

Q1 2011

**Global market leader
in chemical distribution**

Interim Report for the period from
January 1 to March 31, 2011

KEY FINANCIAL FIGURES AT A GLANCE

Consolidated income statement		Q1 2011	Q1 2010
Sales	EUR m	2,127.1	1,733.8
Gross profit	EUR m	434.4	377.0
Operating EBITDA	EUR m	158.1	134.3
Operating EBITDA / Gross profit	%	36.4	35.6
EBITDA	EUR m	157.9	128.5
Profit after tax	EUR m	66.9	2.2
Earnings per share	EUR	1.30	0.04

Consolidated balance sheet		Mar. 31, 2011	Dec. 31, 2010
Total assets	EUR m	5,045.6	4,970.2
Equity	EUR m	1,642.0	1,617.9
Working capital	EUR m	904.5	831.7
Net financial liabilities	EUR m	1,376.9	1,420.9

Consolidated cash flow		Q1 2011	Q1 2010
Cash provided by/used for operating activities	EUR m	10.0	-72.3
Investments in non-current assets (Capex)	EUR m	12.6	10.3
Free cash flow	EUR m	47.9	40.7

Key figures Brenntag share		Mar. 31, 2011	Dec. 31, 2010
Share price	EUR	78.36	76.30
No. of shares (unweighted)		51,500,000	51,500,000
Market capitalization	EUR m	4,035	3,929
Free float	%	63.98	50.39

Master Data on the Share

Most important stock exchange	Xetra
Indices	MDAX®, MSCI, Stoxx Europe 600
ISIN	DE000A1DAH00
WKN	A1DAH0
Trading symbol	BNR

PROFILE OF BRENNTAG

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

PLACEMENT OF FURTHER SHARES INCREASES FREE FLOAT TO JUST UNDER 64%

On January 19, 2011 after expiry of the three-month lock-up period, Brachem Acquisition S.C.A., Luxembourg, controlled by BC Partners Funds and the largest shareholder of Brenntag AG, placed 7 million shares of Brenntag AG at a price of EUR 71.50 per share with institutional investors in an accelerated book-building process. This transaction was the second successful placement after the stock listing in March 2010. The free float is now just under 64%.

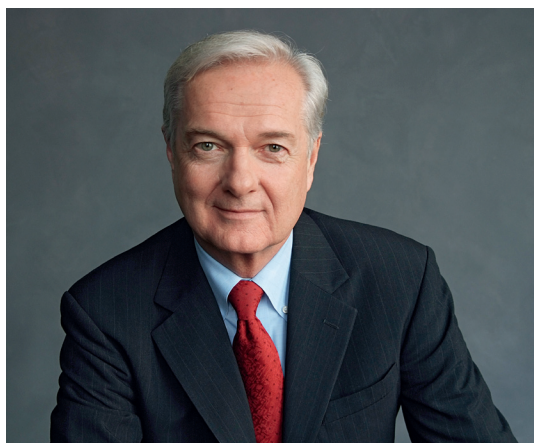
Also after this transaction, funds managed by BC Partners indirectly remain Brenntag's largest shareholders. In addition, a new lock-up period of 180 days was agreed.

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TO OUR SHAREHOLDERS

CEO LETTER



Stephen Clark, CEO

Dear Shareholders,

As Steve Holland will be succeeding me as CEO after our annual general shareholders meeting on June 22, 2011, this is the last interim report that I will present to you. Steve, who has been fully managing our global organization since 2009, will provide you with a recap of the current quarter in a separate letter. Here, I will briefly describe the state of the industry and Brenntag which Steve and his team will use as a platform to expand our capabilities and services, ultimately driving value creation for you.

- Brenntag is the global market leader in an attractive growing industry whose growth dynamics favour scale distributors.
- Brenntag is the only true global chemical distributor with significant and growing operations in the high growth economies of Asia, Latin America and Central and Eastern Europe.
- Brenntag is a leading consolidator in a highly fragmented industry, having completed and successfully integrated over 100 acquisitions since 1990. The company will use this core competence as an accelerant to its organic growth.
- Brenntag's business model has demonstrated both its resiliency and growth potential. During the difficult economic climate of 2009, the underlying EBITDA actually improved while the last 5 years taken as a whole have yielded a compound annual growth rate of 18.7%.
- Brenntag is comprised of highly motivated, passionate employees who are constantly holding themselves accountable for finding new ways to deliver exceptional service at excellent value.
- Brenntag's extended management team is one of the most experienced in the whole industry.

I would also like to add my welcome to William Fidler, who joined the Brenntag Board in March. William Fidler, who has an outstanding career in Brenntag North America, will extend his role to include a regional responsibility for our Latin American operations.

With regard to Steve Holland, he is a passionate leader, which, when combined with 30 years of industry knowledge and his Brenntag global leadership experience, give him the ultimate tools to create the atmosphere necessary for the continued success of the company. That's why I hand over the company to Steve with the full conviction that he will continue our path of success and lead Brenntag to an even brighter future.

I would like to thank you, our shareholders, for the confidence you have displayed in Brenntag and I can promise that you will not be disappointed if you continue that confidence in a Brenntag being lead by Steve Holland.

Mülheim an der Ruhr, May 9, 2011

Steve Clark

Stephen Clark
Chief Executive Officer

COO LETTER

Dear Shareholders,

I am very proud to be the designated CEO of Brenntag AG and would like to acknowledge Steve Clark's significant contribution to the Group development over the years to the present day.

Our business strategy is unchanged and continues to deliver a positive performance when compared to the same quarter in 2010. Overall, gross profit for the Group increased by 15.2% to EUR 434.4 million (13.1% on a constant currency basis), operating EBITDA grew by 17.7% (15.6% on a constant currency basis) to EUR 158.1 million for the quarter.

All regions contributed to this development. The outstanding improvement of earnings in the Asia Pacific segment where the operating EBITDA more than tripled compared with the prior-year first quarter is further evidence that our acquisition strategy is value-enhancing. Here the effects of the ongoing integration of EAC Industrial Ingredients, which we acquired in the third quarter 2010, become visible. But even without the contribution of the acquisitions executed in 2010 our Group's operating EBITDA grew by a double-digit rate.

Our business model and strategy demonstrate a high level of diversification which provides Brenntag with both characteristics of resilience and organic growth. We continue to focus strongly on markets and regions which provide above-average growth.

Acquisition remains part of our growth strategy as a consolidator in a fragmented market. We set ourselves high hurdle rates for acquisitions in terms of strategic fit and current and future shareholder value. Negotiations and discussions with such targets continue in all regions.

In terms of Brenntag AG shares, we saw increased volatility in the markets in the first quarter of 2011 and shareholders saw our shares perform favorably with an increase to EUR 78.36 on March 31, 2011. During January the overall liquidity of our share increased further as our hitherto majority shareholder Brachem Acquisition S.C.A. placed further 7 million shares on the market in an accelerated book-building process; this increased the free float of Brenntag AG to just under 64%.

We are confident that our systematic and focused approach will continue to develop the Group in all regions, increasing the value of our company in the eyes of our customers with new products and services and our shareholders and employees by continued profitable growth.

Mülheim an der Ruhr, May 9, 2011



Steven Holland
Chief Operating Officer



Steven Holland, COO

BRENNTAG ON THE STOCK MARKET

FREE FLOAT INCREASES TO JUST UNDER 64%

The Brenntag share has been trading on the stock market since March 29, 2010. Since the IPO, Brenntag has experienced a significant and steadily growing interest in its share. Inclusion in the MDAX® from June 21, 2010, not even three months after its first listing, underlines the importance of the Brenntag share for the German stock market. The inclusion in the relevant MSCI indices and the Stoxx Europe 600 shows that the Brenntag share is also attracting attention on the European trading floor after just one year of actively participating in the capital market.

The free float of the Brenntag shares has increased continually since the IPO on March 29, 2010. After its debut on the Frankfurter stock market, the free float was initially 29.03% while 70.97% of the shares were held by Brachem Acquisition S.C.A., Luxembourg, which is largely owned by several funds advised by BC Partners Limited, Bain Capital, Ltd. and subsidiaries of Goldman Sachs International. In view of the great interest in the Brenntag share and the high demand from the market for further shares, Brachem Acquisition S.C.A., Luxembourg, decided to sell another 21.36% or 11 million shares on October 1, 2010 to institutional investors in an accelerated book-building process. These shares were sold at a price of EUR 60.75 per share. On January 19, 2011 after expiry of the three-month lock-up period, Brachem Acquisition S.C.A., Luxembourg, placed a further 7 million shares of Brenntag AG at a price of EUR 71.50 per share with institutional investors, also in an accelerated book-building process. A new lock-up period of 180 days was agreed.

Therefore, nearly two-thirds of the Brenntag shares are now widely placed. The free float is now 63.98% and the share held by Brachem Acquisition S.C.A., Luxembourg, has been reduced to 36.02%.

DEVELOPMENT OF THE SHARE PRICE

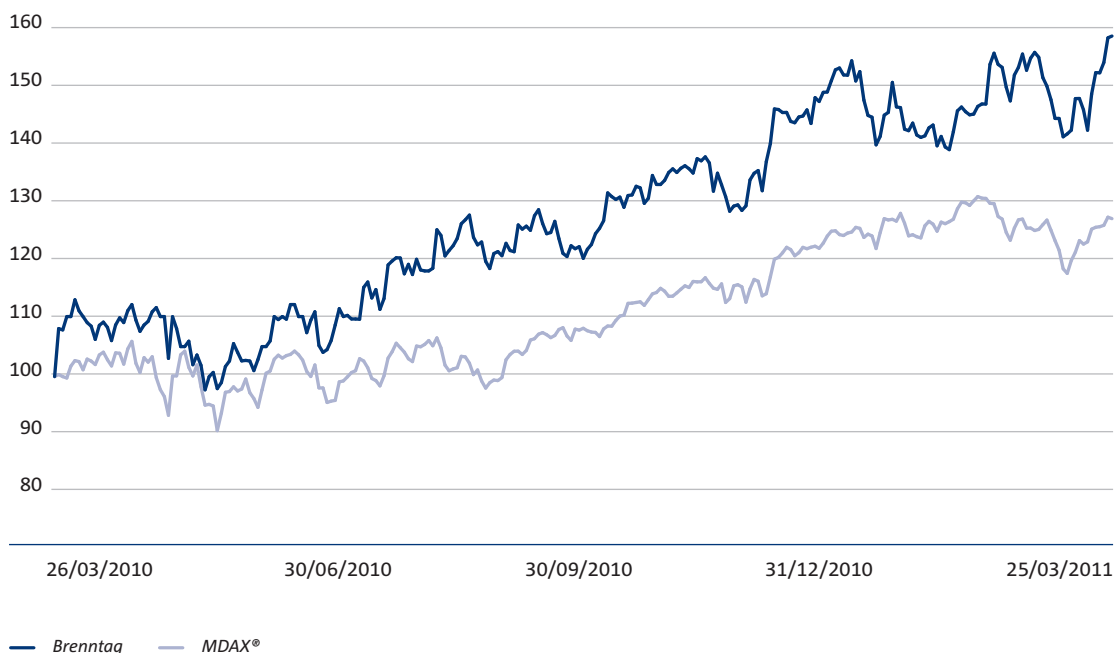
In the first quarter of 2011, the Brenntag share price increased again by 2.7% over the record closing price on December 31, 2010 of EUR 76.30 to finish the quarter at a new all-time high of EUR 78.36. Thus, since the IPO in March 2010, Brenntag share has rewarded investors who bought shares right at the beginning with a gain of 56.7%, whilst the MDAX®, in which the Brenntag share has been included since June 21, 2010, has only gained 26.3% in the same period.

The first quarter of 2011 was marked by high volatility on the German stock exchanges. The VDAX-NEW®, which expresses in percentage terms what degree of volatility is to be expected in the following 30 days for the DAX®, fluctuated between 15.31 in mid-February and 30.02 in mid-March. There were many economic, political and environmental reasons for this volatility. At the beginning of the quarter, China and Japan announced their intention to buy eurozone bonds from the European financial stability facility. This boosted confidence on the markets in January, which, however, some investors used to take profits. Growing unrest in several North African states temporarily unsettled the markets in February, although it was the resultant rising oil price which really had a dampening effect on the share indices. The month of March was dominated by the natural disaster and the nuclear catastrophe in Japan. Concerns about a possible imminent nuclear meltdown triggered sharp reactions on the stock markets, particularly towards the middle of the month. However, at the end of the month the mood had again swung to overall confidence that the global economy is robust enough to be able to cope with the consequences of the catastrophe in Japan.

In this market environment, the DAX® and MDAX® both increased by 1.8% in the first quarter of 2011. The DAX® closed the quarter at 7,041.31 points and the MDAX® finished at 10,310.08 points. The Brenntag share could not entirely escape the market volatility. From its low of EUR 68.90 on February 4, 2010, it managed to rise considerably by 13.7% and ended the quarter at a new all-time high of EUR 78.36.

The average number of Brenntag shares traded every day in the first quarter of 2011 was approximately 120,000 shares. Four designated sponsors ensure that there is adequate liquidity in the share and that buy and sell orders can be carried out.

DEVELOPMENT OF THE BRENNTAG SHARE PRICE (INDEXED)



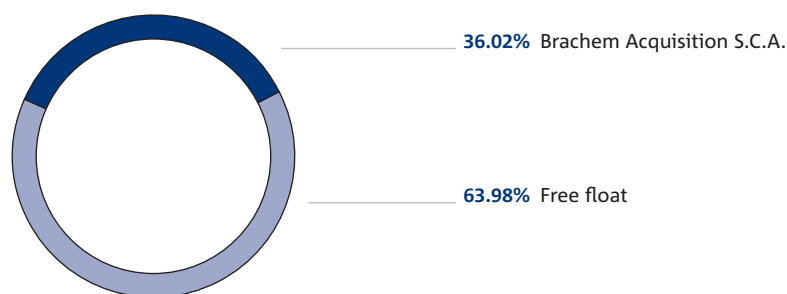
SHAREHOLDER STRUCTURE

Brchem Acquisition S.C.A., Luxembourg remains the largest shareholder of Brenntag AG. After placing 7 million shares of Brenntag AG on January 19, 2011, Brchem Acquisition S.C.A., Luxembourg, holds 18,550,000 shares or 36.02% of the total share capital of 51,500,000 shares. As part of the placement, Brchem Acquisition S.C.A., Luxembourg agreed not to sell any further shares for a period of 180 days.

Brenntag AG currently has a free float of 63.98%, representing 32,950,000 shares in the total share capital.

On May 25, 2010, Paulson & Co., Inc., USA, notified us that it holds 3.05% or 1,573,203 shares in Brenntag AG. So far we have received no information that any other shareholder has exceeded the statutory notification threshold of 3%.

SHAREHOLDER STRUCTURE



FURTHER INFORMATION:
www.brenntag.com

Below you will find the most important information on the Brenntag share:

Key figures and master data on the share

		IPO	Mar. 31, 2010	Dec. 31, 2010	Mar. 31, 2011
Share price	EUR	50.00	55.00	76.30	78.36
Number of shares (unweighted)		51,500,000	51,500,000	51,500,000	51,500,000
Market capitalization	EUR m	2,575	2,833	3,929	4,035
Free float	%	29.03	29.03	50.39	63.98
Free float market capitalization	EUR m	748	822	1,979	2,581

Most important stock exchange	Xetra
Indices	MDAX®, MSCI, Stoxx Europe 600
ISIN	DE000A1DAH0
WKN	A1DAH
Trading symbol	BNR

GROUP INTERIM MANAGEMENT REPORT

for the period from January 1 to March 31, 2011

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BUSINESS AND ECONOMIC ENVIRONMENT

BUSINESS ACTIVITIES AND GROUP STRUCTURE

Business Activities

Brenntag's growth opportunities along with its resilient business services model are based on complete geographic coverage, wide product portfolio and high diversity across suppliers, customers and industries.

Linking chemical manufacturers (our suppliers) and chemical users (our customers), Brenntag provides complete distribution solutions rather than just chemical products. Brenntag purchases large-scale quantities of industrial and specialty chemicals from various suppliers, enabling the company to achieve economies of scale and offer its some 160,000 customers a full-line range of chemical products. Brenntag is the strategic partner and service provider for manufacturers of industrial and specialty chemicals at the one end and chemical users at the other end of the value chain.

Brenntag stores the products it purchases in its owned and leased distribution facilities, packs them into quantities the customers require and delivers them, typically in less-than-truckloads. Brenntag's customers are active worldwide in diverse end-market industries such as adhesives, paints, oil & gas, food, water treatment, personal care and pharmaceuticals. In order to be able to react quickly to the market and customers' and suppliers' requirements, Brenntag manages its business regionally from branches in Europe, North America, Latin America and Asia Pacific. Brenntag offers a broad range of over 10,000 products as well as extensive value-added services (such as just-in-time delivery, product mixing, formulation, repackaging, inventory management, drum return handling as well as technical services for specialty chemicals and laboratory support). High diversification means that Brenntag is largely independent from volatility in any specific market segments or regions.

Brenntag is the global market leader in full-line chemical distribution. We define market leader not just by business volume but also by our philosophy of continually improving the safety standards at our sites. As a responsible service provider, we believe we have a commitment not only to our suppliers, customers and shareholders but also to society and the environment.

Group Structure

As the Group's ultimate holding company, Brenntag AG is responsible for the strategy of the Brenntag Group, risk management and central financing. Further central functions of Brenntag AG are Controlling, HSE (Health, Safety and Environment), Investor Relations, IT, Group Accounting, M&A, HR, Corporate Development, Corporate Communications, Legal, Corporate Internal Audit and Tax.

The consolidated financial statements include Brenntag AG, 24 domestic (December 31, 2010: 24) and 168 foreign (December 31, 2010: 169) fully consolidated subsidiaries (including special purpose entities). Eight associates (December 31, 2010: eight) have been accounted for at equity.

The following graph gives an overview of the global network of the Brenntag Group, which is managed by the regionally structured segments Europe, North America, Latin America and Asia Pacific. Furthermore, a segment titled All Other Segments covers the central functions for the entire Group, the sourcing activities in China and the activities of Brenntag International Chemicals.

North America Q1 2011

External sales	EUR m	652.7
Operating gross profit	EUR m	155.7
Operating EBITDA	EUR m	63.2
Employees ¹⁾		3,600

Europe Q1 2011

External sales	EUR m	1,091.0
Operating gross profit	EUR m	227.7
Operating EBITDA	EUR m	78.4
Employees ¹⁾		6,170

Latin America Q1 2011

External sales	EUR m	191.2
Operating gross profit	EUR m	35.8
Operating EBITDA	EUR m	11.8
Employees ¹⁾		1,265

Asia Pacific Q1 2011

External sales	EUR m	85.6
Operating gross profit	EUR m	19.9
Operating EBITDA	EUR m	9.8
Employees ¹⁾		1,020

Figures exclude All Other Segments, which, in addition to various holding companies and our sourcing activities in China, covers the international activities of Brenntag International Chemicals.

¹⁾ Employees are defined as number of employees on the basis of full-time equivalents at the reporting date.

CORPORATE STRATEGY

Our goal remains to be the preferred full-line chemical distributor and partner of choice for our customers and suppliers and, at the same time, the industry leader in safety, growth and profitability. We aim to achieve this with a clear growth strategy geared to steadily expanding our leading market positions while continually improving profitability.

Organic growth and acquisitions

We strive to extend our market lead by steadily enhancing our product and service offering capabilities in line with the requirements of the regional markets. In doing so, we benefit from leveraging our extensive global activities and key strengths. Our needs-based sales approach focuses on providing customers with total solutions rather than just products.

In addition, we continue to seek acquisition opportunities that assist us in implementing our overall strategy. Our strategic focus is on expanding our presence in emerging markets, particularly in the Asia Pacific region, in Latin America and Eastern Europe, to capture the expected strong growth in demand for chemicals in these regions. In the established markets of Europe and North America, we continue to further develop our product and service portfolio as well as to optimize our nationwide distribution network, also through acquisitions.

Improving profitability

A further element of our strategy is to systematically increase profitability. On the basis of our entrepreneurial culture, our operational excellence and our superior business model, we continuously strive to improve our operating gross profits, EBITDA, cash flows and return on assets. Extending the scope of our operations, both organically and through acquisitions, and achieving the resulting economies of scale are major levers for increasing our profitability and returns.

The systematic implementation of our strategy is backed up with global and regional initiatives. We seek to effectively leverage our capabilities through accelerated and targeted growth in the particularly attractive industries for industrial and specialty chemicals, water treatment, personal care, pharmaceuticals, food, oil & gas as well as in the adhesives, coatings, elastomers and sealants sector. We are also focusing on further expanding business with regional, pan-regional and global key accounts, sectors where our broad product offering and far-reaching geographic network provide unrivalled service capabilities. In addition, we will continue to actively realize the potential offered by the trend for chemical producers to outsource activities. Further initiatives focus on growing business with fuel additives which reduce road traffic emissions in Europe and North America. Improving the Group's operational efficiency by optimizing our warehouse and transport logistics and continually refining the procurement and sales processes are also points of constant focus.

These top initiatives are based on the guiding strategic principles:

- intense customer orientation
- full-line product portfolio focused on less-than-truckload deliveries
- complete geographic coverage
- accelerated growth in target markets

We are committed to the principles of responsible care and responsible distribution. Safety and the protection of the environment are paramount in everything we do.

OVERALL ECONOMY

The economic indicators currently available suggest that the global economy continued to expand in the first quarter of 2011, although the development of the global Purchasing Managers' Index (PMI) implies slightly weaker momentum. The positive basic trend was reflected at the beginning of the year in global industrial activity. Industrial output increased in the first two months of the year by about 8% compared with the prior-year period.

In Europe, the pattern of economic development remained heterogeneous in the first quarter of 2011. Whilst some countries benefited from the global economic recovery, the economic performance of the structurally weak peripheral countries was extremely weak. In the first two months, industrial output in Europe as a whole rose by about 7% compared with the prior-year period with growth in the west much lower at 6.4% than in the east (10.8%).

After the recovery seen in the last quarter of 2010, the US economy sustained its positive development in the first quarter of 2011 supported by the continued effect of financial stimuli. In the first two months, industrial output rose by some 6% compared with the prior-year period.

After expanding strongly in 2010, the pace of growth of the Latin American economy is expected to have slowed slightly in the first quarter of 2011 as a result of lower global growth and a more restrictive monetary policy. At 4.5%, growth in industrial output in the first two months was much lower than in the same prior-year period.

After a phase of slightly slower growth in the past summer months, above all the Asian emerging economies picked up again towards the end of 2010 and in the first quarter of 2011. Aggregated industrial output in the region continued to grow strongly at 12%, although the pace of expansion slowed compared with the 20.8% in prior-year period.

STATEMENT BY THE MANAGEMENT ON BUSINESS PERFORMANCE

In a continuing positive economic climate, the Brenntag Group maintained its course of growth in the first quarter of 2011. Both the sales and gross profit of the Brenntag Group rose significantly compared with the first quarter of 2010 due to larger volumes as well as positive price effects and higher specific operating gross profits.

As a result of the higher business volume, we also recorded a moderate increase in operating expenses in the first quarter of 2011.

Gross profit growth was therefore translated into even higher growth rates in operating EBITDA, which well exceeded the prior-year quarter results. This growth is mainly organic. However, EAC Industrial Ingredients Ltd. A/S, which was acquired in July 2010, also contributed to the development of results. This acquisition has considerably strengthened our market position in Asia.

Working capital (inventories plus trade receivables less trade payables) rose compared with the level at the end of 2010. This is mainly due to the growth of sales whilst the working capital turnover rate decreased slightly, as expected, but remained at a high level.

Investment in property, plant and equipment increased slightly compared with the first quarter of 2010. However, our business model allows for investment levels to remain relatively low and highly flexible.

Our business performance and thus the results of operations and the financial condition of the company showed a pleasing development in the first quarter of 2011.

RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

Business Performance of the Brenntag Group

in EUR m	Q1 2011	Q1 2010	Change		
			abs.	in %	in % (fx adj.) ²⁾
External sales	2,127.1	1,733.8	393.3	22.7	20.6
Operating gross profit	443.5	385.7	57.8	15.0	12.7
Operating expenses	–285.4	–251.4	–34.0	13.5	11.2
Operating EBITDA	158.1	134.3	23.8	17.7	15.6
<i>Transaction costs/Holding charges</i>	<i>–0.2</i>	<i>–5.8</i>	<i>5.6</i>	<i>–</i>	<i>–</i>
EBITDA (incl. transaction costs/ holding charges)	157.9	128.5	29.4	22.9	20.5
Depreciation of property, plant and equipment	–21.4	–20.2	–1.2	5.9	3.9
EBITA ¹⁾	136.5	108.3	28.2	26.0	23.6
Amortization of intangible assets	–6.0	–31.0	25.0	–80.6	–81.0
Financial result	–28.4	–73.6	45.2	–61.4	–
Profit before tax	102.1	3.7	98.4	>1,000	–
Income taxes	–35.2	–1.5	–33.7	>1,000	–
Profit after tax	66.9	2.2	64.7	>1,000	–

¹⁾ EBITA is defined as EBITDA less depreciation of property, plant and equipment.

²⁾ Change in % (fx adj.) is the percentage change on a constant currency basis.

External sales, volumes and prices

In the first quarter of 2011, the Brenntag Group recorded external sales of EUR 2,127.1 million, an increase of 22.7% compared with the same prior-year quarter or 20.6% on a constant currency basis. This growth in external sales is mainly attributable to a higher average selling price but also to larger volumes. The contribution to the sales of the Asia Pacific segment made by the EAC Group, which was acquired at the beginning of the third quarter of 2010, also boosted Group sales.

Operating gross profit

In the reporting period, operating gross profit amounted to EUR 443.5 million, an increase of 15.0% over the prior-year quarter figure or 12.7% on a constant currency basis. Operating gross profit grew significantly more than volumes.

Operating expenses

In the first quarter of 2011, operating expenses rose by 13.5% or 11.2% on a constant currency basis to EUR 285.4 million compared with the same prior-year period. Particularly due to the acquisition of the EAC Group but also as a result of the larger business volumes, the number of employees rose and therefore personnel expenses also increased. Other volume-related costs, such as transport costs, energy costs and rents, also rose compared with the first quarter of 2010, again owing to higher energy and oil prices.

EBITDA

The key measure of our results used for control of the Brenntag Group is EBITDA. The segments are primarily controlled on the basis of operating EBITDA, which is the operating profit/loss as recorded in the consolidated income statement plus amortization of intangible assets and depreciation of property, plant and equipment, adjusted for the following items:

- **Transaction costs:** Costs connected with restructuring and refinancing under company law, particularly the IPO in 2010. They are eliminated for purposes of management reporting to permit proper presentation of the operating performance and comparability on segment level.
- **Holding charges:** Certain costs charged between holding companies and operating companies. On Group level they net to zero.

The Brenntag Group posted EBITDA of EUR 157.9 million in the first quarter of 2011. That is an increase of 22.9% or 20.5% on a constant currency basis over the figure for the first quarter of 2010. Adjusted for transaction costs and holding charges, operating EBITDA was EUR 158.1 million. That is an increase of 17.7% compared with the first quarter of 2010 or 15.6% on a constant currency basis.

Depreciation, amortization and financial result

Depreciation of property, plant and equipment and amortization of intangible assets amounted to EUR 27.4 million in the first quarter of 2011. Of this figure, EUR 21.4 million relates to depreciation of property, plant and equipment and EUR 6.0 million to amortization of intangible assets. Overall, depreciation and amortization fell by EUR 23.8 million compared with the first quarter of 2010. The main reason for this decrease is that in the first quarter of 2010 amortization of EUR 25.8 million was still performed on the customer relationships which were capitalized as part of the purchase price allocation on the acquisition of the Brenntag Group by funds advised by BC Partners Limited, Bain Capital, Ltd. and subsidiaries of Goldman Sachs International.

The financial result totalled EUR -28.4 million in the first quarter of 2011, a significant improvement over the first quarter of 2010 (EUR -73.6 million). This was largely due to lower finance costs as a result of the reduced debt since the IPO at the end of the first quarter of 2010. Furthermore, the finance costs in the first quarter of 2010 were negatively impacted by one-off expenses in connection with the amendments to loan agreements. The change in interest margins on the syndicated loan, which were adjusted to the current market level when the IPO took place, had the opposite effect. Interest income was slightly below the figure for the first quarter of 2010 due to the lower liquidity position.

Profit before tax

In the first quarter of 2011, the profit before tax amounted to EUR 102.1 million (2010: EUR 3.7 million). The significant increase in the profit before tax is due both to the good operating performance and a much improved financial result.

Income taxes and profit after tax

At EUR 35.2 million, the income tax expense in the first quarter was higher than in the same prior-year period as a result of the increase in pre-tax profit. The planned Group tax rate for 2011 was applied when determining tax expense in the first quarter of 2011.

The profit after tax totalled EUR 66.9 million in the first quarter of 2011.

Business Performance in the Segments

The picture for the first quarter of 2011 by segment is as follows:

1st quarter 2011 in EUR m	Brenntag Group	Europe	North America	Latin America	Asia Pacific	All Other Segments
External sales	2,127.1	1,091.0	652.7	191.2	85.6	106.6
Operating gross profit	443.5	227.7	155.7	35.8	19.9	4.4
Operating expenses	-285.4	-149.3	-92.5	-24.0	-10.1	-9.5
Operating EBITDA	158.1	78.4	63.2	11.8	9.8	-5.1

Europe

in EUR m	Q1 2011	Change			
		Q1 2010	abs.	in %	in % (fx adj.)
External sales	1,091.0	927.4	163.6	17.6	16.0
Operating gross profit	227.7	211.5	16.2	7.7	5.8
Operating expenses	-149.3	-141.1	-8.2	5.8	3.8
Operating EBITDA	78.4	70.4	8.0	11.4	9.7

External sales, volumes and prices

In the reporting period, the Europe segment significantly increased external sales by 17.6% to EUR 1,091.0 million. On a constant currency basis, that is growth of 16.0% and is mainly due to a higher average selling price, although volumes also rose.

Operating gross profit

In the first quarter of 2011, operating gross profit totalled EUR 227.7 million, which was an increase of 7.7% or 5.8% on a constant currency basis compared with the first quarter of 2010. This rise was partly attributable to the higher volumes and partly to higher specific operating gross profit.

Operating expenses

Operating expenses rose in the first quarter of 2011 by 5.8% (3.8% on a constant currency basis) to EUR 149.3 million. Personnel expenses increased slightly due to a marginally higher headcount. Energy and transport costs as well as rents rose, among other things, as a result of higher energy and crude oil prices.

Operating EBITDA

The Europe segment posted operating EBITDA of EUR 78.4 million in the reporting period, which is a pleasing increase of 11.4% or 9.7% on a constant currency basis. Thus, the European companies again achieved pleasing growth in a rather subdued and heterogeneous economic environment.

North America

in EUR m	Q1 2011	Q1 2010	Change		
			abs.	in %	in % (fx adj.)
External sales	652.7	545.2	107.5	19.7	17.6
Operating gross profit	155.7	134.7	21.0	15.6	13.6
Operating expenses	-92.5	-78.3	-14.2	18.1	15.9
Operating EBITDA	63.2	56.4	6.8	12.1	10.3

External sales, volumes and prices

The North American companies posted external sales of EUR 652.7 million in the first quarter of 2011, well exceeding the prior-year quarter figure by 19.7% or 17.6% on a constant currency basis. This increase is due both to higher volumes and a higher average selling price.

Operating gross profit

In the reporting period, operating gross profit rose by 15.6% (13.6% on a constant currency basis) to EUR 155.7 million. This significant increase was mainly attributable to higher volumes.

Operating expenses

Operating expenses rose in the reporting period by 18.1% or 15.9% on a constant currency basis to EUR 92.5 million. Higher personnel, energy and transport costs as well as rents were mainly due to the expansion of business.

Operating EBITDA

Overall, the North America segment recorded operating EBITDA of EUR 63.2 million in the first quarter of 2011, exceeding the prior-year quarter figure by 12.1% or 10.3% on a constant currency basis. This was achieved in an economic environment which continued to be positive.

Latin America

in EUR m	Q1 2011	Q1 2010	Change		
			abs.	in %	in % (fx adj.)
External sales	191.2	164.1	27.1	16.5	12.7
Operating gross profit	35.8	31.8	4.0	12.6	8.8
Operating expenses	-24.0	-21.7	-2.3	10.6	6.7
Operating EBITDA	11.8	10.1	1.7	16.8	13.5

External sales, volumes and prices

In the first quarter of 2011, the Latin American companies grew external sales by 16.5% or 12.7% on a constant currency basis to EUR 191.2 million in a year-on-year comparison. Despite a decline in volumes, this increase was achieved thanks to a significantly higher average selling price.

Operating gross profit

Despite lower volumes in some countries, operating gross profit also increased by 12.6% or 8.8% on a constant currency basis. Overall, the Latin America segment recorded an operating gross profit of EUR 35.8 million in the first quarter of 2011.

Operating expenses

Operating expenses increased by 10.6% or 6.7% on a constant currency basis to EUR 24.0 million in the reporting period. This rise was mainly driven by higher personnel expenses as well as increased costs for fuel, energy and transport.

Operating EBITDA

Overall, the Latin America segment posted operating EBITDA of EUR 11.8 million in the first quarter of 2011, exceeding the prior-year first quarter figure by 16.8% or 13.5% on a constant currency basis. This was achieved in an environment with slightly slowing growth dynamics.

Asia Pacific

in EUR m	Q1 2011	Q1 2010	Change		
			abs.	in %	in % (fx adj.)
External sales	85.6	18.5	67.1	362.7	321.7
Operating gross profit	19.9	4.9	15.0	306.1	275.5
Operating expenses	-10.1	-2.8	-7.3	260.7	236.7
Operating EBITDA	9.8	2.1	7.7	366.7	326.1

External sales, volumes and prices

External sales in the Asia Pacific segment totalled EUR 85.6 million in the first quarter of 2011 and thus increased by 362.7% or, on a constant currency basis, by 321.7% compared with the prior-year first quarter. This growth is attributable both to higher volumes and a higher average selling price and was significantly influenced by the companies of the EAC Group acquired in the third quarter of 2010.

Operating gross profit

In the first quarter of 2011, operating gross profit totalled EUR 19.9 million and thus rose by 306.1% compared with the prior-year first quarter (275.5% on a constant currency basis). Alongside the contribution made by the companies of the EAC Group, the previous Brenntag companies also achieved a significant double-digit increase in their operating gross profit.

Operating expenses

In the first quarter of 2011, operating expenses rose by 260.7% (on a constant currency basis by 236.7%) to EUR 10.1 million in a year-on-year comparison. In addition to the larger business volume of the previous Brenntag companies, which led, among other things, to higher staff numbers, the companies of the EAC Group consolidated from July 2010 also contributed to the increase in operating expenses.

Operating EBITDA

Overall, the companies in the Asia Pacific segment posted EBITDA of EUR 9.8 million and thus grew earnings by 366.7% or 326.1% on a constant currency basis. In a still strong economic environment, the segment continued its pleasing path of growth.

All Other Segments

in EUR m	Q1 2011	Q1 2010	Change		
			abs.	in %	in % (fx adj.)
External sales	106.6	78.6	28.0	35.6	35.6
Operating gross profit	4.4	2.8	1.6	57.1	57.1
Operating expenses	-9.5	-7.5	2.0	26.7	26.7
Operating EBITDA	-5.1	-4.7	-0.4	-8.5	-8.5

In addition to various holding companies and our sourcing activities in China, All Other Segments contains the operations of Brenntag International Chemicals, which buys and sells chemicals in bulk on an international scale without regional boundaries.

In the first quarter of 2011, Brenntag International Chemicals GmbH, Mülheim an der Ruhr, well exceeded the operating EBITDA recorded in the prior-year first quarter as a result of higher operating gross profit.

In the holding companies, operating EBITDA in the first quarter of 2011 was slightly lower than in the first quarter of 2010. The main reason for this decrease was the higher costs connected with the listing of Brenntag AG.

Overall, operating EBITDA in the first quarter of 2011 amounted to EUR -5.1 million and was thus slightly below the prior-year quarter figure (EUR -4.7 million).

DEVELOPMENT OF FREE CASH FLOW

in EUR m	Q1 2011	Q1 2010	Change	
			abs.	in %
EBITDA (incl. transaction costs)	157.9	128.5	29.4	22.9
Investments in non-current assets (Capex)	-12.6	-10.3	-2.3	22.3
Change in working capital ¹⁾	-97.4	-77.5	-19.9	25.7
Free cash flow	47.9	40.7	7.2	17.7

¹⁾ See information on the cash flow statement on page 38.

Free cash flow is defined as EBITDA less other additions to property, plant and equipment as well as other additions to acquired software, licenses and similar rights (Capex) plus/less changes in working capital.

Working capital is defined as trade receivables plus inventories less trade payables.

The Group's free cash flow amounted to EUR 47.9 million in the reporting period and thus increased by 17.7% compared with the first quarter of 2010 (EUR 40.7 million).

The main reason for this increase is the growth of EBITDA by 22.9% to EUR 157.9 million. This more than offset the increase in Capex and the change in working capital.

FINANCIAL CONDITION

Financing

The most important component in Brenntag's financing structure is a Group-wide loan agreement that we have concluded with a consortium of international lenders. This syndicated loan entered into effect on January 18, 2006 and was substantially amended with effect from March 31, 2010 and adjusted to the changed conditions following the company's IPO. As of March 31, 2011, liabilities under these loans (excluding accrued interest and transaction costs) totalled EUR 1,430.8 million.

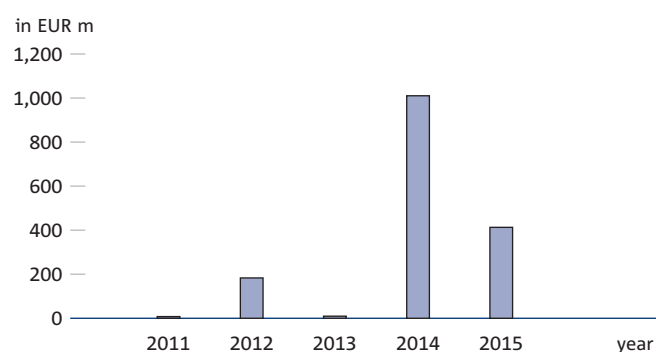
Our financing is largely provided by long-term financing instruments which are broken down into various tranches with different maturity dates. Our plans provide for the capital requirements for operating activities, investments in property, plant and equipment as well as dividends and acquisitions currently planned to be covered by the cash provided by operating activities so that no further loans are necessary for this purpose. As part of the syndicated loan, we also have a revolving credit facility available to provide periodic liquidity.

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

Alongside the syndicated loan, an international accounts receivable securitization programme is an important component of Group funding. Under this programme, eleven Brenntag companies in five countries regularly transfer trade receivables to the consolidated special-purpose entity Brenntag Funding Ltd., Dublin, Ireland. The receivables are still shown in the consolidated balance sheet until payment by the customers. The financial liabilities under this accounts receivable securitization programme total the equivalent of EUR 174.1 million (excluding transaction costs). The current termination date of the programme is in January 2012. Furthermore, some of our companies make use of credit lines with local banks on a minor scale in consultation with the Group Treasury department.

MATURITY PROFILE OF OUR CREDIT PORTFOLIO¹⁾

as per March 31, 2011



¹⁾ Syndicated loan and liabilities under the international accounts receivable securitization programme excluding accrued interest and transaction costs.

Cash Flow

in EUR m	Q1 2011	Q1 2010
Cash flow provided by/used for operating activities	10.0	-72.3
Cash used for investing activities	-13.0	-18.0
<i>(thereof purchases of consolidated subsidiaries, other business units and other financial assets)</i>	<i>(-0.1)</i>	<i>(-3.5)</i>
<i>(thereof purchases of other investments)</i>	<i>(-16.9)</i>	<i>(-15.0)</i>
<i>(thereof proceeds from divestments)</i>	<i>(4.0)</i>	<i>(0.5)</i>
Cash provided by financing activities	0.4	138.2
Change in cash and cash equivalents	-2.6	47.9

The cash of the Group provided by operating activities totalled EUR 10.0 million in the reporting period. The increase compared with the prior-year first quarter is mainly due to the fact that net income rose from EUR 2.2 million to EUR 66.9 million. Moreover, in the prior-year period interest payments on the Mezzanine Facilities repaid in full as part of the IPO also reduced the operating cash flow by EUR 64.2 million. The increase in working capital as a result of the larger business volume had an opposite effect. The annualized working capital turnover rate¹⁾ fell from 10.7 in the first quarter of 2010 to 9.8 in the reporting period. One of the reasons for this is that the turnover rate of the EAC acquisition is below the Group average due to the higher proportion of specialty chemicals in its business.

The cash used for investing activities totalling EUR 13.0 million mainly resulted from investments in intangible assets and property, plant and equipment (EUR 16.9 million).

The cash provided by financing activities totalled EUR 0.4 million in the reporting period. The decrease compared with the first quarter of 2010 is mainly due to special effects in the prior-year period with cash inflows from the IPO (EUR 525.0 million less withheld bank fees of EUR 6.6 million) and cash outflows above all for the repayment of financial liabilities (EUR 388.2 million, including EUR 382.9 million for early repayments in connection with the IPO).

Investments

In the first quarter of 2011, investments in property, plant and equipment and intangible assets (excluding additions from company acquisitions) led to a total cash outflow of EUR 16.9 million (1st quarter 2010: EUR 15.0 million).

We regularly invest in the maintenance, replacement and extension of the infrastructure necessary to perform our services. Such infrastructure is comprised of warehouses, offices, trucks and vehicles of our field service as well as IT hardware for various systems.

As the market leader and a responsible chemicals distributor, we attach the importance to ensuring that our property, plant and equipment meet health, safety and environmental requirements.

¹⁾ Ratio of annual sales to average working capital; annual sales is defined as the sales for the first quarter projected onto the full year (sales for the first quarter multiplied by four); average working capital is defined for the first quarter as the mean average of the values for working capital at the beginning of the year and the end of the first quarter.

Major investment projects in the reporting period were:

- Mosquera investment, Columbia (EUR 0.8 million): In order to permit further growth, the site is being extended in compliance with the latest environmental and safety regulations. The project will continue in the next quarters.
- Warehouse in Shah Alam, Malaysia (EUR 0.3 million): Extension of a warehouse in the Kuala Lumpur metropolitan area. Work on the extension started at the beginning of 2011; the project was completed in less than two months. The extension was opened in April 2011.
- Warehouse in Jakarta, Indonesia (EUR 0.1 million): Completion of a new warehouse in the Jakarta metropolitan area. The warehouse was opened in February 2011. The investment is to increase the storage capacity to promote the growing business in Indonesia.

FINANCIAL AND ASSETS POSITION

in EUR m	Mar. 31, 2011		Dec. 31, 2010	
	abs.	in %	abs.	in %
ASSETS				
Current assets	2,296.7	45.5	2,142.0	43.1
Cash and cash equivalents	349.8	6.9	362.9	7.3
Trade receivables	1,216.2	24.1	1,059.7	21.3
Other receivables and assets	124.7	2.5	113.3	2.3
Inventories	606.0	12.0	606.1	12.2
Non-current assets	2,748.9	54.5	2,828.2	56.9
Intangible assets ¹⁾	1,805.2	35.8	1,863.2	37.5
Other fixed assets	832.2	16.5	860.2	17.3
Receivables and other assets	111.5	2.2	104.8	2.1
Total assets	5,045.6	100.0	4,970.2	100.0
LIABILITIES AND EQUITY				
Current liabilities	1,593.9	31.7	1,330.9	26.7
Provisions	53.1	1.1	56.2	1.1
Trade payables	917.7	18.2	834.1	16.8
Financial liabilities	256.3	5.1	87.1	1.7
Miscellaneous liabilities	366.8	7.3	353.5	7.1
Equity and non-current liabilities	3,451.7	68.3	3,639.3	73.3
Equity	1,642.0	32.5	1,617.9	32.6
Non-current liabilities	1,809.7	35.8	2,021.4	40.7
Provisions	193.4	3.8	196.6	4.0
Financial liabilities	1,470.4	29.1	1,696.7	34.1
Miscellaneous liabilities	145.9	2.9	128.1	2.6
Total liabilities and equity	5,045.6	100.0	4,970.2	100.0

¹⁾ Of the intangible assets as of March 31, 2011, some EUR 1,143 million relate to goodwill and trademarks that were capitalized as part of the purchase price allocation performed on the acquisition of the Brenntag Group by funds advised by BC Partners Limited, Bain Capital, Ltd. and subsidiaries of Goldman Sachs International at the end of the third quarter of 2006 in addition to the relevant intangible assets already existing in the previous Group structure.

As of March 31, 2011, total assets had increased by 1.5% to EUR 5,045.6 million (December 31, 2010: EUR 4,970.2 million).

With operating cash flow rising compared with the prior year, the slight change in cash and cash equivalents of –3.6% to EUR 349.8 million (December 31, 2010: EUR 362.9 million) is a result of the positive development of business and the increase in working capital to finance the higher business volume.

Working capital, defined as trade receivables plus inventories less trade payables, developed as follows in the reporting period:

- Trade receivables increased in the reporting period by 14.8% to EUR 1,216.2 million (December 31, 2010: EUR 1,059.7 million). This rise is mainly due to higher sales.
- Inventories remained constant in the first quarter of 2011 and amounted to EUR 606.0 million (December 31, 2010: EUR 606.1 million).
- By contrast, trade payables increased by 10.0% to EUR 917.7 million (December 31, 2010: EUR 834.1 million) also mainly as a result of higher business volumes.

Overall, the larger business volumes led to an increase in working capital. The annualized working capital turnover rate¹⁾ fell from 10.7 in the first quarter of 2010 to 9.8 in the reporting period. One of the reasons for this is that the turnover rate of the EAC acquisition is below the Group average due to the higher proportion of specialty chemicals in its business.

Other current receivables and assets increased by 10.1% to EUR 124.7 million in the reporting period (December 31, 2010: EUR 113.3 million).

The intangible assets and other fixed assets of the Brenntag Group decreased by 3.2% or EUR 86.0 million to EUR 2,637.4 million (December 31, 2010: EUR 2,723.4 million). The change was mainly a result of investments in non-current assets (Capex) (EUR 12.6 million), depreciation and amortization (EUR 27.4 million) and negative exchange rate effects (EUR 71.9 million).

Non-current receivables and other assets increased in the reporting period by 6.4% to EUR 111.5 million (December 31, 2010: EUR 104.8 million).

¹⁾ Ratio of annual sales to average working capital; annual sales is defined as the sales for the first quarter projected onto the full year (sales for the first quarter multiplied by four); average working capital is defined for the first quarter as the mean average of the values for working capital at the beginning of the year and the end of the first quarter.

Current financial liabilities increased by EUR 169.2 million to a total of EUR 256.3 million (December 31, 2010: EUR 87.1 million), which is mainly due to a reclassification of financial liabilities in connection with the accounts receivable securitization programme which were still shown as non-current at the end of 2010.

Non-current financial liabilities fell in the reporting period by EUR 226.3 million or 13.3% to EUR 1,470.4 million (December 31, 2010: EUR 1,696.7 million). In addition to the above-mentioned reclassification, this decrease is mainly due to the fall in the US dollar against the euro which meant that our loans denominated in US dollars have a lower equivalent value in euros.

Current and non-current provisions totalled EUR 246.5 million (December 31, 2010: EUR 252.8 million). This figure included pension provisions of EUR 60.7 million (December 31, 2010: EUR 60.7 million).

As of March 31, 2011, the equity of the Brenntag Group totalled EUR 1,642.0 million (December 31, 2010: EUR 1,617.9 million). The increase in equity is mainly due to the good profit after tax; by contrast, exchange rates shown within other comprehensive income developed negatively.

EMPLOYEES

As of March 31, 2011, Brenntag had 12,192 employees worldwide. The number of employees is determined on the basis of full-time equivalents, i.e. part-time jobs are weighted according to the number of hours worked.

Full Time Equivalents (FTE)	Mar. 31, 2011		Dec. 31, 2010	
	abs.	in %	abs.	in %
Europe	6,170	50.6	6,147	50.6
North America	3,600	29.5	3,563	29.4
Latin America	1,265	10.4	1,257	10.4
Asia Pacific	1,020	8.4	1,029	8.5
All Other Segments	137	1.1	136	1.1
Brenntag Group	12,192	100.0	12,132	100.0

RISK REPORT

Our business policy is geared to steadily improving the efficiency and underlying profitability of our Group. The companies of the Brenntag Group operating in the field of chemicals distribution and related areas are confronted with a significant number of risks which may arise from their business activities. At the same time, these business activities do not only lead to risks but also to many opportunities to safeguard and enhance the company's competitiveness.

We monitor the risks as part of our risk management. The risk management system of the Brenntag Group is an integral part of the planning, control and reporting processes of all operational and legal units as well as the central functions.

In the first quarter of 2011, there were no significant changes in the opportunities and risks for the Brenntag Group described in detail in the 2010 Annual Report. Other risks which we are currently unaware of or which we now consider to be immaterial might also negatively impact our business operations. From today's point of view, there are no indications of any risks which may jeopardize the continued existence of the company.

FORECAST REPORT

The global economy remained on its path of growth in the first quarter of 2011, which, according to a forecast by the International Monetary Fund, will continue in the course of 2011. The regional differences in growth rates are, however, likely to persist; higher growth rates are again predicted for Asia and Latin America than for the economies in North America and Europe.

In this economic environment, we are expecting the following developments in local currency, i.e. excluding exchange rate effects, for the Group and its segments in the remainder of this year:

The company plans to grow all relevant earnings parameters of the Brenntag Group. With efficiency further improving, we are planning to moderate the rise in operating expenses so that the increase in operating EBITDA should be higher than the growth of operating gross profit.

In the Europe segment, we are forecasting an increase in operating EBITDA, driven by higher operating gross profit together with a steady improvement in efficiency. The growth rates in the Europe segment are expected to be slightly below the Group average.

As far as North America is concerned, we believe that operating gross profit will grow and, with operating expenses only rising moderately, will translate into higher operating EBITDA.

After the Latin America segment was affected in 2010 by the unfavourable political and economic developments in Venezuela, we now assume a stable economic environment. Therefore, the segment can achieve an above-average improvement in operating gross profit and operating EBITDA compared with the Group as a whole.

The development of the Asia Pacific segment is marked by the acquisition of the EAC Group in July 2010. In 2011, we are expecting an increase in operating gross profit and operating EBITDA, on the one hand, as a result of the EAC Group being fully consolidated for the entire year and continuing its very positive business development, and, on the other hand, thanks to the organic growth of the other Brenntag companies in this segment.

Given the likely increase in business volume and prices, we are also expecting a rise in working capital compared with the end of 2010. For the Group as a whole, we are expecting a slight fall in the turnover rate as a result of the acquisition of the EAC Group, which, because of its business model with a high proportion of specialty chemicals, has a lower turnover rate than the rest of the Group.

As we also have to make moderate adjustments to property, plant and equipment capacities as business volumes increase, investments in property, plant and equipment are likely to be slightly above the level of depreciation. Nevertheless, we should not see any significant increase over the 2010 level.

Overall, we are optimistic that we can further increase free cash flow and continually improve the Group's liquidity position.

We intend to continue our successful strategy of assisting suppliers with their distribution activities and extending our geographical presence through acquisitions. The growth markets of Asia and Latin America are particularly interesting to us alongside continued growth in the focused segment industries in Europe and North America. We expect the concentration process in the chemical distribution market seen in recent years to continue. Large distributors such as Brenntag with global coverage and a comprehensive portfolio of products and services offer increasing advantages for suppliers and customers alike.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

(International Financial Reporting Standards)

at March 31, 2011

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CONSOLIDATED INCOME STATEMENT

in EUR m	Note	Jan. 1– Mar. 31, 2011	Jan. 1– Mar. 31, 2010
Sales		2,127.1	1,733.8
Cost of goods sold		–1,692.7	–1,356.8
Gross profit		434.4	377.0
Selling expenses		–274.4	–272.7
Administrative expenses		–34.7	–29.0
Other operating income		9.2	14.5
Other operating expenses		–4.0	–12.5
Operating profit		130.5	77.3
Result of investments accounted for at equity		1.0	1.2
Finance income	1	2.6	3.4
Finance costs	2	–28.9	–78.0
Distribution to minorities under IAS 32		–0.3	–0.4
Other financial result		–2.8	0.2
Financial result		–28.4	–73.6
Profit before tax		102.1	3.7
Income taxes	3	–35.2	–1.5
Profit after tax		66.9	2.2
<i>Attributable to:</i>			
<i>Shareholders of Brenntag AG</i>		66.7	1.6
<i>Minority shareholders</i>		0.2	0.6
Undiluted earnings per share in Euro	4	1.30	0.04
Diluted earnings per share in Euro	4	1.30	0.04

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	Jan. 1– Mar. 31, 2011	Jan. 1– Mar. 31, 2010
Profit after tax	66.9	2.2
Change in exchange rate differences	–45.5	51.9
Change in cash flow hedge reserve	3.8	4.4
Deferred tax on components of other comprehensive income	–1.1	–1.4
Other comprehensive income	–42.8	54.9
Total comprehensive income	24.1	57.1
<i>Attributable to:</i>		
Shareholders of Brenntag AG	24.1	55.5
Minority shareholders	–	1.6

CONSOLIDATED BALANCE SHEET

ASSETS

in EUR m	Note	Mar. 31, 2011	Dec. 31, 2010
Current Assets			
Cash and cash equivalents		349.8	362.9
Trade receivables		1,216.2	1,059.7
Other receivables		94.7	86.6
Other financial assets		6.2	7.6
Current tax assets		23.5	18.7
Inventories		606.0	606.1
Non-current assets held for sale		0.3	0.4
		2,296.7	2,142.0
Non-current Assets			
Property, plant and equipment		802.5	829.6
Investment property		1.9	2.0
Intangible assets		1,805.2	1,863.2
Investments accounted for at equity		27.8	28.6
Other receivables		16.1	17.5
Other financial assets		3.1	6.4
Deferred tax assets		92.3	80.9
		2,748.9	2,828.2
Total assets		5,045.6	4,970.2

LIABILITIES AND EQUITY

in EUR m	Note	Mar. 31, 2011	Dec. 31, 2010
Current Liabilities			
Trade payables		917.7	834.1
Financial liabilities	5	256.3	87.1
Other liabilities		331.9	328.9
Other provisions	6	53.1	56.2
Current tax liabilities		34.9	24.6
		1,593.9	1,330.9
Non-Current Liabilities			
Financial liabilities	5	1,470.4	1,696.7
Other liabilities		2.0	2.0
Other provisions	6	132.7	135.9
Provisions for pensions and similar obligations		60.7	60.7
Liabilities to minorities under IAS 32		2.3	2.0
Deferred tax liabilities		141.6	124.1
		1,809.7	2,021.4
Equity			
Subscribed capital		51.5	51.5
Additional paid-in capital		1,560.1	1,560.1
Retained earnings		63.4	-3.3
Other comprehensive income (Brenntag share)		-41.4	1.2
Shares of shareholders of Brenntag AG		1,633.6	1,609.5
Equity attributable to minority interests		8.4	8.4
		1,642.0	1,617.9
Total liabilities and equity		5,045.6	4,970.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR m	Subscribed Capital ¹⁾	Additional paid-in capital	Retained earnings
Dec. 31, 2009	–	381.6	–143.5
Capital increase from company funds	41.0	–41.0	–
Capital increase through issuance of new shares	10.5	501.9	–
Contribution of shareholder loan	–	714.9	–
Dividends	–	–	–
Profit after tax	–	–	1.6
Other comprehensive income	–	–	–
Total income and expense for the period	–	–	1.6
Mar. 31, 2010	51.5	1,557.4	–141.9
Dec. 31, 2010	51.5	1,560.1	–3.3
Profit after tax	–	–	66.7
Other comprehensive income	–	–	–
Total income and expense for the period	–	–	66.7
Mar. 31, 2011	51.5	1,560.1	63.4

¹⁾ Dec. 31, 2009: 25,000.

²⁾ Exchange rate differences.

Exchange rate differences	Cash flow hedge reserve	Deferred tax	Equity attributable to Brenntag shareholders	Minority interests	Equity
-56.5	-26.7	9.2	164.1	8.2	172.3
-	-	-	-	-	-
-	-	-	512.4	-	512.4
-	-	-	714.9	-	714.9
-	-	-	-	-0.1	-0.1
-	-	-	1.6	0.6	2.2
50.9	4.4	-1.4	53.9	1.0 ²⁾	54.9
50.9	4.4	-1.4	55.5	1.6	57.1
-5.6	-22.3	7.8	1,446.9	9.7	1,456.6
7.7	-9.7	3.2	1,609.5	8.4	1,617.9
-	-	-	66.7	0.2	66.9
-45.3	3.8	-1.1	-42.6	-0.2 ²⁾	-42.8
-45.3	3.8	-1.1	24.1	-	24.1
-37.6	-5.9	2.1	1,633.6	8.4	1,642.0

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	Note 7	Jan. 1– Mar. 31, 2011	Jan. 1– Mar. 31, 2010
Profit after tax		66.9	2.2
Depreciation and amortization		27.4	51.2
Income taxes		35.2	1.5
Income tax payments		–25.8	–10.0
Interest result		26.3	74.6
Interest payments (netted against interest received)		–30.9	–104.1
Changes in provisions		–1.6	–4.5
Changes in current assets and liabilities			
Inventories		–18.7	–26.2
Receivables		–191.7	–149.0
Liabilities		120.3	111.1
Non-cash distribution under IAS 32		0.3	0.4
Other non-cash items		2.3	–19.5
Cash provided by/used for operating activities		10.0	–72.3
Proceeds from disposals of other financial assets		3.1	–
Proceeds from disposals of intangible assets as well as property, plant and equipment		0.9	0.5
Purchases of consolidated subsidiaries and other business units		–	–2.3
Purchases of other financial assets		–0.1	–1.2
Purchases of intangible assets as well as property, plant and equipment		–16.9	–15.0
Cash used for investing activities		–13.0	–18.0
Capital increase		–	525.0
Payments in connection with the capital increase		–	–6.6
Profits distributed to minority shareholders		–	–0.1
Proceeds from borrowings		5.8	8.1
Repayments of borrowings		–5.4	–388.2
Cash provided by financing activities		0.4	138.2
Change in cash and cash equivalents		–2.6	47.9
Change in cash and cash equivalents due to currency gains/losses		–10.5	13.5
Cash and cash equivalents at beginning of year		362.9	602.6
Cash and cash equivalents at end of quarter		349.8	664.0

CONDENSED NOTES

KEY FINANCIAL FIGURES BY SEGMENT

for the period from January 1 to March 31

Segment reporting in accordance with IFRS 8 in EUR m		Europe	North America	Latin America	Asia Pacific	All Other Segments	Consoli- dation	Group
External sales	2011	1,091.0	652.7	191.2	85.6	106.6	–	2,127.1
	2010	927.4	545.2	164.1	18.5	78.6	–	1,733.8
	Change in %	17.6	19.7	16.5	362.7	35.6	–	22.7
	fx adjusted change in %	16.0	17.6	12.7	321.7	35.6	–	20.6
Inter-segment sales	2011	1.3	1.0	1.1	–	0.7	–4.1	–
	2010	1.0	0.9	3.7	–	0.1	–5.7	–
Operating gross profit ¹⁾	2011	227.7	155.7	35.8	19.9	4.4	–	443.5
	2010	211.5	134.7	31.8	4.9	2.8	–	385.7
	Change in %	7.7	15.6	12.6	306.1	57.1	–	15.0
	fx adjusted change in %	5.8	13.6	8.8	275.5	57.1	–	12.7
Gross profit	2011	–	–	–	–	–	–	434.4
	2010	–	–	–	–	–	–	377.0
	Change in %	–	–	–	–	–	–	15.2
	fx adjusted change in %	–	–	–	–	–	–	13.1
Operating EBITDA (segment result)	2011	78.4	63.2	11.8	9.8	–5.1	–	158.1
	2010	70.4	56.4	10.1	2.1	–4.7	–	134.3
	Change in %	11.4	12.1	16.8	366.7	8.5	–	17.7
	fx adjusted change in %	9.7	10.3	13.5	326.1	8.5	–	15.6
EBITDA	2011	–	–	–	–	–	–	157.9
	2010	–	–	–	–	–	–	128.5
	Change in %	–	–	–	–	–	–	22.9
	fx adjusted change in %	–	–	–	–	–	–	20.5
Investments in non- current assets (Capex) ²⁾	2011	6.7	3.4	1.5	0.9	0.1	–	12.6
	2010	6.7	2.5	0.9	0.1	0.1	–	10.3

¹⁾ External sales less cost of materials.

²⁾ Investments in non-current assets are other additions to property, plant and equipment and intangible assets.

GROUP KEY FINANCIAL FIGURES

in EUR m	Jan. 1– Mar. 31, 2011	Jan. 1– Mar. 31, 2010
EBITDA	157,9	128,5
Investments in non-current assets (Capex) ¹⁾	–12,6	–10,3
Change in working capital ²⁾	–97,4	–77,5
Free cash flow	47,9	40,7

¹⁾ Investments in non-current assets are other additions to property, plant and equipment and intangible assets.

²⁾ Definition of working capital: Trade receivables plus inventories less trade payables.

in EUR m	Jan. 1– Mar. 31, 2011	Jan. 1– Mar. 31, 2010
Operating EBITDA (segment result)	158.1	134.3
Transaction costs/holding charges ¹⁾	–0.2	–5.8
EBITDA	157.9	128.5
Scheduled depreciation of property, plant and equipment	–21.4	–20.2
Impairment of property, plant and equipment	–	–
EBITA	136.5	108.3
Scheduled amortization of intangible assets ²⁾	–6.0	–31.0
Impairment of intangible assets	–	–
EBIT	130.5	77.3
Financial result	–28.4	–73.6
Profit before tax	102.1	3.7

¹⁾ Transaction costs: Costs connected with restructuring and refinancing under company law, particularly the IPO in 2010. They are eliminated for purposes of management reporting to permit proper presentation of the operating performance and comparability on segment level. Holding charges: Certain costs charged between holding companies and operating companies. On Group level they net to zero.

²⁾ This figure includes scheduled amortization of customer relationships totalling EUR 4.0 million (prior period: EUR 29.0 million). Of the amortization of customer relationships, in the prior period EUR 25.8 million resulted from the amortization of customer relationships which were capitalized on the acquisition of the Brenntag Group by funds advised by BC Partners Limited, Bain Capital, Ltd. and subsidiaries of Goldman Sachs International at the end of the third quarter of 2006. These customer relationships were fully amortized over four years until September 30, 2010.

in EUR m	Jan. 1– Mar. 31, 2011	Jan. 1– Mar. 31, 2010
Operating gross profit	443.5	385.7
Operating costs ¹⁾	–9.1	–8.7
Gross profit	434.4	377.0

¹⁾ Production/mixing & blending costs.

CONSOLIDATION POLICIES AND METHODS

Standards applied

These interim consolidated financial statements for the period from January 1 to March 31, 2011 have been prepared in accordance with the requirements of IAS 34 (Interim Financial Reporting). The Notes are presented in condensed form compared to the Notes to the consolidated financial statements at December 31, 2010.

With the exception of the Standards and Interpretations to be applied for the first time in the financial year starting January 1, 2011, the same consolidation policies and methods have been applied as for the consolidated financial statements at December 31, 2010.

The following (in some cases revised) Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) were applied by the Brenntag Group for the first time:

- Revised IAS 24 (Related Party Disclosures)
- Amendments to IAS 32 (Financial Instruments: Presentation) regarding the classification of rights issues
- IFRIC 19 (Extinguishing Financial Liabilities with Equity Instruments)
- Amendments to IFRIC 14 (IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction) regarding prepayments of a minimum funding requirement
- Improvements to IFRSs (2010)
- Amendments to IFRS 1 (First-time Adoption of International Financial Reporting Standards) regarding the limited exemption of first-time adopters from presenting comparative information in accordance with IFRS 7

The Standards and Interpretations applied for the first time do not have any material effect on the presentation of the net assets, financial position and results of operations of the Brenntag Group.

Income taxes are recorded on the basis of the latest estimate of the corporate income tax rate expected for the 2011 financial year.

Scope of consolidation

The table below shows the changes in the number of fully consolidated companies and special purpose entities since January 1, 2011:

	Jan. 1, 2011	Additions	Disposals	Mar. 31, 2011
Domestic consolidated companies	25	–	–	25
Foreign consolidated companies	169	–	1	168
Total consolidated companies	194	–	1	193

The disposal results from a merger.

Eight associates (prior period: eight) are accounted for at equity.

Currency translation

The euro exchange rates for major currencies developed as follows:

EUR 1 = currencies	Closing rate		Average rate	
	Mar. 31, 2011	Dec. 31, 2010	Jan. 1– Mar. 31, 2011	Jan. 1– Mar. 31, 2010
Canadian dollar (CAD)	1.3785	1.3322	1.3484	1.4383
Swiss franc (CHF)	1.3005	1.2504	1.2871	1.4632
Danish crown (DKK)	7.4567	7.4535	7.4550	7.4426
Pound sterling (GBP)	0.8837	0.8608	0.8539	0.8876
Polish zloty (PLN)	4.0106	3.9750	3.9460	3.9869
Swedish crown (SEK)	8.9329	8.9655	8.8642	9.9464
US dollar (USD)	1.4207	1.3362	1.3680	1.3829

INFORMATION ON THE CONSOLIDATED INCOME STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT

1. Finance income

in EUR m	Jan. 1– Mar. 31, 2011	Jan. 1– Mar. 31, 2010
Interest income from third parties	0.9	2.0
Expected income from plan assets	1.7	1.4
Total	2.6	3.4

2. Finance costs

in EUR m	Jan. 1– Mar. 31, 2011	Jan. 1– Mar. 31, 2010
Interest expense on liabilities to third parties	–23,1	–46,2
Interest expense on liabilities to related parties	–	–17,0
Expense from the measurement of interest rate swaps and interest caps at fair value	–2,6	–11,4
Interest cost on the unwinding of discounting for provisions for pensions and similar obligations	–2,3	–2,1
Interest cost on other provisions	–0,5	–0,8
Interest expense on finance leases	–0,4	–0,5
Total	–28,9	–78,0

3. Income taxes

Income taxes include current tax expenses of EUR 31.4 million (1st quarter 2010: current tax expenses of EUR 2.0 million) as well as deferred tax expenses of EUR 3.8 million (1st quarter 2010: deferred tax income of EUR 0.5 million).

4. Earnings per share

The earnings per share of EUR 1.30 (1st quarter 2010: EUR 0.04) are determined by dividing the share in income after tax of EUR 66.7 million (1st quarter 2010: EUR 1.6 million) due to the shareholders of Brenntag AG by the average weighted number of shares in circulation. In the prior period, the 41 million shares resulting from the conversion of the company into a stock corporation on March 11, 2010 were already included from January 1, 2010 in the calculation of the earnings per share. The 10.5 million shares issued as part of the capital increase on March 29, 2010 were taken into consideration on a pro-rata basis in the prior period.

Thus the number of shares in circulation developed as follows:

	Date	No. of shares (unweighted)	Weighting in days	No. of shares (weighted)
	Jan. 1, 2010	41,000,000	90	41,000,000
Capital increase through the issuance of new shares	Mar. 29, 2010	10,500,000	3	350,000
	Mar. 31, 2010	51,500,000		41,350,000
	Mar. 31, 2011	51,500,000	90	51,500,000

5. Financial liabilities

in EUR m	Mar. 31, 2011	Dec. 31, 2010
Liabilities under syndicated loan	1,441.3	1,482.0
Other liabilities to banks	235.6	235.7
Liabilities under finance leases	18.8	19.8
Derivative financial instruments	14.0	28.5
Other financial liabilities	17.0	17.8
Financial liabilities as per Balance Sheet	1,726.7	1,783.8
Cash and cash equivalents	349.8	362.9
Net financial liabilities	1,376.9	1,420.9

Of the other liabilities to banks, EUR 173.8 million (December 31, 2010: EUR 176.7 million) are amounts owed to banks by the consolidated special purpose entity, Brenntag Funding Ltd., Dublin.

6. Other provisions

Other provisions break down as follows:

in EUR m	Mar. 31, 2011	Dec. 31, 2010
Environmental provisions	119.3	124.0
Provisions for personnel expenses	16.6	17.7
Miscellaneous provisions	49.9	50.4
Total	185.8	192.1

7. Information on the cash flow statement

The net cash inflow from operating activities amounting to EUR 10.0 million was influenced by cash outflows due to the increase in working capital of EUR 97.4 million.

The rise in working capital resulted from changes in inventories, gross receivables and trade payables as well as from write-downs on trade receivables and inventories as follows:

in EUR m	Jan. 1– Mar. 31, 2011	Jan. 1– Mar. 31, 2010
Increase in inventories	–18,7	–26,2
Increase in gross trade receivables	–184,1	–138,8
Increase in trade payables	105,3	86,2
Write-downs on gross trade receivables and on inventories ¹⁾	0,1	1,3
Change in working capital	–97,4	–77,5

¹⁾ Shown within other non-cash items.

Overall the higher business volume led to an increase in working capital. The annualized working capital turnover rate²⁾ fell from 10.7 in the first quarter of 2010 to 9.8 in the reporting period. One of the reasons for this is that the EAC Group's turnover rate is below the Group average due to the higher proportion of specialty chemicals in its business.

Mülheim an der Ruhr, May 9, 2011

Brenntag AG
THE BOARD OF MANAGEMENT

Stephen Clark Jürgen Buchsteiner William Fidler Steven Holland

²⁾ Ratio of annual sales to average working capital; annual sales is defined as the sales for the first quarter projected onto the full year (sales for the first quarter multiplied by four); average working capital is defined for the first quarter as the mean average of the values for working capital at the beginning of the year and the end of the first quarter.

REVIEW REPORT

TO BRENNTAG AG, MÜLHEIM AN DER RUHR

We have reviewed the condensed consolidated interim financial statements - comprising the statement of financial position, income statement and statement of comprehensive income, cash flow statement, statement of changes in equity and selected explanatory notes - and the interim group management report of Brenntag AG for the period from January 1, 2011 to March 31, 2011 which are part of the quarterly financial report pursuant to § (Article) 37x Abs. (paragraph) 3 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, May 9, 2011

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Wirtschaftsprüfer
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Wirtschaftsprüfer
(German Public Auditor)

FINANCIAL CALENDAR

May 11, 2011	Interim Report Q1 2011
May 19 – 20, 2011	Deutsche Bank German & Austrian Corporate Conference, Frankfurt
June 9, 2011	Deutsche Bank Leveraged Loan Conference, London
June 22, 2011	Annual General Meeting, Düsseldorf
August 10, 2011	Interim Report Q2 2011
September 1, 2011	Commerzbank Sector Conference, Frankfurt
November 10, 2011	Interim Report Q3 2011
November 21, 2011	Bank of America Business Services Conference, London
November 29 – 30, 2011	Berenberg Conference, London
December 6 – 7, 2011	Credit Suisse Business Services West Coast Conference, San Francisco

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Concept and design

HGB Hamburger Geschäftsberichte
GmbH & Co. KG, Hamburg

Print

Woeste Druck + Verlag
GmbH & Co. KG, Essen-Kettwig

Text

Brenntag AG, Mülheim an der Ruhr

Information on the Interim Report

This translation is only a convenience translation. In case of any differences only the German version is binding.

Information on rounding

Due to the commercial rounding minor differences may occur when using rounded amounts or rounded percentages.

Disclaimer

This report contains forward-looking statements. The words “anticipate”, “assume”, “believe”, “estimate”, “expect”, “intend”, “plan”, “project”, “may”, “should” and similar expressions are used to identify forward-looking statements. Forward-looking statements are statements that are not historical facts; instead they reflect our current views and expectations and the assumptions underlying them about future events.

These forward-looking statements are subject to many risks and uncertainties, including a lack of further improvement or a renewed deterioration of global economic conditions, in particular a renewed decline of consumer demand and investment activities in Western Europe for the United States, a down-turn in major Asian economies, a continuation of the tense situation in the credit and financial markets and other risks and uncertainties.

If any of these risks and uncertainties materialize or if the assumptions underlying any of our forward-looking statements are proving to be incorrect, our actual results may be materially different from those expressed or implied by such forward-looking statements. We do not intend or assume any obligation to update these forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made.

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