement may be made on a monthly basis (or on such other basis as may be agreed by parties to the asset backed securitization program) in an amount of at least €1,000,000. Such borrowings are used by Brenntag Funding Ltd to purchase trade receivables from the group companies participating in the asset backed securitization program or to refinance existing borrowings. The principal amount of each borrowing is required to be repaid on the earlier of (i) the scheduled maturity of the asset backed securitization program (i.e., January 6, 2012) or (ii) the date on which all borrowings have been accelerated following the occurrence of a termination event.

The interest rate on each borrowing under the asset backed securitization program pursuant to the Receivables Loan Agreement for the term of such borrowing is normally the per annum rate equivalent to weighted average costs of or related to the issue of the commercial paper allocated to fund or maintain the relevant borrowing plus a variable amount depending on the credit debt rating of Brenntag Holding GmbH. If the relevant borrowing for whatever reason is not funded by the conduits of the banks through the issuance of commercial paper alternative rates and margins are applicable.

Mandatory prepayments of borrowings advanced under the Receivables Loan Agreement are required to be made upon the occurrence of certain events, including the termination of the facility prior to its scheduled maturity. The Receivables Loan Agreement contains a number of customary affirmative and negative covenants. These covenants include, among others, requirements to provide reporting on the receivables sold into the asset backed securitization program, statements as to separateness and bankruptcy remoteness in respect of Brenntag Funding Ltd, limitations on sales of trade receivables other than pursuant to the asset backed securitization program, limitations on extending or amending contracts with underlying customers/obligors in respect of the trade receivables or changing their payment instructions, incurrence of debt and audit and inspection. The Receivables Loan Agreement contains a number of customary termination events, including termination events triggered by a deterioration in the credit quality of the trade receivables sold into the asset backed securitization program. The Receivables Loan Agreement also provides that it will be a termination event under the asset backed securitization program if an event of default occurs under the Senior Facility Agreement and is not remedied within any applicable grace period.

Brenntag Holding GmbH agreed as part of the asset backed securitization program to cause each group company (and certain other entities) participating in the asset backed securitization program to perform its obligations under the asset backed securitization program documentation. The financing advanced pursuant to the asset backed securitization program is secured by the assets of the purchasing company, Brenntag Funding Ltd, and certain other security arrangements entered into by other entities participating in the asset backed securitization program (for example, account control agreements).

Shareholder Loan Contribution Agreement

On March 11, 2010, the Company and the Selling Shareholder entered into a contribution agreement (the "**Shareholder Loan Contribution Agreement**") in relation to a shareholder loan from the Selling Shareholder to the Company under an agreement dated September 19, 2006 (the "**Shareholder Loan**"). Under the Shareholder Loan Contribution Agreement the Selling Shareholder will contribute an amount of approximately €714.9 million to the capital reserves (*andere Zuzahlung in die Kapitalrücklage*) of the Company within the meaning of Section 272 paragraph 2 no. 4 of the HGB. This amount includes interest accrued as per March 29, 2010 and excludes claims under the Shareholder Loan in the amount of approximately €4.3 million which the Selling Shareholder waived pursuant to a separate waiver agreement as of March 11, 2010 (as described below). The contribution will become effective upon the end of the first day of trading of the shares of the Company on the Frankfurt Stock Exchange, which is expected to take place on March 29, 2010. No shares will be issued in connection with the above contribution.

Under a waiver agreement dated March 11, 2010 between the Company and the Selling Shareholder, the Company waived a total amount of approximately €4.3 million outstanding under the Upstream Loans, including (i) a loan made by the Company to the Selling Shareholder and (ii) another loan initially granted to the Selling Shareholder by Brenntag Holding GmbH and assigned to the Company under a assignment and settlement agreement of March 11, 2010 (see "*Capitalization*" and "*Liquidity and Capital Resources*". In consideration of the waivers by the Company, the Selling Shareholder waived a corresponding amount outstanding under the Shareholder Loan. Both waivers will become effective upon the end of the first day of trading of the shares of the Company on the Frankfurt Stock Exchange, which is expected to take place on March 29, 2010.

Consulting Services Agreement

Brenntag Holding GmbH entered into a consulting services agreement (the "**Consulting Services Agreement**") with BC Partners GmbH Beteiligungsberatung (the "**Consultant**"), dated as of October 1, 2006. Under the Consulting Services Agreement, the Consultant agrees to provide consulting services for the benefit of the Group's management and companies in return for an annual consulting fee of €227,000 plus reimbursement of reasonable out-of-pocket expenses incurred by the Consultant in connection with these services.

It is intended that this Consulting Services agreement will be terminated with effect as of the first day of trading of the Company's shares.

AdBlue Agency and Service Agreement with Yara International ASA (Oslo)

On June 6, 2006, Brenntag GmbH, as agent, and Yara International ASA (Oslo), as principal, entered into an exclusive agency and service agreement in relation to the supply of AdBlue under the brand name Air1. AdBlue is a non-toxic, high-purity urea solution used in the selective catalytic reduction process and chemically reduces nitrogen oxide emissions from heavy-duty diesel powered vehicles. AdBlue is injected in doses into the exhaust system using a process called the selective catalytic reduction system. AdBlue helps truck operators in Europe to fulfill regulatory environmental requirements in Europe by reducing harmful emissions. Brenntag distributes AdBlue to a wide range of markets and customers within Europe which are not served by Yara directly.

Legal Proceedings

Except for the circumstances described below, no company of our Group is currently, or has been in the past twelve months, party to a government intervention, a court or arbitration proceeding or an administrative proceeding (including those proceedings that are still pending or could be initiated to our knowledge) which may have, or have had in the recent past, significant effect on the financial situation or profitability of the Company and/or our Group.

From time to time, we or our companies are party to or may be threatened with litigation, claims or assessments arising in the ordinary course of our business. We regularly analyze current information, including our defenses and insurance coverage and, as we deem necessary, provide accruals for probable liabilities for the eventual disposition of these matters. The outcome of litigation and other legal matters is always difficult to accurately predict and outcomes that are not consistent with our view of the merits can occur. We believe that we have valid defenses to the legal matters pending against us and/or our companies, as applicable, and we are defending our positions in these matters vigorously. Nevertheless, it is possible that resolution of one or more of the legal matters currently pending or threatened could have a material adverse effect on our business, results of operations and financial condition.

The matters summarized below represent the legal and regulatory proceedings and claims that we currently believe could have a material adverse effect on our business, results of operations and financial condition. See also "*Risk Factors—Legal Risks*".

Antitrust proceedings in Europe

The Company is subject to antitrust proceedings of varying scope in Germany and France. The Company is cooperating fully with the authorities in these proceedings. In one of these investigations, the Company has been notified by the French antitrust authorities that it could be subject to a fine. Although the Company has established a provision in respect of this potential liability that the Company believes is adequate, there can be no assurance that the amount of any fine will not exceed this provision. A final decision in this proceeding is expected some time in 2010. The outcome of the other French antitrust proceeding, which relates to a complaint by a competitor with respect to an alleged abuse of Brenntag's market position, is still open. While, in an earlier decision, the French antitrust authorities had found that the complaint against Brenntag had no basis, the French Cour de Cassation has ordered the antitrust authorities to review some additional aspects of the complaint. In Germany, the Cartel Office has opened an investigation into CVH, the Company's joint venture with CG Chemikalien GmbH & Co. Holding KG. In the worst case, the Cartel Office might request the joint venture partners to dissolve their joint venture. Other than these three proceedings, the Company does not believe that it is currently, and is not aware that it will become in the near future, subject to antitrust proceedings the outcomes of which could reasonably be expected to have a material adverse effect on the financial condition or results of operations of our Group.

Legal Proceedings relating to Fire at Brenntag Quimica S.A., Spain

On September 1, 2006, a fire occurred during a filling operation at a facility operated by our subsidiary, Brenntag Quimica S.A., in Caldas (Galicia), Spain, which destroyed the facility. Although there were no injuries or fatalities, there was substantial property damage. The facility was closed following the fire and has not been rebuilt. In addition, runoff from the firefighting mixed with chemicals that had been stored at the facility and flowed into the nearby river Umia. In the ensuing period, there was substantial environmental damage, including to plants and wildlife, in and around the riverbed downstream from the facility.

Local Authorities have initiated a criminal investigation into the role that certain employees of Brenntag Química may have had in the fire and in the contamination of the river. The investigation is still in its initial phase, in which a court will determine whether there is sufficient evidence to proceed against the employees of Brenntag Química. If the employees are found guilty of criminal negligence, they could face fines or, very unlikely, jail

sentences, and Brenntag Química, S.A. could face an administrative fine and/or the requirement to compensate the environmental damages, as described below.

The Galicia Environmental Administration has brought a separate administrative action seeking a fine against Brenntag Quimica S.A. for infringement of provisions of law relating to the water supply. This administrative action will remain suspended until the conclusion of the criminal investigation and any subsequent criminal trial which might result. The relevant authorities have informed us that the sanctions that could result from this administrative proceeding would likely be approximately €0.3 million to €0.6 million. Brenntag Quimica S.A. has set aside a provision of €0.3 million in respect of this matter.

The Galicia Environmental Administration is also seeking reparations from Brenntag Quimica S.A. for clean-up costs and environmental damage in a separate civil action. This civil action is also suspended pending the resolution of the criminal matter. Our insurer has already settled claims by certain third parties, including individuals whose property (such as cars and trucks parked on the property at the time of the fire) was damaged or destroyed in the fire. We estimate that the total amount at issue in this civil action going forward is approximately €9.5 million. Although we believe that applicable insurance policies will cover all of these costs, we cannot guarantee that this will be the case. In addition to its insurance coverage, Brenntag Quimica S.A. has set aside provisions of approximately €7.6 million in respect of its potential liabilities in this civil action. We believe this provision is appropriate in light of the estimated potential liabilities of Brenntag Quimica S.A. in this matter.

Legal Proceedings against Brenntag Latin America, Inc. Relating to Fire in Costa Rica

On December 13, 2006, a fire destroyed our terminal in Moin, Puerto Limon, Costa Rica, which was operated by one of our Group companies, HCR. Two contractors were killed, one employee was seriously injured, and a number of people in the vicinity were treated for smoke inhalation. The fire also led to the closure of the local port for several hours. Since local authorities feared that run-off contamination might have affected the local drinking water supply, it was therefore stopped for 45 days to enable monitoring and testing. Alternative water sources were largely in place within five days.

We have fully cooperated with the authorities and incurred substantial costs in mitigating the local impact and assisting the local community and the families of those affected. Among other things, we made arrangements for a 24-hour medical facility for one week, provided an alternative local water supply, initiated environmental impact and contamination reduction measures, and provided assistance to the families of the dead and injured. A fire department investigation concluded that the most likely cause of the fire was a spark from welding equipment being operated by a third party contractor coming in contact with vapors from the filling of a nearby tank truck. Such work generally should not be carried out in the vicinity of loading or unloading operations due to the risk of igniting fumes. The report did not attribute responsibility, but criticized some aspects of the facility, including the absence of warning signs.

A number of legal proceedings relating to the fire have been brought against Brenntag. In a public proceeding initiated by a local attorney, the Constitutional Court of Costa Rica ruled in December 2007 that both the city of Limon and HCR were guilty of negligence for operating in this location, despite the fact that all necessary permits were in place at the time of the incident. It is unclear what implications this ruling might have for Brenntag. The Tribunal Ambiental Administrativo (the "**TAA**"), a quasi-government body whose rulings are public and enforceable, investigated the incident and announced in May 2009 that it would seek reparations of approximately US$6.3 million for damages to the environment and to the health of the population. HCR presented evidence challenging this reparations amount as inappropriate. The preliminary ruling of the TAA is expected during the first half of 2010. It is expected the final ruling will be unfavorable to HCR, which would then likely appeal any adverse ruling to the Court of Appeal in Costa Rica.

In March 2007, a group of plaintiffs commenced an action in the United States Federal District Court in Galveston, Texas, seeking unspecified damages for injury to persons and property from Brenntag Latin America, Inc. ("**BLA**"), which owned, operated and managed the terminal in Moin. In November 2007, the judge granted BLA's motion that the case should be heard in Costa Rica. In September 2008, the same plaintiffs filed this cause of action in the Texas State District Court in Houston. The judge in that case also ruled that the Costa Rica was the proper forum, but permitted the plaintiffs to re-file if the Costa Rican courts refused to hear the case. We are currently awaiting further developments in this case.

There is also an ongoing criminal investigation in Costa Rica into the conduct of HCR and certain of its former employees in connection with the fire. Two former employees of HCR (one of whom has since died) have provided testimony in this investigation, and the surviving employee has been put on notice that he is under investigation. The criminal lawyer for HCR is representing the surviving former employee, as well as the company, in this matter. If

there is a finding of guilt in this matter, the sanctions could include jail time (for the individual employee) and/or fines (which could apply to both the employee and HCR). We are currently in the early stages of settlement discussions with a lawyer for the surviving injured employee. The statute of limitations on civil cases is ten years. The insurance claims for destruction of property and business interruption were filed and settled, locally with Instituto Nacional de Seguros ("**INS**") and under the German master policy with HDI-Gerling. It is also possible that one or more additional private civil actions on behalf of individuals injured in the fire could be commenced.

The legal fees associated with the cases in Texas were submitted directly to Chartis New York by the lawyers and have been settled. Mitigating costs including legal fees and expert advice are currently under review with Chartis. Local coverage for these costs through the INS is limited to US$350,000 and will only be recoverable in the event that HCR is found to be responsible for the incident. The Chartis policy covers any amounts claimed by the TAA. The legal costs for defending the criminal proceedings will be covered 50% by Chartis Europe S.A. Any fine levied on the company would not be covered under this policy. We believe we have appropriate insurance in place to cover any adverse outcome in future civil litigation in Costa Rica, but we cannot guarantee that potential future costs of litigation or damages will necessarily be covered by, or will not exceed, such insurance coverage.

Certain alcohol taxes and wage taxes

Between 2006 and 2009, the German customs authorities conducted tax audits related to alcohol tax. The customs authorities produced audit reports that questioned whether alcohol tax in the amount of €21.3 million for 2005, €25.2 million for 2006 and €13.7 million for 2007 had to be levied on intercompany supplies by Brenntag GmbH to its affiliate Biesterfeld Chemiedistribution GmbH ("**BCD**") and to another customer, on the basis that the supplies were furnished without an appropriate permit. BCD itself provided the products to its customers. We understand that both BCD and the other customer have since been able to produce the relevant permits and prove without any gap that the customers who purchased these products used them only in a permitted way. It is our expectation that under these circumstances any taxes that are assessed would likely be waived by the competent authorities. As a precautionary measure, we have filed requests with the competent tax authorities requesting a waiver of such alcohol taxes.

As an assessment notice for 2005 was not issued by the main customs office as of December 31, 2009, any assessment relating to the 2005 taxes would fall outside the statute of limitations and could not be assessed. An assessment notice for 2006 was issued, without payment obligation, and in January 2010 we formally objected and further substantiated our request to waive the taxes. The financial authorities announced that they plan to decide on our waiver request in the first quarter of 2010. An assessment notice for 2007 has not been issued yet, as the audit report is still in draft form. We are in close contact with the authorities and believe that our waiver requests will be accepted and that no taxes will have to be paid.

In addition Brenntag is currently subject of a wage tax audit in Germany for the years 2004 to 2006 compassing inter alia a management participation scheme. Though Brenntag and its tax advisors are confident that the audit will not result in material additional wage taxes it cannot be fully excluded that Brenntag might become liable if the tax audit leads to the reclassification some or all payments to the management as salary. In an unlikely worst-case scenario (i.e., if all payments are reclassified as salary), this could lead to an additional tax liability of approximately €38 million.

Insurance Coverage

Our Group holds a number of insurance policies centrally managed by the Company and adjusted on an ongoing basis according to the current circumstances. We obtain insurance based on internal risk management analyses either in the form of group insurance policies or individual policies to cover particular risks. Deductibles are agreed upon if the Company deems them to be appropriate. Our insurance coverage includes business liability insurance, transportation liability and environmental damage insurance, as well as property insurance covering buildings, facilities and machinery, and other standard insurance. In general, our Group has not taken out insurance for damages arising from business interruptions due to natural events such as storm floods, although in certain countries we have obtained such insurance coverage where we deem such coverage to be necessary. In particular, we have not taken out business interruption insurance covering losses arising from business interruptions due to blackouts or failures of IT applications, since we believe that the corresponding risks are more economically addressed by emergency power generators and IT backup systems. After weighing all the risks against the cost of the insurance premiums, we believe it is not necessary to take out insurance for such damage.

We have taken out directors and officers ("**D&O**") insurance for the members of our management and supervisory boards and certain other senior officers of Group companies, with coverage of €50 million per year. The D&O insurance offers coverage for financial losses arising due to breach of duty by members of management and

supervisory boards in the course of the exercise of their duties. As required under applicable German law, each of the members of our management board and our supervisory board remain personally responsible in the case of any finding of personal liability of such member, as the case may be, for 10% of the total amount of such personal liability, up to an amount that equals 150% such member's total annual fixed remuneration from our Group.

We believe, according to our current knowledge, that our insurance coverage, including the maximum coverage amounts and terms and conditions of the insurance policies, are both standard for our industry and appropriate. We cannot, however, guarantee that we will not incur any losses or be the subject of claims that exceed the scope of the relevant insurance coverage.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

During its normal business activities, Brenntag AG also obtains services from and provides services for related parties. These related parties are the subsidiaries included in the consolidated financial statements as well as associates and joint ventures accounted for at equity. Furthermore, the parent company of Brenntag AG is considered to be a related party. The parent company and ultimate controlling entity of Brenntag AG is Brachem Acquisition S.C.A., Luxembourg, represented by its general partner, Brahms Chemical Intermediate SA, Luxembourg. The members of the management and the supervisory board of Brenntag AG are also considered related parties.

The short-term benefits for the managing directors of Brenntag AG for the financial year ended December 31, 2009 (including expenses arising from a multiannual incentive program) total €25.5 million (2008: €5.0 million; 2007: €3.2 million), including compensation for work performed at subsidiaries. The figure in 2009 includes expenses in connection with the early termination of a multiannual incentive program amounting to €22.8 million: of which €12.8 million is attributable to the North America region, €5.2 million to the Europe region and €4.8 million to all other segment (Rest of the World). Furthermore one-off payments of €0.4 million were made in 2008 (2007: €0.9 million) in connection with the termination of employment contracts. Future pension entitlements earned in the reporting period (current service cost) and payments into defined contribution plans amount to €0.1 million (2008: €0.1 million; 2007: €1.0 million). Apart from the aforementioned, there were no transactions with related parties. Along with other senior managers of the Brenntag Group, the managing directors of Brenntag AG are included in a management participation program at the parent company Brachem Acquisition S.C.A., Luxembourg. Under this program, the eligible managers purchase shares in Brachem Acquisition S.C.A., Luxembourg, at market prices through management participation companies.

The following business transactions were performed with the related parties on terms equivalent to those that prevail in arm's length transactions:

	2009	2008	2007
	(audited, € million)		
Sales revenue from transactions with joint ventures	7.3	19.7	20.6
Sales revenue from transactions with associates	0.3	0.3	0.3
Goods and services rendered by associates	0.4	0.4	0.3
Goods and services rendered by parent company	0.3	0.2	0.2
Interest expenses to parent company	64.7	58.8	53.3

The following table shows our trade receivables, financial receivables and trade payables in respect of transactions with related parties for each of 2009, 2008 and 2007:

	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
	(audited, € million)		
Trade receivables	—	1.3	5.2
(thereof joint ventures)	—	*1.0*	*2.5*
(thereof associates)	—	*0.3*	*2.7*
Financial receivables	3.8	2.1	1.4
(thereof associates)	*0.6*	—	*0.2*
(thereof parent company)	*3.2*	*2.1*	*1.2*
Trade payables	—	0.1	0.1
(thereof joint ventures)	—	*0.1*	*0.1*
Financial liabilities	702.2	637.5	578.2
(thereof parent company)	*702.2*	*637.5*	*578.2*

The financial liabilities relate to a loan granted by the Selling Shareholder.

The transactions of Brenntag AG with consolidated subsidiaries as well as between consolidated subsidiaries have been eliminated in the consolidated financial statements.

REGULATORY ENVIRONMENT

Regulatory Environment in Germany: German Law and EU Law

Our business activities in Germany are subject to a wide array of regulatory requirements under German and EU law. As EU regulations (*EU Verordnungen*) apply directly in all Member States of the European Union, our business is subject to these rules in all EU Member States. EU directives (*EU Richtlinien*), while binding on Member States as to the result to be achieved, need to be implemented into national law. Hence, regarding those standards contained in EU directives that are applicable to our business, national implementing rules can differ slightly from one EU Member State to another.

The chemicals distribution business is environmentally sensitive and many aspects of environmental law apply to our business operations. In particular, the law on chemical substances has a strong impact on our business. In addition, we are subject to regulations on the transport of hazardous substances and to occupational safety requirements.

Legal requirements for storage and processing sites

Emissions control law and building and zoning laws

The construction and operation of some of Brenntag's facilities — especially those featuring extensive storage capacity — require permits under the Federal Emissions Control Act (*Bundes-Immissionsschutzgesetz*, **"BImSchG"**). These sites have to be regularly adapted to the current state of the art (*Stand der Technik*) in emissions reduction and safety technology. We must therefore periodically modernize our facilities that are subject to BImSchG requirements to comply with evolving technical standards.

In addition to the general requirements under the BImSchG, operators of facilities storing hazardous goods in larger quantities are required to comply with additional safety standards under the 12th Ordinance under the BImSchG (*Zwölfte Verordnung zur Durchführung des Bundes-Immissionsschutzgesetzes (Störfall-Verordnung)*, **"12. BImSchV"**), which implements Directive 96/82/EC, commonly referred to as the "Seveso II" Directive. The provisions of 12. BImSchV are designed to prevent major accidents involving dangerous substances (*Störfälle*) (such as emissions, fires and larger explosions) that can lead to serious danger or damage, and to limit their consequences. The degree of additional safety requirements depends on the amounts of various classes of hazardous substances stored in the facility. Some of the facilities we own and operate are subject to the rules of the 12. BImSchV.

Most of our buildings also require building permits (*Baugenehmigungen*) under applicable building and zoning laws, which not only regulate specifications relating to the structure of buildings, but also define limits on the use of buildings. Permits granted under BImSchG inevitably comprise such building permits, whereas a separate building permit is usually required for buildings and structures which are not subject to a BImSchG permit.

Regulations on controlling of explosion hazards

Some of the substances stored, processed and transported by Brenntag are subject to explosion prevention regulation. Most prominently, the European ATEX Directives 1999/92/EC and 94/9/EC provide for rules on explosion prevention.

Directive 1999/92/EC stipulates minimum requirements for the safety and health protection of workers potentially at risk from explosive atmospheres and is aimed at the prevention of accidents by explosions at the workplace. Under German law, the requirements of this Directive have been incorporated in the German Ordinance on Facility Safety (*Betriebssicherheitsverordnung*, "**BetrSichV**"). Under Section 3 et seq. of the BetrSichV, employers are, amongst others, required to prevent explosive atmospheres where possible and to exclude potential sources of ignition from critical areas. Employers who are operators of facilities with explosion hazards are also required to develop and to keep up-to-date an Explosion Protection Document (*Explosionsschutzdokument*) under Section 6 of the BetrSichV, which sets forth precautionary measures that operators must take against explosion hazards.

Directive 94/9/EC, on the other hand, regulates the requirements for equipment and protective systems used in areas subject to explosion hazards and has been transformed into German national law by the 11th Ordinance under the Act on the Safety of Equipment and Products (*Elfte Verordnung zum Geräte- und Produktsicherheitsgesetz — Explosionsschutzverordnung*, **"11. GPSGV"**). Under the 11. GPSGV, equipment used in areas that are subject to explosion hazards has to meet specific technical requirements. Annex 4 to the BetrSichV generally requires the

employer to ensure that all equipment used in areas where explosive atmospheres may occur is in compliance with Directive 94/9/EC.

Production, possession and handling of waste

Our business activities lead to the generation, possession and handling of waste, including hazardous waste. Under the German Act on Recycling and Waste (*Kreislaufwirtschafts- und Abfallgesetz*, **"KrW-/AbfG"**), the generation, possession and handling of waste is subject to several obligations, depending, amongst other things, on the hazardousness of the waste concerned. As the generator (*Erzeuger*) and owner (*Besitzer*) of waste, Brenntag is generally responsible for the proper handling of this waste.

Section 43 KrW-/AbfG requires generators, owners, collectors and transporters of waste to verify to the competent authority and amongst each other the proper disposal of hazardous waste (*gefährliche Abfälle*) by way of a proof of waste disposal (*Entsorgungsnachweis*). Whether a certain substance qualifies as hazardous waste is to be determined according to the German Ordinance on the European Waste List (*Verordnung über das Europäische Abfallverzeichnis*, "**AVV**"). The handling of hazardous waste is also to be documented in a registry according to Section 42 (3) and (1) KrW-/AbfG.

Use of and dangers to water resources

Use of public water resources and discharging of wastewater

Our facilities make use of public water resources, including groundwater, by drawing water from rivers, discharging waste water directly into public waters and by other forms of use. Certain uses of public water resources require permits (*Erlaubnisse*) or licenses (*Bewilligungen*) under the Federal Water Resources Act (*Wasserhaushaltsgesetz*, **"WHG"**). Permits under the WHG may be revoked without compensation under Section 7 of the WHG, while the revocation of licenses under Section 12 WHG generally requires the payment of compensation. If our permits or licenses were revoked, we would need to find alternative water supply or discharge solutions. When waste water is discharged into the public sewer system, state laws require permits for such wastewater discharge (*Indirekteinleitergenehmigungen*).

Storage and handling of substances hazardous to waters (water pollutants)

Our Group stores and handles large amounts of substances that are hazardous to waters if released or spilled. Special safety requirements under Section 19g WHG et. seq. apply to those sites that store and handle such substances. These requirements include structural and organizational standards, as well as notifications to the competent authorities, and the relevant sites have to be continuously adapted to new developments in state of the art technology.

Ground Water Remediation

At some of our sites, we are legally obliged to remediate existing ground water contaminations by drawing ground water, purifying this water and discharging it into public waters. These activities are subject to notification and, under certain circumstances, permission requirements under the WHG and relevant legislation of the federal states (*Bundesländer*).

Contamination of soil

Due to our Group's handling of chemicals, soil contamination may potentially occur. Therefore, our business operations are subject to regulation under the Federal Act on Soil Protection (*Bundes-Bodenschutzgesetz*, **"BBodSchG"**). Accordingly, we are obliged to prevent contamination of the soil (*schädliche Bodenveränderungen*) by taking adequate precautions.

Where contamination of the soil has occurred, or where pollution was caused in the past on sites of abandoned facilities (*Altlasten,* "**past pollution**"), we may be legally obliged to implement remediation measures. We can be held responsible under the BBodSchG irrespective of any fault or negligence on our part. The BBodSchG places responsibility to take remediation measures on the owner, the person having control of the property, the polluter, the universal successor (*Gesamtrechtsnachfolger*) of the polluter and the previous owner, if such owner has transferred title to the real property before March 1, 1999 and had knowledge of, or negligently did not know of, the contamination or past pollution (*Altlasten*). The competent authorities may require each of the persons responsible to take remediation measures, or do so themselves, placing the costs for such action on the person responsible; normally, however, the authorities will initially focus on the present owner. If several persons responsible exist, each person has a statutory claim to compensation against the other persons, while the amount of such claim will

depend on the degree to which each person has contributed to the contamination or past pollution (*Altlasten*). This statutory claim may be contractually modified or waived among the persons involved.

At some of our facilities, past pollution (*Altlasten*) exists; at our other facilities, we cannot guarantee that such past pollution (*Altlasten*) does not exist. As some of our sites have been used for industrial purposes for decades, and because at some sites industrial use reaches back more than a century, we cannot guarantee that soil contamination or past pollution (*Altlasten*) does not exist. If soil contamination or past pollution (*Altlasten*) should be detected at one of our sites, it seems possible that Brenntag as the owner or user of the site will be held responsible for this contamination and will be obliged to clean up the contaminations, or will have to bear the costs for measures implemented by the competent authorities, even if Brenntag or its predecessor did not cause such contamination or past pollution (*Altlasten*). As soil or groundwater remediation can be very costly, and the likelihood of a successful claim against the contaminator depends on factors of each specific case that we cannot influence, we bear the risk of substantial expenditures on soil contamination issues.

Legal requirements related to the chemicals business

Rules on storing, handling and processing of chemicals

The German Chemicals Act (*Chemikaliengesetz*, **"ChemG"**) provides for special obligations for handlers and processors of chemical agents. As the handling of chemicals is Brenntag's core business, these obligations are of major importance for its operations. Brenntag is subject to notification requirements under Section 16d et. seq. ChemG and further obligations relating to the packaging and labelling of chemicals. Brenntag is also obliged to fulfill certain safety obligations arising from the ChemG.

Our business includes the handling and storage of a large range of hazardous substances and therefore is subject to regulation under the Ordinance on Hazardous Substances (*Gefahrstoffverordnung*, **"GefStoffV"**). GefStoffV regulates the handling of particularly dangerous substances and requires compliance with additional notification and safety obligations.

REACH and related regulatory instruments

On the European level, the recent REACH legislation creates substantial obligations for manufacturers and importers of chemical substances such as Brenntag. The legal framework established by REACH, dealing with the Registration, Evaluation, Authorisation and Restriction of Chemicals, is contained in Regulation (EC) 1907/2006 ("**REACH Regulation**") which became effective on June 1, 2007. REACH seeks to acquire data on all potentially dangerous substances in the EC by requiring manufacturers and importers of chemicals to register these with ECHA, the European Chemicals Agency. It is accompanied by legislation on the classification, labelling and packaging of substances and mixtures under Directive (EC) No. 1272/2008, as well as several other legislative acts that relate to the organization and implementation of REACH and European chemicals regulation in general.

This system began in 2007 with a phase of voluntary participation. Beginning on June 1, 2008 and December 1, 2010 for the first pre-registered substances, registration of certain types of chemicals with ECHA is compulsory. Subsequent obligations for registration will become effective in stages over the next few years. Art. 6 of the REACH Regulation obliges manufacturers and importers of chemicals in quantities of one ton or more per year to register these chemicals with ECHA and to receive a Registration Number in return, which can be used to track the substance by European and national authorities. Depending on the tonnage of substances to be manufactured or imported and of the specific risks of each substance, different sets of data need to be submitted with the registration. REACH, its Annexes, Directive 67/548/EC and Directive (EC) No. 1272/2008, and associated directives also provide for a comprehensive system for the classification of substances. Depending on whether or not a substance qualifies as dangerous to a certain degree, the recipient of any substance shipment must be provided with a Safety Data Sheet according to Art. 31 of the REACH Regulation. Such Safety Data Sheet must include information on hazards emanating from the substance as well as precaution and remedy measures. Due to the data required, registration of substances with ECHA can impose a substantial financial burden upon chemical manufacturers or importers.

Regulations addressing potential misuse of substances

While our Group produces neither weapons nor narcotics, it is still subject to regulation concerning these areas as its products could possibly be misused for such purposes. Our Group stores, handles and processes substances that qualify as precursor substances, i.e., substances that can be legally used for commercial purposes, but also for the illegal production of narcotics or explosives. Precursor substances are subject to regulation under both European and national law.

Under Regulation (EC) No. 273/2004 (“**Regulation 273/2004**”) our companies are required to hold a license for the possession of and trade in drug precursor substances when acting inside the European Union. We are obliged to deliver drug precursor substances only to consignees that also hold a permit under Regulation 273/2004. Additionally, requirements for labeling, documentation and notification of authorities apply. Trade in drug precursors with third countries is subject to Regulation (EC) No. 111/2005 (“**Regulation 111/2005**”), which provides for comparable rules as Regulation 273/2004 for trade on a global level. Both regulations have been further specified by Commission Regulation (EC) No. 1277/2005, which provides for more detailed guidance in implementing the Regulation’s requirements. In Germany, the Act on Precursor Substances Monitoring (*Grundstoffüberwachungsgesetz*, “**GÜG**”) provides for national implementation of Regulations 273/2004 and 111/2005 requirements. Under Sections 19 and 20 GÜG, violations of rules on trading in precursor substances are subject to fines or, in severe cases, criminal prosecution.

Substances handled by Brenntag include explosives precursors. Handling of such substances is subject to additional regulatory requirements under European and German legislation. EC Directive No. 1993/15/EEC on the harmonization of the provisions relating to the placing on the market and supervision of explosives for civil uses sets out basic rules for trade in explosives on the European level. In Germany, it is implemented by the Explosives Act (*Sprengstoffgesetz*, “**SprengG**”). Amongst others, Section 7 of the SprengG requires persons handling or trading with explosive substances (*explosionsgefährliche Stoffe*) to hold a permit for these business activities. Section 15 of the SprengG sets out specific requirements of verification and notification for the import, export and transit of explosive substances.

Some of the substances handled by Brenntag qualify as dual-use substances under the EC Dual-Use Regulation, Regulation (EC) No. 1334/2000 (“**Dual-Use Regulation**”). National implementation of the trade restrictions imposed by the Dual-Use Regulation is provided for by the Act on Foreign Trade (*Außenwirtschaftsgesetz*, “**AWG**”) and the Regulation on the Act on Foreign Trade (*Außenwirtschaftsverordnung*, “**AWV**”), which specify the substances and items subject to trade restrictions or licensing requirements.

Our business includes the handling of substances that are regulated by the Chemical Weapons Convention (“**CWC**”) and relevant national implementation legislation. The CWC is an international agreement that obliges its member states to prevent the proliferation of chemical weapons and restricts trade in certain chemical substances that are or may be used to manufacture chemical weapons. Germany has implemented its CWC obligations into national law. Although the national regulations prohibit the manufacturing, trade or transport of certain chemical substances, activities relating to other substances are subject to licensing and monitoring requirements. Non-compliance may result in substantial fines or criminal prosecution.

Legal requirements for the transport of hazardous substances

Transport of hazardous substances is a material part of Brenntag’s business. Therefore, our Group companies are subject to the rules applicable to the transport of dangerous goods. The vast majority of our logistics is conducted by road transportation.

The European Agreement concerning the International Carriage of Dangerous Goods by Road (“**ADR**”) is a European level agreement that contains basic rules on the transport of hazardous substances. It has been enacted as European Community Directive 94/55/EC and implemented into national legislation by the ADR Act (*EG-Gefahrgutübereinkommensgesetz*), which regulates the classification of goods, packing and the transport in tanks, consignment procedures, requirements for the construction of packing containers, as well as loading, unloading, handling and carriage procedures. The ADR as the central framework on hazardous substances regulation is supported by national legislation that further specifies its provisions and the adoption thereof in the German legal environment. Such national rules are contained in the Act on the Transport of Dangerous Goods (*Gefahrgutbeförderungsgesetz*) and the Ordinance on the Transport of Dangerous Goods by Road, Railroad and Inland Waterways (*Gefahrgutverordnung Straße, Eisenbahn und Binnenschifffahrt*, **“GGVSEB”**), as well as numerous technical manuals. Brenntag is obliged to observe specific technical requirements under these regulations and several other technical standards when carrying out transports of dangerous goods.

When carrying out international transports of dangerous goods by rail, our Group is subject to additional regulation. While national railroad transport is covered by GGVSEB, international railroad transport is regulated by the Regulation concerning the International Carriage of Dangerous Goods by Rail (“**RID**”). Brenntag’s transportation business also uses ships for the transport of dangerous goods. The transport of dangerous goods by ship is also subject to specific regulation. In international waters, the International Maritime Code for Dangerous Goods (“**IMDG Code**”) provides for rules similar to those of ADR and RID. For the transport of dangerous goods in the open sea on German territory, as well as for ship transport in Germany’s internal waters, associated national legislation applies.

When our Group uses airplanes for the transport of hazardous substances, the International Civil Aviation Organization's (ICAO) Technical Instructions for the Safe Transport of Dangerous Goods by Air and, in most cases, the International Air Transport Association's Dangerous Goods Regulation (IATA DGR) apply to our Group's activities.

Occupational health and safety requirements

In our B2B chemical distribution business, where the working environment may pose threats to employees, occupational health and safety is of paramount importance and subject to legal requirements. German law on occupational safety is heavily influenced by requirements of EU law. The central rules on occupational safety in Germany are contained in the Act on Occupational Safety (*Arbeitsschutzgesetz,* "**ArbSchG**"), which obliges employers to provide for their employee's safety. This general obligation is concretized in several ordinances under the ArbSchG, which are further detailed in technical guidelines. Central elements of occupational safety regulation include the BetrSichV, the Ordinance on Requirements for Workplaces (*Arbeitsstättenverordnung,* "**ArbStättV**") and a large number of technical guidelines enacted under these ordinances. Requirements on occupational safety are also contained in several regulatory instruments mentioned above, including regulation on explosion prevention, handling of chemicals, or transport of dangerous goods.

Potential liability for environmental losses

General civil liability (breach of contract and tort)

Brenntag works in a business field where the incursion of liability for environmental damage cannot be completely excluded. Under general rules of the German Civil Code (*Bürgerliches Gesetzbuch*, **"BGB"**), fault-based compensation (*Schadensersatz*) is to be paid for breach of contract or unlawful infringements of legally protected rights. This obligation does not only apply to Brenntag's own acts but may extend to behavior of individuals that have been assigned by Brenntag under Section 278, 831 BGB.

Act on Liability for Environmental Damage

In case of damage to persons or property caused by one of Brenntag's facilities, Brenntag may additionally be strictly liable under the Act on Liability for Environmental Damage (*Umwelthaftungsgesetz*, **"UmweltHG"**). For liability under the UmweltHG to arise, such damage needs to be caused, amongst others, by substances or gases that spread trough soil, air or water. It applies to Brenntag's facilities exceeding the required size thresholds according to Annex 1 of the UmweltHG. Section 6 UmweltHG establishes a presumption that damage has been caused by a facility if such facility is generally capable of causing the damage in question.

For those sites of Brenntag that are covered by the 12. BImSchV, Brenntag is additionally required to provide financial security (*Deckungsvorsorge*) for environmental damage according to Section 19 UmweltHG. Brenntag believes that it complies with its obligation to provide financial security under the UmweltHG.

Environmental Damage Act

Some of Brenntag's facilities and activities are subject to the rules of the Environmental Damage Act (*Umweltschadensgesetz*, **"USchadG"**) which implements Directive 2004/35/EC on environmental liability with regard to the prevention and remedying of environmental damage. The USchadG provides for an obligation to prevent damage to the environment and to remedy such damage irrespective of fault. Brenntag's obligations under the USchadG reach beyond the general rules on civil liability, covering environmental losses that may not be eligible for compensation under other laws. While the USchadG does not establish an individual right to compensation as a consequence of environmental damage, the obligations resulting from the USchadG are supervised and enforced by public authorities. However, non-governmental environmental organizations may institute legal proceedings should the competent authority fail to take the necessary steps for enforcement.

Regulatory environment in the United States

Overview

Our business activities in the United States are subject to a wide array of U.S. federal regulatory requirements. The laws and regulations that apply to our U.S. operations relate primarily to occupational safety and health, environmental protection, hazardous chemicals safety, anti-terrorism, and the transport of dangerous goods. Since our business is heavily regulated, we are required to hold a wide variety of licenses and permits. The laws and regulations applicable to our U.S. operations change from time to time based on new legislation and administrative agency activities. Legal sanctions, including in some cases criminal penalties, can apply in case of violations. The

following summary highlights some of the key U.S. federal laws and regulations that apply to our business in the United States. These are not the only U.S. federal laws that apply to our operations, and in some cases additional (and sometimes more stringent) state and local laws apply. For shipments to, from, and (in some cases) within the United States, certain international laws and standards may also apply.

Requirements relating to Chemicals

Emergency Planning and Community Right-To-Know Act

The Emergency Planning and Community Right-To-Know Act (the "**EPCRA**") establishes reporting rules for facilities that store or manage chemicals and requires such facilities to maintain material safety data sheets ("**MSDSs**"), consistent with OSHA (as defined below). EPCRA and its implementing regulations facilitate state and local planning for chemical emergencies, notification of certain chemical releases, and the provision of information to the public regarding toxic and hazardous chemicals. The EPCRA requires notification to state emergency response commissions and local emergency planning committees regarding the presence of an "extremely hazardous substance" at a facility if the quantity exceeds a certain threshold amount. It also compels covered facilities to notify state commissions and local committees in the event of certain releases of hazardous substances or extremely hazardous substances. Facilities that manufacture, process, or use significant amounts of toxic chemicals must also submit annual toxic chemical release reports containing information about the types and amounts of toxic chemicals that are released into the air, water, and land, as well as information on the quantities of toxic chemicals sent to other facilities for further waste management. The U.S. Environmental Protection Agency (the "**EPA**") maintains the information gathered through these reports in its Toxics Release Inventory database.

Toxic substances

The Toxic Substances Control Act ("**TSCA**") is designed to ensure that chemicals manufactured, imported, processed, or distributed in commerce, or used or disposed of in the United States do not pose unreasonable risks to human health or the environment. The TSCA registry, maintained by the EPA, lists over 83,000 covered chemicals; chemicals not listed on the TSCA registry cannot be imported into or sold in the United States until registered with the EPA. The TSCA sets forth specific reporting, record-keeping, and testing rules for chemicals (including requirements for the import and export of certain chemicals), as well as other restrictions relevant to our business. Pursuant to the TSCA, the EPA from time to time issues "Significant New Use Rules" when it identifies new uses of chemicals that could pose risks and also requires pre-manufacture notification of new chemical substances that do not appear on the TSCA registry. Any manufacturer, importer, processor, or distributor of a chemical substance or mixture who has information reasonably suggesting a substantial risk of injury to health or the environment is required to notify the EPA immediately. Since we do not develop and manufacture new chemical products, TSCA does not have a major effect on our U.S. operations. However, when our U.S. companies import chemicals they are required to ensure that chemicals appear on the TSCA registry prior to import and to periodically update EPA concerning names and quantities of imported chemicals.

Regulations relating to pesticides

The Federal Insecticide, Fungicide, and Rodenticide Act, ("**FIFRA**") regulates manufacturers, sellers, importers, exporters and users of pesticides and compounds used as pesticides to protect human health and the environment, and authorizes the EPA to oversee the manufacture, sale and use of pesticides. Manufacturers of pesticides must register their products with the EPA. After a pesticide has been registered, the registrant has an affirmative obligation to notify the EPA of any newly discovered facts regarding adverse environmental effects. Sellers of pesticides are also required to register with EPA and state departments of agriculture in states where they sell registered products. The EPA may cancel the registration of any pesticides that it concludes does not comply with FIFRA, effectively prohibiting the sale, distribution or use of such product in the United States. Some of the products we distribute, including sodium hypochlorite (bleach) and chlorine, are used as pesticides. Brenntag's U.S. operations also occasionally export pesticide products and, when they do so, are subject to FIFRA, including applicable EPA notification requirements.

The EPA's Pesticide Container and Containment Rule (the "**PCCR**") establishes procedures and standards for the design of pesticide containers, as well as the removal of pesticides from such containers prior to disposal. The PCCR also prescribes specific labeling requirements concerning instructions on proper cleaning of pesticide containers (including whether or not the container is refillable) and establishes standards to prevent leaks and spills of pesticides from containment structures at bulk storage sites and dispensing operations. These standards apply to dealers who repackage pesticides, commercial applicators and custom blenders.

Controlled substances

The Controlled Substances Act, as amended (the "**CSA**"), lists controlled substances (generally drugs) on five "schedules" and prohibits the diversion of certain precursor chemicals (listed chemicals) from legitimate uses to illicit purposes (particularly, the processing and synthesis of cocaine, heroin, and methamphetamine). Persons engaging in the distribution, receipt, sale, importation, or exportation of, or an international transaction involving, a listed chemical, must maintain a record of the transaction for at least two years. Regulated entities, including distributors of listed chemicals, must promptly report to the U.S. Drug Enforcement Administration (the "**DEA**") certain transactions, including those involving an extraordinary quantity of a listed chemical, an uncommon method of payment or delivery, or any unusual or excessive loss of a controlled substance. The CSA also stipulates various reporting and identification requirements for transactions involving controlled substances. Regulated entities must, under certain circumstances, notify the DEA at least 15 days before an import or export transaction in a listed chemical. Our operations in the United States are subject to the recordkeeping, reporting, and identity verification requirements and, when export and import activities are involved, the pre-notification requirements, of the CSA.

Any person who withdraws distilled spirits or specially denatured spirits not intended for human consumption from a distilled spirits plant or dealer must obtain an industrial use permit under the Federal Alcohol Administration Act and other applicable law, to conduct such activities free of tax. Permits setting forth the scope of authorized operations must be obtained from the Alcohol and Tobacco and Trade Bureau (the "**ATTB**") of the U.S. Department of the Treasury. Some of our U.S. operations sell distilled spirits or specially denatured spirits and are required to have ATTB-issued industrial use permits, as well as any applicable state permits.

Storage and Processing Requirements

The majority of our storage and processing facilities in the United States are required to comply with applicable building permits and zoning requirements promulgated by applicable federal, state and local agencies. Permit and zoning requirements, which differ based on type of facility and location, define structural specifications and establish limits on building usage. Regulatory authorities are entitled to address non-compliance with requirements. Our U.S. storage and processing facilities are required to comply with applicable fire and electrical codes promulgated by state and local agencies.

Air pollution and related regulations

The Clean Air Act, as amended (the "**Clean Air Act**"), addresses threats to human health and the environment from emissions of pollutants into the air. The Clean Air Act establishes national limits for six principal pollutants: carbon monoxide, lead, nitrogen dioxide, particulate matter, ozone, and sulfur dioxide and regulates the emission of certain designated hazardous air pollutants. It also establishes controls for emissions from automobiles and trucks; authorizes the EPA to regulate hazardous air pollutants emitted from industrial sources; and phases out the production of substances that deplete stratospheric ozone. The Clean Air Act requires emissions sources to periodically certify compliance and allows private citizens to file lawsuits against, and seek monetary penalties from, violators. Owners and operators of facilities that handle quantities of listed flammable and toxic substance above a certain threshold must implement detailed risk management plans filed with and approved by the EPA. These risk management regulations do not apply to transportation or storage incident to transportation.

Certain facility operators must also prepare and implement a Spill Prevention, Control and Countermeasure ("**SPCC**") plan for the prevention of the discharge of certain oils and related substances into U.S. navigable waters and shorelines. The SPCC rule requires facilities that handle oil to develop a documented written SPCC plan and train applicable employees. There must be a reasonable expectation (based primarily on the geographical and local aspects of the facility) of an oil discharge in order for the SPCC plan to apply. We handle several products that meet the EPA's definition of an oil, such as mineral spirits, lubricants and synthetic oils. Our U.S. operations are subject to these SPCC requirements.

Water pollution regulations

Pursuant to the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977 (the "**CWA**"), the EPA regulates discharges of pollutants into U.S. waters and establishes quality standards for surface waters, such as streams, rivers and lakes. Under the CWA, EPA sets wastewater standards for industry and water quality standards for all contaminants in surface waters. The discharge of any regulated pollutant from point sources (such as pipes and manmade ditches) into navigable waters is illegal without an EPA permit. Several of our facilities are required to obtain permits for discharges of treated process wastewater directly to surface waters. In addition, several of our facilities discharge to municipal wastewater treatment facilities and are required to obtain pre-treatment discharge permits from local agencies. The EPA conducts regular compliance inspections, including

reviewing facility discharge monitoring reports, interviewing facility personnel, inspecting wastewater generation and treatment processes, and sampling certain wastewater discharges.

Treatment, storage and disposal of hazardous waste

Pursuant to the Resource Conservation and Recovery Act of 1976 (the "**RCRA**"), the EPA regulates the generation, transport, treatment, storage, and disposal of hazardous waste. The RCRA also sets forth a framework for managing non-hazardous waste. Most owners and operators of hazardous waste treatment, storage, and disposal facilities must obtain an RCRA permit. The RCRA also regulates recordkeeping and reporting for owners and operators of hazardous waste treatment, storage, and disposal facilities. In addition, the EPA regulates air emissions of volatile organic compounds; owners' and operators' obligations to investigate and clean up hazardous waste releases; ground water monitoring; and financial assurances to demonstrate that facilities have the financial resources to properly close at the end of their useful lives and respond appropriately in the event of accidental release of hazardous waste. Land disposal of hazardous waste is strictly regulated by the EPA. Disposal methods for liquid hazardous waste that involve underground injection wells are also covered by the Safe Drinking Water Act and the EPA's Underground Injection Control program. The Federal Hazardous and Solid Waste Amendments of 1984 (the "**HSWA**") address waste minimization, phasing out of land disposal of hazardous waste, and corrective action for releases of hazardous waste. Some of our facilities can generate various hazardous and non-hazardous waste streams such as flammable line flushings, waste resulting from spill clean-up activities and dead-stock inventory for treatment and disposal. These facilities are subject to the RCRA and HSWA.

Chemical Facility Anti-Terrorism Standards

The Department of Homeland Security (the "**DHS**") regulates high-risk chemical facilities through its Chemical-Facility Anti-Terrorism Standards ("**CFATS**"). CFATS establishes a Chemical Security Assessment Tool, comprised of four elements including facility user registration, top-screen evaluation, security vulnerability assessment, and site security planning. The site security plan must address the vulnerabilities identified within the security vulnerability assessment and identify and describe how each security measure will meet the applicable risk-based performance standards. The risk-based performance standards include access control, personnel credentialing, recordkeeping, employee training, emergency response, testing of security equipment, reporting of security incidents and suspicious activity, and deterring, detecting and delaying potential attacks. Under the rule, DHS must review, and approve or deny, all security vulnerability assessments and site security plans. CFATS facilities must keep detailed security records for three to six years, and DHS is authorized to enter, inspect, and audit the property, equipment, operations, and records of such facilities. Brenntag handles several chemicals, including chlorine and sulfur dioxide, that are regulated by CFATS.

Environmental Issues Related to Chemical Distribution

Chemical distribution is an environmentally sensitive business. We are addressing contamination of ground water and soil at some of our acquired facilities. The primary contaminants at these sites are solvents that are amenable to remedial action. The Comprehensive Environmental Response, Compensation, and Liability Act ("**CERCLA**"), also known as Superfund as well as similar state laws govern the remediation of contaminated sites and establish liability for individuals and entities responsible for disposing of or releasing hazardous wastes at such sites. In some cases a party that sent waste to a contaminated site can be held liable for the entire cost of cleanup regardless of fault, the lawfulness of disposal or the actions of other parties. The EPA conducts preliminary assessments of waste sites to assess threats to human health and the environment. Under CERCLA, the EPA or a delegated state agency can oversee the remediation of sites which the site owners and operators are unable to fund (known as Superfund Sites) and seek cost recovery from any parties who arranged for waste disposal at those sites. Under the rules for Superfund Sites, any company that has sent hazardous material to the site for disposal or re-use can be held liable for the entire cost associated with remediating the site. Historically, our involvement in Superfund Sites has generally been relatively minor. In some cases, we are under a consent agreements with the EPA to clean up our existing or former facilities.

Occupational Health and Safety Requirements

Occupational Health and Safety Act of 1970 (OSHA)

The Occupational Health and Safety Act of 1970 ("**OSHA**") addresses safety and health in workplace environments. OSHA's catch-all "general duty" clause requires an employer to "furnish to each of [its] employees employment and a place of employment which are free from recognized hazards that ... are likely to cause death or serious physical harm." OSHA also establishes workplace chemical exposure levels for indoor air quality. Chemical

manufacturers and importers must employ a hazard communication program utilizing labels and other forms of warnings, as well as MSDSs, setting forth safety and hazardous materials information to employees and customers. OSHA's hazard communication standard covers both physical hazards (such as flammability or the potential for explosions) and health hazards. Employers must provide a minimum level of training to ensure that relevant employees are equipped to properly handle chemicals.

Our companies provide Right-to-Know training to employees and visitors who have access to chemical handling areas. OSHA requires the use of personal protective equipment when other controls are not feasible or effective in reducing the risk of exposure to serious workplace injuries or illnesses resulting from contact with hazardous substances (or other workplace hazards). Employers must conduct workplace assessments to determine what hazards are present that require the use of personal protective equipment, and must provide appropriate equipment to workers. Employers generally must pay for this equipment for their employees.

OSHA's process safety management rule (the "**PSM Rule**"), is intended to prevent, and minimize the consequences of, catastrophic releases of toxic, reactive, flammable, or explosive chemicals. Certain toxic and highly reactive hazardous chemicals are subject to the PSM Rule. The PSM Rule requires employers to compile written process safety information, operating procedures and facility management plans; conduct hazard analyses, and develop written action plans for employee participation in safety management, and certify every three years that they have evaluated their compliance with process safety requirements. Employees must have access to safety analyses and related information, and employers must maintain and provide process-specific training to relevant employees. New facilities must conduct "pre-startup" safety reviews. Permits are required for hot work (i.e., cutting and welding operations) conducted near a covered process. Employers are required to investigate promptly incidents that resulted, or could reasonably have resulted, in the catastrophic release of certain chemicals. We handle several chemicals that are highly hazardous, listed chemicals under the PSM Rule, including chlorine, sulfur dioxide, anhydrous ammonia, and hydrofluoric acid, and the PSM Rule imposes extensive regulatory obligations with respect to our handling of these chemicals.

Hazardous Waste Operations and Emergency Response

OSHA's Hazardous Waste Operations and Emergency Response rules ("**HAZWOPER**"), require employers and employees to comply with certain safety standards when conducting operations involving the exposure or potential exposure to hazardous substances, including hazardous waste. The HAZWOPER standards require hazardous substances preparedness training for employees and generally apply to individuals engaged in clean-up operations, facility operations entailing the treatment, storage, and disposal of hazardous wastes, and emergency responses to uncontrolled releases of hazardous substances. Where HAZWOPER conflicts with any other OSHA mandate or standard, the law that is more protective of employee health and safety must be followed.

Emergency Action Plans

Various OSHA regulations require employers to develop and maintain an emergency action plan (the "**EAP**") to direct employer and employee actions in the event of a workplace emergency. The EAP must contain descriptions of the: (i) means for reporting fires and other emergencies; (ii) procedures for evacuations and routes for emergency escape; (iii) employee procedures for individuals who remain to operate critical plant operations during an evacuation; (iv) rescue and medical responsibilities for employees assigned such responsibilities; and (v) names and titles for individuals able to provide additional information regarding the EAP. Under most circumstances, the EAP must be maintained in writing, remain accessible at the workplace, and made available to employees for review.

Legal Requirements for the Transportation of Hazardous Substances

Transport of hazardous substances is a significant part of our business in the United States and is regulated by the U.S. Department of Transportation (the "**DOT**") under the Federal Hazardous Materials Transportation Law (the "**FHMTL**"), primarily via the U.S. Hazardous Materials Regulations ("**HMR**"). HMR regulates the handling of hazardous materials, hazardous wastes, hazardous substances and marine pollutants, establishing rules applicable to training, incident notification, labeling and placarding, emergency response instructions, shipment preparations, classification, packaging, carriage of hazardous materials by rail, aircraft, vessel, and public highways, and safety and security plans. Several DOT agencies, including the Federal Aviation Administration, the Federal Railroad Administration, the Federal Motor Carrier Safety Administration (the "**FMCSA**"), and the U.S. Coast Guard (the "**USCG**") share responsibility for enforcing the FHMTL.

Certain international standards and regulations governing the transportation of hazardous materials apply to shipments within, to, and from the United States, including the International Civil Aviation Organization's

Technical Instructions for the Safe Transport of Dangerous Goods by Air, the International Maritime Dangerous Goods Code, Transport Canada's Transportation of Dangerous Goods Regulations, and the International Atomic Energy Agency Regulations for the Safe Transport of Radioactive Materials. These standards and regulations prescribe, among other things, requirements for packaging, maximum weight and handling of hazardous substances. U.S. agencies have sought to harmonize their rules with international standards and regulations. However, when hazardous materials are transported to, from, and within the United States in accordance with one or more of these international standards or regulations, certain U.S. HMR requirements (for example, regarding emergency response information, employee training, security plans, incident reporting, and registration) still must be followed. The DOT and the USCG oversee our U.S. business involving dangerous goods in accordance with the FHMTL.

The majority of our logistics services, including transport of hazardous materials, involves highway transportation. The Transportation Security Administration (the "**TSA**") requires any driver seeking to obtain, renew, or transfer a hazardous materials endorsement on a state-issued commercial driver's license to undergo a security threat assessment. Additionally, under the Transportation Worker Identification Credential ("**TWIC**") program, workers, including truckers, requiring unescorted access to maritime facilities must be issued tamper-resistant biometric credentials to access such facilities. Certain of our facilities and employees in the United States are subject to the TWIC program.

Overview of Regulatory Environment in other Jurisdictions

In the jurisdictions in which we operate outside of the European Union and the United States, we face a wide range of laws and regulations, the majority of which deal with the same general themes discussed above under "*—Regulatory Environment in Germany: German Law and EU Law*" and "*—Regulatory Environment in the United States*". Although these regulations vary from jurisdiction to jurisdiction, the regulatory environment in most jurisdictions outside of the European Union and the United States generally involves more uncertainty regarding, and the risk of less consistent enforcement of, laws and regulations. For more information regarding these risks and uncertainties, see "*Risk Factors—Risks Relating to our Business—Due to the international nature of our business, we are exposed to a variety of economic, political, legal and other related risks, and we cannot guarantee that our decentralized structure will not lead to incidents or developments that could damage our reputation, operations or financial condition*."

PRINCIPAL AND SELLING SHAREHOLDERS

The Selling Shareholder, Brachem Acquisition S.C.A., Luxembourg, is represented by its general partner, Brahms Chemical Intermediate SA, Luxembourg. The shareholders of the Selling Shareholder are Funds Advised by BC Partners Limited, Funds Advised by Bain Capital and Funds Advised by GSMP, as well as two management participation vehicles. These management participation vehicles, Management Erste Beteiligungs GmbH & Co. KG and Brenntag Management Zweite Beteiligungs GmbH & Co. KG, are owned in part by members of the management of the Company, former members of the management of the Company and their relatives (together, the "**Personal Management KG Shareholders**") and in part by the Selling Shareholder, and are vehicles for the participation of the Personal Management KG Shareholders in ownership of the Company.

The following table sets forth the direct shareholders of the Company immediately prior to the offering, and the expected ownership shares upon completion of the offering.

	Actual (Direct) Ownership of Brenntag AG, in %		
Shareholder(s)	**immediately prior to the offering**	**upon completion of the offering (no exercise of Greenshoe Option)**	**upon completion of the offering (assuming full exercise of Greenshoe Option)**
Brachem Acquisition S.C.A., Luxembourg . .	100.00	74.76	70.97
Public float	0.00	25.24	29.03

The following table sets forth the principal beneficial shareholders of the Company immediately prior to the offering, and the expected ownership shares upon completion of the offering. The percentages indicated below are computed on the total share capital and share premium issued by the Selling Shareholder, Brachem Acquisition S.C.A., Luxembourg on a fully diluted basis.

	Beneficial (Indirect) Ownership of Brenntag AG, in %	
Beneficial Shareholder	**immediately prior to the offering(1)**	**upon completion of the offering(2)**
Funds Advised by BC Partners	75.90	53.87
Funds Advised by Bain Capital	8.67	6.15
Funds Advised by GSMP	4.18	2.97
Brenntag Management Erste Beteiligungs GmbH & Co. KG(3)	4.22	2.99
Brenntag Management Zweite Beteiligungs GmbH & Co. KG(4)	7.03	4.99

(1) Due to (i) the Selling Shareholder's partial ownership of each of Brenntag Management Erste Beteiligungs GmbH & Co. KG (see note 3 below) and Brenntag Management Zweite Beteiligungs GmbH & Co. KG (see note 4 below) and (ii) effects from the repayment of Preferred Equity Certificates issued by the Selling Shareholder, Brachem Acquisition S.C.A., Luxembourg ("**PECs**"), the percentages presented in this column do not reflect the percentage of the total proceeds from the sale of existing shares in the offering that will accrue to each of the beneficial shareholders listed in this table. Funds Advised by BC Partners, Funds Advised by Bain Capital and Funds Advised by GSMP together subscribed for PECs in two Tranches and for a total Nominal Amount of €539,512,748. Furthermore, Funds Advised by BC Partners provided a shareholder loan used to finance the Brachem Acquisition S.C.A.'s stakes in Brenntag Management Erste Beteiligungs GmbH & Co KG and Brenntag Management Zweite Beteiligungs GmbH & Co KG (the "**Shareholder Loan**") (see footnotes 3 and 4). The outstanding amount (nominal value plus accrued interest) of all the PECs as of March 31, 2010 will be approximately €748.5 million. Interest accrues on the PECs at a rate of 9.9375% per annum. The total outstanding amount (nominal value plus accrued interest) of the Shareholder Loan as of March 31, 2010 will be approximately €8.6 million.

If the Selling Shareholder, Brachem Acquisition S.C.A., Luxembourg, realizes proceeds (net of costs related to this offering) from the sale of existing shares in the offering, including proceeds from the exercise of the Greenshoe Option, and 50% of the outstanding amount of the PECs and 100% of the amount outstanding under the Shareholder Loan are repaid, the Personal Management KG Shareholders will have the option (but shall not be obliged) to receive, in redemption of their respective interests in Brenntag Management Erste Beteiligungs GmbH & Co. KG and/or Brenntag Management Zweite Beteiligungs GmbH & Co. KG, gross proceeds (before applicable costs and taxes) in the amount of up to 1.0 times their initial investment of approximately €33 million in Brenntag Management Erste Beteiligungs GmbH & Co KG and/or Brenntag Management Zweite Beteiligungs GmbH & Co KG (as the case may be for the respective Personal Management KG Shareholder). Any proceeds remaining after the payment of costs related to this Offering, the repayment of 50% of the PECs, the repayment of 100% of the amount outstanding under the Shareholder Loan, and all payments (if any) to the Personal Management KG Shareholders, will be used to repay any remaining outstanding amount of PECs.

(2) Assuming full exercise of the Greenshoe Option (See "*The Offering—Stabilization Measures Overallotments and Greenshoe Option*").

(3) The Selling Shareholder directly owns 34.67% of Brenntag Management Erste Beteiligungs GmbH & Co. KG. To finance these 34.66% in Brenntag Management Erste Beteiligungs GmbH & Co KG, the Selling Shareholder entered into a Shareholder Loan with the Funds Advised by BC Partners yielding a fixed return of LIBOR plus 85 basis points. The Personal Management KG shareholders directly own 65.33% of Brenntag Management Erste Beteiligungs GmbH & Co KG, and through this participation hold a 2.76% beneficial interest in the Company immediately prior to the offering. Upon completion of the offering, assuming full exercise of the Greenshoe Option and the

implementation of the capital increase in full, the Personal Management KG Shareholders will hold a 1.96% beneficial interest in the equity of the Company via their participation in Brenntag Management Erste Beteiligungs GmbH & Co. KG.

(4) The Selling Shareholder directly owns 9.10% of Brenntag Management Zweite Beteiligungs GmbH & Co. KG. The Personal Management KG Shareholders directly own 90.90% of Brenntag Management Zweite Beteiligungs GmbH & Co. KG and via this participation hold a 6.39% beneficial interest in the equity of the Company. Upon completion of the offering, assuming full exercise of the Greenshoe Option and the implementation of the capital increase in full, the Personal Management KG Shareholders will hold a 4.54% beneficial interest in the equity of the Company via their participation in Brenntag Management Zweite Beteiligungs GmbH & Co. KG.

GENERAL INFORMATION ON THE COMPANY AND THE GROUP

Formation, Name, Registered Office, Fiscal Year, and Duration of the Company

The Company was established on June 28, 2006 as a limited liability company under the name "BRAHMS Chemical Acquisition GmbH" with its registered office in Hamburg, Germany, and registered on June 29, 2006 with the register of the District Court of Hamburg under the number 97709. On August 17, 2006, the shareholders' meeting resolved to move the Company's registered office to Mülheim an der Ruhr. The amendment to the articles of association took effect on September 22, 2006 upon its registration with the Commercial Register of the Local Court of Duisburg. On September 22, 2006, the shareholders' meeting changed the name of the Company to "Brenntag Management GmbH." This amendment to the articles of association took effect on October 12, 2006 upon its registration with the Commercial Register of the Local Court of Duisburg.

On March 3, 2010, the shareholders' meeting approved a resolution to change the Company's corporate form from a limited liability company into a stock corporation with the name "Brenntag AG" . This change of form took effect on March 11, 2010 upon its registration with the Commercial Register of the Local Court of Duisburg under the number HRB 22178. The Company also conducts its business operations under the name "Brenntag." As a stock corporation established in Germany and under German law, the Company is subject to German stock corporation law. The Company's fiscal year is the calendar year. The Company has been formed for an unlimited duration. The Company's business address is Stinnes-Platz 1, 45472 Mülheim an der Ruhr, Germany. Phone: + 49 (0) 208/7828-0.

Corporate Purpose

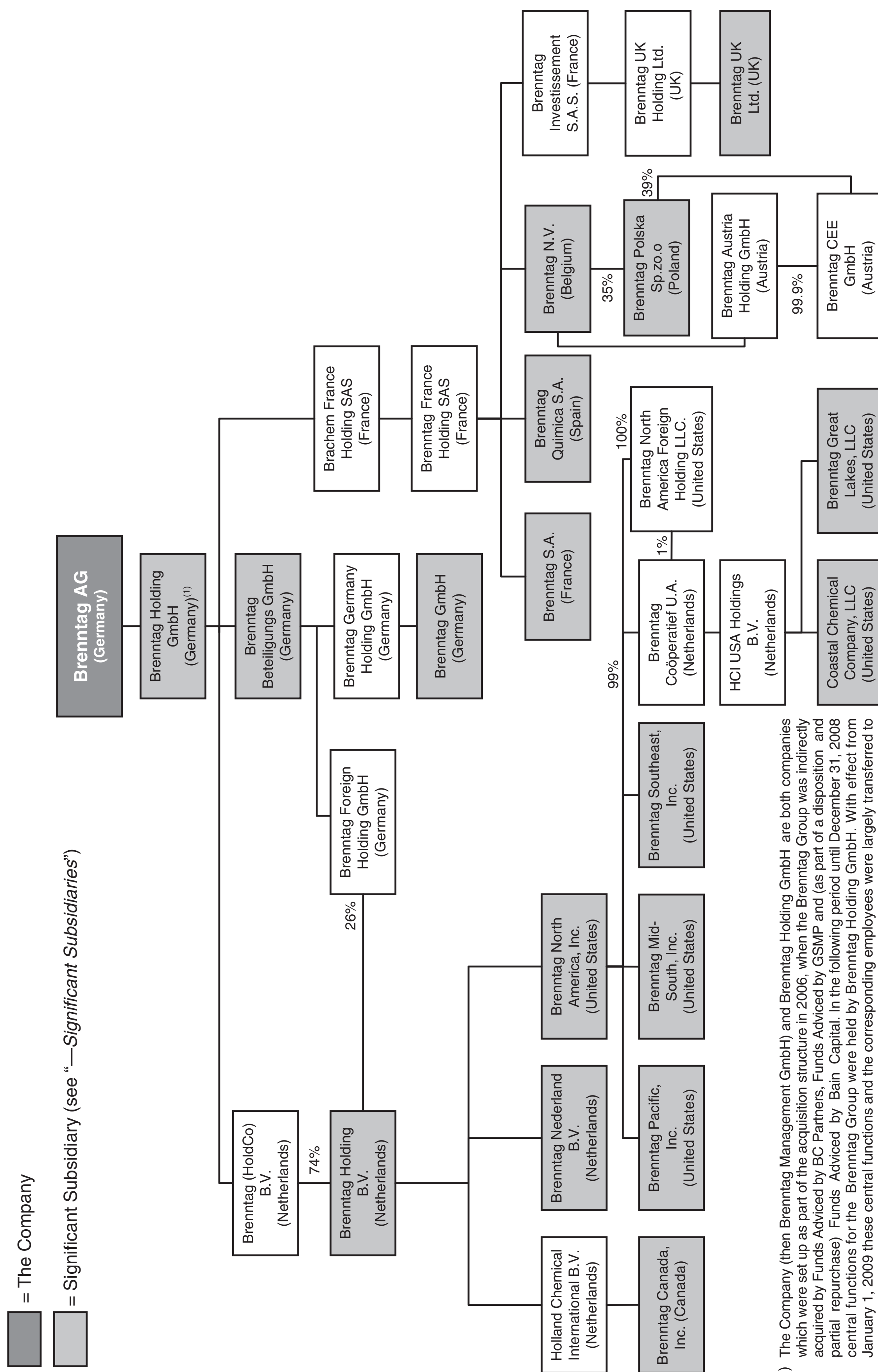
Since its formation in 2006, the Company's corporate purpose has been the holding and acquisition of companies, particularly in the field of the chemical industry, as well as the supply of services to affiliated companies and all connected business dealings related hereto, except for activities which require a public license. The Company may hold participations in other companies with the same or similar scope of business, also as the sole personal liable general partner. The Company may also establish branch offices.

Upon conversion of the Company into the legal form of a stock corporation which was registered with the commercial register on March 11, 2010, new articles of association were implemented. In these articles of association, the corporate purpose of the Company was defined as the holding of interests in companies as well as the establishment, the acquisition and the disposal of companies of all kinds, in particular companies in the chemical distribution sector, i.e.,companies trading in chemical products of all sorts, handling and storing such products, advising on the application technology for the products traded, as well as providing all other related services to connected undertakings and all business activities in connection with such services. The company may engage in all forms of business that are suitable to promoting the Company's corporate purpose either directly or indirectly. The Company may participate in other companies of identical or similar type both in Germany and abroad or acquire such companies; it may also set up branches and permanent establishments both in Germany and abroad.

Group Structure

The Company is the management and holding company and ultimate parent company of our Group. Company's business is primarily conducted by the relevant operating subsidiaries. The Company's consolidated financial statements include all companies whose financial or business policy the Company can determine directly or indirectly to derive economic benefit from the activities of these companies. The group of consolidated subsidiaries includes 29 German and 148 foreign subsidiaries.

The following illustration provides an overview of the Company's significant subsidiaries at the date of this Prospectus with the shareholder structure before the offering:



(1) The Company (then Brenntag Management GmbH) and Brenntag Holding GmbH are both companies which were set up as part of the acquisition structure in 2006, when the Brenntag Group was indirectly acquired by Funds Adviced by BC Partners, Funds Adviced by GSMP and (as part of a disposition and partial repurchase) Funds Adviced by Bain Capital. In the following period until December 31, 2008 central functions for the Brenntag Group were held by Brenntag Holding GmbH. With effect from January 1, 2009 these central functions and the corresponding employees were largely transferred to Brenntag Management GmbH. The central functions allocated to the European business stayed part of Brenntag Holding GmbH. Since then Brenntag Holding GmbH provides services mainly for the European business whereas Brenntag Management GmbH is responsible for the strategy and control of the Brenntag Group, for risk management and central financing and provides several services to Group companies worldwide.

Significant Subsidiaries

The following table provides an overview of our significant operating subsidiaries. These include all consolidated subsidiaries that represent at December 31, 2009 at least 3.5% of our Group's consolidated EBITDA or at least 3.5% of our Group's consolidated external sales or at least 3.5% of our Group's consolidated total assets (*fixed assets plus intangible assets plus working capital. Working capital defined as trade receivables plus inventories less trade payables*). The financial data presented in this table have been taken from the relevant IFRS financial statements or accounting systems as of December 31, 2009. The subsidiaries and equity interests are not subject to any distribution restrictions with respect to their parent company.

Name and registered office	Business	Company share of subscribed capital as of December 31, 2009	Sales for year ended December 31, 2009	EBITDA for year ended December 31, 2009	Total assets as of December 31, 2009
		%	€ thousand	€ thousand	€ thousand
Brenntag N.V. (Deerlijk, Belgium)	Chemical Distribution	100.00	162,192	19,442	72,292
Brenntag S.A. (Chassieu, France)	Chemical Distribution	100.00	405,436	34,521	262,701
Brenntag GmbH. (Duisburg, Germany)	Chemical Distribution	100.00	430,871	24,736	166,963
Brenntag Nederland B.V. (Dordrecht, Netherlands)	Chemical Distribution	100.00	235,743	23,023	107,433
Brenntag Quimica S.A.. (Seville, Spain)	Chemical Distribution	100.00	206,550	10,988	128,314
Brenntag U.K. Ltd. (Leeds, England, United Kingdom)	Chemical Distribution	100.00	233,337	30,393	128,944
Brenntag Polska Sp. zo.o. (Kedzierzyn-Kozle, Poland)	Chemical Distribution	74.00	271,527	15,128	90,397
BRENNTAG S.p.A. (Milan, Italy)	Chemical Distribution	100.00	226,359	5,609	94,552
Brenntag Schweizerhall AG (Reinach, Switzerland)	Chemical Distribution	100.00	144,576	8,047	106,370
Brenntag Pacific, Inc. (Santa Fe Springs, California, United States)	Chemical Distribution	100.00	290,884	29,537	132,219
Brenntag Mid-South Inc. (Henderson, Kentucky, United States)	Chemical Distribution	100.00	398,382	40,277	183,344
Brenntag Southeast, Inc. (Durham, North Carolina, United States)	Chemical Distribution	100.00	200,167	16,186	103,280
Coastal Chemical Company, L.L.C. (Houston, Texas, United States)	Chemical Distribution	100.00	270,554	25,610	146,550
Brenntag Canada, Inc. (Toronto, Ontario, Canada)	Chemical Distribution	100.00	264,512	25,836	179,302

Auditor of the Financial Statements

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Moskauer Straße 19, 40227 Düsseldorf, Germany ("**PwC**"), a member of the German Chamber of Chartered Accountants (*Wirtschaftsprüferkammer*), Berlin, is the auditor of our financial statements.

PwC audited our annual consolidated financial statements as of and for the years ended December 31, 2009, December 31, 2008 and December 31, 2007 prepared in accordance with International Financial Reporting Standards as adopted in the EU ("**IFRS**") and the unconsolidated financial statements as of and for the year ended December 31, 2009 prepared in accordance with the German Commercial Code (*HGB*), issuing in each case an unqualified auditors' report reproduced elsewhere in this prospectus.

Notices, Paying Agent

In accordance with our Articles of Association, our announcements appear exclusively in the German Electronic Federal Gazette (*Elektronischer Bundesanzeiger*), unless otherwise prescribed by law. If the law provides that explanations or information must be made available to the shareholders but without indicating in which form, it is sufficient to post such information on our website. Notices concerning our shares are published either in the German Electronic Federal Gazette (*Elektronischer Bundesanzeiger*) or published in various media outlets that are distributed throughout the European Economic Area.

The extraordinary general shareholders' meeting expected to be held on March 19, 2010 will approve an amendment to the Company's articles of association in relation to notices to shareholders. Under this new provision notices to shareholders, notwithstanding the requirements of Section 30b paragraph 1 Securities Trading Act (*Wertpapierhandelsgesetz*), shall be made exclusively by means of electronic communication, unless the management board determines another form permitted under applicable law, provided that the provisions of Section 30b paragraph 3 no. 1 lit. b) to d) Securities Trading Act are being complied with. The same shall apply to the transmission of such notices of the Company to its shareholders by third parties. This amendment to the articles of association is expected to become effective upon registration with the commercial register which is expected to take place on March 25, 2010.

Notices in connection with the approval of the prospectus or any supplements thereto will be published in accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*), in the manner of publication provided for in this prospectus, that is, through publication on our website, http://www.brenntag.com, and the provision of printed copies at our offices at Stinnes-Platz 1, 45472 Mülheim an der Ruhr, Germany.

The Paying Agent is Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany. The mailing address of the Paying Agent is:

Deutsche Bank Aktiengesellschaft
Große Gallusstraße 10-14
60311 Frankfurt am Main
Germany

DESCRIPTION OF SHARE CAPITAL

Provisions Relating to the Share Capital of the Company

Current Share Capital

The Company's share capital currently amounts to €41,000,000. It is divided into 41,000,000 ordinary registered shares with no par value, each such share with a notional value of €1.00. The share capital has been fully paid up.

Incorporation of the Company

The Company was established on June 28, 2006 under the name "BRAHMS Chemical Acquisition GmbH" by its founders, Mrs. Sitta von Borcke, born on December 24, 1940, resident at Baron-Voght-Straße 14, 22609 Hamburg and TOKAT Vermögensverwaltungsgesellschaft mbH with registered offices at Luruper Chausse 125, 22761 Hamburg, registered in the commercial register of the local court in Hamburg under HRB 57778. Its incorporation was registered in the commercial register of the local court in Hamburg under HRB 97709 on June 29, 2006.

On July 13, 2006 all shares in the Company were transferred to Brachem Acquisition S.C.A., with seat in Luxembourg, registered in the *Registre de Commerce et des Sociétés (R.C.S.)* Luxembourg under number B 118685 under a sale and purchase agreement of the same day.

On August 17, 2006, the shareholder of the company passed a resolution on the relocation of the company to Mülheim an der Ruhr. The Company was subsequently registered in the commercial register of the local court in Duisburg under HRB 18799 on September 22, 2006 and the Company was struck out of the commercial register in Hamburg.

The change of the name of the Company to "Brenntag Management GmbH", as resolved by the shareholder of the company in the shareholder meeting on September 22, 2006, was registered in the commercial register of the local court in Duisburg on October 12, 2006. Currently the Company is a stock corporation with the name "Brenntag AG" and registered in the commercial register of the local court in Duisburg under HRB 22178.

Currently, none of the founders has any function in or performs activities which have any relation to the Company.

Share Capital of the Company on Formation and Development of Share Capital over the Last Three Years

The share capital of the Company has developed as follows:

As of January 1, 2007, the Company, which was incorporated at that time in the legal form of a limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*), had a share capital of €25,000.

By a shareholder resolution of March 3, 2010, the Company's share capital was increased from its own resources (*Kapitalerhöhung aus Gesellschaftsmitteln*) from €25,000 to €41,000,000. On the same date, the shareholder resolved to change the legal form of the Company into a stock corporation under the corporate name of Brenntag AG with a registered share capital in the amount of €41,000,000. Both, the capital increase from the Company's own resources and the change in legal form, were registered with the commercial register on March 11, 2010.

By resolution of the extraordinary general shareholders' meeting of the Company expected to be held on March 19, 2010, the Company's share capital is expected to be increased against contribution in cash by up to €10,500,000, from €41,000,000 to up to €51,500,000 under exclusion of the statutory subscription rights of the shareholders. It is anticipated that the implementation of this capital increase will be registered with the commercial register on or about March 25, 2010.

Authorized Capital

The authorised capital of Brenntag AG as of the date of this prospectus amounted to €20,500,000 and was created when the Company changed its legal form from a limited liability company to a stock corporation and the initial articles of association where established. Under this authorised capital the management board is authorised, subject to the consent of the supervisory board, to increase the Company's share capital by up to €20,500,000 through one or more issuances on or before February 28, 2015, by issuing new no par values shares against cash contributions and/or contributions in kind. The shareholders are to be granted subscription rights. With the consent

of the supervisory board, the management board is authorised to exclude the shareholders' subscription rights subject to certain restrictions stipulated in the Company's articles of association.

The Company intends to increase its authorised capital from €20,500,000 to up to €25,750,000 by way of a shareholder resolution expected to be adopted by the extraordinary general shareholders' meeting of the Company expected to be held on March 19, 2010. The exact amount of the increase in authorized capital will depend on the amount of the capital increase that is intended to be approved on the same day. The increase will become effective at the time when it is registered with the commercial register. The application for registration of the increase of the authorised capital is expected to be filed on or about March 26, 2010, and the Company expects that the authorized capital will be registered shortly thereafter in the course of the normal register traffic.

Conditional Capital

The Company expects that a resolution will be adopted by the extraordinary general shareholders' meeting expected to be held on March 19, 2010, under which a conditional capital will be created. Section 6 of the Company's articles of association, as amended by the shareholders' resolution, will provide that the capital stock of the Company is conditionally increased by up to €20,500,000 through the issuance up to 20,500,000 new no par value registered shares with profit participation rights from the beginning of the business year in which they where issued. The conditional capital increase relates to the issue of shares to the holders or creditors of convertible or warrant-linked bonds as well as profit participation rights with option or conversion rights which may be issued based on the authorization resolved by the extraordinary general shareholders' meeting expected to be held on March 19, 2010, on or before February 28, 2015, by the Company or companies which are controlled by it or in which it holds a majority interest. The conditional capital increase may only be implemented to the extent option or conversion rights under bonds or warrants have been exercised or conversion obligations under such warrants or bonds have to be fulfilled and to the extent that neither treasury shares of company nor new shares from the authorized capital are being used to fulfill such claims. The management board will be authorized to set forth additional details of the implementation of the conditional capital increase.

The application for registration of the increase of the conditional capital is expected to be filed on or about March 26, 2010, and the Company expects that the conditional capital will be registered shortly thereafter in the course of the normal register traffic.

Provisions Relating to Stock Plans

The Company does not have any stock option programs or employee stock participation programs. There are no authorizations in place which would allow the management board to issue stock options to employees.

Authorizations to Acquire and Sell Treasury Shares

The Company expects that a resolution will be adopted at the extraordinary general shareholders' meeting expected to be held on March 19, 2010, that is expected to authorize the management board through February 28, 2015, subject to the consent of the supervisory board and provided it complies with the legal requirement of equal treatment, to purchase its own shares up to a total of 10% of the Company's share capital at the time of the resolution. The shares may be purchased on the stock exchange or by a public offer to all shareholders in one or more tranches and may be used for any purpose permitted by law. Our management is expected to be authorized to redeem the purchased shares without further resolution by the general shareholders' meeting. It will also be authorized to sell the purchased shares in other ways than a sale on a stock exchange or an offer to all shareholders under full or partial exclusion of the statutory subscription rights of the shareholders with the supervisory board's consent as follows: (i) to exclude shareholders' subscription rights for fractional amounts, (ii) by selling the purchased shares against consideration in kind, (iii) by selling the purchased shares against cash consideration, if the consideration does not significantly fall short of the market price at the point in time of the sale and (iv) to satisfy obligations of the Company from convertible or warrant-linked bonds as well as profit participation rights with option or conversion rights or conversion obligations (or combinations of these instruments) which grant a conversion or option right or an obligation to convert.

General Provisions Relating to Profit Allocation and Dividend Payments

Distributions of dividends on shares for a given fiscal year are generally determined by a process in which the management board and supervisory board submit a proposal to the annual general shareholders' meeting held in the subsequent fiscal year and such annual shareholders' meeting adopts a resolution. German law provides that a resolution concerning dividends and distribution thereof may be adopted only if the Company's unconsolidated financial statements show net retained profits. In determining the profit available for distribution, the result for the

relevant year must be adjusted for profits and losses brought forward from the previous year and for withdrawals from or transfers to reserves. Certain reserves are required by law and must be deducted when calculating the profit available for distribution.

Dividends on shares resolved by the general shareholders' meeting are paid annually, shortly after the general shareholders' meeting, in compliance with the rules of the respective clearing system. Dividend payment claims are subject to a three-year statute of limitation in the Company's favor. Details concerning any dividends resolved by the general shareholders' meeting and the respective paying agent(s) specified by the Company will be published in the electronic version of the Federal Gazette (*elektronischer Bundesanzeiger*) and, until December 31, 2010, in at least one official national publication for statutory stock market notices approved by the Frankfurt Stock Exchange.

General Provisions Relating to Liquidation of the Company

Apart from liquidation as a result of insolvency proceedings, the Company may be liquidated only with a vote of 75% or more of the share capital represented at the general shareholders' meeting at which such a vote is taken. Pursuant to the German Stock Corporation Act, in the event of the Company's liquidation, any assets remaining after all of the Company's liabilities have been settled will be distributed pro rata among its shareholders. The German Stock Corporation Act provides certain protections for creditors which must be observed in the event of liquidation.

General Provisions Relating to Increases or Decreases in the Share Capital

The German Stock Corporation Act provides that the share capital of a stock corporation may be increased by a resolution adopted at the general shareholders' meeting. Such resolution must be adopted by a majority of at least 75% of the share capital represented when the resolution is passed, unless the stock corporation's articles of association provide for a different majority. The Company's articles of association provide in Article 19 that the resolutions of the general shareholders' meeting are adopted by a simple majority of the votes cast and, to the extent the law requires approval by a majority of capital in addition to the majority of votes, resolutions may be adopted by a simple majority of the share capital represented at the meeting, except as otherwise provided by mandatory law.

In addition, shareholders may resolve to issue authorized capital, upon a vote of 75% of the share capital represented at the passing of the resolution authorizing the management board to issue shares, up to a specific amount within a period not exceeding five years. The nominal amount of such issuance may not exceed 50% of the share capital in existence at the time of the authorization.

Additionally, shareholders may resolve to create conditional capital for the purpose of issuing shares (i) to holders of convertible bonds or other securities convertible into shares of the Company, (ii) as consideration in connection with a merger with other companies or (iii) to executives and employees of the Company and Group companies. A resolution to create conditional capital must be adopted by at least 75% of the share capital represented at the passing of the resolution. The nominal amount of the conditional capital created for the purpose of share issues (i) to holders of convertible bonds or other securities convertible into shares of the Company or as consideration in connection with a merger with another company may not exceed 50% and (ii) the nominal amount of the conditional capital created for the purpose of share issues to executives and employees may not exceed 10% of the nominal share capital in existence at the time such resolution is passed.

A resolution to decrease the share capital must be adopted by at least 75% of the share capital represented at the passing of the resolution.

General Provisions Relating to Subscription Rights

According to the German Stock Corporation Act, every shareholder is generally entitled to subscription rights to any new shares issued within the framework of a capital increase, including convertible bonds, bonds with warrants, profit-sharing rights or income bonds. Such subscription rights are freely transferable and may be traded on German stock exchanges within a specified period prior to the expiration of such period. The general shareholders' meeting may pass a resolution excluding subscription rights, if at least 75% of the share capital represented adopts the resolution. To exclude subscription rights, the management board must also make a report available to the shareholders justifying the exclusion and demonstrating that the Company's interest in excluding the subscription rights outweighs the shareholders' interest in keeping them. The exclusion of subscription rights upon the issuance of new shares is permitted, in particular, if the Company increases the share capital against cash contributions, the amount of the capital increase does not exceed 10% of the existing share capital and the issue price of the new shares is not significantly lower than the market price of the Company's shares.

Exclusion of Minority Shareholders

According to the "squeeze-out" regulations of Section 327a et seq. of the German Stock Corporation Act, the general shareholders' meeting of a stock corporation can, at the request of a shareholder holding 95% of the share capital ("principal shareholder"), resolve to transfer the shares of the minority shareholders to the principal shareholder against payment of an appropriate cash settlement.

In addition, according to Sections 39a and 39b of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) concerning squeeze-outs after a takeover or mandatory public offer, at the request of the bidder who owns shares of the target company amounting to at least 95% of the voting rights, the remaining shares must be transferred to the bidder upon court order in exchange for the guarantee of an appropriate settlement. To this end, the compensation guaranteed as part of the takeover or mandatory public offer is deemed an appropriate settlement if, on the basis of the offering, the bidder has acquired shares amounting to at least 90% of the share capital affected by the offering. In addition, after a takeover or mandatory public offer, the shareholders of a target company who have not accepted the offering can accept it within three months after the acceptance period has expired (a "sell-out"), if the bidder has the right to file an application for the transfer of the outstanding voting shares in accordance with Section 39a of the German Securities Acquisition and Takeover Act (Section 39c of the German Securities Acquisition and Takeover Act).

In addition to the legal provisions on the exclusion of minority shareholders, the German Stock Corporation Act also provides for what is called the integration of stock corporations (*Eingliederung*) in Section 319 et seq. According to these provisions, the general shareholders' meeting of a stock corporation can approve the integration of a company if 95% of the shares of the company to be integrated are held by the future principal company. The former shareholders of the integrated company are entitled to an appropriate settlement that generally must be granted in the form of shares of the principal company.

Shareholder Reporting and Disclosure Requirements

After our shares have been admitted to official trading on the Frankfurt Stock Exchange, we, as a listed company, will become subject to the provisions of the German Securities Trading Act (*WpHG*) governing disclosure requirements for shareholdings.

The German Securities Trading Act requires that anyone who acquires, sells or in some other way reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the voting rights in an issuer whose country of origin is the Federal Republic of Germany and whose share are admitted to trading on an organized market must immediately but no later than within four trading days notify the issuer and at the same time the German Financial Supervisory Authority (BaFin). The notice can be drafted in either German or English and either sent in writing or via telefax. The notice must include, among other things, the individual or entity's address, the share of voting rights held and the date of reaching, exceeding or falling below the respective threshold. As a domestic issuer, the Company must publish such notices immediately but no later than within three trading days after receiving them via media outlets, including those which one can assume will disseminate the information throughout the European Union and in the non-EU contracting parties to the Agreement on the European Economic Area. The Company must also transmit the notice to BaFin and to the electronic Company Register (*elektronisches Unternehmensregister*) for storage. There are exceptions to the notice requirement: trading activities of investment services enterprises involving up to 5% of voting rights, shares held solely for clearing and settlement purposes or held in safekeeping for short periods of time and acquisitions and sales made for market making purposes.

In connection with the notice requirements, the German Securities Trading Act contains various provisions to ensure that shareholdings are allocated to the person who actually controls the voting rights attached to the shares. For example, shares belonging to a third party are allocated to a party required to report if the reporting party controls the third party. Similarly, shares held by a third party on behalf of a party required to report, or held by an entity controlled by the party required to report, are allocated to the party that is required to report.

If a shareholder willfully fails to file a notice or provides false information, the shareholder is excluded from exercising the financial rights attached to its shares for the duration of the delay. If the failure relates specifically to the share of voting rights held and the shareholder acted willfully or was grossly negligent, the shareholder is generally not permitted to exercise the administrative (voting) rights attaching to its shares for a period of six months after it files the necessary notification. In addition, a fine may be imposed for failure to comply with the notification obligation.

Moreover, under the German Securities Trading Act, any person who directly or indirectly holds financial instruments that grant the holder the unilateral right under a legally binding agreement to acquire previously issued voting shares of an issuer whose country of origin is the Federal Republic of Germany is subject to a notification

obligation if the sum of the shares they can so acquire, together with any voting right stakes they may already hold in the issuer or which are attributable to them, reaches, exceeds or falls below any of the thresholds of 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75%.

Furthermore, the German Securities Trading Act requires any shareholder whose holdings reach or exceed the 10% threshold or a higher threshold to notify the issuer of the aims being pursued with the acquisition of the voting rights and the origin of the funds used for the acquisition within 20 trading days of the date on which the respective threshold is met or exceeded. Once this information is received, and even if no information is received, the issuer has to publish it in the form discussed above, or give notice that the disclosure requirement was not met, within no more than three trading days. The issuer's articles of association may stipulate that the shareholders are not subject to a notification obligation, but this is not the case for the Company's articles of association.

In addition, under the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), anyone whose voting rights reach or exceed 30% of the voting shares of the Company is obligated to disclose this fact and the percentage of voting rights held within seven calendar days over the internet and over an electronic financial news service and thereupon, unless granted an exemption, to launch a public mandatory offer to all holders of shares in the Company. The German Securities Acquisition and Takeover Act contains a number of provisions intended to ensure that share ownership is correctly attributed to the person who actually controls the voting rights conferred by the shares. Shareholders who fail to disclose that their holdings meet or exceed the 30% threshold or fail to make a public mandatory offer are prohibited from exercising the rights conferred by these shares (including voting rights and the right to receive dividends) until the failure has been remedied. Breaches of the duty of disclosure are also punishable by a fine.

MANAGEMENT

Our governing entities are our management board (*Vorstand*), supervisory board (*Aufsichtsrat*) and general shareholders' meeting (*Hauptversammlung*). The powers of these entities are determined by the German Stock Corporation Act (*Aktiengesetz*), the Company's articles of association, the internal rules of procedure (*Geschäftsordnung*) of the supervisory board and internal rules of procedure (*Geschäftsordnung*) of the management board.

The management board is responsible for managing the Company in accordance with applicable law, the Company's articles of association and rules of procedure for the management board including the business distribution plan (*Geschäftsverteilungsplan*). The management board represents the Company in dealings with third parties.

The management board is responsible for implementing appropriate risk management and risk control systems within our Group that provide timely warning of any development that might jeopardize our continued existence. The management board is also obligated to report regularly to the supervisory board, at least on a quarterly basis, on the status of the business, in particular on the revenues and condition of the Company and its subsidiaries. Furthermore, the management board reports to the supervisory board at least once a year on the projected business objectives and other key issues relating to corporate planning (especially finance, investment and human resources planning), which must include discussion of any deviations between actual developments and objectives previously reported on, including the reasons for such deviations. In addition, the management board must submit a budget for the following fiscal year and a plan for the medium term to the supervisory board. The management board is also required to report to the supervisory board in a timely fashion on any transactions that may be significant with respect to the profitability (primarily the profitability of the equity) or liquidity of the Company in order to give the supervisory board an opportunity to express its opinion on such transactions prior to their implementation. The management board must report important matters to the chairman of the supervisory board, including any matters involving affiliates that become known to the management board and could have a material effect on the Company.

Simultaneous membership on the management board and the supervisory board of a German stock corporation is not permitted under German law; however, simultaneous membership that results from a member of the supervisory board taking a seat on the management board of the same German stock corporation for a maximum period of one year is permissible in exceptional cases. During this period, such an individual may not perform any duties for the supervisory board.

The supervisory board appoints the members of the management board and is entitled to dismiss them for good cause. The supervisory board advises and oversees the management board on the management of the Company, but is not itself authorized to manage the Company, as set out in the German Stock Corporation Act. The articles of association or the supervisory board must, however, designate any types of transactions that may only be made with the approval of the supervisory board. Such a provision is included in Section 8 of the rules of procedure of the Company's management board. Matters subject to the consent of the supervisory board currently include:

- any material changes to the business strategy of the Brenntag Group;
- (i) the purchase or sale of real estate, (ii) the purchase or sale of legal entities or (iii) purchase, sale, creation, extension, reduction or termination of business activities, including tangible or intangible assets and joint ventures, if the relevant price or value exceeds €15 million in the individual case;
- the conclusion or amendment of an agreement for or relating to borrowing, lending, underwriting guarantees, suretyships or assuming similar liabilities of an amount exceeding €50 million in the individual case;
- the conclusion of or amendment to consulting, advisory or other service agreement, if the costs or obligations associated with the agreement for the companies of the Brenntag Group exceed €2 million per year or an aggregate of €4 million;
- expenditure or capital investments exceeding an amount of €5 million in the individual case unless already approved in an earlier resolution;
- any hiring, dismissal or modification of an employment agreement of any executive manager provided that its aggregate cash remuneration (including cash bonuses) exceeds €500,000;
- the opening of new or the termination of existing business activities provided that the measure is material for the Brenntag Group (which is the case if the investment or the costs of the measure exceed €10 million in the individual case);
- any material change or amendment to the Brenntag Group's internal rules of procedures; and

- the approval of the Brenntag Group's budget, including the investment budget as well as the relating financing plan.

The supervisory board's approval in relation to any of the transactions set out above is not required if the supervisory board has already approved to such transactions in general or on a case-by-case basis in connection with the business planning, or to the extent that such transactions are already included in the budget. Some other transactions do not require the consent of the supervisory board if all parties to them are wholly owned subsidiaries of the Company or the Company itself. The supervisory board is also entitled to make other transactions subject to its approval by resolution.

Members of the management and supervisory boards owe a duty of care and a duty of loyalty to the Company. Board members must consider a number of interests, including those of the Company and its shareholders, employees and creditors. The management board must also take into consideration shareholders' rights to equal treatment and equal access to information. Should members of the management or supervisory board breach these duties, they will be jointly and severally liable to the Company for compensatory damages. Members of the management and supervisory boards are covered by directors and officers liability insurance for their activities as members of management up to a certain amount. In general, the Company bears the cost of these insurance policies. However, it should be noted that applicable German law requires that each of our directors and officers remain personally responsible in the case of any finding of personal liability of such director or officer, as the case may be, for 10% of the total amount of such personal liability, up to an amount that equals 150% such director's or officer's total annual fixed remuneration from our Group.

A shareholder is generally not able to file suit against members of the management board or supervisory board if he or she believes that these persons have neglected their duties toward the Company and this has resulted in damage to the Company. Company claims for compensatory damages against members of the management board or the supervisory board may, as a rule, only be asserted by the Company itself, in which case the Company is represented by the management board when claims are made against members of the supervisory board and the supervisory board when claims are made against members of the management board.

According to a ruling by the German Federal Court of Justice (*Bundesgerichtshof*), the supervisory board is obligated to assert claims for compensatory damages against the management board that are likely to be successful, unless important Company interests would conflict with such an assertion of claims and such grounds outweigh, or are at least comparable to, the grounds in favor of asserting claims. In the event that the relevant entity with powers of representation decides not to pursue such claims, then such claims of the Company for compensatory damages must nevertheless be asserted against members of the management board or the supervisory board if the general shareholders' meeting passes a resolution to this effect by a simple majority vote. Such general shareholders' meeting may appoint a special representative to assert such claims. Shareholders whose aggregate holdings amount to at least 10% or €1,000,000 of the Company's share capital may apply to the court to appoint a special representative to assert claims for compensatory damages, who, in the event of such an appointment, becomes responsible for this matter in place of the Company's management. In addition, if there are facts supporting the claim that the Company has been damaged by fraud or gross breaches of duty, shareholders whose aggregate holdings amount to at least 1% or €100,000 of the Company's share capital have the option, under certain circumstances, of being granted permission by the competent court to file a lawsuit on their own behalf for compensatory damages for the Company against members of the board. Such a lawsuit will be dismissed if the Company itself files a lawsuit for compensatory damages.

Under German law, it is illegal for shareholders or any other individuals to attempt to influence members of the management or supervisory boards, authorized representatives or other persons holding a commercial power of attorney to act in a way harmful to the Company. Shareholders with a controlling influence may not use such influence to cause the Company to act against its own best interests, unless any resulting damages are compensated for. Any person who uses his or her influence to cause a member of the Company's management board or supervisory board, authorized representative or persons holding a commercial power of attorney to act in a manner harmful to the Company or its shareholders is obligated to compensate the Company and its shareholders for any resulting damage. In addition, members of the management and supervisory boards may be jointly and severally liable for breach of their duties.

Management Board

The supervisory board determines the number of management board members which must consist of one or more persons according to the articles of association. The supervisory board may appoint one management board member as chairman and another member as deputy chairman. Currently, the Company's management board consists of three members, with Stephen R. Clark appointed as chairman.

The supervisory board appoints the members of the management board for a maximum term of five years. Reappointment or extension of the term for up to five years is permissible. The supervisory board may revoke the appointment of a management board member prior to the expiration of his or her term for good cause, such as for gross breach of fiduciary duties or if the shareholders' meeting passes a vote of no-confidence with respect to such member, unless the no-confidence vote was clearly unreasonable. The supervisory board is also responsible for entering into, amending and terminating employment agreements with the management board members and, in general, for representing the Company in and out of court against the management board. The supervisory board may assign these duties to a committee of the supervisory board, except for the rights to set forth the remuneration of the management board and to reduce the remuneration in case of a deterioration of the status of the Company on which the plenum of the supervisory board has to resolve.

According to the Company's articles of association, the Company must be represented by two management board members or one management board member acting jointly with an authorized representative. The supervisory board may grant the right to represent the Company alone and may release the members of the management board from the restrictions on multiple representations pursuant to Section 181 2nd Case of the German Civil Code (*Bürgerliches Gesetzbuch*).

At present, no member of the management board has been granted the right to represent the Company alone. All three members of the management board have been released from the restrictions of Section 181, 2nd Case of the German Civil Code *(Bürgerliches Gesetzbuch)*.

The management board determines the Company's business areas and combines them into segments. The management board resolves upon the allocation of responsibility for business areas and segments to the various members of the management board by setting up a Business Responsibility Plan *(Geschäftsverteilungsplan)*.

Any resolution on the enactment, any amendments or the revocation of the Business Responsibility Plan requires the approval of all members of the management board. If a unanimous decision of the management board cannot be reached, the supervisory board shall take the decision instead. The supervisory board shall be informed immediately about the Business Responsibility Plan and any amendment to it or its revocation.

The following table lists the members of the management board and their respective responsibilities as defined in the current Business Responsibilities Plan of March 12, 2010.

Name	Age	First appointed on	Appointed until	Responsibilities
Stephen R. Clark *Chairman and CEO*	59	March 3, 2010	February 29, 2012	Communications Corporate Development HR Internal Audit
Jürgen Buchsteiner *CFO*	51	March 3, 2010	February 28, 2015	Group Accounting Finance & Controlling, IR Legal M&A Risk Management Tax
Steven E. Holland *COO*	52	March 3, 2010	February 28, 2015	Operations • North America • Latin America • Europe • Asia Pacific HSE

Stephen R. Clark, our Chief Executive Officer, was born on September 28, 1950. He joined the Company in 1981 and has been a Brenntag board member since 1993. Mr. Clark graduated from the Pennsylvania State University in 1973 and has worked in a variety of controlling, financial and management roles in the chemical and chemical distribution industries over the last 38 years. Prior to becoming our CEO, Mr. Clark served as the President of our North America segment and as a member of our Global Management Board.

Jürgen Buchsteiner, our Chief Financial Officer, was born on May 16, 1958. He joined Brenntag in 2000 and has over 20 years of experience in leading management positions in the chemical manufacturing and distribution industries. Mr. Buchsteiner holds masters degrees in business administration from both Ruhr University in Germany and Saint Louis University (Missouri) in the United States. Prior to working for Brenntag, Mr. Buchsteiner worked as an auditor at a major international audit firm and has qualified as a certified tax accountant (*Steuerberater*) in Germany. Prior to becoming our CFO, Mr. Buchsteiner served as Vice President, Finance and Investor Relations, at Stinnes AG in Germany.

Steven E. Holland, our Chief Operating Officer and Chief Executive Officer of Brenntag Europe, was born on May 25, 1957. Mr. Holland joined Brenntag in 2006 and over the last 30 years has held a variety of key management

positions in the chemical manufacturing and distribution industries. Prior to becoming our COO and CEO of Brenntag Europe, Mr. Holland served as Managing Director of Brenntag U.K. and Ireland, and prior to that was Group Managing Director of Hays Chemical Distribution Ltd., U.K. and Ireland.

The members of the management board do not currently hold and have not at any time in the previous five years held any seats on any management or supervisory boards or been members of any partnerships in other comparable governing bodies in Germany or abroad outside of our Group.

During their membership on the management board and for the term of their employment agreements, the members of the management board are subject to a comprehensive non-competition clause that exceeds the provisions of Section 88 of the German Stock Corporation Act.

The members of the management board may be reached at the Company's business address: Stinnes-Platz 1, 45472 Mülheim an der Ruhr, Germany (tel. +49 (0) 208/7828-0).

The Company has concluded with the management board members service agreements, which take full effect upon the listing of the Company's shares. The service agreements have terms until February 28, 2015 for Messrs. Jürgen Buchsteiner and Steven Holland, and until February 29, 2012 for Mr. Stephen Clark. All management board members have the option to terminate their service agreements with six month's notice in case of another shareholder acquiring control of the Company, a delisting or a change of form into an unlisted entity.

Compensation of Management Board Members

The management board members are compensated in accordance with § 87 AktG. The compensation consists of fixed and variable, success-oriented components. The variable compensation consists of cash bonus and virtual stock program. The cash bonus is based on the four performance criteria gross profit, EBITDA (earnings before interest, tax, depreciation and amortization), RONA (return on net assets) and free cash flow, taking into account these criteria during the preceding three fiscal years (except for the cash bonus payable in 2011 where only the fiscal year 2010 is considered, and the cash bonus payable in 2012 where the fiscal years 2010 and 2011 are considered) with a cap at 100% of target achievement. The annual virtual stock entitlement is based on outperformance of the target criteria for the four performance indicators gross profit, EBITDA, RONA and free cash flow, as well as qualitative criteria agreed with or set by the supervisory board. Entitlements under the virtual stock are payable after four years with 50% adjusted by the total shareholder return of the shares in the Company over those four years and 50% adjusted by out- or underperformance of the MDAX and subject to an overall cap at 250% of the initially awarded annual virtual stock entitlement. Since the virtual stock program was agreed in 2010, the management board members currently do not have any accrued entitlements under this program.

The management board members will earn (or, in case of the virtual stock program, be awarded an entitlement to virtual stock) the following maximum amounts (in €) under their new service agreements:

Name	Fixed Salary	Maximum annual bonus	Maximum annual virtual stock entitlement
Stephen R. Clark	720,000	600,000	1,215,000
Jürgen Buchsteiner	540,000	450,000	911,250
Steven E. Holland	540,000	450,000	911,250

In addition, the management board members are entitled to further benefits such as usage of a company car, on-payment of salaries in case of sickness, disability or death as well as health and pension benefits. Further, the Company has concluded a directors and officers insurance (D&O insurance) for the benefit of the management board members; such insurance contains a retention amount of 10% of the damage, with the retention amount per year being capped at 1.5 times the fixed annual salary. Messrs. Clark and Holland are entitled to further payments from the Company to make good any tax disadvantages they suffer due to them being employed by and performing services for the Company in addition to the services they perform for non-German entities of our Group.

During the fiscal year 2009, the Company or other entities with our Group, recorded compensation expenses of €25.5 million for the three management board members out of which €1.4 million represents fixed and €1.2 million represents variable compensation. The remaining €22.8 million in 2009 were expensed in connection with the early termination of multi-year incentive program in the context of the planned divestment by certain shareholders in the Selling Shareholder. The aggregate cash payment to the three management board members relating to such early termination amounted to €26.3 million.

Shareholdings of Management Board Members

The management board members currently do not hold any shares in the Company or options on shares in the Company. All of the management board members are limited partners in Brenntag Management Erste Beteiligungs GmbH & Co. KG, which in turn holds shares in Brachem Acquisition S.C.A., the current sole shareholder in the Company (see "—*Management Participation Program*").

The management board members participate in Brenntag Management Erste Beteiligungs GmbH & Co. KG (and thereby indirectly in the Selling Shareholder) on the basis of which their aggregate indirect beneficial participation in the Company amounts to 2.59% of the outstanding voting shares of the Company, thereof Mr. Jürgen Buchsteiner (including relatives) holds 1.15%. After consummation of the capital increase in the context of the offering and assuming placement of the maximum number of shares including full exercise of the greenshoe option) the management board members will hold in the aggregate 1.84% of the outstanding voting shares of the Company.

Certain members of the management board are considering placing orders to purchase shares in the offering.

Supervisory Board

In accordance with the Company's articles of association and Sections 95 and 96 of the German Stock Corporation Act, the supervisory board consists of three members who are elected by the shareholders at the general shareholders' meeting. It is intended that the extraordinary general shareholders' meeting of the Company expected to be held on March 19, 2010 will amend the Company's articles of association by increasing the number of members of the supervisory board from three to six. This amendment will become effective upon registration with the commercial register which is expected to take place on March 25, 2010. It is further intended that the extraordinary general shareholders' meeting of the Company expected to be held on March 19, 2010 will appoint three new members of the supervisory board with effect as of the end of the first Sunday following the registration of the amendment of the articles of association. If the amendment is registered on March 25, 2010 (as expected), the appointment will become effective at the end of March 28, 2010.

Unless the general shareholders' meeting has set a shorter term, the term of each supervisory board member, as well as the term of each substitute member, if elected, expires at the end of the annual general shareholders' meeting discharging the members of the supervisory board for the fourth fiscal year following the commencement of the member's term of office, not including the fiscal year in which the term commences. The election of a successor for a member leaving his or her office before the end of his or her term of office is valid for the remainder of the term of office of the departing member, provided that the general shareholders' meeting has not otherwise determined the term of office of the successor. Re-election is possible. The rules of procedure of the supervisory board will provide that the term of office of a member of the supervisory board shall not be extended beyond the 70th birthday.

Supervisory board members elected by the general shareholders' meeting may be removed by a resolution of the shareholders' meeting if such resolution is approved by at least 75% of the votes cast. In addition, the articles of association provide that regular members and substitute members of the supervisory board may resign, without good cause, by providing four weeks' prior written notice to the Company, represented by the supervisory board chairman or, in case of the chairman's resignation, the deputy chairman. The person to whom the resignation has to be addressed may shorten or waive the notice period. The right to resign for good cause remains unaffected by the foregoing. The shareholders' meeting may appoint substitute members for one or more supervisory board members, who, in accordance with specific determinations by the general shareholders' meeting, may become members of the supervisory board if elected supervisory board members leave office before the end of their term. The term of the substitute member expires as soon as a successor for the departing supervisory board member is appointed, but no later than the expiration of the departing supervisory board member's term. Following the general shareholders' meeting after which the term of the supervisory board members elected by the general shareholders' meeting ends, it will elect a chairman and deputy chairman from among its members to serve for the duration of those members' terms. Should the chairman or the deputy chairman leave office prior to the expiration of his or her term, the supervisory board must without delay elect a new chairman or deputy chairman to fill the remaining term of the departing chairman or deputy chairman.

Under mandatory statutory provisions and the articles of association, the supervisory board is authorized to establish internal rules of procedure and form committees of at least three individuals from among its members. The supervisory board's internal rules of procedure have been approved by the supervisory board on March 11, 2010 and will become effective upon the registration of the amendment of the Company's articles of association in relation to the increase in the number of supervisory board members from three to six. The supervisory board is authorized to make amendments to the articles of association that only affect their wording. As a rule, the supervisory board is expected to hold quarterly meetings and must hold at least two meetings within each six-month

period. Meetings of the supervisory board are usually called by its chairman with 14 days advance notice. The day on which the notice is sent and the day of the meeting itself are not included when calculating this period. In urgent cases, the chairman can shorten the notice period within reason and call a meeting in person, or by telephone, facsimile, e-mail or other conventional means of communication.

The articles of association provide that at least three supervisory board members must participate in voting on a resolution to constitute a quorum. Any member who is present but abstains from voting is deemed to have participated in the vote. Absent members may participate in the casting of votes pursuant to Section 108(3) of the German Stock Corporation Act. Unless otherwise required by law or by the articles of association, resolutions of the supervisory board are passed by a simple majority of the votes cast. For purposes of passing a resolution, abstentions do not count as votes cast. If a vote in the supervisory board results in a tie, the chairman has a casting vote. The articles of association provide that on the chairman's instruction resolutions may be passed without a meeting by written note including by facsimile, oral vote including by telephone or a vote by other conventional means of communication if no member of the supervisory board objects within a reasonable period of time determined by the chairman.

Members of the Supervisory Board

The following table lists the members of the Company's supervisory board and the positions they hold outside of the Company.

Name	Age	Member since/term of office expected to commence on[1]	Expected membership of committees[2]	Principal occupation outside of the Company
Stefan Zuschke *(Chairman)*	47	March 3, 2010	Presidential and Nomination Committee (Chairman)	Managing Partner, BC Partner GmbH Beteiligungsberatung, Hamburg, Germany
Dr. Thomas Ludwig[3] *(Deputy Chairman)*	61	end of March 28, 2010	Presidential and Nomination Committee	President and Managing Partner, Lindsay Goldberg Vogel GmbH, Düsseldorf, Germany
Prof. Dr. Edgar Fluri	62	end of March 28, 2010	Audit Committee (Chairman)	Certified Public Accountant (Switzerland)
Doreen Nowotne	37	March 3, 2010	Audit Committee	Partner, BC Partner GmbH Beteiligungsberatung, Hamburg, Germany
Dr. Andreas Rittstieg	53	end of March 28, 2010	Presidential and Nomination Committee	Attorney (Germany)
Thomas Weinmann[3]	39	March 3, 2010	Audit Committee	Partner, BC Partner GmbH Beteiligungsberatung, Hamburg, Germany

(1) The supervisory board members are elected for the period up to the conclusion of the general shareholders' meeting at which the discharge resolution for the fourth fiscal year after the commencement of their term of office is voted on; the fiscal year in which their term of office begins is not counted.

Stefan Zuschke, Doreen Nowotne and Thomas Weinmann were appointed with effect as of March 3, 2010. Dr. Thomas Ludwig, Prof. Dr. Edgar Fluri and Dr. Andreas Rittstieg are expected to be appointed on, March 19, 2010 with effect as of, and to begin their respective terms, upon the end of the first Sunday following registration of the amendment of the Company's articles of association in relation to the increase in the number of supervisory board members. If the amendment is registered on March 25, 2010 (as expected) the appointments will become effective upon the end of March 28, 2010.

(2) The committees have been established by a supervisory board resolution dated March 11, 2010 which will become effective upon registration of the amendment of the Company's articles of association in relation to the number of supervisory board members which is expected to take place on March 25, 2010. The members of the committees and the chairman of the audit committee are expected to be elected in a supervisory board meeting to be called and held after the appointment of the three further members of the supervisory board has become effective, which is expected to take place at the end of March 28, 2010.

(3) Dr. Thomas Ludwig is expected to be elected Deputy Chairman in a supervisory board meeting to be called and held once the appointment of the three further members of the supervisory board has become effective. At present, in the current supervisory board with three members, Thomas Weinmann holds the position of Deputy Chairman.

The following table lists all of the companies and enterprises in which the members of the supervisory board have held seats on an administrative, management or supervisory body or comparable German or foreign controlling body or of which they were partners during the last five years, with the exception of the subsidiaries of our Group.

Name	Positions held outside the Company
Stefan Zuschke . . . . . . *(Chairman)*	Current positions: • Supervisory Committee, Brachem Acquisition S.C.A., Luxembourg • Supervisory Committee, OME Acquisition S.C.A., Luxembourg • Supervisory Committee, OME Investment Acquisition S.C.A., Luxembourg • Supervisory Committee, OME SA, Luxembourg Past positions (last five years): • Supervisory Committee, Brahms Chemical Intermediate SA, Luxembourg • Supervisory Board, Techem AG • Supervisory Committee, Finakabel SA (formerly Finakabel SarL) • Advisory Board, ImmoMediaNet GmbH & Co. KG • Advisory Board, TeleColumbus AG & Co. KG (formerly Finakabel AG & Co. KG) AG • Advisory Board, Halde Einhundertfünfundvierzigste Verwaltungsgesellschaft mbH • Advisory Board, Halde Einhundertvierundvierzigste Verwaltungsgesellschaft mbH
Dr. Thomas Ludwig . . *(Deputy Chairman)*[(1)]	Current positions: • Chairman, Supervisory Board, Trimet AG • Supervisory Board, Trimet Aluminiumm AG • Chairman, Supervisory Board, Rölfs WP Partner AG Wirtschaftsprüfungsgesellschaft • Chairman, Supervisory Board, 7(S) Personal GmbH • Chairman, Supervisory Board, Bandstahl Schulte & Co. GmbH • Supervisory Board, Grünenthal GmbH • Supervisory Board, Dalli-Werke GmbH & Co. KG Past positions (last five years): • Chairman, Supervisory Board, Kerkhoff Consulting GmbH • Supervisory Board, Trimet Handel AG
Prof. Dr. Edgar Fluri . .	Current positions: • Supervisory Board, Nobel Biocare Holding AG, Zurich, Switzerland • Supervisory Board, Galerie Beyeler AG, Basel, Switzerland • President, Board of Trustee, Stiftung Rotary Club Basel für Betagte und Behinderte, Basel, Switzerland Past positions (last five years): • Chairman, Supervisory Board, PricewaterhouseCoopers AG, Zurich, Switzerland • Managing Partner, PwC Partners, Markus Neuhaus, Edgar Fluri & Co., Zurich, Switzerland • Managing Partner, PricewaterhouseCoopers GmbH, Zurich, Switzerland • PH Partner Holding-Stiftung, Basel, Switzerland

(1) Dr. Thomas Ludwig is expected to be elected Deputy Chairman in a supervisory board meeting to be called and held once the appointment of the three further members of the supervisory board has become effective. At present, in the current supervisory board with three members, Thomas Weinmann holds the position of Deputy Chairman.

Name	Positions held outside the Company
Doreen Nowotne	Current positions: • Supervisory Committee, Brachem Acquisition S.C.A., Luxembourg • Supervisory Committee, OME Acquisition S.C.A., Luxembourg • Supervisory Committee, OME Investment Acquisition S.C.A., Luxembourg Past positions (last five years): • none
Dr. Andreas Rittstieg . .	Current positions: • Advisory Board, Huesker Holding GmbH, Gescher, Germany • Supervisory Board, TOMORROW FOCUS AG, Munich, Germany • Advisory Board, Joh. Berenberg, Gossler & Co. KG, Hamburg, Germany • Advisory Board, Turina Holding GmbH & Co. KG, Hamburg, Germany • Advisory Board, Ludwig Görtz GmbH, Hamburg, Germany • Supervisory Board, LichtBlick AG, Hamburg, Germany Past positions (last five years): • Advisory Board, Keramag AG, Ratingen, Germany
Thomas Weinmann[(2)] . .	Current positions: • Supervisory Committee, Pool Acquisition SA, Luxembourg • Supervisory Committee, Brachem Acquisition S.C.A., Luxembourg • Supervisory Board, OME Acquisition S.C.A., Luxembourg • Supervisory Board, OME Investment Acquisition S.C.A., Luxembourg Past positions (last five years): • Supervisory Board, Sanitec International AG • Supervisory Board, Sanitec Oy • Supervisory Board, Pool Financing Helsinki Oy • Supervisory Board, Pool Sub-Financing Helsinki Oy

The members of the supervisory board may be reached at the Company's business address: Stinnes-Platz 1, 45472 Mülheim an der Ruhr, Germany (tel. +49 (0) 208/7828-0).

(2) Dr. Thomas Ludwig is expected to be elected Deputy Chairman in a supervisory board meeting to be called and held once the appointment of the three further members of the supervisory board has become effective. At present, in the current supervisory board with three members, Thomas Weinmann holds the position of Deputy Chairman.

Competency of the Supervisory Board Members

We believe that each of the members of the supervisory board (including the individuals presented above who are expected to be appointed to the supervisory board after the date of this prospectus) possesses, on the basis of his or her respective present and past professional activities, including the current and recent board memberships presented in the two tables above, the necessary professional competencies to successfully fulfill his or her duties and responsibilities as a member of our supervisory board.

Compensation of Supervisory Board Members

The extraordinary general shareholders' meeting expected to take place on March 19, 2010 is expected to pass a shareholder resolution regarding the remuneration of the members of the supervisory board. The main features of the remuneration system to be established by this resolution comprise:

Fixed Remuneration

Each member of the supervisory board receives a fixed remuneration in the amount of €40,000 for every full business year of its membership in the supervisory board. Once the operative EBITDA (as further defined in the shareholder resolution regarding the remuneration) of the Brenntag Group exceeds €650 million in one business year, the fixed remuneration shall increase to €60,000 for the following business years.

Office Bonuses

In addition, the members of the supervisory board receive office bonuses (*Amtsprämien*) which will amount to: €40,000 per year for the Chairman of the supervisory board, €10,000 per year for the Deputy Chairman of the supervisory board, €20,000 per year for the Chairman of the audit committee and €10,000 per year for the Chairman of the presiding and nomination committee as well as other members of the audit or presiding and nomination committee. In case a member receives an office bonus as chairman of a committee, it shall not be entitled to an office bonus as a member of the respective committee. No office bonuses are paid for memberships in further committees established by the supervisory board.

Variable Remuneration

In addition, the members of the supervisory board are entitled to a variable remuneration provided that (i) certain targets in terms of operative EBITDA of the Brenntag Group are met and (ii) the shares of the Company are listed on the regulated market of the Frankfurt Stock Exchange at the end of the relevant business year and (iii) the members of the supervisory board comply with their obligation to purchase shares in the Company and the corresponding lock-up obligation described further below.

The variable remuneration for a specific business year amounts to €25,000 in case the operative EBITDA exceeds €490 million and is less than €510 million.

For each amount of €10 million by which the operative EBITDA for a specific business year falls short of the amount of €500 million, the variable remuneration is reduced by €2,500 (i.e., if the operative EBITDA of the Brenntag Group amounts to €400 million or less no variable remuneration is to be paid).

For each amount of €10 million by which the operative EBITDA of the Brenntag Group for a specific business year exceeds the amount of €500 million, the variable remuneration increases by €1,000. The variable remuneration of each supervisory board members for a specific business year is capped at the amount of the fixed remuneration or the increased fixed remuneration payable for the following business year.

The amount of fixed remuneration paid to each supervisory board member is reduced proportionally or not paid at all in the event payment of the full amount of the variable remuneration would result in a breach of Section 113 paragraph 3 German Stock Corporation Code (*Aktiengesetz*).

The variable remuneration is paid to the supervisory board members in cash on the trading day following the publication of the annual financial report of the Brenntag Group. The supervisory board members are obligated to pay back the cash amount unless they provide evidence in text form within 25 trading days after publication of the annual financial report of the Brenntag Group that they (i), during the period of ten trading days following the receipt of the variable remuneration in cash, have purchased shares in the Company for a purchase price at least in the amount of the cash amount paid to them and (ii) the shares so purchased are held by the respective supervisory board member for a period of at least three years starting with the acquisition of the shares of the relevant tranche. The obligation to hold the shares set forth under (ii) above expires upon the respective supervisory board member leaving office.

Attendance Fee for Meetings/D&O Insurance

In addition, members of the supervisory board receive an attendance fee in the amount of €1,500 for each meeting of the supervisory board or its committees which they attend. In addition, the Company maintains a D&O insurance for the members of the supervisory board at the Company's cost and with a deductible in the amount of 150% of the Fixed Remuneration or the Increased Fixed Remuneration, as applicable.

Miscellaneous

Supervisory board members which had not been appointed for the full business year or it did not hold the relevant office for a full business year receive their remuneration pro rata temporis of their appointment or their office tenure.

The members of the supervisory board are entitled to reimbursement of their reasonable expenses (including, but not limited to, travel, board and lodging and telecommunication expenses). Expenses are reimbursed upon invoicing and evidence.

The remuneration system remains in force until it has been amended or terminated by the general shareholders' meeting of the company.

Remuneration and benefits in the business year 2009

As the supervisory board of Brenntag AG was established for the first time upon conversion of Brenntag Management GmbH into a stock corporation which was resolved upon on March 3, 2010 and became effective by registration with the commercial register on March 11, 2010, no supervisory board existed in earlier periods. Therefore, for the business year 2009 no remuneration or benefits in kind were granted to the members of the supervisory board, and no amounts were set aside or accrued by the Company or its subsidiaries to provide pension, retirement or similar benefits to them.

Shareholdings of Supervisory Board Members

The members of the supervisory board do not hold any shares in the Company. Certain members of the supervisory board are considering placing orders to purchase shares in the offering.

Supervisory Board Committees

Under Section 107 paragraph 3 of the German Stock Corporation Act (*Aktiengesetz*) the supervisory board has the right to form from among its members one or more committees, namely to prepare its discussions and resolutions or to supervise the implementation of its resolutions. Under Article 7 of its internal rules of procedure and by a resolution dated March 11, 2010 the supervisory board has set up a presiding and nomination committee and an audit committee. The establishment of both committees will become effective upon registration of the amendment of the Company's articles of association in relation the increase in the numbers of supervisory board members which is expected to take place on March 25, 2010. The members of the committees and the chairman of the audit committee are expected to be elected in a supervisory board meeting to be called and held after the appointment of the three further members of the supervisory board has become effective, which is expected to take place at the end of March 28, 2010.

Presiding and Nomination Committee

The presiding and nomination committee will prepare the personnel decisions of the supervisory board and will have the following competences:

- preparing the resolutions of the supervisory board regarding the concluding, altering and terminating the employment contracts of members of the management board within the structure of the compensation system adopted by the supervisory board;
- preparing the resolutions of the supervisory board to apply to court to reduce the remuneration of the management board under Section 87 paragraph 2 of the Stock Corporation Code;
- preparing the resolutions of the supervisory board on the structure of the compensation system for the management board, including the essential contractual elements;
- representing the Company vis-à-vis former members of the management board under Section 112 of the Stock Corporation Code;
- consent to secondary occupations (including the acceptance of seats on supervisory boards outside the Brenntag Group) and to other activities of a management board member under Section 88 of the Stock Corporation Code;
- granting of loans to the persons named in Section 89 and Section 115 of the Stock Corporation Code and
- approval of agreements with supervisory board members under Article 114 of the Stock Corporation Code.
- propose suitable candidates for supervisory board members to the General Meeting in case of supervisory board members elections.

The presiding and nomination committee will monitor adherence to the rules of procedure of the management board. The presiding and nomination committee will be informed by the management board in accordance with the information obligations set forth in the rules of procedure of the management board.

Members of the presiding and nomination committee will be Stefan Zuschke as chairman of the committee, Dr. Thomas Ludwig and Dr. Andreas Rittstieg. The members of the presiding and nomination committee are expected to be elected in a supervisory board meeting to be called and held after the appointment of the three further members of the supervisory board has become effective which is expected to take place at the end of March 28, 2010. The rules of procedure of the supervisory board provide that the chairman of the supervisory board is also the chairman of the presiding and nomination committee.

Audit Committee

The audit committee will be responsible for reviewing the accounting process, the effectiveness of the internal system of control, risk management and compliance, the necessary independence of the auditors, commissioning the auditors to conduct the audit, agreeing on additional services to be provided by the auditor under the auditor's commission, establishing the main points of the audit, and reaching agreement upon a fee. It will prepare the supervisory board's resolution on the annual financial statements.

Members of the audit committee will be Prof. Dr. Edgar Fluri as chairman of the committee, Doreen Nowotne and Thomas Weinmann. The members and the chairman of the audit committee are expected to be elected in a supervisory board meeting to be called and held after the appointment of the three further members of the supervisory board has become effective which is expected to take place at the end of March 28, 2010.

Certain Information on the Members of the Management and Supervisory Boards

During the last five years, no member of the management board or supervisory board has been convicted of any fraudulent offense. In addition, no member of either board has been publicly incriminated or sanctioned by statutory or regulatory authorities (including professional associations) or, acting in the capacity of a member of a management or supervisory entity or as founder of an issuer, been associated with any bankruptcies and/or insolvencies, receiverships or liquidations. No member of the management board or supervisory board has ever been deemed by a court to be unfit for membership in a management or supervisory entity of a company or to be unfit to exercise management duties for or manage the business of an issuer during the past five years. No family relationships exist among the members of the management and supervisory boards.

Conflicts of Interest

There are no conflicts of interest or potential conflicts of interests between the duties of members of the management board and duties of members of the supervisory board vis-à-vis the Company and their private interests or other duties.

No member of the management board or supervisory board has entered into any service contract with any Group company providing for special benefits upon termination of employment.

General Shareholders' Meeting

Pursuant to Section 175 of the German Stock Corporation Act and the Company's articles of association, the annual general shareholders' meeting takes place within the first eight months of each fiscal year and has to be held, as the convening body may decide, at the Company's registered office, at the seat of a German stock exchange or in a German city with more than 100,000 residents. The annual general shareholders' meeting must be called at least 36 days before the day of the meeting. The day of the general shareholders' meeting and the day the notice is given are to be disregarded when calculating the period.

Pursuant to the Company's articles of association, the shareholders are entitled to participate in the general shareholders' meeting and to exercise their voting rights if they are registered with the shareholder register of the Company and if their application for participation is received by the Company or any other body designated in the notice of the respective general shareholders' meeting at least six days before the general shareholders' meeting in text form in German or English. The chairman of the general shareholders' meeting is authorized to allow the audiovisual transmission of the general shareholders' meeting via electronic media in a manner to be further specified by him, provided that this has been stated in the notice of the general shareholders' meeting.

Neither German law nor the Company's articles of association restrict the right of shareholders who are resident outside of Germany or are foreign nationals to hold the Company's shares or exercise the voting rights of the shares.

Each share entitles its holder to one vote at the general shareholders' meeting. Shareholders can vote their shares by proxy. Unless otherwise stipulated by mandatory statutory provisions or provisions of the articles of association, resolutions of the general shareholders' meeting are adopted by a simple majority of the votes cast or, if a capital majority is required, by a simple majority of the registered share capital represented at the meeting.

Under the current version of the German Stock Corporation Act, resolutions of fundamental importance (*grundlegende Bedeutung*) require both a majority of votes cast and a majority of at least 75% of the registered share capital represented at the vote on the resolution. Resolutions of fundamental importance include:

- changes to the purpose of the Company;

- capital increases;
- capital decreases;
- the creation of authorized or conditional capital;
- transformations pursuant to the German Transformation Act (*Umwandlungsgesetz*), including mergers, divisions, transfers of assets and changes in legal form;
- an agreement to transfer all of the Company's assets pursuant to Section 179a of the German Stock Corporation Act;
- the execution of inter-company agreements, such as controlling and profit-and-loss-transfer agreements; and
- the dissolution of the Company.

The management board, supervisory board (as required by law) or, under certain circumstances, shareholders holding an aggregate of 5% or more of the registered share capital may call a shareholders' meeting. The supervisory board must call a shareholders' meeting whenever the interests of the Company so require. The Company must hold the annual general shareholders' meeting during the first eight months of each fiscal year.

The current version of the German Stock Corporation Act requires the Company to publish notices of shareholders' meetings in the electronic version of the Federal Gazette (*elektronischer Bundesanzeiger*) at least 36 days before the general shareholders' meeting. The registration deadline for attending the meeting is published concurrently with the notice of meeting.

Neither German law nor the Company's articles of association restrict the right of foreign shareholders or shareholders not domiciled in Germany to hold shares in the Company or vote their shares.

Corporate Governance

The German Corporate Governance Code *(Deutscher Corporate Governance Kodex)* (the "**Code**"), adopted in February 2002, was last amended June 18, 2009, and became effective August 5, 2009, includes recommendations and suggestions for managing and supervising companies listed on German stock exchanges with regard to shareholders and shareholders' meetings, management and supervisory boards, transparency, accounting and the auditing of financial statements. While the recommendations or suggestions of the Code are not mandatory, the German Stock Corporations Act requires the management and supervisory boards of a listed company to disclose each year which recommendations were and will be followed and which recommendations were not or will not be followed. This disclosure must be made permanently accessible to shareholders. However, deviations from the suggestions contained in the Code need not be disclosed.

We will fully meet the obligation as a listed company to submit, publish and provide shareholders with permanent access to disclosure in accordance with Section 161 of the German Stock Corporation Act during the course of the current fiscal year. Our management and supervisory boards believe in the objectives of the Code to foster a responsible and transparent corporate management style and control directed toward achieving a sustained increase in shareholder value. As of the date of this prospectus we follow all recommendations of the Code. We plan to comply with all recommendations of the Code in the future.

Management Participation Program

In connection with the acquisition of the Brenntag group by a group of Funds Advised by BC Partners Limited, Funds Advised by GSMP and (as part of a disposition and partial repurchase) Funds Advised by Bain Capital in 2006, a management participation program was set up in order to align the commercial interests of the management of the most important group entities with the interests of the other shareholders in the Selling Shareholder. In connection with this management participation program, Brenntag Management Erste Beteiligungs GmbH & Co. KG and Brenntag Management Zweite Beteiligungs GmbH & Co. KG (the "**Management KGs**") were set up and acquired shares in the Selling Shareholder. Approximately 110 employees (including relatives and former employees) of various entities within our Group have acquired limited partnership interests in the Management KGs. Such officers have invested a total of approximately €33 million in the two Management KGs (of which less than 10% were financed by Group companies). The partnership agreements of the Management KGs contain provisions pursuant to which a limited partner whose employment with the Group terminates must, in certain circumstances, sell his or her limited partnership interest to the Selling Shareholder.

The Management KGs have concluded an investment and shareholders agreement with the other shareholders in the Selling Shareholder pursuant to which the limited partners in the Management KGs are paid a higher proportion of proceeds, if and when the other shareholders in the Selling Shareholder realize a particularly successful Exit from their investment; "Exit" is defined as the moment when the other shareholders in the Selling Shareholding hold, indirectly or directly, an aggregate of less than 25% in the Group. In addition, the limited partners in the Management KGs are entitled to receive partial payments as soon as the other shareholders in the Selling Shareholder have been repaid their non-equity investment in the Selling Shareholder. For the repayments to those limited partners who are members of our management board, see "*The Offering—Market Protection Agreement, Limitation on Disposal (Lock-up)*". The members will also be able to realize proceeds from the program at a level equivalent to that of the other shareholders in Selling Shareholder if an Exit has not occurred within three years after completion of the offering.

At the occurrence of the Exit, the Management KGs will be wound down and the limited partners can realize cash proceeds; for reinvestment obligations of the management board members see "*The Offering—Market Protection Agreement, Limitation on Disposal (Lock-up)*". The cash return which would be attributable to the members of the management board for their initial investment would be approximately 4.0 times their initial investment of 9 million if the Exit were realized at a valuation level corresponding to the mid point of the price range and approximately 6.3 times their initial investment it were realized at a valuation level which is 15% higher than the mid point of the price range (including full exercise of the Greenshoe Option and excluding tax effects; this calculation presumes that all shares are being sold at a valuation level corresponding to the mid point of the price range and a valuation level which is 15% higher than the mid point of the price range, as the case may be).

UNDERWRITING

The Company, the Selling Shareholder and the Underwriters expect to enter into an underwriting agreement on March 24, 2010 with respect to the offer and sale of the shares offered hereby (the "**Underwriting Agreement**").

The Offering comprises up to 14,950,000 ordinary registered shares with no par value, each representing a share of €1.00 in the share capital and with full dividend rights as of January 1, 2010; comprising up to 10,500,000 ordinary registered shares with no par value from the capital increase, up to 2,500,000 ordinary registered shares with no par value owned by the Selling Shareholder and up to 1,950,000 ordinary registered shares with no par value owned by the Selling Shareholder to cover a potential Overallotment. The Offering comprises a public offering in the Federal Republic of Germany and in the Grand Duchy of Luxembourg and a private placement in certain other jurisdictions outside the Federal Republic of Germany and the Grand Duchy of Luxembourg in accordance with Regulation S under the Securities Act. In the United States, the shares are being offered to qualified institutional buyers pursuant to Rule 144A under the Securities Act. Outside the United States, the shares will be offered in a private placement pursuant to Regulation S under the Securities Act. The Offering will begin on March 16, 2010, and is scheduled to end on March 26, 2010. The offer price per Offer Share will be determined using the order book prepared during the bookbuilding process. Pricing is expected to take place on or about March 27, 2010.

Under the terms of the Underwriting Agreement and subject to certain conditions, each Underwriter will be obliged to acquire the maximum number of newly issued and existing shares set forth below opposite such Underwriter's name:

Underwriter	Maximum number of shares to be acquired*	Percentage of shares (in %)
Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany	4,111,250	27.5
Goldman Sachs International, London, United Kingdom	4,111,250	27.5
J.P. Morgan Securities Ltd., London, United Kingdom	1,868,750	12.5
Merrill Lynch International, London, United Kingdom	1,868,750	12.5
COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Germany	747,500	5.0
HSBC Trinkaus & Burkhardt AG, Düsseldorf, Germany	747,500	5.0
SOCIÉTÉ GÉNÉRALE, Paris, France	747,500	5.0
The Royal Bank of Scotland N.V. (London Branch), London, United Kingdom	747,500	5.0
Total	**14,950,000**	**100.0**

* Including exercise of Greenshoe Option.

In the Underwriting Agreement, Deutsche Bank will agree for the account of the Underwriters to underwrite the newly issued shares offered hereby at the lowest issue price on March 24, 2010, and the Underwriters will agree to purchase such newly issued shares with a view to offering them to investors in this offering. The Underwriters will agree to remit to the Company the difference between the offer price of the newly issued shares and the lowest issue price, being €1.00 (less agreed commissions and expenses), at the time the newly issued shares are delivered, which is expected to be two bank working days after admission to trading. The Underwriters will further agree to acquire up to 2,500,000 shares (as well as up to 1,950,000 additional shares with regard to a possible Overallotment) from the Selling Shareholder and to sell such shares as part of the offering. The Underwriters will agree to remit the purchase price of the existing shares (less agreed commissions) to the Selling Shareholder at the time the existing shares are delivered.

The obligations of the Underwriters are subject to various conditions, including, amongst other things, (i) the conclusion of a pricing agreement, (ii) the absence of a material adverse change in the general affairs, business, prospects, management, consolidated financial position, shareholders' equity or results of operations of the Brenntag-Group, (iii) receipt of customary certificates, legal opinions and letters meeting the Underwriters' requirements, and (iv) the making of necessary filings and the receipt of necessary approvals in connection with the offering. The Underwriters have provided and may in the future provide services to the Company and the Selling Shareholder in the ordinary course of business and may extend credit to and have regular business dealings with the Company and the Selling Shareholder in their capacity as financial institutions (for a more detailed description of the interests of the Underwriters in the offering, see "*The Offering—Interests of the Parties Participating in the Offering*").

Commission

The Underwriters will offer the shares at the offer price. The Company (for the shares offered from the capital increase) and the Selling Shareholder (for the shares offered from its own holdings otherwise than in connection with a potential Overallotment) will pay the Underwriters commissions consisting of a basic commission of 1.5% of the respective aggregate gross sales proceeds. From the basic commission, an amount of €1.25 million will be payable to Deutsche Bank and Goldman Sachs for services in connection with the restructuring of the Brenntag Group's indebtedness described under "*Business—Material Contracts—Senior Facilities*". The Selling Shareholder (for the shares offered from its own holdings in connection with a potential over-allotment) will pay the Underwriters commissions consisting of a basic commission of 0.9% of the aggregate gross sales proceeds in respect of such shares. In addition, to these basic commissions, the Company and the Selling Shareholder will pay the Underwriters an additional discretionary fee, payable entirely at the sole discretion of the Company and the Selling Shareholder of up to 1.25% of the aggregate gross offering proceeds. The decision to pay any performance fee and its amount are within the sole discretion of the Company and the Selling Shareholder, and such decision must be made and notified to the Underwriters no later than 35 days following closing of the offering. The Company and the Selling Shareholder have also agreed to reimburse the Underwriters for certain expenses incurred by them in connection with the offering.

Greenshoe Option and Securities Loan

To cover a potential Overallotment, up to 1,950,000 ordinary registered shares with no par value will be made available by the Selling Shareholder through a securities loan that bears interest at a customary rate to Deutsche Bank for the account of the Underwriters. In addition, the Selling Shareholder will further grant the Underwriters the option of acquiring these shares at the offer price less agreed commissions (Greenshoe Option). This option will terminate 30 calendar days after commencement of the stock exchange trading of the shares.

Termination/Indemnification

The Underwriting Agreement will provide that the Underwriters may under certain circumstances terminate the Underwriting Agreement, including after the shares have been allotted and listed, up to delivery and settlement. Grounds for termination include in particular if

- the Company suffers from material change in its business, prospects, management, consolidated financial position, shareholders' equity or results of operations, or material adverse changes to its business activities since the date of the most recent audited financial statements of the Company contained in the offering documents, and which losses or changes are not disclosed in the offering documents;

- trading on a Frankfurt, London or New York stock exchange being suspended or materially limited (other than for technical reasons);

- a general moratorium being imposed on commercial banking activities in Frankfurt am Main, London or New York by the responsible authorities after the date of the Underwriting Agreement;

- a material adverse change in financial, political or economic conditions or currency exchange rates or currency controls which could have a material adverse impact on the financial markets in the Federal Republic of Germany, the United Kingdom or the United States; and

- the outbreak or escalation of hostilities involving, or the declaration of a national emergency or war by, or the occurrence of any acts of terrorism or any other calamity or crisis or any change in conditions in, the Federal Republic of Germany, the United Kingdom or the United States of America occurs or intensifies.

If the Underwriting Agreement is terminated, the offering will not take place, in which case any allotments already made to investors will be invalidated and investors will have no claim for delivery. Claims with respect to subscription fees already paid and costs incurred by an investor in connection with the subscription will be governed solely by the legal relationship between the investor and the financial intermediary to which the investor submitted its purchase order. Investors who engage in short selling bear the risk of being unable to satisfy their delivery obligations.

The Company and the Selling Shareholder will agree in the Underwriting Agreement to indemnify the Underwriters against certain liabilities that may arise in connection with the offering, including liabilities under applicable securities laws.

Selling restrictions

The shares will be offered to the public solely in the Federal Republic of Germany and in the Grand Duchy of Luxembourg and not offered or sold either directly or indirectly in the United States of America, except pursuant to an exemption from the registration requirements of the Securities Act. The shares will not be registered under the Securities Act and may only be offered or sold outside the United States pursuant to Regulation S. The shares will not be sold or offered within the United States, except to certain investors in accordance with Rule 144A and other applicable provisions of U.S. law.

No shares which are the subject of the offering outlined in this prospectus will be offered for public sale in any member state of the European Economic Area which has implemented the Prospectus Directive (hereinafter referred to as a "relevant member state"). This shall not apply to the Offering within the Federal Republic of Germany and in the Grand Duchy of Luxembourg as indicated in the prospectus. The shares that will be underwritten may, however, be offered at any time within a relevant member state in accordance with the following exemptions listed in the Prospective Directive, provided these exemptions have been implemented in the relevant member state:

- offers of securities to legal entities which are authorized or regulated to operate in the financial markets, or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- offers of securities addressed solely to legal entities which according to their last annual or consolidated accounts meet at least two of the following criteria: (1) an average number of employees during the last financial year of at least 250, (2) total assets exceeding €43,000,000 and (3) annual net turnover exceeding €50,000,000 (so-called qualified investors as defined by the Prospectus Directive);
- offers of securities by the Underwriters addressed to fewer than 100 natural or legal persons other than qualified investors within the meaning of the Prospectus Directive; or
- in all other cases of Article 3 of the Prospectus Directive.

These exemptions shall apply only on condition that such an offer to sell shares does not require publication of a prospectus by the Company or an Underwriter pursuant to Article 3 of the Prospectus Directive.

For the purposes of this regulation an "offer of securities to the public" in a relevant member state shall mean a communication to persons in any form and by any means presenting sufficient information about the terms of the offer and the shares to be offered so as to enable an investor to decide whether to purchase or subscribe for these shares. As a result of the measures to implement the Prospectus Directive in such member state, deviations may arise in this state. The term Prospectus Directive covers any and all relevant implementation measures in each relevant member state.

Offer of the shares pursuant to the offering are only being made to persons in the United Kingdom who are "qualified investors" or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to section 85(1) of the Financial Services and Markets Act 2000 ("**FSMA**").

Any investment or investment activity to which this prospectus relates is available only to, and will be engaged in only with, investment professionals falling within Article 19(5), or high net worth entities falling within Article 49(2), of FSMA (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (together, "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this prospectus and should not act or rely on it.

TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

The following section contains a short overview of certain German key tax principles that may be relevant in the context of the Offering with respect to the acquisition, holding, or transfer of shares by shareholders in the Company. Neither church tax that may be imposed on individual shareholders in Germany nor inheritance or gift tax is covered in this section.

This overview does not purport to be a comprehensive or exhaustive description of all German tax considerations that may be relevant to shareholders. It is based upon domestic German tax laws in effect at the time of preparation of this prospectus. The legal situation may change, possibly with retroactive effect.

Prospective investors are recommended to consult their own tax advisors as to the individual tax consequences arising from the investment in the shares.

Taxation of the Shareholders

Taxation of Dividend Income and Capital Gains

Taxation of Shareholders Tax Resident in Germany

Shares Held as Private Assets

Dividends and capital gains are — as a rule — taxed as investment income and are principally subject to a 25% flat tax (plus 5.5% solidarity surcharge thereon) that is discharged via withholding. As regards capital gains, the withholding tax is only deducted, where the shares are held in custody with a German custodian (i.e., German resident credit institutions, financial services institutions (including German permanent establishments of foreign institutions), securities trading companies or securities trading banks, in the following, "**Disbursing Agent**").

The shareholder is taxed on the gross personal investment income, less the saver's allowance of €801 (or, for married couples filing jointly, €1,602). The deduction of income related expenses actually incurred is generally not possible. Private investors can apply to have their investment income assessed in accordance with the general rules on determining an individual's tax bracket if this would result in a lower tax burden. An assessment is mandatory, where the shares that are disposed of were held in an account outside of Germany.

Losses resulting from the disposal of shares can only be offset by capital gains from the sale of shares. If, however, a shareholder, or in the case of a gratuitous acquisition, the shareholder's legal predecessor, directly or indirectly held at least 1% of the share capital of the Company at any time during the five years preceding the sale, 60% of any capital gain resulting from the sale are taxable at the marginal income tax rate (plus 5.5% solidarity surcharge thereon). Conversely, 60% of any capital loss are recognized for tax purposes.

Shares Held as Business Assets

If shares form part of a German business (including a German permanent establishment of a foreign business), taxation depends on whether the shareholder is a corporation, sole proprietor or partnership. Irrespective of the legal form of the business investor, dividends are subject to a 25% withholding tax (plus 5.5% solidarity surcharge thereon). The withholding tax is credited against the respective shareholder's final (corporate) income tax liability. To the extent the amount withheld exceeds the (corporate) income tax liability, the withholding tax will be refunded, provided that certain requirements are met.

Special rules apply to financial institutions (*Kreditinstitute*), financial services providers (*Finanzdienstleistungsinstitute*), financial enterprises (*Finanzunternehmen*), life insurance and health insurance companies, and pension funds.

(i) **Corporations:** For corporations, dividends and capital gains are, as a rule, effectively 95% tax exempt from corporate income tax (including solidarity surcharge). Business expenses actually incurred in connection with the dividends and capital gains are deductible for corporate income tax and — subject to certain restrictions — trade tax purposes.

Dividends are fully subject to trade tax, unless the shareholder holds at least 15% of the registered share capital of the Company at the beginning of the tax assessment period. In the latter case effectively only 95% of the dividends are also exempt from trade tax. Capital gains, however, are irrespective of the size of the shareholding 95% tax exempt from trade tax. Losses from the sale of shares are not tax deductible for corporate income tax and trade tax purposes.

(ii) **Sole proprietors** (individuals): 60% of dividends and capital gains are taxed at the marginal personal income tax rate (plus 5.5% solidarity surcharge thereon) where the shares are held by an individual as business assets. Correspondingly, only 60% of business expenses related to the dividends and capital gains are deductible for income tax purposes. Trade tax wise, certain restrictions may apply.

Dividends are fully subject to trade tax, unless the sole proprietor holds at least 15% of the Company's registered share capital at the beginning of the tax assessment period. In this case dividends are fully tax exempt from trade tax. As regards capital gains, only 60% of the gains are subject to trade tax. 60% of any losses from the

sale of shares are tax deductible for income tax and trade tax purposes. All or part of the trade tax is generally credited as a lump sum against the sole proprietor's income taxes.

(iii) **Partnerships:** For (corporate) income tax purposes, partnerships are principally transparent. Thus, (corporate) income tax will be assessed and levied only at the level of the partners considering the rules outlined above (subsection (i) and (ii)).

Trade tax, however, is assessed and levied at the level of the partnership considering the trade tax rules applicable to the partners holding the interest in the relevant partnership. As regards the question, whether the participation threshold of 15% discussed in subsection (i) and (ii) above is reached, the shareholding of the partnership is authoritative.

The trade tax the partnership pays in proportion to the shareholders' entitlement to the profits of the partnership is generally credited as a lump-sum against the individual partners' personal income tax liability in case the partner is an individual.

Taxation of Shareholders not Tax Resident in Germany

Dividends received by a foreign tax resident shareholder will be effectively subject to (final) German withholding tax at a rate of 25% (plus 5.5% solidarity surcharge thereon) that is deducted by the Company. The foreign corporate shareholder can, however, apply — subject to certain conditions — for a reduction of the German withholding tax down to 15% (plus a 5.5% solidarity surcharge thereon) under German domestic tax laws. In addition, double taxation treaties may provide for additional relief.

Where dividends are distributed to a company domiciled in another member state of the European Union within the meaning of Article 3(1)(a) of the Parent-Subsidiary Directive (EC Directive 90/435/EEC of the Council dated July 23, 1990, as amended), the withholding tax is refunded upon application, provided that the relevant shareholder holds at least 10% of the registered share capital (*Grundkapital*) of the Company and additional requirements are met.

In addition, if the requirements are met, the shareholder can apply for exemption from withholding tax. In order to obtain a refund of or exemption from withholding tax, the relevant shareholder has to submit an application (in line with official application forms) with the German Federal Central Office of Taxation (*Bundeszentralamt für Steuern, Hauptdienstsitz Bonn-Beuel*), An der Küppe 1, 53225 Bonn, Germany.

Except for the cases discussed above, capital gains are only taxable in Germany, where the seller or, in the case of a gratuitous transfer, any of the seller's legal predecessors has held, directly or indirectly, at least 1% of the Company's registered share capital at any time during the five years preceding the sale. However, applicable double taxation treaties may provide for a relief from German taxation in these cases.

Withholding tax on capital gains at a rate of 25% (plus 5.5% solidarity surcharge thereon) is levied, if (i) the capital gains are taxable in Germany (compare above) and (ii) the shares are held in custody with a Disbursing Agent. It is — as a rule — imposed on the excess of the proceeds from the sale (after deduction of directly related expenses) over the book value or acquisition costs (as the case may be) of the shares.

Other Taxes

No German transfer tax, value-added tax, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of shares. Provided that certain requirements are met, business owners may, however, opt for the payment of value-added tax on transactions that are otherwise tax exempt. No net wealth tax is currently imposed in Germany.

TAXATION IN THE GRAND DUCHY OF LUXEMBOURG

General

The following is an overview of certain material Luxembourg tax consequences of purchasing, owning and disposing of the Shares. It does not purport to be a comprehensive description of all of the tax considerations that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the shares and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to shareholders. This overview is based on the laws in force in Luxembourg law on the date of this prospectus and is subject to any change in law that may take effect after such date. Prospective shareholders should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

Please be aware that the residence concept used under the respective headings applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharge (contribution au fonds pour l'emploi), as well as personal income tax (impôt sur le revenu) generally. Corporate shareholders may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes. Corporate income tax, municipal business, tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Luxembourg tax residency of the Shareholders

A shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of the shares or the execution, performance or enforcement of his/her rights thereunder.

Withholding tax

Dividend payments made to the shareholders by a non-resident company, as well as liquidation proceeds and capital gains derived by shareholders from the shares of a non-resident company, are not subject to a withholding tax in Luxembourg.

Income tax

Luxembourg Resident Shareholders

Luxembourg Resident Individuals

Dividends and other payments derived from the shares by resident individual shareholders, who act in the course of the management of either their private wealth or their professional/business activity, are subject to income tax at the ordinary progressive rate (with a current top effective marginal rate of 38.95%). A tax credit may be generally granted for foreign withholding taxes, provided it does not exceed the corresponding Luxembourg tax. Under current Luxembourg tax laws, 50% of the gross amount of dividends received by resident individual shareholders from (i) a Luxembourg resident fully-taxable company limited by share capital, (ii) a company limited by share capital resident in a State with which Luxembourg has concluded a double tax treaty and liable to a tax corresponding to Luxembourg's corporate income tax or (iii) a company resident in a EU Member State and covered by Article 2 of the amended EU Parent-Subsidiary Directive are exempt from income tax.

Capital gains realized on the disposal of the shares by resident individual shareholders, who act in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are subject to income tax at ordinary rates if the shares are disposed of within 6 months after their acquisition or if their disposal precedes their acquisition. Speculative gains are subject to income tax as miscellaneous income at ordinary rates. A participation is deemed to be substantial where a resident individual shareholder holds or has held, either alone or together with his spouse or partner and/or minor children, directly or indirectly at any time within the 5 years preceding the disposal, more than 10% of the share capital of the company whose shares are being disposed of. A Shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the 5 years preceding the transfer, a participation that was constituting a substantial participation in the hands of the

alienator (or the alienators in case of successive transfers free of charge within the same 5-year period). Capital gains realized on a substantial participation more than 6 months after the acquisition thereof are according to the half-global rate method, (*i.e.,*the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realized on the disposal of the shares by resident individual shareholders, who act in the course of their professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

Luxembourg Corporate Residents

Dividends and other payments derived from the shares by Luxembourg resident fully-taxable companies are subject to income taxes, unless the conditions of the participation exemption regime, as described below, are satisfied. If these conditions are not met, under current Luxembourg tax laws, 50% of the gross amount of dividends received by Luxembourg resident fully-taxable companies from (i) a Luxembourg resident fully-taxable company limited by share capital, (ii) a company limited by share capital resident in a State with which Luxembourg has concluded a double tax treaty and liable to a tax corresponding to Luxembourg's corporate income tax or (iii) a company resident in a EU Member State and covered by Article 2 of the amended EU Parent-Subsidiary Directive are exempt from income tax. A tax credit may generally be granted for foreign withholding taxes, provided it does not exceed the corresponding Luxembourg tax.

Under the participation exemption regime, dividends derived from the shares may be exempt from income tax at the level of the shareholder if cumulatively (i) the shareholder is a qualified parent ("**Qualified Parent**"), (ii) the distributing company is a qualified subsidiary ("**Qualified Subsidiary**") and (iii) at the time the dividend is put at the shareholder's disposal, the Shareholder has held or commits itself to hold for an uninterrupted period of 12 months a qualified shareholding ("**Qualified Shareholding**"). A Qualified Parent means either a Luxembourg resident fully-taxable company, a Luxembourg permanent establishment of a company covered by Article 2 of the amended EU Parent-Subsidiary Directive, a Luxembourg permanent establishment of a company limited by share capital resident in a country having a tax treaty with Luxembourg, a Luxembourg permanent establishment of a limited company or a cooperative company resident in the European Economic Area other than a EU Member State. A Qualified Subsidiary means a Luxembourg fully-taxable company, an entity covered by Article 2 of the amended EU Parent-Subsidiary Directive or a non-resident company limited by share capital liable to a tax corresponding to Luxembourg corporate income tax. A Qualified Shareholding means shares representing a participation of at least 10% in the share capital of the Company or a participation of an acquisition price of at least €1.2 million. Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions. Shares held through a tax transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

Capital gains realized by a Luxembourg fully-taxable resident company on the shares are subject to income tax at ordinary rates, unless the conditions of the participation exemption regime, as described below, are satisfied. Under the participation exemption regime, capital gains realized on the shares may be exempt from income tax at the level of the shareholder if cumulatively (i) the shareholder is a Qualified Parent, (ii) the distributing company is a Qualified Subsidiary and (iii) at the time the capital gain is realized, the shareholder has held or commits itself to hold for an uninterrupted period of 12 months shares representing a participation of at least 10% in the share capital of the Company or a participation of an acquisition price of at least €6 million. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

Luxembourg Corporate Residents Benefiting from a Special Tax Regime

Shareholders who are (i) holding companies subject to the amended law of 31 July 1929, (ii) undertakings for collective investment governed by the amended law of 20 December 2002, (iii) specialized investment funds governed by the law of 13 February 2007 or (iv) family wealth management companies governed by the law of 11 May 2007 are exempt from income tax in Luxembourg. Dividends derived from and capital gains realized on the Shares are thus not subject to income tax in their hands.

Taxation of Luxembourg Non-Resident Shareholders

Non-resident shareholders who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the shares are attributable, are not liable to any Luxembourg income tax on income and gains derived from the Shares.

Non-resident shareholders which have a permanent establishment or a permanent representative in Luxembourg to which the shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of shares, in their taxable income for Luxembourg tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the shares sold or redeemed.

Net Wealth Tax

Luxembourg resident shareholders, as well as non-resident shareholders who have a permanent establishment or a permanent representative in Luxembourg to which the shares are attributable, are subject to Luxembourg net wealth tax on such shares, except if the shareholder is (i) a resident or non-resident individual, (ii) a holding company subject to the amended law of 31 July 1929, (iii) an undertaking for collective investment subject to the amended law of 20 December 2002, (iv) a securitization company governed by the law of 22 March 2004 on securitization, (v) a company governed by the law of 15 June 2004 on venture capital vehicles, (vi) a specialized investment fund governed by the law of 13 February 2007 or (vii) a family wealth management company governed by the law of 11 May 2007. The shares held in a Qualified Subsidiary by a Qualified Parent may further be exempt under the participation exemption, provided the shares represent a Qualified Shareholding.

Other Taxes

There is no Luxembourg registration tax, stamp duty or other similar tax or duty payable by the Shareholders in Luxembourg by reason only of the issuance or transfer of shares.

Under Luxembourg tax law, where an individual shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the shares are included in his or her taxable basis for inheritance tax purposes.

Gift tax may be due on a gift or donation of the shares, if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

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Brenntag Management GmbH
Mülheim an der Ruhr

Consolidated Financial Statements in Accordance with IFRS (International Financial Reporting Standards) at December 31, 2009

Consolidated Income Statement

	Note	2009	2008
		€ million	
Sales	1.)	6,364.6	7,379.6
Cost of goods sold	2.)	−4,905.1	−5,887.3
Gross profit		**1,459.5**	**1,492.3**
Selling expenses	3.)	−1,080.4	−1,111.0
Administrative expenses	4.)	−123.6	−119.4
Other operating income	5.)	41.9	43.6
Other operating expenses	6.)	−26.7	−27.3
Operating profit		**270.7**	**278.2**
Result of investments accounted for at equity	7.)	−8.8	4.1
Finance income	8.)	9.3	16.4
Finance costs	9.)	−220.8	−281.3
Distribution to minorities under IAS 32		−1.6	−2.0
Other financial result	10.)	−1.7	−16.7
Financial result		**−223.6**	**−279.5**
Profit/loss before taxes		**47.1**	**−1.3**
Income taxes	11.)	−46.6	−40.5
Profit/loss after taxes		**0.5**	**−41.8**
Attributable to:			
Brenntag shareholders		−0.1	−42.1
Minority shareholders	12.)	0.6	0.3

Consolidated Statement of Comprehensive Income

	2009	2008
	€ million	
Profit/loss after tax	**0.5**	**−41.8**
Change in exchange rate differences	7.4	−2.5
Change in cash flow hedge reserve	−1.4	−31.8
Deferred tax on components of other comprehensive income	0.8	8.8
Other comprehensive income	**6.8**	**−25.5**
Total comprehensive income	**7.3**	**−67.3**
Attributable to:		
Brenntag shareholders	6.5	−65.4
Minority shareholders	0.8	−1.9

Consolidated Balance Sheet

	Note	Dec. 31, 2009	Dec. 31, 2008
		€ million	
Assets			
Current assets			
Cash and cash equivalents	13.)	602.6	298.7
Trade receivables	14.)	831.4	979.1
Other receivables	15.)	85.2	95.2
Other financial assets	16.)	6.3	26.5
Current tax assets		15.3	27.8
Inventories	17.)	422.3	547.2
Non-current assets held for sale	18.)	3.2	6.0
		1,966.3	**1,980.5**
Non-current assets			
Property, plant and equipment	19.)	784.1	795.6
Intangible assets	20.)	1,785.9	1,896.6
Investments accounted for at equity	21.)	18.6	34.7
Other receivables	15.)	21.3	20.1
Other financial assets	16.)	10.6	10.1
Deferred tax assets	11.)	67.0	55.0
		2,687.5	**2,812.1**
		4,653.8	**4,792.6**
Liabilities and Equity			
Current liabilities			
Trade payables	22.)	655.6	694.5
Financial liabilities	23.)	61.5	119.0
Other liabilities	24.)	309.0	293.5
Other provisions	25.)	56.1	55.5
Current tax liabilities		2.5	21.3
		1,084.7	**1,183.8**
Non-current liabilities			
Financial liabilities	23.)	3,077.0	3,134.9
Other liabilities	24.)	1.7	3.4
Other provisions	25.)	139.5	142.1
Provisions for pensions and similar obligations	26.)	54.4	53.9
Liabilities to minorities under IAS 32	27.)	2.1	3.3
Deferred tax liabilities	11.)	122.1	142.9
		3,396.8	**3,480.5**
Equity	27.)		
Share capital*)		—	—
Additional paid-in capital		381.6	341.6
Retained earnings		−143.5	−142.1
Other comprehensive income		−74.0	−80.6
Shares of Brenntag shareholders		164.1	118.9
Equity attributable to minority interests		8.2	9.4
		172.3	**128.3**
		4,653.8	**4,792.6**

*) €25,000.

Consolidated Statement of Changes in Equity

	Share capital *)	Additional paid-in capital	Retained earnings	Exchange rate differences	Cash flow hedge reserve	Deferred tax	Equity excluding minority interests	Minority interests	Equity
	€ million								
Dec. 31, 2007	**—**	**341.6**	**−100.0**	**−63.4**	**6.5**	**−0.4**	**184.3**	**13.4**	**197.7**
Dividends	—	—	—	—	—	—	—	−2.1	−2.1
Profit/loss after tax	—	—	−42.1	—	—	—	−42.1	0.3	−41.8
Income and expenses recognised directly in equity after tax	—	—	—	−0.3	−31.8	8.8	−23.3	−2.2**)	−25.5
Total income and expense for the period	**—**	**—**	**−42.1**	**−0.3**	**−31.8**	**8.8**	**−65.4**	**−1.9**	**−67.3**
Dec. 31, 2008	**—**	**341.6**	**−142.1**	**−63.7**	**−25.3**	**8.4**	**118.9**	**9.4**	**128.3**
Capital increase	—	40.0	—	—	—	—	40.0	—	40.0
Share increases	—	—	−1.3	—	—	—	−1.3	−0.3	−1.6
Dividends	—	—	—	—	—	—	—	−1.7	−1.7
Profit/loss after tax	—	—	−0.1	—	—	—	−0.1	0.6	0.5
Income and expenses recognised directly in equity after tax	—	—	—	7.2	−1.4	0.8	6.6	0.2**)	6.8
Total income and expense for the period	**—**	**—**	**−0.1**	**7.2**	**−1.4**	**0.8**	**6.5**	**0.8**	**7.3**
Dec. 31, 2009	**—**	**381.6**	**−143.5**	**−56.5**	**−26.7**	**9.2**	**164.1**	**8.2**	**172.3**

*) €25,000.

**) Exchange rate differences.

Consolidated Cash Flow Statement

	Note	2009	2008
		€ million	
	28.)		
Profit/loss after taxes		**0.5**	**−41.8**
Depreciation and amortization	19.)/20.)	205.9	202.7
Income tax	11.)	46.6	40.5
Income tax payments		−84.4	−67.9
Interest result	8.)/9.)	211.5	264.9
Interest payments (netted against interest received)		−158.9	−177.9
Dividends received		1.4	1.1
Changes in provisions		−7.3	−8.7
Changes in current assets and liabilities			
Inventories		124.2	−17.5
Receivables		152.5	3.2
Liabilities		−31.0	−53.6
Non-cash distribution under IAS 32		1.6	2.0
Other non-cash expenses and income		27.7	30.1
Cash provided by operating activities		**490.3**	**177.1**
Proceeds from the sale of consolidated subsidiaries and other business units		—	3.8
Proceeds from disposals of investments accounted for at equity		7.4	—
Proceeds from disposals of other financial assets		0.5	1.5
Proceeds from disposals of intangible assets as well as property, plant and equipment		3.3	5.0
Purchases of consolidated subsidiaries and other business units		−17.8	−102.1
Purchases of other financial assets		−1.6	−1.7
Purchases of intangible assets as well as property, plant and equipment		−67.9	−79.7
Cash used for investing activities		**−76.1**	**−173.2**
Capital increase		40.0	—
Dividends paid to minority shareholders		−4.5	−5.9
Proceeds from borrowings		—	67.6
Repayments of borrowings		−148.5	−113.0
Cash used for financing activities		**−113.0**	**−51.3**
Change in cash and cash equivalents		**301.2**	**−47.4**
Change in cash and cash equivalents due to currency gains/losses		2.7	2.3
Cash and cash equivalents at beginning of period	13.)	298.7	343.8
Cash and cash equivalents at end of period	13.)	**602.6**	**298.7**

Notes

General Information

As one of the world's leading chemicals distributors with more than 400 locations, Brenntag offers its customers and suppliers an extensive range of services and global supply chain management as well as a highly developed chemicals distribution network in Europe, North and Latin America as well as in the Asia / Pacific region.

These consolidated financial statements of Brenntag[1] were prepared by the Management on February 23, 2010.

The Brenntag consolidated financial statements are denominated in euro (€). Unless otherwise stated, the amounts are in million euro (€ million). For arithmetic reasons, rounding differences of ± one unit after the decimal point (€, % etc.) may occur.

CONSOLIDATION POLICIES AND METHODS

Standards applied

The consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) — as adopted in the EU.

The IFRS comprise the standards (International Financial Reporting Standards and International Accounting Standards) issued by the International Accounting Standards Board (IASB) and the interpretations by the International Financial Reporting Interpretations Committee (IFRIC) and the former Standing Interpretations Committee (SIC).

The accounting methods applied comply with all the standards and interpretations existing and adopted by the EU as at December 31, 2009. In addition, the German commercial law provisions to be applied in accordance with Section 315a, (para. 1) HGB (German Commercial Code) are taken into account.

The following (in some cases revised) standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) were to be applied to the Brenntag Group for the first time in the 2009 financial year:

- Amendments to IAS 1 (Presentation of Financial Statements)
- IFRS 8 (Operating Segments)
- Amendments to IAS 23 (Borrowing Costs)
- Collection of amendments to various IFRSs (2008) (Improvements to IFRSs)
- Amendments to IFRS 1 (First-time adoption of International Financial Reporting Standards) and IAS 27 (Consolidated and Separate Financial Statements) regarding cost of an investment in a subsidiary, a jointly controlled entity or an associate
- Amendments to IFRS 4 (Insurance Contracts) and IFRS 7 (Financial Instruments: Disclosures) regarding improved information on financial instruments
- Amendments to IFRS 2 (Share-based Payment) regarding share-based payments: vesting conditions and cancellations
- Amendments to IAS 39 (Financial Instruments: Recognition and Measurement) regarding the reclassification of financial assets: effective date and transition
- Amendment to IAS 32 (Financial Instruments: Presentation) and IAS 1 (Presentation of Financial Statements) regarding puttable financial instruments and obligations arising on liquidation
- Amendments to IFRIC 9 (Reassessment of Embedded Derivatives) and IAS 39 (Financial Instruments: Recognition and Measurement) regarding embedded derivatives
- IFRIC 12 (Service Concession Arrangements)
- IFRIC 13 (Customer Loyalty Programmes)

[1] Brenntag Management GmbH, Stinnes-Platz 1, 45472 Mülheim an der Ruhr, Germany.

- IFRIC 14 (IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction)
- IFRIC 15 (Agreements for the Construction of Real Estate)
- IFRIC 16 (Hedges of a Net Investment in a Foreign Operation)

The first-time application of the revised IAS 1 (Presentation of Financial Statements) has a particular effect on the presentation of the statement of consolidated changes in equity and the statement of comprehensive income.

IFRS 8 (Operating Segments) provides for the mandatory adoption of the so-called management approach for segment reporting. According to this approach, reporting must be based on the internal control and reporting information used by the top management for assessing segment performance and making resource allocations.

Under IAS 23 (Borrowing Costs), the capitalization of borrowing costs is mandatory in future. As the Brenntag Group is already making use of the previous option to capitalize borrowing costs, there will be no effects on the consolidated financial statements of the Brenntag Group from the amendments to this standard.

The collection of amendments to various IFRSs (2008) contains a large number of minor changes to various standards which are to clarify the content of the regulations and eliminate any inconsistencies.

The first-time application of the other standards and interpretations also had no material effect on the presentation of the net assets, financial position and results of operations of the Brenntag Group in comparison to the previous period.

The following (in some cases revised) standards and interpretations had been published by the end of 2009 but their adoption is not yet mandatory:

- Revised version of IFRS 3 (Business Combinations)
- Amendments to IAS 27 (Consolidated and Separate Financial Statements)
- IFRS 9 (Financial Instruments)
- Revised version of IFRS 1 (First-time Adoption of IFRS)
- Amendments to IFRS 1 (First-time Adoption of IFRS) regarding additional exemptions for first-time adopters
- Amendments to IAS 24 (Related Party Disclosures)
- Amendments to IAS 39 (Financial Instruments: Recognition and Measurement) regarding eligible hedged items in hedging relationships
- Amendments to IFRS 2 (Share-based Payment) regarding group cash-settled share-based payment transactions
- Amendments to IAS 32 (Financial Instruments: Presentation) regarding the classification of rights issues
- IFRIC 17 (Distributions of Non-cash Assets to Owners)
- IFRIC 18 (Transfer of Assets from Customers)
- IFRIC 19 (Extinguishing Financial Liabilities with Equity Instruments)
- Amendments to IFRIC 14 (The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction) regarding prepayments of a minimum funding requirement
- Collection of amendments to various IFRSs (2009)

The above-mentioned standards and interpretations will probably only be applied in the Brenntag consolidated financial statements when their adoption is mandatory and if they are endorsed by the European Union. This is the 2010 financial year for the revised versions of IFRS 1 and IFRS 3, the amendments to IFRS 1, IFRS 2, IAS 27, IAS 39 and for IFRIC 17 and IFRIC 18 and most of the collection of amendments to various IFRS (2009). The amendments to IAS 24 and to IAS 32, IFRIC 19 as well as the amendments to IFRIC 14 are to be applied for the first time for the 2011 financial year. IFRS 9 is to be applied for the first time for the 2013 financial year.

IFRS 3 (Business Combinations) will lead to material changes in the accounting of business combinations. The new IFRS 3 does not allow the capitalization of costs directly attributable to the business combination and introduces clearer requirements for the separation of a business combination from other transactions. Furthermore, any subsequent changes in estimates of a contingent purchase price payable are generally not to be recognized by

adjusting goodwill but directly recognized as expense or income. In the case of successive share acquisitions which lead to the control of an entity or in the case of the sale of shares with the loss of control, the standard requires the remeasurement of the shares already held in the first case and the remaining shares in the second case at their fair value to affect net income.

The revised IAS 27 (Consolidated and Separate Financial Statements) stipulates that share acquisitions and sales which have no influence on existing control are to be recognized directly in equity (economic entity approach).

The other standards and interpretations not yet applied are also not expected to have any material effect on the presentation of the net assets, financial position and results of operations of the Brenntag Group.

Scope of consolidation

As at December 31, 2009, the consolidated financial statements include Brenntag Management GmbH and 29 domestic (prior period: 30) and 148 foreign (prior period: 145) fully consolidated subsidiaries and special purpose entities.

Five associates (prior period: seven) are accounted for at equity. In the prior period, one joint venture was also accounted for at equity.

The table below shows the changes in the number of fully consolidated companies and special purpose entities since January 1, 2009:

	Jan. 1, 2009	Additions	Disposals	Dec. 31, 2009
Domestic consolidated companies	31	0	1	30
Foreign consolidated companies	145	9	6	148
Total consolidated companies	**176**	**9**	**7**	**178**

The additions relate to the newly established companies and companies acquired as part of business combinations in accordance with IFRS 3.

The disposals result from mergers as well as from the liquidation of companies no longer operating.

A full list of shareholdings for the Brenntag Group as defined by Section 313 (para. 4) HGB has been filed with the commercial register of the district court of Duisburg under HRB 18799.

Business combinations in accordance with IFRS 3

The business in Mexico of the Mexican chemicals distributor, Austro Corp., S.A. de C.V, Mexico City, was taken over in February 2009. In addition, there were further smaller acquisitions in Turkey, Canada, the United Kingdom and Germany.

All assets and liabilities acquired were recognized at the fair value on the date of acquisition (step up). Additional intangible assets (customer relationships and similar rights as well as the trademark Austro Corp.) which were not recognized in the balance sheet of the companies acquired have been accounted for, taking tax effects into consideration. The difference between the purchase price and the revalued share of net assets was recognized as goodwill.

The following table shows how goodwill from the business combinations in 2009 was determined:

	€ million
Purchase price	10.3
Directly attributable costs	0.2
Cost of acquisition in 2009	**10.5**
less fair value of the share of net assets	−8.9*)
plus goodwill for East-Chem Inc., Mount Pearl, Canada, previously shown under Interests in associates	0.2
Goodwill from business combinations in 2009	**1.8**
Subsequent acquisition costs from business combinations from prior periods	1.0
Increase in goodwill from business combinations	**2.8**

*) for East-Chem Inc., Mount Pearl, Canada, contains only the fair value of the 50% share in net assets acquired in the reporting period.

In accordance with IFRS 3, goodwill is not amortized.

The net cash outflow as a result of the acquisitions has been determined as follows:

	€ million
Cost of acquisition in 2009	10.5
plus cash-effective subsequent and/or contingent acquisition costs from prior periods	6.2
plus payments for the acquisition of further shares in subsidiaries already fully consolidated	2.2
less purchase price liabilities	−0.5
less cash and cash equivalents acquired	−0.6
Purchases of consolidated subsidiaries and other business units	**17.8**

Effects of the measurement of assets and liabilities of the companies acquired at fair value

	Carrying amount to IFRS	Fair value (IFRS 3)
	€ million	
Assets		
Cash and cash equivalents	0.6	0.6
Trade receivables	3.5	3.5
Other financial assets and other receivables	0.2	0.1
Inventories	2.8	2.8
Property, plant and equipment	0.1	0.2
Customer relationships and similar rights	—	2.2
Trademark	—	1.9
Other intangible assets	—	0.6
Deferred tax assets	—	0.1
Liabilities		
Trade payables	−1.7	−1.7
Other provisions	−0.1	−0.1
Other liabilities	−0.1	−0.1
Deferred tax liabilities	—	−0.2
Net assets	**5.3**	**9.9**

If the business combinations had taken place with effect from January 1, 2009, sales of €6,387.0 million would have been shown for the Brenntag Group in 2009. The profit after tax for the Brenntag Group in 2009 would have been €0.9 million.

After their acquisition, the business units generated sales of €15.9 million and profit after tax of €0.2 million in 2009.

Consolidation methods

The consolidated financial statements include the financial statements — prepared according to uniform accounting and measurement methods — of Brenntag Management GmbH, the subsidiaries and the special purpose entities whose financial and business policies are controlled by Brenntag. This is normally the case when Brenntag Management GmbH holds the majority of voting rights either directly or indirectly or, due to its economic control, has the major economic benefit or bears the major risks from the business activities of the respective companies. Inclusion in the consolidated financial statements commences at the date on which the possibility of control exists and ends when the possibility of control no longer exists.

Acquisitions are accounted for using the purchase method in accordance with IFRS 3. The acquisition costs of an acquired business unit are considered to be the fair value of the assets given plus the costs directly attributable to the acquisition. Contingent considerations are taken into account when determining the acquisition cost if the occurrence of the contingency is likely. If Brenntag does not acquire a 100% interest but if owing to contractual agreements it is virtually certain at the time of the acquisition that further shares will be acquired, they are also already allowed for when determining the acquisition costs and corresponding liabilities are recognized. Identifiable assets, liabilities and contingent liabilities of an acquisition are measured at their fair value at the acquisition date, irrespective of the share of minority interests. Any remaining differences between the acquisition costs and the acquired proportionate net assets are recognized as goodwill. Acquisitions or sales of shares which have no effect on existing control are recognized directly in equity (economic entity approach).

Receivables, liabilities, expenses, income within the Brenntag Group and inter-company results are eliminated. Inter-company supplies and services are performed on the basis of the dealing at arm's length principle, as for third parties. Deferred taxes are recognized for temporary differences from consolidation transactions.

Associates and joint ventures of the Brenntag Group in which Brenntag holds significant or joint control are measured using the equity method. Significant control is generally considered to exist when Brenntag Management GmbH holds between 20% and 50% of the voting rights either directly or indirectly.

The same consolidation policies apply to companies accounted for at equity as to fully consolidated companies, whereby recognized goodwill is contained in the carrying amount of investments accounted for at equity. Brenntag's share in the profit / loss after tax of the companies accounted for at equity is recognized directly in the income statement.

The accounting and measurement methods of the companies accounted for at equity were, as far as necessary, adjusted to the accounting and measurement methods of Brenntag.

Currency translation

Foreign currency receivables and liabilities in the single-entity statements are stated on initial recognition at the spot exchange rate at the date of the transaction. At the balance-sheet date or at the settlement date, foreign currency receivables and liabilities are translated at the closing rate. The resulting differences are recognized as income or expense in the income statement.

The items contained in the financial statements of each Group company are measured on the basis of the currency of the relevant primary economic environment in which the company operates (functional currency). The presentation currency of the Brenntag Group is the euro.

The single-entity financial statements of the companies from countries whose functional currency is not the euro have been translated into euro as follows:

Assets and liabilities are translated at the closing rate, income and expense at the annual average rate. Any differences resulting from currency translation are recorded directly within equity. Goodwill and fair value adjustments resulting from the acquisition of foreign companies are also regarded as assets and liabilities of the foreign companies and translated at the closing rate.

Foreign currency differences resulting from the translation of balance-sheet items are treated as other comprehensive income and shown as a separate equity item as are the differences resulting from the application of different exchange rates in the balance sheet and the income statement.

For some companies in Latin America and in the Asia / Pacific region, the functional currency is the US dollar and not the local currency. Non-monetary items, which are measured at historical cost, above all property, plant and equipment, intangible assets, goodwill as well as environmental provisions, are translated from the local currency into US dollars using the exchange rate at the date of the respective transaction. Monetary items are translated at the closing rate. All income and expenses are re-measured at the average exchange rate in the reporting period with the

exception of depreciation and amortization, impairment losses and their reversals as well as income and expenses incurred in connection with environmental provisions. These are re-measured at the same exchange rates as the underlying assets and liabilities. The resulting foreign currency differences are recognized directly in the income statement. After remeasurement in the functional currency, US dollars, the same method is used for translation from US dollars into the Group currency, the euro, as for companies whose functional currency is the local currency.

The single-entity financial statements of foreign companies accounted for at equity are translated using the same principles.

The euro exchange rates for major currencies developed as follows:

	Closing rate		Average rate	
€1 = currencies	**Dec. 31, 2009**	**Dec. 31, 2008**	**2009**	**2008**
Canadian dollar (CAD)	1.5128	1.6998	1.5850	1.5594
Swiss franc (CHF)	1.4836	1.4850	1.5100	1.5874
Danish crown (DKK)	7.4418	7.4506	7.4462	7.4560
Pound sterling (GBP)	0.8881	0.9525	0.8909	0.7963
Polish zloty (PLN)	4.1045	4.1535	4.3276	3.5121
Swedish crown (SEK)	10.2520	10.8700	10.6191	9.6152
US dollar (USD)	1.4406	1.3917	1.3948	1.4708

ACCOUNTING AND MEASUREMENT POLICIES

Revenue recognition

Revenue from the sale of goods is only recognized — net of value-added tax, cash discounts, discounts and rebates — when the following conditions have been satisfied:

(a) The significant risks and rewards of ownership of the goods have been transferred to the buyer.

(b) Brenntag retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

(c) The amount of revenue can be measured reliably.

(d) It is probable that the economic benefits associated with the transaction will flow to Brenntag.

(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

This is generally the case when the goods have been collected by the customer or have been dispatched by Brenntag or by a third party. In some cases, Brenntag retains title and risks of ownership until the goods arrive at the customer's premises or are paid for by the customers.

Interest income is recognized as the interest accrues using the effective interest method.

Dividend income is recognized when the right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cheques, deposits held with banks with an original term of three months or less.

Trade receivables, other receivables and other financial assets

Financial assets are divided into the following categories in line with the categories stipulated in IAS 39:

- loans and receivables
- available-for-sale financial assets
- financial assets at fair value through profit or loss

The financial assets are subsequently measured at amortized cost or at fair value depending on which of the above categories they are allocated to. IFRS 7 provides for a three-level hierarchy for determining the fair value. This hierarchy reflects the market closeness of the input data used for determining the fair value:

- Level 1: Quoted prices in active markets

- Level 2: Quoted prices in active markets for similar financial assets or liabilities, or other measurement methods for which significant inputs used are based on observable market data
- Level 3: Measurement methods for which significant inputs used are not based on observable market data

Cash and cash equivalents, trade receivables, other receivables and receivables included in other financial assets are classified in the loans and receivables category. They are measured at fair value plus transaction costs on initial recognition and carried at amortized cost in the subsequent periods.

If there are objective indications that financial assets classified as loans and receivables are not collectible in full, they are each written down to affect net income in line with the risk of loss. Furthermore, country-specific lump-sum impairment losses are recognized for receivables of the same loss risk categories, the basis for estimating the risk of loss being the extent to which the receivables are past due. The impairment losses are always posted to an allowance account. If a receivable is uncollectible, the gross value and the impairment loss are both derecognized.

The securities and shares in companies in which the company does not have at least significant influence shown under other financial assets are classified as available-for-sale financial assets. They are measured on initial recognition at fair value plus transaction costs and subsequently at fair value. If these securities or company shares are traded on an active market, the fair value is the published quoted price at the balance-sheet date (level 1). If there is no active market, the fair value is established by using a suitable valuation technique (level 2 or 3). Changes in the fair value are recognized directly within equity in the revaluation reserve.

If impairments are permanent, the income and expenses previously transferred to the revaluation reserve are reclassified to income up to the value of acquisition costs. Any additional impairment losses are recognized directly in income. If the reasons for the impairment no longer exist, the impairment losses are reversed, except for impairment losses on equity instruments.

Derivative financial instruments shown under other financial assets which are not included in cash flow hedge accounting are classified as financial assets at fair value through profit or loss. They are measured at fair value on initial recognition and in the subsequent periods. Changes in the fair value are recognized directly in income.

No use is made of the option to designate non-derivative financial assets and liabilities as at fair value through profit and loss on their initial recognition.

The fair values of the foreign exchange forward transactions and foreign exchange swaps are established by comparing forward rates and discounted to the present value. The fair values of interest rate swaps and interest caps are determined using the discounted cash flow method or option price models on the basis of current interest curves (level 2).

The initial recognition of all non-derivative financial assets is performed at the respective settlement date. Derivative financial instruments are recognized in the balance sheet when Brenntag becomes a party to the contractual provisions of that instrument.

Financial assets are derecognized if the contractual rights to the cash flows from the financial asset have expired or have been transferred and Brenntag has transferred substantially all the risks and rewards of ownership.

Inventories

The inventories are mainly merchandise. These inventories are initially recognized at cost. Furthermore, production costs for the inventories produced through further processing are also capitalized.

The inventories are subsequently measured at the lower of cost (on the basis of the weighted average cost formula) and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value also covers effects from obsolescence or reduced marketability. Reversals of earlier write-downs of inventories are performed when the net realizable value of the inventories increases again.

Non-current assets held for sale

Non-current assets held for sale are recognized separately as such if the relevant carrying amount is mainly realized by a sale transaction and not by continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets held for sale are no longer depreciated.

Property, plant and equipment

Property, plant and equipment is shown at cost of acquisition or construction, and, except for land, depreciated over its estimated economic useful life on a straight-line basis.

Acquisition costs include all expenditure which can be directly attributed to the acquisition.

The cost of self-constructed property, plant and equipment comprises direct cost of materials and direct construction costs, appropriate allocations of material and construction overheads and an appropriate share of the depreciation of assets used in construction. Expenses for company pension plans and discretionary employee benefits that are attributable to construction are recognized in the construction costs if they can be directly allocated.

The cost of borrowings for assets with a production time of at least 12 months up to the date of completion (qualifying assets) is capitalized as part of the cost of acquisition or construction.

In accordance with IAS 16, future costs for any restoration obligation are recognized as an increase in the cost of acquisition or construction of the respective asset and a corresponding provision is established on acquisition or construction of the property, plant and equipment. The restoration obligation is generally determined on the basis of estimates of the future discounted cash flows. The additional cost of acquisition or construction is depreciated over the useful life of the asset and the discounting of the corresponding provision is unwound over the useful life of the asset.

Leased assets which are to be classified as finance leases in accordance with the categorization of IAS 17 are measured at the lower of their fair value and the present value of the minimum lease payments at the inception of the lease. They are depreciated over their estimated useful lives — provided the transfer of ownership is not probable — or the contract term, whichever is shorter. The present values of future lease payments for assets capitalized as finance leases are recognized as financial liabilities.

In accordance with IAS 20, government grants and assistance for investments are deducted from the carrying amount of the related asset.

Depreciation of property, plant and equipment is allocated to the respective functional area in the income statement.

When property, plant and equipment are sold, the difference between the net proceeds and the carrying amount of the respective asset is recognized as a gain or loss in other operating income or expenses.

The following useful lives are taken as a basis for depreciation:

	Useful life
Buildings	15 to 50 years
Installations and building improvements	8 to 20 years
Technical equipment, plant and machinery	3 to 20 years
Vehicles	5 to 8 years
Other equipment, fixtures, furniture and office equipment	2 to 10 years

Intangible assets

The intangible assets include customer relationships and similar rights purchased, the "Brenntag" trademark as well as other trademarks, software, concessions and similar rights as well as goodwill from the acquisition of fully consolidated subsidiaries and business units.

Intangible assets acquired through business combinations are measured on initial recognition at their fair value on the date of acquisition.

Separately acquired intangible assets are carried at cost.

Acquired software licenses are capitalized on the basis of the directly attributable costs incurred to acquire and bring to use the specific software.

The cost of borrowings for assets with a production time of at least 12 months up to the date of completion (qualifying assets) up to the date of completion is capitalized as part of the cost of acquisition.

In addition to goodwill, the "Brenntag" trademark has an indefinite useful life as no assumption can be made about its durability or the sustainability of its economic use. The other intangible assets are amortized on a straight-line basis over their estimated useful lives. The following useful lives are assumed:

	Useful life
Concessions, industrial rights and similar rights as well as software and trademarks with definite useful lives	3 to 10 years
Customer relationships and similar rights	3 to 15 years

Impairment testing of non-current non-financial assets

Assets are tested for impairment whenever there is an objective indication that the carrying amount may not be recoverable.

Assets that have an indefinite useful life, which are not subject to scheduled amortization, are also tested for impairment at least annually.

Impairment exists when the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the value in use. The fair value is the best-possible estimate of the amount for which the asset would be acquired by a third-party in an arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from an asset. If the carrying amount is higher than the recoverable amount, the asset is immediately written down to this amount.

If the recoverable amount of an individual asset cannot be established, the recoverable amount of the cash-generating unit (CGU) to which the asset belongs is established and compared with the carrying amount of the CGU.

Impairments, except for impairments of goodwill, are reversed as soon as the reasons for the impairment no longer exist.

Goodwill is tested for impairment regularly, at least annually, after completion of the annual budget process by comparing the carrying amount of the relevant group of cash-generating units with their recoverable amount. In addition, goodwill is tested for impairment at Group level as certain assets and cash flows can only be attributed to the Group as a whole.

For the goodwill impairment test, the operating segments of the segment reporting were identified as the relevant groups of cash-generating units.

If the carrying amount of a segment exceeds the recoverable amount, an impairment loss is recognized for the difference. In this case, the goodwill of the relevant segment would first be written down. Any remaining impairment would be allocated to the assets of the segment in proportion to the net carrying amounts of the assets on the balance-sheet date. The carrying amount of an individual asset must not be less than the highest of fair value less costs to sell, value in use (both in as far as they can be established) and nil.

The "Brenntag" trademark is an asset which has an indefinite useful life and also has to be subjected to an annual impairment test. As the "Brenntag" trademark does not generate any own cash flows which are independent from other assets or groups of assets, and its carrying amount cannot be allocated sensibly and consistently to individual cash-generating units, it is allocated to the Brenntag Group as a whole.

Other provisions

Other provisions are recognized when the Group has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Non-current provisions are recognized at the present value of the expected outflow and their discounting is unwound over the period until their expected utilization.

If the projected obligation declines as a result of a change in an estimate, the provision is reversed by the corresponding amount and the resulting income is usually recognized in the functional area in which the original charge was recognized.

Provisions for pensions and similar obligations

The Group's pension obligations comprise both defined benefit and defined contribution plans.

With defined contribution plans, the contributions to be paid are charged directly as expense. Provisions for pension obligations are not established as in these cases Brenntag has no additional obligation apart from the obligation to pay the premiums.

Provisions are established for defined benefit plans. The obligations arising from these defined benefit plans are determined on the basis of the internationally recognized projected unit credit method, taking future salary and pension trends into consideration. For this purpose, an actuarial valuation is obtained every year. Mortality rates were determined using the latest Heubeck mortality tables (2005G) or comparable foreign mortality tables. Differences between the expected pension obligations calculated for the financial statements and the actual pension obligations as well as differences between the fair value of the plan assets expected at the end of the period and the actual figure (actuarial gains and losses) are spread to income in the subsequent periods over the expected remaining working lives of the participating employees where they exceed the corridor of 10% of the maximum of the defined benefit obligation (DBO) and the plan assets (corridor method).

Past service cost is recorded directly as expense to the extent that the benefits are already vested and otherwise spread over the average period until the benefits become vested (vesting period).

Trade payables, financial liabilities and other liabilities

Based on the categories under IAS 39, the non-derivative liabilities shown under trade payables, financial liabilities and other liabilities are classified as financial liabilities measured at amortized cost. They are initially recognized at their fair value net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest method.

The accounting and measurement of the derivative financial instruments with negative fair values shown within financial liabilities is the same as the accounting and measurement of the derivative financial instruments with positive fair values shown within other financial assets.

The liabilities under finance leases are stated at their amortized cost.

Liabilities to minorities under IAS 32

The liabilities to minorities under IAS 32 are initially measured at the fair value of the limited partner's right to repayment of his limited partner's contribution and subsequently measured at amortized cost. Changes are recognized directly in income.

Deferred taxes and current income taxes

Current income taxes in the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred taxes are determined in accordance with IAS 12 (Income Taxes). Deferred taxes arise from temporary differences between the carrying amounts of assets and liabilities in the IFRS balance sheet and the tax balance sheet, from consolidation transactions and from tax loss carryforwards where it is likely that there will be sufficient income in subsequent years for these loss carryforwards to be utilized.

Deferred tax assets are recognized to the extent that it is likely that future taxable profit will be available against which the temporary differences and unutilized loss carryforwards can be utilized.

No deferred taxes were determined for the difference between the net assets and the tax base of subsidiaries (outside basis differences) provided Brenntag is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will reverse in the foreseeable future.

Deferred taxes for domestic companies are calculated, as in the previous year, on the basis of a tax rate of 31% (corporate income tax of 15%, solidarity surcharge of 5.5% on corporate income tax, and trade earnings tax of 15%). Deferred taxes for foreign companies are calculated at local tax rates (between 10% and 41%; previous year: between 15% and 41%). These are tax rates which can be expected to apply on the basis of laws in the different countries that have been enacted or substantially enacted by the balance-sheet date.

Deferred tax assets and liabilities are netted against each other if they relate to the same tax authority, the company has a legally enforceable right to set them off against each other and they refer to the same periods.

Cash flow hedges

Some of the derivative financial instruments within other financial assets and liabilities have been included in cash flow hedge accounting.

The hedge-effective portion of changes in the fair value of these derivative financial instruments is first recognized within equity in the cash flow hedge reserve. Gains or losses from these derivatives are only reclassified to the income statement when the underlying hedged item is recognized in income. If the cash flows from a hedged item are no longer expected, the accumulated gains or losses recognized directly in equity are reclassified immediately to the income statement. Ineffective portions of the hedge accounting are recognized directly in income.

Assumptions and estimates

Assumptions and estimates which may affect the amounts and disclosures of the reported assets and liabilities and revenues and expenses have to be made in the consolidated financial statements. These estimates and assumptions mainly relate to the calculation and discounting of cash flows when impairment tests are performed as well as the likelihood of occurrence and the discounting of provisions, particularly in the field of environmental risks. Furthermore, assumptions are made as to the realization of future tax benefits from loss carryforwards as well as to the useful lives of intangible assets and property, plant and equipment.

If the WACC (weighted average cost of capital) taken as a basis for impairment testing of the goodwill had been one percentage point higher, no impairment would have arisen either at segment or at Group level.

If the discount rate used to determine the environmental provisions had been one percentage point higher or lower, the provision would have decreased by €4.5 million or increased by €5.0 million, respectively.

The actual amounts can differ from the assumptions and estimates in individual cases. Adjustments are recognized in income when estimates are revised.

Cash flow statement

The cash flow statement classifies cash flows by operating, investing and financing activities. The cash provided by operating activities is determined using the indirect method on the basis of the profit / loss after tax. Both interest and tax payments made and received and dividends received are presented as components of cash provided by operating activities. The effects of purchases of consolidated subsidiaries and other business units as defined by IFRS 3 (Business Combinations) are eliminated from the individual items of the cash flow statements and combined under cash flow from investing activities. The repayment of liabilities under finance leases is shown as cash used for financing activities. The effect of changes in value due to exchange rate fluctuations on cash and cash equivalents is shown separately.

INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

1.) Sales

The total sales of €6,364.6 million (2008: €7,379.6 million, 2007: €6,671.4 million) mainly relate to the sale of goods. Sales of €7.6 million (prior period: €20.0 million) were generated with related parties.

2.) Cost of goods sold

The cost of goods sold includes cost of materials and the other operating expenses which can be allocated directly or proportionately to this line item. The cost of materials amounts to €4,871.4 million (prior period: €5,859.7 million). The cost of goods sold also includes write-downs of inventories of €5.5 million (prior period: €8.5 million).

3.) Selling expenses

The selling expenses include all direct selling and distribution costs as well as respective overheads which are incurred in the reporting period and can be allocated directly or proportionately to the line item.

Rental and lease expenses for operating leases total € 65.8 million (prior period: € 59.3 million), of which € 0.9 million (prior period: € 1.0 million) are for contingent rents. They are mainly shown under selling expenses.

4.) Administrative expenses

The administrative expenses contain all costs which are of a general administrative character provided they are not allocated to other functional areas.

5.) Other operating income

	2009	2008
	€ million	
Income from the disposal of non-current assets	1.7	2.2
Income from the reversal of provisions no longer required	1.1	2.2
Miscellaneous operating income	39.1	39.2
Total	**41.9**	**43.6**

6.) Other operating expenses

	2009	2008
	€ million	
Impairments of receivables	−17.0	−16.7
Income from the reversal of impairments of receivables	2.9	2.3
Losses on the disposal of non-current assets	−1.9	−2.3
Miscellaneous operating expenses	−10.7	−10.6
Total	**−26.7**	**−27.3**

7.) Result of investments accounted for at equity

	2009	2008
	€ million	
Result of associates	3.9	3.2
Result of joint ventures	−12.7	0.9
Total	**−8.8**	**4.1**

The result of the investments accounted for at equity includes the loss from the sale of Staub & Co. Chemiehandelsgesellschaft mbH, Nuremberg.

8.) Finance income

	2009	2008
	€ million	
Interest income from third parties	4.0	10.3
Expected income from plan assets	5.3	6.1
Total	**9.3**	**16.4**

9.) Finance costs

	2009	2008
	€ million	
Interest expense on liabilities to third parties	−125.6	−205.9
Interest expense on liabilities to related parties	−64.7	−58.8
Expense/income from the measurement of interest rate swaps and interest caps at fair value	−16.8	5.9
Interest cost on the unwinding of discounting for provisions for pensions and similar obligations	−8.4	−7.7
Interest cost on other provisions	−3.4	−12.6
Interest expense on finance leases	−1.9	−2.2
Total	**−220.8**	**−281.3**

10.) Other financial result

	2009	2008
	€ million	
Result from the translation of foreign currency receivables and liabilities at the closing rate	16.2	−40.5
Result from the measurement of foreign currency derivatives at fair value	−17.5	23.8
Miscellaneous other financial income	−	0.3
Miscellaneous other financial expense	−0.4	−0.3
Total	**−1.7**	**−16.7**

11.) Income taxes

	2009	2008
	€ million	
Current income taxes	−78.1	−71.0
Deferred taxes	31.5	30.5
(thereof from temporary differences)	(38.7)	(36.0)
(thereof from tax loss carryforwards)	(-7.2)	(-5.5)
Total	**−46.6**	**−40.5**

The effective tax expense of € 46.6 million (prior period: € 40.5 million) differs by € 32.0 million (prior period: € 40.9 million) from the expected tax expense of € 14.6 million (prior period: tax income of € 0.4 million). The expected tax expense results from applying the Group tax rate of 31% (prior period: 31%) to the pre-tax result.

The reasons for the difference between the expected tax expense and the effective tax expense are as follows:

	2009	2008
	€ million	
Pre-tax profit/loss	47.1	−1.3
Expected income tax (31%, prior period: 31%)	−14.6	0.4
Difference due to tax base for trade earnings tax	−3.3	−3.2
Difference to expected tax rate	−8.5	−6.6
Changes in valuation adjustments on deferred tax assets / losses without the establishment of deferred taxes	−14.2	−14.7
Changes in the tax rate and tax laws	3.6	0.6
Non-tax-deductible expenses	−12.9	−20.5
Tax-free income	1.7	1.3
Results from companies accounted for at equity	−1.2	−0.1
Taxes of prior periods	4.3	5.0
Deferred taxes on temporary differences from shares in subsidiaries	−0.1	−0.1
Other effects	−1.4	−2.6
Effective tax expense	**−46.6**	**−40.5**

The non-tax-deductible expenses mainly result from non-deductible finance costs.

The deferred taxes result from the individual balance sheet items as follows:

	Dec. 31, 2009		Dec. 31, 2008	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
	€ million			
Current assets				
Cash and cash equivalents and financial assets	11.1	4.9	11.2	9.1
Inventories	9.7	0.3	11.3	1.6
Non-current assets				
Property, plant and equipment	14.6	82.7	14.9	87.1
Intangible assets	5.7	115.5	3.9	140.1
Financial assets	16.6	7.7	18.7	5.3
Current liabilities				
Other provisions	7.8	0.2	8.6	0.3
Liabilities	29.5	1.3	24.9	3.1
Non-current liabilities				
Provisions for pensions	7.0	0.1	6.8	0.1
Other provisions	32.4	1.3	31.4	1.3
Liabilities	11.8	6.8	10.5	11.6
Special tax-allowable reserves	4.8	2.1	4.9	2.2
Loss carryforwards	92.7	−	91.7	—
Consolidation items	—	6.1	—	6.1
Deferred tax (gross)	**243.7**	**229.0**	**238.8**	**267.9**
Valuation allowance *)	−69.8	—	−58.8	—
Offsetting	−106.9	−106.9	−125.0	−125.0
Deferred tax (net)	**67.0**	**122.1**	**55.0**	**142.9**

*) Deferred tax assets and corresponding valuation allowances are shown as gross amounts.

Of the deferred tax assets, € 53.5 million (prior period: € 46.0 million) are current and € 13.5 million (prior period: € 9.0 million) are non-current. Of the deferred tax liabilities, € 0.7 million (prior period: € 1.5 million) are current and € 121.4 million (prior period: € 141.4 million) are non-current.

No deferred tax liabilities were established for temporary differences amounting to € 344.4 million (prior period: € 299.5 million). These amounts include temporary differences with a gross amount of € 243.7 million (prior period: € 187.4 million) of which, according to applicable tax law, only a portion (5%) are in effect to be taxed at the relevant local tax rate.

The existing tax loss carryforwards and tax credits can be utilized as follows:

	Loss carry-forwards	thereof: loss carryforwards without deferred taxes	Tax credits	thereof: tax credits without deferred taxes	Dec. 31, 2009
			€ million		
within one year	0.1	(—)	—	(—)	0.1
2 to 5 years	25.9	(24.2)	—	(—)	25.9
6 to 9 years	6.1	(—)	—	(—)	6.1
more than 9 years	52.3	(49.7)	—	(—)	52.3
unlimited	402.4	(304.8)	—	(—)	402.4
Total	**486.8**	**(378.7)**	**—**	**(—)**	**486.8**

	Loss carry-forwards	thereof: loss carryforwards without deferred taxes	Tax credits	thereof: tax credits without deferred taxes	Dec. 31, 2008
			€ million		
within one year	0.2	(−)	—	(−)	0.2
2 to 5 years	29.0	(28.4)	—	(−)	29.0
6 to 9 years	30.0	(16.7)	0.2	(0.2)	30.2
more than 9 years	50.4	(45.4)	2.6	(2.6)	53.0
unlimited	345.1	(230.4)	—	(−)	345.1
Total	**454.7**	**(320.9)**	**2.8**	**(2.8)**	**457.5**

Restrictions on loss carryforwards and their utilization (minimum taxation) are taken into consideration when measuring the deferred taxes on loss carryforwards.

Of the total loss carryforwards, deferred taxes of € 26.0 million (prior period: € 33.2 million) were provided for loss carryforwards of € 108.1 million (prior period: € 133.8 million) which are likely to be utilized. The loss carryforwards of € 108.1 million which are likely to be utilized include domestic corporation tax and trade earnings tax loss carryforwards totalling € 42.2 million (prior period: € 53.4 million). No deferred taxes were provided for loss carryforwards of € 378.7 million (prior period: € 320.9 million) which are not likely to be utilized.

The deferred taxes recognized directly within equity amounting to € 9.2 million (prior period: € 8.4 million) were established exclusively for the fair value components recognized within equity of interest rate swaps, basis swaps and interest caps included in cash flow hedge accounting. In 2009, € 5.8 million of the deferred taxes within equity were reclassified as income in the income statement (prior period: € 0.8 million as expense).

12.) Minority interests in profit / loss after tax

Of the shares of other shareholders in the profit / loss after tax, € 1.9 million (prior period: € 1.4 million) relates to the net income for the period and € 1.3 million (prior period: €1.1 million) to the net loss for the period of fully consolidated companies.

Personnel expenses

Personnel expenses amount to € 590.3 million (prior period: € 582.9 million). This line item includes wages and salaries totalling € 471.5 million (prior period: € 463.2 million) as well as social insurance contributions of € 118.8 million (prior period: € 119.7 million), of which pension expenses (including employer contributions to the statutory pension insurance fund) account for € 34.9 million (prior period: € 38.0 million). The interest portion of the addition to provisions for personnel expenses (mainly provisions for pensions) is not included in personnel expenses but is shown within the financial result under finance costs.

Employees

The average number of employees by segment breaks down as follows:

	2009	2008
Europe	6,319	6,504
North America	3,337	3,578
Latin America	1,215	1,176
Asia/Pacific	182	41
All Other Segments	124	126
Total	**11,177**	**11,425**

As at December 31, 2009, the employee numbers of the Brenntag Group totalled 11,094 (prior period: 11,626).

Of this figure, 1,469 (prior period: 1,569) were employed in Germany.

INFORMATION ON THE CONSOLIDATED BALANCE SHEET

13.) Cash and cash equivalents

	Dec. 31, 2009	Dec. 31, 2008
	€ million	
Bank deposits	594.0	295.2
Cheques and cash on hand	8.6	3.5
Total	**602.6**	**298.7**

14.) Trade receivables

	Dec. 31, 2009	Dec. 31, 2008
	€ million	
Trade receivables from third parties	831.4	977.8
Trade receivables from related parties	—	1.3
Total	**831.4**	**979.1**

The impairments on trade receivables developed as follows:

	Accumulated impairments of trade receivables
	€ million
December 31, 2007	**11.9**
Exchange rate differences	0.2
Additions	16.7
Reversals	−2.3
Utilizations	−0.2
December 31, 2008	**26.3**
Exchange rate differences	0.6
Additions	17.0
Reversals	−2.9
Utilizations	−4.0
December 31, 2009	**37.0**

The trade receivables which were past due but for which no impairment loss had been recorded as at the reporting date were past due by the following number of days:

	Dec. 31, 2009	Dec. 31, 2008
	€ million	
1 to 30 days	105.9	133.8
31 to 60 days	18.0	31.9
61 to 90 days	4.6	11.9
91 to 180 days	3.7	8.2
more than 180 days	3.6	2.5
Total	**135.8**	**188.3**

15.) Other receivables

	Dec. 31, 2009 Total	Dec. 31, 2009 thereof current	Dec. 31, 2008 Total	Dec. 31, 2008 thereof current
	€ million			
Receivables from packaging	19.0	(19.0)	20.4	(20.4)
Value added tax receivables	18.1	(18.1)	17.5	(17.5)
Reimbursement claims — environment	8.6	(0.4)	7.6	(0.5)
Receivables from plan assets — pensions	5.5	(−)	6.0	(−)
Receivables from commissions and rebates	2.9	(2.9)	3.6	(3.6)
Receivables from insurance claims	4.5	(4.5)	2.8	(2.8)
Suppliers with debit balances	5.7	(5.7)	8.0	(8.0)
Receivables from employees	2.9	(2.9)	2.3	(2.3)
Receivables from other taxes	2.1	(2.1)	2.1	(2.1)
Advance payments	2.1	(2.1)	3.9	(3.9)
Deposits	2.0	(2.0)	2.1	(2.1)
Miscellaneous other receivables	20.3	(15.0)	30.5	(24.2)
Prepaid expenses	12.8	(10.5)	8.5	(7.8)
Total	**106.5**	**(85.2)**	**115.3**	**(95.2)**

16.) Other financial assets

	Remaining term: less than 1 year	Remaining term: 1 to 5 years	Remaining term: more than 5 years	Dec. 31, 2009
	€ million			
Financial receivables from related parties	1.3	0.6	1.9	3.8
Financial receivables from third parties	3.0	7.0	1.1	11.1
Derivative financial instruments	0.6	—	—	0.6
Available-for-sale financial assets	1.4	—	—	1.4
Total	**6.3**	**7.6**	**3.0**	**16.9**

	Remaining term: less than 1 year	Remaining term: 1 to 5 years	Remaining term: more than 5 years	Dec. 31, 2008
	€ million			
Financial receivables from related parties	1.3	—	0.8	2.1
Financial receivables from third parties	4.0	6.9	—	10.9
Derivative financial instruments	20.2	1.5	—	21.7
Available-for-sale financial assets	1.0	—	0.9	1.9
Total	**26.5**	**8.4**	**1.7**	**36.6**

17.) Inventories

The inventories break down as follows:

	Dec. 31, 2009	Dec. 31, 2008
	€ million	
Merchandise	388.3	508.7
Finished goods	30.0	34.8
Raw materials and supplies	4.0	3.7
Total	**422.3**	**547.2**

18.) Non-current assets held for sale

Non-current assets held for sale of € 3.2 million (prior period: € 6.0 million) are recognized under current assets; of this figure, Latin America accounts for € 1.9 million (prior period: € 0.0 million), North America for €

1.3 million (prior period: € 2.6 million) and Europe for € 0.0 million (prior period: € 3.4 million). These assets are mainly land and buildings which are to be sold within the next twelve months as they are no longer required for the business operations of the company.

Non-current assets held for sale are carried at the lower of carrying amount and fair value less costs to sell. As the fair value of the assets less costs to sell exceeds their remaining carrying amount, no impairments had to be recorded in the reporting period.

19.) Property, plant and equipment

	Real estate and leasehold rights	Technical equipment, plant and machinery	Other equipment, fixtures, furniture and office equipment	Advance payments and construction in progress	Total
			€ million		
Acquisition and production costs					
December 31, 2007	**520.3**	**233.6**	**125.7**	**32.3**	**911.9**
Exchange rate differences	−5.6	−2.1	−3.8	−0.6	−12.1
Additions from business combinations	—	—	0.6	—	0.6
Other additions	7.3	21.2	28.6	23.5	80.6
Reclassification of non-current assets held for sale	0.3	0.1	0.4	—	0.8
Disposals	−4.7	−4.0	−13.0	−0.2	−21.9
Transfers	4.2	29.6	0.5	−35.6	−1.3
December 31, 2008	**521.8**	**278.4**	**139.0**	**19.4**	**958.6**
Exchange rate differences	3.1	−0.2	3.3	−0.3	5.9
Additions from business combinations	—	0.1	0.1	—	0.2
Other additions	4.7	19.6	21.4	23.6	69.3
Reclassification of non-current assets held for sale	1.7	−0.9	—	—	0.8
Disposals	−0.3	−3.5	−15.9	−0.3	−20.0
Transfers	9.4	8.3	1.5	−20.4	−1.2
December 31, 2009	**540.4**	**301.8**	**149.4**	**22.0**	**1,013.6**
Accumulated depreciation and impairment					
December 31, 2007	**23.6**	**38.2**	**36.5**	**—**	**98.3**
Exchange rate differences	−0.9	−1.0	−2.2	—	−4.1
Scheduled depreciation	19.9	32.0	31.4	—	83.3
Reclassification of non-current assets held for sale	0.1	−0.4	0.3	—	—
Disposals	−1.2	−2.1	−11.6	—	−14.9
Transfers	—	—	0.4	—	0.4
December 31, 2008	**41.5**	**66.7**	**54.8**	**—**	**163.0**
Exchange rate differences	0.4	0.1	2.2	—	2.7
Scheduled depreciation	20.0	32.0	28.6	—	80.6
Impairment	1.2	0.5	—	—	1.7
Reclassification of non-current assets held for sale	−0.8	−0.6	—	—	−1.4
Disposals	−0.3	−2.2	−14.6	—	−17.1
Transfers	—	0.7	−0.7	—	—
December 31, 2009	**62.0**	**97.2**	**70.3**	**0.0**	**229.5**
Carrying amounts at Dec. 31, 2009	478.4	204.6	79.1	22.0	784.1
Carrying amounts at Dec. 31, 2008	480.3	211.7	84.2	19.4	795.6

Of the non-current assets held for sale, € 4.1 million (prior period: € 1.4 million) were reclassified to property, plant and equipment as there is no longer any intention to sell these assets.

The carrying amounts for assets recognized on the basis of finance leases total € 10.0 million (prior period: € 10.4 million) for real estate, € 1.1 million (prior period: € 1.6 million) for technical equipment, plant and machinery, and € 5.9 million (prior period: € 7.1 million) for other equipment as well as fixtures, furniture and office equipment.

The volume of government grants totals € 1.0 million (prior period: € 1.1 million).

20.) Intangible assets

	Goodwill	Trademarks	Customer relationships and similar rights	Acquired software, licenses and similar rights	Total
			€ million		
Acquisition and production costs					
December 31, 2007	**1,415.2**	**207.8**	**430.0**	**32.0**	**2,085.0**
Exchange rate differences	−12.3	−0.3	−9.0	0.7	−20.9
Additions from business combinations	48.2	—	36.2	2.6	87.0
Other additions	—	—	—	3.7	3.7
Disposals	−0.7	—	—	−0.8	−1.5
Transfers	—	—	—	2.8	2.8
December 31, 2008	**1,450.4**	**207.5**	**457.2**	**41.0**	**2,156.1**
Exchange rate differences	0.4	—	2.6	0.4	3.4
Additions from business combinations	2.8	1.9	2.2	0.6	7.5
Other additions	—	—	—	2.5	2.5
Disposals	−0.2	—	—	−1.3	−1.5
Transfers	—	—	—	1.2	1.2
December 31, 2009	**1,453.4**	**209.4**	**462.0**	**44.4**	**2,169.2**
Accumulated amortization and impairment					
December 31, 2007	**—**	**3.5**	**131.9**	**8.0**	**143.4**
Exchange rate differences	—	−0.2	−2.8	0.1	−2.9
Scheduled amortization	—	2.7	109.8	6.9	119.4
Disposals	—	—	—	−0.6	−0.6
Transfers	—	—	—	0.2	0.2
December 31, 2008	**—**	**6.0**	**238.9**	**14.6**	**259.5**
Exchange rate differences	—	0.1	0.6	0.7	1.4
Scheduled amortization	—	2.3	114.4	6.9	123.6
Disposals	—	—	—	−1.2	−1.2
Transfers	—	—	—	—	—
December 31, 2009	**—**	**8.4**	**353.9**	**21.0**	**383.3**
Carrying amounts at Dec. 31, 2009	1,453.4	201.0	108.1	23.4	1,785.9
Carrying amounts at Dec. 31, 2008	1,450.4	201.5	218.3	26.4	1,896.6

Goodwill and the "Brenntag" trademark are tested regularly, at least annually, for impairment after completion of the annual budget process.

The regional allocation of goodwill over the groups of cash-generating units relevant for impairment testing is as follows:

	Dec. 31, 2009	Dec. 31, 2008
	€ million	
Europe	706.5	699.3
North America	665.2	671.8
Latin America	29.0	27.7
Asia/Pacific	24.9	23.5
All other segments	27.8	28.1
Group	**1,453.4**	**1,450.4**

The fair value less costs to sell is taken as the recoverable amount. This amount is determined on the basis of a recognized company valuation model. The company valuation model is based on cash flow plans which are in turn based on the five-year plan approved by the management and applicable at the date of the performance of the impairment test.

The cash flow forecasts for the impairment test of the financial year ended December 31, 2009 were derived from the budget for 2010 and the plan years 2011 to 2014. The assumed growth rate for the period from 2015 onwards is 1.25% in Europe and North America (prior period: 1.25%) and 2.5% in Latin America and Asia / Pacific (prior period: Latin America 2.5%). The planned cash flows are based on the management's past experience and expectations about the future market developments. They were discounted at the weighted average cost of capital (WACC).

The discount rates for the segments reflect the special risks of the respective region:

WACC in %	2009	2008
Europe	8.3	8.4
North America	7.9	7.8
Latin America	10.0	10.3
Asia/Pacific	8.7	—
Group	8.3	8.4

Amortization of customer relationships and similar rights as well as local trademarks has been recognized under selling expenses. The majority of customer relationships and similar rights will have been amortized in full by September 30, 2010.

21.) Investments accounted for at equity

The investments accounted for at equity developed as follows:

	Interests in joint ventures	Interests in Associates	Total
		€ million	
December 31, 2007	**21.5**	**12.7**	**34.2**
Exchange rate differences	—	−2.1	−2.1
Share of profit/loss for the period	0.9	3.2	4.1
Dividends received	−1.3	−0.1	−1.4
Disposals	—	−0.1	−0.1
December 31, 2008	**21.1**	**13.6**	**34.7**
Exchange rate differences	—	2.3	2.3
Share of profit/loss for the period	—	3.9	3.9
Dividends received	−1.1	—	−1.1
Disposals	−20.0	−1.2	−21.2
December 31, 2009	**0.0**	**18.6**	**18.6**

The interest in the joint venture Staub & Co. Chemiehandelsgesellschaft mbH, Nuremberg, was sold in 2009. This transaction resulted in a loss of € 12.7 million. Furthermore, the remaining shares in East-Chem. Inc., Mount Pearl, Canada were acquired.

The financial year of the companies accounted for at equity is the calendar year.

The assets, liabilities, sales and profits / losses for the period of the companies accounted for at equity are as follows (presentation in each case on the basis of 100% of the shares):

	Joint ventures	Associates	Dec. 31, 2009	Joint ventures	Associates	Dec. 31, 2008
			€ million			
Current assets	—	39.4	39.4	10.0	32.6	42.6
Non-current assets	—	16.7	16.7	12.3	6.6	18.9
Current liabilities	—	19.9	19.9	5.4	17.5	22.9
Non-current liabilities	—	5.2	5.2	4.0	5.4	9.4

	Joint ventures	Associates	2009	Joint ventures	Associates	2008
			€ million			
Sales	—	103.1	103.1	65.6	83.9	149.5
Profit/loss after tax	—	7.7	7.7	1.8	6.4	8.2

Former joint ventures or associates in which Brenntag no longer has a significant investment at the balance-sheet date are not included in the year of disposal in the financial information shown in the above two tables.

Sales and profits / losses of companies acquired are shown in the year of acquisition only for the period in which the company belongs to the Group.

22.) Trade payables

	Dec. 31, 2009	Dec. 31, 2008
	€ million	
Trade payables to third parties	655.6	694.4
Trade payables to related parties	—	0.1
Total	**655.6**	**694.5**

Trade payables include accruals of € 92.1 million (prior period: € 100.8 million).

23.) Financial liabilities

	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	Dec. 31, 2009
		€ million		
Liabilities under syndicated loan	30.7	1,216.7	913.0	2,160.4
Other liabilities to banks	16.7	171.8	10.3	198.8
Liabilities under finance leases	3.4	10.3	6.4	20.1
Financial liabilities to related parties	—	—	702.2	702.2
Derivative financial instruments	5.6	34.3	—	39.9
Other financial liabilities	5.1	10.6	1.4	17.1
Total	**61.5**	**1,443.7**	**1,633.3**	**3,138.5**

	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	Dec. 31, 2008
		€ million		
Liabilities under syndicated loan	73.7	98.8	2,122.9	2,295.4
Other liabilities to banks	29.7	206.5	12.4	248.6
Liabilities under finance leases	3.9	11.4	6.6	21.9
Financial liabilities to related parties	—	—	637.5	637.5
Derivative financial instruments	1.9	22.8	—	24.7
Other financial liabilities	9.8	16.0	—	25.8
Total	**119.0**	**355.5**	**2,779.4**	**3,253.9**

Brenntag's funding concept is mainly based on loan agreements with an international syndicate of banks. This syndicated loan consists of Senior Facilities, a Second Lien and a Mezzanine Facility.

The liabilities under the syndicated loan break down as follows:

	Remaining term	Interest rate above EURIBOR/ LIBOR	Remaining term						Dec. 31, 2009
			less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	
			€ million						
Senior Facility Agreement									
Tranche A	1/18/2013	1.75%	10.5	22.6	33.0	19.9	—	—	**86.0**
Tranche B	1/18/2014	1.75% / 2.00%	—	—	—	—	1,145.6	—	**1,145.6**
Tranche C	1/18/2015	2.25%	—	—	—	—	—	122.3	**122.3**
Accrued interest			8.0	—	—	—	—	—	**8.0**
Total			18.5	22.6	33.0	19.9	1,145.6	122.3	**1,361.9**
Second Lien Facility Agreement									
	7/18/2015	4.00%	—	—	—	—	—	362.2	**362.2**
Accrued interest			3.7	—	—	—	—	—	**3.7**
Total			3.7	—	—	—	—	362.2	**365.9**
Mezzanine Facility Agreement									
	1/18/2016	7.00%	—	—	—	—	—	422.7	**422.7**
Accrued interest			10.1	—	—	—	—	5.8	**15.9**
Total			10.1	—	—	—	—	428.5	**438.6**
Transaction costs			−1.6	−1.5	−1.5	−1.3	−0.1	—	**−6.0**
Liabilities under syndicated loan			**30.7**	**21.1**	**31.5**	**18.6**	**1,145.5**	**913.0**	**2,160.4**

	Remaining term	Interest rate above EURIBOR/ LIBOR	Remaining term						Dec. 31, 2008
			less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	
			€ million						
Senior Facility Agreement									
Tranche A	1/18/2013	1.75%	8.5	21.1	29.8	33.4	20.3	0.0	**113.1**
Tranche B	1/18/2014	2.0% / 2.25%	—	—	—	—	—	1,214.1	**1,214.1**
Tranche C	1/18/2015	2.25%	—	—	—	—	—	125.0	**125.0**
Accrued interest			37.1	—	—	—	—	—	**37.1**
Total			45.6	21.1	29.8	33.4	20.3	1,339.1	**1,489.3**
Second Lien Facility Agreement									
	7/18/2015	4.00%	—	—	—	—	—	368.1	**368.1**
Accrued interest			12.1	—	—	—	—	—	**12.1**
Total			12.1	—	—	—	—	368.1	**380.2**
Mezzanine Facility Agreement									
	1/18/2016	7.00%	—	—	—	—	—	410.1	**410.1**
Accrued interest			17.4	—	—	—	—	5.7	**23.1**
Total			17.4	—	—	—	—	415.8	**433.2**
Transaction costs			−1.4	−1.4	−1.5	−1.5	−1.4	−0.1	**−7.3**
Liabilities under syndicated loan			**73.7**	**19.7**	**28.3**	**31.9**	**18.9**	**2,122.9**	**2,295.4**

At December 31, 2009, the Mezzanine Facility Agreement had a margin of 7.0 percentage points (prior period: 7.0 percentage points) above EURIBOR, of which 3.0 percentage points (prior period: 3.0 percentage points) are rollover interest.

The loans under the Senior Facility Agreement, the Second Lien Facility Agreement and the Mezzanine Facility Agreement are secured in full by pledging direct and indirect investments of Brenntag Management GmbH in fully consolidated subsidiaries as well as by other pledged assets.

In the event of the Brenntag Group's sustained breach of the terms and obligations laid down in the syndicated loan agreements, the facility agent appointed by the lenders may foreclose the loans if he feels this move necessary

to safeguard the lenders' interests. Should the Brenntag Group companies which appear as the borrowers not be able to meet their payment obligations, the lenders are entitled to levy execution against the assets provided as security.

The carrying amounts shown in the consolidated financial statements of Brenntag Management GmbH of the assets provided as security for liabilities to banks in addition to the pledged company shares are as follows:

	Dec. 31 2009	Dec. 31, 2008
	€ million	
Inventories	204.4	272.3
Property, plant and equipment	429.3	430.2
Cash and cash equivalents	460.9	189.8
Receivables and other financial assets	667.3	828.8
Total	**1,761.9**	**1,721.1**

The non-current other liabilities to banks are mainly liabilities to banks of the consolidated special purpose entity, Brenntag Funding Ltd., Dublin.

The following table shows the reconciliation of the future minimum lease payments to liabilities under finance leases:

	Minimum lease payments	Interest portion	Liabilities from finance leases
		€ million	
less than 1 year	5.4	2.0	3.4
1 to 2 years	4.2	1.4	2.8
2 to 3 years	2.9	1.2	1.7
3 to 4 years	5.8	0.7	5.1
4 to 5 years	1.3	0.6	0.7
more than 5 years	10.9	4.5	6.4
Dec. 31, 2009	**30.5**	**10.4**	**20.1**

	Minimum lease payments	Interest portion	Liabilities from finance leases
		€ million	
less than 1 year	6.2	2.3	3.9
1 to 2 years	4.8	1.7	3.1
2 to 3 years	3.6	1.3	2.3
3 to 4 years	2.3	1.1	1.2
4 to 5 years	5.4	0.6	4.8
more than 5 years	11.5	4.9	6.6
Dec. 31, 2008	**33.8**	**11.9**	**21.9**

The liabilities to related parties refer to a loan granted by Brachem Acquisition S.C.A., Luxembourg. This loan is described in detail in note 27.) Equity / Economic capital.

24.) Other liabilities

	Dec. 31, 2009	thereof current	Dec. 31, 2008	thereof current
	€ million			
Liabilities from packaging	68.1	(68.1)	69.1	(69.1)
Liabilities to employees	77.5	(77.5)	79.5	(79.5)
Liabilities from value added tax	26.0	(26.0)	22.9	(22.9)
Liabilities from other taxes	15.1	(15.1)	14.2	(14.2)
Liabilities to insurance companies	11.9	(11.9)	11.3	(11.3)
Liabilities from social insurance contributions	7.4	(7.4)	7.9	(7.9)
Miscellaneous other liabilities	93.9	(92.2)	78.6	(75.2)
Deferred income	10.8	(10.8)	13.4	(13.4)
Total	**310.7**	**(309.0)**	**296.9**	**(293.5)**

Other liabilities include accruals of € 33.6 million (prior period: € 33.5 million).

25.) Other provisions

The other provisions developed as follows:

	Environmental provisions	Provisions for personnel expenses	Miscellaneous provisions	Total
	€ million			
January 1, 2009	**126.0**	**20.1**	**51.5**	**197.6**
Exchange rate differences	0.1	−0.1	—	—
Additions from business combinations	—	—	0.1	0.1
Interest changes	3.4	0.2	0.1	3.7
Utilizations	−6.3	−8.0	−16.6	−30.9
Reversals	−6.1	−0.8	−1.5	−8.4
Additions	5.2	8.5	18.8	32.5
Transfers	0.4	−2.7	3.3	1.0
December 31, 2009	**122.7**	**17.2**	**55.7**	**195.6**

The other provisions have the following maturities:

	Dec. 31, 2009	Dec. 31, 2008
	€ million	
less than 1 year	56.1	55.5
1 to 5 years	92.2	86.6
more than 5 years	47.3	55.5
Total	**195.6**	**197.6**

Environmental provisions

In its business operations throughout the world, the Brenntag Group is subject to the laws of different countries which govern the handling of chemicals. These laws may mean that action has to be taken to dispose of hazardous materials or remedy damage to the environment. The polluter-must-pay principle generally applies, i.e. anybody who causes damage to the environment is liable for the resultant costs regardless of whether the polluter is the owner or the operator of a plant.

The recognition and measurement of environmental provisions are coordinated centrally by external independent experts. If the performance of restoration work or the imposing of environmental requirements by the authorities is probable and if these lead to an outflow of economic resources, a provision is established if the resultant costs can be reliably estimated. The provision amounts are determined on the basis of individual cost estimates for each case. Allowance is made not only for the kind and severity of pollution but also for the conditions at the respective sites and the sovereign territories in which these sites are located.

Environmental provisions are stated at their present values. They are discounted at maturity-dependent risk-free interest rates derived from the swap rates on the interbank market for the respective functional currencies. Increases in the future expenditure due to inflation are allowed for.

At December 31, 2009, the environmental provisions totalled € 122.7 million (prior period: €126.0 million). This figure includes € 29.3 million (prior period: € 29.8 million) for contingencies which, in line with the requirements of IFRS 3 (Business Combinations), entered the balance sheet through the purchase price allocation in connection with the acquisition of the Brenntag Group by equity funds advised by BC Partners, Bain Capital and Goldman. The environmental restoration provisions established mainly relate to the rehabilitation of soil and ground water but also cover costs for further and accompanying measures such as necessary environmental inspections and observations.

Due to the large number of parameters which have to be considered when determining environmental provisions, there are uncertainties in their measurement. This applies both to the amount and the timing of future expenditure. However, based on the information available at the time of the preparation of these financial statements, it can be assumed that the environmental provisions are reasonable and any additional amounts incurred would not have any significant effect on the net assets, financial position and results of operations of the Group.

In some cases, special agreements have been reached which ensure that the cost of any future environmental work necessary will be borne by third parties. If receipt of payment from the third party is virtually certain provided Brenntag meets its obligations, these reimbursement claims are capitalized. They are measured in the same way as the corresponding provisions. The amount recognized does not exceed the amount of the provision. The reimbursement claims capitalized at December 31, 2009 amount to € 8.6 million (prior period: € 7.6 million).

Provisions for personnel expenses

The provisions for personnel expenses include pre-retirement part-time work compensation amounting to € 2.4 million (prior period: € 2.3 million) and anniversary bonuses amounting to € 2.9 million (prior period: € 2.7 million).

Miscellaneous provisions

Miscellaneous provisions include provisions for compensation payable of € 5.2 million (prior period: € 4.0 million) as well as for risks from unsettled litigation amounting to € 9.7 million (prior period: € 7.8 million) and provisions for restoration obligations amounting to € 2.8 million (prior period: € 3.4 million).

Provisions for current and likely litigation are established in those cases where reasonable estimates are possible. These provisions contain all estimated legal costs as well as the possible settlement costs. The amounts are based on information and cost estimates provided by lawyers.

Provisions for restoration obligations are statutory obligations arising from the dismantling of plant and machinery.

26.) Provisions for pensions and similar obligations

There are both defined contribution and defined benefit pension plans for the employees of the Brenntag Group. The pension obligations vary depending on the legal, tax and economic circumstances in the respective countries and the employee's years of service with the company and compensation. The defined benefit plans are funded with provisions and largely covered by assets of external funds.

Defined contribution plans

A large number of the employees of the Brenntag Group receive benefits from the statutory social insurance fund, into which the contributions are paid as part of their salary. In addition, various other pension fund obligations exist at the companies of the Brenntag Group. As the company has no further obligations after payment of the retirement pension contributions to the state social insurance fund and private insurance companies, these plans are treated as defined contribution plans. Current pension contribution payments were recognized as expense for the relevant period. In the 2009 financial year, pension expenses in the Brenntag Group totalled € 18.8 million (prior period: € 19.9 million) for employer contributions to the statutory pension insurance fund and € 11.7 million (prior period: € 10.2 million) for non-statutory defined contribution plans.

Defined benefit plans

Pension expenses for obligations from defined benefit plans total € 7.5 million (prior period: € 9.5 million). Apart from the interest cost and the expected return on external assets recorded within the financial result, the pension expenses are allocated to the functional areas within the operating result.

Pension expenses for defined benefit plans and similar obligations

	2009	2008
	€ million	
Current service cost	−6.1	−6.7
Interest cost	−8.4	−7.7
Expected return on plan assets	5.3	6.1
Past service cost (changes in the pension plan)	—	−0.6
Amortization of actuarial gains/(losses)	0.6	−3.8
Settlements	1.0	—
Effect of the limiting of plan assets in acc. with IAS 19.58 b	0.1	3.2
Total	**−7.5**	**−9.5**

The pensions expected to be paid directly by the company in 2010 total € 1.9 million. The expected payments into the plan assets for 2010 amount to € 5.4 million.

While the value of assets was determined on the basis of the fair value of the funds invested at December 31, 2009, the pension obligations were calculated using actuarial reports. The assumptions used in the actuarial measurement of the obligations and the costs as well as the expected rates of return on plan assets are shown in the following table:

Actuarial parameters applied

	Europe *)		North America		Latin America	
in %	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Discount rate	4.1*)	4.8*)	6.25	7.5	6.5	6.5
Projected salary increases	2.1	2.1	4.0	4.5	2.4	2.4
Projected pension payment increases	1.3	1.5	3.0	3.0	6.5	6.5
Inflation	1.5	1.5	3.0	3.0	5.0	5.0
Medical cost trend	n.a.	n.a.	6.5	6.5	n.a.	n.a.
Expected rate of return on plan assets	4.0	4.3	7.0	7.0	n.a.	n.a.

*) Dec. 31, 2009: EURO countries 5.25% discount rate; Switzerland 3.0% discount rate
Dec. 31, 2008: EURO countries 6.25% discount rate; Switzerland 3.5% discount rate.

Breakdown of the fair value of the plan assets

	Dec. 31, 2009	Dec. 31, 2008
	€ million	
Shares	19.2	14.9
Fixed-interest securities	21.9	16.3
Real estate/property trusts	—	—
(thereof assets used by the company)	(—)	(—)
Others (insurances)	93.4	93.9
(thereof assets used by the company)	(—)	(—)
Total	**134.5**	**125.1**

The other plan assets of € 93.4 million (prior period: € 93.9 million) consist of €87.5 million (prior period: €84.8 million) from insurance contracts at European Brenntag companies and €5.9 million (prior period: € 9.1 million) from other assets in Canada (€ 1.6 million) and in Switzerland (€ 4.3 million). The insurance

contracts work with an average discount rate of 3.0%. Together with the income generated in prior periods and the expected future rates of return thereon, an average expected long-term rate of return of 4.0% has been recognized.

Of the shares and fixed-interest securities shown as assets, € 21.0 million are from Canada, € 19.2 million from Switzerland and € 0.9 million from France. The Canadian assets are invested in external investment fund shares. 58.1% of the portfolio of this investment fund consists of Canadian, US and international shares. 35.0% is invested in fixed-interest securities and the remaining 6.9% consists of cash and other assets. Due to the investment structure of the fund, an expected long-term rate of return of 7.0% has been recognized. 7.8% of the assets in Switzerland have been invested in international shares and 16.7% in fixed-interest securities. The majority (69.9%) consists of insurance contracts. The remaining 5.6% is cash. An expected long-term rate of return of 3.75% has been recognized. The assets in France consist exclusively of fixed-interest securities with an expected long-term rate of return of 4.0%.

Effect from the increase / decrease in the medical cost inflation rate

	Dec. 31, 2009	Dec. 31, 2008
	€ million	
Influence of + 1 percentage point on the service cost and interest cost	0.1	0.2
Influence of + 1 percentage point on the pension obligations at the end of the period	1.5	0.8
Influence of – 1 percentage point on the service cost and interest cost	−0.1	−0.1
Influence of – 1 percentage point on the pension obligations at the end of the period	−1.2	−0.6

Reconciliation of the present value of pensions and similar obligations to the provisions shown in the balance sheet

	2009	2008
	€ million	
Pension obligations from defined benefit pension plans		
Present value of pension entitlements at the beginning of the period	161.0	162.6
Exchange rate differences	3.2	3.4
Reclassification	1.0	—
Changes in the scope of consolidation	—	0.1
Utilizations	−10.0	−9.2
Service cost	6.1	6.7
Employee contributions	1.2	1.2
Interest cost	8.4	7.7
Changes in pension plans	—	1.7
Settlements	−1.0	—
Actuarial (gain)/loss	12.3	−13.2
Present value of pension entitlements at the end of the period	**182.2**	**161.0**
(thereof funded)	(135.1)	(123.3)
(thereof unfunded)	(47.1)	(37.7)

	2009	2008
	€ million	
Fair value of plan assets		
Fair value at the beginning of the period	125.1	129.6
Exchange rate differences	2.5	4.9
Transfers	—	—
Reclassification	0.9	0.5
Changes in the scope of consolidation	—	—
Utilizations	−8.2	−7.3
Employee contributions	1.2	1.2
Employer contributions	5.7	4.8
Expected return on plan assets	5.3	6.1
Changes in pension plans	—	1.1
Actuarial gain/(loss)	2.0	−15.8
Fair value of plan assets at the end of the period	**134.5**	**125.1**

The reconciliation of the obligation less plan assets to the provision actually recognized in the balance sheet is as follows:

	Dec. 31, 2009	Dec. 31, 2008
	€ million	
Present value of the funded pension entitlements	135.1	123.3
less fair value of plan assets	−134.5	−125.1
Overfunding by plan assets	0.6	−1.8
Present value of unfunded pension entitlements	47.1	37.7
Funded status of pension entitlements	47.7	35.9
Unrecognized actuarial gain/(loss)	−0.9	9.8
Unrecognized past service cost	—	—
Provisions for pensions and similar obligations — net	46.8	45.7
thereof assets capitalized	5.5	6.0
Limiting of plan assets in accordance with IAS 19.58 b	2.1	2.2
Provisions for pensions and similar obligations shown in the balance sheet	**54.4**	**53.9**

The provisions for pensions shown include € 8.2 million (prior period: € 6.9 million) for health care plans in Canada.

The amounts not yet recognized in the income statement are the difference between the pension obligation — after deduction of the fair value of the plan assets — and the liability reported in the balance sheet. Of the actuarial loss of € 12.3 million (prior period: gain of € 13.2 million) in the obligations, € 13.4 million (prior period: gain of € 11.7 million) is attributable to actuarial losses due to changes in actuarial parameters to be applied at the measurement date and € 1.1 million (prior period: € 1.5 million) to actuarial gains due to experience adjustments to the obligations.

The actual gain from plan assets is € 7.3 million (prior period: actual loss of € 9.7 million). The actuarial gains in the plan assets of € 2.0 million (prior period: losses of €15.8 million) which are also new and as yet unrecognized in the income statement are due to differences between the effective and expected rates of returns of the plan assets. Overall, this led to total unrecognized losses of € 0.9 million (prior period: gain of € 9.8 million).

In accordance with IAS 19, the actuarial net gain or net loss portion shown in the income statement is determined using the corridor method. The gain / loss outside the 10% corridor (the higher of pension obligation and plan assets) is amortized in the income statement over the expected average remaining working lives of the employees.

Historical development of provisions for pensions and similar obligations

	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006
	€ million			
Pension obligation from defined benefit plans	182.2	161.0	162.6	171.4
Fair value of plan assets	134.5	125.1	129.6	127.0
Funded status of pension entitlements	47.7	35.9	33.0	44.4
Gains/(losses) from experience adjustments — pension obligation	1.1	1.5	−2.6	—
Gains/(losses) from experience adjustments — plan assets	2.0	−15.8	−3.5	1.8

27.) Equity/Economic capital

The total comprehensive income for the period comprises the profit / loss after tax as well as the other comprehensive income. The other comprehensive income contains gains and losses which are recognized directly in equity.

The result from exchange rate differences contains the differences from the translation of the financial statements of foreign companies into the Group currency (euro), which are recognized directly in equity.

The cash flow hedge reserve includes those portions of the fair values of the interest rate swaps, basis swaps and interest caps included in cash flow hedge accounting that are recognized directly within equity. Deferred taxes on these effects are also recognized directly in equity in the reserve for deferred tax on cash flow hedges.

Minority interests cover shares of non-Group shareholders in the subscribed capital, retained earnings, additional paid-in capital and the result of the consolidated subsidiaries.

The aim of capital management at Brenntag is to optimally deploy the resources used to ensure the company's continued existence and at the same time to generate a reasonable return on investment for the shareholders. The economic capital used for this purpose breaks down as follows:

	Dec. 31, 2009	Dec. 31, 2008
	€ million	
Equity	172.3	128.3
Loan from Brachem Acquisition S.C.A., Luxembourg	702.3	637.5
Liabilities to minorities under IAS 32	2.1	3.3
Economic capital	**876.7**	**769.1**

The loan of € 702.3 million from the parent company, Brachem Acquisition S.C.A., Luxembourg, to Brenntag Management GmbH is contained in financial liabilities to related parties.

This subordinate shareholders' loan runs until December 31, 2016 and carries interest of 10% per annum. The interest is capitalized annually.

At Group level, the shareholders' loan is allocated to the economic capital. Furthermore, Brenntag also includes the liabilities to minorities under IAS 32 in the economic capital.

28.) Information on the cash flow statement

Cash and cash equivalents included in the prior period financing funds of € 47.9 million (including accrued interest) which were made available to Brenntag under a syndicated loan specially for the purpose of financing acquisitions. In the current year, € 11.5 million of this figure was used for acquisitions. The remaining amount was paid back in accordance with the loan agreements.

Interest effects in connection with the unwinding of discounts and changes in interest rates of provisions are shown under interest result. Of the interest payments, € 3.7 million (prior period: € 9.6 million) relate to interest received and € 162.6 million (prior period: €187.5 million) to interest paid.

The cash provided by operating activities increased by inter alia € 146.6 million (prior period: increase of € 2.8 million) due to changes in gross trade receivables and decreased by € 44.4 million (prior period: reduction of € 59.7 million) due to changes in trade payables. The other non-cash expenses and income contain valuation allowances on trade receivables and on inventories totalling € 15.6 million (prior period: € 20.9 million).

SEGMENT REPORTING

IFRS 8 (Operating Segments) introduces the management approach to segment reporting and is mandatory for the first time in the 2009 financial year. According to this approach, reporting must be based on the internal control and reporting information used by the top management for assessing segment performance and making resource allocations. The business segments identified in accordance with IFRS 8 are the same as the business segments previously identified in accordance with IAS 14.

The Brenntag Group operates solely in the field of chemical distribution and is controlled through the regions Europe, North America, Latin America and Asia / Pacific. The individual activities are allocated to these segments on the basis of the location of the registered office of the respective subsidiary. Allocation of the activities on the basis of the location of the registered offices of the customers would not lead to a different segmentation. The geographical segmentation reflects control and supervision by the management and permits a reliable estimate of risks and benefits.

All transactions between companies within a segment have been eliminated.

The Group accounts for inter-segment sales transactions as if the transactions were made with third parties at current prices (arm's length principle).

The "All Other Segments" column contains activities which cannot be allocated to the geographical segments (in particular BRENNTAG International Chemicals GmbH, Mülheim an der Ruhr, as well as the activities of those holding companies which cannot be allocated to a geographical segment) including Brenntag Management GmbH. All consolidation measures between the segments are shown separately. Deviations between the figures from the segment reporting and the corresponding figures in the consolidated financial statements are shown as a reconciliation.

The result metric mainly used for control of the segments is operating EBITDA. Operating EBITDA is the operating profit / loss as recorded in the income statement plus amortization of intangible assets and depreciation of property, plant and equipment, adjusted for the following items:

- Transaction expenses: Expenses that are connected with the restructuring and refinancing under company law. They are eliminated for purposes of management reporting to permit a clear presentation of the operating performance and comparability on segment level.
- Headquarter charges: Certain intercompany charges imposed on the operating companies. Operating companies cannot be held responsible for the amount that they are charged. So these charges are eliminated for purposes of management reporting. On Group level they net to zero.

	2009	2008
	€ million	
Operating EBITDA	**480.3**	**482.1**
Transaction costs	−3.7	−1.2
EBITDA	**476.6**	**480.9**
Depreciation of property, plant and equipment and amortization of intangible assets	−204.2	−202.7
Impairment of property, plant and equipment	−1.7	—
Financial result	−223.6	−279.5
Profit/loss before tax	**47.1**	**−1.3**

Of the impairments of property, plant and equipment, € 1.1 million relate to the segment Latin America and €0.6 million to the segment Europe.

		Europe	North America	Latin America	Asia/Pacific	All other segments	Consolidation	Group
					€ million			
External sales	2009	3,434.4	2,050.5	610.5	58.4	210.8	—	6,364.6
	2008	4,027.5	2,447.9	626.2	15.0	263.0	—	7,379.6
Inter-segment sales	2009	2.8	3.0	18.0	—	0.6	−24.4	—
	2008	2.4	4.9	20.9	—	1.8	−30.0	—
Operating gross profit *)	2009	807.6	537.7	123.3	14.5	10.1	—	1,493.2
	2008	839.8	542.0	126.3	3.4	8.3	—	1,519.8
Operating EBITDA	2009	250.6	196.8	42.3	2.2	−11.6	—	480.3
	2008	254.2	204.4	44.1	1.0	−21.6	—	482.1
Investments in non-current assets **)	2009	48.7	15.8	6.2	0.8	0.3	—	71.8
	2008	63.4	13.3	7.5	—	0.1	—	84.3

*) External sales less cost of materials

**) Other additions to property, plant and equipment and intangible assets are shown as investments in non-current assets

There are no major non-cash items in the reporting period. Differences between the operating EBITDA and cash flow from operating activities of the segments mainly result from changes in the working capital.

The non-current assets comprise property, plant and equipment and intangible assets including goodwill. The allocation of the non-current assets over the different countries is as follows:

		Germany	USA	France	Others	Group
				€ million		
Property, plant and equipment	Dec. 31, 2009	109.7	141.8	87.1	445.5	784.1
	Dec. 31, 2008	110.4	150.6	84.9	449.7	795.6
Intangible assets	Dec. 31, 2009	390.1	587.7	134.9	673.2	1,785.9
	Dec. 31, 2008	404.1	643.3	147.8	701.4	1,896.6

The allocation of external sales over the different countries is shown in the following table:

		Germany	USA	France	Others	Group
			€ million			
External sales	2009	936.3	1,811.3	420.8	3,196.2	6,364.6
	2008	1,186.1	2,136.9	503.0	3,553.6	7,379.6

OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES

The other financial obligations break down as follows:

	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	Dec. 31, 2009
		€ million		
Purchase commitments for property, plant and equipment	1.5	—	—	1.5
Obligations under consultancy agreements as well as from future minimum lease payments for operating leases	31.2	76.2	21.2	128.6
Total	**32.7**	**76.2**	**21.2**	**130.1**

	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	Dec. 31, 2008
		€ million		
Purchase commitments for property, plant and equipment	3.0	—	—	3.0
Obligations under consultancy agreements as well as from future minimum lease payments for operating leases	35.4	71.7	26.8	133.9
Total	**38.4**	**71.7**	**26.8**	**136.9**

The obligations from future minimum lease payments for operating leases mainly relate to rent obligations from the leasing of real estate as well as other equipment, fixtures, furniture and office equipment.

At present there are no pending or foreseeable court cases or arbitration proceedings which could have significant effects on the economic situation of the Brenntag Group.

During tax audits related to alcohol tax, the customs authorities discovered that for 2006 and 2007 alcohol had been delivered to two customers within Germany without the excise duty permits necessary for tax-free delivery. As the excise duty permits had, however, been obtained for the onward delivery of the alcohol to final customers, there was no tax evasion. Therefore, we and our advisors are expecting our request for the waiving of the applicable alcohol tax amounting to €38.9 million to be granted.

REPORTING OF FINANCIAL INSTRUMENTS

Carrying amounts, valuations and fair values according to measurement categories

The allocation of the financial assets recognized in the balance sheet to the measurement categories under IAS 39 is shown in the table below:

	2009					
Measurement in the balance sheet:	**at amortized cost**	**at fair value**			**December 31, 2009**	
Measurement category under IAS 39:	**Loans and receivables**	**Financial assets at fair value through profit or loss**	**Available-for-sale financial assets**	**Hedging derivatives under IAS 39**	**Carrying amount**	**Fair value**
	€ million					
Cash and cash equivalents	602.6	—	—	—	602.6	602.6
Trade receivables	831.4	—	—	—	831.4	831.4
Other receivables	65.7	—	—	—	65.7	65.7
Other financial assets	14.9	0.6	1.4	—	16.9	16.9
Total	**1,514.6**	**0.6**	**1.4**	**—**	**1,516.6**	**1,516.6**

	2008					
Measurement in the balance sheet:	**at amortized cost**	**at fair value**			**December 31, 2008**	
Measurement category under IAS 39:	**Loans and receivables**	**Financial assets at fair value through profit or loss**	**Available-for-sale financial assets**	**Hedging derivatives under IAS 39**	**Carrying amount**	**Fair value**
	€ million					
Cash and cash equivalents	298.7	—	—	—	298.7	298.7
Trade receivables	979.1	—	—	—	979.1	979.1
Other receivables	77.3	—	—	—	77.3	77.3
Other financial assets	13.0	18.3	1.9	3.4	36.6	36.6
Total	**1,368.1**	**18.3**	**1.9**	**3.4**	**1,391.7**	**1,391.7**

The majority of the financial assets in the loans and receivables category measured at amortized cost have remaining terms of less than one year. Their carrying amounts at the balance-sheet date are therefore approximately their fair values.

Of the other receivables shown in the balance sheet, € 40.8 million (prior period: € 38.0 million) are not financial assets within the meaning of IFRS 7. They are mainly receivables from value added tax and other taxes, prepaid expenses, and receivables from plan assets.

The allocation of the financial liabilities recognized in the balance sheet to the measurement categories under IAS 39 is shown in the table below:

€ million	2009					
Measurement in the balance sheet:	at amortized cost	at fair value			December 31, 2009	
Measurement category under IAS 39:	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit or loss	Hedging derivatives under IAS 39	Valuation under IAS 17	Carrying amount	Fair value
Trade payables	655.6	—	—	—	655.6	655.6
Other liabilities	243.4	—	—	—	243.4	243.4
Liabilities to minorities under IAS 32	2.1	—	—	—	2.1	2.1
Financial liabilities	3,078.5	5.4	34.5	20.1	3,138.5	3,184.2
Total	**3,979.6**	**5.4**	**34.5**	**20.1**	**4,039.6**	**4,085.3**

€ million	2008					
Measurement in the balance sheet:	at amortized cost	at fair value			December 31, 2008	
Measurement category under IAS 39:	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit or loss	Hedging derivatives under IAS 39	Valuation under IAS 17	Carrying amount	Fair value
Trade payables	694.5	—	—	—	694.5	694.5
Other liabilities	229.2	—	—	—	229.2	229.2
Liabilities to minorities under IAS 32	3.3	—	—	—	3.3	3.3
Financial liabilities	3,207.3	1.2	23.5	21.9	3,253.9	3,283.3
Total	**4,134.3**	**1.2**	**23.5**	**21.9**	**4,180.9**	**4,210.3**

The majority of the trade payables measured at amortized cost and other liabilities have remaining terms of less than one year. Their carrying amounts at the balance-sheet date are therefore approximately their fair values. The fair values of the financial liabilities have been determined using the discounted cash flow method on the basis of current interest curves.

Of the other liabilities shown in the balance sheet, € 67.3 million (prior period: € 67.7 million) are not financial liabilities within the meaning of IFRS 7. They are mainly liabilities from value added tax and other taxes, liabilities under staff leave entitlements as well as deferred income.

The allocation of the financial assets and liabilities recognized in the balance sheet at fair value to the levels of the IFRS 7 fair value hierarchy is shown in the table below:

Hierarchy level	Level 1 (2009, € million)	Level 2 (2009, € million)	Level 3 (2009, € million)	Dec. 31, 2009
Financial assets at fair value through profit or loss	—	0.6	—	0.6
Financial liabilities at fair value through profit or loss	—	5.4	—	5.4
Available-for-sale financial assets	1.4	—	—	1.4
Hedging derivatives under IAS 39 with negative fair values	—	34.5	—	34.5

Hierarchy level	Level 1 (2008, € million)	Level 2 (2008, € million)	Level 3 (2008, € million)	Dec. 31, 2008
Financial assets at fair value through profit or loss	—	18.3	—	18.3
Financial liabilities at fair value through profit or loss	—	1.2	—	1.2
Available-for-sale financial assets	1.9	—	—	1.9
Hedging derivatives under IAS 39 with positive fair values	—	3.4		3.4
Hedging derivatives under IAS 39 with negative fair values	—	23.5	—	23.5

The net results from financial assets and liabilities broken down into measurement categories are as follows:

€ million	2009							
	from interest		from subsequent measurement					
			at fair value		currency translation		balance of impairments	net result
	gains	losses	gains	losses	gains	losses		
Loans and receivables	4.0	—	—	—	37.8	−25.2	−14.1	2.5
Financial assets and liabilities at fair value through profit or loss	0.2	—	38.4	−55.9	—	—	—	−17.3
Hedging derivatives under IAS 39	0.3	−17.3	—	—	—	—	—	−17.0
Liabilities from finance leases under IAS 17	—	−1.9	—	—	—	—	—	−1.9
Financial liabilities measured at amortized cost	—	−188.5	—	—	29.2	−25.6	—	−184.9
Total	**4.5**	**−207.7**	**38.4**	**−55.9**	**67.0**	**−50.8**	**−14.1**	**−218.6**

€ million	2008							
	from interest		from subsequent measurement					
			at fair value		currency translation		balance of impairments	net result
	gains	losses	gains	losses	gains	losses		
Loans and receivables	10.3	—	—	—	29.7	−46.1	−14.4	−20.5
Financial assets and liabilities at fair value through profit or loss	0.2	—	46.8	−23.0	—	—	—	24.0
Hedging derivatives under IAS 39	8.8	−3.1	—	—	—	—	—	5.7
Liabilities from finance leases under IAS 17	—	−2.2	—	—	—	—	—	−2.2
Financial liabilities measured at amortized cost	—	−263.3	—	—	24.3	−48.4	—	−287.4
Total	**19.3**	**−268.6**	**46.8**	**−23.0**	**54.0**	**−94.5**	**−14.4**	**−280.4**

The net interest result is shown under finance income and finance costs. Of the interest expense on liabilities to third parties contained in finance costs, € 1.8 million (prior period: € 1.4 million) is interest expense which is not part of the effective interest on financial liabilities measured at amortized cost.

With the exception of impairments of trade receivables and other receivables, the net results from subsequent measurement are shown under other financial result. The impairments of trade receivables and other receivables are shown under other operating expenses and the income from the receipt of trade receivables derecognized in prior periods is shown under other operating income.

Nature and extent of risks arising from financial instruments

According to IFRS 7, risks arising from financial instruments can typically be divided into market risks, credit risks and liquidity risks.

In the market risk category, the Brenntag Group's global business operations expose it particularly to exchange rate and interest rate risks. The management and monitoring of these risks are the responsibility of the central department, Corporate Finance & Controlling. Whilst the interest rate risks are solely managed centrally, the Group companies are responsible for handling the exchange rate risks arising from their business operations. The Group companies have been instructed to reduce any exchange rate risks to a minimum.

Brenntag Holding GmbH, Mülheim an der Ruhr is available as a contract partner for the Group companies for exchange rate hedging transactions, its own exposure being hedged by back-to-back transactions with banks. If the Group companies contract hedges directly with the banks, the Corporate Finance & Controlling is regularly informed of their nature and extent.

Currency risks

Currency risks arise particularly when monetary items or contracted future transactions are in a different currency to the functional currency of a company.

Any foreign currency risk for monetary items and contracted transactions is generally hedged in full, taking into account the claims and obligations in the same currency and with the same maturity. Forward exchange contracts and cross-currency swaps are used as hedging instruments. The derivative financial instruments used have maturities of less than one year and are not included in hedge accounting.

If the euro had been worth 10% more or less against all currencies at December 31, 2009, translation of the monetary items in foreign currency into the Group currency, euro, allowing for the foreign exchange forward deals and foreign exchange swaps still open on December 31, 2009 would have decreased the financial result by € 6.9 million (prior period: € 6.2 million) or increased it by € 8.4 million (prior period: € 7.6 million). The change in the financial result is mainly due to the higher or lower value of the euro against the pound sterling, Polish zloty and Australian dollar.

Interest rate risks

Interest rate risks can occur due to changes in the market interest rates. The risks result from changes in the fair values of fixed-interest financial instruments or from changes in the cash flows of variable-interest financial instruments. The optimal structure of variable and fixed interest rates is determined as part of interest risk management. It is not possible to simultaneously minimize both kinds of interest rate risk.

Due to its funding through a variable-interest syndicated loan, the Brenntag Group is exposed to an interest rate risk in the form of a cash flow risk. Interest rate swaps, basis swaps and interest caps have been concluded to limit that risk to the degree stipulated by the management. With the interest rate swaps, a fixed interest rate is paid every six months and a variable interest rate received. With the interest caps, any compensation payment is determined every six months. The interest rate swaps and interest caps have, whenever possible, been included in cash flow hedge accounting. In the period up to July 22, 2013, the amounts transferred to the cash flow hedge reserve are recognized as finance costs when the cash flow occurs.

The cash flow hedge reserve has developed as follows:

	Cash flow hedge reserve € million
Dec. 31, 2007	**6.5**
Changes in the fair value of cash flow hedges	−26.1
Reclassifications to finance costs	−5.7
Dec. 31, 2008	**−25.3**
Changes in the fair value of cash flow hedges	−18.0
Reclassifications to finance costs	16.6
Dec. 31, 2009	**−26.7**

The changes of the non-effective part of the fair value of the financial instruments included in cash flow hedge accounting shown under finance costs amount to € 0.3 million (in the prior period: € 0.0 million).

If the market interest rate in 2009 had been 25 basis points (prior period: 25 basis points) higher or lower (related to the total amount of derivatives as well as variable-interest financial assets and liabilities at December 31, 2009), the financial result would have been € 3.7 million lower or € 3.7 million higher (prior period: € 3.3 million lower or € 3.3 million higher). Without allowing for deferred taxes, the cash flow hedge reserve would have been € 3.8 million higher (prior period: € 3.6 million higher) or € 3.8 million lower (prior period: € 3.6 million lower).

Credit risks

There is a credit risk with non-derivative financial instruments when contractually agreed payments are not made by the relevant contractual parties. As the Brenntag Group has diverse business operations in many different countries, significant concentrations of credit risks from trade receivables as well as from loans are not to be expected. The expected credit risk from individual receivables is allowed for by write-downs of the assets. The maximum credit risk of the non-derivative financial instruments corresponds to their carrying amounts.

With the derivative financial instruments used, the maximum credit risk is the sum total of all positive fair values of these instruments as, in the event of non-performance by the contractual parties, losses on assets would be restricted to this amount. As derivative financial instruments have only been concluded with banks which we consider to have a first-rate credit standing, significant credit risks are not to be expected.

Liquidity risks

The liquidity risk is the risk that the Brenntag Group may in future not be able to meet its contractual payment obligations. Due to the fact that the Brenntag Group's business is not subject to any pronounced seasonal fluctuations, there is relatively little fluctuation in liquidity during the financial year.

To ensure that the Brenntag Group can pay at all times, it not only has appropriate liquidity reserves in the form of cash and cash equivalents but also credit lines under the syndicated loan which can be utilized as needed. In order to identify the liquidity risks, the Group has a multi-annual liquidity plan which is regularly reviewed and adjusted if necessary.

The undiscounted cash flows resulting from financial liabilities are shown in the following table below:

	Carrying amount Dec. 31, 2009	Cash flows 2010 — 2015ff. 2010	2011	2012	2013	2014	2015ff
	€ million						
Trade payables	655.6	655.6	—	—	—	—	—
Other liabilities	310.7	309.0	1.7	—	—	—	—
Liabilities to minorities under IAS 32	2.1	2.1	—	—	—	—	—
Liabilities under syndicated loan	2,160.4	77.0	97.5	107.8	162.1	1,140.3	1,056.9
Other liabilities to banks	198.8	23.3	5.1	174.4	0.9	11.3	—
Liabilities under finance leases	20.1	5.4	4.2	2.9	5.8	1.3	10.9
Liabilities to related companies	702.2	—	—	—	—	—	1,380.6
Derivatives financial instruments	39.9	—	—	—	—	—	—
Cash inflows	—	187.2	13.1	6.1	7.3	—	—
Cash outflows	—	216.7	24.0	5.9	5.9	—	—
Other financial liabilities	17.1	7.1	6.4	2.8	2.5	1.5	1.2
Total	**4,106.9**	**1,109.0**	**125.8**	**287.7**	**169.9**	**1,154.4**	**2,449.6**

	Carrying amount Dec. 31, 2008	Cash flows 2009 — 2014ff. 2009	2010	2011	2012	2013	2014 ff.
	€ million						
Trade payables	694.5	694.5	—	—	—	—	—
Other liabilities	229.2	225.8	0.2	1.9	—	0.4	0.9
Liabilities to minorities under IAS 32	3.3	3.3	—	—	—	—	—
Liabilities under syndicated loan	2,295.4	170.3	183.4	191.9	194.7	180.5	2,433.2
Other liabilities to banks	248.6	38.9	207.4	1.3	1.1	1.2	13.6
Liabilities under finance leases	21.9	6.2	4.8	3.6	2.3	5.4	11.5
Liabilities to related companies	637.5	—	—	—	—	—	1,380.6
Derivatives financial instruments	24.7	—	—	—	—	—	—
Cash inflows	—	36.6	—	—	—	—	—
Cash outflows	—	42.4	14.1	5.8	—	—	—
Other financial liabilities	25.8	11.7	7.4	3.9	2.2	2.3	2.2
Total	**4,180.9**	**1,156.5**	**417.3**	**208.4**	**200.3**	**189.8**	**3,842.0**

DERIVATIVE FINANCIAL INSTRUMENTS

The nominal volume and fair values of derivative financial instruments are shown in the table below:

	Dec. 31, 2009			Dec. 31, 2008		
	Nominal volume	Positive fair value	Negative fair value	Nominal volume	Positive fair value	Negative fair value
	€ million					
Foreign exchange forward transactions and foreign exchange swaps excluding hedge accounting	222.1	0.6	5.2	175.5	17.6	1.2
Interest rate swaps in hedge accounting	882.7	—	34.3	860.0	1.1	23.5
Interest rate swaps excluding hedge accounting	—	—	—	66.0	0.7	—
Interest caps in hedge accounting	185.0	—	—	385.0	2.3	—
Interest caps excluding hedge accounting	100.0	—	—	71.9	—	—
Basis swaps in hedge accounting	131.9	—	0.2	—	—	—
Basis swaps excluding hedge accounting	138.8	—	0.2	—	—	—
Total		**0.6**	**39.9**		**21.7**	**24.7**

RELATED PARTIES

During its normal business activities, Brenntag Management GmbH also obtains services from and provides services for related parties. These related parties are the subsidiaries included in the consolidated financial statements as well as associates and joint ventures accounted for at equity. Furthermore, the parent company of Brenntag Management GmbH is considered to be a related party. The parent company of Brenntag Management GmbH — and at the same time ultimate controlling entity - is Brachem Acquisition S.C.A., Luxembourg, represented by its general partner, Brahms Chemical Intermediate SA, Luxembourg.

Related parties are also the members of the management and the supervisory boards of Brenntag Management GmbH.

The short-term benefits for the managing directors of Brenntag Management GmbH for the financial year ended December 31, 2009 (including expenses arising from a multiannual incentive program) total € 25.5 million (prior period: € 5.0 million) including compensation for work performed at subsidiaries. The figure in 2009 includes expenses in connection with the early termination of a multiannual incentive program amounting to € 22.8 million; of which € 12.8 million is attributable to the North America segment, € 5.2 million to the Europe segment and € 4.8 million to all other segments. Furthermore, in the previous period one-off payments of € 0.4 million were made in connection with the termination of employment contracts. Future pension entitlements earned in the reporting period (current service cost) and payments into defined contribution plans amount to € 0.1 million (prior period: € 0.1 million). Apart from the aforementioned, there were no transactions with related parties.

Along with other senior managers of the Brenntag Group, the managing directors of Brenntag Management GmbH are included in a management participation programme at the parent company Brachem Acquisition S.C.A., Luxembourg. Under this programme, the eligible managers purchase shares in Brachem Acquisition S.C.A., Luxembourg, at market prices through management participation companies.

The following business transactions were performed with the related parties on terms equivalent to those that prevail in arm's length transactions:

	2009	2008
	€ million	
Sales revenue from transactions with joint ventures	7.3	19.7
Sales revenue from transactions with associates	0.3	0.3
Goods and services rendered by associates	0.4	0.4
Goods and services rendered by parent company	0.3	0.2
Interest expenses to parent company	64.7	58.8

	Dec. 31, 2009	Dec. 31, 2008
	€ million	
Trade receivables	—	1.3
(thereof joint ventures)	(—)	(1.0)
(thereof associates)	(—)	(0.3)
Financial receivables	3.8	2.1
(thereof associates)	(0.6)	(—)
(thereof parent company)	(3.2)	(2.1)
Trade payables	—	0.1
(thereof joint ventures)	(—)	(0.1)
Financial liabilities	702.2	637.5
(thereof parent company)	(702.2)	(637.5)

The transactions of Brenntag Management GmbH with consolidated subsidiaries as well as between consolidated subsidiaries have been eliminated in the consolidated financial statements.

The financial liabilities relate to a loan granted by Brachem Acquisition S.C.A., Luxembourg, which is described in detail under note 27.) Equity / Economic capital.

AUDIT FEES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The following fees for the services of the auditors of the consolidated financial statements, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, were recognized as expenses:

	2009	2008
	€ million	
Audit of year-end financial statements	0.8	0.9
Other assurance or valuation services	0.5	0.7
Tax advisory services	0.1	0.1
Other services rendered	0.2	0.3
Total	**1.6**	**2.0**

EXEMPTIONS PURSUANT TO SECTION 264, PARA. 3, HGB

The following subsidiaries intend to make use of the exemptions pursuant to Section 264, para. 3, of the German Commercial Code (HGB):

Brenntag Holding GmbH, Mülheim an der Ruhr

Brenntag Germany Holding GmbH, Mülheim an der Ruhr

Brenntag Foreign Holding GmbH, Mülheim an der Ruhr

Brenntag Beteiligungs GmbH, Mülheim an der Ruhr

BRENNTAG GmbH, Duisburg

BRENNTAG International Chemicals GmbH, Mülheim an der Ruhr

Brenntag Real Estate GmbH, Mülheim an der Ruhr

Herkommer & Bangerter Vertriebs GmbH, Neuenburg am Rhein

SUBSEQUENT EVENTS

On February 17, 2010 the Brenntag Group signed an amendment agreement with the syndicated loan lenders which enables the Brenntag Group to retain the existing syndicated loan, also in the event of a possible IPO. In addition to amendments designed to enable an IPO with a market-adequate financing structure, there are a large number of changes which give the Group greater flexibility under the syndicated loan for the time after any IPO. Most changes are subject to the condition that an IPO actually takes place, in which the Mezzanine liabilities are repaid in full and certain leverage covenants are met. In this case, the margins on the variable-interest tranches of the syndicated loan then still outstanding would increase. The transaction costs incurred as a result of the amendment agreement will be recorded in full in 2010 under finance costs.

Mülheim an der Ruhr, February 23, 2010

Brenntag Management GmbH

THE MANAGEMENT

Stephen R. Clark	Jürgen Buchsteiner
Steven E. Holland	Michael Andrew Twinning

Management of Brenntag Management GmbH

The responsibilities of the managing directors of Brenntag Management GmbH are as follows:

Stephen R. Clark	Managing Director, Chairman and CEO Communications Corporate Development HR Internal Audit
Jürgen Buchsteiner	Managing Director, Chief Financial Officer Group Accounting Finance & Controlling, IR Legal M & A Risk Management Tax
Steven E. Holland	Managing Director, Chief Operating Officer Operations - North America - Latin America - Europe - Asia / Pacific HSE
Michael Andrew Twinning	Managing Director

Supervisory Committee of Brachem Acquisition S.C.A., Luxembourg

At the end of September 2006, equity funds advised by BC Partners, Bain Capital and Goldman acquired all shares in Brenntag Investor Holding GmbH, the then German parent company of the Brenntag Group, through subsidiaries of Brenntag Management GmbH (formerly Brahms Acquisition GmbH). The parent company of Brenntag Management GmbH is Brachem Acquisition S.C.A. The Supervisory Committee of Brachem Acquisition S.C.A. is made up of the following members:

Jens Reidel (until August 4, 2009)	BC Partners — Chairman of BC Partner Ltd.
Stefan Zuschke	BC Partners — Managing Director of BC Partner GmbH Beteiligungsberatung
Thomas Weinmann	BC Partners — Partner in BC Partner GmbH Beteiligungsberatung
Erol Ali Dervis	BC Partners — Partner in BC Partner GmbH Beteiligungsberatung
Doreen Nowotne (from August 24, 2009)	BC Partners — Partner BC Partner GmbH Beteiligungsberatung
Dr Michael Siefke	Bain Capital — Managing Director of Bain Capital Beteiligungsberatung GmbH

The following auditor's report (Bestätigungsvermerk) has been issued in accordance with § 322 German Commercial Code (Handelsgesetzbuch) on the consolidated financial statements and the group management report (Konzernlagebericht) of Brenntag Management GmbH as of and for the fiscal year ended December 31, 2009.

The group management report is neither included nor incorporated by reference in this Prospectus.

Auditor's Report

We have audited the consolidated financial statements prepared by the Brenntag Management GmbH, Mülheim an der Ruhr, comprising the statement of financial position, the income statement and statement of comprehensive income, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from January 1, 2009 to December 31, 2009. The preparation of the consolidated financial statements and the group management report in

accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) are the responsibility of the company's Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Düsseldorf, February 24, 2010

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

(sgd. Klaus-Dieter Ruske)	(sgd. Frank Hübner)
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

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Brenntag Management GmbH
Mülheim an der Ruhr

Consolidated Financial Statements in Accordance with IFRS (International Financial Reporting Standards) at December 31, 2008

Consolidated Income Statement

	Note	2008	2007
		€ million	
Sales	1.)	7,379.6	6,671.4
Cost of goods sold	2.)	−5,887.3	−5,316.9
Gross profit		**1,492.3**	**1,354.5**
Selling expenses	3.)	−1,111.0	−1,058.8
Administrative expenses	4.)	−119.4	−121.2
Other operating income	5.)	43.6	46.0
Other operating expenses	6.)	−27.3	−18.3
Operating profit		**278.2**	**202.2**
Result of investments accounted for at equity	7.)	4.1	3.4
Finance income	8.)	16.4	21.2
Finance costs	9.)	−281.3	−290.7
Distribution to minorities under IAS 32		−2.0	−3.1
Other financial result	10.)	−16.7	−2.5
Financial result		**−279.5**	**−271.7**
Loss before taxes		**−1.3**	**−69.5**
Income taxes	11.)	−40.5	6.3
Net loss for the period		**−41.8**	**−63.2**
Attributable to:			
Brenntag shareholders		−42.1	−64.0
Minority shareholders	12.)	0.3	0.8

Consolidated Balance Sheet

	Note	Dec. 31. 2008	Dec. 31, 2007
		€ million	
Assets			
Current Assets			
Cash and cash equivalents	13.)	298.7	343.8
Trade receivables	14.)	979.1	976.0
Other receivables	15.)	95.2	97.3
Other financial assets	16.)	26.5	6.7
Current tax assets		27.8	33.5
Inventories	17.)	547.2	526.5
Non-current assets held for sale	18.)	6.0	7.8
		1,980.5	**1,991.6**
Non-current Assets			
Property, plant and equipment	19.)	795.6	813.6
Intangible assets	20.)	1,896.6	1,941.6
Investments accounted for at equity	21.)	34.7	34.2
Other receivables	15.)	20.1	22.5
Other financial assets	16.)	10.1	23.0
Deferred tax assets	11.)	55.0	40.9
		2,812.1	**2,875.8**
		4,792.6	**4,867.4**
Liabilities and Equity			
Current Liabilities			
Trade payables	22.)	694.5	741.0
Financial liabilities	23.)	119.0	138.1
Other liabilities	24.)	293.5	283.1
Other provisions	25.)	55.5	44.7
Current tax liabilities		21.3	25.0
		1,183.8	**1,231.9**
Non-Current Liabilities			
Financial liabilities	23.)	3,134.9	3,061.4
Other liabilities	24.)	3.4	5.1
Other provisions	25.)	142.1	148.5
Provisions for pensions and similar obligations	26.)	53.9	52.5
Liabilities to minorities under IAS 32	27.)	3.3	4.1
Deferred tax liabilities	11.)	142.9	166.2
		3,480.5	**3,437.8**
Equity	27.)		
Share capital*)		—	—
Retained earnings and additional paid-in capital		199.5	241.6
Other comprehensive income		−80.6	−57.3
Shares of Brenntag shareholders		118.9	184.3
Equity attributable to minority interests		9.4	13.4
		128.3	**197.7**
		4,792.6	**4,867.4**

* € 25,000

Consolidated Statement of Changes in Equity

	Share capital*)	Retained earnings and additional paid-in capital	Other comprehensive income: Exchange rate differences	Cash flow hedge reserve	Deferred tax cash flow hedge reserve	Equity excluding minority interests	Minority interests	Equity
	€ million							
December 31, 2006	**—**	**305.6**	**−23.6**	**5.8**	**−0.9**	**286.9**	**12.8**	**299.7**
Currency translation difference	—	—	−39.8	—	—	−39.8	1.2	−38.6
Change in the fair value of cash flow hedges	—	—	—	3.8	−0.4	3.4	—	3.4
Reclassifications to income statement	—	—	—	−3.1	0.9	−2.2	—	—2.2
Income and expenses recognized directly in equity	**—**	**—**	**−39.8**	**0.7**	**0.5**	**−38.6**	**1.2**	**−37.4**
Net loss for the period	—	−64.0	—	—	—	−64.0	0.8	−63.2
Total income and expense for the period	**—**	**−64.0**	**−39.8**	**0.7**	**0.5**	**−102.6**	**2.0**	**−100.6**
Dividend distribution	—	—	—	—	—	—	−1.4	−1.4
December 31, 2007	**—**	**241.6**	**−63.4**	**6.5**	**−0.4**	**184.3**	**13.4**	**197.7**
Currency translation difference	—	—	−0.3	—	—	−0.3	−2.2	−2.5
Change in the fair value of cash flow hedges	—	—	—	−26.1	8.0	−18.1	—	−18.1
Reclassifications to income statement	—	—	—	−5.7	0.8	−4.9	–	−4.9
Income and expenses recognized directly in equity	**—**	**—**	**−0.3**	**−31.8**	**8.8**	**−23.3**	**−2.2**	**−25.5**
Net loss for the period	—	−42.1	—	—	—	−42.1	0.3	−41.8
Total income and expense for the period	**—**	**−42.1**	**−0.3**	**−31.8**	**8.8**	**−65.4**	**−1.9**	**−67.3**
Dividend distribution	—	—	—	—	—	—	−2.1	−2.1
December 31, 2008	**—**	**199.5**	**−63.7**	**−25.3**	**8.4**	**118.9**	**9.4**	**128.3**

*) € 25,000

Consolidated Cash Flow Statement

	Note	2008	2007
		€ million	
	(28)		
Net loss for the period		**−41.8**	**−63.2**
Depreciation and amortization		202.7	205.7
Tax expense/income		40.5	−6.3
Income tax payments		−67.9	−51.6
Interest result		264.9	269.5
Interest payments (net)		−177.9	−193.2
Dividends received		1.1	1.8
Changes in provisions		−8.7	−5.8
Changes in current assets and liabilities			
Inventories		−17.5	−53.8
Receivables		3.2	−77.9
Liabilities		−53.6	91.9
Non-cash distribution under IAS 32		2.0	3.1
Other non-cash expenses and income		30.1	−3.7
Cash provided by operating activities		**177.1**	**116.5**
Proceeds from the sale of consolidated subsidiaries and other business units		3.8	—
Proceeds from disposals of other financial assets		1.5	4.3
Proceeds from disposals of intangible assets as well as property, plant and Equipment		5.0	4.4
Purchases of consolidated subsidiaries and other business units		−102.1	−96.3
Purchases of other financial assets		−1.7	−6.0
Purchases of intangible assets as well as property, plant and equipment		−79.7	−91.4
Cash used for investing activities		**−173.2**	**−185.0**
Dividends paid to minority shareholders		−5.9	−4.8
Proceeds from borrowings		67.6	—
Repayments of borrowings		−113.0	−103.2
Cash used for financing activities		**−51.3**	**−108.0**
Change in cash and cash equivalents		**−47.4**	**−176.5**
Change in cash and cash equivalents due to currency gains/losses		2.3	−12.8
Cash and cash equivalents at beginning of period		343.8	533.1
Cash and cash equivalents at end of period		**298.7**	**343.8**

Notes

GENERAL INFORMATION

As one of the world's leading chemicals distributors with more than 300 locations, Brenntag[1] offers its customers and suppliers an extensive range of services and global supply chain management as well as a highly developed chemicals distribution network in Europe, North and Latin America as well as in the Asia / Pacific region.

These consolidated financial statements of Brenntag Management GmbH were prepared by the Management on March 9, 2009.

The Brenntag consolidated financial statements are denominated in euro (€). Unless otherwise stated, the amounts are in million euro (€ million). For arithmetic reasons, rounding differences of ± one unit after the decimal point (€, % etc.) may occur.

CONSOLIDATION POLICIES AND METHODS

Standards applied

The consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) — as adopted in the EU.

The IFRS comprise the IFRS issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS) as well as interpretations by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

The accounting methods applied comply with all the standards and interpretations existing and adopted by the EU as at December 31, 2008. In addition, the German commercial law provisions to be applied in accordance with Section 315a, para. 1 HGB (German Commercial Code) are taken into account.

The following (in some cases revised) standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) were to be applied to the Brenntag Group for the first time in the 2008 financial year:

- Amendments to IAS 39 (Financial Instruments: Recognition and Measurement) and IFRS 7 (Financial Instruments: Disclosures)
- IFRIC 11 (IFRS 2 — Group and Treasury Share Transactions)

The first-time application of these revised standards and new interpretations had no material effect on the presentation of the net assets, financial position and results of operations of the Brenntag Group.

The following (in some cases revised) standards and interpretations had been published by the end of 2008 but their adoption is not yet mandatory:

- Amendments to IFRS 1 (First-time adoption of International Financial Reporting Standards) and IAS 27 (Consolidated and Separate Financial Statements)
- Amendments to IFRS 2 (Share-based Payment)
- IFRS 3 (Business Combinations — Revised January 2008)
- IFRS 8 (Operating Segments)
- IAS 1 (Presentation of Financial Statements — Revised September 2007)
- Amendments to IAS 1 (Presentation of Financial Statements) and IAS 32 (Financial Instruments: Presentation)
- IAS 23 (Borrowing Costs — Revised March 2007)
- IAS 27 (Consolidated and Separate Financial Statements — Revised January 2008)
- Amendments to IAS 39 (Financial Instruments: Recognition and Measurement)
- IFRIC 12 (Service Concession Arrangements) ➔ endorsement not until first quarter of 2009
- IFRIC 13 (Customer Loyalty Programmes)

[1] Brenntag Management GmbH, Stinnes-Platz 1, 45472 Mülheim an der Ruhr, Germany

- IFRIC 14 (IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction)
- IFRIC 15 (Agreements for the Construction of Real Estate)
- IFRIC 16 (Hedges of a Net Investment in a Foreign Operation)
- IFRIC 17 (Distributions of Non-cash Assets to Owners)
- Improvements to IFRSs (2008)

The above-mentioned standards and interpretations will probably only be applied in the Brenntag consolidated financial statements when their adoption is mandatory and if they are endorsed by the European Union. The effective date is the 2009 financial year for IFRS 8, IAS 1, IAS 23, the amendments to IFRS 1 and IAS 27, the amendments to IFRS 2, the amendments to IAS 1 and IAS 32, IFRIC 12 to 16 as well as the improvements to IFRSs and the 2010 financial year for IFRS 3, IAS 27, the amendments to IAS 39 and IFRIC 17.

IFRS 3 (Business Combinations) will lead to material changes in the accounting of business combinations. The new IFRS 3 does not allow the capitalization of costs directly attributable to the business combination and introduces clearer requirements for the separation of a business combination from other transactions. Furthermore, any changes in estimates of a purchase price payable are generally not to be recognized by adjusting goodwill but directly recognized as expense or income.

The revised IAS 27 stipulates that share acquisitions and sales which have no influence on existing control are to be recognized directly in equity (economic entity approach). In the case of successive share acquisitions which lead to the control of an entity or in the case of the sale of shares with the loss of control, the standard requires the remeasurement of the shares already held in the first case and the remaining shares in the second case at their fair value to affect net income.

IFRS 8 (Operating Segments) provides for the mandatory adoption of the so-called management approach for segment reporting. According to this approach, reporting must be based on the internal control and reporting information used by the top management for assessing segment performance and making resource allocations.

The Improvements to IFRSs contains a large number of minor changes to various IFRSs. The changes are to clarify the content of the regulations and eliminate any inconsistencies.

Under IAS 23 (Borrowing Costs), the capitalization of borrowing costs is mandatory in future. As the Brenntag Group is already making use of the previous option to capitalize borrowing costs, there will be no effects on the consolidated financial statements of the Brenntag Group from the amendments to this standard.

There are also not expected to be any significant changes for the Brenntag Group from the other standards and interpretations not yet applied.

Scope of Consolidation

As at December 31, 2008, the consolidated financial statements include Brenntag Management GmbH and 30 domestic (prior period: 31) and 145 foreign (prior period: 139) fully consolidated subsidiaries and special purpose entities.

One joint venture (prior period: one) and seven associates (prior period: eight) are accounted for at equity.

The table below shows the changes in the number of fully consolidated companies and special purpose entities since January 1, 2008:

	Jan. 1, 2008	Additions	Disposals	Dec. 31, 2008
Domestic consolidated companies	32	—	1	31
Foreign consolidated companies	139	16	10	145
Total consolidated companies	**171**	**16**	**11**	**176**

The additions relate to the companies acquired as part of business combinations in accordance with IFRS 3 as well as the establishment of Brenntag Asia Pte. Ltd, Singapore.

The disposals result from mergers as well as from the liquidation of companies no longer operating.

The subsidiaries and special purpose entities, associates and joint ventures of Brenntag Management GmbH are listed in Appendix A.

Business combinations in accordance with IFRS 3

In June 2008, the nitrogen distribution business in Sweden and Belgium was acquired from Yara International ASA, Oslo, as part of asset deals.

With effect from July 31, 2008, 100% of the shares in C.N. Schmidt B.V., Amsterdam, were acquired.

With effect from September 30, 2008, chemical distribution companies in the Asia / Pacific region were taken over from the Rhodia Group.

100 % of the shares in the Dipol Group with sites in Ukraine, Russia and Latvia were acquired with effect from November 1, 2008.

In addition, there were further smaller acquisitions as part of share and asset deals.

All assets and liabilities acquired were recognized at the fair value on the date of acquisition (step up). Additional intangible assets (customer relationships and similar rights) and contingent liabilities which were not recognized in the balance sheet of the companies acquired have been accounted for after allowing for tax effects. The difference between the purchase price and the revalued share of net assets was recognized as goodwill.

The following table shows how goodwill was determined:

	€ million
Purchase price	109.0
Directly attributable costs	2.0
Cost of acquisition	111.0
less fair value of the share of net assets	62.8
Goodwill	**48.2**

In accordance with IFRS 3, goodwill is not amortized. It contains an assembled workforce of € 2.0 million which, according to IFRS 3 in conjunction with IAS 38, may not be recognized separately. A cost-based approach was chosen to value the assembled workforce, according to which the costs for recruitment and work familiarization of a comparable assembled workforce were determined.

The outflow of resources as a result of the acquisitions has been determined as follows:

	€ million
Cost of acquisition	111.0
less purchase price liabilities	5.1
less cash and cash equivalents acquired	3.8
Purchases of consolidated subsidiaries and other business units	**102.1**

Effects of the measurement of assets and liabilities of the companies acquired at fair value

	Carrying amount to IFRS	Fair value (IFRS 3)
	€ million	
Assets		
Cash and cash equivalents	3.8	3.8
Trade receivables	31.5	30.7
Other financial assets and other receivables	6.3	6.3
Inventories	18.8	18.7
Property, plant and equipment	0.6	0.6
Customer relationships and similar rights	—	36.2
Other intangible assets	—	2.6
Deferred tax assets	0.3	0.2
Liabilities		
Trade payables	−23.5	−23.2
Miscellaneous other provisions	−1.6	−1.4
Liabilities to banks	−2.1	−2.1
Other liabilities	−6.5	−6.4
Deferred tax liabilities	—	—3.2
Net assets	**27.6**	**62.8**

Customer relationships and similar rights of € 36.2 million were identified as part of the business combinations. The multi-period excess earnings method was used to measure these customer relationships and similar rights.

If the first-time consolidations had taken place as at January 1, 2008, sales of € 7,567.1 million would have been shown for the Brenntag Group in 2008. The loss for the Brenntag Group in 2008 would have been € -45.8 million.

After their acquisition, the companies generated sales of € 73.4 million and net income of €0.1 million in 2008.

Consolidation methods

The consolidated financial statements include the financial statements — prepared according to uniform accounting and measurement methods — of Brenntag Management GmbH, the subsidiaries and the special purpose entities of Brenntag Management GmbH whose financial and business policies are controlled by Brenntag. This is normally the case when Brenntag Management GmbH holds the majority of voting rights either directly or indirectly or, due to its economic control, has the major economic benefit or bears the major risks from the business activities of the respective companies. Inclusion in the consolidated financial statements commences at the date on which the possibility of control exists and ends when the possibility of control no longer exists.

Acquisitions are accounted for using the purchase method in accordance with IFRS 3. The acquisition costs of the acquired company are considered to be the fair value of the assets given plus the costs directly attributable to the acquisition. If Brenntag does not acquire a 100% interest but if it is sufficiently probable at the time of the acquisition that further shares will be acquired, they are already allowed for when determining the acquisition costs and corresponding liabilities are recognized (deferred consideration). Identifiable assets, liabilities and contingent liabilities of an acquisition are measured at their fair value at the acquisition date, irrespective of the share of minority interests. Any remaining differences between the acquisition costs and the acquired proportionate net assets are recognized as goodwill.

Receivables, liabilities, expenses, income within the Brenntag Group and inter-company results are eliminated. Inter-company supplies and services are performed on the basis of the dealing at arm's length principle, as for third parties. Deferred taxes are recognized for temporary differences from consolidation transactions.

Associates and joint ventures of the Brenntag Group in which Brenntag holds significant or joint control are measured using the equity method. This is generally the case when Brenntag Management GmbH holds between 20% and 50% of the voting rights either directly or indirectly.

The same consolidation policies apply to companies accounted for at equity as to fully consolidated companies, whereby recognized goodwill is contained in the carrying amount of investments accounted for at

equity. Brenntag's share in the net profit / loss of the companies accounted for at equity is recognized directly in the income statement.

The accounting and measurement methods of the companies accounted for at equity were, as far as necessary, adjusted to the accounting and measurement methods of Brenntag.

Currency translation

Foreign currency receivables and liabilities in the single-entity statements are stated on initial recognition at the spot exchange rate at the date of the transaction. At the balance-sheet date or at the settlement date, foreign currency receivables and liabilities are translated at the closing rate and recognized as income or expense.

The items contained in the financial statements of each Group company are measured on the basis of the currency of the relevant primary economic environment in which the company operates (functional currency). The presentation currency of the Brenntag Group is the euro.

The single-entity financial statements of the companies from countries whose functional currency is not the euro have been translated into euro as follows:

Assets and liabilities are translated at the closing rate, income and expense at the annual average rate and equity is translated at the historical exchange rate. Goodwill and fair value adjustments resulting from the acquisition of foreign companies are also regarded as assets and liabilities of the foreign companies and translated at the closing rate.

Foreign currency differences resulting from the translation of balance-sheet items are treated as other comprehensive income and shown as a separate equity item as are the differences resulting from the application of different exchange rates in the balance sheet and the income statement.

For some countries in Latin America and in the Asia / Pacific region, the functional currency is the US dollar and not the local currency. Non-monetary items, which are measured at historical cost, above all property, plant and equipment, intangible assets, goodwill as well as environmental restoration provisions, are translated from the local currency into US dollars using the exchange rate at the date of the respective transaction. Monetary items are translated at the closing rate. All income and expenses are re-measured at the average exchange rate in the reporting period with the exception of depreciation and amortization, impairment losses and their reversals as well as income and expenses incurred in connection with environmental restoration provisions. These are re-measured at the same exchange rates as the underlying assets and liabilities. The resulting foreign currency differences are recognized directly in the income statement. After remeasurement in the functional currency, US dollars, the same method is used for translation from US dollars into the Group currency, the euro, as for companies whose functional currency is the local currency.

The single-entity financial statements of foreign companies accounted for at equity are translated using the same principles.

The euro exchange rates for major currencies developed as follows:

	Closing rate		Average rate	
	Dec. 31, 2008	Dec. 31, 2007	2008	2007
	€ 1 = currencies			
Canadian dollar (CAD)	1.6998	1.4449	1.5594	1.4678
Swiss franc (CHF)	1.4850	1.6547	1.5874	1.6427
Danish crown (DKK)	7.4506	7.4583	7.4560	7.4506
Pound sterling (GBP)	0.9525	0.7334	0.7963	0.6843
Polish zloty (PLN)	4.1535	3.5935	3.5121	3.7837
Swedish crown (SEK)	10.8700	9.4415	9.6152	9.2501
US dollar (USD)	1.3917	1.4721	1.4708	1.3705

ACCOUNTING AND MEASUREMENT POLICIES

Revenue recognition

Revenue is only recognized — net of value-added tax, cash discounts, discounts and rebates — when the following conditions have been satisfied:

(a) The significant risks and rewards of ownership of the goods have been transferred to the buyer.

(b) Brenntag retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

(c) The amount of revenue can be measured reliably.

(d) It is probable that the economic benefits associated with the transaction will flow to Brenntag.

(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

This is generally the case when the goods have been collected by the customer or have been dispatched by Brenntag or by a third party. In some cases, Brenntag retains title and risks of ownership until the goods arrive at the customer's premises.

Interest income is recognized as the interest accrues using the effective interest method.

Dividend income is recognized when the right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cheques, deposits held with banks and securities with an original term of three months or less.

Trade receivables, other receivables and other financial assets

Financial assets are divided into the following categories in line with the categories stipulated in IAS 39 in:

- Loans and receivables
- Available-for-sale financial assets
- Financial assets at fair value through profit or loss

Subsequent measurement of the financial assets depends on which of the above categories they are allocated to.

Cash and cash equivalents, trade receivables, other receivables and receivables included in other financial assets are classified in the loans and receivables category. They are measured at fair value plus transaction costs on initial recognition and carried at amortized cost in the subsequent periods.

If there are objective indications that financial assets classified as loans and receivables are not collectible in full, they are each written down to affect net income in line with the risk of loss. Furthermore, country-specific lumpsum impairment losses are recognized for receivables of the same loss risk categories, the basis for estimating the risk of loss being the extent to which the receivables are past due. The impairment losses are always posted to an offset account. If a receivable is uncollectible, the gross value and the impairment loss are both derecognized.

The securities and shares in companies in which the company does not have at least significant influence shown under other financial assets are classified as available-for-sale financial assets. They are measured on initial recognition at fair value plus transaction costs and subsequently at fair value. If these securities or company shares are traded on an active market, the fair value is the published quoted price at the balance-sheet date. If there is no active market, the fair value is established by using a suitable valuation technique. Assets whose fair value cannot be reliably measured are carried at cost. Changes in the fair value are recognized directly within equity in the revaluation reserve.

If financial assets classified as available-for-sale financial assets are permanently impaired, the income and expenses previously transferred to the revaluation reserve are reversed up to the value of acquisition costs. Any additional impairment losses are recognized directly in income. If the reasons for the impairment no longer exist, the impairment losses are reversed, except for impairment losses on equity instruments.

Derivative financial instruments shown under other financial assets which are not included in cash flow hedge accounting are classified as financial assets at fair value through profit or loss. They are measured at fair value on initial recognition and in the subsequent periods. Changes in the fair value are recognized directly in income.

No use is made of the option to designate non-derivative financial assets and liabilities as at fair value through profit and loss on their initial recognition.

The fair values of the foreign exchange forward transactions and foreign exchange swaps are established by comparing forward rates and discounted to the present value. The fair values of interest rate swaps and interest caps are determined using the discounted cash flow method or option price models on the basis of current interest curves.

The initial recognition of all non-derivative financial assets is performed at the respective settlement date. Derivative financial instruments are recognized in the balance sheet when Brenntag becomes a party to the contractual provisions of that instrument.

Financial assets are derecognized if the contractual rights to the cash flows from the financial asset have expired or have been transferred and Brenntag has transferred substantially all the risks and rewards of ownership.

Inventories

The inventories are mainly merchandise as well as smaller amounts of raw materials and supplies. These inventories are initially recognized at cost. Furthermore, production costs for the inventories produced through further processing are also capitalized.

Similar inventories are measured using the weighted average method.

For subsequent measurement, the inventories are measured at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value also covers effects from obsolescence or reduced marketability. Reversals of earlier write-downs of inventories are performed when the net realizable value of the inventories increases again.

Non-current assets held for sale

Non-current assets held for sale are recognized separately as such if the relevant carrying amount is mainly realized by a sale transaction and not by continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets held for sale are no longer depreciated.

Property, plant and equipment

Property, plant and equipment is shown at cost of acquisition or construction, and, except for land, depreciated over its estimated economic useful life on a straight-line basis.

Acquisition costs include all expenditure which can be directly attributed to the acquisition.

The cost of self-constructed property, plant and equipment comprises direct cost of materials and direct construction costs, appropriate allocations of material and construction overheads and an appropriate share of the depreciation of assets used in construction. Expenses for company pension plans and discretionary employee benefits that are attributable to construction are recognized in the construction costs if they can be directly allocated.

The cost of borrowings up to the date of completion is capitalized as part of the cost of acquisition or construction.

Expenses for the repair of property, plant and equipment are normally charged to income.

In accordance with IAS 16, future costs for any restoration obligation are recognized as an increase in the cost of acquisition or construction of the respective asset and a corresponding provision is established on acquisition or construction of the property, plant and equipment. The restoration obligation is generally determined on the basis of estimates of the future discounted cash flows. The additional cost of acquisition or construction is depreciated over the useful life of the asset and the discounting of the corresponding provision is unwound over the useful life of the asset.

Leased assets which are to be classified as finance leases in accordance with the categorization of IAS 17 are measured at the lower of their fair value and the present value of the minimum lease payments at the inception of the lease. They are normally depreciated over their estimated useful lives. The present values of future lease payments for assets capitalized as finance leases are recognized as financial liabilities.

In accordance with IAS 20, government grants and assistance for investments are deducted from the carrying amount of the related asset.

Depreciation of property, plant and equipment is allocated to the respective functional area in the income statement.

When property, plant and equipment are sold, the difference between the net proceeds and the carrying amount of the respective asset is recognized as a gain or loss in the other operating income or expenses.

The following useful lives are taken as a basis for depreciation:

	Useful life
Buildings	15 to 50 years
Installations and building improvements	8 to 20 years
Technical equipment, plant and machinery	3 to 20 years
Vehicles	5 to 8 years
Other equipment, fixtures, furniture and office equipment	2 to 10 years

Intangible assets

The intangible assets include customer relationships and similar rights purchased, the "Brenntag" trademark as well as other trademarks, software, concessions and similar rights as well as goodwill of fully consolidated subsidiaries and business units acquired in business combinations.

Intangible assets acquired through business combinations are measured on initial recognition at their fair value on the date of acquisition.

Separately acquired intangible assets are carried at cost.

Acquired software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

The cost of borrowings up to the date of completion is capitalized as part of the cost of acquisition.

In addition to goodwill, the "Brenntag" trademark has an indefinite useful life as no assumption can be made about its durability or the sustainability of its economic use. The other intangible assets are amortized on a straight-line basis over their estimated useful lives. The following useful lives are assumed:

	Useful lives
Concessions, industrial rights and similar rights as well as software and trademarks with definite useful lives	3 to 10 years
Customer relationships and similar rights	3 to 15 years

Impairment testing of non-current non-financial assets

Assets are tested for impairment whenever there is an objective indication that the carrying amount may not be recoverable.

Assets that have an indefinite useful life, which are not subject to scheduled amortization, are tested for impairment at least annually.

Impairment exists when the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the value in use. The fair value is the best-possible estimate of the amount for which the asset would be acquired by a third-party in an arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from an asset. If the carrying amount is higher than the recoverable amount, the asset is immediately written down to this amount.

If the recoverable amount of an individual asset cannot be reliably established, the recoverable amount of the cash-generating unit (CGU) to which the asset belongs is established and compared with the carrying amount of the CGU.

Impairments, except for impairments of goodwill, are reversed as soon as the reasons for the impairment no longer exist.

Goodwill is tested for impairment regularly, at least annually, after completion of the annual budget process by comparing the carrying amount of the relevant group of cash-generating units with their recoverable amount. In addition, goodwill is tested for impairment at Group level as certain assets and cash flows can only be attributed to the Group as a whole.

For the goodwill impairment test, the segments of the segment reporting were identified as the relevant groups of cash-generating units.

The fair value less costs to sell is taken as the recoverable amount. This amount is determined on the basis of a recognized company valuation model. The company valuation model is based on cash flow plans which are in turn

based on the five-year plan approved by the management and applicable at the date of the performance of the impairment test.

The cash flow forecasts for the impairment test of the financial year ended December 31, 2008 were derived from the budget for 2009 and the plan years 2010 to 2013. The assumed growth rate for the period from 2014 onwards is 1.25% in Europe and North America (previous year: 1.25%) and 2.5% (previous year: 2.5%) in Latin America. The planned cash flows are based on the management's past experience and expectations about the future market developments. They were discounted at the weighted average cost of capital or WACC. WACC is the average cost of debt and equity funding weighted by the proportion of the capital structure that the fair values of those two components constitute.

The discount rates for the segments reflect the special risks of the respective region:

WACC in %	2008	2007
Europe	8.4	8.3
North America	7.8	8.0
Latin America	10.3	9.4
Group	8.4	8.2

If the carrying amount of a segment exceeds the recoverable amount, an impairment loss is recognized for the difference. In this case, the goodwill of the relevant segment is first written down. Any remaining impairment is allocated to the assets of the segment in proportion to the net carrying amounts of the assets on the balance-sheet date. The carrying amount of an individual asset must not be less than the highest of fair value less costs to sell, value in use (both in as far as they can be established) and nil.

The "Brenntag" trademark is an asset which has an indefinite useful life and has to be subjected to an annual impairment test. As the "Brenntag" trademark does not generate any own cash flows which are independent from other assets or groups of assets, and its carrying amount cannot be allocated sensibly and consistently to individual cash-generating units, it is allocated to the Brenntag Group as a whole.

Other provisions

Other provisions are recognized when the Group has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Non-current provisions are recognized at the present value of the expected outflow and their discounting is unwound over the period until their expected utilization.

If the projected obligation declines as a result of a change in an estimate, the provision is reversed by the corresponding amount and the resulting income is usually recognized in the functional area in which the original charge was recognized.

Provisions for pensions and similar obligations

The Group's pension obligations comprise both defined benefit and defined contribution plans.

With defined contribution plans, the contributions to be paid are charged directly as expense. Provisions for pension obligations are not established as in these cases Brenntag has no additional obligation apart from the obligation to pay the premiums.

Provisions are established for defined benefit plans. The obligations arising from these defined benefit plans are determined on the basis of the internationally recognized projected unit credit method and take into consideration future salary and pension trends. For this purpose, an actuarial valuation is obtained every year. Mortality rates were determined using the latest Heubeck mortality tables (2005G) or comparable foreign mortality tables. Differences between the expected pension obligations calculated for the financial statements and the actual pension obligations as well as differences between the fair value of the plan assets expected at the end of the period and the actual figure (actuarial gains and losses) are spread to income in the subsequent periods over the expected remaining working lives of the participating employees where they exceed the corridor of 10% of the maximum of the defined benefit obligation (DBO) and the plan assets (corridor method).

Past service cost is recorded in the income statement, spread over the average period until the benefits become vested (vesting period).

Trade payables, financial liabilities and other liabilities

Based on the categories under IAS 39, the non-derivative liabilities shown under trade payables, financial liabilities and other liabilities are classified as financial liabilities measured at amortized cost. They are initially recognized at their fair value net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest method.

The accounting and measurement of the derivative financial instruments with negative fair values shown within financial liabilities is the same as the accounting and measurement of the derivative financial instruments with positive fair values shown within other financial assets.

Liabilities to minorities under IAS 32

The liabilities to minorities under IAS 32 are initially measured at the fair value of the limited partner's right to repayment of his limited partner's contribution and subsequently measured at amortized cost. Changes are recognized directly in income.

Deferred taxes and current income taxes

Current income taxes in the current or prior periods are measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred taxes are determined in accordance with IAS 12 (Income Taxes). Deferred taxes arise from temporary differences between the carrying amounts of assets and liabilities in the IFRS balance sheet and the tax balance sheet, from consolidation transactions and from tax loss carryforwards where it is likely that there will be sufficient income in subsequent years for these loss carryforwards to be utilized.

Deferred tax assets are recognized to the extent that it is likely that future taxable profit will be available or taxable temporary differences are reversed.

Deferred taxes for domestic companies are calculated on the basis of a tax rate of 31% (corporate income tax of 15%, solidarity surcharge of 5.5% on corporate income tax, and trade earnings tax of 15%) (prior period: 31%). Deferred taxes for foreign companies are calculated at local tax rates (between 15% and 41%). These are tax rates which can be expected to apply on the basis of laws in the different countries that have been enacted or substantially enacted by the balance-sheet date.

Deferred tax assets and liabilities are netted against each other if they relate to the same tax authority, the company has a legally enforceable right to set them off against each other and they refer to the same periods.

Cash flow hedges

Some of the derivative financial instruments within other financial assets and liabilities have been included in cash flow hedge accounting.

The hedge-effective portion of changes in the fair value of these derivative financial instruments is first recognized within equity in the cash flow hedge reserve. Gains or losses from these derivatives are only reclassified to the income statement when the underlying hedged item is recognized in income. If the occurrence of the future transaction is no longer expected, the accumulated gains or losses recognized directly in equity have to be reclassified immediately to the income statement. Ineffective portions of the hedge accounting are recognized directly in income.

Assumptions and estimates

Assumptions and estimates which may affect the amounts and disclosures of the reported assets and liabilities and revenues and expenses have to be made in the consolidated financial statements. These estimates and assumptions mainly relate to the calculation and discounting of cash flows when impairment tests are performed as well as the likelihood of occurrence and the discounting of provisions, particularly in the field of environmental risks. Furthermore, assumptions are made as to the realization of future tax benefits from loss carryforwards as well as to the useful lives of intangible assets and property, plant and equipment.

If the WACC taken as a basis for impairment testing of the goodwill had been one percentage point higher, no impairment would have arisen at Group level. If impairment had been tested at segment level, an impairment of € 7.0 million would have had to be recorded for the goodwill in the "Rest of the World" segment.

If the discount rate used to determine the environmental restoration provisions had been one percentage point higher or lower, the provision would have decreased by € 5.4 million or increased by € 6.1 million, respectively.

The actual amounts can differ from the assumptions and estimates made for individual cases. Adjustments are recognized in income when estimates are revised.

Cash flow statement

The cash flow statement classifies cash flows by operating, investing and financing activities. Effects from changes in the scope of consolidation are allocated to cash flow from investing activities. The effect of changes in value due to exchange rate fluctuations on cash and cash equivalents is shown separately.

INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

1.) Sales

The total sales of € 7,379.6 million (2007: € 6,671.4 million; Oct. 1, 2006 — Dec. 31, 2006: € 1.564,2 million[2]) mainly relate to the sale of goods. Sales of € 20.0 million (prior period: € 20.9 million) were generated with related parties.

2.) Cost of goods sold

The cost of goods sold includes cost of materials and the other operating expenses which can be allocated directly or proportionately to this line item. The cost of materials amounts to €5,859.7 million (prior period: € 5,297.5 million). The cost of goods sold also includes write-downs of inventories of € 8.5 million (prior period: € 2.4 million).

3.) Selling expenses

The selling expenses include all direct selling and distribution costs as well as respective overheads which are incurred in the reporting period and can be allocated directly or proportionately to the line item.

Rental and lease expenses for operating leases total € 59.3 million (prior period: € 56.4 million), of which € 1.0 million (prior period: € 1.0 million) are for contingent rents. They are mainly shown under selling expenses.

4.) Administrative expenses

The administrative expenses contain all costs which are of a general administrative character provided they are not allocated to other functional areas.

5.) Other operating income

	2008	2007
	€ million	
Income from the reversal of provisions no longer required	2.2	3.3
Income from the disposal of non-current assets	2.2	2.4
Income from the receipt of receivables derecognized in prior periods	—	4.0
Miscellaneous operating income	39.2	36.3
Total	**43.6**	**46.0**

6.) Other operating expenses

	2008	2007
	€ million	
Impairments of receivables	−16.7	−8.1
Income from the reversal of impairments of receivables	2.3	—
Losses on the disposal of non-current assets	−2.3	−0.6
Miscellaneous operating expenses	−10.6	−9.6
Total	**−27.3**	**−18.3**

[2] Stub period from October 1 to December 31, 2006 as a result of the acquisition of the Brenntag Group effective October 1, 2006

7.) Result of investments accounted for at equity

	2008	2007
	€ million	
Result of associates	3.2	2.3
Result of joint ventures	0.9	1.1
Total	**4.1**	**3.4**

The result of the joint ventures accounted for at equity comprises Brenntag's share of the results of the Staub joint venture.

8.) Finance income

	2008	2007
	€ million	
Interest income from third parties	10.3	15.4
Expected income from plan assets	6.1	5.8
Total	**16.4**	**21.2**

9.) Finance costs

	2008	2007
	€ million	
Interest expense on liabilities to third parties	−205.9	−229.4
Interest expense on liabilities to related parties	−58.8	−53.3
Income from the measurement of interest rate swaps and interest caps at fair value	5.9	3.5
Interest cost on the unwinding of discounting for provisions for pensions and similar obligations	−7.7	−6.8
Interest cost on the unwinding of discounting for other provisions	−12.6	−2.4
Interest expense on finance leases	−2.2	−2.3
Total	**−281.3**	**−290.7**

10.) Other financial result

	2008	2007
	€ million	
Income from the translation of monetary items from local into functional currency	0.7	0.9
Losses on the translation of monetary items from local into functional currency	−1.6	−1.0
Result from the translation of foreign currency receivables and liabilities at the closing rate	−39.6	6.0
Result from the measurement of foreign currency derivatives at fair value	23.8	−8.0
Miscellaneous other financial income	0.3	0.5
Miscellaneous other financial expense	−0.3	−0.9
Total	**−16.7**	**−2.5**

11.) Income taxes

	2008	2007
	€ million	
Current income taxes	−71.0	−49.5
Deferred taxes	30.5	55.8
(thereof from temporary differences)	(36.0)	(38.3)
(thereof from tax loss carryforwards)	(−5.5)	(17.5)
Total	**−40.5**	**6.3**

The effective tax expense of € 40.5 million (prior period: tax income of € 6.3 million) differs by — € 40.9 million (prior period: € 20.8 million) from the expected tax income of € 0.4 million (prior period: tax income of € 27.1 million). The expected tax income results from applying the Group tax rate of 31% (prior period: 39%) to the pre-tax result.

The reasons for the difference between the expected tax income and the effective tax expense are as follows:

	2008	2007
	€ million	
Pre-tax loss	−1.3	−69.5
Expected income tax (31%, prior period: 39%)	0.4	27.1
Difference due to tax base for trade earnings tax	−3.2	−4.8
Difference to expected tax rate	−6.6	−4.0
Changes in valuation adjustments on deferred tax assets / losses without the establishment of deferred taxes	−14.7	−3.8
Changes in the tax rate and tax laws	0.6	3.2
Non-tax-deductible expenses	−20.5	−18.2
Tax-free income	1.3	1.2
Results from companies accounted for at equity	−0.1	0.8
Taxes of prior periods	5.0	3.3
Deferred taxes on temporary differences from shares in subsidiaries	−0.1	1.6
Other effects	−2.6	−0.1
Effective tax expense/income	**−40.5**	**6.3**

The non-tax-deductible expenses mainly result from non-deductible finance costs.

The deferred taxes result from the individual balance sheet items as follows:

	Dec. 31, 2008		Dec. 31, 2007	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
	€ million			
Current assets				
Cash and cash equivalents and financial assets	11.2	9.1	12.7	6.3
Inventories	11.3	1.6	9.2	2.4
Non-current assets				
Property, plant and equipment	14.9	87.1	13.8	90.3
Intangible assets	3.9	140.1	7.6	165.4
Financial assets	18.7	5.3	19.4	8.0
Current liabilities				
Other provisions	8.6	0.3	7.8	0.2
Liabilities	24.9	3.1	16.1	7.9
Non-current liabilities				
Provisions for pensions	6.8	0.1	6.4	1.5
Other provisions	31.4	1.3	33.4	1.2
Liabilities	10.5	11.6	7.9	10.2
Special tax-allowable reserves	4.9	2.2	3.1	2.4
Loss carryforwards	100.3	—	79.3	—
Consolidation items	—	6.1	—	6.1
Deferred tax (gross)	**247.4**	**267.9**	**216.7**	**301.9**
Valuation allowance *)	−67.4	—	−40.1	—
Offsetting	−125.0	−125.0	−135.7	−135.7
Deferred tax (net)	**55.0**	**142.9**	**40.9**	**166.2**

*) Deferred tax assets and corresponding valuation allowances are shown as gross amounts.

Of the deferred tax assets, € 46.0 million (prior period: € 33.8 million) are current and € 9.0 million (prior period: € 7.1 million) are non-current. Of the deferred tax liabilities, € 1.5 million (prior period: € 2.5 million) are current and € 141.4 million (prior period: € 163.7 million) are non-current.

No deferred taxes were determined for the difference between the net assets and the tax base of subsidiaries (outside basis differences) provided the differences will not in fact reverse. No deferred tax liabilities were established for temporary differences amounting to € 299.5 million (prior period: € 213.3 million).

The existing tax loss carryforwards and tax credits can be utilized as follows:

	Loss carry-forwards	thereof: loss carryforwards without deferred taxes	Tax credits	thereof: tax credits without deferred taxes	Dec. 31, 2008
			€ million		
within one year	0.2	(−)	—	(−)	0.2
2 to 5 years	0.6	(−)	—	(−)	0.6
6 to 9 years	2.8	(−)	0.2	(0.2)	3.0
more than 9 years	—	(−)	2.6	(2.6)	2.6
Unlimited	451.1	(320.9)	—	(−)	451.1
Total	**454.7**	**(320.9)**	**2.8**	**(2.8)**	**457.5**

	Loss carry-forwards	thereof: loss carryforwards without deferred taxes	Tax credits	thereof: tax credits without deferred taxes	Dec. 31, 2007
			€ million		
within one year	0.1	(−)	0.1	(0.1)	0.2
2 to 5 years	2.5	(0.5)	0.5	(0.5)	3.0
6 to 9 years	0.6	(0.6)	0.8	(0.8)	1.4
more than 9 years	1.6	(1.6)	—	(−)	1.6
Unlimited	384.0	(219.4)	—	(−)	384.0
Total	**388.8**	**(222.1)**	**1.4**	**(1.4)**	**390.2**

Restrictions on loss carryforwards and their utilization (minimum taxation) are allowed for when measuring the deferred taxes on loss carryforwards.

Of the total loss carryforwards, deferred taxes of € 33.2 million (prior period: € 38.7 million) were provided for loss carryforwards of €133.8 million (prior period: €166.7 million) which are likely to be utilized. The loss carryforwards of € 133.8 million which are likely to be utilized include domestic corporation tax and trade earnings tax loss carryforwards of €41.6 million and €11.8 million. No deferred taxes were provided for loss carryforwards of €320.9 million (prior period: €222.1 million) which are not likely to be utilized.

12.) Minority interests in net profit / loss for the period

Of the shares of other shareholders in the net profit / loss for the period, €1.4 million (prior period: €1.6 million) relates to the net profit for the period and € 1.1 million (prior period: € 0.8 million) to the net loss for the period of fully consolidated companies.

Personnel expenses

Personnel expenses amount to €582.9 million (prior period: €537.2 million). This line item includes wages and salaries totalling €463.2 million (prior period: €427.6 million) as well as social insurance contributions of €119.7 million (prior period: €109.6 million), of which pension expenses (including employer contributions to the statutory pension insurance fund) account for €38.0 million (prior period: €34.2 million). The interest portion of the addition to provisions for personnel expenses (mainly provisions for pensions) is not included in personnel expenses but is shown within the financial result under finance costs.

Employees

The average number of employees by region breaks down as follows:

	2008	2007
Europe	6,461	6,346
North America	3,578	3,437
Latin America	1,176	1,046
Rest of the World	210	165
Total	**11,425**	**10,994**

As at December 31, 2008, the employee numbers of the Brenntag Group totalled 11,626 (prior period: 11,030). Of this figure, 1,524 (prior period: 1,557) were employed in Germany.

INFORMATION ON THE CONSOLIDATED BALANCE SHEET

13.) Cash and cash equivalents

	Dec. 31, 2008	Dec. 31, 2007
	€ million	
Bank deposits	295.2	331.3
Cheques and cash on hand	3.5	12.5
Total	**298.7**	**343.8**

14.) Trade receivables

	Dec. 31, 2008	Dec. 31, 2007
	€ million	
Trade receivables from third parties	977.8	970.8
Trade receivables from related parties	1.3	5.2
Total	**979.1**	**976.0**

Of the trade receivables from third parties, receivables amounting to € 416.7 million (prior period: € 430.9 million) had been sold at the balance-sheet date to the consolidated special purpose entity, Brenntag Funding Ltd, Dublin, under the A/C securitization programme established in 2005. All risks and rewards associated with the receivables remain in the Group.

The impairments on trade receivables developed as follows:

	Accumulated impairments of trade receivables
	€ million
December 31, 2006	3.8
Change	8.1
December 31, 2007	11.9
Change	14.4
December 31, 2008	26.3

The trade receivables which were past due but for which no impairment loss had been recorded as at the reporting date were past due by the following number of days:

	Dec. 31, 2008	Dec. 31, 2007
	€ million	
1 to 30 days	133.8	134.2
31 to 60 days	31.9	29.9
61 to 90 days	11.9	8.6
91 to 180 days	8.2	6.1
more than 180 days	2.5	1.4
Total	**188.3**	**180.2**

15.) Other receivables

	Dec. 31, 2008		Dec. 31, 2007	
	Total	thereof current	Total	thereof current
	€ million			
Receivables from packaging	20.4	(20.4)	22.6	(22.6)
Value added tax receivables	17.5	(17.5)	16.2	(16.2)
Reimbursement claims — environment	7.6	(0.5)	15.7	(6.1)
Receivables from plan assets — pensions	6.0	(−)	5.5	(−)
Receivables from commissions and rebates	3.6	(3.6)	5.2	(5.2)
Receivables from insurance claims	2.8	(2.8)	5.2	(2.9)
Suppliers with debit balances	8.0	(8.0)	4.7	(4.7)
Receivables from employees	2.3	(2.3)	2.6	(2.6)
Receivables from other taxes	2.1	(2.1)	2.1	(2.1)
Advance payments	3.9	(3.9)	2.0	(2.0)
Deposits	2.1	(2.1)	1.9	(1.9)
Miscellaneous other receivables	30.5	(24.2)	24.9	(20.6)
Prepaid expenses	8.5	(7.8)	11.2	(10.4)
Total	**115.3**	**(95.2)**	**119.8**	**(97.3)**

16.) Other financial assets

	Remaining term			
	Less than 1 year	1 to 5 years	more than 5 years	Dec. 31, 2008
	€ million			
Financial receivables from related parties	1.3	—	0.8	2.1
Financial receivables from third parties	4.0	6.9	—	10.9
Derivative financial instruments	20.2	1.5	—	21.7
Available-for-sale financial assets	1.0	—	0.9	1.9
Total	**26.5**	**8.4**	**1.7**	**36.6**

	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	Dec. 31, 2007
	€ million			
Financial receivables from related parties	1.2	0.2	—	1.4
Financial receivables from third parties	1.3	5.1	—	6.4
Derivative financial instruments	2.2	17.7	—	19.9
Available-for-sale financial assets	2.0	—	—	2.0
Total	**6.7**	**23.0**	**—**	**29.7**

17.) Inventories

The inventories break down as follows:

	Dec. 31, 2008	Dec. 31, 2007
	€ million	
Merchandise	508.7	481.2
Finished goods	34.8	41.3
Raw materials and supplies	3.7	4.0
Total	**547.2**	**526.5**

18.) Non-current assets held for sale

Non-current assets held for sale of € 6.0 million (prior period: € 7.8 million) are recognized under current assets; of this figure, Europe accounts for € 3.4 million (prior period: € 5.4 million) and North America for € 2.6 million (prior period: € 2.4 million). These assets are mainly land and buildings which will be sold within the next twelve months as they are no longer required for the business operations of the company.

Non-current assets held for sale are carried at the lower of carrying amount and fair value less costs to sell. As the fair value of the assets less costs to sell exceeds their remaining carrying amount, no impairments had to be recorded in the reporting period.

19.) Property, plant and equipment

	Real estate and leasehold rights	Technical equipment, plant and machinery	Other equipment, fixtures, furniture and office equipment	Advance payments and construction in progress	Total
			€ million		
Acquisition and production costs					
December 31, 2006	**499.2**	**219.3**	**101.1**	**19.4**	**839.0**
Exchange rate differences	−11.2	−11.0	−1.8	−0.1	−24.1
Additions due to changes in the scope of consolidation	4.4	8.3	0.3	—	13.0
Other additions	18.9	19.0	31.8	28.6	98.3
Reclassification of non-current assets held for sale	−0.9	−2.3	−0.4	—	−3.6
Disposals	−0.7	−2.0	−7.0	—	−9.7
Transfers	10.6	2.3	1.7	−15.6	−1.0
December 31, 2007	**520.3**	**233.6**	**125.7**	**32.3**	**911.9**
Exchange rate differences	−5.6	−2.1	−3.8	−0.6	−12.1
Additions due to changes in the scope of consolidation	—	—	0.6	—	0.6
Other additions	7.3	21.2	28.6	23.5	80.6
Reclassification of non-current assets held for sale	0.3	0.1	0.4	—	0.8
Disposals	—4.7	—4.0	−13.0	−0.2	−21.9
Transfers	4.2	29.6	0.5	−35.6	−1.3
December 31, 2008	**521.8**	**278.4**	**139.0**	**19.4**	**958.6**
Accumulated depreciation and impairment					
December 31, 2006	**4.8**	**8.2**	**8.6**	**—**	**21.6**
Exchange rate differences	−0.5	−1.5	−0.5	—	−2.5
Scheduled depreciation	19.8	33.0	34.2	—	87.0
Reclassification of non-current assets held for sale	−0.1	—	−0.3	—	−0.4
Disposals	−0.7	−1.2	−5.5	—	−7.4
Transfers	0.3	−0.3	—	—	—
December 31, 2007	**23.6**	**38.2**	**36.5**	**—**	**98.3**
Exchange rate differences	−0.9	−1.0	−2.2	—	−4.1
Scheduled depreciation	19.9	32.0	31.4	—	83.3
Reclassification of non-current assets held for sale	0.1	−0.4	0.3	—	—
Disposals	−1.2	−2.1	−11.6	—	−14.9
Transfers	—	—	0.4	—	0.4
December 31, 2008	**41.5**	**66.7**	**54.8**	**—**	**163.0**
Carrying amounts at Dec. 31, 2008	480.3	211.7	84.2	19.4	795.6
Carrying amounts at Dec. 31, 2007	496.7	195.4	89.2	32.3	813.6

The additions due to changes in the scope of consolidation relate to business combinations in accordance with IFRS 3.

Of the non-current assets held for sale, € 1.4 million (acquisition cost € 1.8 million and accumulated impairments € 0.4 million) were reclassified to property, plant and equipment as there is no longer any intention to sell these assets.

The carrying amounts for assets recognized on the basis of finance leases amount to € 10.4 million (prior period: € 13.3 million) for real estate, € 1.6 million (prior period: € 0.0 million) for technical equipment, plant and machinery, and € 7.1 million (prior period: €12.3 million) for other equipment as well as fixtures, furniture and office equipment.

The volume of government grants totals € 1.1 million (prior period: € 0.7 million).

20.) Intangible assets

	Goodwill	Trademarks	Customer relationships and similar rights	Acquired software, licenses and similar rights	Total
			€ million		
Acquisition and production Costs					
December 31, 2006	**1,422.2**	**208.3**	**426.6**	**26.4**	**2,083.5**
Exchange rate differences	−65.0	−0.5	−16.8	−1.3	−83.6
Additions due to changes in the scope of consolidation	58.3	—	17.3	—	75.6
Other additions	0.1	—	3.1	6.3	9.5
Disposals	−0.4	—	−0.2	−0.4	−1.0
Transfers	—	—	—	1.0	1.0
December 31, 2007	**1,415.2**	**207.8**	**430.0**	**32.0**	**2,085.0**
Exchange rate differences	−12.3	−0.3	−9.0	0.7	−20.9
Additions due to changes in the scope of consolidation	48.2	—	36.2	2.6	87.0
Other additions	—	—	—	3.7	3.7
Disposals	−0.7	—	—	−0.8	−1.5
Transfers	—	—	—	2.8	2.8
December 31, 2008	**1,450.4**	**207.5**	**457.2**	**41.0**	**2,156.1**
Accumulated amortization and impairment					
December 31, 2006	**—**	**0.7**	**26.7**	**1.7**	**29.1**
Exchange rate differences	—	−0.1	−3.9	−0.1	−4.1
Scheduled amortization	—	2.9	109.1	6.7	118.7
Disposals	—	—	—	−0.3	−0.3
Transfers	—	—	—	—	—
December 31, 2007	**—**	**3.5**	**131.9**	**8.0**	**143.4**
Exchange rate differences	—	−0.2	−2.8	0.1	−2.9
Scheduled amortization	—	2.7	109.8	6.9	119.4
Disposals	—	—	—	−0.6	−0.6
Transfers	—	—	—	0.2	0.2
December 31, 2008	**—**	**6.0**	**238.9**	**14.6**	**259.5**
Carrying amounts at Dec. 31, 2008	1,450.4	201.5	218.3	26.4	1,896.6
Carrying amounts at Dec. 31, 2007	1,415.2	204.3	298.1	24.0	1,941.6

The additions due to changes in the scope of consolidation relate to business combinations in accordance with IFRS 3.

Goodwill and the "Brenntag" trademark are tested regularly, at least annually, for impairment after completion of the annual budget process.

Amortization of customer relationships and similar rights as well as local trademarks has been recognized under selling expenses. The majority of customer relationships and similar rights will have been amortized in full by September 30, 2010.

The regional allocation of goodwill over the groups of cash-generating units relevant for impairment testing is shown in the segment report on page 63 of the Notes.

21.) Investments accounted for at equity

The shares in companies accounted for at equity developed as follows:

	Interests in joint ventures	Interests in Associates	Total
	€ million		
December 31, 2006	**22.1**	**11.0**	**33.1**
Exchange rate differences	—	−0.6	−0.6
Share of profit/loss for the period	1.1	2.3	3.4
Dividends received	−1.7	—	−1.7
December 31, 2007	**21.5**	**12.7**	**34.2**
Exchange rate differences	—	−2.1	−2.1
Share of profit/loss for the period	0.9	3.2	4.1
Dividends received	−1.3	−0.1	−1.4
Disposals	—	−0.1	−0.1
December 31, 2008	**21.1**	**13.6**	**34.7**

The shares in joint ventures comprise the shares in Staub & Co. Chemiehandelsgesellschaft mbH, Nuremberg.

The financial year of the companies accounted for at equity is the calendar year.

The aggregated assets, liabilities, sales and profits / losses for the period of the companies accounted for at equity are as follows (for sales as well as for profits / losses only the period in which the companies belonged to the Group is considered):

	Joint ventures	Associates	Dec. 31, 2008	Joint ventures	Associates	Dec. 31, 2007
	€ million					
Current assets	10.0	32.6	42.6	11.3	30.4	41.7
Non-current assets	12.3	6.6	18.9	12.3	7.0	19.3
(thereof goodwill)	(—)	(1.6)	(1.6)	(-)	(1.3)	(1.3)
Current liabilities	5.4	17.5	22.9	6.6	16.8	23.4
Non-current liabilities	4.0	5.4	9.4	3.4	5.7	9.1
Equity	**12.9**	**16.3**	**29.2**	**13.6**	**14.9**	**28.5**

	2008			2007		
	Joint ventures	Associates	Total	Joint ventures	Associates	Total
	€ million					
Sales	65.6	83.9	149.5	67.5	77.5	145.0
Profit/loss for the period	1.8	3.9	5.7	1.9	3.5	5.4

22.) Trade payables

	Dec. 31, 2008	Dec. 31, 2007
	€ million	
Trade payables to third parties	694.4	740.9
Trade payables to related parties	0.1	0.1
Total	**694.5**	**741.0**

Trade payables include accruals of € 100.8 million (prior period: € 114.7 million).

23.) Financial liabilities

	Remaining term			
	Less than 1 year	1 to 5 years	More than 5 Years	Dec. 31, 2008
	€ million			
Liabilities to banks	103.4	305.3	2,135.3	2,544.0
Liabilities under finance leases	3.9	11.4	6.6	21.9
Financial liabilities to related parties	—	—	637.5	637.5
Derivative financial instruments	1.9	22.8	—	24.7
Other financial liabilities	9.8	16.0	—	25.8
Total	**119.0**	**355.5**	**2,779.4**	**3,253.9**

	Remaining term			
	Less than 1 year	1 to 5 years	More than 5 Years	Dec. 31, 2007
	€ million			
Liabilities to banks	117.7	301.0	2,134.6	2,553.3
Liabilities under finance leases	4.7	9.6	12.3	26.6
Financial liabilities to related parties	—	—	578.2	578.2
Derivative financial instruments	6.3	5.2	—	11.5
Other financial liabilities	9.4	17.8	2.7	29.9
Total	**138.1**	**333.6**	**2,727.8**	**3,199.5**

The liabilities to banks break down as follows:

	Remaining term	Interest rate above EURIBOR/ LIBOR	Remaining term						
			less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	Dec. 31, 2008
			€ million						
Senior Facility Agreement									
Tranche A	1/18/2013	1.75%	8.5	21.1	29.8	33.4	20.3	0.0	**113.1**
Tranche B	1/18/2014	2.0%/2.25%	—	—	—	—	—	1,214.1	**1,214.1**
Tranche C	1/18/2015	2.25%	—	—	—	—	—	125.0	**125.0**
Accrued interest			37.1	—	—	—	—	—	**37.1**
Total			**45.6**	**21.1**	**29.8**	**33.4**	**20.3**	**1,339.1**	**1,489.3**
Second Lien Facility Agreement									
	7/18/2015	4.00%	—	—	—	—	—	368.1	**368.1**
Accrued interest			12.1	—	—	—	—	—	**12.1**
Total			**12.1**	**—**	**—**	**—**	**—**	**368.1**	**380.2**
Mezzanine Facility Agreement									
	1/18/2016	7.00%	—	—	—	—	—	410.1	**410.1**
Accrued interest			17.4	—	—	—	—	5.7	**23.1**
Total			**17.4**	**—**	**—**	**—**	**—**	**415.8**	**433.2**
Transaction costs			−1.4	−1.4	−1.5	−1.5	−1.4	−0.1	**−7.3**
Other liabilities to banks			29.7	206.2	0.2	—	0.1	12.4	**248.6**
Total			**103.4**	**225.9**	**28.5**	**31.9**	**19.0**	**2,135.3**	**2,544.0**

	Remaining term	Interest rate above EURIBOR/ LIBOR	Remaining term						
			less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	Dec. 31, 2007
			€ million						
Senior Facility Agreement									
Tranche A	1/18/2013	1.75%	13.5	15.0	21.7	30.6	34.4	21.0	**136.2**
Tranche B	1/18/2014	2.0%/2.25%	—	—	—	—	—	1,215.4	**1,215.4**
Tranche C	1/18/2015	2.25%	—	—	—	—	—	125.0	**125.0**
Accrued interest			38.5	—	—	—	—	—	**38.5**
Total			**52.0**	**15.0**	**21.7**	**30.6**	**34.4**	**1,361.4**	**1,515.1**
Second Lien Facility Agreement									
	7/18/2015	4.00%	—	—	—	—	—	358.6	**358.6**
Accrued interest			13.1	—	—	—	—	—	**13.1**
Total			**13.1**	**—**	**—**	**—**	**—**	**358.6**	**371.7**
Mezzanine Facility Agreement									
	1/18/2016	7.00%	—	—	—	—	—	397.8	**397.8**
Accrued interest			17.2	—	—	—	—	3.7	**20.9**
Total			**17.2**	**—**	**—**	**—**	**—**	**401.5**	**418.7**
Transaction costs			−1.3	−1.4	−1.4	−1.5	−1.6	−1.3	**−8.5**
Other liabilities to banks			36.7	2.0	203.1	0.1	—	14.4	**256.3**
Total			**117.7**	**15.6**	**223.4**	**29.2**	**32.8**	**2,134.6**	**2,553.3**

Brenntag's funding concept is mainly based on loan agreements with an international syndicate of banks. This syndicated loan consists of Senior Facilities, a Second Lien and a Mezzanine Facility.

At December 31, 2008, the Mezzanine Facility Agreement had a margin of 7.0 percentage points (prior period: 7.0 percentage points) over EURIBOR, of which 3.0 percentage points (prior period: 3.0 percentage points) are rollover interest.

The loans under the Senior Facility Agreement, the Second Lien Facility Agreement and the Mezzanine Facility Agreement have been secured in full by pledging direct and indirect investments of Brenntag Management GmbH in fully consolidated subsidiaries as well as by other pledged assets.

In the event of the Brenntag Group's sustained breach of the terms and obligations laid down in the syndicated loan agreements, the facility agent appointed by the lenders may foreclose the loans if he feels this move necessary to safeguard the lenders' interests. Should the Brenntag Group companies which appear as the borrowers not be able to meet their payment obligations, the lenders are entitled to levy execution against the assets provided as security.

The carrying amounts shown in the consolidated financial statements of Brenntag Management GmbH of the assets provided as security for liabilities to banks in addition to the pledged company shares are as follows:

	Dec. 31, 2008	Dec. 31, 2007
	€ million	
Inventories	272.3	276.5
Property, plant and equipment	430.2	446.3
Cash and cash equivalents	189.8	270.5
Receivables and other financial assets*)	828.8	830.1
Total	**1,721.1**	**1,823.4**

*) incl. receivables sold to Brenntag Funding Ltd., Dublin, amounting to € 416.7 million (prior period: € 430.9 million)

The non-current liabilities with a term of 1 to 2 years shown under other liabilities to banks are liabilities to banks of the consolidated special purpose entity, Brenntag Funding Ltd., Dublin.

The liabilities under finance leases are stated at their amortized cost.

The following table shows the reconciliation of the future minimum lease payments to liabilities under finance leases:

	Minimum lease payments	Interest portion	Liabilities from finance leases
		€ million	
less than 1 year	6.2	2.3	3.9
1 to 2 years	4.8	1.7	3.1
2 to 3 years	3.6	1.3	2.3
3 to 4 years	2.3	1.1	1.2
4 to 5 years	5.4	0.6	4.8
more than 5 years	11.5	4.9	6.6
Dec. 31, 2008	**33.8**	**11.9**	**21.9**

	Minimum lease payments	Interest portion	Liabilities from finance leases
		€ million	
less than 1 year	7.5	2.8	4.7
1 to 2 years	6.0	2.2	3.8
2 to 3 years	4.5	1.6	2.9
3 to 4 years	3.2	1.3	1.9
4 to 5 years	2.1	1.1	1.0
more than 5 years	19.0	6.7	12.3
Dec. 31, 2007	**42.3**	**15.7**	**26.6**

The liabilities to related parties refer to a loan granted by Brachem Acquisition S.C.A., Luxembourg. This loan is described in detail in note 27.) Equity / Economic capital on page 60.

24.) Other liabilities

	Dec. 31, 2008		Dec. 31, 2007	
		thereof current		thereof current
		€ million		
Liabilities from packaging	69.1	(69.1)	72.6	(72.6)
Liabilities to employees	79.5	(79.5)	63.8	(63.8)
Liabilities from value added tax	22.9	(22.9)	27.3	(27.3)
Liabilities from other taxes	14.2	(14.2)	14.2	(14.2)
Liabilities to insurance companies	11.3	(11.3)	13.6	(13.6)
Liabilities from social insurance contributions	7.9	(7.9)	8.1	(8.1)
Miscellaneous other liabilities	78.6	(75.2)	74.1	(69.0)
Deferred income	13.4	(13.4)	14.5	(14.5)
Total	**296.9**	**(293.5)**	**288.2**	**(283.1)**

Other liabilities include accruals of € 33.5 million (prior period: € 43.6 million).

25.) Other provisions

The other provisions developed as follows:

	Environmental restoration provisions	Provisions for personnel expenses	Miscellaneous provisions	Total
		€ million		
January 1, 2008	**126.8**	**17.0**	**49.4**	**193.2**
Additions due to changes in the scope of consolidation	0.2	0.5	0.7	1.4
Exchange rate differences	−0.8	0.3	−0.3	−0.8
Interest changes	12.3	—	0.1	12.4
Utilizations	−4.7	−7.7	−8.0	−20.4
Reversals	−16.9	−1.5	−0.8	−19.2
Additions	9.1	11.5	10.4	31.0
December 31, 2008	**126.0**	**20.1**	**51.5**	**197.6**

The other provisions have the following maturities:

	Dec. 31, 2008	Dec. 31, 2007
	€ million	
less than 1 year	55.5	44.7
1 to 5 years	86.6	102.1
more than 5 years	55.5	46.4
Total	**197.6**	**193.2**

Environmental restoration provisions

In its business operations throughout the world, the Brenntag Group is subject to the laws of different countries which govern the handling of chemicals. These laws may mean that action has to be taken to dispose of hazardous materials or remedy damage to the environment. The polluter-must-pay principle generally applies, i.e. anybody who causes damage to the environment is liable for the resultant costs regardless of whether the polluter is the owner or the operator of a plant.

The recognition and measurement of environmental restoration provisions are coordinated centrally by external independent experts. If the performance of restoration work or the imposing of environmental requirements by the authorities is probable and if these lead to an outflow of economic resources, a provision is established if the resultant costs can be reliably estimated. The provision amounts are determined on the basis of individual cost estimates for each case. Allowance is made not only for the kind and severity of pollution but also for the conditions at the respective sites and the sovereign territories in which these sites are located. The provision amounts are calculated using uniform valuation parameters by applying a statistical computation model.

Environmental restoration provisions are stated at their present values. They are discounted at maturity-dependent risk-free interest rates derived from the interest rates for government bonds for the respective functional currencies. Increases in the future expenditure due to inflation are allowed for.

At December 31, 2008, the environmental restoration provisions totalled € 126.0 million (prior period: € 126.8 million). This figure includes € 29.8 million (prior period: € 32.7 million) for contingencies which entered the balance sheet through the purchase price allocation in connection with the acquisition of the Brenntag Group by equity funds advised by BC Partners in line with the provisions of IFRS 3 (Business Combinations). The environmental restoration provisions established mainly relate to the rehabilitation of soil and ground water but also cover costs for further and accompanying measures such as necessary environmental inspections and observations.

Due to the large number of parameters which have to be considered when determining environmental restoration provisions, there are uncertainties in their measurement. This applies both to the amount and the timing of future expenditure. However, based on the information available at the time of the preparation of these financial statements, it can be assumed that the environmental restoration provisions are reasonable and any additional amounts incurred would not have any significant effect on the net assets, financial position and results of operations of the Group.

In some cases, special agreements have been reached which ensure that the cost of any future environmental work necessary will be borne by third parties. If receipt of payment from the third party is virtually certain provided Brenntag meets its obligations, these reimbursement claims are capitalized. They are measured in the same way as the corresponding provisions. The amount recognized does not exceed the amount of the provision. The reimbursement claims capitalized at December 31, 2008 amount to € 7.6 million (prior period: € 15.7 million).

Provisions for personnel expenses

The provisions for personnel expenses include pre-retirement part-time work compensation amounting to € 2.3 million (prior period: € 2.8 million) and anniversary bonuses amounting to € 2.7 million (prior period: € 2.7 million).

Miscellaneous provisions

Miscellaneous provisions include provisions for compensation payable of € 4.0 million (prior period: € 5.4 million) as well as for risks from unsettled litigation amounting to € 7.8 million (prior period: € 8.5 million) and provisions for restoration obligations amounting to € 3.4 million (prior period: € 3.4 million).

Provisions for current and likely litigation are established in those cases where reasonable estimates are possible. These provisions contain all estimated legal costs as well as the possible settlement costs. The amounts are based on information and cost estimates provided by lawyers.

Provisions for restoration obligations are statutory obligations arising from the dismantling of plant and machinery.

26.) Provisions for pensions and similar obligations

There are both defined contribution and defined benefit pension plans for the employees of the Brenntag Group. The pension obligations vary depending on the legal, tax and economic circumstances in the respective countries and the employee's years of service with the company and remuneration. The defined benefit plans are funded with provisions and largely covered by assets of external funds.

Defined contribution plans

A large number of the employees of the Brenntag Group receive benefits from the statutory social insurance fund, into which the contributions are paid as part of their salary. In addition, various other pension fund obligations exist at the companies of the Brenntag Group. As the company has no further obligations after payment of the retirement pension contributions to the state social insurance fund and private insurance companies, these plans are treated as defined contribution plans. Current pension contribution payments were recognized as expense for the relevant period. In the 2008 financial year, pension expenses in the Brenntag Group totalled € 19.9 million (prior period: € 18.7 million) for employer contributions to the statutory pension insurance fund and € 10.2 million (prior period: € 9.4 million) for non-statutory defined contribution plans.

Defined benefit plans

Pension expenses for obligations from defined benefit plans total € 9.5 million (prior period: € 7.1 million). Apart from the interest cost and the expected return on external assets recorded within the financial result, the pension expenses are allocated to the functional areas within the operating result.

Pension expenses for defined benefit plans and similar obligations

	2008	2007
	€ million	
Current service cost	−6.7	−7.5
Interest cost	−7.7	−6.8
Expected return on plan assets	6.1	5.8
Past service cost (changes in the pension plan)	−0.6	−0.9
Amortization of actuarial gains/(losses)	−3.8	4.0
Settlements	—	−0.2
Effect of the limiting of plan assets in acc. with IAS 19.58 b	3.2	−1.5
Total	**−9.5**	**−7.1**

The pensions expected to be paid directly by the company in 2009 total € 2.1 million. The expected payments into the plan assets for 2009 amount to € 4.8 million.

While the value of assets was determined on the basis of the fair value of the funds invested at December 31, 2008, the pension obligations were calculated using actuarial reports. The assumptions used in the actuarial measurement of the obligations and the costs as well as the expected rates of return on plan assets are shown in the following table:

Actuarial parameters applied

	Europe*)		North America		Latin America	
	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2007
	in %					
Discount rate	4.8	4.5	7.5	6.1	6.5	6.5
Projected salary increases	2.1	2.1	4.5	4.5	2.4	2.4
Projected pension payment increases	1.5	1.5	3.0	3.0	6.5	6.5
Inflation	1.5	1.5	3.0	3.0	5.0	5.0
Medical cost trend	n.a	n.a.	6.5	6.4	n.a	n.a.
Expected rate of return on plan assets	4.3	4.2	7.0	7.0	n.a	n.a.

*) 2008: EURO countries 6.25% discount rate; Switzerland 3.5% discount rate.
2007: EURO countries 5.5% discount rate; Switzerland 3.5% discount rate.

Breakdown of the fair value of the plan assets

	Dec. 31, 2008	Dec. 31, 2007
	€ million	
Shares	14.9	22.2
Fixed-interest securities	16.3	16.5
Real estate/property trusts	—	—
(thereof assets used by the company)	(—)	(—)
Others (insurances)	93.9	90.9
(thereof assets used by the company)	(—)	(—)
Total	**125.1**	**129.6**

The other plan assets of € 93.9 million (prior period: € 90.9 million) consist of €84.8 million (prior period: € 82.3 million) from insurance contracts at European Brenntag companies and € 9.1 million (prior period: € 8.6 million) from other assets in Canada (€ 1.3 million) and in Switzerland (€ 7.8 million). The insurance contracts work with an average rate of return of 3%. Together with the income generated in prior periods and the expected future rates of return thereon, an average expected long-term rate of return of 4.3% has been recognized.

Of the shares and fixed-interest securities shown as assets, € 15.5 million are from Canada, € 14.9 million from Switzerland and € 0.8 million from France. The Canadian assets are invested in external investment fund shares. 55% of the portfolio of this investment fund consists of Canadian, US and international shares. 37% is invested in fixed-interest securities and the remaining 8% consists of cash and other assets. Due to the investment structure of the fund, an expected long-term rate of return of 7% has been recognized. 7.2% of the assets in Switzerland have been invested in international shares and 11.6% in fixed-interest securities. The majority (71.4%) consists of insurance contracts. The remaining 9.8% is cash. An expected long-term rate of return of 3.75% has been recognized. The assets in France consist exclusively of fixed-interest securities with an expected long-term rate of return of 4.5%.

Effect from the increase/decrease in the medical cost inflation rate

	Dec. 31, 2008	Dec. 31, 2007
	€ million	
Influence of + 1 percentage point on the service cost and interest cost	0.2	0.2
Influence of + 1 percentage point on the pension obligations at the end of the period	0.8	1.1
Influence of −1 percentage point on the service cost and interest cost	−0.1	−0.2
Influence of −1 percentage point on the pension obligations at the end of the period	−0.6	−0.9

Reconciliation of the present value of pensions and similar obligations to the provisions shown in the balance sheet

	2008	2007
	€ million	
Pension obligations from defined benefit pension plans		
Present value of pension entitlements at the beginning of the period	162.6	171.4
Exchange rate differences	3.4	−0.6
Transfers	—	—
Changes in the scope of consolidation	0.1	0.2
Utilizations	−9.2	−8.9
Service cost	6.7	7.5
Employee contributions	1.2	0.9
Interest cost	7.7	6.8
Changes in pension plans	1.7	0.9
Settlements	—	0.2
Actuarial (gain)/loss	−13.2	−15.8
Present value of pension entitlements at the end of the period	**161.0**	**162.6**
(thereof funded)	(123.3)	(122.1)
(thereof unfunded)	(37.7)	(40.5)

	2008	2007
	€ million	
Fair value of plan assets		
Fair value at the beginning of the period	129.6	127.0
Exchange rate differences	4.9	−1.0
Transfers	—	—
Reclassification	0.5	−0.5
Changes in the scope of consolidation	—	0.2
Utilizations	−7.3	−7.0
Employee contributions	1.2	0.9
Employer contributions	4.8	7.7
Expected return on plan assets	6.1	5.8
Changes in pension plans	1.1	—
Actuarial gain/(loss)	−15.8	−3.5
Fair value of plan assets at the end of the period	**125.1**	**129.6**

The reconciliation of the obligation less plan assets to the provision actually recognized in the balance sheet is as follows:

	Dec. 31, 2008	Dec. 31, 2007
	€ million	
Present value of the funded pension entitlements	123.3	122.1
less fair value of plan assets	−125.1	−129.6
Overfunding by plan assets	−1.8	−7.5
Present value of unfunded pension entitlements	37.7	40.5
Funded status of pension entitlements	35.9	33.0
Unrecognized actuarial gain/(loss)	9.8	8.9
Unrecognized past service cost	—	—
Provisions for pensions and similar obligations — net	45.7	41.9
thereof assets capitalized	6.0	5.5
Limiting of plan assets in accordance with IAS 19.58 b	2.2	5.1
Provisions for pensions and similar obligations shown in the balance sheet	**53.9**	**52.5**

The provisions for pensions shown include € 6.9 million (prior period: € 7.4 million) for health care plans in Canada.

The amounts not yet recognized in the income statement are the difference between the pension obligation — after deduction of the fair value of the plan assets — and the liability reported in the balance sheet. Of the actuarial gain of € 13.2 million (prior period: € 15.8 million) in the obligations, € 11.7 million (prior period: € 18.4 million) is attributable to actuarial gains due to changes in actuarial parameters to be applied at the measurement date and € 1.5 million (prior period: loss of € 2.6 million) to actuarial gains due to experience adjustments to the obligations.

The actual loss from plan assets is € 9.7 million (prior period: actual gain of € 2.3 million). The actuarial losses in the plan assets of € 15.8 million (prior period: € 3.5 million) which are also new and as yet unrecognized in the income statement are due to differences between the effective and expected rates of returns of the plan assets. Overall, this led to total unrecognized gains of € 9.8 million (prior period: € 8.9 million).

In accordance with IAS 19 (revised 2004), the actuarial net gain or net loss portion shown in the income statement is determined using the corridor method. The gain / loss outside the 10% corridor (the higher of pension obligation and plan assets) is amortised in the income statement over the expected average remaining working lives of the employees.

Historical development of provisions for pensions and similar obligations

	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006
		€ million	
Pension obligation from defined benefit plans	161.0	162.6	171.4
Fair value of plan assets	125.1	129.6	127.0
Funded status of pension entitlements	35.9	33.0	44.4
Gains/(losses) from experience adjustments — pension obligation	1.5	−2.6	—
Gains/(losses) from experience adjustments — plan assets	−15.8	−3.5	1.8

27.) Equity/Economic capital

The total income and expense for the period comprises the net loss for the period and the change in other comprehensive income. The other comprehensive income contains gains and losses which are recognized directly in equity.

The result from exchange rate differences contains the differences from the translation of the financial statements of foreign companies into the Group currency (euro), which are recognized directly in equity.

The cash flow hedge reserve includes those portions of the fair values of the interest rate swaps and interest caps included in cash flow hedge accounting that are recognized directly within equity. Deferred taxes on these effects are also recognized directly in equity in the reserve for deferred tax on cash flow hedges.

Minority interests cover shares in the subscribed capital, retained earnings and the result of the consolidated subsidiaries.

The aim of capital management at Brenntag is to optimally deploy the resources used to ensure the company's continued existence and at the same time to generate a reasonable return on investment for the shareholders. The economic capital used for this purpose breaks down as follows:

	Dec. 31, 2008	Dec. 31, 2007
	€ million	
Equity	128.3	197.7
Loan from Brachem Acquisition S.C.A., Luxembourg	637.5	578.2
Liabilities to minorities under IAS 32	3.3	4.1
Economic capital	**769.1**	**780.0**

A loan of € 637.5 million from the parent company, Brachem Acquisition S.C.A., Luxembourg, to Brenntag Management GmbH is contained in financial liabilities to related parties.

This subordinate shareholders' loan runs until December 31, 2016 and carries interest of 10% per annum. The interest is capitalized every year.

Brenntag Management GmbH deposited this loan in the additional paid-in capital of its direct subsidiary, Brenntag Holding GmbH on September 20, 2006. Brenntag Holding GmbH is the lead company of the Brenntag Group. It controls and finances the companies of the Brenntag Group. Brenntag Holding GmbH is also responsible for the capital management of Brenntag.

Therefore, at Group level the shareholders' loan is allocated to the economic capital. Furthermore, Brenntag also includes the liabilities to minorities under IAS 32 in the economic capital.

28.) Information on the cash flow statement

Cash and cash equivalents also include financing funds (including accrued interest) of € 47.9 million (prior period: € 130.8 million), which were made available to Brenntag under a syndicated loan specially for the purpose of financing acquisitions. Furthermore, the cash and cash equivalents include cash deposited with banks as security amounting to € 0.5 million (prior period: € 0.8 million) as well as funds dedicated for environmental restoration amounting to € 0.2 million (prior period: € 0.6 million).

Of the interest payments, € 9.6 million (prior period: € 15.3 million) relate to interest received and € 187.5 million (prior period: € 208.5 million) to interest paid.

The repayment of liabilities under finance leases is shown in the cash outflow from financing activities.

SEGMENT REPORTING

The Brenntag Group operates solely in the field of chemical distribution and is run by the regions Europe, North America, Latin America and the Rest of the World. The individual activities are allocated to the regions on the basis of the location of the registered office of the respective subsidiary. Allocation of the activities on the basis of the location of the registered offices of the customers would not lead to a different segmentation. The geographical segmentation reflects control and supervision by the management and permits a reliable estimate of risks and benefits.

All transactions between companies within a segment have been eliminated.

The "Others/Holding/Consolidation" column contains activities which cannot be allocated to the geographical segments including the activities of Brenntag Management GmbH and consolidation measures between the segments.

The Group accounts for inter-segment sales transactions as if the transactions were made with third parties at current prices (arm's length principle).

The segment result complies with the definition of the operating result in accordance with the consolidated income statement. The operating assets and liabilities of a segment comprise the assets and liabilities including goodwill and disclosed hidden reserves and unrealized losses from business combinations, but excluding investments accounted for at equity and other financial assets, financial liabilities, liabilities in accordance with IAS 32, tax liabilities and tax assets.

Additions to property, plant and equipment as well as to intangible assets or goodwill including additions as a result of changes in the scope of consolidation are shown as investments.

Depreciation and amortization allocated to the respective segments relate solely to the assets allocated to the relevant segments.

Segment reporting for 2008

	Europe	North America	Latin America	Rest of the World	Others/ Holding/ Consolidation	Group
				€ million		
Statement of results						
External sales	4,027.5	2,447.9	626.2	278.0	—	7,379.6
Inter-segment sales	2.4	4.9	20.9	1.8	−30.0	—
Total sales	**4,029.9**	**2,452.8**	**647.1**	**279.8**	**−30.0**	**7,379.6**
Scheduled depreciation/amortization of assets	−130.5	−59.7	−9.7	−1.4	−1.4	−202.7
Operating result (segment result)	**118.6**	**139.5**	**33.6**	**4.9**	**−18.4**	**278.2**
Result from investments accounted for at equity	1.0	0.2	—	2.9	—	4.1
Other financial result						−283.6
Income taxes						−40.5
Loss for the period						**−41.8**
Assets and liabilities as at December 31, 2008						
Segment assets	2,477.5	1,441.8	313.2	95.8	464.3	4,792.6
thereof with an indefinite useful life (excluding goodwill)	—	—	—	—	196.9	196.9
thereof goodwill	699.3	671.8	27.7	51.6	—	1,450.4
Carrying amounts of investments accounted for at equity	23.0	0.9	—	10.8	—	34.7
Segment liabilities	701.6	376.9	117.0	21.4	3,447.4	4,664.3
Cash flow						
Cash flow from operating activities*)	132.8	93.1	7.6	−7.4	−49.0	177.1
Investments**)						
Investments in goodwill	22.7	—	1.2	24.3	—	48.2
Investments in other intangible assets and property, plant and equipment	88.7	14.8	13.0	7.0	0.2	123.7

*) including interest and tax payments

**) Additions including those due to changes in the scope of consolidation in accordance with the Statement of Fixed Assets Movements

Segment reporting for 2007

	Europe	North America	Latin America	Rest of the World	Others/ Holding/ Consolidation	Group
				€ million		
Statement of results						
External sales	3,773.6	2,106.7	527.7	263.4	—	6,671.4
Inter-segment sales	2.7	1.3	6.2	1.8	−12.0	—
Total sales	**3,776.3**	**2,108.0**	**533.9**	**265.2**	**−12.0**	**6,671.4**
Scheduled depreciation/amortization of assets	−131.8	−62.4	−9.2	−0.9	−1.4	−205.7
Operating result (segment result)	**105.8**	**94.0**	**12.4**	**6.5**	**−16.5**	**202.2**
Result from investments accounted for at equity	1.4	0.2	—	1.8	—	3.4
Other financial result						−275.1
Income taxes						6.3
Loss for the period						**−63.2**
Assets and liabilities as at December 31, 2007						
Segment assets	2,599.4	1,439.4	278.5	46.2	503.9	4,867.4
Thereof with an indefinite useful life (excluding goodwill)	—	—	—	—	196.9	196.9
Thereof goodwill	701.9	658.8	26.8	27.7	—	1,415.2
Carrying amounts of investments accounted for at equity	23.4	0.9	—	9.9	—	34.2
Segment liabilities	763.2	353.3	113.0	27.2	3,413.0	4,669.7
Cash flow						
Cash flow from operating activities*)	108.0	69.0	6.4	8.7	−75.6	116.5
Investments**)						
Investments in goodwill	11.6	46.8	—	—	—	58.4
Investments in other intangible assets and property, plant and equipment	78.9	46.7	10.7	—	1.7	138.0

*) including interest and tax payments

**) Additions including those due to changes in the scope of consolidation in accordance with the Statement of Fixed Assets Movements

OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES

The other financial obligations break down as follows:

	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	Dec. 31, 2008
	€ million			
Purchase commitments for property, plant and equipment	3.0	—	—	3.0
Obligations under consultancy agreements as well as from future minimum lease payments for operating leases	35.4	71.7	26.8	133.9
Total	**38.4**	**71.7**	**26.8**	**136.9**

	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	Dec. 31, 2007
	€ million			
Purchase commitments for property, plant and equipment	2.5	—	—	2.5
Obligations under consultancy agreements as well as from future minimum lease payments for operating leases	33.2	78.2	34.0	145.4
Total	**35.7**	**78.2**	**34.0**	**147.9**

The obligations from future lease payments for operating leases mainly relate to rent obligations from the leasing of land and buildings as well as other equipment, fixtures, furniture and office equipment.

At present there are no pending or foreseeable court cases or arbitration proceedings which could have significant effects on the economic situation of the Brenntag Group.

There are contingent liabilities with a fair value of € 0.4 million (prior period: € 0.4 million) in connection with environmental restoration.

REPORTING OF FINANCIAL INSTRUMENTS

Carrying amounts, valuations and fair values according to measurement categories

The allocation of the financial assets recognized in the balance sheet to the measurement categories under IAS 39 is shown in the table below:

	2008					
Measurement in the balance sheet:	**at amortized cost**	**at fair value**			**December 31, 2008**	
Measurement category under IAS 39:	**Loans and receivables**	**Financial assets at fair value through profit or loss**	**Available-for-sale financial assets**	**Hedging derivatives under IAS 39**	**Carrying amount**	**Fair value**
	€ million					
Cash and cash equivalents	298.7	—	—	—	298.7	298.7
Trade receivables	979.1	—	—	—	979.1	979.1
Other receivables	77.3	—	—	—	77.3	77.3
Other financial assets	13.0	18.3	1.9	3.4	36.6	36.6
Total	**1,368.1**	**18.3**	**1.9**	**3.4**	**1,391.7**	**1,391.7**

	2007					
Measurement in the balance sheet:	**at amortized cost**	**at fair value**			**December 31, 2007**	
Measurement category under IAS 39:	**Loans and receivables**	**Financial assets at fair value through profit or loss**	**Available-for-sale financial assets**	**Hedging derivatives under IAS 39**	**Carrying amount**	**Fair value**
	€ million					
Cash and cash equivalents	343.8	—	—	—	343.8	343.8
Trade receivables	976.0	—	—	—	976.0	976.0
Other receivables	82.8	—	—	—	82.8	82.8
Other financial assets	7.8	2.2	2.0	17.7	29.7	29.7
Total	**1,410.4**	**2.2**	**2.0**	**17.7**	**1,432.3**	**1,432.3**

The majority of the financial assets in the loans and receivables category measured at amortized cost have remaining terms of less than one year. Their carrying amounts at the balance-sheet date are therefore approximately their fair values.

Of the other receivables shown in the balance sheet, € 38.0 million (prior period: € 37.0 million) are not financial assets within the meaning of IFRS 7. They are mainly receivables from value added tax and other taxes, prepaid expenses, and receivables from plan assets.

The allocation of the financial liabilities recognized in the balance sheet to the measurement categories under IAS 39 is shown in the table below:

	2008					
Measurement in the balance sheet:	**at amortized cost**	**at fair value**			**December 31, 2008**	
Measurement category under IAS 39:	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit or loss**	**Hedging derivatives under IAS 39**	**Valuation under IAS 17**	**Carrying amount**	**Fair value**
	€ million					
Trade payables	694.5	—	—	—	694.5	694.5
Other liabilities	229.2	—	—	—	229.2	229.2
Liabilities to minorities under IAS 32	3.3	—	—	—	3.3	3.3
Financial liabilities	3,207.3	1.2	23.5	21.9	3,253.9	3,283.3
Total	**4,134.3**	**1.2**	**23.5**	**21.9**	**4,180.9**	**4,210.3**

	2007					
Measurement in the balance sheet:	**at amortized cost**	**at fair value**			**December 31, 2007**	
Measurement category under IAS 39:	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit or loss**	**Hedging derivatives under IAS 39**	**Valuation under IAS 17**	**Carrying amount**	**Fair value**
	€ million					
Trade payables	741.0	—	—	—	741.0	741.0
Other liabilities	216.3	—	—	—	216.3	216.3
Liabilities to minorities under IAS 32	4.1	—	—	—	4.1	4.1
Financial liabilities	3,161.4	6.3	5.2	26.6	3,199.5	3,168.4
Total	**4,122.8**	**6.3**	**5.2**	**26.6**	**4,160.9**	**4,129.8**

The majority of the trade payables measured at amortized cost and other liabilities have remaining terms of less than one year. Their carrying amounts at the balance-sheet date are therefore approximately their fair values. The fair values of the financial liabilities have been determined using the discounted cash flow method on the basis of current interest curves.

Of the other liabilities shown in the balance sheet, € 67.7 million (prior period: € 71.9 million) are not financial liabilities within the meaning of IFRS 7. They are mainly liabilities from value added tax and other taxes, liabilities under staff leave entitlements as well as deferred income.

The net results from financial assets and liabilities broken down into measurement categories are as follows:

	2008							
	from interest		from subsequent measurement					
			at fair value		currency translation		balance of impairments	net result
	gains	losses	gains	losses	gains	losses		
	€ million							
Loans and receivables	10.3	—	—	—	29.0	−44.5	−14.4	−19.6
Financial assets and liabilities at fair value through profit or loss	0.2	—	46.8	−23.0	—	—	—	24.0
Hedging derivatives under IAS 39	8.8	−3.1	—	—	—	—	—	5.7
Liabilities from finance leases under IAS 17	—	−2.2	—	—	—	—	—	−2.2
Financial liabilities measured at amortized cost	—	−263.3	—	—	24.3	−48.4	—	−287.4
Total	**19.3**	**−268.6**	**46.8**	**−23.0**	**53.3**	**−92.9**	**−14.4**	**−279.5**

	2007							
	from interest		from subsequent measurement					
			at fair value		currency translation		balance of impairments	net result
	gains	losses	gains	losses	gains	losses		
	€ million							
Loans and receivables	15.4	—	—	—	26.8	−28.4	−4.1	9.7
Financial assets and liabilities at fair value through profit or loss	0.4	−2.2	16.1	−24.1	—	—	—	−9.8
Hedging derivatives under IAS 39	3.1	—	—	—	—	—	—	3.1
Liabilities from finance leases under IAS 17	—	−2.3	—	—	—	—	—	−2.3
Financial liabilities measured at amortized cost	—	−278.3	—	—	19.9	−12.3	—	−270.7
Total	**18.9**	**−282.8**	**16.1**	**−24.1**	**46.7**	**−40.7**	**−4.1**	**−270.0**

The net interest result is shown under finance income and finance costs. Of the interest expense on liabilities to third parties contained in finance costs, € 1.4 million (prior period: € 2.2 million) is interest expense which is not part of the effective interest on financial liabilities measured at amortized cost.

With the exception of impairments on trade receivables and other receivables, the net results from subsequent measurement are shown under other financial result. The impairments on trade receivables and other receivables are shown under other operating expenses and the income from the receipt of trade receivables derecognized in prior periods is shown under other operating income.

Nature and extent of risks arising from financial instruments

According to IFRS 7, risks arising from financial instruments can typically be divided into market risks, credit risks and liquidity risks.

In the market risk category, the Brenntag Group's global business operations expose it particularly to exchange rate and interest rate risks. The management and monitoring of these risks is the responsibility of the central department, Corporate Finance & Controlling. Whilst the interest rate risks are solely managed centrally, the Group companies are responsible for handling exchange rate risks. The Group companies have been instructed to reduce any exchange rate risks to a minimum.

Brenntag Holding GmbH is available as a contract partner for the Group companies for exchange rate hedging transactions, its own exposure being hedged by back-to-back transactions with banks. If the Group companies contract hedges directly with the banks, the Corporate Finance & Controlling is regularly informed of their nature and extent.

Currency risks

Currency risks arise particularly when monetary items or contracted future transactions are in a different currency to the local currency of a company.

Any foreign currency risk for monetary items and contracted transactions is generally hedged in full, taking into account the claims and obligations in the same currency and with the same maturity. Forward exchange contracts and cross-currency swaps are used as hedging instruments. The derivative financial instruments used have maturities of less than one year and are not included in hedge accounting.

If the euro had been worth 10% more or less against all currencies at December 31, 2008, translation of the monetary items in foreign currency into the Group currency, euro, allowing for the foreign exchange forward deals and foreign exchange swaps still open on December 31, 2008 would have decreased the financial result by € 6.2 million (prior period: € 2.5 million) or increased it by € 7.6 million (prior period: € 3.1 million). The change in the financial result is mainly due to the higher or lower value of the euro against the pound sterling.

Interest rate risks

Interest rate risks can occur due to changes in the market interest rates. The risks result from changes in the fair values of fixed-interest financial instruments or in changes in the cash flows of variable interest-rate financial instruments. The optimal structure of variable and fixed interest rates is determined as part of interest risk management. It is not possible to simultaneously minimize both kinds of interest rate risk.

Due to its funding through a variable-interest syndicated loan, the Brenntag Group is exposed to an interest rate risk in the form of a cash flow risk. Interest rate swaps and interest caps have been concluded to limit that risk to the degree stipulated by the management. With the interest rate swaps, a fixed interest rate is paid every six months and a variable interest rate received and with the interest caps any compensation payment determined every six months. The interest rate swaps and interest caps have, whenever possible, been included in cash flow hedge accounting. In the period up to January 18, 2011, the amounts transferred to the cash flow hedge reserve are recognized as income or expense in the income statement when the cash flow occurs.

As all parameters between the hedged underlying transactions and the derivative financial instruments used for hedging which are relevant for measurement are the same, there is no hedge accounting ineffectiveness.

If the market interest rate in 2008 had been 25 basis points (prior period: 100 basis points) higher or lower (related to the total amount of derivatives as well as variable-interest financial assets and liabilities at December 31, 2008), the financial result would have been € 3.3 million lower or € 3.3 million higher (prior period: € 7.4 million lower or € 8.8 million higher). Without allowing for deferred taxes, the cash flow hedge reserve would have been € 3.6 million higher (prior period: € 26.2 million higher) or € 3.6 million lower (prior period: € 24.9 million lower).

Credit risks

There is a credit risk with non-derivative financial instruments when contractually agreed payments are not made by the relevant contractual parties. As the Brenntag Group has diverse business operations in many different countries, significant concentrations of credit risks from trade receivables as well as from loans are not to be expected. The expected credit risk from individual receivables is allowed for by write-downs of the assets. The maximum credit risk of the non-derivative financial instruments corresponds to their carrying amounts.

With the derivative financial instruments used, the maximum credit risk is the sum total of all positive fair values of these instruments as, in the event of non-performance by the contractual parties, losses on assets would be restricted to this amount. As derivative financial instruments have only been concluded with banks which we consider to have a first-rate credit standing, significant credit risks are not to be expected. The interest rate swaps and interest caps which are significant because of their volumes and their terms are only concluded with banks which are also lenders to the Brenntag Group.

Liquidity risk

The liquidity risk is the risk that the Brenntag Group may in future not be able to meet its contractual payment obligations. Due to the fact that the Brenntag Group's business is not subject to any pronounced seasonal fluctuations, there is relatively little fluctuation in liquidity during the financial year.

To ensure that the Brenntag Group can pay at all times, it not only has appropriate liquidity reserves in the form of cash and cash equivalents but also credit lines under the syndicated loan which can be utilized as needed. In order

to identify the liquidity risks, the Group has a several-year liquidity plan which is regularly reviewed and adjusted if necessary.

The undiscounted cash flows resulting from financial liabilities are shown in the following table below:

	Carrying amount Dec. 31, 2008	Cash flows 2009 – 2014ff. 2009	2010	2011	2012	2013	2014 ff.
				€ million			
Trade payables	694.5	694.5	—	—	—	—	—
Other liabilities	229.2	225.8	0.2	1.9	—	0.4	0.9
Liabilities to minorities under IAS 32	3.3	3.3	—	—	—	—	—
Liabilities to banks	2,544.0	209.2	390.8	193.2	195.8	181.7	2,446.8
Liabilities under finance leases	21.9	6.2	4.8	3.6	2.3	5.4	11.5
Liabilities to related companies	637.5	—	—	—	—	—	1,380.6
Derivatives financial instruments	24.7	—	—	—	—	—	—
Cash inflows	—	36.6	—	—	—	—	—
Cash outflows	—	42.4	14.1	5.8	—	—	—
Other financial liabilities	25.8	11.7	7.4	3.9	2.2	2.3	2.2
Total	**4,180.9**	**1,229.7**	**417.3**	**208.4**	**200.3**	**189.8**	**3,842.0**

	Carrying amount Dec. 31, 2007	Cash flows 2008 – 2013ff. 2008	2009	2010	2011	2012	2013 ff.
				€ million			
Trade payables	741.0	741.0	—	—	—	—	—
Other liabilities	216.3	216.3	—	—	—	—	—
Liabilities to minorities under IAS 32	4.1	4.1	—	—	—	—	—
Liabilities to banks	2,553.3	232.2	198.2	395.6	201.0	203.0	2,642.3
Liabilities under finance leases	26.6	7.5	6.0	4.5	3.2	2.1	19.0
Liabilities to related companies	578.2	—	—	—	—	—	1,380.6
Derivatives financial instruments	11.5	—	—	—	—	—	—
Cash inflows	—	132.7	—	—	—	—	—
Cash outflows	—	139.1	2.8	1.9	0.7	—	—
Other financial liabilities	29.9	10.8	12.0	3.7	2.4	2.6	2.7
Total	**4,160.9**	**1,218.3**	**219.0**	**405.7**	**207.3**	**207.7**	**4,044.6**

Derivative financial instruments

The nominal volume and fair values of derivative financial instruments are shown in the table below:

	Dec. 31, 2008 Nominal volume	Positive fair value	Negative fair value	Dec. 31, 2007 Nominal volume	Positive fair value	Negative fair value
			€ million			
Foreign exchange forward transactions and foreign exchange swaps	175.5	17.6	1.2	179.5	0.7	6.3
Interest rate swaps in hedge accounting	860.0	1.1	23.5	862.9	11.9	5.2
Interest rate swaps excluding hedge accounting	66.0	0.7	—	66.0	1.5	—
Interest caps in hedge accounting	385.0	2.3	—	385.0	5.8	—
Interest caps excluding hedge accounting	71.9	—	—	67.9	—	—
Total	**1,558.4**	**21.7**	**24.7**	**1,561.3**	**19.9**	**11.5**

RELATED PARTIES

During its normal business activities, Brenntag Management GmbH also obtains services from and provides services for related parties. These related parties are the subsidiaries included in the consolidated financial statements as well as associates and joint ventures accounted for at equity. The relations under company law with major subsidiaries and companies accounted for at equity are listed in Appendix A. Furthermore, the parent company of Brenntag Management GmbH is considered to be a related party. The parent company and ultimate controlling entity of Brenntag Management GmbH is Brachem Acquisition S.C.A., Luxembourg, represented by its general partner, Brahms Chemical Intermediate SA, Luxembourg.

Related parties are also the members of the management and the supervisory board of Brenntag Management GmbH.

The short-term benefits for the managing directors of Brenntag Management GmbH for the financial year ended December 31, 2008 total € 5.0 million (prior period: € 3.2 million) including remuneration for work performed at subsidiaries. Furthermore, one-off payments of € 0.4 million (prior period: € 0.9 million) were made in connection with the termination of employment contracts. Future pension entitlements earned in the reporting period (current service cost) and the payments into defined contribution plans amount to € 0.1 million (prior period: € 1.0 million). Apart from the aforementioned, there were no transactions with related parties.

The following business transactions were performed with the related parties on terms equivalent to those that prevail in arm's length transactions:

	2008	2007
	€ million	
Sales revenue from transactions with joint ventures	19.7	20.6
Sales revenue from transactions with associates	0.3	0.3
Goods and services rendered by associates	0.4	0.3
Goods and services rendered by parent company	0.2	0.2
Interest expenses to parent company	58.8	53.3

	Dec. 31, 2008	Dec. 31, 2007
	€ million	
Trade receivables	1.3	5.2
(thereof joint ventures)	*(1.0)*	*(2.5)*
(thereof associates)	*(0.3)*	*(2.7)*
Financial receivables	2.1	1.4
(thereof associates)	*(—)*	*(0.2)*
(thereof parent company)	*(2.1)*	*(1.2)*
Trade payables	0.1	0.1
(thereof joint ventures)	*(0.1)*	*(0.1)*
Financial liabilities	637.5	578.2
(thereof parent company)	*(637.5)*	*(578.2)*

The transactions of Brenntag Management GmbH with consolidated subsidiaries as well as between consolidated subsidiaries have been eliminated in the consolidated financial statements.

The financial liabilities relate to a loan granted by Brachem Acquisition S.C.A., Luxembourg, which is described in detail under note 27.) Equity / Economic capital on page 60.

SUBSEQUENT EVENTS

By shareholder's resolution of February 3, 2009, the sole shareholder, Brachem Acquisition S.C.A., increased the equity of Brenntag Management GmbH by paying € 40 million into the additional paid-in capital. The amount was paid in on February 4, 2009.

Mülheim an der Ruhr, March 9, 2009

Brenntag Management GmbH
THE MANAGEMENT

Stephen R. Clark	Jürgen Buchsteiner
Steven E. Holland	Michael Andrew Twinning

Management of Brenntag Management GmbH

The responsibilities of the managing directors of Brenntag Management GmbH are as follows:

Stephen R. Clark	Managing Director, Chairman and CEO Distribution North and Latin America Corporate Health, Safety and Environment Corporate Internal Audit
Jürgen Buchsteiner	Managing Director, Chief Financial Officer Brenntag International Chemicals Corporate Accounting Corporate Communications Corporate Development Corporate Finance & Controlling Corporate HR & Personnel Brenntag Holding Corporate Legal Corporate Mergers & Acquisitions Corporate Risk Management Corporate Tax
Steven E. Holland	Managing Director Distribution Europe Corporate IT European Functions Health, Safety and Environment Europe
Michael Andrew Twinning	Managing Director

Supervisory Committee of Brachem Acquisition S.C.A., Luxembourg

At the end of September 2006, equity funds advised by BC Partners, Bain Capital and Goldman acquired all shares in Brenntag Investor Holding GmbH, the then German parent company of the Brenntag Group, through subsidiaries of Brenntag Management GmbH (formerly Brahms Acquisition GmbH). The parent company of Brenntag Management GmbH is Brachem Acquisition S.C.A. The Supervisory Committee of Brachem Acquisition S.C.A. is made up of the following members:

Jens Reidel	BC Partners — Chairman of BC Partner Ltd.
Stefan Zuschke	BC Partners — Managing Director of BC Partner GmbH Beteiligungsberatung
Thomas Weinmann	BC Partners — Partner in BC Partner GmbH Beteiligungsberatung
Erol Ali Dervis	BC Partners — Partner in BC Partner GmbH Beteiligungsberatung
Dr Michael Siefke	Bain Capital — Managing Director of Bain Capital Beteiligungsberatung GmbH

Appendix A
Subsidiaries, special purpose entities, associates and joint ventures

No.	Company	Seat	held directly % *	held indirectly % *	effective net holding % *	via No.
1	Brenntag Management GmbH	Mülheim	100.00		100.00	
Consolidated subsidiaries						
Algeria						
2	Alliance Chimie Algerie SPA	Algiers		100.00	51.00	58
Argentina						
3	Brenntag Argentina S.A.	Buenos Aires		90.00	100.00	111
				10.00		117

No.	Company	Seat	held directly % *	held indirectly % *	effective net holding % *	via No.
4	HCI Chemcentral SA de Argentina	Buenos Aires		2.00	100.00	111
				98.00		172
Australia						
5	Brenntag Australia Pty. Ltd.	Sydney		100.00	100.00	142
6	Brenntag Pty Ltd.	Melbourne		100.00	100.00	5
Belgium						
7	BRENNTAG N.V.	Deerlijk		99.99	100.00	63
				0.01		44
8	European Polymers and Chemicals Distribution BVBA	Kortrijk		74.00	74.00	123
Bermuda						
9	HCI Chemicals (FSC) Ltd.	Hamilton		0.10	100.00	160
				99.80		165
				0.10		172
10	HCI Ltd.	Hamilton		100.00	100.00	11
11	Pelican Chemical Traders Ltd.	Hamilton		100.00	100.00	18
12	Viking Traders Ltd.	Hamilton		100.00	100.00	11
Bolivia						
13	Brenntag Bolivia S.R.L.	Santa Cruz		90.00	100.00	111
				10.00		112
Brazil						
14	Brenntag Quimica Brasil Ltda.	Guarulhos, Sao Paulo		100.00	100.00	111
Bulgaria						
15	BRENNTAG Bulgaria EOOD	Sofia		100.00	100.00	111
Chile						
16	Brenntag Chile Comercial e Industrial Ltda.	Santiago		95.00	100.00	111
				5.00		112
Costa Rica						
17	Quimicos Holanda Costa Rica S.A.	San Jose		100.00	100.00	111
Curacao (Dutch Antilles)						
18	HCI (Curacao) N.V.	Curacao		100.00	100.00	111
19	HCI Shipping N.V.	Curacao		100.00	100.00	18
Denmark						
20	Brenntag Nordic A/S	Hellerup		100.00	100.00	111
21	Aktieselskabet af 1. Januar 1987	Niva		100.00	100.00	20
Germany						
22	Brenntag Germany Holding GmbH	Mülheim		100.00	100.00	44
23	Biesterfeld, Graen GmbH & Co. KG	Munich		55.00	47.99	26
24	CVH Chemie-Vertrieb GmbH & Co. Hannover KG	Hanover		51.00	51.00	22
25	BBG Berlin-Brandenburger Lager- u. Distributionsgesellschaft	Dahlwitz-Hoppegarten		50.00	93.63	26
				50.00		22

No.	Company	Seat	held directly % *	held indirectly % *	effective net holding % *	via No.
26	Biesterfeld Chemiedistribution GmbH	Hamburg		87.25	87.25	22
27	CLG Lagerhaus GmbH & Co. KG	Bremen		100.00	100.00	22
28	CVB Albert Carl GmbH & Co. KG	Berlin		100.00	51.00	24
29	CVM Chemie-Vertrieb Magdeburg GmbH & Co. KG	Schönebeck		100.00	51.00	24
30	Biesterfeld, Graen Verwaltungs GmbH	Munich		55.00	47.99	26
31	CLG Lagerhaus GmbH	Duisburg		100.00	100.00	22
32	CVP Chemie-Vertrieb Berlin GmbH	Berlin		100.00	51.00	24
33	Chemische Industrielle Gesellschaft mit beschränkter Haftung	Frankfurt am Main		100.00	87.25	26
34	CVH Chemie-Vertrieb Verwaltungsgesellschaft mbH	Hanover		51.00	51.00	22
35	Blitz 03-1161 GmbH	Mülheim		100.00	100.00	38
36	Blitz 03-1162 GmbH	Mülheim		100.00	100.00	40
37	Blitz 03-1163 GmbH	Mülheim		100.00	100.00	41
38	Brenntag Foreign Holding GmbH	Mülheim		100.00	100.00	44
39	ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt	Düsseldorf		94.00	94.00	22
40	CM Komplementär 03-018 GmbH & Co. KG	Mülheim		100.00	100.00	38
41	CM Komplementär 03-019 GmbH & Co. KG	Mülheim		100.00	100.00	40
42	CM Komplementär 03-020 GmbH & Co. KG	Mülheim		100.00	100.00	41
43	Baumeier GmbH	Berlin		33.34	79.42	46
				33.33		26
				33.33		24
44	Brenntag Beteiligungs GmbH	Mülheim		100.00	100.00	48
45	Brenntag Finanz-Service GmbH	Mülheim		0.00	0.00	88
46	BRENNTAG GmbH	Duisburg		100.00	100.00	22
47	BRENNTAG International Chemicals GmbH	Mülheim/Ruhr		100.00	100.00	22
48	Brenntag Holding GmbH	Mülheim		100.00	100.00	1
49	Brenntag Real Estate GmbH	Mülheim		100.00	100.00	44
50	Herkommer & Bangerter Vertriebs GmbH	Neuenburg am Rhein		100.00	100.00	46
51	Otto Baumeier GmbH & Co. KG	Berlin		33.34	79.42	46
				33.33		26
				33.33		24
Dominican Republic						
52	Brenntag Caribe S.A.	Santo Domingo		100.00	100.00	111

No.	Company	Seat	held directly % *	held indirectly % *	effective net holding % *	via No.
53	HCI Chemcentral Dominica Republic S.A.	Santo Domingo		99.80	99.70	111
				0.10		18
				0.10		19
Ecuador						
54	Brenntag Ecuador S.A.	Guayaquil		100.00	100.00	111
El Salvador						
55	Brenntag El Salvador S.A. de C.V.	San Salvador		100.00	100.00	111
Finland						
56	BRENNTAG Nordic OY	Kaunianen		100.00	100.00	1
France						
57	BRENNTAG S.A.	Chassieu		100.00	100.00	63
58	Brenntag Maghreb SAS	Vitrolles		51.00	51.00	62
59	Societe commerciale Tardy et Cie. S.a.r.l.	Vitrolles		51.22	51.22	62
60	Brenntag Investissement SAS	Chassieu		100.00	100.00	63
61	Brachem France Holding SAS	Chassieu		100.00	100.00	48
62	Brenntag Export S.A.R.L.	Vitrolles		100.00	100.00	57
63	Brenntag France Holding SAS	Chassieu		100.00	100.00	61
64	Brenntag France SAS	Paris		0.00	0.00	88
United Kingdom						
65	BRENNTAG (UK) LIMITED	Leeds		100.00	100.00	38
66	Albion Chemical Holdings Ltd.	Leeds		100.00	100.00	78
67	Albion Chemicals Ltd.	Leeds		100.00	100.00	77
68	Albion Colours Ltd.	Leeds		100.00	100.00	77
69	Albion Distillation Service Ltd.	Leeds		100.00	100.00	77
70	Albion Group Limited	Leeds		100.00	100.00	73
71	Albion Inorganic Chemicals (Thetford) Ltd.	Leeds		100.00	100.00	77
72	Albion Inorganic Chemicals Ltd.	Leeds		100.00	100.00	66
73	Brenntag UK Holding Ltd.	Leeds		100.00	100.00	60
74	Murgatroyd's Salt & Chemical Company Ltd.	Leeds		100.00	100.00	72
75	Water Treatment Solution Ltd.	Leeds		100.00	100.00	72
76	Woodland 1 Ltd.	Leeds		100.00	100.00	70
77	Woodland 2 Ltd.	Leeds		100.00	100.00	66
78	Woodland 3 Ltd.	Leeds		100.00	100.00	70
Guatemala						
79	Brenntag Guatemala S.A.	Guatemala City		100.00	100.00	111
80	Asesorias Transtec Cia. Y Ltda.	Guatemala City		100.00	100.00	111
Honduras						
81	Inversiones Quimicas S.A.	San Pedro Sula		99.91	100.00	111
				0.09		18
82	Compania Hondurena de Terminales S.A.	Puerto Cortez		96.00	100.00	111
				4.00		18
Hong Kong						

No.	Company	Seat	held directly % *	held indirectly % *	effective net holding % *	via No.
83	HCI Hong Kong Limited	Wanchai		99.83	100.00	111
				0.17		117
India						
84	Rhodia Chemicals India Pvt Ltd.	Mumbai		99.99	100.00	111
				0.01		112
Indonesia						
85	PT Dharmala HCI i.L.	Jakarta		91.14	91.14	111
86	PT Rhodia Indonesia	Jakarta Selatan		99.00	100.00	111
				1.00		112
Ireland						
87	Albion Chemical Distribution (Irland) Ltd.	Dublin		100.00	100.00	77
88	Brenntag Funding Limited	Dublin		0.00	0.00	
Italy						
89	BRENNTAG HOLDING S.p.A.	Milan		100.00	100.00	111
90	BRENNTAG S.p.A.	Milan		100.00	100.00	89
91	Romana Chimici S.p.A.	Anagni		80.00	100.00	90
				20.00		89
92	De Stefani S.r.L.	Verona		56.00	100.00	90
				44.00		89
93	Brenntag Italia S.r.l.	Milan		0.00	0.00	88
94	Natural World S.r.l.	Lugo		100.00	100.00	90
Canada						
95	BRENNTAG Canada, Inc.	Etobicoke		100.00	100.00	115
Columbia						
96	Brenntag Colombia S.A.	Bogota		92.00	100.00	111
				5.06		112
				0.57		18
				1.23		19
				1.14		117
97	Canytam Limited	Bogota		100.00	100.00	96
98	HCI Chemcentral de Colombia, E.U.	Bogota		100.00	100.00	172
Croatia						
99	BRENNTAG Hrvatska d.o.o.	Zagreb		100.00	100.00	122
Latvia						
100	S I A BRENNTAG LATVIA	Riga		100.00	74.00	129
101	Dipol Baltija SIA	Riga		100.00	100.00	173

No.	Company	Seat	held directly % *	held indirectly % *	effective net holding % *	via No.
Lithuania						
102	UAB Brenntag Lietuva	Klaipeda		100.00	74.00	129
Luxembourg						
103	Brenntag FinanceCo I, S.a.r.L.	Munsbach		100.00	100.00	48
104	Brenntag FinanceCo II, S.a.r.L.	Munsbach		100.00	100.00	48
Malaysia						
105	Brenntag Malaysia Sdn Bhd	Kuala Lumpur		100.00	100.00	111
Morocco						
106	Brenntag Maroc, S.A.R.L.	Casablanca		100.00	100.00	147
107	Alcochim Maroc S.A.R.L.	Casablanca		100.00	51.00	58
Mexico						
108	Brenntag Mexico S.A. de C.V.	Mexico City		99.99	100.00	111
				0.01		18
109	BRENNTAG Pacific S. DE R.L. DE C.V.	Tijuana		1.00	100.00	169
				99.00		170
Nicaragua						
110	Brenntag Nicaragua, S.A.	Managua		100.00	100.00	111
Netherlands						
111	BRENNTAG (Holding) N.V.	Amsterdam		20.00	100.00	38
				80.00		118
112	H.C.I Chemicals Nederland B.V.	Amsterdam		100.00	100.00	111
113	BRENNTAG NEDERLAND B.V.	Dordrecht		100.00	100.00	111
114	HCI USA Holdings B.V.	Amsterdam		100.00	100.00	111
115	Holland Chemical International B.V.	Amsterdam		100.00	100.00	111
116	Chemproha Chemiepartner B.V.	Dordrecht		100.00	100.00	113
117	HCI Central Europe Holding B.V.	Amsterdam		100.00	100.00	111
118	Brenntag HoldCo B.V.	Dordrecht		100.00	100.00	48
119	Brenntag Vastgoed B.V.	Dordrecht		100.00	100.00	113
120	C.N. Schmidt B.V.	Amsterdam		100.00	100.00	113
Norway						
121	BRENNTAG Nordic AS	Oslo		100.00	100.00	140
Austria						
122	Brenntag CEE GmbH	Vienna		99.90	100.00	125
				0.10		44
123	JLC-Chemie Handels GmbH	Wiener Neustadt		100.00	100.00	122
124	Provida GmbH	Vienna		100.00	100.00	122
125	Brenntag Austria Holding GmbH	Vienna		100.00	100.00	7
Panama						
126	BRENNTAG PANAMA S.A.	Panama City		100.00	100.00	18
Peru						
127	Brenntag Peru SAC	Lima		100.00	100.00	111
Philippines						
128	Brenntag Philippines Inc	Taguig		100.00	100.00	111

No.	Company	Seat	held directly % *	held indirectly % *	effective net holding % *	via No.
Poland						
129	BRENNTAG Polska sp.zo.o.	Kedzierzyn Kozle		35.00	74.00	7
				39.00		122
130	Eurochem Service Polska sp. zo.o.	Warsaw		100.00	74.00	129
131	Forchem sp.zo.o.	Warsaw		100.00	74.00	8
132	PHU Elmar Sp.zo.o.	Dabrowa		100.00	74.00	129
Portugal						
133	BRENNTAG PORTUGAL-PRODUTOS QUIMICOS Lda.	Sintra		73.67	100.00	38
				25.88		44
				0.45		22
Puerto Rico						
134	Brenntag Puerto Rico, Inc.	Caguas		100.00	100.00	111
Romania						
135	S.C. Brenntag s.r.l.	Bucharest		100.00	100.00	117
Russia						
136	OOO BRENNTAG	Moscow		100.00	100.00	122
137	Tride Rus	Saint Petersburg		100.00	100.00	157
Sweden						
138	Brenntag Nordic AB	Malmö		100.00	100.00	139
139	Brenntag Nordic Investment AB	Gothenburg		100.00	100.00	140
140	Brenntag Nordic Holding AB	Gothenburg		100.00	100.00	111
Switzerland						
141	Brenntag Schweizerhall AG	Reinach		100.00	100.00	63
Singapore						
142	Brenntag Asia Pte. Ltd.	Singapore		100.00	100.00	111
143	Brenntag Singapore PTE. LTD.	Singapore		100.00	100.00	111
Slovakia						
144	BRENNTAG SLOVAKIA s.r.o.	Bratislava		100.00	100.00	122
Slovenia						
145	Brenntag Ljubljana d.o.o.	Trzin		100.00	100.00	122
Spain						
146	Devon Chemicals S.A.	Barcelona		100.00	100.00	111
147	BRENNTAG Quimica S.A.	Dos Hermanas		100.00	100.00	63
148	BRENNTAG QUIMICA Finance, S.L.U.	Sevilla		0.00	0.00	88
149	ESPECIALIDADES PUMA, S.A.	Sant Andreu de la Barca (Barcelona)		100.00	100.00	147
Taiwan						
150	BRENNTAG (Taiwan) Co. Ltd.	Taipei		100.00	100.00	111
151	Brenntag Chemicals Co., Ltd.	Taipei		100.00	100.00	111
Thailand						
152	Brenntag (Thailand) Co. Ltd.	Bangkok		0.01	100.00	142
				99.98		111
				0.01		112
Czech Republic						
153	Brenntag CR s.r.o.	Prague		100.00	100.00	122

No.	Company	Seat	held directly % *	held indirectly % *	effective net holding % *	via No.
Tunisia						
154	Alliance Tunisie S.A.R.L.	Tunis		100.00	51.00	58
Turkey						
155	Brenntag Kimya Ticaret Limited Sirketi	Kavacik - Istanbul		0.07	100.00	38
				99.93		122
Ukraine						
156	Poldiplast Ltd.	Kiev		100.00	100.00	173
157	Tride Ltd.	Kiev		100.00	100.00	122
Hungary						
158	Brenntag Hungaria Kft.	Budapest		97.94	100.00	122
				2.06		117
159	HCI Hungaria Kft.	Budapest		96.67	100.00	111
				3.33		112
USA						
160	Brenntag Mid-South, Inc.	Henderson/Kentucky		100.00	100.00	169
161	Brenntag Southwest, Inc.	Longview/Texas		100.00	100.00	169
162	Brenntag Northeast Inc.	Reading		100.00	100.00	169
163	Brenntag Southeast, Inc.	Durham		100.00	100.00	169
164	Coastal Chemical Company, L.L.C.	Abbeville		100.00	100.00	114
165	Brenntag Latin America, Inc.	Wilmington		100.00	100.00	169
166	Brenntag Funding LLC	Reading		100.00	100.00	169
167	Brenntag Great Lakes L.L.C.	Milwaukee		100.00	100.00	114
168	Brenntag North America Holding, Inc.	City of Dover, County of Kent		100.00	100.00	111
169	Brenntag North America, Inc.	Reading		100.00	100.00	168
170	Brenntag Pacific, Inc.	Santa Fe Springs		100.00	100.00	169
171	Brenntag Specialties, Inc.	South Plainfield		100.00	100.00	169
172	Brenntag Specialties Latin America, LLC	Springfield		100.00	100.00	111
173	Dipol Chemical International, Inc.	Rockville		100.00	100.00	122
Venezuela						
174	Holanda Venezuela C.A.	Caracas		100.00	100.00	111
175	Inversiones HCI Chemcentral de Venezuela, C.A.	Caracas		100.00	100.00	174
176	Quimicos Barcelona, C.A.	Caracas		100.00	100.00	174
Investments accounted for at equity						
Denmark						
177	Borup Kemi I/S	Borup, Skovbo		33.30	33.30	21
Germany						
178	Staub & Co. Chemiehandelsgesellschaft mbH	Nuremberg		50.00	50.00	22
179	Richard Sichler GmbH & Co. KG	Braunschweig		50.00	25.50	24
180	Sachsen Chemie GmbH Chemiehandelsgesellschaft	Dresden		50.00	43.63	26
181	SOFT CHEM GmbH	Hanover		33.40	17.03	34

No.	Company	Seat	held directly % *	held indirectly % *	effective net holding % *	via No.
Canada						
182	East-Chem, Inc.	Mount Perl,Newfoundl		50.00	50.00	95
Philippines						
183	Gordez Philippines Inc.			20.00	20.00	128
South Africa						
184	Crest Chemicals (Proprietary) Limited	Midrand,Gauteng		50.00	50.00	111

* **Shares in capital of the company**

The following auditor's report (Bestätigungsvermerk) has been issued in accordance with § 322 German Commercial Code (Handelsgesetzbuch) on the consolidated financial statements and the group management report (Konzernlagebericht) of Brenntag Management GmbH as of and for the fiscal year ended December 31, 2008.

The group management report is neither included nor incorporated by reference in this Prospectus.

AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by the Brenntag Management GmbH, Mülheim an der Ruhr, comprising the balance sheet, the income statement, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from January 1, 2008 to December 31, 2008. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) are the responsibility of the parent Company's Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Düsseldorf, March 12, 2009

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

sgd. Klaus-Dieter Ruske	sgd. Frank Hübner
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

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Brenntag Management GmbH
Mülheim an der Ruhr

Consolidated Financial Statements in Accordance with IFRS (International Financial Reporting Standards) at December 31, 2007

Consolidated Income Statement

	Note	2007	Oct. 1 to Dec. 31, 2006
		€ million	
Sales	1.)	6,671.4	1,564.2
Cost of goods sold	2.)	−5,316.9	−1,260.9
Gross profit		***1,354.5***	***303.3***
Selling expenses	3.)	−1,058.8	−247.2
Administrative expenses	4.)	−121.2	−32.4
Other operating income	5.)	46.0	18.4
Other operating expenses	6.)	−18.3	−10.3
Operating profit		***202.2***	***31.8***
Result of investments accounted for at equity	7.)	3.4	0.8
Finance income	8.)	21.2	6.4
Finance costs	9.)	−290.7	−72.4
Distribution to minorities under IAS 32		−3.1	−1.5
Other financial result	10.)	−2.5	−2.8
Financial result		***−271.7***	***−69.5***
Loss before taxes		***−69.5***	***−37.7***
Income taxes	11.)	6.3	1.7
Net loss for the period		***−63.2***	***−36.0***
Attributable to:			
Brenntag shareholders		−64.0	−35.5
Minority shareholders	12.)	0.8	−0.5

Consolidated Balance Sheet

	Note	Dec. 31, 2007	Dec. 31, 2006
		€ million	
Assets			
Current Assets			
Liquid assets	13.)	343.8	533.1
Trade receivables	14.)	976.0	934.4
Other receivables	15.)	97.3	104.9
Other financial assets	16.)	6.7	3.1
Current tax assets		33.5	29.2
Inventories	17.)	526.5	483.8
Non-current assets held for sale	18.)	7.8	4.6
		1,991.6	**2,093.1**
Non-current Assets			
Property, plant and equipment	19.)	813.6	817.4
Intangible assets	20.)	1,941.6	2,054.4
Investments accounted for at equity	21.)	34.2	33.1
Other financial assets	16.)	23.0	13.5
Other receivables	15.)	22.5	15.3
Deferred tax assets	11.)	40.9	43.0
		2,875.8	**2,976.7**
		4,867.4	**5,069.8**
Liabilities and Equity			
Current Liabilities			
Other provisions	26.)	44.7	45.6
Trade payables	22.)	741.0	678.7
Financial liabilities	23.)	138.1	211.0
Other liabilities	24.)	283.1	269.5
Current tax liabilities		25.0	25.9
		1,231.9	**1,230.7**
Non-Current Liabilities			
Pensions and similar obligations	25.)	52.5	50.6
Other provisions	26.)	148.5	154.0
Liabilities to minorities under IAS 32	27.)	4.1	4.3
Financial liabilities	23.)	3,061.4	3,104.1
Other liabilities	24.)	5.1	1.4
Deferred tax liabilities	11.)	166.2	225.0
		3,437.8	**3,539.4**
Equity	27.)		
Share capital*)		—	—
Retained earnings and additional paid-in capital		241.6	305.6
Other comprehensive income		−57.3	−18.7
Shares of Brenntag shareholders		184.3	286.9
Equity attributable to minority interests		13.4	12.8
		197.7	**299.7**
		4,867.4	**5,069.8**

*) € 25,000

Memorandum Note:
Information on the economic capital is to be found on page 65 under Note 27.) Equity / Economic Capital

Consolidated Statement of Changes in Equity

	Share capital*)	Retained earnings and additional paid-in capital	Other comprehensive income: Exchange rate differences	Other comprehensive income: Cash flow hedge reserve	Other comprehensive income: Deferred tax cash flow hedge reserve	Equity excluding minority interests	Minority interests	Equity
	€ million							
September 30, 2006	**—**	**341.1**	**—**	**—**	**—**	**341.1**	**14.2**	**355.3**
Currency translation difference	—	—	−23.6	—	—	−23.6	0.7	−22.9
Change in the fair value of cash flow hedges	—	—	—	5.9	−0.9	5.0	—	5.0
Reclassifications to income statement	—	—	—	−0.1	—	−0.1	—	−0.1
Income and expenses recognized directly in equity	**—**	**—**	**−23.6**	**5.8**	**−0.9**	**−18.7**	**0.7**	**−18.0**
Net loss for the period	—	−35.5	—	—	—	−35.5	−0.5	−36.0
Total income and expense for the period	**—**	**−35.5**	**−23.6**	**5.8**	**−0.9**	**−54.2**	**0.2**	**−54.0**
Dividend distribution	—	—	—	—	—	—	−1.6	−1.6
December 31, 2006	**—**	**305.6**	**−23.6**	**5.8**	**−0.9**	**286.9**	**12.8**	**299.7**
Currency translation difference	—	—	−39.8	—	—	−39.8	1.2	−38.6
Change in the fair value of cash flow hedges	—	—	—	3.8	−0.4	3.4	—	3.4
Reclassifications to income statement	—	—	—	−3.1	0.9	−2.2	—	−2.2
Income and expenses recognized directly in equity	**—**	**—**	**−39.8**	**0.7**	**0.5**	**−38.6**	**1.2**	**−37.4**
Net loss for the period	—	−64.0	—	—	—	−64.0	0.8	−63.2
Total income and expense for the period	**—**	**−64.0**	**−39.8**	**0.7**	**0.5**	**−102.6**	**2.0**	**−100.6**
Dividend distribution	—	—	—	—	—	—	−1.4	−1.4
December 31, 2007	**—**	**241.6**	**−63.4**	**6.5**	**−0.4**	**184.3**	**13.4**	**197.7**

*) € 25,000

Consolidated Cash Flow Statement

	Note	2007	Oct. 1 to Dec. 31, 2006
		€ million	
	(28)		
Net loss for the period		**−63.2**	**−36.0**
Depreciation and amortization		205.7	51.9
Tax income		−6.3	−1.7
Income tax payments		−51.6	−9.0
Interest result		269.5	66.0
Interest payments (net)		−193.2	−10.8
Dividends received		1.8	0.3
Changes in provisions		−5.8	−14.5
Changes in current assets and liabilities			
Inventories		−53.8	−10.9
Receivables		−77.9	74.8
Liabilities		91.9	−54.2
Non-cash distribution under IAS 32		3.1	1.5
Other non-cash expenses and income		−3.7	12.2
Cash provided by operating activities		**116.5**	**69.6**
Proceeds from disposals of other financial assets		4.3	0.4
Proceeds from disposals of intangible assets as well as property, plant and equipment		4.4	4.1
Purchases of consolidated subsidiaries and other business units		−96.3	—
Purchases of other financial assets		−6.0	—
Purchases of intangible assets as well as property, plant and equipment		−91.4	−30.4
Cash used for investing activities		**−185.0**	**−25.9**
Dividends paid to minority shareholders		−4.8	−1.8
Decreases in financial liabilities		−103.2	−14.7
Cash used for financing activities		**−108.0**	**−16.5**
Change in cash and cash equivalents		**−176.5**	**27.2**
Change in cash and cash equivalents due to currency gains / losses		−12.8	−6.4
Cash and cash equivalents at beginning of period		533.1	512.3
Cash and cash equivalents at end of period		**343.8**	**533.1**

NOTES

PRELIMINARY REMARKS

At the end of September of 2006, equity funds advised by BC Partners acquired all shares in Brenntag Investor Holding GmbH, the then German parent company of the Brenntag Group, through subsidiaries of Brahms Chemical Acquisition GmbH.

The financial year of Brahms Chemical Acquisition GmbH, which was established on June 28, 2006, ended on September 30, 2006.

The acquired Brenntag Group was included in the consolidated financial statements of Brahms Chemical Acquisition GmbH as from September 30, 2006.

Brahms Chemical Acquisition GmbH was renamed Brenntag Management GmbH on October 20, 2006.

Due to the change-over of the balance-sheet closing date of Brenntag Management GmbH to December 31, 2006, Brenntag Management GmbH prepared consolidated financial statements for the stub period from October 1 to December 31, 2006.

The pre-period figures in the income statement, the statement of changes in equity and the cash flow statement as well as the relevant disclosures in the Notes therefore relate to the period from October 1 to December 31, 2006 and thus cannot be compared with those for the period from January 1 to December 31, 2007.

GENERAL INFORMATION

As one of the world's leading chemicals distributors with more than 300 locations, Brenntag[4] offers its customers and suppliers an extensive range of services and global supply chain management as well as a highly developed chemicals distribution network spanning Europe as well as North and Latin America.

These consolidated financial statements of Brenntag Management GmbH were approved for publication by the Management on March 28, 2008.

The Brenntag consolidated financial statements are denominated in euro (€). Unless otherwise stated, the amounts are in million euro (€ million). For arithmetic reasons, rounding differences of ± one unit (€,% etc.) may occur.

CONSOLIDATION POLICIES AND METHODS

STANDARDS APPLIED

The consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) — as adopted in the EU.

The IFRS comprise the IFRS issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS) as well as interpretations by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

The accounting methods applied comply with all the standards and interpretations existing and adopted by the EU as at December 31, 2007. In addition, the German commercial law provisions to be applied in accordance with Section 315a, para. 1 HGB (German Commercial Code) are taken into account.

The following (in some cases revised) standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Interpretations Committee (IFRIC) were to be applied to the Brenntag Group for the first time in the 2007 financial year:

- IFRS 7 (Financial Instruments: Disclosure)
- IFRIC 7 (Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies)
- IFRIC 8 (Scope of IFRS 2)
- IFRIC 9 (Reassessment of Embedded Derivatives)
- IFRIC 10 (Interim Financial Reporting and Impairment)

[4] Brenntag Management GmbH, Stinnes-Platz 1, 45472 Mülheim an der Ruhr, Germany

• Amendments to IAS 1 (Presentation of Financial Statements)

The application of these new standards and interpretations had no material effect on the presentation of the net assets, financial position and results of operations of the Group. IFRS 7 requires comprehensive explanations and additional note disclosures on financial instruments. The amendments to IAS 1 require additional disclosures on capital management.

The following (in some cases revised) standards and interpretations have been published but their adoption is not yet mandatory:

• IFRS 3 (Business Combinations — Revised January 2008)

• IFRS 8 (Operating Segments)

• IAS 1 (Presentation of Financial Statements — Revised September 2007)

• IAS 23 (Borrowing Costs — Revised March 2007)

• Amendments to IAS 1 (Presentation of Financial Statements) and IAS 32 (Financial Instruments: Presentation)

• IAS 27 (Consolidated and Separate Financial Statements — Revised January 2008)

• IFRIC 11 (IFRS 2 — Group and Treasury Share Transactions)

• IFRIC 12 (Service Concession Arrangements)

• IFRIC 13 (Customer Loyalty Programmes)

• IFRIC 14 (IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction)

The above-mentioned standards and interpretations will probably only be applied in the Brenntag consolidated financial statements when their adoption is mandatory and if they are endorsed by the European Union. The effective date is the 2008 financial year for IFRIC 11, IFRIC 12 and IFRIC 14, the 2009 financial year for IFRS 8, IAS 1, IAS 23, the amendments to IAS 1 and IAS 32 and IFRIC 13 and the 2010 financial year for IFRS 3 and IAS 27.

IFRS 3 (Business Combinations) will lead to material changes in the accounting of business combinations. The new IFRS 3 does not allow the capitalization of costs directly attributable to the business combination and introduces clearer requirements for the separation of a business combination from other transactions. Furthermore, any changes in estimates of a purchase price payable are generally not to be recognized by adjusting goodwill but directly recognized as expense or income.

The revised IAS 27 prescribes the mandatory adoption of the economic entity approach for the accounting treatment of share acquisitions and sales once control over the entity is gained and while control is maintained. According to the economic entity approach, transactions with minority shareholders are to be recognized in equity. In the case of successive share acquisitions which lead to the control of an entity or in the case of the sale of shares with the loss of control, the standard requires the remeasurement of the shares already held in the first case and the remaining shares in the second case at their fair value to affect net income.

IFRS 8 (Operating Segments) provides for the mandatory adoption of the so-called management approach for segment reporting. According to this approach, reporting is to be performed on the basis of the reporting information used by the top management internally for assessing segment performance and making resource allocations.

Under IAS 23 (Borrowing Costs), the capitalization of borrowing costs is mandatory in future. As the Brenntag Group is already making use of the previous option to capitalize borrowing costs, there will be no effects on the consolidated financial statements of the Brenntag Group from the amendments to this standard.

There are also not expected to be any significant changes for the Brenntag Group from the other standards and interpretations not yet applied.

SCOPE OF CONSOLIDATION

As at December 31, 2007, the consolidated financial statements include Brenntag Management GmbH as well as a total of 32 domestic (prior period: 34) and 139 foreign (prior period: 154) fully consolidated subsidiaries and special purpose entities.

One joint venture (prior period: one) and eight associates (prior period: eight) are accounted for at equity.

The table below shows the changes in the number of fully consolidated subsidiaries and special purpose entities since January 1, 2007:

	Jan. 1, 2007	Additions	Disposals	Dec. 31, 2007
Domestic consolidated companies	34	0	2	32
Foreign consolidated companies	154	6	21	139
Total consolidated companies	**188**	**6**	**23**	**171**

The additions relate to the acquisition of three companies and the establishment of Provida GmbH, Austria, Forchem sp.zo.o, Poland and Brenntag HoldCo BV, Netherlands.

The disposals result from mergers as well as from the liquidation of companies no longer operating.

The subsidiaries and special purpose entities, associates and joint ventures of Brenntag Management GmbH are listed in Appendix A.

BUSINESS COMBINATIONS IN ACCORDANCE WITH IFRS 3

In 2007 the following companies were acquired as part of share deals and recognized as business combinations in accordance with IFRS 3:

Company	Date of acquisition	Percentage of voting rights acquired	Cost of acquisition
			(€ million)
St. Lawrence Chemical Inc., Canada	Jan. 1, 2007	100%	36.3
Ulrich Chemical Inc., USA	April 1, 2007	100%	50.0
Natural World S.r.l., Italy	July 1, 2007	100%	14.6

All assets and liabilities were recognized at the fair value on the date of acquisition (step up). Additional intangible assets (customer base) and contingent liabilities which were not recognized in the balance sheet of the companies acquired have been accounted for after allowing for tax effects. The difference between the purchase price and the revalued share of net assets was recognized as goodwill.

The following table shows how goodwill was determined:

	€ million
Purchase price	99.4
Directly attributable costs	1.5
Cost of acquisition	100.9
less fair value of the share of net assets	42.6
Goodwill	**58.3**

In accordance with IFRS 3, goodwill is not amortized. It contains an assembled workforce of € 1.5 million which, according to IFRS 3 in conjunction with IAS 38, may not be recognized separately. A cost-based approach was chosen to value the assembled workforce, according to which the costs for recruitment and work familiarization of a comparable assembled workforce were determined.

The outflow of resources as a result of the acquisitions has been determined as follows:

	€ million
Cost of acquisition	100.9
less purchase price liabilities	3.6
less liquid assets acquired	5.6
Purchases of consolidated subsidiaries	**91.7**

Furthermore, other business units with a value of € 4.6 million were acquired as part of asset deals.

Effects of the measurement of assets and liabilities of the companies acquired at fair value

	Carrying amount to IFRS	Fair value (IFRS 3)
	€ million	
Assets		
Liquid assets	5.6	5.6
Trade receivables	18.7	18.7
Other financial assets and other receivables	1.3	2.7
Inventories	9.5	11.3
Property, plant and equipment	10.8	13.0
Customer base	—	17.3
Deferred tax assets	—	1.9
Liabilities		
Trade payables	−8.6	−8.6
Miscellaneous other provisions	−0.1	−5.8
Liabilities to banks	−4.3	−4.3
Other liabilities	−6.6	−6.1
Deferred tax liabilities	—	−3.1
Net assets	**26.3**	**42.6**

Customer bases of € 17.3 million were identified as part of the business combinations. The multi-period excess earnings method was used to measure these customer bases.

If the first-time consolidation of Ulrich Chemical Inc. and Natural World S.r.l. had taken place as at January 1, 2007, sales of € 6,692.5 million would have been shown for the Brenntag Group in 2007. The loss for the Brenntag Group in 2007 would have been € 60.5 million.

After their acquisition, the companies generated sales of € 126.5 million and net income of €6.5 million in 2007.

CONSOLIDATION METHODS

The consolidated financial statements include the financial statements — prepared according to uniform accounting and measurement methods — of Brenntag Management GmbH, the subsidiaries and the special purpose entities whose financial and business policies are controlled by Brenntag. This is normally the case when Brenntag Management GmbH holds the majority of voting rights either directly or indirectly or, due to its economic control, has the major economic benefit or bears the major risks from the business activities of the respective companies. Inclusion in the consolidated financial statements commences at the date on which the possibility of control exists and ends when the possibility of control no longer exists.

Acquisitions are accounted for using the purchase method in accordance with IFRS 3. The acquisition costs of the acquired company are considered to be the fair value of the assets given plus the costs directly attributable to the acquisition. If Brenntag does not acquire a 100% interest but if it is sufficiently probable at the time of the acquisition that further shares will be acquired, they are already allowed for when determining the acquisition costs and corresponding liabilities are recognized (deferred consideration). Identifiable assets, liabilities and contingent liabilities of an acquisition are measured at their fair value at the acquisition date, irrespective of the share of minority interests. Any remaining differences between the acquisition costs and the acquired assets and liabilities are recognized as goodwill.

Receivables, liabilities, expenses, income within the Brenntag Group and inter-company results are eliminated. Inter-company supplies and services are performed on the basis of the dealing at arm's length principle, as for third parties. Deferred taxes are recognized for temporary differences from consolidation transactions.

Associates and joint ventures of the Brenntag Group in which Brenntag holds significant or joint control are measured using the equity method. This is generally the case when Brenntag Management GmbH holds between 20% and 50% of the voting rights either directly or indirectly.

The same consolidation policies apply to companies accounted for at equity as to fully consolidated companies, whereby recognized goodwill is contained in the carrying amount of investments accounted for at equity. Brenntag's share in the net profit / loss of the companies accounted for at equity is recognized directly in the income statement.

The accounting and measurement methods of the companies accounted for at equity were, as far as necessary, adjusted to the accounting and measurement methods of Brenntag.

CURRENCY TRANSLATION

Foreign currency receivables and liabilities in the single-entity statements are stated on initial recognition at the spot exchange rate at the date of the transaction. At the balance-sheet date or at the settlement date, foreign currency receivables and liabilities are translated at the closing rate and recognized as income or expense.

The items contained in the financial statements of each Group company are measured on the basis of the currency of the relevant primary economic environment in which the company operates (functional currency). The presentation currency of the Brenntag Group is the euro.

The single-entity financial statements of the companies from countries whose functional currency is not the euro have been translated into euro as follows:

Assets and liabilities are translated at the closing rate, income and expense at the annual average rate and equity is translated at the historical exchange rate. Goodwill and fair value adjustments resulting from the acquisition of foreign companies are also regarded as assets and liabilities of the foreign companies and translated at the closing rate.

Foreign currency differences resulting from the translation of balance-sheet items are treated as other comprehensive income and shown as a separate equity item as are the differences resulting from the application of different exchange rates in the balance sheet and the income statement.

For some Latin-American countries, the functional currency is the US dollar and not the local currency. Non-monetary items, which are measured at historical cost, above all property, plant and equipment, intangible assets, goodwill as well as environmental restoration provisions, are translated from the local currency into US dollars using the exchange rate at the date of the respective transaction. Monetary items are translated at the closing rate. All income and expenses are re-measured at the average exchange rate in the reporting period with the exception of depreciation and amortization, impairment losses and their reversals as well as income and expenses incurred in connection with environmental restoration provisions. These are re-measured at the same exchange rates as the underlying assets and liabilities. The resulting foreign currency differences are recognized directly in the income statement. After remeasurement in the functional currency, US dollars, the same method is used for translation from US dollars into the Group currency, the euro, as for companies whose functional currency is the local currency.

The single-entity financial statements of foreign companies accounted for at equity are translated using the same principles.

The following exchange rates were taken for the major currencies:

	Closing rate		Average rate	
€ 1 = currencies	**Dec. 31, 2007**	**Dec. 31, 2006**	**2007**	**Oct. 1 to Dec. 31, 2006**
Canadian dollar	1.4449	1.5281	1.4678	1.4687
Pound sterling	0.7334	0.6715	0.6843	0.6731
Swiss franc	1.6547	1.6069	1.6427	1.5931
Danish crown	7.4583	7.4560	7.4506	7.4556
Swedish crown	9.4415	9.0404	9.2501	9.1305
US dollar	1.4721	1.3170	1.3705	1.2896
Polish zloty	3.5935	3.8310	3.7837	3.8470

Accounting and Measurement Policies

Revenue recognition

Revenue is only recognized — net of value-added tax, cash discounts, discounts and rebates — when the following conditions have been satisfied:

(a) The significant risks and rewards of ownership of the goods have been transferred to the buyer.

(b) Brenntag retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

(c) The amount of revenue can be measured reliably.

(d) It is probable that the economic benefits associated with the transaction will flow to Brenntag.

(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

This is generally the case when the goods have been collected by the customer or have been dispatched by Brenntag or by a third party. In some cases, Brenntag retains title and risks of ownership until the goods arrive at the customer's premises.

Interest income is recognized as the interest accrues using the effective interest method.

Dividend income is recognized when the right to receive payment is established.

Liquid assets

Liquid assets include cash on hand, cheques, balances with banks and securities with an original term of three months or less.

Trade receivables, other receivables and other financial assets

Based on the categorization of IAS 39, financial assets are classified as loans and receivables, available-for-sale financial assets or financial assets at fair value through profit and loss.

The receivables shown as trade receivables, other receivables and other financial assets are classified as loans and receivables and are measured at fair value plus transaction costs on initial recognition and carried at amortized cost in the subsequent periods.

The securities shown under other financial assets and shares in companies in which the company does not have at least significant control are classified as available-for-sale financial assets and are measured on initial recognition at fair value plus transaction costs and subsequently at fair value. If these securities or company shares are traded on an active market, the fair value is the published quoted price at the balance-sheet date. If there is no active market, the fair value is established by using a suitable valuation technique. Assets whose fair value cannot be reliably measured are carried at cost. Changes in the fair value are recognized directly within equity in the revaluation reserve.

If there are objective indications that the assets classified as loans and receivables are not collectible in full, they are each written down to affect net income in line with the risk of loss. Furthermore, country- specific lumpsum impairment losses are recognized for receivables of the same loss risk categories. The basis for estimating the risk of loss is the extent to which the receivables are past due. The impairment losses are always posted to an offset account. If a receivable is uncollectible, the gross value and the impairment loss are both derecognized.

If available-for-sale financial assets are permanently impaired, the income and expenses previously transferred to the revaluation reserve are reversed and any additional impairment losses are recognized directly in income. If the reasons for the impairment no longer exist, the impairment losses are reversed, except for impairment losses on equity instruments.

The derivative financial instruments shown under other financial assets are measured at fair value on initial recognition and in the subsequent periods. If they do not qualify for cash flow hedge accounting, they are classified in the at fair value through profit and loss category as held-for-trading so changes in the fair value are recognized in income.

No use is made of the option to designate non-derivative financial assets and liabilities as financial assets at fair value through profit and loss on their initial recognition.

The fair values of the foreign exchange forward transactions and foreign exchange swaps are established by comparing forward rates and discounted to the present value. The fair values of interest rate swaps and interest caps are determined using the discounted cash flow method or option price models on the basis of current interest curves.

The initial recognition of all non-derivative financial assets is performed at the respective settlement date. Derivative financial instruments are recognized in the balance sheet when Brenntag becomes a party to the contractual provisions of that instrument.

Financial assets are derecognized if the contractual rights to the cash flows from the financial asset have expired or have been transferred and Brenntag has transferred substantially all the risks and rewards of ownership.

As part of a multinational A/R securitization programme, the consolidated special purpose entity, Brenntag Funding Ltd., Ireland, buys receivables from several European and North American operating companies of the Brenntag Group. The receivables are derecognized when the payments are received by the subsidiaries of Brenntag Funding Ltd.

Inventories

The inventories are mainly merchandise as well as smaller amounts of raw materials and supplies. These inventories are initially recognized at cost. Furthermore, production costs for the inventories produced through further processing are also capitalized.

Similar inventories are measured using the weighted average method.

For subsequent measurement, the inventories are measured at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value also covers effects from obsolescence or reduced marketability. Reversals of earlier write-downs of inventories are performed when the net realizable value of the inventories increases again.

Assets and disposal groups held for sale

Assets held for sale are recognized separately as such if the relevant carrying amount is mainly realized by a sale transaction and not by continuing use. These assets are measured at the lower of their carrying amount and fair value less costs to sell and are classified as non-current assets held for sale. The assets are no longer depreciated .

Property, plant and equipment

Property, plant and equipment is shown at cost of acquisition or construction, and, except for land, depreciated over its estimated economic useful life on a straight-line basis.

Acquisition costs include all expenditure which can be directly attributed to the acquisition.

The cost of self-constructed property, plant and equipment comprises direct cost of materials and direct construction costs, appropriate allocations of material and construction overheads and an appropriate share of the depreciation of assets used in construction. Expenses for company pension plans and discretionary employee benefits that are attributable to construction are recognized in the construction costs if they can be directly allocated.

The cost of borrowings up to the date of completion is capitalized as part of the cost of acquisition or construction.

Expenses for the repair of property, plant and equipment are normally charged to income.

In accordance with IAS 16, future costs for any restoration obligation are recognized as an increase in the cost of acquisition or construction of the respective asset and a corresponding provision is established on acquisition or construction of the property, plant and equipment. The restoration obligation is generally determined on the basis of estimates of the future discounted cash flow. The additional cost of acquisition or construction is depreciated over the useful life of the asset and the discounting of the corresponding provision is unwound over the useful life of the asset.

Leased assets which are to be classified as finance leases in accordance with the categorization of IAS 17 are measured at the lower of their fair value and the present value of the minimum lease payments at the inception of the lease. They are normally depreciated over their estimated useful lives. The present values of future lease payments for assets capitalized as finance leases are recognized as financial liabilities.

In accordance with IAS 20, government grants and assistance for investments are deducted from the carrying amount of the related asset.

Depreciation of property, plant and equipment is allocated to the respective functional area in the income statement.

When assets are sold, the difference between the net proceeds and the carrying amount of the respective asset is recognized as a gain or loss in the other operating income or expenses.

The following useful lives are taken as a basis for depreciation:

	Useful life
Buildings	15 to 50 years
Installations and building improvements	8 to 20 years
Technical equipment, plant and machinery	3 to 20 years
Vehicles	5 to 8 years
Other equipment, fixtures, furniture and office equipment	2 to 10 years

Intangible assets

The intangible assets include any customer bases purchased, the "Brenntag" trademark as well as other brands, software, concessions and similar rights as well as goodwill of fully consolidated subsidiaries acquired in business combinations.

Intangible assets acquired through business combinations are measured on initial recognition at their fair value on the date of acquisition.

Separately acquired intangible assets are carried at cost.

Acquired software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

In addition to goodwill, the "Brenntag" trademark has an indefinite useful life as no assumption can be made about its durability or the sustainability of its economic use. The other intangible assets are amortized on a straight-line basis over their estimated useful lives. The following useful lives are assumed:

	Useful life
Concessions, industrial rights and similar rights as well as software and trademarks with definite useful lives	3 to 10 years
Customer base	4 years

Impairment testing of non-current non-financial assets

Assets are tested for impairment whenever there is an objective indication that the carrying amount may not be recoverable.

Assets that have an indefinite useful life, which are not subject to scheduled amortization, are tested for impairment at least annually.

Impairment exists when the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the value in use. The fair value is the best-possible estimate of the amount for which the asset would be acquired by a third-party in an arm's length transaction; costs to sell are deducted. The value in use is the present value of the future cash flows expected to be derived from an asset. If the carrying amount is higher than the recoverable amount, the asset is immediately written down to this amount.

If the recoverable amount of an asset cannot be reliably established, the recoverable amount of the cash-generating unit (CGU) to which the asset belongs is established and compared with the carrying amount of the CGU.

Impairments, except for impairments of goodwill, are reversed as soon as the reasons for the impairment no longer exist.

Goodwill is tested for impairment regularly, at least annually, after completion of the annual budget process by comparing the carrying amount of the relevant group of cash-generating units with their recoverable amount. In addition, goodwill is tested for impairment at Group level as certain assets and cash flows can only be attributed to the Group as a whole.

For the goodwill impairment test, the segments of the segment reporting were identified as the relevant groups of cash-generating units.

The fair value less costs to sell is taken as the recoverable amount. This amount is determined on the basis of a recognized company valuation model. The company valuation model is based on cash flow plans which are in turn

based on the five-year plan approved by the management and applicable at the date of the performance of the impairment test.

The cash flow forecasts for the impairment test of the financial year ended December 31, 2007 were derived from the budget for 2008 and the plan years 2009 to 2012. The assumed growth rate for the period from 2013 onwards is 1.25% in Europe and North America (previous year: 0.75%) and 2.5% (previous year: 2.5%) in Latin America. The planned cash flows are based on the management's past experience and expectations about the future market developments. They were discounted at the weighted average cost of capital or WACC. WACC is the average cost of debt and equity funding weighted by the proportion of the capital structure that the fair values of those two components constitute. The discount rates for the segments reflect the special risks of the respective region:

WACC in %	2007	2006
Europe	8.3	7.5
North America	8.0	7.1
Latin America	9.4	9.4
Group	8.2	7.4

If the carrying amount of a segment exceeds the recoverable amount, an impairment loss is recognized for the difference. In this case, the goodwill of the relevant segment is first written down. Any remaining impairment is allocated to the assets of the segment in proportion to the net carrying amounts of the assets on the balance-sheet date. The carrying amount of an individual asset must not be less than the higher of fair value less costs to sell, value in use (both in as far as they can be established) and nil.

As the "Brenntag" trademark does not generate any own cash flow which is independent from other assets or groups of assets, and its carrying amount cannot be allocated sensibly and consistently to individual cash-generating units, it is allocated to the Brenntag Group as a whole. As an asset which has an indefinite useful life, the "Brenntag" trademark is also to be subjected separately to an annual impairment test. Its recoverable value was determined as the fair value less costs to sell using the relief from royalty method.

Provisions for pensions and similar obligations

The Group's pension obligations comprise both defined benefit and defined contribution plans.

With defined contribution plans, the contributions to be paid are charged directly as expense. Provisions for pension obligations are not established as in these cases Brenntag has no additional obligation apart from the obligation to pay the premiums.

Provisions are established for defined benefit plans. The obligations arising from these defined benefit plans are determined on the basis of the internationally recognized projected unit credit method and take into consideration future salary and pension trends. For this purpose, an actuarial valuation is obtained every year. Mortality rates were determined using the latest Heubeck mortality tables (2005G) or comparable foreign mortality tables. Differences between the expected pension obligations calculated for the financial statements and the actual pension obligations as well as differences between the fair value of the plan assets expected at the end of the period and the actual figure (actuarial gains and losses) are spread to income in the subsequent periods over the expected remaining working lives of the participating employees where they exceed the corridor of 10% of the maximum of the defined benefit obligation (DBO) and the plan assets (corridor method).

Past service cost is recorded in the income statement, spread over the average period until the benefits become vested (vesting period).

Other provisions

Other provisions are recognized when the Group has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Non-current provisions are recognized at the present value of the expected outflow and their discounting is unwound over the period until their expected utilization.

If the projected obligation declines as a result of a change in an estimate, the provision is reversed by the corresponding amount and the resulting income is essentially recognized in the functional area in which the original charge was recognized.

Trade payables, financial liabilities and other liabilities

Based on the categories under IAS 39, the non-derivative liabilities shown under trade payables, financial liabilities and other liabilities are classified as financial liabilities measured at amortized cost. They are initially recognized at their fair value net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest method.

The accounting and measurement of the derivative financial instruments with negative fair values shown within financial liabilities is the same as the accounting and measurement of the derivative financial instruments with positive fair values shown within other financial assets.

Liabilities to minorities under IAS 32

The liabilities to minorities under IAS 32 are measured at the fair value of the limited partner's right to repayment of his limited partner's contribution. Changes in the fair value are recognized directly in income.

Deferred taxes and current income taxes

Current income taxes in the current or prior periods are measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred taxes are determined in accordance with IAS 12 (Income Taxes). Deferred taxes arise from temporary differences between the carrying amounts of assets and liabilities in the IFRS balance sheet and the tax balance sheet, from consolidation transactions and from tax loss carryforwards where it is likely that there will be sufficient income in subsequent years for these loss carryforwards to be utilized.

Deferred tax assets are recognized to the extent that future taxable profit will be available or taxable temporary differences are reversed at the same time against which the deductible temporary differences and the unused tax losses can be utilized.

Deferred taxes for domestic companies are calculated on the basis of a tax rate of 31% (corporate income tax of 15%, solidarity surcharge of 5.5% on corporate income tax, and trade earnings tax of 15%) (prior period: 39%). Deferred taxes for foreign companies are calculated at local tax rates (between 15% and 41%). These are tax rates which can be expected to apply on the basis of laws in the different countries that have been enacted or substantially enacted by the balance-sheet date.

Deferred tax assets and liabilities are netted against each other when they relate to the same tax authority, the company has a legally enforceable right to set them off against each other and they refer to the same periods.

Cash flow hedges

Some of the derivative financial instruments within other financial assets and liabilities have been included in cash flow hedge accounting.

The hedge-effective portion of changes in the fair value of these derivative financial instruments is first recognized within equity in the cash flow hedge reserve. Gains or losses from these derivatives are reclassified to the income statement at the same time the underlying hedged item is recognized in income. If the occurrence of the future transaction is no longer expected, the accumulated gains or losses recognized directly in equity have to be reclassified immediately to the income statement. Ineffective portions of the hedge accounting are recognized directly in income.

Assumptions and estimates

Assumptions and estimates which may affect the amounts and disclosures of the reported assets and liabilities and revenues and expenses have to be made in the consolidated financial statements. These estimates and assumptions mainly relate to the calculation and discounting of cash flows when impairment tests are performed as well as the likelihood of occurrence and the discounting of provisions, particularly in the field of environmental risks. Furthermore, assumptions are made as to the realization of future tax benefits from loss carryforwards as well as to the useful lives of intangible assets and property, plant and equipment.

If the WACC taken as a basis for impairment testing of the "Brenntag" trademark and goodwill had been one percentage point higher than the management's estimates, no goodwill impairment would have arisen. An impairment of the "Brenntag" trademark of € 21.1 million would have arisen.

If the discount rate used to determine the environmental restoration provisions had been one percentage point higher or lower, the provision would have decreased by € 3.8 million or increased by € 4.2 million.

The actual amounts can differ from the assumptions and estimates made for individual cases. Adjustments are recognized in income when estimates are revised.

Cash flow statement

The cash flow statement classifies cash flows by operating, investing and financing activities. Effects from changes in the scope of consolidation are allocated to cash flow from investing activities. The effect of changes in value due to exchange rate fluctuations on cash and cash equivalents is shown separately.

Information on the Consolidated Income Statement

1.) Sales

The total sales of € 6,671.4 million (prior period: € 1,564.2 million) mainly relate to the sale of goods. Sales of € 20.9 million (prior period: € 5.4 million) were generated with related parties.

2.) Cost of goods sold

The cost of goods sold includes cost of materials and the other operating expenses which can be allocated directly or proportionately to this line item. The cost of materials amounts to € 5,297.5 million (prior period: € 1,251.6 million). The cost of goods sold also includes write-downs of inventories of € 2.4 million (prior period: € 2.1 million).

3.) Selling expenses

The selling expenses include all direct selling and distribution costs as well as respective overheads which are incurred in the reporting period and can be allocated directly or proportionately to the line item.

Rental and lease expenses for operating leases total € 56.4 million (prior period: €13.0 million), of which € 1.0 million (prior period: € 0.2 million) are for contingent rents. They are mainly shown under selling expenses.

4.) Administrative expenses

The administrative expenses contain all costs which are of a general administrative character provided they are not allocated to other functional areas.

5.) Other operating income

	2007	Oct. 1 to Dec. 31, 2006
	€ million	
Income from the reversal of provisions no longer required	3.3	1.6
Income from the disposal of non-current assets	2.4	4.3
Income from the receipt of receivables derecognized in prior periods	4.0	—
Miscellaneous operating income	36.3	12.5
Total	**46.0**	**18.4**

Miscellaneous operating income comprises income from derecognition of liabilities of € 4.6 million as well as a large number of different small items.

6.) Other operating expenses

	2007	Oct. 1 to Dec. 31, 2006
	€ million	
Impairments of receivables	−8.1	−3.8
Losses on the disposal of non-current assets	−0.6	−4.6
Miscellaneous operating expenses	−9.6	−1.9
Total	**−18.3**	**−10.3**

7.) Result of investments accounted for at equity

	2007	Oct. 1 to Dec. 31, 2006
	€ million	
Result of associates	2.3	0.6
Result of joint ventures	1.1	0.2
Total	**3.4**	**0.8**

The result of the joint ventures accounted for at equity comprises Brenntag's share of the results of the Staub joint venture.

8.) Finance income

	2007	Oct. 1 to Dec. 31, 2006
	€ million	
Interest income from third parties	15.4	5.0
Expected income from plan assets	5.8	1.4
Total	**21.2**	**6.4**

9.) Finance costs

	2007	Oct. 1 to Dec. 31, 2006
	€ million	
Interest expense on liabilities to third parties	−229.4	−56.4
Interest expense on liabilities to related parties	−53.3	−13.1
Income from the measurement of interest rate swaps and interest caps at fair value	3.5	0.1
Interest expense on pensions	−6.8	−1.7
Interest cost on the unwinding of discounting for other provisions	−2.4	−0.8
Interest expense on finance leases	−2.3	−0.5
Total	**−290.7**	**−72.4**

10.) Other financial result

	2007	Oct. 1 to Dec. 31, 2006
	€ million	
Income from the translation of monetary items from local into functional currency	0.9	0.1
Losses on the translation of monetary items from local into functional currency	−1.0	−0.1
Result from the translation of foreign currency receivables and liabilities at the closing rate	6.0	0.6
Result from the measurement of foreign currency derivatives at fair value	−8.0	−1.0
Miscellaneous other financial income	0.5	0.2
Miscellaneous other financial expense	−0.9	−2.6
Total	**−2.5**	**−2.8**

11.) Income taxes

	2007	Oct. 1 to Dec. 31, 2006
	€ million	
Current income taxes	−49.5	−10.7
Deferred taxes	55.8	12.4
(thereof from temporary differences)	(38.3)	(4.5)
(thereof from tax loss carryforwards)	(17.5)	(7.9)
Total	**6.3**	**1.7**

The effective tax income of € 6.3 million (prior period: € 1.7 million) differs by € 20.8 million (prior period: € 13.0 million) from the expected tax income of € 27.1 million (prior period: tax income of € 14.7 million). The expected tax income results from applying the Group tax rate of 39% to the pre-tax result.

The reasons for the difference between the expected tax income and the effective tax income are as follows:

	2007	Oct. 1 to Dec. 31, 2006
	€ million	
Pre-tax loss	−69.5	−37.7
Expected income tax (39%)	27.1	14.7
Difference due to tax base for trade earnings tax	−4.8	−2.0
Difference to expected tax rate	−4.0	−2.5
Changes in valuation adjustments on deferred tax assets / losses without the establishment of deferred taxes	−3.8	−3.3
Changes in the tax rate and tax laws	3.2	2.0
Non-tax-deductible expenses	−18.2	−9.3
Tax-free income	1.2	0.3
Results from companies accounted for at equity	0.8	0.3
Taxes of prior periods	3.3	0.7
Deferred taxes on temporary differences from shares in subsidiaries	1.6	0.7
Other effects	−0.1	0.1
Effective tax income	**6.3**	**1.7**

The non-tax-deductible expenses mainly result from the qualification of 5% of the dividends received and the profits from the disposal of investments in corporations (Kapitalgesellschaften) as non-deductible operating expenses (e.g. Germany: Section 8b, para. 1 of the German Corporate Income Tax Law (KStG) in conjunction with Section 8b, para. 5 KStG).

The deferred taxes result from the individual balance sheet items as follows:

	Dec. 31, 2007		Dec. 31, 2006	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
	€ million			
Current assets				
Liquid assets and financial assets	12.7	6.3	17.0	39.2
Inventories	9.2	2.4	9.6	2.8
Non-current assets				
Property, plant and equipment	13.8	90.3	15.3	91.6
Intangible assets	7.6	165.4	4.5	188.2
Financial assets	19.4	8.0	14.0	14.6
Current liabilities				
Other provisions	7.8	0.2	20.2	1.5
Liabilities	16.1	7.9	51.1	9.0
Non-current liabilities				
Provisions for pensions	6.4	1.5	7.0	0.7
Other provisions	33.4	1.2	28.8	5.3
Liabilities	7.9	10.2	8.8	10.2
Special tax-allowable reserves	3.1	2.4	—	11.4
Loss carryforwards	79.3	—	67.8	—
Consolidation items	—	6.1	—	7.6
Deferred tax (gross)	**216.7**	**301.9**	**244.1**	**382.1**
Valuation allowance *)	−40.1	—	−44.0	—
Offsetting	−135.7	−135.7	−157.1	−157.1
Deferred tax (net)	**40.9**	**166.2**	**43.0**	**225.0**

*) deferred tax assets and corresponding valuation allowances are shown as gross amounts

Of the deferred tax assets, € 33.8 million (prior period: € 36.1 million) are current and € 7.1 million (prior period: € 6.9 million) are non-current. Of the deferred tax liabilities, € 2.5 million (prior period: € 3.0 million) are current and € 163.7 million (prior period: € 222.0 million) are non-current.

No deferred taxes were determined for the difference between the net assets and the tax base of subsidiaries (outside basis differences) provided the differences will not in fact reverse. No deferred tax liabilities were established for temporary differences amounting to € 213.3 million (prior period: € 792.0 million). The change compared with the prior period is mainly due to the sale of 80% of the investment of Brenntag Foreign Holding GmbH, Mülheim an der Ruhr, in Brenntag Holding N.V., Amsterdam, Netherlands, to Brenntag HoldCo BV, Amsterdam, Netherlands.

The existing tax loss carryforwards and tax credits can be utilized as follows:

	Loss carryforwards	thereof: loss carryforwards without deferred taxes	Tax credits	thereof: tax credits without deferred taxes	Dec. 31, 2007
	€ million				
within one year	0.1	(—)	0.1	(0.1)	0.2
2 to 5 years	2.5	(0.5)	0.5	(0.5)	3.0
6 to 9 years	0.6	(0.6)	0.8	(0.8)	1.4
more than 9 years	1.6	(1.6)	—	(—)	1.6
unlimited	384.0	(219.4)	—	(—)	384.0
Total	**388.8**	**(222.1)**	**1.4**	**(1.4)**	**390.2**

	Loss carryforwards	thereof: loss carryforwards without deferred taxes	Tax credits	thereof: tax credits without deferred taxes	Dec. 31, 2006
	€ million				
within one year	0.7	(—)	—	(—)	0.7
2 to 5 years	1.4	(—)	1.4	(0.6)	2.8
6 to 9 years	3.2	(2.1)	3.3	(1.4)	6.5
more than 9 years	2.9	(2.9)	0.5	(—)	3.4
unlimited	274.3	(177.8)	—	(—)	274.3
Total	**282.5**	**(182.8)**	**5.2**	**(2.0)**	**287.7**

Restrictions on loss carryforwards and their utilization (minimum taxation) are allowed for when measuring the deferred taxes on loss carryforwards.

Of the total loss carryforwards, deferred taxes of € 42.6 million (prior period: € 25.7 million) were provided for loss carryforwards of € 166.7 million (prior period: € 99.6 million) which are likely to be utilized. The loss carryforwards of € 166.7 million which are likely to be utilized include domestic corporation tax and trade earnings tax loss carryforwards of € 76.3 million and € 20.5 million. No deferred taxes were provided for loss carryforwards of € 222.1 million (prior period: € 182.8 million) which are not likely to be utilized.

12.) Minority interests in net profit / loss for the period

Of the shares of other shareholders in the net profit / loss for the period, € 1.6 million (prior period: € 0.2 million) relates to the net profit for the period and € 0.8 million (prior period: € 0.7 million) to the net loss for the period of fully consolidated companies.

Personnel expenses

Personnel expenses amount to € 537.2 million (prior period: € 131.2 million). This line item includes wages and salaries totaling € 427.6 million (prior period: € 104.4 million) as well as social insurance contributions of € 109.6 million (prior period: €26.8 million), of which pension expenses (including employer contributions to the statutory pension insurance fund) account for € 34.2 million (prior period: € 8.7 million). The interest portion of the addition to provisions for personnel expenses (mainly provisions for pensions) is not included in personnel expenses but is shown within the financial result under finance costs.

Employees

The average number of employees by region breaks down as follows:

	2007	Oct. 1 to Dec. 31, 2006
Europe	6,346	4,208
North America	3,437	2,122
Latin America	1,046	691
Rest of the World	165	112
Total	**10,994**	**7,133**

Here it must be remembered that the figures for the prior period given in the table were determined in accordance with the provisions of Section 267, para. 5 HGB as the average of the employee numbers of the Brenntag Group on the balance-sheet dates June 30 (0 employees before acquisition of the Brenntag Group), September 30 (10,674 employees through the acquisition of the Brenntag Group) and December 31, 2006 (10,725 employees). As at December 31, 2007, the employee numbers of the Brenntag Group totaled 11,030 (prior period: 10,725).

Information on the Consolidated Balance Sheet

13.) Liquid assets

	Dec. 31, 2007	Dec. 31, 2006
	€ million	
Bank deposits	331.3	528.9
Cheques and cash on hand	12.5	4.2
Total	**343.8**	**533.1**

14.) Trade receivables

	Dec. 31, 2007	Dec. 31, 2006
	€ million	
Trade receivables from third parties	970.8	932.9
Trade receivables from related parties	5.2	1.5
Total	**976.0**	**934.4**

Of the trade receivables from third parties, receivables amounting to € 430.9 million (prior period: € 382.4 million) had been sold at the balance-sheet date to the consolidated special purpose entity, Brenntag Funding Ltd, Ireland, under the A/C securitization programme established in 2005. All risks and rewards associated with the receivables remain in the Group.

The impairments on trade receivables developed as follows:

	Accumulated impairments of trade receivables
	€ million
September 30, 2006	**—**
Change	3.8
December 31, 2006	**3.8**
Change	8.1
December 31, 2007	**11.9**

The trade receivables which were past due but for which no impairment loss had been recorded as at the reporting date were past due by the following number of days:

	Dec. 31, 2007	Dec. 31, 2006
	€ million	
1 to 30 days	134.2	124.1
31 to 60 days	29.9	28.0
61 to 90 days	8.6	9.8
91 to 180 days	6.1	7.2
more than 180 days	1.4	—
Total	**180.2**	**169.1**

15.) Other receivables

	Dec. 31, 2007		Dec. 31, 2006	
	Total	thereof current	Total	thereof current
	€ million			
Receivables from packaging	22.6	(22.6)	20.4	(20.4)
Value added tax receivables	16.2	(16.2)	19.0	(19.0)
Reimbursement claims — environment	15.7	(6.1)	15.0	(8.4)
Receivables from plan assets — pensions	5.5	(—)	2.0	(—)
Receivables from commissions and rebates	5.2	(5.2)	4.8	(4.8)
Receivables from insurance claims	5.2	(2.9)	11.2	(8.9)
Suppliers with debit balances	4.7	(4.7)	1.7	(1.7)
Receivables from employees	2.6	(2.6)	0.9	(0.9)
Receivables from other taxes	2.1	(2.1)	11.8	(11.8)
Advance payments	2.0	(2.0)	1.7	(1.7)
Deposits	1.9	(1.9)	2.8	(2.8)
Miscellaneous other receivables	24.9	(20.6)	16.3	(15.9)
Prepaid expenses	11.2	(10.4)	12.6	(8.6)
Total	**119.8**	**(97.3)**	**120.2**	**(104.9)**

16.) Other financial assets

	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	Dec. 31, 2007
	€ million			
Financial receivables from related parties	1.2	0.2	—	1.4
Financial receivables from third parties	1.3	5.1	—	6.4
Derivative financial instruments	2.2	17.7	—	19.9
Available-for-sale financial assets	2.0	—	—	2.0
Total	**6.7**	**23.0**	**—**	**29.7**

	Remaining term			
	less than 1 year	1 to 5 years	More than 5 years	Dec. 31, 2006
	€ million			
Financial receivables from related parties	0.3	—	0.1	0.4
Financial receivables from third parties	1.2	0.5	—	1.7
Derivative financial instruments	0.3	11.6	—	11.9
Available-for-sale financial assets	1.3	1.0	0.3	2.6
Total	**3.1**	**13.1**	**0.4**	**16.6**

17.) Inventories

The inventories break down as follows:

	Dec. 31, 2007	Dec. 31, 2006
	€ million	
Merchandise	481.2	440.3
Finished goods	41.3	39.7
Raw materials and supplies	4.0	3.8
Total	**526.5**	**483.8**

18.) Non-current assets held for sale

Non-current assets held for sale of € 7.8 million (prior period: € 4.6 million) were recognized under current assets; of this figure, Europe accounts for € 5.4 million (prior period: € 4.4 million), North America for € 2.4 million (prior period: € 0.0 million) and Latin America for € 0.0 million (prior period: € 0.2 million). These assets are mainly land and buildings which will be sold within the next 12 months as they are no longer required for the business operations of the company.

Non-current assets held for sale are carried at the lower of carrying amount and fair value less costs to sell. As the fair value of the assets less costs to sell exceeds their remaining carrying amount, no impairments had to be recorded in the reporting period.

19.) Property, plant and equipment

	Real estate and leasehold rights	Technical equipment, plant and machinery	Other equipment, fixtures, furniture and office equipment	Advance payments and construction in progress	Total
			€ million		
Acquisition and production costs					
September 30, 2006	**488.3**	**212.9**	**90.1**	**23.4**	**814.7**
Exchange rate differences	−4.0	−4.0	—	—	−8.0
Other additions	7.0	7.5	11.3	10.6	36.4
Other disposals	−1.5	−0.9	−1.2	−0.5	−4.1
Transfers	9.4	3.8	0.9	−14.1	—
December 31, 2006	**499.2**	**219.3**	**101.1**	**19.4**	**839.0**
Exchange rate differences	−11.2	−11.0	−1.8	−0.1	−24.1
Additions due to changes in the scope of consolidation	4.4	8.3	0.3	—	13.0
Other additions	18.9	19.0	31.8	28.6	98.3
Transfer to non-current assets held for sale	−0.9	−2.3	−0.4	—	−3.6
Other disposals	−0.7	−2.0	−7.0	—	−9.7
Transfers	10.6	2.3	1.7	−15.6	−1.0
December 31, 2007	**520.3**	**233.6**	**125.7**	**32.3**	**911.9**
Accumulated depreciation and impairment					
September 30, 2006	—	—	—	—	—
Exchange rate differences	—	−0.1	—	—	−0.1
Scheduled depreciation	4.7	8.5	9.3	—	22.5
Disposals	—	−0.1	−0.7	—	−0.8
Transfers	0.1	−0.1	—	—	—
December 31, 2006	**4.8**	**8.2**	**8.6**	**—**	**21.6**
Exchange rate differences	−0.5	−1.5	−0.5	—	−2.5
Scheduled depreciation	19.8	33.0	34.2	—	87.0
Transfer to non-current assets held for sale	−0.1	—	−0.3	—	−0.4
Disposals	−0.7	−1.2	−5.5	—	−7.4
Transfers	0.3	−0.3	—	—	—
December 31, 2007	**23.6**	**38.2**	**36.5**	**—**	**98.3**
Carrying amounts at Dec. 31, 2007	496.7	195.4	89.2	32.3	813.6
Carrying amounts at Dec. 31, 2006	494.4	211.1	92.5	19.4	817.4

The carrying amounts for assets recognized on the basis of finance leases amount to €13.3 million (prior period: € 13.5 million) for real estate, € 0.0 million (prior period: € 0.4 million) for technical equipment, plant and machinery, and € 12.3 million (prior period: € 13.4 million) for other equipment as well as fixtures, furniture and office equipment.

The volume of government grants totals € 0.7 million (prior period: € 0.7 million).

20.) Intangible assets

	Goodwill	Trademarks	Customer base	Acquired software, licenses and similar rights	Total
			€ million		
Acquisition and production costs					
September 30, 2006	**1,451.0**	**208.4**	**433.0**	**26.9**	**2,119.3**
Exchange rate differences	−27.7	−0.1	−6.4	−1.2	−35.4
Other additions	0.2	—	—	1.0	1.2
Adjustments due to deferred tax assets subsequently recognized	−1.0	—	—	—	−1.0
Disposals	−0.3	—	—	−0.3	−0.6
December 31, 2006	**1,422.2**	**208.3**	**426.6**	**26.4**	**2,083.5**
Exchange rate differences	−65.0	−0.5	−16.8	−1.3	−83.6
Additions due to changes in the scope of consolidation	58.3	—	17.3	—	75.6
Other additions	0.1	—	3.1	6.3	9.5
Disposals	−0.4	—	−0.2	−0.4	−1.0
Transfers	—	—	—	1.0	1.0
December 31, 2007	**1,415.2**	**207.8**	**430.0**	**32.0**	**2,085.0**
Accumulated amortization and impairment					
September 30, 2006	—	—	—	—	—
Exchange rate differences	—	—	−0.2	—	−0.2
Scheduled amortization	—	0.7	26.9	1.8	29.4
Disposals	—	—	—	−0.1	−0.1
December 31, 2006	**—**	**0.7**	**26.7**	**1.7**	**29.1**
Exchange rate differences	—	−0.1	−3.9	−0.1	−4.1
Scheduled amortization	—	2.9	109.1	6.7	118.7
Disposals	—	—	—	−0.3	−0.3
December 31, 2007	**—**	**3.5**	**131.9**	**8.0**	**143.4**
Carrying amounts at Dec. 31, 2007	1,415.2	204.3	298.1	24.0	1,941.6
Carrying amounts at Dec. 31, 2006	1,422.2	207.6	399.9	24.7	2,054.4

The additions to goodwill and to customer base from changes in the scope of consolidation relate to the acquisition of the fully consolidated companies Ulrich Chemical Inc., USA, St. Lawrence Chemical Inc., Canada, and Natural World S.r.l., Italy.

The other additions to customer base result from the acquisition of other business units in Europe.

Goodwill and the "Brenntag" trademark are tested regularly, at least annually, for impairment after completion of the annual budget process.

Amortization of customer base and local trademarks has been recognized under selling expenses.

The regional allocation of goodwill over the groups of cash-generating units relevant for impairment testing is shown in the segment report on page 68 of the Notes.

The intangible assets include self-developed software of € 0.6 million (prior period: €0.3 million). Of this amount, € 0.7 million (prior period: € 0.3 million) is attributable to cost of acquisition and € 0.1 million (prior period: € 0.0 million) to accumulated impairment.

Amortization of self-developed intangible assets is recognized under selling expenses.

21.) Investments accounted for at equity

The shares in companies accounted for at equity developed as follows:

	Interests in joint ventures	Interests in associates	Total
		€ million	
September 30, 2006	**21.9**	**10.5**	**32.4**
Exchange rate differences	—	0.3	0.3
Share of profit/loss for the period	0.2	0.5	0.7
Dividends received	—	−0.3	−0.3
December 31, 2006	**22.1**	**11.0**	**33.1**
Exchange rate differences	—	−0.6	−0.6
Share of profit/loss for the period	1.1	2.3	3.4
Dividends received	−1.7	—	−1.7
December 31, 2007	**21.5**	**12.7**	**34.2**

The shares in joint ventures comprise the shares in Staub & Co. Chemiehandelsgesellschaft mbH.

The financial year of the companies accounted for at equity is the calendar year.

The aggregated assets, liabilities, sales and profits / losses for the period of the companies accounted for at equity are as follows (for sales as well as for profits / losses only the period in which the companies belonged to the Group is considered):

	Joint ventures	Associates	Dec. 31, 2007	Joint ventures	Associates	Dec. 31, 2006
			€ million			
Current assets	11.3	30.4	41.7	9.6	10.7	20.3
Non-current assets	12.3	7.0	19.3	13.3	21.4	34.7
(thereof goodwill)	(—)	(1.3)	(1.3)	(—)	(0.8)	(0.8)
Current liabilities	6.6	16.8	23.4	4.6	13.7	18.3
Non-current liabilities	3.4	5.7	9.1	3.2	6.3	9.5
Equity	**13.6**	**14.9**	**28.5**	**15.1**	**12.1**	**27.2**

	2007			Oct. 1 to Dec. 31, 2006		
	Joint ventures	Associates	Total	Joint ventures	Associates	Total
			€ million			
Sales	67.5	77.5	145.0	16.7	17.7	34.4
Profit/loss for the period	1.9	3.5	5.4	0.5	1.0	1.5

22.) Trade payables

	Dec. 31, 2007	Dec. 31, 2006
	€ million	
Trade payables to third parties	740.9	678.3
Trade payables to related parties	0.1	0.4
Total	**741.0**	**678.7**

Trade payables include accruals of € 114.7 million (prior period: € 69.8 million)

23.) Financial liabilities

	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	Dec. 31, 2007
	€ million			
Liabilities to banks	117.7	301.0	2,134.6	2,553.3
Liabilities from finance leases	4.7	9.6	12.3	26.6
Financial liabilities to related parties	—	—	578.2	578.2
Derivative financial instruments	6.3	5.2	—	11.5
Other financial liabilities	9.4	17.8	2.7	29.9
Total	**138.1**	**333.6**	**2,727.8**	**3,199.5**

	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	Dec. 31, 2006
	€ million			
Liabilities to banks	136.7	291.3	2.238.9	2,666.9
Liabilities from finance leases	4.7	9.9	12.5	27.1
Financial liabilities to related parties	—	—	525.5	525.5
Derivative financial instruments	1.8	—	—	1.8
Other financial liabilities	67.8	23.1	2.9	93.8
Total	**211.0**	**324.3**	**2,779.8**	**3,315.1**

The liabilities to banks break down as follows:

	Remaining term	Interest rate above EURIBOR/ LIBOR	Remaining term						Dec. 31, 2007
			less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	
			€ million						
Senior Facility Agreement									
Tranche A	1/18/2013	1.75%	13.5	15.0	21.7	30.6	34.4	21.0	**136.2**
Tranche B	1/18/2014	2.0%/2.25%	—	—	—	—	—	1,215.4	**1,215.4**
Tranche C	1/18/2015	2.25%	—	—	—	—	—	125.0	**125.0**
Accrued interest			38.5	—	—	—	—	—	**38.5**
Total			**52.0**	**15.0**	**21.7**	**30.6**	**34.4**	**1,361.4**	**1,515.1**
Second Lien Facility Agreement									
	7/18/2015	4.00%	—	—	—	—	—	358.6	**358.6**
Accrued interest			13.1	—	—	—	—	—	**13.1**
Total			**13.1**	**—**	**—**	**—**	**—**	**358.6**	**371.7**
Mezzanine Facility Agreement									
	1/18/2016	7.00%	—	—	—	—	—	397.8	**397.8**
Accrued interest			17.2	—	—	—	—	3.7	**20.9**
Total			**17.2**	**—**	**—**	**—**	**—**	**401.5**	**418.7**
Transaction costs			−1.3	−1.4	−1.4	−1.5	−1.6	−1.3	**−8.5**
Other liabilities to banks			36.7	2.0	203.1	0.1	—	14.4	**256.3**
Total			**117.7**	**15.6**	**223.4**	**29.2**	**32.8**	**2,134.6**	**2,553.3**

	Remaining term	Interest rate above EURIBOR/ LIBOR	Remaining term						Dec. 31, 2006
			less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	
			€ million						
Senior Facility Agreement									
Tranche A	1/18/2013	2.25%	9.8	13.6	15.1	21.9	31.0	55.9	**147.3**
Tranche B	1/18/2014	2.75%/2.50%	—	—	—	—	—	1,278.5	**1,278.5**
Tranche C	1/18/2015	3.00%	—	—	—	—	—	125.0	**125.0**
Accrued interest			40.5	—	—	—	—	—	**40.5**
Total			**50.3**	**13.6**	**15.1**	**21.9**	**31.0**	**1,459.4**	**1,591.3**
Second Lien Facility Agreement									
	7/18/2015	6.00%/6.50%	—	—	—	—	—	378.0	**378.0**
Accrued interest			17.1	—	—	—	—	—	**17.1**
Total			**17.1**	**—**	**—**	**—**	**—**	**378.0**	**395.1**
Mezzanine Facility Agreement									
	1/18/2016	9.00%	—	—	—	—	—	383.1	**383.1**
Accrued interest			13.1	—	—	—	—	6.3	**19.4**
Total			**13.1**	**—**	**—**	**—**	**—**	**389.4**	**402.5**
Transaction costs			−0.9	−0.7	−0.8	−0.9	−1.0	−3.6	**−7.9**
Other liabilities to banks			57.1	1.4	2.0	209.7	—	15.7	**285.9**
Total			**136.7**	**14.3**	**16.3**	**230.7**	**30.0**	**2,238.9**	**2,666.9**

Brenntag's funding concept is mainly based on loan agreements with an international syndicate of banks. This syndicated loan consists of Senior Facilities, a Second Lien and a Mezzanine Facility.

At December 31, 2007, the Mezzanine Facility Agreement had a margin of 7.0 percentage points (prior period: 9.0 percentage points) over EURIBOR, of which 3.0 percentage points (prior period: 4.0 percentage points) are rollover interest.

The loans under the Senior Facility Agreement, the Second Lien Facility Agreement and the Mezzanine Facility Agreement have been secured in full by pledging direct and indirect investments of Brenntag Management GmbH in fully consolidated subsidiaries as well as by other pledged assets.

In the event of the Brenntag Group's sustained breach of the terms and obligations laid down in the syndicated loan agreements, the facility agent appointed by the lenders may foreclose the loans if he feels this move necessary to safeguard the lenders' interests. Should the Brenntag Group companies which appear as the borrowers not be able to meet their payment obligations, the lenders are entitled to levy execution against the assets provided as security.

The carrying amounts shown in the consolidated financial statements of Brenntag Management GmbH of the assets provided as security for liabilities to banks in addition to the pledged company shares are as follows:

	Dec. 31, 2007	Dec. 31, 2006
	€ million	
Inventories	276.5	283.9
Property, plant and equipment	446.3	506.6
Liquid assets	270.5	437.8
Receivables and other financial assets *)	830.1	707.4
Total	**1,823.4**	**1,935.7**

*) incl. receivables from Brenntag Funding Ltd., Ireland amounting to € 430.9 million (prior period: € 382.4 million)

The non-current liabilities with a term of 2 to 3 years shown under other liabilities to banks are liabilities to banks of the consolidated special purpose entity, Brenntag Funding Ltd., Ireland.

The liabilities from finance leases are stated at their amortized cost.

The following table shows the reconciliation of the future minimum lease payments to liabilities from finance leases:

	Minimum lease payments	Interest portion	Liabilities from finance leases
		€ million	
less than 1 year	7.5	2.8	4.7
1 to 2 years	6.0	2.2	3.8
2 to 3 years	4.5	1.6	2.9
3 to 4 years	3.2	1.3	1.9
4 to 5 years	2.1	1.1	1.0
more than 5 years	19.0	6.7	12.3
Dec. 31, 2007	**42.3**	**15.7**	**26.6**

	Minimum lease payments	Interest portion	Liabilities from finance leases
		€ million	
less than 1 year	7.6	2.9	4.7
1 to 2 years	6.0	2.3	3.7
2 to 3 years	4.7	1.8	2.9
3 to 4 years	3.3	1.4	1.9
4 to 5 years	2.5	1.1	1.4
more than 5 years	20.1	7.6	12.5
Dec. 31, 2006	**44.2**	**17.1**	**27.1**

The liabilities to related parties refer to a loan granted by Brachem Acquisition S.C.A., Luxembourg. This loan is described in detail in note 27.) Equity / Economic capital on page 65.

24.) Other liabilities

	December 31, 2007		December 31, 2006	
	Total	thereof current	Total	thereof current
		€ million		
Liabilities from packaging	72.6	(72.6)	71.3	(71.3)
Liabilities to employees	63.8	(63.8)	62.6	(62.6)
Liabilities from value added tax	27.3	(27.3)	32.9	(32.9)
Liabilities from other taxes	14.2	(14.2)	17.9	(17.9)
Liabilities to insurance companies	13.6	(13.6)	16.2	(16.2)
Liabilities from social insurance contributions	8.1	(8.1)	7.9	(7.9)
Miscellaneous other liabilities	74.1	(69.0)	59.3	(57.9)
Deferred income	14.5	(14.5)	2.8	(2.8)
Total	**288.2**	**(283.1)**	**270.9**	**(269.5)**

Other liabilities include accruals of € 43.6 million (prior period: € 41.8 million).

25.) Provisions for pensions and similar obligations

There are both defined contribution and defined benefit pension plans for the employees of the Brenntag Group. The pension obligations vary depending on the legal, tax and economic circumstances in the respective countries and the employee's years of service with the company and remuneration. The benefit obligations are funded with assets of external funds and provisions.

Defined contribution plans

Some of the employees of the Brenntag Group receive benefits from the statutory social insurance fund, into which the contributions are paid as part of their salary. In addition, various other pension fund obligations exist at the companies of the Brenntag Group. As the company has no further obligations after payment of the retirement pension contributions to the state social insurance fund and private insurance companies, these plans are treated as defined contribution plans. Current pension contribution payments were recognized as expense for the relevant period. In the 2007 financial year, pension expenses in the Brenntag Group totaled € 18.7 million (prior period: € 4.2 million) for employer contributions to the statutory pension insurance fund and € 9.4 million (prior period: € 2.7 million) for non-statutory defined contribution plans.

Defined benefit plans

Pension expenses for obligations from defined benefit plans total € 7.1 million (prior period: € 2.1 million). Apart from the interest cost and the expected return on external assets recorded within the financial result, the pension expenses are allocated to the functional areas within the operating result.

Pension expenses for defined benefit plans and similar obligations

	2007	Oct. 1 to Dec. 31, 2006
	€ million	
Current service cost	−7.5	−2.0
Interest cost	−6.8	−1.7
Expected return on plan assets	5.8	1.4
Past service cost (changes in the pension plan)	−0.9	—
Amortization of actuarial gains	4.0	—
Settlements	−0.2	—
Effect of the limiting of plan assets in acc. with IAS 19.58 b	−1.5	0.2
Total	**−7.1**	**−2.1**

The pensions expected to be paid directly by the company in 2008 total € 1.8 million. The expected payments into the plan assets for 2008 amount to € 5.7 million.

While the assets were determined on the basis of the fair value of the funds invested at December 31, 2007, the pension obligations were calculated using actuarial reports. The assumptions used in the actuarial measurement of the obligations and the costs as well as the expected rates of return on plan assets are shown in the following table:

Actuarial parameters applied

	Europe		North America		Latin America	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
			in %			
Discount rate	4.5	3.7	6.1	5.2	6.5	6.5
Projected salary increases	2.1	1.9	4.5	4.5	2.4	2.4
Projected pension payment increases	1.5	1.5	3.0	3.0	6.5	6.5
Inflation	1.5	1.0	3.0	3.0	5.0	5.0
Medical cost trend	n.a.	n.a.	6.4	6.7	n.a.	n.a.
Expected rate of return on plan assets	4.2	4.0	7.0	7.0	n.a.	n.a.

Breakdown of the fair value of the plan assets

	Dec. 31, 2007	Dec. 31, 2006
	€ million	
Shares	22.2	21.7
Fixed-interest securities	16.5	16.9
Real estate/property trusts	—	—
(thereof assets used by the company)	(—)	(—)
Others (insurances)	90.9	88.4
(thereof assets used by the company)	(—)	(—)
Total	**129.6**	**127.0**

The other plan assets of € 90.9 million (prior period: € 88.4 million) consist of € 82.3 million (prior period: € 79.4 million) from insurance contracts at European Brenntag companies and € 8.6 million (prior period: € 9.0 million) from other assets in Canada (€ 2.1 million) and in Switzerland (€ 6.5 million). The insurance contracts work with an average rate of return of 3%. Together with the income generated in prior periods and the expected future rates of return thereon, an average expected long-term rate of return of 4.2% has been recognized.

Of the shares and fixed-interest securities shown as assets, € 20.7 million are from Canada, € 17.2 million from Switzerland and € 0.8 million from France. The Canadian assets are invested in external investment fund shares. 60% of the portfolio of this investment fund consists of Canadian, US and international shares. 31% is invested in fixed-interest securities and the remaining 9% consists of cash and other assets. Due to the investment structure of the fund, an expected long-term rate of return of 7% has been recognized. 11.2% of the assets in Switzerland have been invested in international shares and 11.5% in fixed-interest securities. The majority (68.7%) consists of insurance contracts. The remaining 8.6% is cash. An expected long-term rate of return of 3.75% has been recognized. The assets in France consist exclusively of fixed-interest securities with an expected long-term rate of return of 4.5%.

Effect from the increase/decrease in the medical cost inflation rate

	Dec. 31, 2007	Dec. 31, 2006
	€ million	
Influence of + 1 percentage point on the service cost and interest cost	0.2	—
Influence of + 1 percentage point on the pension obligations at the end of the period	1.1	1.3
Influence of −1 percentage point on the service cost and interest cost	−0.2	—
Influence of −1 percentage point on the pension obligations at the end of the period	−0.9	−1.0

Reconciliation of the present value of pensions and similar obligations to the provisions shown in the balance sheet

	2007	Oct. 1 to Dec. 31, 2006
	€ million	
Pension obligations from defined benefit pension plans		
Present value of pension entitlements at the beginning of the period	171.4	169.1
Exchange rate differences	−0.6	−3.1
Transfers	—	1.6
Changes in scope of consolidation	0.2	—
Utilizations	−8.9	−1.3
Service cost	7.5	2.0
Employee contributions	0.9	0.2
Interest cost	6.8	1.7
Changes in pension plans	0.9	—
Settlements	0.2	—
Actuarial (gain)/loss	−15.8	1.2
Present value of pension entitlements at the end of the period	**162.6**	**171.4**
(thereof funded)	(122.1)	(127.5)
(thereof unfunded)	(40.5)	(43.9)

	2007	Oct. 1 to Dec. 31, 2006
	€ million	
Fair value of plan assets		
Fair value at the beginning of the period	127.0	124.6
Exchange rate differences	−1.0	−2.6
Transfers	—	1.6
Reclassification	−0.5	—
Changes in the scope of consolidation	0.2	—
Utilizations	−7.0	−0.9
Employee contributions	0.9	0.2
Employer contributions	7.7	0.9
Expected return on plan assets	5.8	1.4
Actuarial gain/(loss)	−3.5	1.8
Fair value of plan assets at the end of the period	**129.6**	**127.0**

The reconciliation of the obligation less plan assets to the provision actually recognized in the balance sheet is as follows:

	Dec. 31, 2007	Dec. 31, 2006
	€ million	
Present value of the funded pension entitlements	122.1	127.5
less fair value of plan assets	−129.6	−127.0
Over/underfunding of plan assets	−7.5	0.5
Present value of unfunded pension entitlements	40.5	43.9
Funded status of pension entitlements	33.0	44.4
Unrecognized actuarial gain/(loss)	8.9	0.6
Unrecognized past service cost	—	—
Provisions for pensions and similar obligations — net	41.9	45.0
thereof assets capitalized	5.5	2.0
Limiting of plan assets in accordance with IAS 19.58 b	5.1	3.6
Provisions for pensions and similar obligations shown in the balance sheet	**52.5**	**50.6**

The provisions for pensions shown include € 7.4 million (prior period: € 6.3 million) for health care plans in Canada.

The amounts not yet recognized in the income statement are the difference between the pension obligation — after deduction of the fair value of the plan assets — and the liability reported in the balance sheet. Of the actuarial gain of € 15.8 million (prior period: loss of € 1.2 million) in the obligations, € 18.4 million (prior period: loss of € 1.2 million) is attributable to actuarial gains due to changes in actuarial parameters to be applied at the measurement date and on the other hand € 2.6 million (prior period: € 0.0 million) to actuarial losses due to changes in the actual circumstances with regard to the obligations.

The actual income from plan assets is € 2.3 million (prior period: € 3.2 million). The actuarial losses in the plan assets of € 3.5 million (prior period: gain of € 1.8 million) which are also new and as yet unrecognized in the income statement are due to differences between the effective and expected rates of returns of the plan assets. Overall, this led to total unrecognized gains of € 8.9 million (prior period: € 0.6 million).

In accordance with IAS 19 (revised 2004), the actuarial net gain or net loss portion shown in the income statement is determined using the corridor method. The gain/loss outside the 10% corridor is allocated in the income statement over the expected average remaining working lives of the employees.

Historical development of provisions for pensions and similar obligations

	Dec. 31, 2007	Dec. 31, 2006	Sept. 30, 2006
		€ million	
Pension obligation from defined benefit plans	162.6	171.4	169.1
Fair value of plan assets	129.6	127.0	124.6
Funded status of pension entitlements	33.0	44.4	44.5
Gains/(losses) from the difference between expected and actual circumstances — pension obligation	−2.6	—	—
Gains/(losses) from the difference between expected and actual circumstances — plan assets	−3.5	1.8	—

26.) Other provisions

The other provisions developed as follows:

	Environmental restoration provisions	Provisions for personnel expenses	Miscella-neous provisions	Total
		€ million		
January 1, 2007	**130.1**	**17.3**	**52.2**	**199.6**
Additions due to changes in the scope of consolidation	5.8	—	—	5.8
Exchange rate differences	−7.2	−0.6	−1.0	−8.8
Interest changes	2.3	—	0.1	2.4
Utilizations	−3.8	−8.2	−6.8	−18.8
Reversals	−5.5	−0.1	−2.8	−8.4
Additions	5.1	8.6	7.7	21.4
December 31, 2007	**126.8**	**17.0**	**49.4**	**193.2**

The other provisions have the following maturities:

	Dec. 31, 2007	Dec. 31, 2006
	€ million	
less than 1 year	44.7	45.6
1 to 5 years	102.1	107.7
more than 5 years	46.4	46.3
Total	**193.2**	**199.6**

Environmental restoration provisions

In its business operations throughout the world, the Brenntag Group is subject to the laws of different countries which govern the handling of chemicals. These laws may mean that action has to be taken to dispose of hazardous materials or remedy damage to the environment. The polluter-must-pay principle generally applies, i.e.,anybody who causes damage to the environment is liable for the resultant costs regardless of whether the polluter is the owner or the operator of a plant.

The recognition and measurement of environmental restoration provisions are determined centrally by external independent experts. If the performance of restoration work or the imposing of environmental requirements by the authorities is probable and if these lead to an outflow of economic resources, a provision is established if the resultant costs can be reliably estimated. The provision amounts are determined on the basis of individual cost estimates for each case. Allowance is made not only for the kind and severity of pollution but also for the conditions at the respective sites and the sovereign territories in which these sites are located. The provision amounts are calculated using uniform valuation parameters by applying a statistical computation model.

Environmental restoration provisions are stated at their present values. They are discounted at maturity-dependent risk-free interest rates derived from the interest rates for government bonds for the respective functional currencies. Increases in the future expenditure due to inflation are allowed for.

At December 31, 2007, the environmental restoration provisions totaled € 126.8 million (prior period: € 130.1 million). This figure includes € 32.7 million (prior period: € 36.9 million) for contingencies which entered the balance sheet through the purchase price allocation in connection with the acquisition of the Brenntag Group by equity funds advised by BC Partners in line with the provisions of IFRS 3 (Business Combinations). The environmental restoration provisions established mainly relate to the rehabilitation of soil and ground water but also cover costs for further and accompanying measures such as necessary environmental inspections and observations.

Due to the large number of parameters which have to be considered when determining environmental restoration provisions, there are uncertainties in their measurement. This applies both to the amount and the timing of future expenditure. However, based on the information available at the time of the preparation of these financial statements, it can be assumed that the environmental restoration provisions are reasonable and any additional amounts incurred would not have any significant effect on the net assets, financial position and results of operations of the Group.

In some cases, special agreements have been reached which ensure that the cost of any future environmental work necessary will be borne by third parties. If receipt of payment from the third party is virtually certain provided Brenntag meets its obligations, these reimbursement claims are capitalized. They are measured in the same way as the corresponding provisions. The amount recognized does not exceed the amount of the provision. The reimbursement claims capitalized at December 31, 2007 amount to € 15.7 million (prior period: € 15.0 million).

Provisions for personnel expenses

The provisions for personnel expenses include pre-retirement part-time work compensation amounting to € 2.8 million (prior period: € 4.6 million) and anniversary bonuses amounting to € 2.7 million (prior period: € 2.7 million).

Miscellaneous provisions

Miscellaneous provisions include provisions for compensation payable of € 5.4 million (prior period: € 4.5 million) as well as for risks from unsettled litigation amounting to € 8.5 million (prior period: € 7.4 million) and provisions for restoration obligations amounting to € 3.4 million (prior period: € 3.2 million).

Provisions for current and likely litigation are established in those cases where reasonable estimates are possible. These provisions contain all estimated legal costs as well as the possible settlement costs. The amounts are based on information and cost estimates provided by lawyers.

Provisions for restoration obligations are statutory obligations arising from the dismantling of plant and machinery.

27.) Equity/Economic capital

The total income and expense for the period comprises the net loss for the period and the change in other comprehensive income. The other comprehensive income contains gains and losses which are recognized directly in equity.

The result from exchange rate differences contains the differences from the translation of the financial statements of foreign companies into the Group currency (euro), which are recognized directly in equity.

The cash flow hedge reserve includes those portions of the fair values of the interest rate swaps and interest caps included in cash flow hedge accounting that are recognized directly within equity. Deferred taxes on these effects are also recognized directly in equity in the reserve for deferred tax on cash flow hedges.

Minority interests cover shares in the subscribed capital, retained earnings and the result of the consolidated subsidiaries.

The fair value of the liabilities to minorities under IAS 32 amounts to € 4.1 million (prior period: € 4.3 million). The decrease is attributable to the distribution of the results from prior periods. The change in the fair value of the limited partner's right to repayment of the limited partner's capital was recognized directly in income.

The aim of capital management at Brenntag is to optimally deploy the resources used to ensure the company's continued existence and at the same time to generate a reasonable return on investment for the shareholders. The economic capital used for this purpose breaks down as follows:

	Dec. 31, 2007	Dec. 31, 2006
	€ million	
Equity	197.7	299.7
Loan from Brachem Acquisition S.C.A., Luxembourg	578.2	525.5
Liabilities to minorities under IAS 32	4.1	4.3
Economic capital	**780.0**	**829.5**

A loan of € 578.2 million from the parent company, Brachem Acquisition S.C.A., Luxembourg, to Brenntag Management GmbH is contained in financial liabilities to related parties.

This subordinate shareholders' loan runs until December 31, 2016 and carries interest of 10% per annum. The interest is capitalized every year.

Brenntag Management GmbH deposited this loan in the additional paid-in capital of its direct subsidiary, Brenntag Holding GmbH on September 20, 2006. Brenntag Holding GmbH is the lead company of the Brenntag

Group. It controls and finances the companies of the Brenntag Group. Brenntag Holding GmbH is also responsible for the capital management of Brenntag.

Therefore, at Group level the shareholders' loan is allocated to the economic capital. Furthermore, Brenntag also includes the liabilities to minorities under IAS 32 in the economic capital.

28.) Information on the cash flow statement

The cash flow statement shows the development of cash and cash equivalents on the basis of a separate presentation of the cash inflows and outflows from operating activities as well as from investing and financing activities. The effects of changes in the scope of consolidation have been eliminated.

The cash and cash equivalents are the liquid assets shown in the balance sheet. They also include financing funds (including accrued interest) of € 130.8 million (prior period: €232.9 million), which were made available to Brenntag under a syndicated loan specially for the purpose of financing acquisitions. Financing funds of € 55.6 million, also shown within cash and cash equivalents in the prior period, were used to repay an outstanding purchase price liability. Furthermore, the cash and cash equivalents include cash securities deposited with banks amounting to € 0.8 million (prior period: € 0.8 million) as well as funds dedicated for environmental restoration amounting to € 0.6 million (prior period: € 0.6 million).

The effects of exchange rate changes in cash and cash equivalents are shown separately.

The cash generated by operating activities contains dividends received from associates accounted for at equity totaling € 1.7 million (prior period: € 0.3 million).

Of the interest payments, € 15.3 million (prior period: € 5.3 million) relate to interest received and € 208.5 million (prior period: € 16.1 million) to interest paid.

The repayment of liabilities from finance leases is shown in the cash outflow from financing activities.

SEGMENT REPORTING

The Brenntag Group operates solely in the field of chemical distribution and is controlled via the regions Europe, North America, Latin America and the Rest of the World. The individual activities are allocated to the regions on the basis of the location of the registered office of the respective subsidiary. Allocation of the activities on the basis of the location of the registered offices of the customers would not lead to a different segmentation. The geographical segmentation reflects control and supervision by the management and permits a reliable estimate of risks and benefits.

All transactions between companies within a segment have been eliminated.

The "Others/Holding/Consolidation" column contains activities which cannot be allocated to the geographical segments including the activities of Brenntag Management GmbH and consolidation measures between the segments.

The Group accounts for inter-segment sales transactions as if the transactions were made with third parties at current prices (arm's length principle).

The segment result complies with the definition of the operating result in accordance with the consolidated income statement. The operating assets and liabilities of a segment comprise the assets and liabilities including goodwill and disclosed hidden reserves and unrealized losses from business combinations, but excluding investments accounted for at equity and other financial assets, financial liabilities, liabilities in accordance with IAS 32, tax liabilities and tax assets.

Additions to property, plant and equipment as well as to intangible assets or goodwill including additions as a result of changes in the scope of consolidation are shown as investments.

Depreciation and amortization allocated to the respective segments relate solely to the assets allocated to the relevant segments.

Segment reporting for 2007

	Europe	North America	Latin America	Rest of the World	Others/ Holding/ Consolidation	Group
				€ million		
Statement of results						
External sales	3,773.6	2,106.7	527.7	263.4	—	6,671.4
Inter-segment sales	2.7	1.3	6.2	1.8	−12.0	—
Total sales	**3,776.3**	**2,108.0**	**533.9**	**265.2**	**−12.0**	**6,671.4**
Scheduled depreciation/amortization of assets	−131.8	−62.4	−9.2	−0.9	−1.4	−205.7
Operating result (segment result)	**105.8**	**94.0**	**12.4**	**6.5**	**−16.5**	**202.2**
Result from investments accounted for at equity	1.4	0.2	—	1.8	—	3.4
Other financial result						−275.1
Income taxes						6.3
Loss for the period						**−63.2**
Assets and liabilities as at December 31, 2007						
Segment assets	2,599.4	1,439.4	278.5	46.2	503.9	4,867.4
thereof with an indefinite useful life (excluding goodwill)					196.9	196.9
thereof goodwill	701.9	658.8	26.8	27.7	—	1,415.2
Carrying amounts of investments accounted for at equity	23.4	0.9	—	9.9	—	34.2
Segment liabilities	763.2	353.3	113.0	27.2	3,413.0	4,669.7
Cash flow						
Cash flow from operating activities *)	108.0	69.0	6.4	8.7	−75.6	116.5
Investments)**						
Investments in goodwill	11.6	46.8	—	—	—	58.4
Investments in other intangible assets and property, plant and equipment	78.9	46.7	10.7	—	1.7	138.0

*) including interest and tax payments

**) Additions due to changes in the scope of consolidation in accordance with the Statement of Fixed Assets Movements

Segment reporting for Oct. 1 to Dec. 31, 2006

	Europe	North America	Latin America	Rest of the World	Others/ Holding/ Consolidation	Group
				€ million		
Statement of results						
External sales	891.6	497.8	126.9	47.9	—	1,564.2
Inter-segment sales	0.3	0.1	0.7	0.7	−1.8	—
Total sales	**891.9**	**497.9**	**127.6**	**48.6**	**−1.8**	**1,564.2**
Scheduled depreciation/amortization of assets	−33.8	−14.9	−2.7	−0.2	−0.3	−51.9
Operating result (segment result)	**9.6**	**20.4**	**0.8**	**0.8**	**0.2**	**31.8**
Result from investments accounted for at equity	0.2	—	—	0.6	—	0.8
Other financial result						−70.3
Income taxes						1.7
Loss for the period						**−36.0**
Assets and liabilities as at December 31, 2006						
Segment assets	2,587.4	1,503.9	267.3	47.8	663.4	5,069.8
thereof with an indefinite useful life (excluding goodwill)	—	—	—	—	196.9	196.9
thereof goodwill	696.6	669.3	28.4	27.9	—	1.422.2
Carrying amounts of investments accounted for at equity	23.7	0.7	—	8.7	—	33.1
Segment liabilities	724.6	329.4	100.1	26.4	3,589.6	4,770.1
Cash flow						
Cash flow from operating activities *)	25.0	47.2	−1.5	6.7	−7.8	69.6
Investments)**						
Investments in goodwill	0.2	—	—	—	—	0.2
Investments in other intangible assets and property, plant and equipment	28.8	6.4	1.8	—	0.4	37.4

*) including interest and tax payments

**) Additions due to changes in the scope of consolidation in accordance with the Statement of Fixed Assets Movements

Other financial obligations and contingent liabilities

The other financial obligations break down as follows:

	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	Dec. 31, 2007
	€ million			
Order commitments for property, plant and equipment	2.5	—	—	2.5
Obligations under consultancy agreements as well as from future minimum lease payments for operating leases	33.2	78.2	34.0	145.4
Total	**35.7**	**78.2**	**34.0**	**147.9**

	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	Dec. 31, 2006
	€ million			
Order commitments for property, plant and equipment	1.3	—	—	1.3
Obligations under consultancy agreements as well as from future minimum lease payments for operating leases	28.2	67.8	21.8	117.8
Total	**29.5**	**67.8**	**21.8**	**119.1**

At present there are no pending or foreseeable court cases or arbitration proceedings which could have significant effects on the economic situation of the Brenntag Group.

The obligations from future lease payments for operating leases mainly relate to rent obligations from the leasing of land and buildings as well as other equipment, fixtures, furniture and office equipment.

There are contingent liabilities with a fair value of € 0.4 million (prior period: € 0.1 million) in connection with environmental restoration.

Reporting of financial instruments

Carrying amounts, valuations and fair values according to measurement categories

The allocation of the financial assets recognized in the balance sheet to the measurement categories under IAS 39 is shown in the table below:

	2007					
Measurement in the balance sheet:	at amortized cost	at fair value			December 31, 2007	
Measurement category under IAS 39:	Loans and receivables	Held-for-trading	Available-for-sale financial assets	Hedging derivatives under IAS 39	Carrying amount	Fair value
	€ million					
Liquid assets	343.8	—	—	—	343.8	343.8
Trade receivables	976.0	—	—	—	976.0	976.0
Other receivables	82.8	—	—	—	82.8	82.8
Other financial assets	7.8	2.2	2.0	17.7	29.7	29.7
Total	**1,410.4**	**2.2**	**2.0**	**17.7**	**1,432.3**	**1,432.3**

	2006					
Measurement in the balance sheet:	at amortized cost	at fair value			December 31, 2006	
Measurement category under IAS 39:	Loans and receivables	Held-for-trading	Available-for-sale financial assets	Hedging derivatives under IAS 39	Carrying amount	Fair value
	€ million					
Liquid assets	533.1	—	—	—	533.1	533.1
Trade receivables	934.4	—	—	—	934.4	934.4
Other receivables	73.0	—	—	—	73.0	73.0
Other financial assets	2.1	1.8	2.6	10.1	16.6	16.6
Total	**1,542.6**	**1.8**	**2.6**	**10.1**	**1,557.1**	**1,557.1**

The majority of the financial assets in the loans and receivables category measured at amortized cost have remaining terms of less than one year. Their carrying amounts at the balance-sheet date are therefore approximately their fair values.

Of the other receivables shown in the balance sheet, € 37.0 million (prior period: € 47.2 million) are not financial assets within the meaning of IFRS 7. They are mainly receivables from value added tax and other taxes, prepaid expenses, and receivables from plan assets.

The allocation of the financial liabilities recognized in the balance sheet to the measurement categories under IAS 39 is shown in the table below:

	2007					
Measurement in the balance sheet:	**at amortized cost**	**at fair value**			**December 31, 2007**	
Measurement category under IAS 39:	**Financial liabilities measured at amortized cost**	**Held-for-trading**	**Hedging derivatives under IAS 39**	**Valuation under IAS 17**	**Carrying amount**	**Fair value**
	€ million					
Trade payables	741.0	—	—	—	741.0	741.0
Other liabilities	216.3	—	—	—	216.3	216.3
Liabilities to minorities under IAS 32	4.1	—	—	—	4.1	4.1
Financial liabilities	3,161.4	6.3	5.2	26.6	3,199.5	3,168.4
Total	**4,122.8**	**6.3**	**5.2**	**26.6**	**4,160.9**	**4,129.8**

	2006					
Measurement in the balance sheet:	**at amortized cost**	**at fair value**			**December 31, 2006**	
Measurement category under IAS 39:	**Financial liabilities measured at amortized cost**	**Held-for-trading**	**Hedging derivatives under IAS 39**	**Valuation under IAS 17**	**Carrying amount**	**Fair value**
	€ million					
Trade payables	678.7	—	—	—	678.7	678.7
Other liabilities	201.7	—	—	—	201.7	201.7
Liabilities to minorities under IAS 32	4.3	—	—	—	4.3	4.3
Financial liabilities	3,286.2	1.8	—	27.1	3,315.1	3,307.7
Total	**4,170.9**	**1.8**	**—**	**27.1**	**4,199.8**	**4,192.4**

The majority of the trade payables measured at amortized cost and other liabilities have remaining terms of less than one year. Their carrying amounts at the balance-sheet date are therefore approximately their fair values. The fair values of the financial liabilities have been determined using the discounted cash flow method on the basis of current interest curves.

Of the other liabilities shown in the balance sheet, € 71.9 million (prior period: € 69.2 million) are not financial liabilities within the meaning of IFRS 7. They are mainly liabilities from value added tax and other taxes, liabilities under staff leave entitlements as well as deferred income.

The net results from financial assets and liabilities broken down into measurement categories are as follows:

	2007							
	from interest		from subsequent measurement					
			at fair value		currency translation			
	gains	losses	gains	losses	gains	losses	balance of impairments	net result
	€ million							
Loans and receivables	15.4	—	—	—	26.8	−28.4	−4.1	9.7
Held-for-trading	0.4	−2.2	16.1	−24.1	—	—	—	−9.8
Hedging derivatives under IAS 39	3.1	—	—	—	—	—	—	3.1
Liabilities from finance leases under IAS 17	—	−2.3	—	—	—	—	—	−2.3
Financial liabilities measured at amortized cost	—	−278.3	—	—	19.9	−12.3	—	−270.7
Total	**18.9**	**−282.8**	**16.1**	**−24.1**	**46.7**	**−40.7**	**−4.1**	**−270.0**

	2006							
	from interest		from subsequent measurement					
			at fair value		currency translation			
	gains	losses	gains	losses	gains	losses	balance of impairments	net result
	€ million							
Loans and receivables	5.0	—	—	—	7.0	−8.1	−3.8	0.1
Held-for-trading	0.4	—	0.6	−1.6	—	—	—	−0.6
Available-for-sale financial assets	—	—	—	—	—	—	−0.1	−0.1
Hedging derivatives under IAS 39	—	−0.3	—	—	—	—	—	−0.3
Liabilities from finance leases under IAS 17	—	−0.5	—	—	—	—	—	−0.5
Financial liabilities measured at amortized cost	—	−68.7	—	—	5.2	−3.5	—	−67.0
Total	**5.4**	**−69.5**	**0.6**	**−1.6**	**12.2**	**−11.6**	**−3.9**	**−68.4**

The net interest result is shown under finance income and finance costs. Of the interest expense on liabilities to third parties contained in finance costs, € 2.2 million (prior period: € 0.8 million) is interest expense which is not part of the effective interest on the financial liabilities under the category financial liabilities measured at cost.

With the exception of impairments on trade receivables and other receivables, the net results from subsequent measurement are shown under other financial result. The impairments on trade receivables and other receivables are shown under other operating expenses and the income from the receipt of trade receivables derecognized in prior periods is shown under other operating income.

Nature and extent of risks arising from financial instruments

According to IFRS 7, risks arising from financial instruments can typically be divided into market risks, credit risks and liquidity risks.

In the market risk category, the Brenntag Group's global business operations expose it particularly to exchange rate and interest rate risks. The management and monitoring of these risks is the responsibility of the central department, Corporate Finance & Controlling. Whilst the interest rate risks are solely the responsibility of the holding company, the Group companies are responsible for handling exchange rate risks. The Group companies have been instructed to reduce any exchange rate risks to a minimum.

Brenntag Holding GmbH is available as a contract partner for the Group companies for exchange rate hedging transactions, its own exposure being hedged by back-to-back transactions. If the Group companies contract hedges directly with the banks, the Corporate Finance & Controlling is regularly informed of their nature and extent.

Currency risks

Currency risks arise particularly when monetary items or contracted future transactions are in a different currency to the local currency of a company.

Any foreign currency risk for monetary items and contracted transactions is generally hedged in full, taking into account the claims and obligations in the same currency and with the same maturity. Such hedging is performed solely with first-rate banks. Forward exchange contracts and cross-currency swaps are used as hedging instruments. The derivative financial instruments used have maturities of less than one year and are not included in hedge accounting.

If the euro had been worth 10% more or less against all currencies at December 31, 2007, after translation of the monetary items in foreign currency into the Group currency, euro, and taking the foreign exchange forward deals and foreign exchange swaps still open on December 31, 2007, the financial result would have been € 2.5 million lower (prior period: € 4.7 million lower) or € 3.1 million higher (prior period: € 5.7 million higher). The change in the financial result is mainly due to the higher or lower value of the euro against the pound sterling.

Interest rate risks

Interest rate risks can occur due to changes in the market interest rates. The risks result from changes in the fair values of fixed-interest financial instruments or in changes in the cash flows of variable interest-rate financial instruments. The optimal structure of variable and fixed interest rates is determined as part of interest risk management. It is not possible to simultaneously minimize both kinds of interest rate risk.

Due to its funding through a variable-interest syndicated loan, the Brenntag Group is exposed to an interest rate risk in the form of a cash flow risk. Interest rate swaps and interest caps have been concluded to limit that risk to the degree stipulated by the management. With the interest rate swaps, a fixed interest rate is paid every six months and a variable interest rate received and with the interest caps any compensation payment determined every six months. The interest rate swaps and interest caps have, whenever possible, been included in cash flow hedge accounting. The amounts transferred to the cash flow hedge reserve will be recognized as income or expense in the income statement if the cash flow occurs in the period up to January 18, 2011.

As all parameters between the hedged underlying transactions and the derivative financial instruments used for hedging which are relevant for measurement are the same, there is no hedge accounting ineffectiveness.

If the market interest rate had been 100 basis points higher or lower (related to the total amount of derivatives as well as variable-interest financial assets and liabilities at December 31, 2007), the financial result would have been € 7.4 million lower or € 8.8 million higher. In the prior period, the financial result for the stub period from October 1 to December 31, 2006 would have been € 1.0 million lower or € 1.9 million higher. Without allowing for deferred taxes, the cash flow hedge reserve would have been € 26.2 million higher (prior period: € 35.7 million higher) or € 24.9 million lower (prior period: € 32.8 million lower).

Other price risks

The securities shown as available-for-sale financial assets are exposed to market risks as they are recognized at their fair values. The maximum market risk is the recognized fair value of the securities amounting to € 2.0 million (prior period: € 2.6 million).

Credit risks

There is a credit risk with non-derivative financial instruments when contractually agreed payments are not made by the relevant contractual parties. As the Brenntag Group has diverse business operations in many different countries, significant concentrations of credit risks from trade receivables as well as from loans are not to be expected. The expected credit risk from individual receivables is allowed for by write-downs of the assets. The maximum credit risk of the non-derivative financial instruments corresponds to their carrying amounts.

With the derivative financial instruments used, the maximum credit risk is the sum total of all positive fair values of these instruments as, in the event of non-performance by the contractual parties, losses on assets would be restricted to this amount. As derivative financial instruments have only been concluded with first-rate banks, significant credit risks are not to be expected.

Liquidity risk

The liquidity risk is the risk that the Brenntag Group may in future not be able to meet its contractual payment obligations. Due to the fact that the Brenntag Group's business is not subject to any pronounced seasonal fluctuations, there is relatively little fluctuation in liquidity during the financial year.

To ensure that the Brenntag Group can pay at all times, it not only has appropriate liquidity reserves in the form of liquid assets but also credit lines under the syndicated loan which can be utilized as needed. In order to identify the liquidity risks, the Group has a several-year liquidity plan which is regularly reviewed and adjusted if necessary.

The undiscounted cash flows resulting from the financial liabilities are shown in the following table below:

	Carrying amount Dec. 31, 2007	Cash flows 2008 - 2013 ff. 2008	2009	2010	2011	2012	2013 ff.
	€ million						
Trade payables	741.0	741.0					
Other liabilities	216.3	216.3					
Liabilities to minorities under IAS 32	4.1	4.1					
Liabilities to banks	2,553.3	232.2	198.2	395.6	201.0	203.0	2,642.3
Liabilities under finance leases	26.6	7.5	6.0	4.5	3.2	2.1	19.0
Liabilities to related companies	578.2	—	—	—	—	—	1,363.4
Derivatives financial instruments	11.5						
Cash inflows		132.7					
Cash outflows		139.1	2.8	1.9	0.7		
Other financial liabilities	29.9	10.8	12.0	3.7	2.4	2.6	2.7
Total	**4,160.9**	**1,218.3**	**219.0**	**405.7**	**207.3**	**207.7**	**4,027.4**

	Carrying amount Dec. 31, 2006	Cash Flows 2007 - 2012 ff. 2007	2008	2009	2010	2011	2012 ff.
	€ million						
Trade payables	678.7	678.7					
Other liabilities	201.7	201.7					
Liabilities to minorities under IAS 32	4.3	4.3					
Liabilities to banks	2,666.9	266.0	213.4	216.1	419.7	219.3	3,058.8
Liabilities under finance leases	27.1	7.6	6.0	4.7	3.3	2.5	20.1
Liabilities to related companies	525.5	—	—	—	—	—	1,363.4
Derivatives financial instruments	1.8						
Cash inflows		83.7					
Cash outflows		85.8					
Other financial liabilities	93.8	69.1	12.4	8.7	3.5	2.4	2.9
Total	**4,199.8**	**1,229.5**	**231.8**	**229.5**	**426.5**	**224.2**	**4,445.2**

Derivative financial instruments

The nominal volume and fair values of derivative financial instruments are shown in the table below:

	December 31, 2007 Nominal volume	Positive fair value	Negative fair value	December 31, 2006 Nominal volume	Positive fair value	Negative fair value
	€ million					
Foreign exchange forward transactions and foreign exchange swaps	179.5	0.7	6.3	113.4	0.3	1.8
Interest rate swaps in hedge accounting	862.9	11.9	5.2	895.5	6.4	—
Interest rate swaps excluding hedge accounting	66.0	1.5	—	66.0	1.4	—
Interest caps in hedge accounting	385.0	5.8	—	384.0	3.7	—
Interest caps excluding hedge accounting	67.9	—	—	75.9	0.1	—
Total	**1,561.3**	**19.9**	**11.5**	**1,534.8**	**11.9**	**1.8**

Related parties

During its normal business activities, Brenntag Management GmbH also obtains services from and provides services for related parties. These related parties are the subsidiaries included in the consolidated financial statements as well as associates and joint ventures accounted for at equity. The relations under company law with major subsidiaries and companies accounted for at equity are listed in Appendix A. Furthermore, the parent company of Brenntag Management GmbH is considered to be a related party. The parent company of Brenntag Management GmbH is Brachem Acquisition S.C.A., Luxembourg, represented by its general partner, Brahms Chemical Intermediate SA, Luxembourg.

Related parties are also the members of the management and the supervisory board of Brenntag Management GmbH.

The short-term benefits for the managing directors of Brenntag Management GmbH for the financial year ended December 31, 2007 total € 3.4 million (prior period: € 0.5 million) including remuneration for work performed at subsidiaries. Furthermore, one-off payments of €0.9 million (prior period: € 0.0 million) were made in connection with the termination of employment contracts. Future pension entitlements earned in the reporting period (current service cost) and the payments into defined contribution plans amount to € 1.0 million (prior period: € 0.1 million). Apart from the aforementioned, there were no transactions with related parties.

The following business transactions were performed with the related parties on terms equivalent to those that prevail in arm's length transactions:

	2007	Oct. 1 to Dec. 31, 2006
	€ million	
Sales revenue from transactions with joint ventures	20.6	5.2
Sales revenue from transactions with associates	0.3	0.2
Goods and services rendered by associates	0.3	0.1
Goods and services rendered by parent company	0.2	—
Interest expenses of parent company	**53.3**	**13.1**

	Dec. 31, 2007	Dec. 31, 2006
	€ million	
Trade receivables	5.2	1.5
thereof:		
Joint ventures	2.5	1.4
Associates	2.7	0.1
Financial receivables	1.4	0.4
thereof:		
Joint ventures	—	0.1
Associates	0.2	—
Parent company	1.2	0.3
Trade payables	0.1	0.4
thereof:		
Joint ventures	0.1	0.4
Financial liabilities	578.2	525.5
thereof:		
Parent company	578.2	525.5

The transactions of Brenntag Management GmbH with consolidated subsidiaries as well as between consolidated subsidiaries have been eliminated in the consolidated financial statements.

The financial liabilities relate to a loan granted by Brachem Acquisition S.C.A., Luxembourg, which is described in detail under note 27.) Equity / Economic capital on page 65.

Subsequent Events

There were no material subsequent events.

Mülheim an der Ruhr, March 28, 2008

Brenntag Management GmbH
THE MANAGEMENT

Clark	Buchsteiner	Holland	Twinning

Appendix A
Subsidiaries, special purpose entities, associates and joint ventures

No.	Company	Seat	held directly % ***	held indirectly % ***	effective net holding % ***	via No.
1	Brenntag Management GmbH	Mülheim				
Consolidated subsidiaries						
Algeria						
2	Alliance Chimie Algerie SPA	Algers		100.00	51.00	60
Argentina						
3	Brenntag Argentina S.A.	Buenos Aires		95.00	100.00	111
				5.00		117
4	HCI Chemcentral SA de Argentina	Buenos Aires		2.00	100.00	111
				98.00		168
Australia						
5	Brenntag Australia Pty. Ltd	Sydney		100.00	100.00	137
Belgium						
6	BRENNTAG N.V.	Deerlijk		99.99	100.00	65
				0.01		46
7	European Polymers and Chemicals Distribution BVBA	Kortrijk		74.00	74.00	123
Bermuda						
8	HCI Chemicals (FSC) Ltd.	Hamilton		0.10	100.00	156
				99.80		161
				0.10		168
9	HCI Ltd.	Hamilton		100.00	100.00	10
10	Pelican Chemical Traders Ltd.	Hamilton		100.00	100.00	19
11	Viking Traders Ltd.	Hamilton		100.00	100.00	10
Bolivia						
12	Brenntag Bolivia S.R.L.	Santa Cruz		90.00	100.00	111
				10.00		112
Brazil						
13	Brenntag Quimica Brasil Ltda.	Guarulhos, Sao Paulo		99.99	99.99	14
14	Brenntag Holding Ltda.	Guarulhos, Sao Paulo		100.00	100.00	111
Bulgaria						
15	BRENNTAG Bulgaria EOOD	Sofia		90.00	90.00	111
Chile						
16	Brenntag Chile Comercial e Industrial Ltda.	Santiago		95.00	100.00	111
				5.00		112
17	HCI Chemcentral de Chile Ltda.	Santiago		4.00	100.00	16
				96.00		168
Costa Rica						
18	Quimicos Holanda Costa Rica S.A.	San Jose		100.00	100.00	111
Curacao (Dutch Antilles)						
19	HCI (Curacao) N.V.	Curacao		100.00	100.00	111
20	HCI Shipping N.V.	Curacao		100.00	100.00	19
Denmark						
21	Brenntag Nordic A/S	Hellerup		100.00	100.00	111
22	Aktieselskabet af 1. Januar 1987	Niva		100.00	100.00	21
Germany						
23	Brenntag Germany Holding GmbH	Mülheim		100.00	100.00	46
24	Biesterfeld, Graen GmbH & Co. KG	Munich		55.00	42.76	27
25	CVH Chemie-Vertrieb GmbH & Co. Hannover KG	Hanover		51.00	51.00	23

No.	Company	Seat	held directly % ***	held indirectly % ***	effective net holding % ***	via No.
26	BBG Berlin-Brandenburger Lager- u. Distributionsgesellschaft	Dahlwitz-Hoppegarten		50.00	88.88	27
				50.00		23
27	Biesterfeld Chemiedistribution GmbH	Hamburg		77.75	77.75	23
28	CLG Lagerhaus GmbH & Co. KG	Bremen		100.00	100.00	23
29	CVB Albert Carl GmbH & Co. KG	Berlin		100.00	51.00	25
30	CVM Chemie-Vertrieb Magdeburg GmbH & Co. KG	Schönebeck		100.00	51.00	25
31	Biesterfeld, Graen Verwaltungs GmbH	Munich		55.00	42.76	27
32	Biesterfeld Chemiedistribution Verwaltungs GmbH	Hamburg		100.00	100.00	23
33	CLG Lagerhaus GmbH	Duisburg		100.00	100.00	23
34	CVP Chemie-Vertrieb Berlin GmbH	Berlin		100.00	51.00	25
35	Chemische Industrielle Gesellschaft mit beschränkter Haftung	Frankfurt am Main		100.00	77.75	27
36	CVH Chemie-Vertrieb Verwaltungsgesellschaft mbH	Hanover		51.00	51.00	23
37	Blitz 03-1161 GmbH	Mülheim		100.00	100.00	40
38	Blitz 03-1162 GmbH	Mülheim		100.00	100.00	42
39	Blitz 03-1163 GmbH	Mülheim		100.00	100.00	43
40	Brenntag Foreign Holding GmbH	Mülheim		100.00	100.00	46
41	ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt	Düsseldorf		94.00	94.00	23
42	CM Komplementär 03-018 GmbH & Co. KG	Mülheim		100.00	100.00	40
43	CM Komplementär 03-019 GmbH & Co. KG	Mülheim		100.00	100.00	42
44	CM Komplementär 03-020 GmbH & Co. KG	Mülheim		100.00	100.00	43
45	Baumeier GmbH	Berlin		33.34	76.25	48
				33.33		27
				33.33		25
46	Brenntag Beteiligungs GmbH	Mülheim		100.00	100.00	50
47	Brenntag Finanz-Service GmbH*	Mülheim		0.00	0.00	89
48	BRENNTAG GmbH	Duisburg		100.00	100.00	23
49	BRENNTAG International Chemicals GmbH	Mülheim/Ruhr		100.00	100.00	23
50	Brenntag Holding GmbH	Mülheim		100.00	100.00	1
51	Brenntag Real Estate GmbH	Mülheim		100.00	100.00	46
52	Herkommer & Bangerter Vertriebs GmbH	Neuenburg am Rhein		100.00	100.00	48
53	Otto Baumeier GmbH & Co. KG	Berlin		33.34	76.25	48
				33.33		27
				33.33		25

No.	Company	Seat	held directly % ***	held indirectly % ***	effective net holding % ***	via No.
Dominican Republic						
54	Brenntag Caribe S.A.	Santo Domingo		100.00	100.00	111
55	HCI Chemcentral Dominica Republic S.A.	Santo Domingo		99.40	99.70	111
				0.10		19
				0.10		20
				0.10		168
Ecuador						
56	Brenntag Ecuador S.A.	Guayaquil		100.00	100.00	111
El Salvador						
57	Brenntag El Salvador S.A. de C.V.	San Salvador		100.00	100.00	111
Finland						
58	BRENNTAG Nordic OY	Kaunianen		100.00	100.00	1
France						
59	BRENNTAG S.A.	Chassieu		100.00	100.00	65
60	Brenntag Maghreb SAS	Vitrolles		51.00	51.00	64
61	Societe commerciale Tardy et Cie. S.a.r.l.	Vitrolles		51.22	51.22	64
62	Brenntag Investissement SAS	Chassieu		100.00	100.00	65
63	Brachem France Holding SAS	Chassieu		100.00	100.00	50
64	Brenntag Export S.A.R.L.	Vitrolles		100.00	100.00	59
65	Brenntag France Holding SAS	Chassieu		100.00	100.00	63
66	Brenntag France SAS*	Paris		100.00	0.00	89
United Kingdom						
67	BRENNTAG (UK) LIMITED	Leeds		100.00	100.00	40
68	Albion Chemical Holdings Ltd.	Leeds		100.00	100.00	80
69	Albion Chemicals Ltd.	Leeds		100.00	100.00	79
70	Albion Colours Ltd.	Leeds		100.00	100.00	79
71	Albion Distillation Service Ltd.	Leeds		100.00	100.00	79
72	Albion Group Limited	Leeds		100.00	100.00	75
73	Albion Inorganic Chemicals (Thetford) Ltd.	Leeds		100.00	100.00	79
74	Albion Inorganic Chemicals Ltd.	Leeds		100.00	100.00	68
75	Brenntag UK Holding Ltd.	Leeds		100.00	100.00	62
76	Murgatroyd's Salt & Chemical Company Ltd.	Leeds		100.00	100.00	74
77	Water Treatment Solution Ltd.	Leeds		100.00	100.00	74
78	Woodland 1 Ltd.	Leeds		100.00	100.00	72
79	Woodland 2 Ltd.	Leeds		100.00	100.00	68
80	Woodland 3 Ltd.	Leeds		100.00	100.00	72
Guatemala						
81	Brenntag Guatemala S.A.	Guatemala City		100.00	100.00	111
82	Asesorias Transtec Cia. Y Ltda.	Guatemala City		100.00	100.00	111
Honduras						
83	Inversiones Quimicas S.A.	San Pedro Sula		99.91	100.00	111
				0.09		19
84	HCI Chemcentral de Honduras, S.A. de CV	San Pedro Sula		1.60	100.00	19
				98.40		168
85	Compania Hondurena de Terminales S.A.	Puerto Cortez		96.00	100.00	111
				4.00		19
Hong Kong						
86	HCI Hong Kong Limited	Wanchai		99.83	100.00	111
				0.17		117

No.	Company	Seat	held directly % ***	held indirectly % ***	effective net holding % ***	via No.
Indonesia						
87	PT Dharmala HCI i.L.	Jakarta		91.14	91.14	111
Ireland						
88	Albion Chemical Distribution (Irland) Ltd.	Dublin		100.00	100.00	79
89	Brenntag Funding Limited*	Dublin		0.00	0.00	
Italy						
90	BRENNTAG HOLDING S.p.A.	Milan		100.00	100.00	111
91	BRENNTAG S.p.A.	Milan		100.00	100.00	90
92	Romana Chimici S.p.A.	Anagni		80.00	100.00	91
				20.00		90
93	De Stefani S.r.L.	Verona		56.00	100.00	91
				44.00		90
94	Brenntag Italia S.r.l.*	Milan		0.00	0.00	89
95	Natural World S.r.l.	Lugo		100.00	100.00	91
Canada						
96	BRENNTAG Canada, Inc.	Etobicoke		100.00	100.00	115
Columbia						
97	Brenntag Colombia S.A.	Bogota		92.00	100.00	111
				5.06		112
				0.57		19
				1.23		20
				1.14		117
98	Canytam Limited	Bogota		100.00	100.00	97
99	HCI Chemcentral de Colombia, E.U.	Bogota		100.00	100.00	168
Croatia						
100	BRENNTAG Hrvatska d.o.o.	Zagreb		100.00	100.00	122
Latvia						
101	S I A BRENNTAG LATVIA	Riga		100.00	74.00	129
Lithuania						
102	UAB Brenntag Lietuva	Klaipeda		100.00	74.00	129
Luxembourg						
103	Brenntag FinanceCo I, S.a.r.L.	Munsbach		100.00	100.00	50
104	Brenntag FinanceCo II, S.a.r.L.	Munsbach		100.00	100.00	50
Marroco						
105	Brenntag Maroc, S.A.R.L.	Casablanca		100.00	100.00	146
106	Alcochim Maroc SARL	Casablanca		100.00	51.00	60
Mexico						
107	Brenntag Mexico S.A. de C.V.	Mexico City		99.99	100.00	111
				0.01		19
108	BRENNTAG PAcific S. DE R.L. DE C.V.	Tijuana		1.00	100.00	165
				99.00		166
109	Proveedora de la Camara Regional de Aceites des Occidente S.	Guadalajara		100.00	100.00	107
Nicaragua						
110	Brenntag Nicaragua, S.A.	Managua		100.00	100.00	111
Netherlands						
111	BRENNTAG (Holding) N.V.	Amsterdam		20.00	100.00	40
				80.00		119
112	H.C.I Chemicals Nederland B.V.	Amsterdam		100.00	100.00	111
113	BRENNTAG NEDERLAND B.V.	Dordrecht		100.00	100.00	111
114	HCI USA Holdings B.V.	Amsterdam		100.00	100.00	111

No.	Company	Seat	held directly % ***	held indirectly % ***	effective net holding % ***	via No.
115	Holland Chemical International B.V.	Amsterdam		100.00	100.00	111
116	Chemproha Chemiepartner B.V.	Dordrecht		100.00	100.00	113
117	HCI Central Europe Holding BV	Amsterdam		100.00	100.00	111
118	Biesterfeld Chemiedistributie B.V.	Alphen aan den Rijn		100.00	100.00	111
119	Brenntag HoldCo BV	Dordrecht		100.00	100.00	50
120	Brenntag Vastgoed B.V.	Dordrecht		100.00	100.00	113
Norway						
121	BRENNTAG Nordic AS	Oslo		100.00	100.00	139
Austria						
122	Brenntag CEE GmbH	Vienna		99.90	100.00	125
				0.10		46
123	JLC-Chemie Handels GmbH	Wiener Neustadt		100.00	100.00	122
124	Provida GmbH	Vienna		100.00	100.00	122
125	Brenntag Austria Holding GmbH	Vienna		100.00	100.00	6
Panama						
126	BRENNTAG PANAMA S.A.	Panama City		100.00	100.00	19
Peru						
127	Brenntag Peru SAC	Lima		100.00	100.00	111
128	HCI Chemcentral de Peru, S.A.C.	Lima		0.02	100.00	111
				99.98		168
Poland						
129	BRENNTAG Polska sp.zo.o.	Kedzierzyn Kozle		35.00	74.00	6
				39.00		122
130	Eurochem Service Polska sp. zo.o.	Warsaw		100.00	74.00	129
131	Forchem sp.zo.o	Warsaw		100.00	74.00	7
132	PHU Elmar Sp.zo.o.	Dabrowa		100.00	74.00	129
Portugal						
133	BRENNTAG PORTUGAL-PRODUTOS QUIMICOS Lda.	Sintra		73.67	100.00	40
				25.88		46
				0.45		23
Puerto Rico						
134	Brenntag Puerto Rico, Inc.	Caguas		100.00	100.00	111
Romania						
135	S.C. Brenntag s.r.l.	Bucharest		100.00	100.00	117
Russia						
136	OOO BRENNTAG	Moscow		100.00	100.00	122
Sweden						
137	Brenntag Nordic AB	Malmö		100.00	100.00	138
138	Brenntag Nordic Investment AB	Gothenburg		100.00	100.00	139
139	Brenntag Nordic Holding AB	Gothenburg		100.00	100.00	111
Switzerland						
140	Brenntag Schweizerhall AG	Reinach		100.00	100.00	65
141	Chem-On Vertriebs-AG	Basel		100.00	100.00	65
Slovakia						
142	BRENNTAG SLOVAKIA s.r.o.	Bratislava		100.00	100.00	122
143	HCI Slovakia, s.r.o.	Bratislava		100.00	100.00	122
Slovenia						
144	Brenntag Ljubljana d.o.o.	Trzin		100.00	100.00	122
Spain						
145	Devon Chemicals S.A.	Barcelona		100.00	100.00	111

No.	Company	Seat	held directly % ***	held indirectly % ***	effective net holding % ***	via No.
146	BRENNTAG Quimica S.A.	Dos Hermanas		100.00	100.00	65
147	BRENNTAG QUIMICA Finance, S.L.U.*	Sevilla		0.00	0.00	89
148	ESPECIALIDADES PUMA, S.A.	Sant Andreu de la Barca (Barcelona)		100.00	100.00	146
Taiwan						
149	BRENNTAG (Taiwan) Co. Ltd.	Taipei		100.00	100.00	111
Czech Republic						
150	Brenntag CR s.r.o.	Prague		100.00	100.00	122
151	HCI CR. s.r.o	Prague		100.00	100.00	122
Tunisia						
152	Alliance Tunisie SARL	Tunis		100.00	51.00	60
Turkey						
153	Brenntag Kimya Ticaret Limited Sirketi	Kavacik - Istanbul		1.00	100.00	40
				99.00		122
Hungary						
154	Brenntag Hungaria Kft.	Budapest		97.94	100.00	122
				2.06		117
155	HCI Hungaria Kft.	Budapest		96.67	100.00	111
				3.33		112
USA						
156	Brenntag Mid-South, Inc.	Henderson/Kentucky		100.00	100.00	165
157	Brenntag Southwest, Inc.	Longview/Texas		100.00	100.00	165
158	Brenntag Northeast Inc.	Reading		100.00	100.00	165
159	Brenntag Southeast, Inc.	Durham		100.00	100.00	165
160	Coastal Chemical Company, L.L.C.	Abbeville		100.00	100.00	114
161	Brenntag Latin America, Inc.	Wilmington		100.00	100.00	165
162	Brenntag Funding LLC	Reading		100.00	100.00	165
163	Brenntag Great Lakes L.L.C.	Milwaukee		100.00	100.00	114
164	Brenntag North America Holding, Inc.	City of Dover, County of Kent		100.00	100.00	111
165	Brenntag North America, Inc.	Reading		100.00	100.00	164
166	Brenntag Pacific, Inc.	Santa Fe Springs		100.00	100.00	165
167	Brenntag Specialites Inc.	South Plainfield		100.00	100.00	165
168	Brenntag Specialties Latin America, LLC	Springfield		100.00	100.00	111
Venezuela						
169	Brenntag Venezuela C.A.	Caracas		100.00	100.00	111
170	Inversiones HCI Chemcentral de Venezuela, C.A.	Caracas		100.00	100.00	169
171	Quimicos Barcelona, C.A.	Caracas		100.00	100.00	169
Investments accounted for at equity						
Associates						
Denmark						
172	Borup Kemi I/S	Borup, Skovbo		33.30	33.30	22
Germany						
173	Staub & Co. Chemiehandelsgesellschaft mbH	Nuremberg		50.00	50.00	23
174	Richard Sichler GmbH & Co. KG	Braunschweig		50.00	25.50	25
175	Sachsen Chemie GmbH Chemiehandelsgesellschaft	Dresden		50.00	38.88	27
176	SOFT CHEM GmbH	Hanover		33.40	17.03	36
United Kingdom						
177	TR Humberside Ltd.	Howdendyke		50.00	50.00	67

No.	Company	Seat	held directly % ***	held indirectly % ***	effective net holding % ***	via No.
Canada						
178	East-Chem, Inc.	Mount Perl,Newfoundl		50.00	50.00	96
Sweden						
179	Retaki Atervinning AB	Orebro		50.00	50.00	137
South Africa						
180	Crest Chemicals (Proprietary) Limited	Midrand,Gauteng		50.00	50.00	111

* **companies are SPV's**
** **Figures from 2006**
*** **Shares in capital of the company**

The following auditor's report (Bestätigungsvermerk) has been issued in accordance with § 322 German Commercial Code (Handelsgesetzbuch) on the consolidated financial statements and the group management report (Konzernlagebericht) of Brenntag Management GmbH as of and for the fiscal year ended December 31, 2007.

The group management report is neither included nor incorporated by reference in this Prospectus.

Auditor's Report

We have audited the consolidated financial statements prepared by the Brenntag Management GmbH, Mülheim an der Ruhr, comprising the balance sheet, the income statement, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from January 1, 2007 to December 31, 2007. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) are the responsibility of the parent Company's Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Düsseldorf, March 31, 2008

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

(sgd. Klaus-Dieter Ruske)	(sgd. Frank Hübner)
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Brenntag Management GmbH
Mülheim an der Ruhr

Annual Unconsolidated Financial Statements (HGB) at December 31, 2009

Balance Sheet

	Note	Dec. 31, 2009	Dec. 31, 2008
		€ k	
Assets			
Fixed assets	(1)		
Intangible assets		247	0
Property, plant and equipment		323	0
Financial assets		853,900	857,527
		854,470	**857,527**
Current assets			
Receivables and other assets	(2)	833,610	563,209
Cash at bank and in hand		8	7
		833,618	**563,216**
Prepaid expenses	**(3)**	**79**	**0**
		1,688,167	**1,420,743**
Shareholder's Equity and Liabilities			
Shareholder's equity			
Subscribed capital	(4)	25	25
Additional paid-in capital	(5)	381,575	341,575
Retained earnings	(6)	583,927	0
Balance sheet profit[5]		0	436,712
		965,527	**778,312**
Provisions	*(7)*	*18,593*	***5,077***
Liabilities	*(8)*	*704,047*	***637,354***
		1,688,167	**1,420,743**

5 **Profit shown on the balance sheet after appropriation to retained earnings.**

Income Statement

	Note	2009	2008
		€ k	
Other operating income	(9)	25,659	117
Personnel expenses	(10)	—16,473	—1,768
Amortisation of intangible assets and depreciation of property, plant and equipment		—360	0
Other operating expenses	(11)	—20,626	—832
Financial result	(12)	158,836	—13,803
Result from ordinary business activities		***147,036***	**—16,286**
Income taxes	(13)	179	—180
Net income/loss for the year		***147,215***	**—16,466**
Profit carried forward		436,712	453,178
Appropriation to retained earnings		583,927	0
Balance sheet profit		***0***	***436,712***

NOTES

GENERAL INFORMATION

The annual financial statements of Brenntag Management GmbH have been drawn up in accordance with the provisions of the German Commercial Code (HGB). For the sake of clarity, certain items have been aggregated in the balance sheet and income statement. These items have been shown and explained in detail in the Notes. As the Company has since the beginning of 2009 not only been performing the functions of a holding company but also central functions for the Group companies and the operating expenses have thus increased substantially, the income statement has been prepared using the nature of expense method for the first time for the 2009 financial year. The presentation by type of expense is designed to give improved insight into the earning situation of the Company. The presentation of the income statement of previous years has been adjusted accordingly. The annual financial statements are prepared in euros (€). Unless otherwise stated, the amounts are given in thousand euros (€ k). For calculation reasons rounding differences of ± one unit (€ k) may occur.

Brenntag Management GmbH, which is domiciled in Mülheim an der Ruhr, has been entered in the commercial register of the district court of Duisburg under HRB 18799. The sole shareholder and ultimate controlling company of Brenntag Management GmbH is Brachem Acquisition S.C.A., Luxembourg. The Company is included in the consolidated financial statements of Brachem Acquisition S.C.A., Luxembourg. These consolidated financial statements are filed with the "Registre de Commerce et des Sociétés", Luxembourg, under number B 118.685.

As the ultimate German controlling company, Brenntag Management GmbH, Mülheim an der Ruhr, prepares consolidated financial statements for the period ended December 31, 2009. In accordance with Section 287 HGB, a complete list of shareholdings has been filed with the commercial register of the district court of Duisburg under HRB 18799.

Effective January 1, 2009, central functions as well as the assets and liabilities attributable to these departments were transferred from Brenntag Holding GmbH, Mülheim an der Ruhr, to Brenntag Management GmbH. At the same time, the IT departments of BRENNTAG GmbH, Duisburg, and Brenntag Holding GmbH were merged and transferred to Brenntag Management. Therefore, there is only limited comparability with the previous year. The assets and liabilities were transferred at their book values.

ACCOUNTING AND VALUATION POLICIES

Intangible assets are valued at cost less scheduled straight-line amortisation.

Property, plant and equipment are carried at cost and, unless with an indefinite useful life, regularly depreciated over their useful lives. Moveable assets are depreciated using the straight-line method.

Assets of minor value costing not more than € 150 are written off in full in the year of acquisition. A compound item is recorded for assets acquired in a financial year when the cost of the individual asset is more than € 150 but less than € 1,000. The relevant compound item is depreciated over five years, i.e. by one fifth in the year of acquisition and in each of the following four financial years.

Shares in affiliated companies are stated at the lower of cost and market value.

Receivables and other assets are stated at nominal values. Reasonable allowance is made for individual discernible risks.

The bank accounts held in foreign currency as well as receivables and liabilities and contingent liabilities are translated at the closing rate. Other items in foreign currency are valued at the spot exchange rate at the date of the transaction, taking the lower of cost or market principle into consideration. If underlying transactions and hedges are combined ("geschlossene Position"), they are stated at the hedged rate.

Expenditures paid in the financial year which constitute expenses after the balance-sheet date are shown under prepaid expenses.

The provisions for pensions are determined on the basis of actuarial computations as at December 31, 2009 in accordance with Section 6a of the German Income Tax Act (EStG). The pension obligations are measured based on the entry age normal method ("Teilwertverfahren") using a discount rate of 6% per annum and cover all obligations. The actuarial computations for the obligations are based on the Heubeck 2005G mortality tables.

The other provisions allow for all discernible risks and uncertain obligations.

Liabilities are stated at the amounts repayable.

INFORMATION ON THE BALANCE SHEET

1. Fixed assets

The changes in the intangible assets and property, plant and equipment mainly result from the transfer of assets in connection with the transfer of central and IT functions from Brenntag Holding GmbH and BRENNTAG GmbH to Brenntag Management GmbH.

The following is a statement of composition and changes in fixed assets:

Brenntag Management GmbH Statement of Composition and Changes in Fixed Assets	Cost of Acquisition				Valuation adjustments				Net book values	
	Jan. 1, 2009	Additions [1]	Disposals [2]	Dec. 31, 2009	Jan. 1, 2009	Additions [3]	Disposals [4]	Dec. 31, 2009	Dec. 31, 2009	Dec. 31, 2008
	(€ k)									
Intangible assets										
Concessions, industrial rights and similar	0	1,713	0	1,713	0	−1,466	0	−1,466	247	0
	0	1,713	0	1,713	0	−1,466	0	−1,466	247	0
Property, plant and equipment										
Other equipment, fixtures, furniture and office equipment	0	1,519	−19	1,500	0	−1,193	16	−1,177	323	0
	0	1,519	−19	1,500	0	−1,193	16	−1,177	323	0
Financial assets										
Shares in affiliated companies	857,527	0	−3,627	853,900	0	0	0	0	853,900	857,527
	857,527	0	−3,627	853,900	0	0	0	0	853,900	857,527
	857,527	3,232	−3,646	857,113	0	−2,659	16	−2,643	854,470	857,527

1) thereof additions from affiliated companies: €3,049 k.

2) thereof disposals to affiliated companies: € 3,646 k.

3) thereof additions from affiliated companies: €2,616.

4) thereof disposals to affiliated companies: € 16 k.

The financial assets are shares in affiliated companies amounting to € 853,900k (prior period: € 857,527k). In the 2009 financial year, the investment in Brenntag Nordic Oy, Kaunianen / Finland, was sold to Brenntag (Holding) B.V., Dordrecht / Netherlands. The remaining share in affiliated companies shown is the 100% interest in Brenntag Holding GmbH, Mülheim an der Ruhr.

2. Receivables and other assets

	Dec. 31, 2009	Dec. 31, 2008
	€ k	
Amounts owed by affiliated companies	820.113	554.628
(thereof remaining term more than one year)	(597.928)	(549.541)
Other assets	13.497	8.581
(thereof remaining term more than one year)	(5.811)	(4.673)
Total	**833.610**	**563.209**

The amounts owed by affiliated companies are largely owed by Brenntag Holding GmbH, Mülheim an der Ruhr. They mainly result from profits of prior financial years taken over under a profit-and-loss transfer agreement. A loan agreement was signed between Brenntag Management GmbH and Brenntag Holding GmbH in the 2008 financial year for part of the amounts.

Other assets mainly relate to claims under reinsurance policies of € 5,811k (prior period: €4,673k) as well as tax refund claims amounting to € 6,121k (prior period: € 3,898k).

3. Prepaid expenses

This item mainly relates to insurance premiums paid in advance.

4. Subscribed capital

The subscribed capital is held by the sole shareholder, Brachem Acquisition S.C.A., Luxembourg.

5. Additional paid-in capital

In accordance with the shareholder's resolution dated February 3, 2009, a contribution of €40,000k in the form of an additional payment (Section 272, para. 2 No. 4 HGB) was made to the additional paid-in capital. Thus the additional paid-in capital of the Company amounts to €381,575k (prior period: € 341.575k).

6. Retained earnings

The Company has prepared its annual financial statements for the period ended December 31, 2009 making full use of the profit for the year. The profit carried forward (€ 436,712k) and the net income for the 2009 financial year (€ 147,215k) were appropriated to other retained earnings.

7. Provisions

	Dec. 31, 2009	Dec. 31, 2008
	€ k	
Pensions and similar obligations	8,418	2,019
Taxes	0	180
Others	10,175	2,878
Total	**18,593**	**5,077**

The provisions for pensions amounting to € 8,418k (prior period: € 2,019k) relate to entitlements to future pension payments and deferred compensation.

The other provisions include personnel expenses (e.g. expenses for overdue vacations, anniversary bonuses, annual bonuses and contributions to the employers' liability insurance associations) as well as provisions for outstanding invoices and audit costs.

The increase in provisions is mainly a result of the transfer of employees from the central and IT functions.

8. Liabilities

	Dec. 31, 2009				Dec. 31, 2008	
		thereof remaining term				thereof remaining term
	Total	less than 1 year	1 to 5 years	more than 5 years	Total	less than 1 year
				€ k		
Trade payables	1,422	1,422	0	0	26	26
Amounts owed to the shareholder	700,243	0	0	700,243	636,696	0
Amounts owed to affiliated companies	2,026	2,026	0	0	632	632
Other liabilities	356	356	0	0	0	0
(thereof from social security)	(17)	(17)	(0)	(0)	(0)	(0)
Total	**704,047**	**3,804**	**0**	**700,243**	**637,354**	**658**

The amounts owed to the shareholder relate to a loan from Brachem Acquisition S.C.A., Luxembourg, amounting to € 702,189k (prior period: € 637,541k), reduced by amount of € 1,946k (prior period: € 845k) in connection with a loan granted to Brachem Acquisition S.C.A, Luxembourg, by the Company. Both loans run until December 31, 2016 and carry annual interest of 10%.

The amounts owed to affiliated companies consist of financing loans.

CONTINGENT LIABILITIES

The Company is liable with its entire assets for the financial liabilities taken up in the Brenntag Group.

OTHER FINANCIAL OBLIGATIONS

The other financial obligations totalled € 9,142k (prior period: € 0k) as at December 31, 2009 and relate to obligations arising from rental and leasing agreements.

INFORMATION ON THE INCOME STATEMENT

Comparability with the previous year is limited due to the transfer of central and IT functions of Brenntag Holding GmbH and Brenntag GmbH to Brenntag Management GmbH.

9. Other operating income

The other operating income breaks down as follows:

	2009	2008
	€ k	
Inter-company settlements	23,588	0
Disposal of financial assets	1,706	0
Reversal of provisions	276	0
Miscellaneous	89	117
Total	**25,659**	**117**

The income from inter-company settlements mainly results from the passing-on of costs of services rendered and insurance premiums to Group companies.

10. Personnel expenses

The personnel expenses break down as follows:

	2009	2008
	€ k	
Wages and salaries	14,321	1,569
Social insurance contributions and pension expenses	2,152	199
(thereof pension expenses)	(789)	(187)
Total	**16,473**	**1,768**

11. Other operating expenses

The other operating expenses break down as follows:

	2009	2008
	€ k	
Cost of expert reports and consultancy	7,323	812
Maintenance/Other IT services	5,197	(—)
Inter-company settlements	1,590	(—)
Miscellaneous	6,516	20
Total	**20,626**	**832**

The miscellaneous expenses include rental and leasing expenses, maintenance costs, travel and representation costs, car costs, post and telecommunications charges as well as other social expenses.

12. Financial result

	2009	2008
	€ k	
Income from investments	202,544	27,997
(thereof from affiliated companies)	(202,544)	(27,997)
Other interest and similar income	20,939	18,824
(thereof from affiliated companies)	(20,701)	(18,751)
Interest and similar expenses	−64,647	−60,624
(thereof on shareholder's loans)	(−64,647)	(−58,842)
(thereof to affiliated companies)	(0)	(−1,782)
Total	**158,836**	**−13,803**

The income from investments amounting to € 202,544k (prior period: € 27,997k) results from the profit of Brenntag Holding GmbH, Mülheim an der Ruhr, taken over under a profit-and-loss transfer agreement.

The interest income amounting to € 20,939k (prior period: € 18,824k) mainly relates to the loan granted by Brenntag Management GmbH, Mülheim an der Ruhr, to Brenntag Holding GmbH, Mülheim an der Ruhr.

The interest expenses of the loan from Brachem Acquisition S.C.A., Luxembourg, amount to €64,647k (prior period: € 58,842k).

13. Income taxes

The reversal of a provision for trade tax led to the recognition of tax income.

MANAGING DIRECTORS

The Managing Directors are:

Stephen R. Clark, Wyomissing / USA, Chairman / CEO

Jürgen Buchsteiner, Düsseldorf, CFO

Steven E. Holland, Yorkshire / United Kingdom, COO

Michael Andrew Twinning, Gerrards Cross / United Kingdom, Consultant, Board Member

Mülheim an der Ruhr, February 23, 2010

Brenntag Management GmbH

THE MANAGEMENT

Stephen R. Clark　　Jürgen Buchsteiner

Steven E. Holland　　Michael Andrew Twinning

The following auditor's report (Bestätigungsvermerk) has been issued in accordance with § 322 German Commercial Code (Handelsgesetzbuch) on the financial statements of Brenntag Management GmbH as of and for the fiscal year ended December 31, 2009.

Auditor's Report

To the Brenntag Management GmbH, Mülheim an der Ruhr

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, of the Brenntag Management GmbH for the business year from January 1, 2009 to December 31, 2009. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the Company's Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, based on our audit.

We conducted our audit of the annual financial statements in accordance with § (Article) 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with (German) principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records and the annual financial statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Managing Directors, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting.

Düsseldorf, February 24, 2010

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

(sgd. Frank Hübner)	(sgd. ppa. Joachim Schucht)
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

GLOSSARY

ACES	the chemical distribution product area covering adhesives, coatings, elastomers and sealants
B2B	Business-to-business
BaFin	German Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*)
Bain Capital	Bain Capital, Ltd., London, United Kingdom
BCG	The Boston Consulting Group
BCG Market Report, January 2010	the publicly available report on the worldwide third-party chemical distribution industry compiled by BCG, dated January 6, 2010
BC Partners	BC Partners Limited, a company organized under the laws of the United Kingdom, and, as applicable, its subsidiaries and affiliates
Business Intelligence	an IT system for local financial and sales data; also called a "data warehouse"
CHF	Swiss Franc, the legal currency of Switzerland
Co-Lead Managers	The Royal Bank of Scotland, COMMERZBANK, HSBC Trinkaus and SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking
COMMERZBANK	COMMERZBANK Aktiengesellschaft, Frankfurt am Main, Germany
Company	Brenntag AG, with its registered office at Stinnes-Platz 1, 45472 Mülheim an der Ruhr, Germany, and registered with the Commercial Register maintained by the Local Court (*Amtsgericht*) of Duisburg under number HRB 22178
CRM	customer relationship management system that allows the documentation and follow up on all customers relevant contacts and information such as visit reports, projects, samples etc.
D&O	directors and officers (or directors' and officers', as applicable)
Deutsche Bank	Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany
Disbursing Agent	for German federal income tax purposes, a German custodian of shares (i.e., German resident credit institutions, financial services institutions (including German permanent establishments of foreign institutions), securities trading companies or securities trading banks)
DKK	Danish Krone, the legal currency of Denmark
EC	European Community
ECHA	European Chemicals Agency
EEA	European Economic Area
ERP	enterprise resource planning, a type of IT system for the processing of transactional and financial data, such as customer orders, raw material purchases, inventory management, deliveries, invoices etc.
EU	European Union
euro, €	the legal currency of the euro area countries of the economic and monetary union of the EU, including Germany and Luxembourg
Funds Advised by BC Partners	those shareholders of the Selling Shareholder that are affiliated with BC Partners
Funds Advised by Bain Capital	those shareholders of the Selling Shareholder that are affiliated with Bain Capital

Funds Advised by GSMP	those shareholders of the Selling Shareholder that are affiliated with GSMP
GBP	British Pound, the legal currency of the United Kingdom
GAAP	generally accepted accounting principles in the relevant jurisdiction at the relevant time, as the context requires
Goldman	The Goldman Sachs Group, Inc., New York, New York, United States
Goldman Sachs	Goldman Sachs International, London, United Kingdom
Group	Brenntag AG and its subsidiaries on a consolidated basis
HGB	German Commercial Code (*Handelsgesetzbuch*)
HR	human resources
HSBC Trinkaus	HSBC Trinkaus & Burkhardt AG, Düsseldorf, Germany
HSE	health, safety and environment
IFRS	International Financial Reporting Standards as adopted by the EU
IT	information technology
J.P. Morgan	J.P. Morgan Securities Ltd., London, United Kingdom
Joint Bookrunners	J.P. Morgan, Merrill Lynch and the Joint Global Coordinators
Joint Global Coordinators	Deutsche Bank and Goldman Sachs
Merrill Lynch	Merrill Lynch International, London, United Kingdom
Paying Agent	Deutsche Bank in its role as paying agent in respect of the offering
Personal Management KG Shareholders	members of the management of the Company, former members of the management of the Company and their relatives who participate indirectly in the ownership of the Company through their ownership of interests in one or both of Brenntag Management Erste Beteiligungs GmbH & Co. KG and Brenntag Management Zweite Beteiligungs GmbH & Co. KG, which, in turn, hold ownership interests in the Selling Shareholder
PPE	the sum of average property, plant and equipment
PwC	PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Moskauer Straße 19, 40227 Düsseldorf, Germany
REACH	an EC regulation that became effective on June 1, 2007, dealing with the Registration, Evaluation, Authorisation and Restriction of Chemicals and contained in Regulation (EC) 1907/2006; requires manufacturers and importers of chemicals to register all potentially dangerous substances in the EC with ECHA and is accompanied by additional legislation relating to European chemicals regulation
Regulation S	Regulation S under the Securities Act
Rule 144A	Rule 144A under the Securities Act
SAP	a brand of ERP software
Securities Act	U.S. Securities Act of 1933, as amended
SEK	Swedish Krona, the legal currency of Sweden
Selling Shareholder	Brachem Acquisition S.C.A., Luxembourg

Shareholder Loan Contribution Agreement	the Shareholder Loan Contribution Agreement, dated as of March 11, 2010, by and among the Company and the Selling Shareholder
SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking	SOCIÉTÉ GÉNÉRALE, Paris, France
Stocking units	each stocking unit represents a particular product in a particular volume and packaged in a particular way; a difference in product, volume or packaging indicates a different stocking unit
The Royal Bank of Scotland	The Royal Bank of Scotland N.V. (London Branch), London, United Kingdom
total leverage	for purposes of the certain provisions under both the Senior Facilities Agreement and the Senior Lien Credit Facilities Agreement, total net debt of the Group over consolidated Group EBITDA (measured quarterly, taking into account the amount of the proposed dividend)
turned-over business	distribution business taken over from a chemical producer that formerly handled such distribution itself
Underwriters	the Joint Global Coordinators together with the Co-Lead Managers, jointly
Underwriting Agreement	Underwriting Agreement, expected to be dated as of March 24, 2010, by and among the Company and each of the Underwriters
U.K., United Kingdom	the United Kingdom of Great Britain and Northern Ireland
U.S., United States	the United States of America
US$, U.S. dollar	the legal currency of the United States

RECENT DEVELOPMENTS AND OUTLOOK

Recent Developments in Our Business

On February 17, 2010, the Brenntag Group signed an amendment agreement with the lenders under the Senior Facilities Agreement, which enables the Brenntag Group to retain the existing loan in the event of the offering. In addition to amendments designed to enable the offering with a financial structure appropriate to a publicly traded company, there are a large number of changes that give the Group greater flexibility under its loan agreements for the time following the offering. Most changes are subject to the successful completion of the offering, the repayment in full of the Mezzanine Credit Facilities using a portion of the offering proceeds, and the condition that certain financial covenants be met. The Company intends to use the remainder of its portion of the net offering proceeds for general corporate purpose and for the repayment of a portion of the Second Lien Credit Facility. Under the arrangement provided for by these amendments, the applicable margins of the loan tranches that remain outstanding following the offering will increase. The transaction costs incurred in connection with the amendment agreement will be recorded as finance costs in our 2010 consolidated financial statements.

No other material changes in the financial condition or competitive position of our Group as a whole have occurred since December 31, 2009.

Outlook

There is still considerable uncertainty in the forecasts on the future development of the global economy. We currently believe that the global economy will recover slightly in 2010 and expect moderate growth of sales and EBITDA. We anticipate that in future periods our effective tax rate will move below the effective tax rate we experienced in 2009. On the cost side, we want to profit from the fact that the cost-efficiency measures initiated in 2009 will more fully develop their impact.

Against this backdrop, we are expecting sales in the Europe segment to recover. The intense competition could, however, lead to a slight pressure on margins. We are expecting to further benefit from our cost-cutting measures.

Since the general economic environment has stabilized, we are also expecting volumes to recover, leading to a positive effect on the operating gross profit in the North America segment. Furthermore we assume that there will be a moderate development of operating costs.

In the Latin America segment, we are expecting volumes and sales to rise in the coming years due to the improved overall economic environment and the extension of the product range, which should be reflected in rising profits. It remains to be seen what effect the devaluation of the currency in Venezuela announced at the beginning of January 2010 will have on the development of business.

We expect the growth region Asia Pacific to develop above the Group average.

Given the likely increase in business volume, we are also expecting a moderate rise in working capital and investments in property, plant and equipment. We believe that the trend towards sharply falling prices seen in 2009 will only partly reverse. Furthermore, the careful management of our customer and supplier relationships as well as our efforts to optimize warehouse logistics will limit the rise in working capital. The latter is also expected to lead to investments in property, plant and equipment being slightly below the level of depreciation.

We will further strive to proactively take over distribution activities from suppliers and achieve complete geographical coverage, also by acquisitions. The growth markets of Latin America and Asia are particularly interesting to us. We expect the ongoing concentration process in the market to continue as large distributors such as Brenntag with a global presence and a comprehensive product portfolio offer increasing advantages for suppliers and customers alike.

Therefore, we will also continue to round off our product portfolio to suit the demands of the regional markets and focus on access to new products and markets as well as growth segments. This includes the attractive customer industries of water chemistry and treatment, personal care products and cosmetics, nutrition as well as the fields of adhesives, coatings, paint and elastomers.

We are also aiming to expand business with pan-regional key accounts, especially in Europe and North America, who benefit particularly from our broad geographical presence and our comprehensive product portfolio. Improving cost efficiency is also a point of constant focus. Here we are currently concentrating particularly on our warehouse and transportation logistics.

Overall, we believe that the market for chemicals distribution will grow, also in the longer term. We believe that momentum from the growth of industrial output will have a positive effect and that the trend towards chemical producers' outsourcing their distribution activities to specialized distributors will continue. We believe our broad market presence, both with regard to customer industries and regions, will enable us to participate to a reasonable extent in this trend in the next few years. If the consolidation process among chemical distributors continues, we may even be able to reap an above-average benefit from this trend.

SIGNATURE PAGE

Mülheim, Frankfurt am Main, London, March 2010

Brenntag AG

Stephen R. Clark	Jürgen Buchsteiner
(Chief Executive Officer)	(Chief Financial Officer)

Deutsche Bank Aktiengesellschaft

Signed by: Josef Ritter

Signed by: Matthias Höhne

Goldman Sachs International

Signed by: Tobias Koster

J.P. Morgan Securities Ltd.

Signed by: Dr. Joachim von der Goltz

Merrill Lynch International

Signed by: Andreas Matthäus

COMMERZBANK Aktiengesellschaft

Signed by: Josef Ritter

Signed by: Matthias Höhne

Deutsche Bank on behalf of COMMERZBANK

HSBC Trinkaus & Burkhardt AG

Signed by: Tobias Koster

Goldman Sachs on behalf of HSBC

SOCIÉTÉ GÉNÉRALE

Signed by: Josef Ritter

Signed by: Matthias Höhne

Deutsche Bank on behalf of Société Générale

The Royal Bank of Scotland N.V. (London Branch)

Signed by: Tobias Koster

Goldman Sachs on behalf of RBS