BRENNTAG

Q2 2011

Global Market Leader in Chemical Distribution

Interim Report for the period from
January 1 to June 30, 2011

KEY FINANCIAL FIGURES AT A GLANCE

Consolidated income statement		Q2 2011	Q2 2010
Sales	EUR m	2,173.4	1,953.8
Gross profit	EUR m	443.8	419.2
Operating EBITDA	EUR m	167.7	153.0
Operating EBITDA / Gross profit	%	37.8	36.5
EBITDA	EUR m	167.1	152.8
Profit after tax	EUR m	67.6	38.7
Earnings per share	EUR	1.28	0.74

Consolidated balance sheet		Jun. 30, 2011	Dec. 31, 2010
Total assets	EUR m	5,052.5	4,970.2
Equity	EUR m	1,631.1	1,617.9
Working capital	EUR m	987.0	831.7
Net financial liabilities	EUR m	1,470.6	1,420.9

Consolidated cash flow		Q2 2011	Q2 2010
Cash provided by operating activities	EUR m	29.3	57.2
Investments in non-current assets (Capex)	EUR m	16.4	15.5
Free cash flow	EUR m	67.3	91.6

Key figures Brenntag share		Jun. 30, 2011	Dec. 31, 2010
Share price	EUR	80.16	76.30
No. of shares (unweighted)		51,500,000	51,500,000
Market capitalization	EUR m	4,128	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	DE000A1DAHH0
WKN	A1DAHH
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. Head-quartered in Mülheim an der Ruhr, Germany, the company operates a global network with more than 400 locations in nearly 70 countries.

STRATEGIC MARKET ENTRY IN CHINA

On June 9, 2011, Brenntag announced the signing of an agreement to acquire Zhong Yung (International) Chemical Ltd., a chemical distributor with expected annual sales of EUR 255 million for 2011. Deal closing for the first tranche for a majority stake of 51% is expected in the 3rd quarter of this year. Acquisition of the remaining stake is scheduled for 2016. This gives Brenntag access to China, the fastest-growing chemical market in the world. Zhong Yung is focused on the distribution of solvents with an established commercial and logistical infrastructure in the key economic regions in China. The bundling of distribution know-how and joint market penetration by Brenntag and Zhong Yung will open up further growth opportunities on the Chinese market.

CHANGES ON THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD

At the close of the annual general shareholders' meeting on June 22, 2011, Steven Holland, the COO of the company since 2009, took over from Stephen Clark as the new CEO of Brenntag. William Fidler, President and CEO Brenntag North America, was appointed a member of the Board of Management on March 24, 2011. He is responsible for the North and Latin American business. The current Board members are therefore Steven Holland (CEO), Jürgen Buchsteiner (CFO) and William Fidler.

With effect from the end of the annual general shareholders' meeting on June 22, 2011, Stephen Clark joined the Supervisory Board of Brenntag AG. Thomas Weinmann stepped down from his seat on the Supervisory Board at the end of the annual general shareholders' meeting on June 22, 2011.

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TO OUR SHAREHOLDERS

CEO LETTER

Steven Holland, CEO

Dear Shareholders,

I am happy to present you this interim report, which highlights a further successful quarter of Brenntag. We were able to grow our most relevant earnings parameters, gross profit and operating EBITDA.

Compared with the second quarter of 2010, our gross profit, which we regard as our top line, grew by 5.9% (10.8% on a constant currency basis) to EUR 443.8 million. In the same period, operating EBITDA increased by 9.6% year on year (15.4% on a constant currency basis) to EUR 167.7 million. This resulted in a conversion ratio – calculated as operating EBITDA divided by gross profit – of 37.8% compared to 36.5% for the second quarter of 2010, once again demonstrating further efficiency improvements in our business. The US dollar is the functional currency for most of our Group companies in North and Latin America. Therefore, the weakening of the US dollar negatively impacted the as-reported growth rates. However, the continued growth trajectory of our business can be seen from the currency-adjusted growth rates that we regularly report to you. The positive earnings development was supported by the successful acquisitions of the EAC Industrial Ingredients and Houghton Chemical businesses, which we acquired in the second half of 2010 and which are fully included in this year's results. On a constant currency basis, all regions remained on their growth paths and contributed to the positive Group result.

In the second quarter, we continued our strategy of expanding our market presence by acquisitions. We achieved the long-expected and well-prepared strategic market entry in China, an important economic region that was up to now – apart from our sourcing activities – a white spot in Brenntag's otherwise global network. We signed a purchase agreement to acquire 100% of Zhong Yung (International) Chemical Ltd. Deal closing for the first tranche is expected in the third quarter of this year. We will hold a majority stake of 51% and are scheduled to acquire the remaining stake in 2016. This gives us the opportunity to use the experience and know-how of Zhong Yung and our existing management team in the region to establish a solid business platform for Brenntag in China, thereby strengthening our growth strategy in the Asia Pacific region. This acquisition is a strategic investment for us in China and also a first step through which Brenntag demonstrates full commitment to build a solid distribution network in China. We are continuing to look for further opportunities to support our growth in Asia Pacific. Furthermore, we acquired G.S. Robins, a leading regional distributor of industrial chemicals headquartered in St. Louis, Missouri, USA. The acquisition enables Brenntag to improve its presence in several of Brenntag's focus industries including the food & beverage and water treatment industries.

Investors will recall we reviewed our first half results at this time last year alongside a view of the rest of the year. We also want to proceed in the same manner in 2011.

In terms of acquisitions, we expect to continue to deliver our strategy of acquiring value accretive targets to support our overall business plan and intend to make further acquisitions in the remainder of the year.

In July we refinanced a substantial part of the Group's debt and replaced it by a new financing structure, consisting of a new syndicated loan and a bond. We will have considerably lower interest costs in future, particularly in comparison to the previous loan agreement. Furthermore, the new loan offers us greater flexibility in many areas.

Our business maintains its balance of growth and resilience which gives us confidence that, assuming a similar situation in the macro economy to that in the first half of 2011, we will continue to successfully deliver our growth strategy. For the full year 2011, we would guide investors to a range of EUR 650 to 670 million operating EBITDA as our expectation, which does not include the cost of refinancing the syndicated loan and assumes no major change in the average US dollar exchange rate in the second half of this year.

I would like to thank all our stakeholders around the world for their continued support and interest in our company.

Mülheim an der Ruhr, August 9, 2011

Steven Holland
Chief Executive Officer

BRENNTAG ON THE STOCK MARKET

BRENNTAG PAYS FIRST DIVIDEND

The first public ordinary annual general shareholders' meeting of Brenntag AG since the successful IPO in March 2010 was held in Düsseldorf on June 22, 2011. Our shareholders took the opportunity to personally gain an impression of Brenntag and ask the Board of Management their questions. 36,169,840 shares of the share capital of 51,500,000 shares were represented, which corresponds to 70.23% of the share capital.

During the annual general shareholders' meeting, long-time CEO Stephen Clark handed over responsibility for the world market leader in chemical distribution to Steven Holland. Steven Holland, who has been with Brenntag since 2006, has worked closely with Stephen Clark since then and became COO of the company in 2009. During this time he has been instrumental in shaping the strategy for Europe and Asia. The general shareholders' meeting on June 22, 2011 elected Stephen Clark as a new member of the Supervisory Board following a proposal by the shareholder Brachem Acquisition S.C.A., Luxembourg. In this function, Stephen Clark will continue to support Brenntag's future development.

In addition, the annual general shareholders' meeting approved the distribution of a dividend of EUR 1.40 per share. The dividend was paid to the shareholders on June 24, 2011. The payout ratio was 36% of the adjusted profit after tax for the year 2010.

DEVELOPMENT OF THE SHARE PRICE

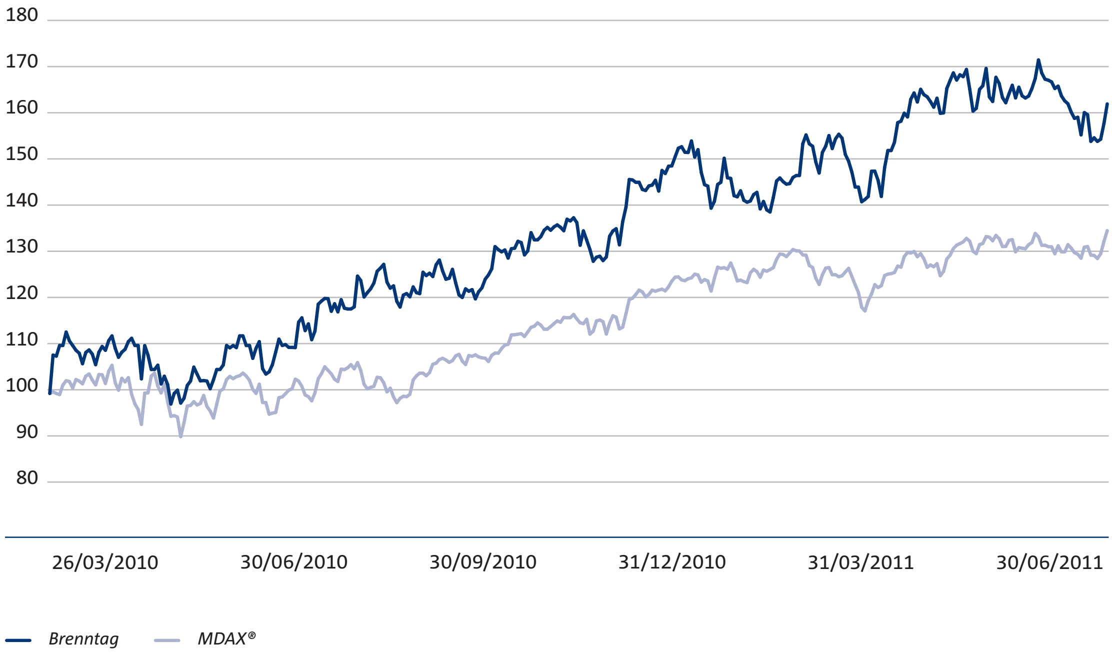
The Brenntag share finished the quarter at EUR 80.16. Thus, since the IPO in March 2010, the Brenntag share has rewarded investors who bought shares right at the beginning with a gain of 60.3%, whilst the MDAX®, in which the Brenntag share has been included since June 21, 2010, has only gained 33.9% in the same period.

In the second quarter of 2011, the German stock exchanges were again marked by high volatility, which, however, decreased slightly compared with the first quarter. The VDAX-NEW®, which expresses in percentage points what degree of volatility is to be expected in the following 30 days for the DAX®, fluctuated between 16.51 in mid-April and 24.76 at the end of May. This volatility was above all caused by the continued uncertainty regarding the ability of some southern European EU countries to pay their debts. At the beginning of the quarter, positive labour market figures in the eurozone still provided some support and led to lower volatility. However, investors began taking profits at the start of May. The weak market phase which this caused was intensified when the rating agency Standard & Poor's cut Greece's credit rating. The lowering of Italy's rating caused further anxiety, pushing volatility on the market to a high. A slight decline in the oil price at the end of the quarter gave some relief. Nevertheless, the markets remained at a relatively high level overall.

In this market environment, the DAX® increased by 4.8% and the MDAX® by 6.0% in the second quarter of 2011. The DAX® closed the quarter at 7,376.24 points and the MDAX® finished at 10,932.33 points. The Brenntag share could not entirely escape the market volatility. From its first-quarter closing rate of EUR 78.36, it managed to rise by another 2.3% and ended the quarter at EUR 80.16.

The average number of Brenntag shares traded every day in the second quarter of 2011 was approximately 100,000.

DEVELOPMENT OF THE BRENNTAG SHARE PRICE (INDEXED)

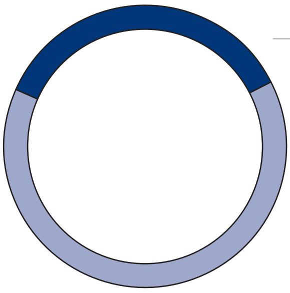


SHAREHOLDER STRUCTURE

Brachem Acquisition S.C.A., Luxembourg, remains the largest shareholder of Brenntag AG. After placing 7 million shares of Brenntag AG on January 19, 2011, Brachem Acquisition S.C.A., Luxembourg, holds 18,550,000 shares or 36.02% of the total share capital of 51,500,000 shares. As of today, we have received no information that any other shareholder has exceeded the statutory notification threshold of 3%.

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

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	Jun. 30, 2010	Dec. 31, 2010	Jun. 30, 2011
Share price	EUR	50.00	52.02	76.30	80.16
Number of shares (unweighted)		51,500,000	51,500,000	51,500,000	51,500,000
Market capitalization	EUR m	2,575	2,679	3,929	4,128
Free float	%	29.03	29.03	50.39	63.98
Free float market capitalization	EUR m	748	778	1,979	2,641

Most important stock exchange	Xetra
Indices	MDAX®, MSCI, Stoxx Europe 600
ISIN	DE000A1DAHH0
WKN	A1DAHH
Trading symbol	BNR

GROUP INTERIM MANAGEMENT REPORT

for the period from January 1 to June 30, 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 & beverages, 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

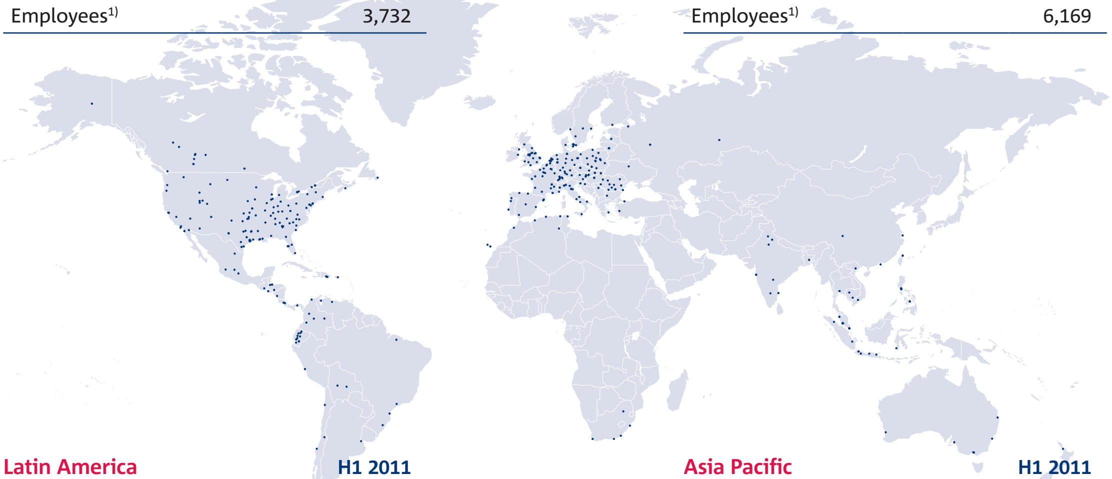
As the Group's ultimate holding company, Brenntag AG is responsible for the strategy of the Brenntag Group, risk management and central financing. Further central functions of Brenntag AG are Controlling, HSE (Health, Safety and Environment), Investor Relations, IT, Group Accounting, M & A, HR, Corporate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

The consolidated financial statements include Brenntag AG, 26 domestic (December 31, 2010: 24) and 167 foreign (December 31, 2010: 169) fully consolidated subsidiaries (including special purpose entities). Seven 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, All Other Segments cover the central functions for the entire Group, the sourcing activities in China and the activities of Brenntag International Chemicals.

North America		H1 2011
External sales	EUR m	1,317.1
Operating gross profit	EUR m	316.3
Operating EBITDA	EUR m	132.8
Employees[1)]		3,732

Europe		H1 2011
External sales	EUR m	2,221.0
Operating gross profit	EUR m	459.9
Operating EBITDA	EUR m	160.7
Employees[1)]		6,169



Latin America		H1 2011
External sales	EUR m	387.3
Operating gross profit	EUR m	73.8
Operating EBITDA	EUR m	24.8
Employees[1)]		1,271

Asia Pacific		H1 2011
External sales	EUR m	169.0
Operating gross profit	EUR m	38.6
Operating EBITDA	EUR m	18.2
Employees[1)]		1,022

Figures exclude All Other Segments, which, in addition to various holding companies and our sourcing activities in China, cover 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 leadership 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 & beverages, 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 grow in the second quarter of 2011, although the global Purchasing Managers' Index (PMI) for June 2011 shows that expansion of industrial output has slowed slightly. Global industrial output increased in the first two months of the second quarter by about 5% compared with the prior-year period, therefore growing slightly less than in the first quarter. Regional differences in the pace of growth continued to persist.

In Europe, overall economic growth is likely to have slowed somewhat in the second quarter of 2011, with development differing, however, from region to region. While some countries benefited from the continued positive global economic trends, growth was weak in the countries affected by the national debt crisis. In the first two months of the second quarter, industrial output in Europe as a whole rose by about 4.2% compared with the prior-year period; at 3.8%, growth in the western part was much lower than in Eastern Europe where industrial production increased by 8.6%.

The US economy showed only moderate growth in the second quarter due to weak economic impulses, the difficult labour market and low consumer confidence. In the first two months of the second quarter of 2011, industrial output only rose by some 4% compared with the prior-year period.

In Latin America, a more restrictive macroeconomic environment and the slower development of the US economy is expected to have curbed overall economic growth in the second quarter. On the other hand, the global demand for raw materials had a positive effect on foreign trade in the period. Compared with the prior-year period, industrial output grew by 3% in the first two months of the second quarter of 2011 and therefore expanded less than in the first quarter of 2011.

Overall economic growth in the Southeast Asian countries continued in the second quarter albeit at a lower rate due to the increasingly restrictive economic policies of China and India. Compared with the prior-year period, industrial output in the region continued to grow strongly at some 10% in the first two months of the second quarter of 2011.

BUSINESS PERFORMANCE

MAJOR EVENTS IMPACTING ON BUSINESS

The May 2011 acquisition of G.S. Robins & Company, a leading regional distributor of industrial chemicals headquartered in St. Louis, Missouri, USA, enables Brenntag to strengthen its presence in many of its focus industries including food & beverages and water treatment. The company distributes industrial chemicals and offers custom blending and specialty packaging services.

Furthermore, Brenntag signed the agreement for the purchase of Zhong Yung (International) Chemical Ltd., a chemical distributor in China. Zhong Yung is focused on the distribution of solvents with an established commercial and logistical infrastructure in the key economic regions in China. The acquisition will be performed in two stages. Brenntag is expected to take over a majority stake of 51% in the 3rd quarter of 2011 and is scheduled to acquire the remaining stake in 2016. This acquisition gives Brenntag access to the fastest-growing chemicals market in the world and enables the company to further expand its growth strategy in the Asia Pacific region. This provides Brenntag with the opportunity to use the experience and know-how of Zhong Yung and its management team to establish a solid business platform for Brenntag in China. It is estimated that the company will generate sales of EUR 255 million in 2011.

Due to the continued positive development of the Brenntag business in recent months and the further strengthening of the capital structure, Standard & Poor’s raised the credit rating of the Brenntag Group in June 2011 from BB+ to BBB- (investment grade) and Moody’s from Ba2 to Ba1.

STATEMENT BY THE BOARD OF MANAGEMENT ON BUSINESS PERFORMANCE

The Brenntag Group continued its course of growth in the second quarter of 2011 although overall economic momentum slackened slightly. Both sales and the gross profit of the Group rose significantly in the second quarter of 2011 compared with the prior-year period.

Due to the increase in business and the acquisition of EAC Industrial Ingredients Ltd. A/S in 2010, the operating expenses of the Brenntag Group also rose in the second quarter of 2011.

Brenntag took advantage of the positive development of its business environment and boosted operating EBITDA significantly compared with the second quarter of 2010. This growth was largely organic. The acquisition of the EAC Group, which enabled Brenntag to significantly expand its market position in Asia, also contributed to the increase in earnings.

As a result, the trends observed in the previous quarter continued for all the main drivers behind the development of results. Thus, related to the first half of 2011, all key indicators also increased significantly compared with the first half of 2010.

At the end of the first half of 2011 working capital (inventories plus trade receivables less trade payables) was higher than on June 30, 2010 due to the growth in sales. The working capital turnover rate decreased slightly, as expected, but remained at a high level.

In the second quarter of 2011, investment in property, plant and equipment was at the level of the second quarter of the previous year.

Overall, the results of operations and financial condition of the company in the second quarter of 2011 showed positive developments.

RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

Business Performance of the Brenntag Group

in EUR m	Q2 2011	Q2 2010	Change abs.	Change in %	Change in % (fx adj.)[2]
External sales	2,173.4	1,953.8	219.6	11.2	15.9
Operating gross profit	453.6	428.9	24.7	5.8	10.6
Operating expenses	−285.9	−275.9	−10.0	3.6	8.0
Operating EBITDA	**167.7**	**153.0**	**14.7**	**9.6**	**15.4**
Transaction costs/Holding charges	*−0.6*	*−0.2*	*−0.4*	–	–
EBITDA (incl. transaction costs/ holding charges)	**167.1**	**152.8**	**14.3**	**9.4**	**15.2**
Depreciation of property, plant and equipment	−21.4	−20.9	−0.5	2.4	5.4
EBITA[1]	145.7	131.9	13.8	10.5	16.8
Amortization of intangible assets	−5.4	−32.8	27.4	−83.5	−83.0
Financial result	−36.7	−35.1	−1.6	4.6	–
Profit before tax	103.6	64.0	39.6	61.9	–
Income taxes	−36.0	−25.3	−10.7	42.3	–
Profit after tax	67.6	38.7	28.9	74.7	–

in EUR m	H1 2011	H1 2010	Change abs.	Change in %	Change in % (fx adj.)[2]
External sales	4,300.5	3,687.6	612.9	16.6	18.1
Operating gross profit	897.1	814.6	82.5	10.1	11.7
Operating expenses	−571.3	−527.3	−44.0	8.3	9.7
Operating EBITDA	**325.8**	**287.3**	**38.5**	**13.4**	**15.5**
Transaction costs/Holding charges	*−0.8*	*−6.0*	*5.2*	–	–
EBITDA (incl. transaction costs/ holding charges)	**325.0**	**281.3**	**43.7**	**15.5**	**17.7**
Depreciation of property, plant and equipment	−42.8	−41.1	−1.7	4.1	4.6
EBITA[1]	282.2	240.2	42.0	17.5	20.0
Amortization of intangible assets	−11.4	−63.8	52.4	−82.1	−81.9
Financial result	−65.1	−108.7	43.6	−40.1	–
Profit before tax	205.7	67.7	138.0	203.8	–
Income taxes	−71.2	−26.8	−44.4	165.7	–
Profit after tax	134.5	40.9	93.6	228.9	–

[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 second quarter of 2011, the Brenntag Group recorded external sales of EUR 2,173.4 million, an increase of 11.2% compared with the second quarter of 2010 or 15.9% on a constant currency basis. This growth in external sales is mainly attributable to a higher average selling price whilst volumes only increased slightly. Furthermore, the sales of the EAC Group, which was acquired at the beginning of the third quarter of 2010, contributed to the increase in Group sales.

In the first half of 2011, the Group increased sales by 16.6% or by 18.1% on a constant currency basis.

Operating gross profit

In the second quarter of 2011, the Group recorded an operating gross profit of EUR 453.6 million, which was 5.8% higher than in the second quarter of 2010 or 10.6% on a constant currency basis. The growth in operating gross profit clearly exceeded the increase in volumes.

Related to the first half of 2011, operating gross profit grew by 10.1% or 11.7% on a constant currency basis.

Operating expenses

In the second quarter of 2011, operating expenses rose by 3.6% or 8.0% on a constant currency basis to EUR 285.9 million compared with the same prior-year period. This increase was mainly due to the acquisition of the EAC Group but also to the larger business volumes and, consequently higher personnel, transport and energy costs.

Operating expenses increased by 8.3% in the first half of 2011 (9.7% on a constant currency basis).

EBITDA

The key indicator and measure for the financial performance 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 and the refinancing in 2011. 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 167.1 million in the second quarter of 2011. That is an increase of 9.4% or 15.2% on a constant currency basis over the figure for the same period of 2010. Adjusted for transaction costs and holding charges, operating EBITDA was EUR 167.7 million, which is an increase of 9.6% over the second quarter of 2010 or 15.4% on a constant currency basis.

Together with the first quarter of 2011, the Brenntag Group increased EBITDA by 15.5% or 17.7% on a constant currency basis compared with the previous year. Operating EBITDA amounted to EUR 325.8 million in this period, exceeding the result recorded in the first half of 2010 by 13.4% or 15.5% on a constant currency basis.

Depreciation, amortization and financial result

Depreciation and amortization of fixed assets amounted to EUR 26.8 million in the second quarter of 2011. Of this figure, EUR 21.4 million relates to depreciation of property, plant and equipment and EUR 5.4 million to amortization of intangible assets. Overall, depreciation and amortization fell by EUR 26.9 million compared with the second quarter of 2010. The main reason for this decrease is that in the second quarter of 2010 amortization of EUR 27.0 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.

Related to the first half of 2011, depreciation and amortization of fixed assets amounted to EUR 54.2 million and was thus EUR 50.7 million less than in the same period of the previous year.

The financial result totalled EUR –36.7 million in the second quarter of 2011, a slight decrease over the prior-year period (EUR –35.1 million). This was largely due to one-off expenses in the second quarter of 2011 in connection with the refinancing completed in July 2011 (see “Financing” and “Subsequent Events”). They are mainly effects from the early termination of the hedge accounting for interest derivatives as well as the early release of deferred transaction costs of the existing financing. The two items were already recognized in the second quarter of 2011 as termination of the existing financing was already highly likely at the reporting date because the new loan agreement had already been signed. Furthermore, the slight rise in market interest rates led to an increase in finance costs. By contrast, lower debt and the absence of interest swaps with a fixed interest rate had the opposite effect. The fact that the US dollar was much weaker in the second quarter of 2011 than in the prior-year period also led to lower interest cost in EUR.

The appreciable improvement in the financial result in the first half of 2011 compared with the same period of 2010 is the result of reduced debt since the IPO in March 2010. Furthermore, the first half of 2010 was negatively impacted by one-off expenses in connection with the amendments to loan agreements.

Profit before tax

In the second quarter of 2011, the profit before tax amounted to EUR 103.6 million (2010: EUR 64.0 million) and in the first half of 2011 to EUR 205.7 million (2010: EUR 67.7 million). The significant increase in the profit before tax is due to the good operating performance as well as the fact that the customer relationships which had been 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, were no longer amortized.

Income taxes and profit after tax

At EUR 36.0 million in the second quarter of 2011 and EUR 71.2 million in the first half of 2011, income tax expense was higher than in the same prior-year periods as a result of the increase in pre-tax profit.

The expected Group tax rate for 2011 was applied when determining tax expense in the first half of 2011. Effects from the refinancing were also taken into consideration when determining the tax rate where such effects were already evident or could be estimated with sufficient accuracy when the financial statements were prepared.

The profit after tax totalled EUR 67.6 million in the second quarter and EUR 134.5 million in the first half of 2011.

Business Performance in the Segments

The picture for the second quarter and first six months of 2011 by segment is as follows:

2nd quarter 2011 in EUR m	**Brenntag Group**	Europe	North America	Latin America	Asia Pacific	All Other Segments
External sales	2,173.4	1,130.0	664.4	196.1	83.4	99.5
Operating gross profit	453.6	232.2	160.6	38.0	18.7	4.1
Operating expenses	−285.9	−149.9	−91.0	−25.0	−10.3	−9.7
Operating EBITDA	**167.7**	**82.3**	**69.6**	**13.0**	**8.4**	**−5.6**

1st half 2011 in EUR m	**Brenntag Group**	Europe	North America	Latin America	Asia Pacific	All Other Segments
External sales	4,300.5	2,221.0	1,317.1	387.3	169.0	206.1
Operating gross profit	897.1	459.9	316.3	73.8	38.6	8.5
Operating expenses	−571.3	−299.2	−183.5	−49.0	−20.4	−19.2
Operating EBITDA	**325.8**	**160.7**	**132.8**	**24.8**	**18.2**	**−10.7**

Europe

in EUR m	Q2 2011	Q2 2010	Change abs.	Change in %	Change in % (fx adj.)
External sales	1,130.0	1,009.5	120.5	11.9	11.4
Operating gross profit	232.2	220.0	12.2	5.5	5.1
Operating expenses	−149.9	−146.0	−3.9	2.7	2.1
Operating EBITDA	**82.3**	**74.0**	**8.3**	**11.2**	**11.0**

in EUR m	H1 2011	H1 2010	Change abs.	Change in %	Change in % (fx adj.)
External sales	2,221.0	1,936.9	284.1	14.7	13.6
Operating gross profit	459.9	431.5	28.4	6.6	5.6
Operating expenses	−299.2	−287.1	−12.1	4.2	3.2
Operating EBITDA	**160.7**	**144.4**	**16.3**	**11.3**	**10.3**

External sales, volumes and prices

In the second quarter of 2011, the Europe segment increased external sales by 11.9% to EUR 1,130.0 million. On a constant currency basis, that is growth of 11.4%, which is mainly due to a higher average selling price.

Thus, compared with the first half of 2010, external sales increased in the first half of 2011 by 14.7% or 13.6% on a constant currency basis.

Operating gross profit

In the second quarter of 2011, operating gross profit rose by 5.5% or 5.1% on a constant currency basis to EUR 232.2 million compared with the prior-year quarter. This increase was mainly attributable to higher operating gross profit per unit.

In the first half of 2011, operating gross profit rose by 6.6% or 5.6% on a constant currency basis.

Operating expenses

Operating expenses in the Europe segment rose in the second quarter of 2011 by only 2.7% (2.1% on a constant currency basis) to EUR 149.9 million compared with the prior-year quarter, mainly as a result of higher personnel, energy and transport costs.

Related to the first half of 2011, operating expenses were 4.2% higher than in the same period of 2010 and a moderate 3.2% higher on a constant currency basis.

Operating EBITDA

In the second quarter of 2011, the European companies posted operating EBITDA of EUR 82.3 million, which is a pleasing increase of 11.2% or 11.0% on a constant currency basis. This was achieved in a continued positive overall economic climate, even though momentum slowed slightly compared with the first quarter.

Thus, in the first half of 2011, operating EBITDA of the European companies increased sharply by 11.3% or 10.3% on a constant currency basis.

North America

in EUR m	Q2 2011	Q2 2010	Change abs.	Change in %	Change in % (fx adj.)
External sales	664.4	645.5	18.9	2.9	14.8
Operating gross profit	160.6	162.2	−1.6	−1.0	10.2
Operating expenses	−91.0	−92.5	1.5	−1.6	9.7
Operating EBITDA	**69.6**	**69.7**	**−0.1**	**−0.1**	**10.9**

in EUR m	H1 2011	H1 2010	Change abs.	Change in %	Change in % (fx adj.)
External sales	1,317.1	1,190.7	126.4	10.6	16.1
Operating gross profit	316.3	296.9	19.4	6.5	11.8
Operating expenses	−183.5	−170.8	−12.7	7.4	12.7
Operating EBITDA	**132.8**	**126.1**	**6.7**	**5.3**	**10.6**

External sales, volumes and prices

In the North America segment, we posted external sales of EUR 664.4 million in the second quarter of 2011. This is an increase of 2.9% or 14.8% on a constant currency basis and was mainly driven by a higher average selling price but also by higher volumes.

As a result, compared with the first half of 2010, external sales for the first half of 2011 increased by 10.6% or 16.1% on a constant currency basis.

Operating gross profit

Operating gross profit fell slightly by 1.0% to EUR 160.6 million in the second quarter of 2011, which was due to the development of exchange rates. By contrast, on a constant currency basis, operating gross profit rose sharply by 10.2% and therefore at a higher rate than volumes.

For the first half of 2011, the increase in the operating gross profit was 6.5% or 11.8% on a constant currency basis.

Operating expenses

At EUR 91.0 million, operating expenses in the second quarter of 2011 fell by 1.6% compared with the previous year's level as a result of changes in exchange rates. However, on a constant currency basis, operating costs rose by 9.7%. This increase was mainly due to higher volumes resulting in higher volume-related costs such as rents, personnel, transport and above all energy costs.

In the first half of 2011, operating expenses were 7.4% up compared with the previous year and 12.7% higher on a constant currency basis.

Operating EBITDA

The North American companies posted operating EBITDA of EUR 69.6 million in the second quarter of 2011, slightly down on the previous year (-0.1%) due to the development of exchange rates. On a constant currency basis, however, operating EBITDA exceeded the prior-year figure by 10.9% despite the generally moderate development of the economy.

Overall, we recorded operating EBITDA of EUR 132.8 million in the first six months of 2011. This is an increase of 5.3% or 10.6% on a constant currency basis compared with the first half of 2010.

Latin America

in EUR m	Q2 2011	Q2 2010	Change abs.	Change in %	Change in % (fx adj.)
External sales	196.1	188.3	7.8	4.1	12.8
Operating gross profit	38.0	37.2	0.8	2.2	11.2
Operating expenses	−25.0	−24.7	−0.3	1.2	10.9
Operating EBITDA	**13.0**	**12.5**	**0.5**	**4.0**	**11.9**

in EUR m	H1 2011	H1 2010	Change abs.	Change in %	Change in % (fx adj.)
External sales	387.3	352.4	34.9	9.9	12.7
Operating gross profit	73.8	69.0	4.8	7.0	10.1
Operating expenses	−49.0	−46.4	−2.6	5.6	8.9
Operating EBITDA	**24.8**	**22.6**	**2.2**	**9.7**	**12.7**

External sales, volumes and prices

In the second quarter of 2011, the Latin America segment posted external sales of EUR 196.1 million, exceeding the figure for the same period of 2010 by 4.1% or 12.8% on a constant currency basis. The main driver for this development was the higher average selling price.

External sales grew by 9.9% in the first half of 2011 or 12.7% on a constant currency basis.

Operating gross profit

In the second quarter of 2011, operating gross profit increased by 2.2% (11.2% on a constant currency basis) to EUR 38.0 million with volumes remaining virtually constant.

Related to the first half of 2011, operating gross profit in the Latin America segment grew by 7.0% or 10.1% on a constant currency basis.

Operating expenses

In the second quarter of 2011, operating expenses increased slightly by 1.2% to EUR 25.0 million compared with the second quarter of 2010 but by 10.9% on a constant currency basis mainly due to higher personnel expenses as well as increased transport costs.

In the first half of 2011, operating expenses were 5.6% above the prior-year figure or 8.9% on a constant currency basis.

Operating EBITDA

The Latin American companies recorded operating EBITDA of EUR 13.0 million in the second quarter of 2011 and thus posted a 4.0% improvement in results (11.9% on a constant currency basis) in a less supportive macroeconomic climate.

Thus, in the first half of 2011 the Latin America segment increased operating EBITDA by 9.7% or 12.7% on a constant currency basis compared with the same period of 2010.

Asia Pacific

in EUR m	Q2 2011	Q2 2010	Change abs.	Change in %	Change in % (fx adj.)
External sales	83.4	20.1	63.3	314.9	326.0
Operating gross profit	18.7	5.6	13.1	233.9	241.1
Operating expenses	−10.3	−3.5	−6.8	194.3	202.9
Operating EBITDA	**8.4**	**2.1**	**6.3**	**300.0**	**304.8**

in EUR m	H1 2011	H1 2010	Change abs.	Change in %	Change in % (fx adj.)
External sales	169.0	38.6	130.4	337.8	321.4
Operating gross profit	38.6	10.5	28.1	267.6	254.1
Operating expenses	−20.4	−6.3	−14.1	223.8	209.1
Operating EBITDA	**18.2**	**4.2**	**14.0**	**333.3**	**323.3**

External sales, volumes and prices

The Asia Pacific segment generated external sales of EUR 83.4 million in the second quarter of 2011, an increase of 314.9% compared with the prior-year second quarter or 326.0% on a constant currency basis. This growth is attributable both to higher volumes and a higher average selling price as well as to the acquisition of the EAC Group in the third quarter of 2010.

Related to the first half of 2011, we boosted external sales by 337.8% or 321.4% on a constant currency basis in a year-on-year comparison.

Operating gross profit

In the second quarter of 2011, operating gross profit rose by 233.9% compared with the same prior-year quarter (241.1% on a constant currency basis) to EUR 18.7 million, thus increasing more than volumes.

In the first half of 2011, operating gross profit totalled EUR 38.6 million, which is an increase of 267.6% or 254.1% on a constant currency basis.

Operating expenses

Operating expenses in the Asia Pacific segment rose compared with the second quarter of 2010 by 194.3% or 202.9% on a constant currency basis to EUR 10.3 million. This is due both to the larger business volume of the existing Brenntag companies and the acquisition of the EAC Group.

Thus, in the first half of 2011, operating expenses rose by 223.8% or 209.1% on a constant currency basis.

Operating EBITDA

Overall, the companies in the Asia Pacific segment posted EBITDA of EUR 8.4 million in the second quarter of 2011, exceeding the previous year's figure by 300.0% or 304.8% on a constant currency basis. Alongside the result of the EAC Group, the pleasing development of the existing Brenntag companies also contributed to the significant increase in operating EBITDA.

Together with the strong results achieved in the first quarter, the Asia Pacific segment recorded growth of 333.3% in the first half of 2011 (323.3% on a constant currency basis).

All Other Segments

in EUR m	Q2 2011	Q2 2010	Change abs.	Change in %	Change in % (fx adj.)
External sales	99.5	90.4	9.1	10.1	10.1
Operating gross profit	4.1	3.9	0.2	5.1	5.1
Operating expenses	−9.7	−9.2	−0.5	5.4	5.4
Operating EBITDA	**−5.6**	**−5.3**	**−0.3**	**5.7**	**5.7**

in EUR m	H1 2011	H1 2010	Change abs.	Change in %	Change in % (fx adj.)
External sales	206.1	169.0	37.1	22.0	22.0
Operating gross profit	8.5	6.7	1.8	26.9	26.9
Operating expenses	−19.2	−16.7	−2.5	15.0	15.0
Operating EBITDA	**−10.7**	**−10.0**	**−0.7**	**7.0**	**7.0**

In the second quarter of 2011, Brenntag International Chemicals GmbH, Mülheim an der Ruhr, well exceeded the operating EBITDA recorded in the same period of 2010 as a result of higher operating gross profit and lower operating expenses.

In the holding companies, operating EBITDA in the second quarter of 2011 was lower than in the second quarter of 2010. The main reasons for this decrease were higher personnel expenses and costs in connection with acquisitions.

Overall, operating EBITDA in the second quarter of 2011 amounted to EUR −5.6 million and was thus EUR 0.3 million below the prior-year quarter figure.

Operating EBITDA fell by EUR 0.7 million in the first half of 2011.

DEVELOPMENT OF FREE CASH FLOW

in EUR m	H1 2011	H1 2010	Change abs.	Change in %
EBITDA (incl. transaction costs)	325.0	281.3	43.7	15.5
Investments in non-current assets (Capex)	−29.0	−25.8	−3.2	12.4
Change in working capital [1]	−180.8	−123.2	−57.6	46.8
Free cash flow	**115.2**	**132.3**	**−17.1**	**−12.9**

[1] See information on the cash flow statement on page 47.

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 115.2 million in the reporting period and thus decreased by 12.9% compared with the first half of 2010 (EUR 132.3 million).

The sharp increase in EBITDA of 15.5% could not completely offset the rise in working capital as a result of higher business volumes.

FINANCIAL CONDITION

Financing

The most important component in Brenntag's financing structure is a Group-wide loan agreement that we have concluded with a syndicate of international lenders. This syndicated loan became effective 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.

On June 27, 2011, we signed a new loan agreement with a syndicate of international banks which will completely replace the existing syndicated loan (see also "Subsequent Events"). As replacement of the old loan was already highly probable at the balance-sheet date, the financial liabilities under the old loan are shown as current in the balance sheet.

Total liabilities (excluding accrued interest and transaction costs) under the existing loan amounted to EUR 1,424.5 million as at June 30, 2011.

According to our financial planning, the capital requirements for operating activities, investments in property, plant and equipment as well as dividends and acquisitions are expected to be covered by the cash provided by operating activities so that no further loans are necessary for these purposes. As part of both the old and the new syndicated loan, we also have a revolving credit facility available to cover short-term temporary liquidity requirements.

As far as the previous syndicated loan is concerned, some of our subsidiaries are direct borrowers. Other subsidiaries obtain their financing from intra-Group loans provided by other Brenntag companies. Major Group companies are liable for the liabilities under the syndicated loan and have pledged extensive 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 173.2 million (excluding transaction costs). In June 2011, the programme was extended until June 2014 with slightly improved conditions. Furthermore, some of our companies make use of credit lines with local banks on a minor scale in consultation with the Group Treasury department.

As a presentation of the maturities in the balance sheet has little informative value due to the transition from the old to the new financing, we have decided not to include a maturity profile at this point in the Management Report and refer to the explanations given in “Subsequent Events”.

Cash Flow

in EUR m	H1 2011	H1 2010
Cash provided by/used for operating activities	**39.3**	**−15.1**
Cash used for investing activities	**−55.8**	**−31.2**
(thereof purchases of consolidated subsidiaries, other business units and other financial assets)	*(−28.9)*	*(−4.2)*
(thereof purchases of other investments)	*(−32.3)*	*(−30.3)*
(thereof proceeds from divestments)	*(5.4)*	*(3.3)*
Cash used for financing activities	**−70.5**	**−168.3**
Change in cash and cash equivalents	**−87.0**	**−214.6**

The cash of the Group provided by operating activities totalled EUR 39.3 million in the reporting period. The increase compared with the first half of 2010 is mainly due to the fact that net income rose from EUR 40.9 million to EUR 134.5 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 rate[1)] fell from 10.7 in the first half of 2010 to 9.5 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 55.8 million mainly resulted from investments in intangible assets and property, plant and equipment (EUR 32.3 million) as well as the acquisition of all shares in G.S. Robins & Co. (EUR 30.5 million purchase price less cash and cash equivalents). Purchase price refunds of EUR 1.7 million for investments acquired in previous years were offset against cash outflows in the reporting period.

[1)] Ratio of annual sales to average working capital; annual sales is defined as the sales for the first half-year projected onto the full year (sales for the first half-year multiplied by two); average working capital is defined for the first half-year as the mean average of the values for working capital at the following three times: at the beginning of the year as well as at the end of the first and second quarters.

The cash used for financing activities totalled EUR 70.5 million in the reporting period; EUR 72.1 million relates to dividend payments to Brenntag shareholders. The decrease compared with the first half 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 12.9 million) and cash outflows above all for the repayment of financial liabilities (EUR 686.1 million, including EUR 451.9 million for early repayments in connection with the IPO).

Investments

In the first half of 2011, investments in property, plant and equipment and intangible assets (excluding additions from company acquisitions) led to a total cash outflow of EUR 32.3 million (H1 2010: EUR 30.3 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 importance to ensuring that our property, plant and equipment meet health, safety and environmental requirements.

Major investment projects in the reporting period were:

- Bradford site, UK (EUR 0.4 million): The project will considerably increase the storage capacity at the site and ensure that the latest environmental and safety standards continue to be met. Furthermore, the laboratory facilities are being extended to support the food & beverages and pharmaceutical sectors.
- Guarulhos site, Brazil (EUR 0.9 million): Business volumes have increased considerably at the site and it now needs additional storage capacity which meets the latest environmental and safety standards.
- Mosquera site, Colombia (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.

FINANCIAL AND ASSETS POSITION

in EUR m	Jun. 30, 2011 abs.	Jun. 30, 2011 in %	Dec. 31, 2010 abs.	Dec. 31, 2010 in %
ASSETS				
Current assets	**2,289.6**	**45.3**	**2,142.0**	**43.1**
Cash and cash equivalents	259.2	5.1	362.9	7.3
Trade receivables	1,264.8	25.0	1,059.7	21.3
Other receivables and assets	119.9	2.4	113.3	2.3
Inventories	645.7	12.8	606.1	12.2
Non-current assets	**2,762.9**	**54.7**	**2,828.2**	**56.9**
Intangible assets[1)]	1,808.8	35.8	1,863.2	37.5
Other fixed assets	827.7	16.4	860.2	17.3
Receivables and other assets	126.4	2.5	104.8	2.1
Total assets	**5,052.5**	**100.0**	**4,970.2**	**100.0**
LIABILITIES AND EQUITY				
Current liabilities	**2,838.9**	**56.2**	**1,330.9**	**26.7**
Provisions	56.3	1.1	56.2	1.1
Trade payables	923.5	18.3	834.1	16.8
Financial liabilities	1,505.0	29.8	87.1	1.7
Miscellaneous liabilities	354.1	7.0	353.5	7.1
Equity and non-current liabilities	**2,213.6**	**43.8**	**3,639.3**	**73.3**
Equity	1,631.1	32.3	1,617.9	32.6
Non-current liabilities	582.5	11.5	2,021.4	40.7
Provisions	198.3	3.9	196.6	4.0
Financial liabilities	224.8	4.4	1,696.7	34.1
Miscellaneous liabilities	159.4	3.2	128.1	2.6
Total liabilities and equity	**5,052.5**	**100.0**	**4,970.2**	**100.0**

[1)] *Of the intangible assets as of June 30, 2011, some EUR 1,134 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 June 30, 2011, total assets had increased by 1.7% to EUR 5,052.5 million (December 31, 2010: EUR 4,970.2 million).

The reduction in cash and cash equivalents by 28.6% to EUR 259.2 million (December 31, 2010: EUR 362.9 million) is mainly due to dividend payments of EUR 73.2 million (including dividends paid to minority shareholders of subsidiaries).

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 19.4% to EUR 1,264.8 million (December 31, 2010: EUR 1,059.7 million). This rise is mainly due to higher sales.
- Inventories rose by 6.5% compared with the end of 2010 and amounted to EUR 645.7 million (December 31, 2010: EUR 606.1 million).
- By contrast, trade payables increased by 10.7% to EUR 923.5 million (December 31, 2010: EUR 834.1 million) also mainly as a result of higher business volumes.

Overall, this therefore resulted in an increase in working capital. The annualized working capital turnover rate[1)] fell from 10.7 in the first half of 2010 to 9.5 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.

Other current receivables and assets increased by 5.8% to EUR 119.9 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 86.9 million to EUR 2,636.5 million (December 31, 2010: EUR 2,723.4 million). The change was mainly a result of investments in non-current assets (EUR 29.0 million), acquisitions (EUR 25.8 million), on the one hand, as well as scheduled depreciation and amortization (EUR - 54.0 million) and negative exchange rate effects (EUR —85.0 million) on the other.

Non-current receivables and other assets increased in the reporting period by 20.6% to EUR 126.4 million (December 31, 2010: EUR 104.8 million).

Current financial liabilities increased by EUR 1,417.9 million to a total of EUR 1,505.0 million (December 31, 2010: EUR 87.1 million), which is mainly due to the ongoing refinancing and the resulting reclassification (see "Financing" and "Subsequent Events").

Non-current financial liabilities fell accordingly in the reporting period by EUR 1,471.9 million to EUR 224.8 million (December 31, 2010: EUR 1,696.7 million). Therefore, it is mainly financial liabilities in connection with the accounts receivable securitization programme which are shown under non-current financial liabilities as at June 30, 2011.

Current and non-current provisions totalled EUR 254.6 million (December 31, 2010: EUR 252.8 million). This figure included pension provisions of EUR 62.2 million (December 31, 2010: EUR 60.7 million).

As of June 30, 2011, the equity of the Brenntag Group totalled EUR 1,631.1 million (December 31, 2010: EUR 1,617.9 million). The increase in equity is mainly due to the growth in profit after tax. However, the dividend payments and the effects of changes in exchange rates shown within other comprehensive income had the opposite effect.

[1)] Ratio of annual sales to average working capital; annual sales is defined as the sales for the first half-year projected onto the full year (sales for the first half-year multiplied by two); average working capital is defined for the first half-year as the mean average of the values for working capital at the following three times: at the beginning of the year as well as at the end of the first and second quarters.

EMPLOYEES

As of June 30, 2011, Brenntag had 12,329 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.

	Jun. 30, 2011		Dec. 31, 2010	
Full-time Equivalents (FTE)	**abs.**	**in %**	abs.	in %
Europe	6,169	50.0	6,147	50.6
North America	3,732	30.3	3,563	29.4
Latin America	1,271	10.3	1,257	10.4
Asia Pacific	1,022	8.3	1,029	8.5
All Other Segments	135	1.1	136	1.1
Brenntag Group	**12,329**	**100.0**	**12,132**	**100.0**

SUBSEQUENT EVENTS

On July 19, 2011 a substantial part of the Group's debt was refinanced and replaced by a new financing structure. In addition to a new syndicated loan, a bond was also issued in July, which represents a further diversification of our financing mix.

The bullet loan was signed with a syndicate of international banks on June 27, 2011, matures in July 2016 and completely replaces the syndicated loan still existing on June 30, 2011. The currently highly favourable market environment as well as the steadily improved credit ratings of the Group have enabled us to obtain the loan with attractive interest conditions. We will have considerably lower interest costs in future particularly in comparison to the previous loan agreement. Furthermore, the new loan offers us greater flexibility in many areas.

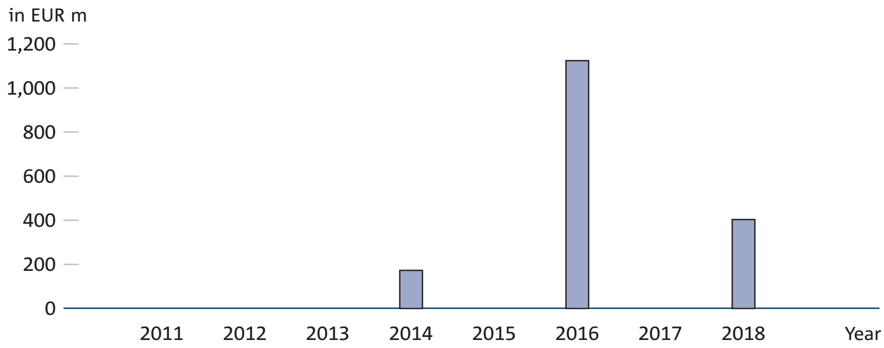
The syndicated loan is divided into different tranches with different currencies and also includes a revolving credit facility available to provide periodic liquidity. Translated at June 30, 2011 exchange rates, the loan has a total volume of some EUR 1.5 billion, whereas only about EUR 125 million of the revolving credit line of EUR 500 million was drawn on July 19, 2011.

As with the previous loan, some of our subsidiaries are direct borrowers under the syndicated loan and others obtain their financing from intra-Group loans. Major Group companies are liable for the liabilities under the syndicated loan. However, in contrast to the previous loan, no securities have to be provided.

In July 2011, we successfully placed a bond with a volume of EUR 400 million and maturing in mid-2018 with institutional investors. At an issue price of 99.321%, the bond bears a coupon of 5.50% with interest paid annually. The bond was issued by our Group company Brenntag Finance B.V., Amsterdam, Netherlands, and is guaranteed by Brenntag AG and other Brenntag companies. In view of the identical network of guarantors, the bond has the same ranking as the syndicated loan. The other conditions of the bond are to be regarded as customary for a company with our credit rating.

MATURITY PROFILE OF OUR CREDIT PORTFOLIO[1]

as per July 19, 2011



[1] Syndicated loan, bond and liabilities under the international accounts receivable securitization programme excluding accrued interest and transaction costs (on the basis of exchanges rates on June 30, 2011).

On August 1, 2011, Brenntag acquired the remaining 26% of the shares in its Polish subsidiary, Brenntag Polska Sp. z o.o., Kedzierzyn Kozle, as well as in its Belgian subsidiary, European Polymers and Chemicals Distribution BVBA, Kortrijk, for a total of EUR 24.8 million.

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 half 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 second quarter of 2011, although economic momentum slowed compared with the first quarter. 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.

Assuming the economic environment of the first half of 2011 and given the development of results in the first half of 2011, we are expecting Group operating EBITDA, which does not include the cost of refinancing the syndicated loan, to be between EUR 650 million and EUR 670 million for 2011 as a whole. Here, it has been assumed that there will be no major change in the average US dollar exchange rate the rest of this year.

We are expecting the following developments in local currencies, i.e. excluding exchange rate effects, for the individual segments over the rest of this year:

In the Europe segment, we are forecasting an increase in operating EBITDA, driven by higher operating gross profits 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. We are also expecting positive contributions to results from the acquisition of G.S. Robins.

After the Latin America segment was affected in 2010 by the unfavourable political and economic developments in Venezuela, we now assume a more stable economic environment. Therefore, the segment is expected to 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. In addition, we are expecting the acquisition of initially 51% of the shares in Zhong Yung (International) Chemical Ltd., which will be included in the scope of consolidation of the Brenntag Group, to also make a contribution to results.

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 anticipate a slight fall in the turnover rate, among other things 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. We are not expecting to use any further liquidity for the build-up of working capital compared with June 30, 2011 until the end of 2011.

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

The comprehensive refinancing and replacement of the existing syndicated loan by a new loan agreement with a syndicate of international banks have enabled us to substantially reduce interest margins. Consequently, we expect net financing costs to be significantly lower in the second half of the year.

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

(International Financial Reporting Standards)
at June 30, 2011

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CONSOLIDATED INCOME STATEMENT

in EUR m	Note	Jan. 1– Jun. 30, 2011	Jan. 1– Jun. 30, 2010	April 1– Jun. 30, 2011	April 1– Jun. 30, 2010
Sales		4,300.5	3,687.6	2,173.4	1,953.8
Cost of goods sold		−3,422.3	−2,891.4	−1,729.6	−1,534.6
Gross profit		**878.2**	**796.2**	**443.8**	**419.2**
Selling expenses		−549.8	−565.7	−275.4	−293.0
Administrative expenses		−69.5	−62.0	−34.8	−33.0
Other operating income		20.1	25.8	10.9	11.3
Other operating expenses		−8.2	−17.9	−4.2	−5.4
Operating profit		**270.8**	**176.4**	**140.3**	**99.1**
Result of investments accounted for at equity		2.0	2.4	1.0	1.2
Finance income	1	5.7	5.7	3.1	2.3
Finance costs	2	−68.0	−114.5	−39.1	−36.5
Distribution to minorities under IAS 32		−0.5	−0.6	−0.2	−0.2
Other financial result		−4.3	−1.7	−1.5	−1.9
Financial result		**−65.1**	**−108.7**	**−36.7**	**−35.1**
Profit before tax		**205.7**	**67.7**	**103.6**	**64.0**
Income taxes	3	−71.2	−26.8	−36.0	−25.3
Profit after tax		**134.5**	**40.9**	**67.6**	**38.7**
Attributable to:					
Shareholders of Brenntag AG		*132.5*	*39.8*	*65.8*	*38.2*
Minority shareholders		*2.0*	*1.1*	*1.8*	*0.5*
Undiluted earnings per share in Euro	4	**2.57**	**0.86**	**1.28**	**0.74**
Diluted earnings per share in Euro	4	**2.57**	**0.86**	**1.28**	**0.74**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	**Jan. 1– Jun. 30, 2011**	Jan. 1– Jun. 30, 2010	**April 1– Jun. 30, 2011**	April 1– Jun. 30, 2010
Profit after tax	**134.5**	**40.9**	**67.6**	**38.7**
Change in exchange rate differences	−52.3	102.2	−6.8	50.3
Change in cash flow hedge reserve	9.7	9.1	5.9	4.7
Deferred tax on components of other comprehensive income	−3.2	−3.0	−2.1	−1.6
Other comprehensive income	**−45.8**	**108.3**	**−3.0**	**53.4**
Total comprehensive income	**88.7**	**149.2**	**64.6**	**92.1**
Attributable to:				
Shareholders of Brenntag AG	*86.9*	*148.2*	*62.8*	*92.7*
Minority shareholders	*1.8*	*1.0*	*1.8*	*−0.6*

CONSOLIDATED BALANCE SHEET

ASSETS

in EUR m	Note	Jun. 30, 2011	Dec. 31, 2010
Current Assets			
Cash and cash equivalents		259.2	362.9
Trade receivables		1,264.8	1,059.7
Other receivables		95.6	86.6
Other financial assets		7.7	7.6
Current tax assets		15.7	18.7
Inventories		645.7	606.1
Non-current assets held for sale		0.9	0.4
		2,289.6	**2,142.0**
Non-current Assets			
Property, plant and equipment		798.2	829.6
Investment property		1.8	2.0
Intangible assets		1,808.8	1,863.2
Investments accounted for at equity		27.7	28.6
Other receivables		18.1	17.5
Other financial assets		6.5	6.4
Deferred tax assets		101.8	80.9
		2,762.9	**2,828.2**
Total assets		**5,052.5**	**4,970.2**

LIABILITIES AND EQUITY

in EUR m	Note	Jun. 30, 2011	Dec. 31, 2010
Current Liabilities			
Trade payables		923.5	834.1
Financial liabilities	5	1,505.0	87.1
Other liabilities		326.9	328.9
Other provisions	6	56.3	56.2
Current tax liabilities		27.2	24.6
		2,838.9	**1,330.9**
Non-Current Liabilities			
Financial liabilities	5	224.8	1,696.7
Other liabilities		2.0	2.0
Other provisions	6	136.1	135.9
Provisions for pensions and similar obligations		62.2	60.7
Liabilities to minorities under IAS 32		1.3	2.0
Deferred tax liabilities		156.1	124.1
		582.5	**2,021.4**
Equity	7		
Subscribed capital		51.5	51.5
Additional paid-in capital		1,560.1	1,560.1
Retained earnings		57.1	−3.3
Other comprehensive income (Brenntag share)		−44.4	1.2
Shares of shareholders of Brenntag AG		**1,624.3**	**1,609.5**
Equity attributable to minority interests		6.8	8.4
		1,631.1	**1,617.9**
Total liabilities and equity		**5,052.5**	**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	–	–	39.8
Other comprehensive income	–	–	–
Total income and expense for the period	**–**	**–**	**39.8**
Jun. 30, 2010	**51.5**	**1,557.4**	**–103.7**
Dec. 31, 2010	**51.5**	**1,560.1**	**–3.3**
Dividends	–	–	–72.1
Profit after tax	–	–	132.5
Other comprehensive income	–	–	–
Total income and expense for the period	**–**	**–**	**132.5**
Jun. 30, 2011	**51.5**	**1,560.1**	**57.1**

[1] Dec. 31, 2009: EUR 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
–	–	–	–	−3.7	−3.7
–	–	–	39.8	1.1	40.9
102.3	9.1	−3.0	108.4	−0.1[2)]	108.3
102.3	**9.1**	**−3.0**	**148.2**	**1.0**	**149.2**
45.8	**−17.6**	**6.2**	**1,539.6**	**5.5**	**1,545.1**
7.7	**−9.7**	**3.2**	**1,609.5**	**8.4**	**1,617.9**
–	–	–	−72.1	−3.4	−75.5
–	–	–	132.5	2.0	134.5
−52.1	9.7	−3.2	−45.6	−0.2[2)]	−45.8
−52.1	**9.7**	**−3.2**	**86.9**	**1.8**	**88.7**
−44.4	**–**	**–**	**1,624.3**	**6.8**	**1,631.1**

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	Note 8	**Jan. 1– Jun. 30, 2011**	Jan. 1– Jun. 30, 2010	**April 1– Jun. 30, 2011**	April 1– Jun. 30, 2010
Profit after tax		**134.5**	**40.9**	**67.6**	**38.7**
Depreciation and amortization		54.2	104.9	26.8	53.7
Income taxes		71.2	26.8	36.0	25.3
Income tax payments		−58.0	−25.2	−32.2	−15.2
Interest result		62.3	108.8	36.0	34.2
Interest payments (netted against interest received)		−56.9	−134.5	−26.0	−30.4
Dividends received		0.6	–	0.6	–
Changes in provisions		3.3	−2.8	4.9	1.7
Changes in current assets and liabilities					
Inventories		−60.4	−64.6	−41.7	−38.4
Receivables		−242.3	−234.9	−50.6	−85.9
Liabilities		125.5	189.7	5.2	78.6
Non-cash distribution under IAS 32		0.5	0.6	0.2	0.2
Other non-cash items		4.8	−24.8	2.5	−5.3
Cash provided by/used for operating activities		**39.3**	**−15.1**	**29.3**	**57.2**
Proceeds from disposals of other financial assets		3.2	0.7	0.1	0.7
Proceeds from disposals of intangible assets as well as property, plant and equipment		2.2	2.6	1.3	2.1
Purchases of consolidated subsidiaries and other business units		−28.8	−2.9	−28.8	−0.6
Purchases of other financial assets		−0.1	−1.3	–	−0.1
Purchases of intangible assets as well as property, plant and equipment		−32.3	−30.3	−15.4	−15.3
Cash used for investing activities		**−55.8**	**−31.2**	**−42.8**	**−13.2**
Capital increase		–	525.0	–	–
Payments in connection with the capital increase		–	−12.9	–	−6.3
Profits distributed to Brenntag shareholders		−72.1	–	−72.1	–
Profits distributed to minority shareholders		−1.1	−1.4	−1.1	−1.3
Proceeds from borrowings		14.1	7.1	8.3	−1.0
Repayments of borrowings		−11.4	−686.1	−6.0	−297.9
Cash used for financing activities		**−70.5**	**−168.3**	**−70.9**	**−306.5**
Change in cash and cash equivalents		**−87.0**	**−214.6**	**−84.4**	**−262.5**
Change in cash and cash equivalents due to currency gains/losses		−16.7	23.3	−6.2	9.8
Cash and cash equivalents at beginning of year/quarter		362.9	602.6	349.8	664.0
Cash and cash equivalents at end of quarter		**259.2**	**411.3**	**259.2**	**411.3**

CONDENSED NOTES

KEY FINANCIAL FIGURES BY SEGMENT

for the period from January 1 to June 30

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	2,221.0	1,317.1	387.3	169.0	206.1	–	4,300.5
	2010	1,936.9	1,190.7	352.4	38.6	169.0	–	3,687.6
	Change in %	14.7	10.6	9.9	337.8	22.0	–	16.6
	fx adjusted change in %	13.6	16.1	12.7	321.4	22.0	–	18.1
Inter-segment sales	2011	2.9	2.1	1.9	–	1.2	−8.1	–
	2010	2.3	1.9	8.1	–	0.9	−13.2	–
Operating gross profit [1]	2011	459.9	316.3	73.8	38.6	8.5	–	897.1
	2010	431.5	296.9	69.0	10.5	6.7	–	814.6
	Change in %	6.6	6.5	7.0	267.6	26.9	–	10.1
	fx adjusted change in %	5.6	11.8	10.1	254.1	26.9	–	11.7
Gross profit	2011	–	–	–	–	–	–	878.2
	2010	–	–	–	–	–	–	796.2
	Change in %	–	–	–	–	–	–	10.3
	fx adjusted change in %	–	–	–	–	–	–	12.0
Operating EBITDA (segment result)	2011	160.7	132.8	24.8	18.2	−10.7	–	325.8
	2010	144.4	126.1	22.6	4.2	−10.0	–	287.3
	Change in %	11.3	5.3	9.7	333.3	7.0	–	13.4
	fx adjusted change in %	10.3	10.6	12.7	323.3	7.0	–	15.5
EBITDA	2011	–	–	–	–	–	–	325.0
	2010	–	–	–	–	–	–	281.3
	Change in %	–	–	–	–	–	–	15.5
	fx adjusted change in %	–	–	–	–	–	–	17.7
Investments in non-current assets (Capex) [2]	2011	17.5	6.6	3.2	1.5	0.2	–	29.0
	2010	17.0	6.5	2.1	0.1	0.1	–	25.8

[1] *External sales less cost of materials.*
[2] *Investments in non-current assets are other additions to property, plant and equipment and intangible assets.*

KEY FINANCIAL FIGURES BY SEGMENT

for the period from April 1 to June 30

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	1,130.0	664.4	196.1	83.4	99.5	–	2,173.4
	2010	1,009.5	645.5	188.3	20.1	90.4	–	1,953.8
	Change in %	11.9	2.9	4.1	314.9	10.1	–	11.2
	fx adjusted change in %	11.4	14.8	12.8	326.0	10.1	–	15.9
Inter-segment sales	2011	1.6	1.1	0.8	–	0.5	−4.0	–
	2010	1.3	1.0	4.4	–	0.8	−7.5	–
Operating gross profit [1]	2011	232.2	160.6	38.0	18.7	4.1	–	453.6
	2010	220.0	162.2	37.2	5.6	3.9	–	428.9
	Change in %	5.5	−1.0	2.2	233.9	5.1	–	5.8
	fx adjusted change in %	5.1	10.2	11.2	241.1	5.1	–	10.6
Gross profit	2011	–	–	–	–	–	–	443.8
	2010	–	–	–	–	–	–	419.2
	Change in %	–	–	–	–	–	–	5.9
	fx adjusted change in %	–	–	–	–	–	–	10.8
Operating EBITDA (segment result)	2011	82.3	69.6	13.0	8.4	−5.6	–	167.7
	2010	74.0	69.7	12.5	2.1	−5.3	–	153.0
	Change in %	11.2	−0.1	4.0	300.0	5.7	–	9.6
	fx adjusted change in %	11.0	10.9	11.9	304.8	5.7	–	15.4
EBITDA	2011	–	–	–	–	–	–	167.1
	2010	–	–	–	–	–	–	152.8
	Change in %	–	–	–	–	–	–	9.4
	fx adjusted change in %	–	–	–	–	–	–	15.2
Investments in non-current assets (Capex) [2]	2011	10.8	3.2	1.7	0.6	0.1	–	16.4
	2010	10.3	4.0	1.2	–	–	–	15.5

[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– Jun. 30, 2011	Jan. 1– Jun. 30, 2010	April 1– Jun. 30, 2011	April 1– Jun. 30, 2010
EBITDA	**325.0**	**281.3**	**167.1**	**152.8**
Investments in non-current assets (Capex)[1]	−29.0	−25.8	−16.4	−15.5
Change in working capital[2][3]	−180.8	−123.2	−83.4	−45.7
Free cash flow	**115.2**	**132.3**	**67.3**	**91.6**

[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.*
[3] *Adjusted for exchange rate differences and first-time consolidations.*

in EUR m	Jan. 1– Jun. 30, 2011	Jan. 1– Jun. 30, 2010	April 1– Jun. 30, 2011	April 1– Jun. 30, 2010
Operating EBITDA (segment result)	**325.8**	**287.3**	**167.7**	**153.0**
Transaction costs/holding charges[1]	−0.8	−6.0	−0.6	−0.2
EBITDA	**325.0**	**281.3**	**167.1**	**152.8**
Scheduled depreciation of property, plant and equipment	−42.6	−41.1	−21.4	−20.9
Impairment of property, plant and equipment	−0.2	–	–	–
EBITA	**282.2**	**240.2**	**145.7**	**131.9**
Scheduled amortization of intangible assets[2]	−11.4	−63.8	−5.4	−32.8
Impairment of intangible assets	–	–	–	–
EBIT	**270.8**	**176.4**	**140.3**	**99.1**
Financial result	−65.1	−108.7	−36.7	−35.1
Profit before tax	**205.7**	**67.7**	**103.6**	**64.0**

[1] *Transaction costs: Costs connected with restructuring and refinancing under company law, particularly the IPO in 2010 and the refinancing in 2011. 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 7.4 million in the first half of 2011 (H1 2010: EUR 59.7 million). Of the amortization of customer relationships, in the prior period EUR 52.8 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– Jun. 30, 2011	Jan. 1– Jun. 30, 2010	April 1– Jun. 30, 2011	April 1– Jun. 30, 2010
Operating gross profit	**897,1**	**814,6**	**453,6**	**428,9**
Operating costs[1]	−18,9	−18,4	−9,8	−9,7
Gross profit	**878,2**	**796,2**	**443,8**	**419,2**

[1] *Production/mixing & blending costs.*

CONSOLIDATION POLICIES AND METHODS

Standards applied

These interim consolidated financial statements for the period from January 1 to June 30, 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	Jun. 30, 2011
Domestic consolidated companies	25	2	–	27
Foreign consolidated companies	169	2	4	167
Total consolidated companies	**194**	**4**	**4**	**194**

The disposals are the result of liquidations.

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

Business combinations in accordance with IFRS 3

At the end of May 2011, Brenntag acquired 100% of the shares in G.S. Robins & Company, a leading regional distributor of industrial chemicals headquartered in St. Louis, USA. The provisional acquisition costs for the net assets of the group acquired amount to EUR 32.6 million.

The net assets acquired break down as follows:

in EUR m	Fair Value according to IFRS
ASSETS	
Cash and cash equivalents	2.1
Trade receivables	7.0
Other receivables	0.8
Inventories	4.4
Property, plant and equipment	2.5
Customer relationships and similar rights	6.8
Deferred tax assets	1.4
LIABILITIES AND EQUITY	
Trade payables	−4.9
Other provisions	−3.2
Other liabilities	−0.8
Net assets	**16.1**

Measurement of the assets and liabilities taken over has not yet been completed. There are no material differences between the gross amount and the carrying amount of the receivables. Additional intangible assets (customer relationships and similar rights) which were not recognized in the balance sheet of the company acquired have been accounted for at provisional figures, taking tax effects into consideration. The multi-period excess earnings method was used to measure customer relationships. On the basis of the fair value of the net assets acquired, the provisional goodwill which can be amortized for tax purposes amounts to EUR 16.5 million. In accordance with IFRS 3, this goodwill is not amortized. The goodwill includes an employee base of EUR 0.5 million, which was determined on a cost basis. The remaining goodwill is determined by the growth opportunities arising from the takeover. For example, the takeover has enabled Brenntag to improve its market position in many of its key industries such as food & beverages and water treatment.

The goodwill acquired has developed as follows since the acquisition:

in EUR m	G.S. Robins & Company
COST OF ACQUISITION	
December 31, 2010	–
Additions from business combinations	16.5
Exchange rate differences	−0.5
June 30, 2011	**16.0**

In the period since its acquisition by Brenntag, the company has posted sales of EUR 6.2 million and profit after tax of EUR 0.1 million in 2011.

If the business combinations had taken place with effect from January 1, 2011, sales of EUR 4,331.5 million would have been shown for the Brenntag Group in the first half of 2011. The profit after tax for the Brenntag Group would have been EUR 135.2 million.

The net cash outflow as a result of the business combinations has been determined as follows:

in EUR m	G.S. Robins & Company
COST OF ACQUISITION	**32.6**
less cash and cash equivalents acquired G.S. Robins & Company	2.1
less purchase price refunds from business combinations in prior years	1.7
Purchases of consolidated subsidiaries and other business units	**28.8**

On June 9, 2011, Brenntag announced the signing of an agreement to acquire the shares in the Chinese chemical distributor, Zhong Yung (International) Chemical Ltd. Deal closing for the first tranche for a majority stake of 51% is expected in the third quarter of this year. Acquisition of the remaining stake is scheduled for 2016. It is estimated that the company will generate sales of EUR 255 million in 2011.

Currency translation

The euro exchange rates for major currencies developed as follows:

	Closing rate		Average rate	
1 EUR = currencies	**Jun. 30, 2011**	Dec. 31, 2010	**Jan. 1– Jun. 30, 2011**	Jan. 1– Jun. 30, 2010
Canadian dollar (CAD)	1.3951	1.3322	1.3706	1.3719
Swiss franc (CHF)	1.2071	1.2504	1.2694	1.4359
Danish crown (DKK)	7.4587	7.4535	7.4561	7.4421
Pound sterling (GBP)	0.9026	0.8608	0.8682	0.8700
Polish zloty (PLN)	3.9903	3.9750	3.9527	4.0020
Swedish crown (SEK)	9.1739	8.9655	8.9391	9.7888
US dollar (USD)	1.4453	1.3362	1.4032	1.3268

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

1. Finance income

in EUR m	Jan. 1– Jun. 30, 2011	Jan. 1– Jun. 30, 2010
Interest income from third parties	2.4	2.8
Expected income from plan assets	3.3	2.9
Total	**5.7**	**5.7**

2. Finance costs

in EUR m	Jan. 1– Jun. 30, 2011	Jan. 1– Jun. 30, 2010
Interest expense on liabilities to third parties	–51.0	–69.8
Interest expense on liabilities to related parties	–	–17.0
Expense from the measurement of interest rate swaps and interest caps at fair value	–10.6	–21.0
Interest cost on the unwinding of discounting for provisions for pensions and similar obligations	–4.6	–4.3
Interest cost on other provisions	–1.0	–1.5
Interest expense on finance leases	–0.8	–0.9
Total	**–68.0**	**–114.5**

3. Income taxes

Income taxes include current tax expenses of EUR 64.0 million (H1 2010: current tax expenses of EUR 30.6 million) as well as deferred tax expenses of EUR 7.2 million (H1 2010: deferred tax income of EUR 3.8 million).

4. Earnings per share

The earnings per share of EUR 2.57 (H1 2010: EUR 0.86) are determined by dividing the share in income after tax of EUR 132.5 million (H1 2010: EUR 39.8 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**	**181**	**41,000,000**
Capital increase through the issuance of new shares	Mar. 29, 2010	10,500,000	94	5,453,039
	Jun. 30, 2010	**51,500,000**		**46,453,039**
	Jun. 30, 2011	**51,500,000**	**181**	**51,500,000**

5. Financial liabilities

in EUR m	Jun. 30, 2011	Dec. 31, 2010
Liabilities under syndicated loan	1,438.3	1,482.0
Other liabilities to banks	236.9	235.7
Liabilities under finance leases	18.7	19.8
Derivative financial instruments	13.6	28.5
Other financial liabilities	22.3	17.8
Financial liabilities as per balance sheet	**1,729.8**	**1,783.8**
Cash and cash equivalents	259.2	362.9
Net financial liabilities	**1,470.6**	**1,420.9**

On June 27, 2011, Brenntag signed a new loan agreement with a consortium of international banks which will completely replace the existing syndicated loan (see also “Subsequent Events”). As replacement of the old loan was already highly probable at the balance-sheet date, the financial liabilities under the old loan are shown as current in the balance sheet.

Of the other liabilities to banks, EUR 171.9 million (December 31, 2010: EUR 176.7 million) is owed to banks by the consolidated Irish special purpose entity, Brenntag Funding Ltd., Dublin.

6. Other provisions

Other provisions break down as follows:

in EUR m	Jun. 30, 2011	Dec. 31, 2010
Environmental provisions	121.1	124.0
Provisions for personnel expenses	17.3	17.7
Miscellaneous provisions	54.0	50.4
Total	**192.4**	**192.1**

7. Equity

As proposed by the Board of Management and Supervisory Board, on June 22, 2011 the ordinary general shareholders' meeting of Brenntag AG approved the distribution of a dividend of EUR 72,100,000.00. That is a dividend of EUR 1.40 per no-par-value share entitled to dividend.

8. Information on the cash flow statement

The net cash inflow from operating activities amounting to EUR 39.3 million was influenced by cash outflows in connection with the increase in working capital of EUR 180.8 million.

The rise in working capital is made up of 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– Jun. 30, 2011**	Jan. 1– Jun. 30, 2010
Increase in inventories	–60.4	–64.6
Increase in gross trade receivables	–230.3	–231.2
Increase in trade payables	109.8	170.0
Write-downs on gross trade receivables and on inventories [1]	0.1	2.6
Change in working capital [2]	**–180.8**	**–123.2**

[1] Shown within other non-cash items.
[2] Adjusted for exchange rate differences and first-time consolidations.

The annualized working capital turnover rate[1] fell from 10.7 in the first half of 2010 to 9.5 in the reporting period. One of the reasons for this is that the acquired EAC Group's turnover rate is below the Group average due to the higher proportion of specialty chemicals in its business.

Subsequent Events

On July 19, 2011 a substantial part of the Group's debt was refinanced and replaced by a new financing structure. In addition to a new syndicated loan, a bond was also issued in July, which represents a further diversification of our financing mix.

The bullet loan was signed with a consortium of international banks on June 27, 2011, matures in July 2016 and completely replaces the syndicated loan still existing on June 30, 2011.

The syndicated loan is divided into different tranches with different currencies and also includes a revolving credit facility available to provide temporary liquidity. Translated at June 30, 2011 exchange rates, the loan has a total volume of some EUR 1.5 billion, whereas only about EUR 125 million of the revolving credit line of EUR 500 million was drawn on July 19, 2011.

[1] Ratio of annual sales to average working capital; annual sales is defined as the sales for the first half-year projected onto the full year (sales for the first half-year multiplied by two); average working capital is defined for the first half-year as the mean average of the values for working capital at the following three times: at the beginning of the year as well as at the end of the first and second quarters.

As with the previous loan, some of our subsidiaries are direct borrowers under the syndicated loan and others obtain their financing from intra-Group loans. Major Group companies are liable for the liabilities under the syndicated loan. However, in contrast to the previous loan, no securities have to be provided.

In July 2011, we successfully placed a bond with a volume of EUR 400 million and maturing in mid-2018 with institutional investors. At an issue price of 99.321%, the bond bears a coupon of 5.50% with interest paid annually. The bond was issued by our Group company Brenntag Finance B.V. in the Netherlands and is guaranteed by Brenntag AG and other Brenntag companies. In view of the identical network of guarantors, the bond has the same ranking as the syndicated loan. The other conditions of the bond are to be regarded as customary for a company with our credit rating.

On August 1, 2011, Brenntag acquired the remaining 26% of the shares in its Polish subsidiary, Brenntag Polska Sp. z o.o., Kedzierzyn Kozle, as well as in its Belgian subsidiary, European Polymers and Chemicals Distribution BVBA, Kortrijk, for a total of EUR 24.8 million.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Mülheim an der Ruhr, August 9, 2011

Brenntag AG
THE BOARD OF MANAGEMENT

Steven Holland   Jürgen Buchsteiner   William Fidler

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, Mülheim an der Ruhr, for the period from January 1, 2011 to June 30, 2011 which are part of the half-year financial report pursuant to § (Article) 37w 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, August 9, 2011

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Klaus-Dieter Ruske	Frank Hübner
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

FINANCIAL CALENDAR

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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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.

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