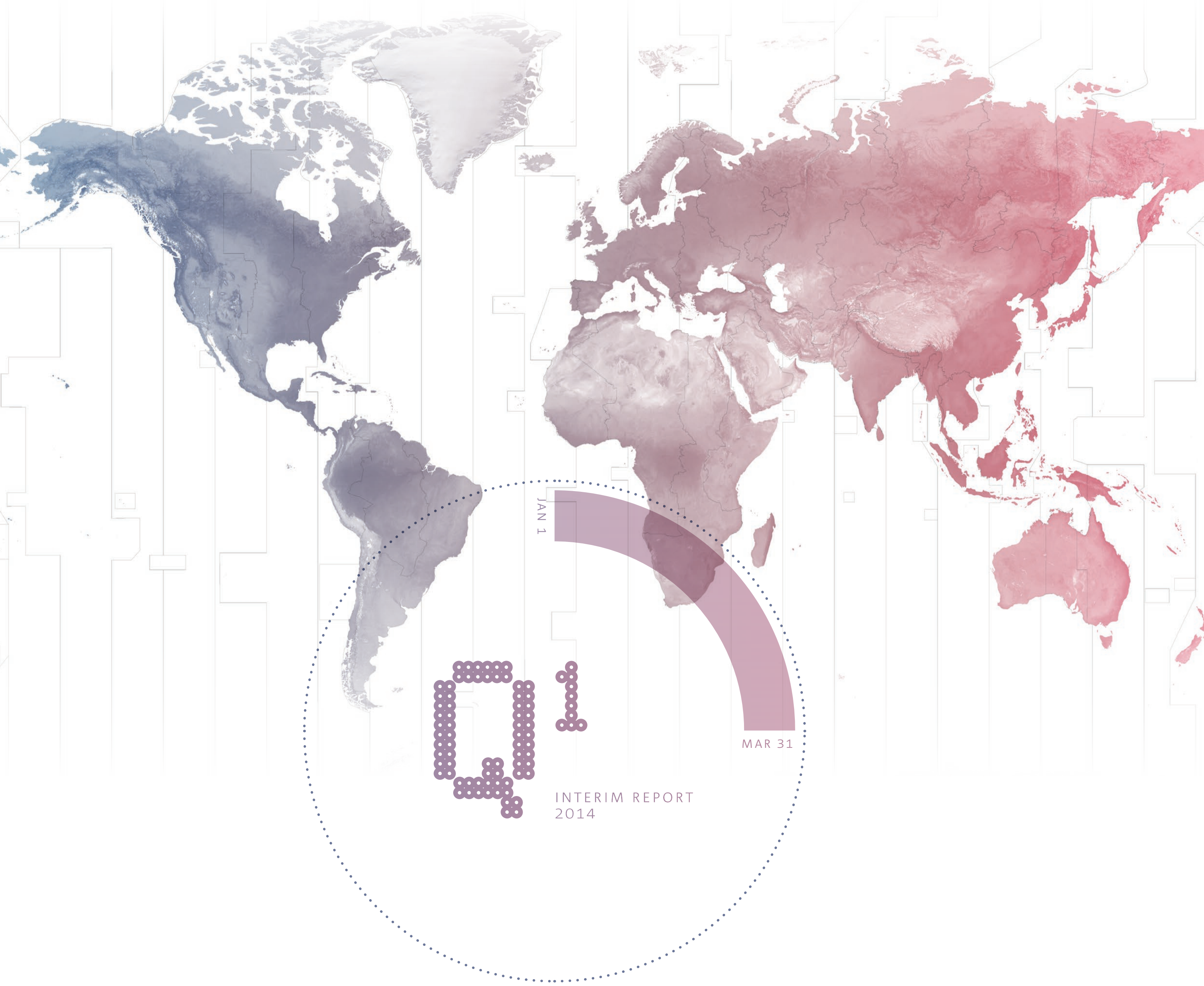
BRENNTAG



Q1
INTERIM REPORT
2014

KEY FINANCIAL FIGURES AT A GLANCE

CONSOLIDATED INCOME STATEMENT

		Q1 2014	Q1 2013
Sales	EUR m	**2,416.1**	2,419.1
Gross profit	EUR m	**483.6**	477.9
Operating EBITDA	EUR m	**164.0**	164.7
Operating EBITDA / Gross profit	%	**33.9**	34.5
EBITDA	EUR m	**164.0**	164.7
Profit after tax	EUR m	**72.1**	69.8
Earnings per share	EUR	**1.40**	1.35

CONSOLIDATED BALANCE SHEET		Mar. 31, 2014	Dec. 31, 2013
Total assets	EUR m	**5,826.5**	5,627.3
Equity	EUR m	**2,147.3**	2,093.7
Working capital	EUR m	**1,112.4**	1,044.4
Net financial liabilities	EUR m	**1,322.7**	1,341.7

CONSOLIDATED CASH FLOW		Q1 2014	Q1 2013
Cash provided by operating activities	EUR m	**46.7**	33.7
Investments in non-current assets (Capex)	EUR m	**18.6**	15.6
Free cash flow	EUR m	**75.7**	70.5

KEY FIGURES BRENNTAG SHARE		Mar. 31, 2014	Dec. 31, 2013
Share price	EUR	**134.65**	134.75
No. of shares (unweighted)		**51,500,000**	51,500,000
Market capitalization	EUR m	**6,934**	6,939
Free float	%	**100.0**	100.0

A 01 KEY FINANCIAL FIGURES AT A GLANCE

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 around **170,000 customers.**

The value-added services include just-in-time delivery, product mixing, formulation, repackaging, inventory management, drum return handling as well as extensive technical support. Headquartered in Mülheim an der Ruhr, Germany, the company operates a global network with more than **480 locations** in over **70 countries.**

OUR GOALS

- TO BE THE **SAFEST** CHEMICAL DISTRIBUTOR
- TO BE THE **FASTEST-GROWING** CHEMICAL DISTRIBUTOR
- TO BE THE MOST **PROFITABLE** CHEMICAL DISTRIBUTOR
- TO OFFER OUR CUSTOMERS INDUSTRIAL AND SPECIALTY CHEMICALS AND SERVICES **GLOBALLY**
- TO BE THE **PREFERRED CHEMICAL DISTRIBUTOR** FOR INDUSTRIAL AND SPECIALTY CHEMICALS

CONTENTS

LETTER FROM THE CEO

Steven Holland
CEO

Dear Shareholders,

The macroeconomic situation in Europe and North America is more positive at the beginning of 2014 compared to prior year. A broad based recovery is underway in our European business and our North American business performs robustly, despite extreme weather conditions in early stages of the quarter affecting operational efficiency and supply chain challenges for both our customers and suppliers.

Emerging markets suffered a degree of volatility which meant we were unable to demonstrate growth compared to previous year. However, we have continued to work intensely in our Latin American and Asia Pacific segments as we remain convinced of their medium and long term above average growth potential.

In the first quarter of 2014, gross profit for the group climbed by 4.4% on a constant currency basis to EUR 483.6 million. Operating EBITDA amounted to EUR 164.0 million, an increase of 2.8% on a constant currency basis.

In Europe it is clear that the various measures we implemented during the recent years are now contributing to profitable growth and we continue to seek further operational leverage as the macroeconomic environment improves. Our second main segment, North America continued its positive underlying development in the first quarter of 2014. Given the very cold winter in North America, which had a substantial impact on our business activities, earnings development was hampered temporarily by lower operational efficiency.

In the field of acquisitions we successfully acquired Gafor Distribuidora Ltd, a distributor of special solvents from Brazil. We are thus continuing to expand our market coverage on the key Brazilian market in particular. The merging of Gafor's premium product portfolio with our existing business allows us to achieve critical mass, and we will benefit even more from the long term growth prospects on the Brazilian market moving ahead.

In addition to operating activities, we took a key step in the first quarter with the early prolongation of our loan agreement until March 2019. In this transaction, we have put our financing on an even longer term footing, lowered our interest margins tangibly and expanded our financial flexibility. The changes implemented reflect Brenntag's ongoing positive development and our excellent reputation on the capital markets.

Based on the general trends in the first quarter we are optimistic for the rest of the year. We see grounds for this in the current improvements in the regions of Europe and North America especially. Naturally, we will also continue working to consolidate and expand our market position in all regions.

On behalf of the entire Board of Management, I would like to thank you for your continued interest and confidence in our company.

Mülheim an der Ruhr, May 6, 2014

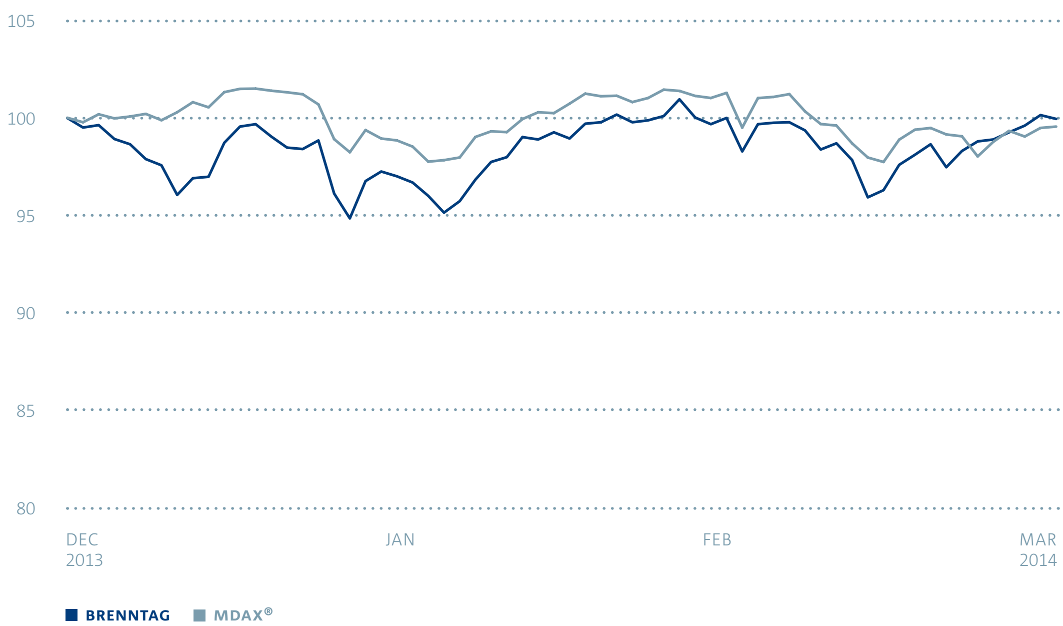
Steven Holland
Chief Executive Officer

BRENNTAG ON THE STOCK MARKET

DEVELOPMENT OF THE SHARE PRICE Following broadly increasing share prices in 2013, the first quarter of 2014 showed a very volatile development at the stock exchanges. Persistent uncertainties in some emerging economies and political conflicts countered the positive influence of a stabilizing global economy. The positive developments in the USA and Europe could only provide limited stimulus.

Both the DAX® and the MDAX® closed the first quarter of 2014 almost unchanged, the DAX®, with an increase of 0.04% and the MDAX® with a decline of 0.68%. The Brenntag share followed the market trend and maintained the price level achieved towards the end of 2013. The closing price for the first quarter of 2014 amounted to EUR 134.65. According to the ranking list of Deutsche Börse AG, the Brenntag share ranked 31st among all listed companies in Germany in terms of market capitalization at the end of March 2014. The average number of Brenntag shares traded daily on XETRA® in the first quarter of 2014 totalled about 82,000.

DEVELOPMENT OF THE BRENNTAG SHARE PRICE (INDEXED)



A.02 DEVELOPMENT OF THE BRENNTAG SHARE PRICE (INDEXED)

SHAREHOLDER STRUCTURE At the end of the first quarter of 2014, the free float of the Brenntag share was 100% of the share capital of 51,500,000 shares. Brenntag will propose a three-for-one stock split to its General Shareholders' Meeting on June 17, 2014. By means of a capital increase from company funds, the registered share capital will be tripled by issuing new shares through the conversion of capital reserves. Every shareholder will receive two additional shares for each share held. With the stock split, Brenntag intends to increase the share's attractiveness for an even broader group of investors.

In accordance with Section 21, para. 1 German Securities Trading Act (WpHG), as of April 30, 2014, notifications had been received from the following shareholders that their percentage of the voting rights exceeds the 3% or 5% threshold:

SHAREHOLDER STRUCTURE

Shareholder	No. of Brenntag shares	Proportion in %	Date of notification
Threadneedle	2,763,932	5.37	Jul. 27, 2012
BlackRock	2,678,905	5.20	Apr. 5, 2012
Sun Life / MFS	2,590,260	5.03	Jul. 3, 2012
Newton	1,614,966	3.14	Nov. 6, 2013
Manning & Napier	1,552,555	3.01	Jul. 2, 2013
Allianz Global Investors	1,545,144	3.00	Feb. 25, 2014

A.03 SHAREHOLDER STRUCTURE

The table below contains the most important information on the Brenntag share:

KEY FIGURES AND MASTER DATA ON THE SHARE

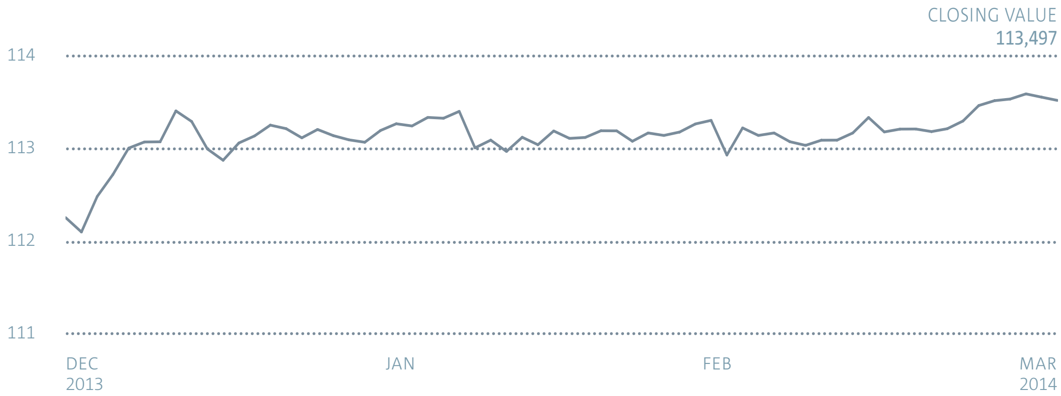
		IPO Mar. 2010	Dec. 31, 2013	**Mar. 31, 2014**
Share price (XETRA® closing price)	EUR	50.00	134.75	134.65
Free float	%	29.03	100.0	100.0
Free float market capitalization	EUR m	748	6,939	6,934

Most important stock exchange	XETRA®
Indices	MDAX®, MSCI, STOXX EUROPE 600
ISIN / WKN / trading symbol	DE000A1DAHH0 / A1DAHH / BNR

A.04 KEY FIGURES AND MASTER DATA ON THE BRENNTAG SHARE

BOND On July 19, 2011, Brenntag Finance B.V., Amsterdam, Netherlands, an indirectly held 100% subsidiary of Brenntag AG, issued a corporate bond with a volume of EUR 400 million. The seven-year bond bears a coupon of 5.50%. The issue price was at 99.321% of the nominal value.

DEVELOPMENT OF THE PRICE OF THE BRENNTAG BOND



A.05 DEVELOPMENT OF THE PRICE OF THE BRENNTAG BOND

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

KEY FIGURES AND MASTER DATA ON THE BOND

		Jul. 19, 2011	Dec. 31, 2013	**Mar. 31, 2014**
Bond price	%	99.321	111.864	113.497
Issuer				Brenntag Finance B.V.
Guarantors				Brenntag AG, other Group companies
Listing				Luxembourg stock exchange
ISIN				XS0645941419
Aggregate principal amount	EUR m			400
Denomination	EUR			1,000
Minimum transferrable amount	EUR			50,000
Coupon	%			5.50
Interest payment				Jul. 19
Maturity				Jul. 19, 2018

A.06 KEY FIGURES AND MASTER DATA ON THE BRENNTAG BOND

GROUP INTERIM MANAGEMENT REPORT

for the period from January 1 to March 31, 2014

CONTENTS

BASIC INFORMATION ABOUT THE GROUP

BUSINESS ACTIVITIES AND GROUP STRUCTURE

BUSINESS ACTIVITIES Brenntag's growth opportunities along with its resilient business model are based on complete geographic coverage, a wide product and service 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 to around 170,000 customers a full-line range of chemical products and value-added services. 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 distribution facilities, packs them into quantities the customers require and delivers them, typically in less-than-truckloads. Brenntag's customers are active worldwide in diverse end-market industries such as adhesives, paints, oil & gas, food, water treatment, personal care and pharmaceuticals. In order to be able to react quickly to the market and customers' and suppliers' requirements, Brenntag manages its business through its geographically structured segments 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, blending, repackaging, inventory management, drum return handling as well as technical and laboratory services for specialty chemicals). High diversification means that Brenntag is largely independent from the volatility of any single specific market segment or region.

Brenntag is the global market leader in full-line chemical distribution. We define market leader not just by business volume but also associate it with our philosophy of continually improving the safety standards at our sites. As a responsible service provider, we continually strive to achieve further improvements in the overall safety performance in the Group.

GROUP STRUCTURE As the parent company, Brenntag AG is responsible for the strategy of the Group, risk management and central financing. Further central functions of Brenntag AG are Corporate Controlling, Corporate HSE (Health, Safety and Environment), Corporate Investor Relations, Corporate IT, Corporate Accounting, Corporate Mergers & Acquisitions, Corporate International Human Resources Management, Corporate Development, Corporate Communications, Corporate Legal, Corporate Internal Audit and Corporate Tax.

The consolidated financial statements as at March 31, 2014 include Brenntag AG, 26 domestic (December 31, 2013: 26) and 177 foreign (December 31, 2013: 181) fully consolidated subsidiaries including structured entities. Five associates (December 31, 2013: five) have been accounted for at equity.

SEGMENTS AND LOCATIONS The Brenntag Group is managed by the geographically structured segments Europe, North America, Latin America and Asia Pacific. Furthermore, all other segments cover the central functions for the entire Group and the operations of Brenntag International Chemicals, which buys and sells chemicals in bulk on an international scale without regional boundaries.

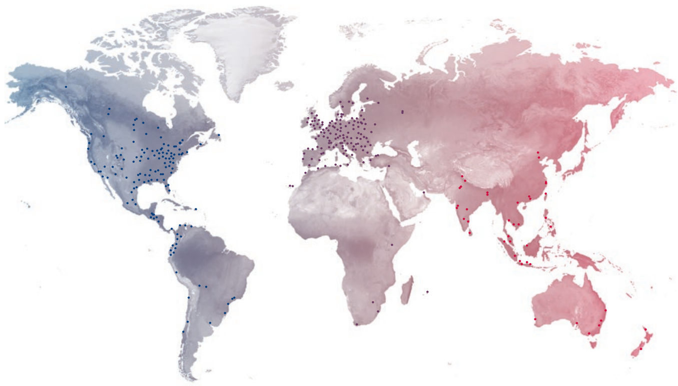
The following graphic gives an overview of the global network and the locations of the Brenntag Group:

NORTH AMERICA

		Q1 2014
External sales	EUR m	771.7
Operating gross profit	EUR m	182.4
Operating EBITDA	EUR m	68.0
Employees [1]		4,017

EUROPE

		Q1 2014
External sales	EUR m	1,175.6
Operating gross profit	EUR m	244.1
Operating EBITDA	EUR m	83.2
Employees [1]		6,242



LATIN AMERICA

		Q1 2014
External sales	EUR m	196.5
Operating gross profit	EUR m	37.6
Operating EBITDA	EUR m	10.7
Employees [1]		1,415

ASIA PACIFIC

		Q1 2014
External sales	EUR m	162.9
Operating gross profit	EUR m	27.8
Operating EBITDA	EUR m	8.5
Employees [1]		1,561

B.01 GLOBAL NETWORK OF THE BRENNTAG GROUP

Figures exclude all other Segments, which, in addition to various holding companies, comprise the international activities of Brenntag International Chemicals.

[1] The number of employees is calculated as the number of employees on the basis of full-time equivalents at the reporting date.

OBJECTIVES AND STRATEGIES

Sustained global trends such as demographic change, increasing urbanization and globalization mean that the worldwide demand for chemicals is rising continuously and is opening up attractive opportunities for Brenntag.

Against this background, our goal for the future is to remain the preferred distributor for both specialty and industrial chemicals 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 position 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 proactive sales approach focuses on providing customers with total solutions along the entire value chain rather than just products.

In addition, we continue to seek acquisition opportunities that support our overall strategy. Our strategic focus is on expanding our presence in emerging markets to capture the expected strong growth in demand for chemicals in these regions. Today, we already generate almost 30% of our total sales in these emerging markets. In the established markets of Western Europe and North America, we continue to further develop our product and service portfolio as well as to optimize our national and international distribution networks, also through acquisitions.

STEADILY IMPROVING PROFITABILITY A further element of our strategy is to continually and systematically increase profitability. On the basis of our entrepreneurial culture, our operational excellence and our resilient business model, we strive to steadily increase our operating gross profits, EBITDA, cash flows and achieve an attractive return on capital. 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 based on global and regional initiatives. We seek to effectively leverage our capabilities through accelerated and targeted growth in the particularly attractive industries: water treatment, personal care, pharmaceuticals, food & beverages, oil & gas as well as adhesives, coatings, elastomers and sealants. 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 the customer-specific mixing and blending business by providing value-added services.

Besides our growth initiatives, we continue to optimize our network, to adopt best practice solutions throughout the Brenntag Group and to improve operational efficiency by optimizing our warehouse and transport logistics and continually refining the procurement and sales processes on a regional and global level.

All of our top initiatives are based on our guiding strategic principles:

- intense customer orientation
- full-line product portfolio focused on value-added services
- complete geographic coverage
- accelerated growth in target markets
- commercial and technical competence

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. For more information on our HSE strategy, please refer to the chapter “Health, Safety and Environmental Protection, Quality Management” in our Annual Report 2013.

Furthermore, at Brenntag, sustainability has always been essential to the way we operate. We believe that the business practices we follow today must also benefit the needs of future generations. It is important to operate safely, act as a true corporate citizen, minimize our impact on the environment and ensure our financial viability.

REPORT ON ECONOMIC POSITION

ECONOMIC ENVIRONMENT

North America and Europe showed positive growth momentum in the first quarter of 2014. In contrast, the economic development in the emerging markets has slowed. The Global Manufacturing Purchasing Managers' Index, has remained clearly above the neutral mark of 50 at year level of 52.4 in March 2014. Overall, global industrial production over all industries in the first two months of the first quarter of 2014 grew considerably by some 3.8% in a year-on-year comparison.

Economic development in Europe is continuing to recover. Industrial output grew in the first two months of the first quarter of 2014 compared to the prior-year period by about 2.2% which represent the strongest year-on-year quarterly growth rate for more than two years.

Industrial production in the USA showed considerable growth of some 3.4% in the first quarter of 2014. Economic development in the first quarter of 2014 was impacted by an extremely hard winter which caused challenging operating conditions.

The overall economic development in Latin America remained modest. In particular Venezuela showed a deteriorating economic environment, with high inflation rates and shortages of products fuelling economic and social turmoil. In Latin America overall, industrial production grew slightly in the first two months of the first quarter of 2014 at approx. 0.6%.

In the emerging Asian economies and in particular in China, economic momentum cooled to a certain extent in the first quarter of 2014. Thailand's economy remained under pressure from the country's political unrest. In the Asian economic area as a whole, industrial production grew by about 6.2% in the first two months of the first quarter of 2014 compared to the prior-year period.

BUSINESS PERFORMANCE

MAJOR EVENTS IMPACTING ON BUSINESS IN THE FIRST QUARTER OF 2014 In March 2014, Brenntag extended the term of its existing syndicated credit facility ahead of schedule and achieved further improvements. The loan agreement with an original term to July 2016 has been extended and now runs to March 2019. At the same time, the interest margins have been reduced significantly and the volume of the revolving credit facility has been expanded by EUR 100,0 million. With this transaction, Brenntag has placed its financing on very comfortable long-term footing, reduced its interest costs significantly and expanded its financial flexibility. For details, please refer to the chapter "Financing".

End of March 2014, Brenntag signed an agreement to acquire Gafor Distribuidora Ltd, a Latin American distributor of specialty solvents headquartered in São Paulo, Brazil. Through this acquisition, Brenntag is expanding its market presence in Brazil as the most important chemical distribution market in Latin America and adding critical mass to its existing operation in the country. For the financial year 2013, Gafor generated total sales of approx. US dollar 70 million. The transaction was closed at the beginning of April 2014.

STATEMENT BY THE BOARD OF MANAGEMENT ON BUSINESS PERFORMANCE In the first quarter of 2014, the Brenntag Group was operating in an overall economic environment that showed signs of improvement. On the other hand, the currency developments, particularly the weakness of the US dollar, resulted in a headwind for the Group's earnings. The negative EBITDA growth of 0.4% translates into a positive 2.8% on a constant currency basis, indicating the significance of the exchange rate effect. We exceeded the prior-year figures for operating gross profit as well as operating EBITDA on a constant currency basis. This increase was driven by growth of the existing business as well as the inclusion of acquisitions undertaken after the first quarter of 2013, mainly Lubrication Services, L.L.C..

Operating EBITDA could not fully reach the prior-year level due to negative exchange rate effects. However, on a constant currency basis operating EBITDA in the first quarter of 2014 was up on the figure for the same period in 2013. This was not only due to the contribution made by the acquisitions but also to growth of existing business.

The picture differed among the various regions. While Europe recorded a very encouraging development of earnings, North America suffered from adverse weather conditions in January and February which reduced operational efficiency and could therefore only report a slight increase. Earnings in Asia Pacific and Latin America were not satisfactory, in part due to macroeconomic influences.

Average working capital increased moderately compared to the level in the first quarter of 2013. This increase was mainly due to higher sales, partly as a result of the acquisitions made. Annualized working capital turnover remained in the reporting period unchanged at the level of 2013.

Investment in property, plant and equipment increased moderately in the first quarter of 2014 compared to the prior-year period. Brenntag continues to make appropriate investment in our existing infrastructure as well as in growth projects.

Overall, the Brenntag Group continued to prove the resilience of its business model in the first quarter of 2014. This is also reflected in the free cash flow, which slightly exceeded the level of the first quarter of 2013.

RESULTS OF OPERATIONS

BUSINESS PERFORMANCE OF THE BRENNTAG GROUP

			Change		
in EUR m	**Q1 2014**	Q1 2013	abs.	in %	in % (fx adj.) [1]
Sales	2,416.1	2,419.1	−3.0	−0.1	2.9
Operating gross profit	495.5	489.1	6.4	1.3	4.5
Operating expenses	−331.5	−324.4	−7.1	2.2	5.4
Operating EBITDA	**164.0**	**164.7**	**−0.7**	**−0.4**	**2.8**
Transaction costs/holding charges	–	–	–	–	–
EBITDA (incl. transaction costs/holding charges)	**164.0**	**164.7**	**−0.7**	**−0.4**	**2.8**
Depreciation of property, plant and equipment and investment property	−24.0	−24.2	0.2	−0.8	0.8
EBITA	140.0	140.5	−0.5	−0.4	3.1
Amortization of intangible assets	−8.8	−10.0	1.2	−12.0	−7.4
Financial result	−22.2	−24.5	2.3	−9.4	–
Profit before tax	109.0	106.0	3.0	2.8	–
Income taxes	−36.9	−36.2	−0.7	1.9	–
Profit after tax	72.1	69.8	2.3	3.3	–

B.02 BUSINESS PERFORMANCE OF THE BRENNTAG GROUP

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

Sales, volumes and prices

In the first quarter of 2014, the Brenntag Group recorded sales of EUR 2,416.1 million, just short of the prior-year level by 0.1%. On a constant currency basis, however, sales grew by 2.9% as a result of a strong increase in volumes. In addition to organic growth of the business, the first-time inclusion of the acquisitions, including Lubrication Services, L.L.C., Oklahoma City, USA, made in the prior year but not yet consolidated in the first quarter of 2013, also made a contribution.

Operating gross profit

In the first quarter of 2014, operating gross profit of the Brenntag Group increased by 1.3% to EUR 495.5 million compared to the prior-year period. On a constant currency basis, that is growth of 4.5% and was largely due to higher volumes.

Operating expenses

In the first quarter of 2014, operating expenses of the Brenntag Group totalled EUR 331.5 million, thus rising by 2.2% (by 5.4% on a constant currency basis). This increase was mainly due to the expansion of business both through organic growth, particularly of volumes, and through the acquisitions made in the previous year.

EBITDA

The Brenntag Group posted EBITDA of EUR 164.0 million in the first quarter of 2014, a decrease of 0.4% on the prior-year period. However, on a constant currency basis, the Group exceeded the prior-year figure by 2.8%. Adjusted for transaction costs and holding charges, operating EBITDA also totalled EUR 164.0 million and was therefore 0.4% lower and, on a constant currency basis, 2.8% higher than the prior-year level. This was mainly driven by growth of the existing business and, to a lesser extent, the first-time inclusion of acquisitions made in 2013. The earnings were achieved in an overall situation which was marked by strong improvement in Europe and negative weather influences but continued improvement in North America. The development was clearly more difficult in Latin America and Asia Pacific.

Depreciation, amortization and financial result

Depreciation of property, plant and equipment and investment property as well as amortization of intangible assets amounted to EUR 32.8 million in the first quarter of 2014 (Q1 2013: EUR 34.2 million). Of this figure, EUR 24.0 million relates to depreciation of property, plant and equipment and investment property and EUR 8.8 million to amortization of intangible assets.

The financial result amounted to EUR –22.2 million in the first quarter of 2014 and therefore improved compared to the first quarter of 2013 (EUR –24.5 million). This improvement does not yet include the positive effects from the adjustment of the syndicated loan. At the end of March 2014, Brenntag extended the term of the loan ahead of schedule to March 2019 and at the same time reduced the interest margins, which will have a positive effect on the financial result in the coming quarters.

Profit before tax

Profit before tax in the first quarter of 2014 amounted to EUR 109.0 million (Q1 2013: EUR 106.0 million).

Income tax and profit after tax

At EUR 36.9 million in the first quarter of 2014 (Q1 2013: EUR 36.2 million), income tax was slightly higher than the figure for the prior-year period.

The expected corporate income tax rate for the 2014 financial year was applied when determining tax expense in the first quarter of 2014. Certain earnings or expenses respectively are not taken into consideration when determining the expected corporate income tax rate and calculating income taxes for the reporting period. Examples for these earnings and expenses are changes in purchase price obligations and liabilities under IAS 32 to minorities or effects resulting from the fx driven revaluation of assets in Venezuela. Such earnings and expenses cannot be planned with sufficient accuracy and they are generally tax neutral.

	Q1 2014			Q1 2013		
in EUR m	Profit before tax	Tax rate	Income taxes	Profit before tax	Tax rate	Income taxes
		in %			in %	
excluding tax-neutral earnings/expenses which cannot be planned	**109.1**	**33.8**	**36.9**	109.4	33.1	36.2
tax-neutral earnings/expenses which cannot be planned with sufficient accuracy	**−0.1**	**–**	**–**	−3.4	–	–
including tax-neutral earnings/expenses which cannot be planned	**109.0**	**33.8**	**36.9**	106.0	34.1	36.2

B.03 PROFIT BEFORE TAX AFTER ELIMINATION OF TAX-NEUTRAL EARNINGS AND EXPENSES

The profit after tax totalled EUR 72.1 million in the first quarter of 2014 (Q1 2013: EUR 69.8 million).

BUSINESS PERFORMANCE IN THE SEGMENTS

Q1 2014 in EUR m	**Brenntag Group**	Europe	North America	Latin America	Asia Pacific	All Other Segments
External sales	2,416.1	1,175.6	771.7	196.5	162.9	109.4
Operating gross profit	495.5	244.1	182.4	37.6	27.8	3.6
Operating expenses	−331.5	−160.9	−114.4	−26.9	−19.3	−10.0
Operating EBITDA	**164.0**	**83.2**	**68.0**	**10.7**	**8.5**	**−6.4**

B.04 BUSINESS PERFORMANCE IN THE SEGMENTS

EUROPE

in EUR m	Q1 2014	Q1 2013	Change abs.	Change in %	Change in % (fx adj.)
External sales	1,175.6	1,151.9	23.7	2.1	2.7
Operating gross profit	244.1	232.5	11.6	5.0	5.4
Operating expenses	−160.9	−156.8	−4.1	2.6	3.1
Operating EBITDA	**83.2**	**75.7**	**7.5**	**9.9**	**10.2**

B.05 BUSINESS PERFORMANCE IN THE SEGMENTS / EUROPE

External sales, volumes and prices

In the first quarter of 2014, the Europe segment recorded external sales of EUR 1,175.6 million. This corresponds to an increase of 2.1% and 2.7% on a constant currency basis and was largely attributable to higher volumes.

Operating gross profit

In the first quarter of 2014, operating gross profit in the Europe segment totalled EUR 244.1 million, rising by 5.0% compared to the first quarter of 2013. On a constant currency basis, that is growth of 5.4% and is largely due to higher volumes.

Operating expenses

Operating expenses in the Europe segment amounted to EUR 160.9 million in the first quarter of 2014 and therefore increased by 2.6% or by 3.1% on a constant currency basis. Continued strict cost management helped to ensure that the increase in operating expenses remained moderate. The main increase was in personnel costs as well as some volume-related costs.

Operating EBITDA

In the first quarter of 2014, the European companies posted operating EBITDA of EUR 83.2 million, growing earnings strongly by 9.9% or 10.2% on a constant currency basis compared to the prior-year period. In view of just a slight recovery of the economy in Europe, this is a remarkable result, which reflects the strong efforts of the last years and which we are very satisfied with.

NORTH AMERICA

in EUR m	Q1 2014	Q1 2013	Change abs.	Change in %	Change in % (fx adj.)
External sales	771.7	755.8	15.9	2.1	6.9
Operating gross profit	182.4	179.2	3.2	1.8	6.7
Operating expenses	−114.4	−109.5	−4.9	4.5	9.9
Operating EBITDA	**68.0**	**69.7**	**−1.7**	**−2.4**	**1.6**

B.06 BUSINESS PERFORMANCE IN THE SEGMENTS / NORTH AMERICA

External sales, volumes and prices

In the first quarter of 2014, the business in North America was affected by adverse weather conditions across various states. Nevertheless, external sales of the North American companies increased by 2.1% and by 6.9% on a constant currency basis to EUR 771.7 million compared to the prior-year quarter. This growth is largely attributable to higher volumes, partly due to the first-time inclusion of Lubrication Services, L.L.C., which was acquired towards the end of the first quarter of 2013 but consolidated only from the second quarter onwards.

Operating gross profit

In the first quarter of 2014, the North America segment generated operating gross profit of EUR 182.4 million, which is an increase of 1.8% compared to the prior-year level. On a constant currency basis, operating gross profit increased by 6.7%. This growth resulted above all from higher volumes, which were partly due to the aforementioned acquisition.

Operating expenses

In the first quarter of 2014, operating expenses totalled EUR 114.4 million, rising by 4.5% or 9.9% on a constant currency basis compared to the prior-year period. This increase was mainly due to higher volumes. Furthermore, particularly adverse weather conditions led to a lower than normal operating efficiency due to more difficult delivery conditions and overtime amongst others. The overall increase was reflected in personnel expenses, rents as well as maintenance and transportation costs.

Operating EBITDA

The North American companies posted operating EBITDA of EUR 68.0 million in the first quarter of 2014. Compared to the prior-year period, that is a decrease of 2.4%, but an increase of 1.6% on a constant currency basis. This increase was driven by the first-time inclusion of Lubrication Services, L.L.C., which was acquired in 2013. Given the aforementioned adverse weather conditions that affected large parts of the North American economy during the first quarter of 2014, we consider this development to be satisfactory.

LATIN AMERICA

in EUR m	Q1 2014	Q1 2013	Change abs.	Change in %	Change in % (fx adj.)
External sales	196.5	215.4	−18.9	−8.8	−0.8
Operating gross profit	37.6	42.4	−4.8	−11.3	−4.1
Operating expenses	−26.9	−29.7	2.8	−9.4	−2.2
Operating EBITDA	**10.7**	**12.7**	**−2.0**	**−15.7**	**−8.5**

B.07 BUSINESS PERFORMANCE IN THE SEGMENTS / LATIN AMERICA

External sales, volumes and prices

In the first quarter of 2014, the Latin America segment managed to increase volumes. External sales showed a decline of 8.8% compared to the prior-year period, largely as a result of exchange rate effects. On a constant currency basis, however, the decrease was only 0.8%.

Operating gross profit

In the first quarter of 2014, operating gross profit totalled EUR 37.6 million, which is a decrease of 11.3% and 4.1% on a constant currency basis. This was particularly driven by the difficult business environment in Venezuela. Excluding Venezuela, operating gross profit grew slightly on a constant currency basis.

Operating expenses

In the first quarter of 2014, operating expenses totalled EUR 26.9 million, which is a decrease of 9.4% or 2.2% on a constant currency basis compared to the prior-year period. The strict cost control measures initiated in 2013 had a positive effect.

Operating EBITDA

The companies of the Latin America segment posted operating EBITDA of EUR 10.7 million, which is a decrease of 15.7% (8.5% on a constant currency basis) compared to the first quarter of 2013. Excluding Venezuela, operating EBITDA on a constant currency basis was 5.9% higher than in the prior-year period.

ASIA PACIFIC

			Change		
in EUR m	**Q1 2014**	Q1 2013	abs.	in %	in % (fx adj.)
External sales	162.9	177.3	−14.4	−8.1	−1.2
Operating gross profit	27.8	31.2	−3.4	−10.9	−2.1
Operating expenses	−19.3	−17.9	−1.4	7.8	19.1
Operating EBITDA	**8.5**	**13.3**	**−4.8**	**−36.1**	**−30.3**

B.08 BUSINESS PERFORMANCE IN THE SEGMENTS / ASIA PACIFIC

External sales, volumes and prices

The Asia Pacific segment generated external sales of EUR 162.9 million in the first quarter of 2014, which is a decrease of 8.1% compared to the prior-year period. On a constant currency basis, however, the decrease was only 1.2%.

Operating gross profit

In the first quarter of 2014, operating gross profit totalled EUR 27.8 million, falling by 10.9% and 2.1% on a constant currency basis compared to the prior-year period. The first-time inclusion of the business of Blue Sky Environment Pty Ltd and the Zytex Group, which were acquired in 2013 but had not yet been consolidated in the first quarter of 2013, had a positive effect on the operating gross profit.

Operating expenses

Operating expenses in the reporting period amounted to EUR 19.3 million, rising compared to the first quarter of 2013 by 7.8% (on a constant currency basis by 19.1%). This development includes the contribution of acquisitions undertaken after the first quarter of 2013. In addition, it reflects our objective to upgrade our infrastructure and capabilities to be able to generate future growth. It was mainly attributable to higher personnel costs and rents which increased not only as a result of investment in organic expansion of the region but also due to the acquisitions.

Operating EBITDA

The companies of the Asia Pacific segment posted operating EBITDA of EUR 8.5 million in the first quarter of 2014, a figure well below the prior-year level. The decrease was 36.1% or 30.3% on a constant currency basis and was partly due to the business environment in some countries relevant for our business.

ALL OTHER SEGMENTS

in EUR m	Q1 2014	Q1 2013	Change abs.	Change in %	Change in % (fx adj.)
External sales	109.4	118.7	−9.3	−7.8	−7.8
Operating gross profit	3.6	3.8	−0.2	−5.3	−5.3
Operating expenses	−10.0	−10.5	0.5	−4.8	−4.8
Operating EBITDA	**−6.4**	**−6.7**	**0.3**	**−4.5**	**−4.5**

B.09 BUSINESS PERFORMANCE IN THE SEGMENTS / ALL OTHER SEGMENTS

In addition to various holding companies, all other segments contains the operations of Brenntag International Chemicals, which buys and sells chemicals in bulk on an international scale without regional boundaries.

In the first quarter of 2014, operating EBITDA of Brenntag International Chemicals GmbH, Mülheim an der Ruhr, was below the high level of the prior-year period due to a slight decline in operating gross profit whilst operating expenses remained constant.

In the same period, the holding companies posted operating EBITDA that was well above the figure for the first quarter of 2013 as a result of lower operating expenses, particularly for personnel.

Overall, the operating EBITDA of all other segments in the first quarter of 2014 amounted to EUR −6.4 million and was thus EUR 0.3 million more favourable than the figure for the same prior-year period.

FINANCIAL POSITION

CAPITAL STRUCTURE The primary objective of capital structure management is to maintain the Group's financial strength. Brenntag concentrates on a capital structure which enables the Group to cover its potential financing requirements at all times. This gives Brenntag a high degree of independence, security and flexibility. Our liquidity, interest and currency risks are largely managed on a Group-wide basis. Derivative financial instruments are only used to hedge the above-mentioned risks from underlying transactions and not for speculative purposes. A Group-wide Finance Guideline ensures the implementation of the financial policy and uniform processes throughout the Group.

The most important component in the financing structure of Brenntag AG is the Group-wide syndicated loan agreement that we concluded with a consortium of international banks on June 27, 2011. This loan agreement was extended at the end of March 2014 ahead of schedule and now matures in March 2019. At the same time, the interest margins were reduced significantly and the revolving credit facility increased by EUR 100,0 million. Through the prolongation, the financial flexibility of the Brenntag Group was further improved and the maturity profile of the credit portfolio placed on a very comfortable long-term footing.

The loan is based on variable interest rates and is divided into different tranches with different currencies. In addition to these completely drawn tranches, the loan agreement also contains a revolving credit facility of EUR 600.0 million, which can be drawn down in various currencies.

While some of our subsidiaries are direct borrowers under the loan, others obtain their financing from intra-group loans. Major Group companies are liable for the debt under the syndicated loan. Total liabilities (excluding accrued interest and before offsetting of transaction costs) under the syndicated loan amounted to EUR 1,037.2 million as at March 31, 2014. The revolving credit facility was mostly unused on the reporting date.

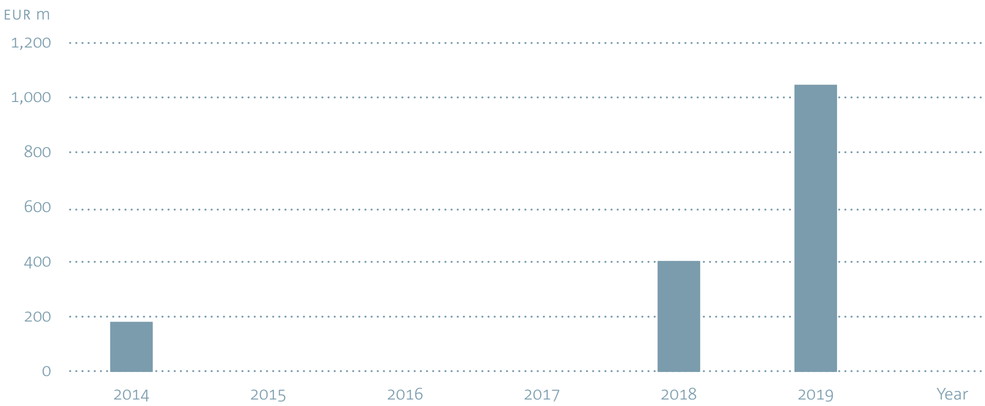
In April 2013, parts of the floating-rate syndicated loan were hedged against interest rate risks in the long term with suitable financial instruments. Overall, some 50% of the financial indebtedness of the Brenntag Group is currently hedged against the risk of interest rate increases.

The bond issued by our Group company, Brenntag Finance B.V., Amsterdam, Netherlands, in July 2011 has a volume of EUR 400.0 million and matures in July 2018. The bond bears a coupon of 5.5% with interest paid annually. It 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.

Alongside the syndicated loan and the bond, an international accounts receivable securitization programme is an important component of Group funding. Under this programme, ten Brenntag companies in five countries regularly transfer trade receivables to the consolidated special-purpose entity Brenntag Funding Limited, Dublin, Ireland. The receivables remain in the consolidated balance sheet until payment by the customers. A credit facility of max. EUR 220.0 million is available under this accounts receivable securitization programme, with financial liabilities under the programme totalling the equivalent of EUR 175.7 million (before offsetting of transaction costs) as at March 31, 2014. The programme was extended several times in recent years and currently matures in June 2014. Furthermore, some of our companies make use of credit lines with local banks on a lesser scale in consultation with the Group management.

According to our short and mid-term financial planning, the capital requirements for operating activities, investments in property, plant and equipment as well as dividends and acquisitions in the size of past practice are expected to be covered by the cash provided by operating activities so that no further loans are necessary for these purposes. Under the syndicated loan, we also have the previously mentioned revolving credit facility available to cover short-term liquidity requirements and for general corporate purposes.

MATURITY PROFILE OF OUR CREDIT PORTFOLIO [1] AS PER MARCH 31, 2014



B.10 MATURITY PROFILE OF OUR CREDIT PORTFOLIO

[1] Syndicated loan, bond and liabilities under international accounts receivable securitization programme excluding accrued interest and transaction costs.

INVESTMENTS In the first quarter of 2014, investments in property, plant and equipment and intangible assets (excluding additions from company acquisitions) led to a total cash outflow of EUR 20.0 million (Q1 2013: EUR 21.9 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 comprehensive health, safety and environmental requirements.

Major investment projects in the reporting period were:

- Jankowice site, Poland (EUR 0.7 million): Poland is expected to have substantial shale gas resources. In order to benefit from growth potential in this area, the storage capacity of Jankowice will be expanded. In addition, an application and test lab for oil and gas products will be installed. The project also includes the installation of a water treatment plant in order to comply with the latest environmental standards and sustainability aspects. The project was started in 2013.
- Ossona site, Italy (EUR 0.6 million): Brenntag Italy is investing in special heated tanks for the storage of oleochemicals. Oleochemicals are chemicals based on regenerative raw materials, are therefore a growth field of business and are closely associated with the term sustainability.
- Cheyenne site, Wyoming, USA (EUR 1.0 million): A new site is being built in Cheyenne. The project comprises a 2,787 m^2 warehouse, eleven tanks as well as mixing facilities and a rail link. There are two large shale gas deposits in the vicinity which can be optimally supplied thanks to the new infrastructure.
- Santiago de Chile site, Chile (EUR 0.1 million): The site is being enlarged by acquiring a neighbouring plot of land and building additional production facilities. The investment is necessary to take account of the growing business volume and to bring the facilities into line with the latest environmental and safety requirements. The project was started in 2013.

Investments are typically funded from cash flow and / or cash from the respective Group companies. With larger investment plans which cannot be covered by local funds, financing is provided by the Group and external borrowings are mostly not necessary.

LIQUIDITY

CASH FLOW

in EUR m	Q1 2014	Q1 2013
Cash provided by operating activities	**46.7**	**33.7**
Cash used for investing activities	**−26.3**	**−20.5**
thereof purchases of consolidated subsidiaries, other business units and other financial assets	(−7.2)	(−)
thereof purchases of other investments	(−20.0)	(−21.9)
thereof proceeds from divestments	(0.9)	(1.4)
Cash used for financing activities	**0.0**	**−5.3**
Change in cash and cash equivalents	**20.4**	**7.9**

B.11 CASH FLOW

The cash of the Group provided by operating activities totalled EUR 46.7 million in the reporting period and was therefore EUR 13.0 million higher than the prior-year figure. The increase is mainly due to lower tax and interest payments.

Of the cash used for investing activities totalling EUR 26.3 million, EUR 20.0 million was for purchases of intangible assets as well as property, plant and equipment. The purchases of consolidated subsidiaries, other business units and other financial assets totalling EUR 7.2 million include the purchase price of EUR 6.6 million for certain business units of Kemira Water Danmark A/S in Denmark acquired as part of an asset deal.

The cash inflows from and outflows for financing activities balanced each other out in the reporting period and largely related to loans taken out (EUR 7.3 million) and redemptions (EUR 5.7 million) on local bank loans.

The Brenntag Group's free cash flow amounted to EUR 75.7 million in the first quarter of 2014 and thus increased by 7.4% compared to the first quarter of 2013 (EUR 70.5 million).

DEVELOPMENT OF FREE CASH FLOW

			Change	
in EUR m	Q1 2014	Q1 2013	abs.	in %
EBITDA (incl. transaction costs/holding charges)	164.0	164.7	−0.7	−0.4
Investments in non-current assets (Capex)	−18.6	−15.6	−3.0	19.2
Change in working capital	−69.7	−78.6	8.9	−11.3
Free cash flow	**75.7**	**70.5**	**5.2**	**7.4**

B.12 DEVELOPMENT OF FREE CASH FLOW

Whilst EBITDA was almost on the prior-year level and capex was higher than in 2013, this was more than compensated by the change in working capital, which was well below the prior-year level.

FINANCIAL AND ASSETS POSITION

	Mar. 31, 2014		Dec. 31, 2013	
in EUR m	abs.	in %	abs.	in %
Assets				
Current assets	**2,801.3**	**48.1**	**2,589.8**	**46.0**
Cash and cash equivalents	448.8	7.7	426.8	7.6
Trade receivables	1,424.2	24.4	1,248.8	22.2
Other receivables and assets	167.8	2.9	157.1	2.8
Inventories	760.5	13.1	757.1	13.4
Non-current assets	**3,025.2**	**51.9**	**3,037.5**	**54.0**
Intangible assets [1]	2,070.4	35.5	2,074.3	36.9
Other fixed assets	861.2	14.8	869.4	15.4
Receivables and other assets	93.6	1.6	93.8	1.7
Total assets	**5,826.5**	**100.0**	**5,627.3**	**100.0**
Liabilities and Equity				
Current liabilities	**1,797.5**	**30.9**	**1,656.4**	**29.4**
Provisions	41.3	0.7	37.3	0.7
Trade payables	1,072.3	18.4	961.5	17.1
Financial liabilities	303.7	5.2	293.9	5.2
Miscellaneous liabilities	380.2	6.6	363.7	6.4
Equity and non-current liabilities	**4,029.0**	**69.1**	**3,970.9**	**70.6**
Equity	2,147.3	36.8	2,093.7	37.2
Non-current liabilities	1,881.7	32.3	1,877.2	33.4
Provisions	226.3	3.9	212.5	3.8
Financial liabilities	1,467.8	25.2	1,474.6	26.2
Miscellaneous liabilities	187.6	3.2	190.1	3.4
Total liabilities and equity	**5,826.5**	**100.0**	**5,627.3**	**100.0**

B.13 FINANCIAL AND ASSETS POSITION

[1] Of the intangible assets as of March 31, 2014, some EUR 1,144 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.

As of March 31, 2014, total assets had increased by 3.5% to EUR 5,826.5 million (December 31, 2013: EUR 5,627.3 million).

Cash and cash equivalents increased by 5.2% to EUR 448.8 million (December 31, 2013: EUR 426.8 million).

Working capital is defined as trade receivables plus inventories less trade payables. The three components of working capital developed in the reporting period as follows:

- Trade receivables increased in the reporting period by 14.0% to EUR 1,424.2 million (December 31, 2013: EUR 1,248.8 million).
- Inventories increased by 0.4% in the reporting period to EUR 760.5 million (December 31, 2013: EUR 757.1 million).
- With the opposite effect on the change in working capital, trade payables increased by 11.5% to EUR 1,072.3 million (December 31, 2013: EUR 961.5 million).

Working capital – adjusted for exchange rate effects and acquisitions – has risen since December 31, 2013 by a total of EUR 69.7 million. At 9.0, the annualized working capital turnover [1] in the reporting period remained unchanged at the level of 2013 (9.0).

The intangible assets and other fixed assets of the Brenntag Group decreased by 0.4% or EUR 12.1 million to EUR 2,931.6 million year-on-year (December 31, 2013: EUR 2,943.7 million). The change was mainly a result of investments in non-current assets (EUR 18.6 million) and acquisitions (EUR 7.2 million), on the one hand, as well as scheduled depreciation and amortization (EUR 32.8 million) and negative exchange rate effects (EUR 4.2 million), on the other.

Both the current financial liabilities of EUR 303.7 million (December 31, 2013: EUR 293.9 million) and non-current financial liabilities of EUR 1,467.8 million (December 31, 2013: EUR 1,474.6 million) remained virtually unchanged in the reporting period compared to year-end 2013.

Current and non-current provisions amounted to EUR 267.6 million (December 31, 2013: EUR 249.8 million). This figure included pension provisions amounting to EUR 117.8 million (December 31, 2013: EUR 101.0 million).

As of March 31, 2014, the equity of the Brenntag Group totalled EUR 2,147.3 million (December 31, 2013: EUR 2,093.7 million).

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

EMPLOYEES

As of March 31, 2014, Brenntag had 13,351 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.

	Mar. 31, 2014		Dec. 31, 2013	
Full-time equivalents (FTE)	**abs.**	**in %**	abs.	in %
Europe	6,242	46.8	6,145	46.6
North America	4,017	30.1	3,970	30.1
Latin America	1,415	10.6	1,418	10.8
Asia Pacific	1,561	11.6	1,536	11.6
All Other Segments	116	0.9	116	0.9
Brenntag Group	**13,351**	**100.0**	**13,185**	**100.0**

B.14 EMPLOYEES PER SEGMENT

SUBSEQUENT EVENTS

In early April, the acquisition of Gafor Distribuidora Ltd, a Latin American distributor of specialty solvents headquartered in São Paulo, Brazil, was completed. Through this acquisition, Brenntag is expanding its market presence in Brazil as the most important chemical distribution market in Latin America and adding critical mass to its existing operation in the country.

REPORT ON EXPECTED DEVELOPMENTS

According to a forecast by the International Monetary Fund, the global economy, measured in terms of GDP, is likely to grow in 2014 at rates slightly higher than in 2013. Using the size of the countries within the Brenntag Group measured in terms of sales, this results in an overall weighted average growth rate of 2.3%. We expect the positive macroeconomic development experienced in Europe during the first quarter of 2014 to continue throughout the year. For North America we expect an improvement after the first quarter has been negatively impacted by the weather. Furthermore, we expect the economic difficulties in Latin America, particularly in Venezuela, and in Asia, particularly in Thailand, not to be resolved in the short term.

Against this background, in 2014 we are currently anticipating the following Group and segment developments in local currencies, i.e. excluding exchange rate effects and after adjustment of the 2013 figures for a one-time expense in Europe:

For the Brenntag Group, we expect all relevant earnings parameters to grow. Operating gross profit should meaningfully increase both as a result of higher volumes and an increase in operating gross profit per unit. All segments are expected to support this development albeit to different degrees. Overall, operating EBITDA should grow moderately. We are expecting growth to be driven mainly by the segments Europe and North America.

In the Europe segment, we predict a moderate increase in operating gross profits. This estimate is largely based on the assumption of higher volumes, particularly as a result of growth in our focus industries. We are confident that we can limit the increase in operating expenses by continuing tight cost control and expect the growth rate of operating EBITDA to be higher than that of operating gross profit.

In the North America segment, we believe that operating gross profit will grow significantly. This will be partly driven by the planned expansion of our oil and gas business as well as the anticipated growth in our other focus industries. We also expect the operating gross profit per unit to contribute to this development. A moderate increase in operating EBITDA is expected.

The expected development in the Latin America segment will be strongly influenced by the continued unfavourable overall economic situation in Venezuela, which is significantly affecting our business. For the other Latin American companies, we expect a meaningful increase in operating gross profit. We believe that we will achieve this growth largely through higher volumes. As a result of the planned implementation of measures to optimize our value chain, we expect to be able to keep the operating expenses strictly controlled. After changes carried out in 2013, we are well positioned to grow in line with the positive economic growth forecast for Latin America. Following the decline experienced in 2013, we expect to achieve a significant increase in operating EBITDA for the region excluding Venezuela, but only slight growth including this country.

In the Asia Pacific segment, we are confident that we can profit from the growth of our product portfolio and the expansion of our sales markets given the positive economic momentum in this region. Therefore, we forecast significant growth in operating gross profit for the rest of the year translating into a meaningful increase on a full-year basis. We expect a significant increase in operating expenses due to various planned structural expenses aimed at further improving and expanding our infrastructure in this region. Furthermore, our business is likely to continue to suffer under the political development in Thailand. Nevertheless, we expect that operating EBITDA will increase significantly for the rest of the year, translating into slight growth on a full-year basis.

Given the above-mentioned increase in business volume and higher prices, we are forecasting moderately higher working capital compared to the end of 2013. We will continue to focus on the management of customer and supplier relationships and work on the sustained optimization of warehouse logistics. As a result, we expect to maintain the high level of working capital turnover achieved in 2013 despite increasing pressure from customers and suppliers.

In order to adjust property, plant and equipment capacities to the increasing business volume, we are planning investments in property, plant and equipment on an appropriate scale in 2014. We are expecting an increase in investments compared to 2013, primarily as a result of projects for expanding our business operations.

Overall, we believe that free cash flow in 2014 will be meaningfully higher than in 2013 so we can continue our acquisition strategy and dividend policy while maintaining an adequate liquidity position without increasing net debt.

REPORT ON OPPORTUNITIES AND RISKS

Our strategy is focused on the continuous improvement of the efficiency and underlying profitability of our business. The Brenntag Group companies are exposed to a significant number of risks which may arise from their business activities in the field of chemicals distribution and related areas. At the same time, these business activities do not only lead to risks but also provide numerous opportunities to safeguard and enhance the company's competitiveness and growth.

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

In the first quarter of 2014, there were no significant changes in the opportunities and risks for the Brenntag Group described in detail in the 2013 Annual Report. Other risks that we are currently unaware of or that we now consider immaterial might also negatively impact our business operations. From today's point of view, there are no indications of any risks that may jeopardize the continued existence of the company.

CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

(International Financial Reporting Standards)
at March 31, 2014

CONTENTS INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

in EUR m	Note	**Jan. 1 – Mar. 31, 2014**	Jan. 1 – Mar. 31, 2013
Sales		2,416.1	2,419.1
Cost of goods sold		−1,932.5	−1,941.2
Gross profit		**483.6**	**477.9**
Selling expenses		−317.1	−313.4
Administrative expenses		−36.2	−36.2
Other operating income		5.5	6.6
Other operating expenses		−4.6	−4.4
Operating profit		**131.2**	**130.5**
Result of investments accounted for at equity		0.8	−0.2
Finance income	1.)	2.1	2.1
Finance costs	2.)	−21.1	−20.8
Changes in purchase price obligations and liabilities under IAS 32 to minorities	3.)	−1.0	−1.7
Other financial result		−3.0	−3.9
Financial result		**−22.2**	**−24.5**
Profit before tax		**109.0**	**106.0**
Income taxes	4.)	−36.9	−36.2
Profit after tax		**72.1**	**69.8**
Attributable to:			
Shareholders of Brenntag AG		72.1	69.7
Minority shareholders		0.0	0.1
Undiluted earnings per share in euro	5.)	**1.40**	**1.35**
Diluted earnings per share in euro	5.)	**1.40**	**1.35**

C.01 CONSOLIDATED INCOME STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	Note	**Jan. 1 – Mar. 31, 2014**	Jan. 1 – Mar. 31, 2013
Profit after tax		**72.1**	**69.8**
Remeasurement of defined benefit plans	8.)	−18.1	10.4
Deferred tax on remeasurement of defined benefit plans	8.)	4.8	−2.9
Non-reclassifiable other comprehensive income		**−13.3**	**7.5**
Change in exchange rate differences of fully consolidated companies		−5.1	25.8
Change in exchange rate differences of companies accounted for at equity		−0.1	−1.2
Change in net investment hedge reserve		1.1	−1.8
Change in cash flow hedge reserve		−1.6	–
Deferred tax on change in cash flow hedge reserve		0.5	–
Reclassifiable other comprehensive income		**−5.2**	**22,8**
Other comprehensive income		**−18.5**	**30.3**
Total comprehensive income		**53.6**	**100.1**
Attributable to:			
Shareholders of Brenntag AG		54.4	99.0
Minority shareholders		−0.8	1.1

C.02 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED BALANCE SHEET

ASSETS

in EUR m	Note	Mar. 31, 2014	Dec. 31, 2013
Current Assets			
Cash and cash equivalents		448.8	426.8
Trade receivables		1,424.2	1,248.8
Other receivables		131.6	112.6
Other financial assets		2.6	6.6
Current tax assets		31.7	36.0
Inventories		760.5	757.1
Non-current assets held for sale		1.9	1.9
		2,801.3	**2,589.8**
Non-current Assets			
Property, plant and equipment		837.2	844.7
Intangible assets		2,070.4	2,074.3
Investments accounted for at equity		24.0	24.7
Other receivables		12.4	13.2
Other financial assets		28.3	30.7
Deferred tax assets		52.9	49.9
		3,025.2	**3,037.5**
Total assets		**5,826.5**	**5,627.3**

LIABILITIES AND EQUITY

in EUR m	Note	**Mar. 31, 2014**	Dec. 31, 2013
Current Liabilities			
Trade payables		1,072.3	961.5
Financial liabilities	6.)	303.7	293.9
Other liabilities		334.6	322.0
Other provisions	7.)	41.3	37.3
Current tax liabilities		45.6	41.7
		1,797.5	**1,656.4**
Non-current Liabilities			
Financial liabilities	6.)	1,467.8	1,474.6
Other liabilities		1.1	2.0
Other provisions	7.)	108.5	111.5
Provisions for pensions and similar obligations	8.)	117.8	101.0
Purchase price obligations and liabilities under IAS 32 to minorities	9.)	41.0	41.1
Deferred tax liabilities		145.5	147.0
		1,881.7	**1,877.2**
Equity			
Subscribed capital		51.5	51.5
Additional paid-in capital		1,560.1	1,560.1
Retained earnings		594.8	536.0
Accumulated other comprehensive income		−86.4	−82.0
Equity attributable to Brenntag shareholders		**2,120.0**	**2,065.6**
Equity attributable to minority shareholders		27.3	28.1
		2,147.3	**2,093.7**
Total liabilities and equity		**5,826.5**	**5,627.3**

C.03 CONSOLIDATED.BALANCE SHEET

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR m	Subscribed capital	Additional paid-in capital	Retained earnings
Dec. 31, 2012	**51.5**	**1,560.1**	**351.2**
Retrospective application of revised IAS 19	–	–	−47.0
Dec. 31, 2012 after retrospective application of revised IAS 19	**51.5**	**1,560.1**	**304.2**
Profit after tax	–	–	69.7
Other comprehensive income	–	–	7.5
Total comprehensive income	**–**	**–**	**77.2**
Mar. 31, 2013	**51.5**	**1,560.1**	**381.4**

Dec. 31, 2013	**51.5**	**1,560.1**	**536.0**
Profit after tax	–	–	72.1
Other comprehensive income	–	–	−13.3
Total comprehensive income	**–**	**–**	**58.8**
Mar. 31, 2014	**51.5**	**1,560.1**	**594.8**

Exchange rate differences	Net investment hedge reserve	Cash flow hedge reserve	Deferred taxes cash flow hedge reserve	Equity attributable to Brenntag shareholders	Minority interests	Equity
2.3	**−2.7**	**–**	**–**	**1,962.4**	**28.8**	**1,991.2**
–	–	–	–	−47.0	–	−47.0
2.3	**−2.7**	**–**	**–**	**1,915.4**	**28.8**	**1,944.2**
–	–	–	–	69.7	0.1	69.8
23.6	−1.8	–	–	29.3	1.0 [1]	30.3
23.6	**−1.8**	**–**	**–**	**99.0**	**1.1**	**100.1**
25.9	**−4.5**	**–**	**–**	**2,014.4**	**29.9**	**2,044.3**

C.04 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / MAR. 31, 2013

−85.4	**−2.1**	**8.7**	**−3.2**	**2,065.6**	**28.1**	**2,093.7**
–	–	–	–	72.1	0.0	72.1
−4.4	1.1	−1.6	0.5	−17.7	−0.8 [1]	−18.5
−4.4	**1.1**	**−1.6**	**0.5**	**54.4**	**−0.8**	**53.6**
−89.8	**−1.0**	**7.1**	**−2.7**	**2,120.0**	**27.3**	**2,147.3**

C.05 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / MAR. 31, 2014

[1] Change in exchange rate differences (accumulated exchange rate differences as at Mar. 31, 2014: EUR 1.6 million, Dec. 31, 2013: EUR 2.4 million, Mar. 31, 2013: EUR 3.8 million, Dec. 31, 2012: EUR 2.8 million).

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	Note	Jan. 1 – Mar. 31, 2014	Jan. 1 – Mar. 31, 2013
	10.)		
Profit after tax		**72.1**	**69.8**
Depreciation and amortization		32.8	34.2
Income taxes		36.9	36.2
Income tax payments		−27.9	−34.2
Interest result		19.0	18.7
Interest payments (netted against interest received)		−14.1	−17.3
Dividends received		1.3	0.1
Changes in provisions		−1.5	−6.0
Changes in current assets and liabilities			
Inventories		−4.3	−18.9
Receivables		−197.3	−168.5
Liabilities		125.0	107.2
Non-cash change in purchase price obligations and liabilities under IAS 32 to minorities		1.0	1.7
Other non-cash income and expenses as well as reclassifications		3.7	10.7
Cash provided by operating activities		**46.7**	**33.7**
Proceeds from disposals of other financial assets		0.1	–
Proceeds from disposals of intangible assets as well as property, plant and equipment		0.8	1.4
Purchases of consolidated subsidiaries and other business units		−7.1	–
Purchases of other financial assets		−0.1	–
Purchases of intangible assets as well as property, plant and equipment		−20.0	−21.9
Cash used for investing activities		**−26.3**	**−20.5**
Proceeds from borrowings		7.3	8.8
Repayments of borrowings		−7.3	−14.1
Cash used for financing activities		**0.0**	**−5.3**
Change in cash and cash equivalents		**20.4**	**7.9**
Change in cash and cash equivalents due to currency gains/losses		1.6	−1.6
Cash and cash equivalents at beginning of year		426.8	346.6
Cash and cash equivalents at end of quarter		**448.8**	**352.9**

C.06 CONSOLIDATED CASH FLOW STATEMENT

CONDENSED NOTES

KEY FINANCIAL FIGURES BY SEGMENT

for the period from January 1 to March 31

SEGMENT REPORTING IN ACCORDANCE WITH IFRS 8

in EUR m		Europe	North America	Latin America	Asia Pacific	All Other Segments	Consoli-dation	**Group**
External sales	**2014**	**1,175.6**	**771.7**	**196.5**	**162.9**	**109.4**	**–**	**2,416.1**
	2013	1.151.9	755.8	215.4	177.3	118.7	–	2.419.1
	Change in %	2.1	2.1	−8.8	−8.1	−7.8	–	−0.1
	fx adjusted change in %	2.7	6.9	−0.8	−1.2	−7.8	–	2.9
Inter-segment sales	**2014**	**1.8**	**1.0**	**0.8**	**0.8**	**0.2**	**−4.6**	**–**
	2013	2.8	1.7	1.0	0.4	0.1	−6.0	–
Operating gross profit [1]	**2014**	**244.1**	**182.4**	**37.6**	**27.8**	**3.6**	**–**	**495.5**
	2013	232.5	179.2	42.4	31.2	3.8	–	489.1
	Change in %	5.0	1.8	−11.3	−10.9	−5.3	–	1.3
	fx adjusted change in %	5.4	6.7	−4.1	−2.1	−5.3	–	4.5
Gross profit	**2014**	**–**	**–**	**–**	**–**	**–**	**–**	**483.6**
	2013	–	–	–	–	–	–	477.9
	Change in %	–	–	–	–	–	–	1.2
	fx adjusted change in %	–	–	–	–	–	–	4.4
Operating EBITDA (segment result)	**2014**	**83.2**	**68.0**	**10.7**	**8.5**	**−6.4**	**–**	**164.0**
	2013	75.7	69.7	12.7	13.3	−6.7	–	164.7
	Change in %	9.9	−2.4	−15.7	−36.1	−4.5	–	−0.4
	fx adjusted change in %	10.2	1.6	−8.5	−30.3	−4.5	–	2.8
EBITDA	**2014**	**–**	**–**	**–**	**–**	**–**	**–**	**164.0**
	2013	–	–	–	–	–	–	164.7
	Change in %	–	–	–	–	–	–	−0.4
	fx adjusted change in %	–	–	–	–	–	–	2.8
Investments in non-current assets (Capex)) [2]	**2014**	**10.4**	**5.7**	**0.6**	**0.7**	**1.2**	**–**	**18.6**
	2013	9.4	3.7	1.6	0.6	0.3	–	15.6

C.07 SEGMENT REPORTING IN ACCORDANCE WITH IFRS 8

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

GROUP KEY FINANCIAL FIGURES

in EUR m	**Jan. 1 – Mar. 31, 2014**	Jan. 1 – Mar. 31, 2013
EBITDA	**164.0**	**164.7**
Investments in non-current assets (Capex) [1]	−18.6	−15.6
Changes in working capital [2] [3]	−69.7	−78.6
Free cash flow	**75.7**	**70.5**

C.08 FREE CASH FLOW

[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 acquisitions.

in EUR m	**Jan. 1 – Mar. 31, 2014**	Jan. 1 – Mar. 31, 2013
Operating EBITDA (segment result) [1]	**164.0**	**164.7**
Transaction costs/holding charges [2]	–	–
EBITDA	**164.0**	**164.7**
Scheduled depreciation of property, plant and equipment	−24.0	−24.2
Impairment of property, plant and equipment	–	–
EBITA	**140.0**	**140.5**
Scheduled amortization of intangible assets [3]	−8.8	−10.0
Impairment of intangible assets	–	–
EBIT	**131.2**	**130.5**
Financial result	−22.2	−24.5
Profit before tax	**109.0**	**106.0**

C.09 RECONCILIATION FROM OPERATING EBITDA TO PROFIT BEFORE TAX

[1] Including operating EBITDA of all Other Segments.
[2] Transaction costs: Costs connected with restructuring and refinancing under company law. 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.
[3] This figure includes amortization of customer relationships amounting to EUR 6.9 million (Q1 2013: EUR 8.3 million).

in EUR m	**Jan. 1 – Mar. 31, 2014**	Jan. 1 – Mar. 31, 2013
Operating gross profit	**495.5**	**489.1**
Operating costs [1]	−11.9	−11.2
Gross profit	**483.6**	**477.9**

C.10 RECONCILIATION OF OPERATING GROSS PROFIT TO GROSS PROFIT

[1] Production/mixing & blending costs.

CONSOLIDATION POLICIES AND METHODS

STANDARDS APPLIED These interim consolidated financial statements for the period from January 1 to March 31, 2014 have been prepared in accordance with the requirements of IAS 34 (Interim Financial Reporting). The Notes are presented in condensed form compared with the Notes to the consolidated financial statements at December 31, 2013.

With the exception of the Standards to be applied for the first time in the financial year starting January 1, 2014, the same consolidation policies and methods have been applied as for the consolidated financial statements at December 31, 2013.

Income taxes are recorded on the basis of the latest estimate of the corporate income tax rate expected for the 2014 financial year.

The following revised and new Standards issued by the International Accounting Standards Board (IASB) were applied by the Brenntag Group for the first time:

- IFRS 10 (Consolidated Financial Statements)
- IAS 27 (Separate Financial Statements (revised 2011))
- IFRS 11 (Joint Arrangements)
- IAS 28 (Investments in Associates and Joint Ventures (revised 2011))
- IFRS 12 (Disclosure of Interests in Other Entities)
- Amendments to IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) and IFRS 12 (Disclosure of Interests in Other Entities) regarding the date of initial application
- Amendments to IFRS 10 (Consolidated Financial Statements), IFRS 12 (Disclosure of Interests in Other Entities) and IAS 27 (Separate Financial Statements (revised 2011)) regarding the recognition of subsidiaries in the form of investment entities as investments at fair value through profit or loss in the consolidated financial statements
- Amendments to IAS 32 (Financial Instruments: Presentation) regarding the netting of financial assets and liabilities
- Amendments to IAS 39 (Financial Instruments: Recognition and Measurement) regarding the novation of derivatives
- IFRIC 21 (Levies)

As a result of IFRS 10 (Consolidated Financial Statements), the consolidation rules previously contained in IAS 27 (Consolidated and Separate Financial Statements) and SIC 12 (Consolidation – Special Purpose Entities) were replaced.

IFRS 10 (Consolidated Financial Statements) introduces one single consolidation model based on control. One entity controls another entity when the following conditions are satisfied:

- The entity has decision-making power over the relevant activities of the other entity.
- The entity participates in the variable economic success of the other entity.
- The entity can use its decision-making power over the relevant activities of the other entity to influence the variable economic success of the other entity.

The controlling entity is the parent and the controlled entity is the subsidiary. This applies to both parent-subsidiary relationships which are based on voting rights and parent-subsidiary relationships which result from other contractual arrangements. Therefore, consolidation of special purpose entities (structured entities) previously regulated in SIC 12 is also covered by the scope of IFRS 10 (Consolidated Financial Statements).

IAS 27 (Single Financial Statements (revised 2011)) is now only to be applied to single financial statements according to IFRS.

IFRS 11 (Joint Arrangements) replaces IAS 31 (Interests in Joint Ventures) and eliminates in particular the previous possibility of proportionate consolidation of joint ventures.

In connection with the introduction of IFRS 11 (Joint Arrangements), the scope of application of IAS 28 (Investments in Associates and Joint Ventures (revised 2011)) has been extended to include joint ventures.

IFRS 12 (Disclosure of Interests in Other Entities) brings the disclosure requirements for all interests in subsidiaries, joint ventures and associates as well as unconsolidated special purpose entities together in one standard. Disclosures must be made which enable the users of financial statements to evaluate the nature of and risks associated with interests in other entities as well as the financial effects of those interests.

The amendments to IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) and IFRS 12 (Disclosure of Interests in Other Entities) regarding the timing of first-time application clarify how the retrospective adjustment of prior-period figures is to be performed if IFRS 10 (Consolidated Financial Statements) leads to changes in the scope of consolidation.

The amendments to IFRS 10 (Consolidated Financial Statements), IFRS 12 (Disclosures of Interests in Other Entities) and IAS 27 (Separate Financial Statements (revised (2011)) regarding the recognition of subsidiaries in the form of investment entities as investments at fair value through profit or loss in the consolidated financial statements are not relevant for Brenntag.

The amendments to IAS 32 (Financial Instruments: Presentation) regarding the netting of financial assets and liabilities clearly set out the requirements formulated in IAS 32 for the netting of financial assets and liabilities.

The amendments to IAS 39 (Financial Instruments: Recognition and Measurement) regarding novations of derivatives allow the continuation of hedge accounting under certain circumstances where an entity is required to novate its derivatives to a central counterparty as a result of laws or regulations.

IFRIC 21 (Levies) deals with the accounting treatment of levies imposed by a government which are not income taxes within the meaning of IAS 12 (Income Taxes) and clarifies in particular when obligations to pay such levies are to be recognized as liabilities in the financial statements.

The aforementioned revised and new standards and interpretations do not have any material effect on the presentation of the net assets, financial position and results of operations of the Brenntag Group.

SCOPE OF CONSOLIDATION The table below shows the changes in the number of fully consolidated companies including structured entities:

	Dec. 31, 2013	Additions	Disposals	**Mar. 31, 2014**
Domestic consolidated companies	27	–	–	27
Foreign consolidated companies	181	–	4	177
Total consolidated companies	**208**	**–**	**4**	**204**

C.11 CHANGES IN SCOPE OF CONSOLIDATION

The disposals of consolidated companies result from liquidations and one merger.

Five associates (Dec. 31, 2013: five) are accounted for at equity.

BUSINESS COMBINATIONS IN ACCORDANCE WITH IFRS 3 In early January 2014, Brenntag acquired part of the business operations of Kemira Water Danmark A/S with its head office in Copenhagen, Denmark. Brenntag is taking over the distribution of caustic soda, sulphuric and hydrochloric acids, solvents and packed coagulants.

CURRENCY TRANSLATION The euro exchange rates for major currencies developed as follows:

	Closing rate		Average rate	
1 EUR = currencies	**Mar. 31, 2014**	Dec. 31, 2013	**Jan. 1 – Mar. 31, 2014**	Jan. 1 – Mar. 31, 2013
Canadian dollar (CAD)	1.5225	1.4671	1.5107	1.3313
Swiss franc (CHF)	1.2194	1.2276	1.2237	1.2284
Chinese yuan renminbi (CNY)	8.5754	8.3491	8.3576	8.2209
Danish crown (DKK)	7.4659	7.4593	7.4625	7.4589
Pound sterling (GBP)	0.8282	0.8337	0.8279	0.8511
Polish zloty (PLN)	4.1719	4.1543	4.1843	4.1558
Swedish crown (SEK)	8.9483	8.8591	8.8569	8.4965
US dollar (USD)	1.3788	1.3791	1.3696	1.3206

C.12 EXCHANGES RATES OF MAIN CURRENCIES

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

1.) Finance income

in EUR m	**Jan. 1 – Mar. 31, 2014**	Jan. 1 – Mar. 31, 2013
Interest income from third parties	0.7	0.9
Interest income from plan assets	1.4	1.2
Total	**2.1**	**2.1**

C.13 FINANCE INCOME

2.) Finance costs

in EUR m	**Jan. 1 – Mar. 31, 2014**	Jan. 1 – Mar. 31, 2013
Interest expense on liabilities to third parties	−17.4	−17.9
Expense from the measurement of interest rate swaps at fair value	−0.7	−0.1
Interest expense on provisions for pensions and similar obligations	−2.3	−2.2
Interest expense on other provisions	−0.4	−0.3
Interest expense on finance leases	−0.3	−0.3
Total	**−21.1**	**−20.8**

C.14 FINANCE COSTS

3.) Changes in purchase price obligations and liabilities under IAS 32 to minorities

in EUR m	**Jan. 1 – Mar. 31, 2014**	Jan. 1 – Mar. 31, 2013
Cost from the unwinding of discounting of the purchase price obligation	−0.6	−1.0
Result from measurement of the purchase price obligation at the exchange rate on the reporting date	–	−0.5
Change in liabilities under IAS 32 to minorities	−0.4	−0.2
Total	**−1.0**	**−1.7**

C.15 CHANGES IN PURCHASE PRICE OBLIGATIONS AND LIABILITIES UNDER IAS 32 TO MINORITIES

For further information, we refer to Note 9.).

4.) Income taxes

Income taxes include current tax expenses of EUR 36.1 million (Q1 2013: current tax expenses of EUR 35.4 million) as well as deferred tax expenses of EUR 0.8 million (Q1 2013: deferred tax expenses of EUR 0.8 million).

The expected corporate income tax rate for the 2014 financial year was applied when determining tax expense in the first quarter of 2014. Certain earnings or expenses respectively are not taken into consideration when determining the expected corporate income tax rate and calculating income taxes for the reporting period. Examples for these earnings and expenses are changes in purchase price obligations and liabilities under IAS 32 to minorities or effects resulting from the fx driven revaluation of assets in Venezuela. Such earnings and expenses cannot be planned with sufficient accuracy and they are generally tax neutral.

	Jan. 1 – Mar. 31, 2014			Jan. 1 – Mar. 31, 2013		
in EUR m	Profit before tax	Tax rate	Income taxes	Profit before tax	Tax rate	Income taxes
		in %			in %	
excluding tax-neutral earnings/ expenses which cannot be planned	**109.1**	**33.8**	**36.9**	109.4	33.1	36.2
tax-neutral earnings/expenses which cannot be planned with sufficient accuracy	**−0.1**	**–**	**–**	−3.4	–	–
including tax-neutral earnings/ expenses which cannot be planned	**109.0**	**33.8**	**36.9**	106.0	34.1	36.2

C.16 PROFIT BEFORE TAX AFTER ELIMINATION OF TAX-NEUTRAL EARNINGS AND EXPENSES

The application of the expected income tax rate on profit before tax after elimination of tax-neutral issues which cannot be planned results in income taxes of EUR 36.9 million (Q1 2013: EUR 36.2 million).

5.) Earnings per share

The earnings per share of EUR 1.40 (Q1 2013: EUR 1.35) are determined by dividing the share in income after tax of EUR 72.1 million (Q1 2013: EUR 69.7 million) due to the shareholders of Brenntag AG by the average weighted number of shares in circulation amounting to 51.5 million (Q1 2013: 51.5 million).

6.) Financial liabilities

in EUR m	**Mar. 31, 2014**	Dec. 31, 2013
Liabilities under syndicated loan	1.027.3	1,034.3
Other liabilities to banks	281.8	277.6
Bond	409.8	404.0
Liabilities under finance leases	13.1	13.6
Derivative financial instruments	5.2	1.9
Other financial liabilities	34.3	37.1
Total	**1,771.5**	**1,768.5**
Cash and cash equivalents	448.8	426.8
Net financial liabilities	**1,322.7**	**1,341.7**

C.17 DETERMINATION OF NET FINANCIAL LIABILITIES

The syndicated loan agreement was extended at the end of March 2014 ahead of schedule and now matures in March 2019. For further information, we refer to the chapter Financial Position in the Group Interim Management Report.

The other liabilities to banks include liabilities of Brenntag Funding Ltd., Dublin, Ireland to banks under the international accounts receivable securitization programme amounting to EUR 175.5 million (Dec. 31, 2013: EUR 175.4 million).

7.) Other provisions

Other provisions break down as follows:

in EUR m	**Mar. 31, 2014**	Dec. 31, 2013
Environmental provisions	97.5	98.3
Provisions for personnel expenses	27.5	26.8
Miscellaneous provisions	24.8	23.7
Total	**149.8**	**148.8**

C.18 OTHER PROVISIONS

8.) Provisions for pensions and similar obligations

In the interim consolidated financial statements as at March 31, 2014, a discount rate for pension obligations in Germany and in the euro zone of 3.25% (Dec. 31, 2013: 3.7%), in Switzerland of 1.8% (Dec. 31, 2013: 2.2%) and in Canada of 4.55% (Dec. 31, 2013: 5.0%) was used to determine the present value of the pension obligations.

The reduction in the discount rates led to an increase in the provisions for pensions and similar obligations of EUR 18.1 million. Allowing for deferred taxes, the actuarial losses recorded in equity consequently increased by EUR 13.3 million.

9.) Purchase price obligations and liabilities under IAS 32 to minorities

The purchase price obligations and liabilities under IAS 32 to minorities break down as follows:

in EUR m	**Mar. 31, 2014**	Dec. 31, 2013
Purchase price obligation for second tranche of Zhong Yung (49%)	38.9	39.4
Liabilities under IAS 32 to minorities	2.1	1.7
Total	**41.0**	**41.1**

C.19 PURCHASE PRICE OBLIGATIONS AND LIABILITIES UNDER IAS 32 TO MINORITIES

On initial recognition at the end of August 2011, the purchase price expected to be paid for the remaining shares in Zhong Yung (second tranche) in 2016 was to be recorded as a liability in equity at its present value. Any difference resulting from unwinding of discounting and changes in the estimate of the purchase price are recognized in profit or loss.

The purchase price obligation for the second tranche of Zhong Yung is included in net investment hedge accounting in the amount of the pro-rata net assets of the Chinese Zhong Yung companies. Exchange rate-related changes in the liability are recorded for the portion included in net investment hedge accounting within equity in the net investment hedge reserve and for the portion not included in net investment hedge accounting – as well as the cost from the unwinding of discounting of the purchase price obligations – are recognized in profit or loss. In the first quarter of 2014 all exchange rate-related changes in the liability were recorded in the net investment hedge reserve.

10.) Information on the consolidated cash flow statement

The net cash inflow from operating activities amounting to EUR 46.7 million was influenced by cash outflows from the increase in working capital of EUR 69.7 million.

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

in EUR m	**Jan. 1 – Mar. 31, 2014**	Jan. 1 – Mar. 31, 2013
Increase in inventories	−4.3	−18.9
Increase in gross trade receivables	−177.9	−162.1
Increase in trade payables	110.8	101.7
Write-downs on trade receivables and on inventories [1]	1.7	0.7
Change in working capital [2]	**−69.7**	**−78.6**

C.20 CHANGE IN WORKING CAPITAL

[1] Shown within other non-cash items.
[2] Adjusted for exchange rate effects and acquisitions.

At 9.0, the annualized working capital turnover [1] in the reporting period remained unchanged at the level of 2013 (9.0).

11.) Legal disputes

In the first quarter of 2014, there were no significant changes in the legal disputes described in the 2013 Annual Report.

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

12.) Reporting of financial instruments

The classification of the financial assets recognized in the balance sheet according to the measurement categories under IAS 39 is shown in the table below:

in EUR m

Measurement in the balance sheet:	At amortized cost	At fair value			**Mar. 31, 2014**	
Classification:	Loans and receivables	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Hedging derivatives under IAS 39	Carrying amount	Fair value
Cash and cash equivalents	448.8	–	–	–	448.8	448.8
Trade receivables	1,424.2	–	–	–	1,424.2	1,424.2
Other receivables	68.0	–	–	–	68.0	68.0
Other financial assets	22.1	0.5	1.3	7.0	30.9	30.9
Total	**1,963.1**	**0.5**	**1.3**	**7.0**	**1,971.9**	**1,971.9**

C.21 CLASSIFICATION OF FINANCIAL ASSETS ACCORDING TO MEASUREMENT CATEGORIES / MAR. 31, 2014

in EUR m

Measurement in the balance sheet:	At amortized cost	At fair value			Dec. 31, 2013	
Classification:	Loans and receivables	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Hedging derivatives under IAS 39	Carrying amount	Fair value
Cash and cash equivalents	426.8	–	–	–	426.8	426.8
Trade receivables	1,248.8	–	–	–	1,248.8	1,248.8
Other receivables	71.4	–	–	–	71.4	71.4
Other financial assets	24.4	3.0	1.5	8.4	37.3	37.3
Total	**1,771.4**	**3.0**	**1.5**	**8.4**	**1,784.3**	**1,784.3**

C.22 CLASSIFICATION OF FINANCIAL LIABILITIES ACCORDING TO MEASUREMENT CATEGORIES / DEC. 31, 2013

The majority of the financial assets measured at amortized cost have remaining terms of less than one year. Their carrying amounts at the balance-sheet date approximate their fair values.

Of the other receivables shown in the balance sheet, EUR 76.0 million (Dec. 31, 2013: EUR 54.4 million) are not financial assets within the meaning of IFRS 7. They are mainly receivables from value added tax and other taxes, prepaid expenses, advance payments and receivables from plan assets.

The classification of the financial liabilities recognized in the balance sheet according to the measurement categories under IAS 39 is shown in the table below:

in EUR m

Measurement in the balance sheet:	At amortized cost		At fair value			**Mar. 31, 2014**	
Classification	Not designated in hedge accounting	Designated in hedge accounting	Financial liabilities at fair value through profit or loss	Hedging derivatives	Valuation under IAS 17	Carrying amount	Fair value
Trade payables	1,072.3	–	–	–	–	1,072.3	1,072.3
Other liabilities	234.3	–	–	–	–	234.3	234.3
Purchase price obligations and liabilities under IAS 32 to minorities	2.1	38.9	–	–	–	41.0	40.5
Financial liabilities	1,753.2	–	4.9	0.3	13.1	1,771.5	1,815.7
Total	**3,061.9**	**38.9**	**4.9**	**0.3**	**13.1**	**3,119.1**	**3,162.8**

C.23 CLASSIFICATION OF FINANCIAL LIABILITIES ACCORDING TO MEASUREMENT CATEGORIES / MAR. 31, 2014

in EUR m

Measurement in the balance sheet:	At amortized cost		At fair value			Dec. 31, 2013	
Classification	Not designated in hedge accounting	Designated in hedge accounting	Financial liabilities at fair value through profit or loss	Hedging derivatives	Valuation under IAS 17	Carrying amount	Fair value
Trade payables	961.5	–	–	–	–	961.5	961.5
Other liabilities	246.8	–	–	–	–	246.8	246.8
Purchase price obligations and liabilities under IAS 32 to minorities	1.7	39.4	–	–	–	41.1	40.5
Financial liabilities	1,753.0	–	1.8	0.1	13.6	1,768.5	1,815.7
Total	**2,963.0**	**39.4**	**1.8**	**0.1**	**13.6**	**3,017.9**	**3,064.5**

C.24 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / DEZ. 31, 2013

The majority of the trade payables and other liabilities measured at amortized cost have remaining terms of less than one year. Their carrying amounts at the balance-sheet date are therefore approximately their fair values. The fair values of the financial liabilities have been determined by applying the discounted cash flow method on the basis of current interest curves (level 2 of the fair value hierarchy). The fair values of the purchase price obligations and liabilities under IAS 32 to minorities were determined on the basis of a recognized company valuation model. The company valuation model is based on cash flow plans (level 3 of the fair value hierarchy).

Of the other liabilities shown in the balance sheet, EUR 101.4 million (Dec. 31, 2013: EUR 77.2 million) are not financial liabilities within the meaning of IFRS 7. They are mainly liabilities from value added tax and other taxes, liabilities under staff leave entitlements as well as deferred income.

The allocation of the financial assets and liabilities recognized in the balance sheet at fair value to the levels of the IFRS 13 fair value hierarchy is shown in the table below:

in EUR m

	Level 1	Level 2	Level 3	**Mar. 31, 2014**
Financial assets at fair value through profit or loss	–	0.5	–	0.5
Derivatives designated in hedge accounting with a positive fair value	–	7.0	–	7.0
Financial liabilities at fair value through profit or loss	–	4.9	–	4.9
Derivatives designated in hedge accounting with a negative fair value	–	0.3	–	0.3
Available-for-sale financial assets	1.3	–	–	1.3

C.25 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / MAR. 31, 2014

in EUR m

	Level 1	Level 2	Level 3	Dec. 31, 2013
Financial assets at fair value through profit or loss	–	3.0	–	3.0
Derivatives designated in hedge accounting with a positive fair value	–	8.4	–	8.4
Financial liabilities at fair value through profit or loss	–	1.8	–	1.8
Derivatives designated in hedge accounting with a negative fair value	–	0.1	–	0.1
Available-for-sale financial assets	1.5	–	–	1.5

C.26 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / DEC. 31, 2013

13.) Subsequent events

In early April, the acquisition of Gafor Distribuidora Ltd, a Latin American distributor of specialty solvents headquartered in São Paulo, Brazil, was completed. The provisional purchase price for all shares is EUR 35.7 million, EUR 5.2 million of which depends on the achievement of various operating gross profit targets in 2014 and 2015.

The net assets acquired break down as follows:

in EUR m	Fair value
Assets	
Trade receivables, other financial assets and other receivables	13.7
Other current assets	2.8
Non-current assets	1.0
Liabilities	
Current liabilities	14.4
Non-current liabilities	1.4
Net assets	**1.7**

C.27 NET ASSET GAFOR DISTRIBUIDORA LTD

Measurement of the assets and liabilities taken over has not yet been completed owing to a lack of time. Customer relationships and similar rights have not yet been recognized. The acquisition therefore results in provisional tax-deductible goodwill of EUR 34.0 million. Through this acquisition, Brenntag is expanding its market presence in Brazil as the most important chemical distribution market in Latin America and adding critical mass to its existing operation in the country.

Mülheim an der Ruhr, May 6, 2014

Brenntag AG

BOARD OF MANAGEMENT

Steven Holland William Fidler Georg Müller

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 to March 31, 2014 which are part of the quarterly financial report pursuant to § (Article) 37x Abs. (paragraph) 3 WpHG (“Wertpapierhandelsgesetz”: German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company’s Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Düsseldorf, May 6, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Thomas Tandetzki	ppa. Frank Schemann
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

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A TO OUR SHAREHOLDERS

B MANAGEMENT REPORT

C CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

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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 commercial rounding, minor differences may occur when using rounded amounts or rounded percentages.

FINANCIAL CALENDAR 2014

MAY 15
2014
JP Morgan Business Services Conference, London

JUN 05
2014
MainFirst Chemicals 1on1 Forum, Zurich

JUN 12
2014
Deutsche Bank German /Austrian Corp. Conference, Berlin

JUN 17
2014
General Shareholders' Meeting, Düsseldorf

JUN 18
2014
Planned dividend payment

JUN 23
2014
Goldman Sachs Business Services Conference, London

AUG 07
2014
Interim Report Q2 2014

NOV 05
2014
Interim Report Q3 2014

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