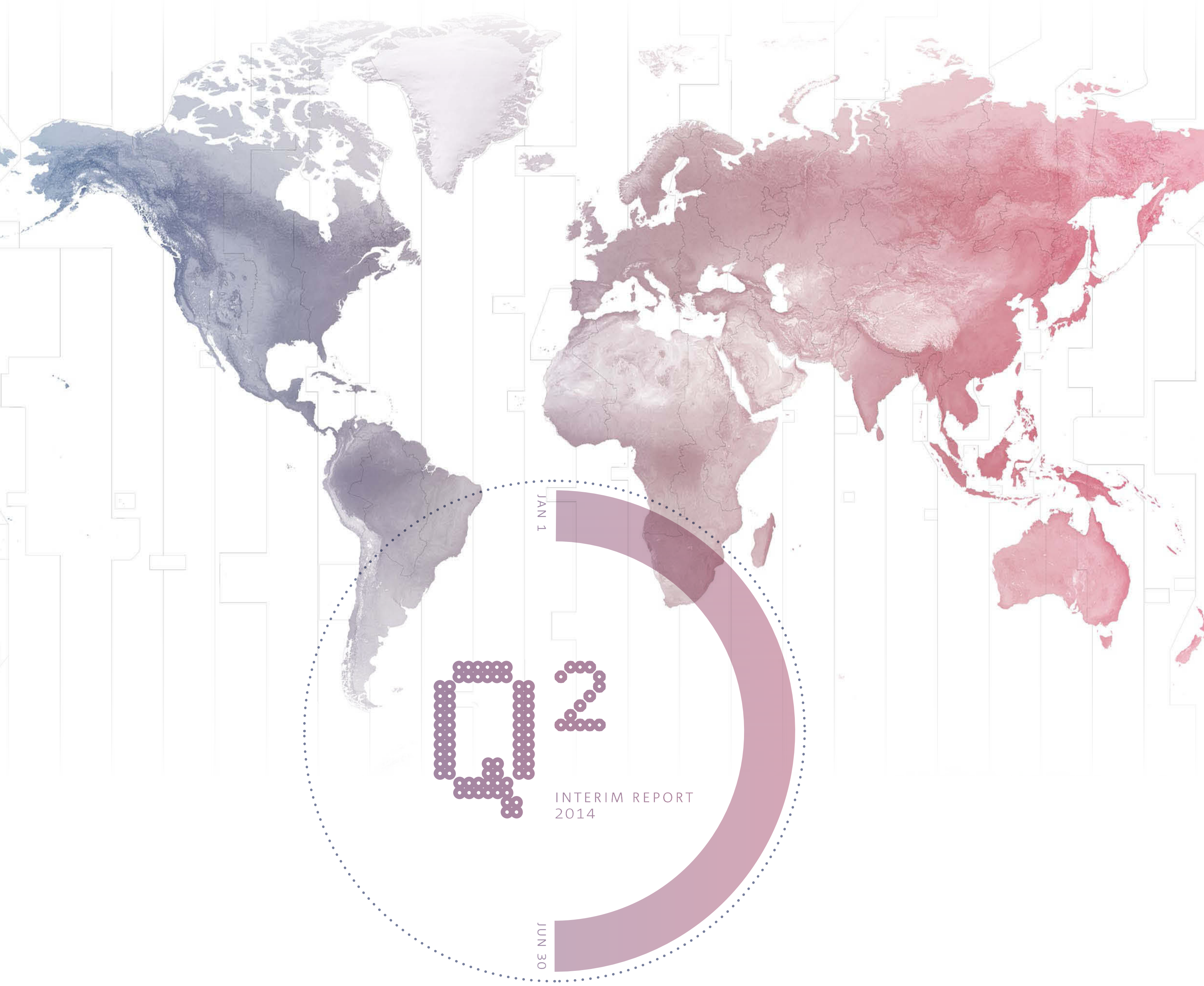
BRENNTAG



KEY FINANCIAL FIGURES AT A GLANCE

CONSOLIDATED INCOME STATEMENT		Q2 2014	Q2 2013
Sales	EUR m	**2,501.3**	2,544.7
Gross profit	EUR m	**502.2**	502.2
Operating EBITDA	EUR m	**176.7**	169.1
Operating EBITDA / Gross profit	%	**35.2**	33.7
EBITDA	EUR m	**176.9**	169.1
Profit after tax	EUR m	**80.8**	68.9
Earnings per share [1)]	EUR	**0.52**	0.44

CONSOLIDATED BALANCE SHEET		Jun. 30, 2014	Dec. 31, 2013
Total assets	EUR m	**5,906.7**	5,627.3
Equity	EUR m	**2,101.8**	2,093.7
Working capital	EUR m	**1,176.4**	1,044.4
Net financial liabilities	EUR m	**1,509.7**	1,341.7

CONSOLIDATED CASH FLOW		Q2 2014	Q2 2013
Cash provided by operating activities	EUR m	**48.5**	79.0
Investments in non-current assets (Capex)	EUR m	**22.3**	18.9
Free cash flow	EUR m	**110.8**	100.0

KEY FIGURES BRENNTAG SHARE		Jun. 30, 2014	Dec. 31, 2013
Share price [1)]	EUR	**43.50**	44.92
No. of shares (unweighted) [1)]		**154,500,000**	154,500,000
Market capitalization	EUR m	**6,721**	6,939
Free float	%	**100.00**	100.00

A.01 KEY FINANCIAL FIGURES AT A GLANCE

[1)] As part of a stock split, the number of shares was increased in the third quarter of 2014 from 51.5 million to 154.5 million. The earnings per share refer for all periods reported to these 154.5 million shares. The share prices have also been retroactively adjusted to the stock split performed during the third quarter of 2014.

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 VALUES

› SAFETY FIRST

› LEADERSHIP & ACCOUNTABILITY

› EMPLOYEE INVOLVEMENT & OWNERSHIP

› COMMITMENT TO EXCELLENCE

› INTEGRITY & RESPONSIBILITY

› VALUE CREATION FOR PARTNERS

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LETTER FROM THE CEO

Steven Holland
CEO

Dear Shareholders,

I am now able to report you on our second quarter 2014 results and overall developments of the Group. We continue to see modest signs of recovery in our largest regions of Europe and North America and ongoing challenges in both Latin America and Asia Pacific which are in part related to macroeconomic conditions. During the second quarter, we increased our gross profit by 3.2% on a constant currency basis to EUR 502.2 million as we delivered the targeted growth in focussed industries and specific product lines.

Operating EBITDA was EUR 176.7 million in the second quarter which represents a lower ratio of EBITDA to gross profit. However, we do not regard this as structural but more of a temporary nature as we clearly invest in future growth initiatives which will enhance earnings in the medium and long term.

In the area of acquisitions, we recorded another success with the acquisition of Philchem in early June. Philchem, Inc., Houston, Texas, can boast excellent logistics expertise and is a specialist for the individual management of supply and demand fluctuations for selected product groups. The company builds on long-standing relationships with key suppliers and will supplement our existing business well. The Group remains actively engaged in identification and acquisition of further opportunities in what remains a fragmented market for chemical distribution.

The ordinary General Shareholders' Meeting in June resolved a stock split in a ratio of 1:3. On August 1, 2014, we implemented this resolution by granting each shareholder two additional shares per existing share held without an additional payment being necessary. This step is aimed at increasing the attractiveness of our shares for an even broader investor base as well as stimulating trading in our shares.

In light of our earnings performance in the first half of 2014 and despite the particularly challenging weather-related issues in the first quarter we are forecasting for Brenntag Group for the full year to grow in all relevant earnings parameters on a constant currency basis. Growth will be primarily driven by the Europe and North America segments.
For 2014 as a whole, we expect the Group to generate operating EBITDA of between EUR 700 million and EUR 720 million. This assumes that the average US dollar / euro exchange rate will not change significantly during the remainder of this year compared with the first half of the year.

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

Mülheim an der Ruhr, August 6, 2014

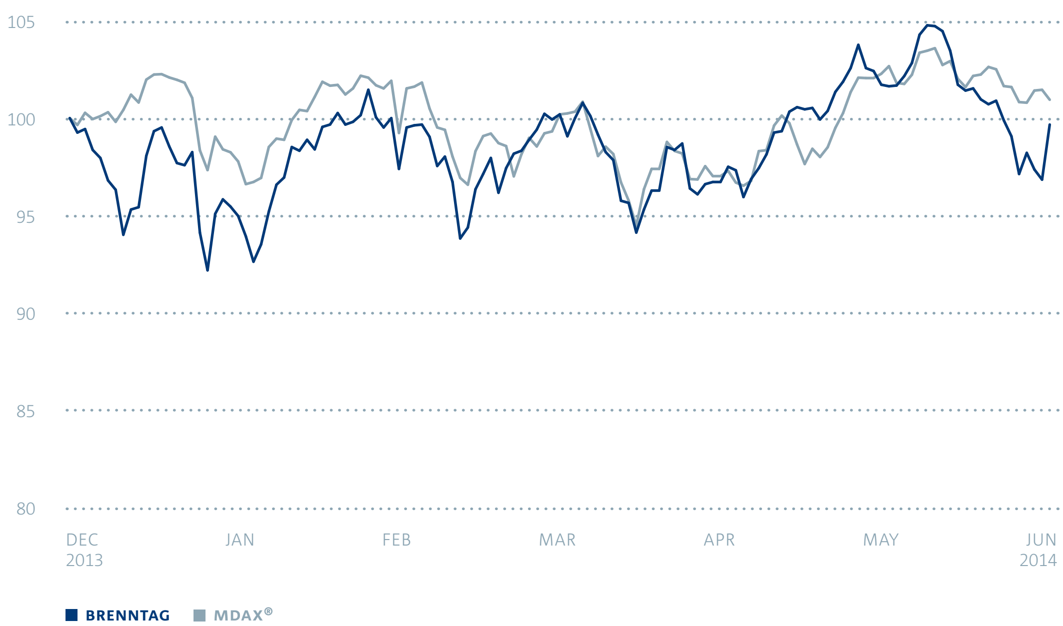
Steven Holland
Chief Executive Officer

BRENNTAG ON THE STOCK MARKET

DEVELOPMENT OF THE SHARE PRICE The capital markets largely performed well in the second quarter of 2014 and many share indices in Europe and the USA achieved record highs. In the light of the capital market-friendly policies of many central banks and the sound earnings of companies, the persistent uncertainties in some emerging economies and political conflicts faded more into the background.

Both the DAX® and the MDAX® reached all-time highs during the second quarter of 2014 and closed the quarter only slightly below these record highs. The Brenntag share largely followed the market trend and also reached a new all-time high during the second quarter. Towards the end of the quarter, the share's performance was slightly weaker than that of the benchmark indices, which was partly a consequence of the dividend of EUR 2.60 per share paid in June. The closing price for the second quarter of 2014 was EUR 130.50 (price before stock split). 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 June 2014. The average number of Brenntag shares traded daily on XETRA® in the second quarter of 2014 was over 70,000.

DEVELOPMENT OF THE BRENNTAG SHARE PRICE (INDEXED)



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

SHAREHOLDER STRUCTURE At the end of the second quarter of 2014, the free float of the Brenntag share was 100%. At the ordinary General Shareholders' Meeting on June 17, 2014, a 1:3 stock split was resolved and implemented during the third quarter of 2014. Each shareholder received, without additional payment, two additional shares per each share held. Arithmetically, the price per share has been divided by three but the capital invested remains the same.

In accordance with Section 21, para. 1 German Securities Trading Act (WpHG), as of July 31, 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	Proportion in %	Date of notification
Threadneedle	5.37	Jul. 27, 2012
BlackRock	5.20	Apr. 5, 2012
Sun Life / MFS	5.03	Jul. 3, 2012
Newton	3.14	Nov. 6, 2013
Manning & Napier	3.01	Jul. 2, 2013
Allianz Global Investors	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 BRENNTAG SHARE

		IPO Mar. 2010	Dec. 31, 2013	**Jun. 30, 2014**
Share price (XETRA® closing price) [1]	EUR	16.67	44.92	43.50
Free float	%	29.03	100.0	100.0
Free float market capitalization	EUR m	748	6,939	6,721

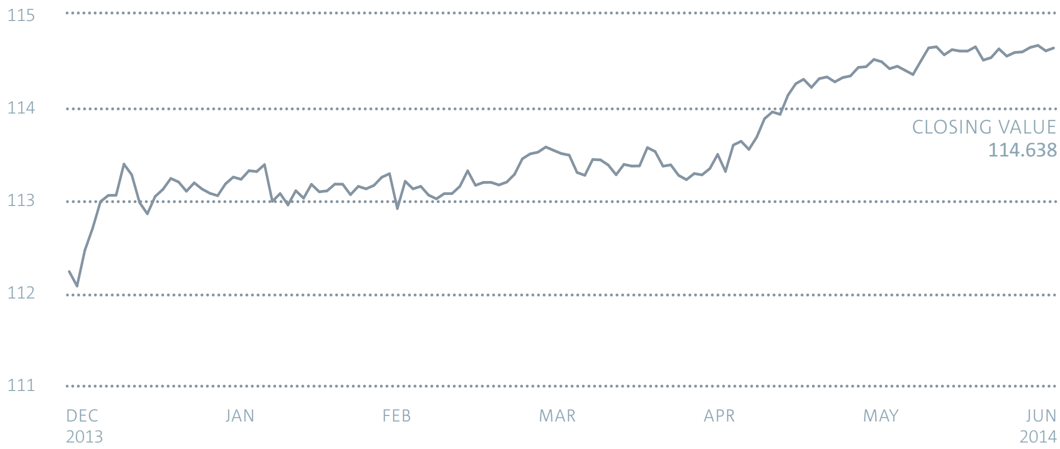
Most important stock exchange	XETRA®
Indices	MDAX®, MSCI, STOXX EUROPE 600
ISIN / WKN / trading symbol	DE000A1DAHH0 / A1DAHH / BNR

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

[1] Share prices have been retroactively adjusted to the stock split performed during the third quarter of 2014.

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 BRENNTAG BOND

		Jul. 19, 2011	Dec. 31, 2013	**Jun. 30, 2014**
Bond price	%	99.321	111.864	114.638
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 June 30, 2014

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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.

Connecting 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 of June 30, 2014 include Brenntag AG, 26 domestic (December 31, 2013: 26) and 181 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.

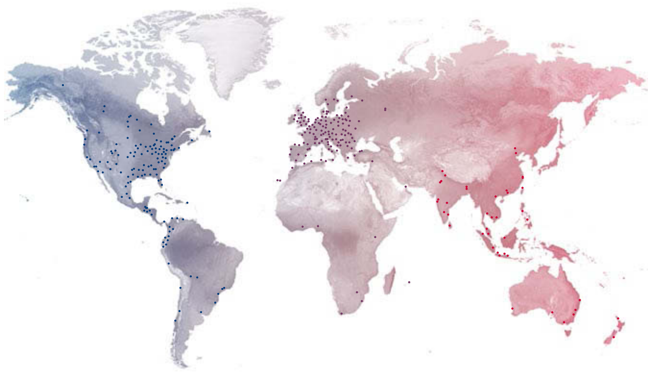
The following graphic gives an overview of the global network and the locations of the Brenntag Group:

NORTH AMERICA

		H1 2014
External sales	EUR m	1,586.7
Operating gross profit	EUR m	376.3
Operating EBITDA	EUR m	145.6
Employees [1]		4,080

EUROPE

		H1 2014
External sales	EUR m	2,355.2
Operating gross profit	EUR m	490.7
Operating EBITDA	EUR m	168.7
Employees [1]		6,240



LATIN AMERICA

		H1 2014
External sales	EUR m	399.1
Operating gross profit	EUR m	77.1
Operating EBITDA	EUR m	19.7
Employees [1]		1,452

ASIA PACIFIC

		H1 2014
External sales	EUR m	351.9
Operating gross profit	EUR m	57.9
Operating EBITDA	EUR m	18.7
Employees [1]		1,609

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 excellence

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

Overall, the global economy remains on a course of moderate recovery. The Global Manufacturing Purchasing Managers' Index has remained clearly above the neutral mark of 50 at a level of 52.7 in June 2014. Overall, global industrial production over all industries in the first two months of the second quarter of 2014 grew by 3.6% in a year-on-year comparison.

Economic development in Europe is continuing to recover. However, the pace of recovery has slowed. Industrial output grew in the first two months of the second quarter of 2014 compared to the prior-year period by 1.4%.

Industrial production in the USA showed growth of 4.2% in the second quarter of 2014 after the first quarter of 2014 was impacted by an extremely hard winter. However, GDP growth, which is also relevant for the markets we are active in, remained at clearly lower growth levels of 1.6%.

The overall economic development in Latin America remained weak. In Latin America overall, industrial production declined slightly in the first two months of the second quarter of 2014 at –0.4%.

In the Asian economies and in particular in China, economic momentum strengthened slightly in the second 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 7.1% in the first two months of the second quarter of 2014 compared to the prior-year period.

BUSINESS PERFORMANCE

MAJOR EVENTS IMPACTING ON BUSINESS In early April 2014, the acquisition of Gafor Distribuidora S.A., 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. For the financial year 2013, Gafor generated total sales of approx. USD 70 million.

In early June 2014, Brenntag acquired Philchem, Inc., based in Houston, Texas. The company is specialized in managing individual supply and demand imbalances in selected product groups utilizing long-term relationships with key suppliers and excellent logistics expertise. In the 2013 financial year, Philchem generated sales of some USD 162 million.

In June 2014, the international accounts receivable securitization programme was extended for a further year until June 2015. The structure of the programme was retained without any major adjustments so that the maximum credit facility of EUR 220.0 million remains available. The interest margins were, however, significantly reduced as part of the transaction.

STATEMENT BY THE BOARD OF MANAGEMENT ON BUSINESS PERFORMANCE In the second quarter of 2014, the Brenntag Group operated in an economic environment which was characterized by moderate improvement. Under these conditions, the Group exceeded the prior-year quarter figures for operating gross profit as well as operating EBITDA on a constant currency basis. Also on an as-reported basis, the Group managed to grow operating EBITDA although the unfavourable development of exchange rates produced some headwind.

The increase in operating gross profit was driven by growth of the existing business as well as the first-time inclusion of the acquisitions, mainly Gafor Distribuidora S.A.

The strong increase in operating EBITDA was largely influenced by the fact that operating expenses in the second quarter of 2013 were impacted by the increase in a provision in Europe. Adjusted for this effect and on a constant currency basis, the earnings of the Brenntag Group were slightly below the level of the prior-year quarter.

The picture differed among the regions in the second quarter of 2014. Even adjusted for the above-mentioned one-time expense in 2013, Europe recorded slight growth in earnings. In North America, operating expenses increased more than operating gross profit, partly as a result of additional expenses for the growth of the oil & gas business and influenced by the inflationary trends in third-party logistics. This led to a slight decline in earnings. In Latin America, earnings were not satisfactory, partly due to macroeconomic influences. In the region Asia Pacific, we are implementing measures to upgrade our capabilities. The related increase in expenses impacted operating EBITDA while operating gross profit developed favourably on a year-on-year basis.

Working capital was controlled and only increased moderately compared to the level in the second quarter of 2013. Annualized working capital turnover fell slightly compared to the level of the second quarter of 2013.

Investment in property, plant and equipment increased moderately in the second quarter of 2014 compared to the level in the second quarter of 2013. Brenntag continues to make appropriate investment in our existing infrastructure as well as in growth projects.

Overall, business performance and therefore the development of the results of operations and the financial position in the second quarter of 2014 did not fully meet expectations. On the positive side, free cash flow was stable, exceeding the level of the prior-year period.

RESULTS OF OPERATIONS

BUSINESS PERFORMANCE OF THE BRENNTAG GROUP

			Change		
in EUR m	**Q2 2014**	Q2 2013 [1]	abs.	in %	in % (fx adj.) [2]
Sales	2,501.3	2,544.7	−43.4	−1.7	1.3
Operating gross profit	513.9	513.9	–	–	3.2
Operating expenses	−337.2	−344.8	7.6	−2.2	0.7
Operating EBITDA	**176.7**	**169.1**	**7.6**	**4.5**	**8.3**
Transaction costs/holding charges	0.2	–	0.2	–	–
EBITDA (incl. transaction costs/holding charges)	**176.9**	**169.1**	**7.8**	**4.6**	**8.5**
Depreciation of property, plant and equipment and investment property	−24.4	−26.9	2.5	−9.3	−7.9
EBITA	152.5	142.2	10.3	7.2	11.7
Amortization of intangible assets	−8.7	−9.6	0.9	−9.4	−5.4
Financial result	−20.2	−23.2	3.0	−12.9	–
Profit before tax	123.6	109.4	14.2	13.0	–
Income taxes	−42.8	−40.5	−2.3	5.7	–
Profit after tax	80.8	68.9	11.9	17.3	–

			Change		
in EUR m	**H1 2014**	H1 2013 [1]	abs.	in %	in % (fx adj.) [2]
Sales	4,917.4	4,963.8	−46.4	−0.9	2.1
Operating gross profit	1,009.4	1,003.0	6.4	0.6	3.8
Operating expenses	−668.7	−669.2	0.5	−0.1	3.0
Operating EBITDA	**340.7**	**333.8**	**6.9**	**2.1**	**5.5**
Transaction costs/holding charges	0.2	–	0.2	–	–
EBITDA (incl. transaction costs/holding charges)	**340.9**	**333.8**	**7.1**	**2.1**	**5.6**
Depreciation of property, plant and equipment and investment property	−48.4	−51.1	2.7	−5.3	−4.0
EBITA	292.5	282.7	9.8	3.5	7.4
Amortization of intangible assets	−17.5	−19.6	2.1	−10.7	−6.4
Financial result	−42.4	−47.7	5.3	−11.1	–
Profit before tax	232.6	215.4	17.2	8.0	–
Income taxes	−79.7	−76.7	−3.0	3.9	–
Profit after tax	152.9	138.7	14.2	10.2	–

B.02 BUSINESS PERFORMANCE OF THE BRENNTAG GROUP

[1] Includes a one-time expense of EUR 16.8 million in connection with a decision by the French Competition Authority.
[2] Change in % (fx adj.) is the percentage change on a constant currency basis.

Sales, volumes and prices

In the second quarter of 2014, sales of the Brenntag Group totalled EUR 2,501.3 million, 1.7% less than in the prior-year period. On a constant currency basis, however, sales grew by 1.3% as a result of higher volumes. The acquisitions, particularly Gafor Distribuidora S.A. and Philchem, Inc. made their first contribution to this growth.

In the first half of 2014, Group sales fell by 0.9%. On a constant currency basis sales, grew by 2.1%.

Operating gross profit

In the second quarter of 2014, operating gross profit of the Brenntag Group amounted to EUR 513.9 million and was therefore on the level of the previous year quarter. The development of exchange rates formed some headwind. Adjusted for exchange rate effects, operating gross profit grew by 3.2%, largely as a result of higher volumes.

In the first half of 2014, operating gross profit of the Group increased by 0.6% (on a constant currency basis by 3.8%) compared to the level of the first half of 2013.

Operating expenses

In the second quarter of 2014, the operating expenses of the Brenntag Group totalled EUR 337.2 million, decreasing by 2.2%. On a constant currency basis, this represents an increase of 0.7% compared to the prior-year period. Operating expenses in the second quarter of 2013 were impacted by the increase in a provision in the Europe segment of EUR 16.8 million. Adjusted for this effect, the Group's operating expenses increased by 6.0% on a constant currency basis. This is mainly due to the increase in volume-related costs – personnel, rents, maintenance and transportation.

Related to the first half of 2014, operating expenses decreased by 0.1%. On a constant currency basis, that is an increase of 3.0%. Adjusted for the provision increase in the Europe segment in the second quarter of 2013, this results in an increase of 5.7% on a constant currency basis.

EBITDA

The Brenntag Group posted EBITDA of EUR 176.9 million for the second quarter of 2014. This is an increase of 4.6% or 8.5% on a constant currency basis compared to the prior-year period. Adjusted for transaction costs and holding charges, operating EBITDA totalled EUR 176.7 million and therefore increased by 4.5% and by 8.3% on a constant currency basis. Adjusted for the aforementioned provision increase in the Europe segment in 2013, the Group's operating EBITDA decreased on a constant currency basis by 1.8%.

Overall, in the first half of 2014, the Brenntag Group generated EBITDA of EUR 340.9 million, which is an increase of 2.1% on the prior-year figure. On a constant currency basis, earnings grew by 5.6%. Operating EBITDA totalled EUR 340.7 million in the first half of 2014, increasing by 2.1% and 5.5% on a constant currency basis. Also adjusted for the above-mentioned provision increase in the Europe segment in 2013, the Group's operating EBITDA was slightly above the figure for the prior-year period on a constant currency basis.

Depreciation, amortization and financial result

Depreciation of property, plant and equipment and investment property as well as amortization of intangible assets amounted to EUR 33.1 million in the second quarter of 2014 (Q2 2013: EUR 36.5 million). Of this figure, EUR 24.4 million relates to depreciation of property, plant and equipment and investment property and EUR 8.7 million to amortization of intangible assets.

Related to the first half of 2014, depreciation of property, plant and equipment and investment property as well as amortization of intangible assets totalled EUR 65.9 million (H1 2013: EUR 70.7 million).

The financial result totalled EUR –20.2 million in the second quarter of 2014 and therefore improved compared to the second quarter of 2013 (EUR –23.2 million). One of the main drivers of this improvement was the new interest agreement for the syndicated loan. The interest margins were reduced at the end of March 2014 together with the extension of the syndicated loan ahead of schedule. This reduction in interest margins had a first positive impact in the second quarter of 2014. Furthermore, the result of foreign exchange positions also improved.

The improvement in the financial result in the first half of 2014 to EUR –42.4 million is also largely due to these effects (H1 2013: EUR –47.7 million).

Profit before tax

Profit before tax amounted to EUR 123.6 million in the second quarter of 2014 (Q2 2013: EUR 109.4 million) and EUR 232.6 million in the first half of 2014 (H1 2013: EUR 215.4 million).

Income tax and profit after tax

At EUR 42.8 million in the second quarter of 2014 (Q2 2013: EUR 40.5 million) and EUR 79.7 million in the first half of 2014 (H1 2013: EUR 76.7 million), income tax was higher than the figure for the prior-year period due to the higher profit before tax.

The expected corporate income tax rate for the 2014 financial year was applied when determining tax expense in the first half of 2014. Certain earnings and expenses are not taken into consideration when determining the expected corporate income tax rate and calculating income taxes for the reporting period. Examples of 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.

	H1 2014			H1 2013		
in EUR m	Profit before tax	Tax rate in %	Income taxes	Profit before tax	Tax rate in %	Income taxes
excluding tax-neutral earnings/expenses which cannot be planned	**233.7**	**34.1**	**−79.7**	222.0	34.6	−76.7
tax-neutral earnings/expenses which cannot be planned with sufficient accuracy	**−1.1**	**–**	**–**	−6.6	–	–
including tax-neutral earnings/expenses which cannot be planned	**232.6**	**34.3**	**−79.7**	215.4	35.6	−76.7

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

Profit after tax totalled EUR 80.8 million in the second quarter of 2014 (Q2 2013: EUR 68.9 million) and EUR 152.9 million in the first half of 2014 (H1 2013: EUR 138.7 million).

BUSINESS PERFORMANCE IN THE SEGMENTS

Q2 2014 in EUR m	**Brenntag Group**	Europe	North America	Latin America	Asia Pacific	All Other Segments
External sales	2,501.3	1,179.6	815.0	202.6	189.0	115.1
Operating gross profit	513.9	246.6	193.9	39.5	30.1	3.8
Operating expenses	−337.2	−161.1	−116.3	−30.5	−19.9	−9.4
Operating EBITDA	**176.7**	**85.5**	**77.6**	**9.0**	**10.2**	**−5.6**

H1 2014 in EUR m	**Brenntag Group**	Europe	North America	Latin America	Asia Pacific	All Other Segments
External sales	4,917.4	2,355.2	1,586.7	399.1	351.9	224.5
Operating gross profit	1,009.4	490.7	376.3	77.1	57.9	7.4
Operating expenses	−668.7	−322.0	−230.7	−57.4	−39.2	−19.4
Operating EBITDA	**340.7**	**168.7**	**145.6**	**19.7**	**18.7**	**−12.0**

B.04 BUSINESS PERFORMANCE IN THE SEGMENTS

EUROPE

in EUR m	Q2 2014	Q2 2013 [1]	Change abs.	Change in %	Change in % (fx adj.)
External sales	1,179.6	1,184.0	−4.4	−0.4	−0.1
Operating gross profit	246.6	237.2	9.4	4.0	4.0
Operating expenses	−161.1	−169.7	8.6	−5.1	−5.0
Operating EBITDA	**85.5**	**67.5**	**18.0**	**26.7**	**26.5**

in EUR m	H1 2014	H1 2013 [1]	Change abs.	Change in %	Change in % (fx adj.)
External sales	2,355.2	2,335.9	19.3	0.8	1.3
Operating gross profit	490.7	469.7	21.0	4.5	4.7
Operating expenses	−322.0	−326.5	4.5	−1.4	−1.1
Operating EBITDA	**168.7**	**143.2**	**25.5**	**17.8**	**17.8**

B.05 BUSINESS PERFORMANCE IN THE SEGMENTS / EUROPE

[1] Includes a one-time expense of EUR 16.8 million in connection with a decision by the French Competition Authority.

External sales, volumes and prices

In the second quarter of 2014, the Europe segment recorded external sales of EUR 1,179.6 million, which is a decrease of 0.4% and of 0.1% on a constant currency basis compared to the prior-year period. Volumes increased at the same time.

In the first half of 2014, the European companies, however, increased external sales by 0.8% or by 1.3% on a constant currency basis.

Operating gross profit

In the second quarter of 2014, the Europe segment grew operating gross profit by 4.0% (on a constant currency basis also by 4.0%) to EUR 246.6 million. This increase was due to higher volumes.

In the first half of 2014, operating gross profit increased by 4.5% compared to the prior-year period and by 4.7% on a constant currency basis.

Operating expenses

Operating expenses in the Europe segment amounted to EUR 161.1 million in the second quarter of 2014 and therefore decreased by 5.1% or by 5.0% on a constant currency basis. However, operating expenses in the second quarter of 2013 were impacted by a provision increase of EUR 16.8 million for anti-trust proceedings in France. Adjusted for this effect, operating expenses increased by 5.5% on a constant currency basis, which is in particular attributable to higher personnel costs.

Related to the first half of 2014, operating expenses decreased by 1.4% or by 1.1% on a constant currency basis. However, adjusted for the increase in the provision in the second quarter of 2013, operating expenses increased by 4.3% on a constant currency basis.

Operating EBITDA

The European companies posted operating EBITDA of EUR 85.5 million for the second quarter of 2014, increasing earnings strongly by 26.7% and by 26.5% on a constant currency basis. Adjusted for the provision increase in France in the second quarter of 2013, earnings grew by 1.3% on a constant currency basis.

Overall, the Europe segment grew earnings by 17.8% and also by 17.8% on a constant currency basis in the first half of 2014. Adjusted for the aforementioned provision increase, operating EBITDA grew by 5.4% on a constant currency basis.

NORTH AMERICA

in EUR m	Q2 2014	Q2 2013	Change abs.	Change in %	Change in % (fx adj.)
External sales	815.0	817.2	−2.2	−0.3	5.3
Operating gross profit	193.9	198.1	−4.2	−2.1	3.4
Operating expenses	−116.3	−115.0	−1.3	1.1	7.1
Operating EBITDA	**77.6**	**83.1**	**−5.5**	**−6.6**	**−1.6**

in EUR m	H1 2014	H1 2013	Change abs.	Change in %	Change in % (fx adj.)
External sales	1,586.7	1,573.0	13.7	0.9	6.0
Operating gross profit	376.3	377.3	−1.0	−0.3	4.9
Operating expenses	−230.7	−224.5	−6.2	2.8	8.4
Operating EBITDA	**145.6**	**152.8**	**−7.2**	**−4.7**	**−0.1**

B.06 BUSINESS PERFORMANCE IN THE SEGMENTS / NORTH AMERICA

External sales, volumes and prices

In the second quarter of 2014, external sales of the North America segment decreased by 0.3%, strongly impacted by the weakening of the USD. Adjusted for exchange rate effects, external sales increased by 5.3% to EUR 815.0 million compared to the prior-year quarter. This growth is largely attributable to higher volumes. Philchem, Inc., which was consolidated for the first time from June 2014, also made its first contribution to the growth in sales.

External sales in North America for the first half of 2014 increased by 0.9%. On a constant currency basis, that represents an increase of 6.0%.

Operating gross profit

In the second quarter of 2014, operating gross profit of the North American companies totalled EUR 193.9 million, decreasing by 2.1% compared to the prior-year second quarter. On a constant currency basis, operating gross profit increased by 3.4%, mainly as a result of higher volumes.

For the first half of 2014, operating gross profit fell slightly by 0.3% compared to the first half of 2013. On a constant currency basis, it increased by 4.9%.

Operating expenses

In the second quarter of 2014, operating expenses totalled EUR 116.3 million, increasing by 1.1%. Adjusted for exchange rate effects, the operating expenses of the North American companies increased by 7.1%. This increase was partly due to higher volumes and the resulting higher personnel expenses, rents as well as maintenance and third-party transportation costs. We have addressed the inflationary impact by increasing our own transportation capacity. In addition, the increase in operating expenses is impacted by acquired businesses as well as initial expenses connected with the expansion of the oil & gas business.

Related to the first half of 2014, operating expenses increased by 2.8% in a year-on-year comparison and by 8.4% on a constant currency basis.

Operating EBITDA

The North American companies posted operating EBITDA of EUR 77.6 million in the second quarter of 2014, which is a decrease of 6.6% compared to the prior-year period. Adjusted for exchange rate effects, that is a decrease of 1.6%. While gross profit development was already positive in the second quarter of 2014, the additional momentum from the expansion of the oil & gas business will also bring operating EBITDA back to a growth path going forward.

Overall, the North America segment recorded a decline in operating EBITDA of 4.7% and only a slight decrease of 0.1% on a constant currency basis compared to the first half of the prior year.

LATIN AMERICA

in EUR m	Q2 2014	Q2 2013	Change abs.	Change in %	Change in % (fx adj.)
External sales	202.6	221.4	−18.8	−8.5	−2.0
Operating gross profit	39.5	43.4	−3.9	−9.0	−2.7
Operating expenses	−30.5	−30.2	−0.3	1.0	8.2
Operating EBITDA	**9.0**	**13.2**	**−4.2**	**−31.8**	**−27.6**

in EUR m	H1 2014	H1 2013	Change abs.	Change in %	Change in % (fx adj.)
External sales	399.1	436.8	−37.7	−8.6	−1.4
Operating gross profit	77.1	85.8	−8.7	−10.1	−3.4
Operating expenses	−57.4	−59.9	2.5	−4.2	3.1
Operating EBITDA	**19.7**	**25.9**	**−6.2**	**−23.9**	**−18.3**

B.07 BUSINESS PERFORMANCE IN THE SEGMENTS / LATIN AMERICA

External sales, volumes and prices

In the second quarter of 2014, external sales of the Latin American companies showed a decline of 8.5% (or 2.0% on a constant currency basis) compared to the second quarter of 2013. Volumes were slightly above the prior-year level.

Related to the first half of 2014, external sales fell by 8.6% or by 1.4% on a constant currency basis.

Operating gross profit

In the second quarter of 2014, operating gross profit in the Latin America segment totalled EUR 39.5 million, which is a decrease of 9.0% and 2.7% on a constant currency basis. This is due to the continued difficult business situation in Venezuela and the stagnating economy in Brazil, which affected our business.

In the first half of 2014, operating gross profit declined year-on-year by 10.1% or 3.4% on a constant currency basis.

Operating expenses

In the second quarter of 2014, operating expenses totalled EUR 30.5 million, which is a slight increase of 1.0%. On a constant currency basis, they increased by 8.2%. This is largely due to a volume-related increase in transportation costs as well as costs of the acquired business of Gafor Distribuidora S.A.

Therefore, in the first half of 2014 operating expenses decreased by 4.2% and, adjusted for exchange rate effects, increased by 3.1% compared to the prior-year period.

Operating EBITDA

The companies of the Latin America segment posted operating EBITDA of EUR 9.0 million, which – in a subdued macroeconomic environment – is a decrease of 31.8% (27.6% on a constant currency basis) compared to the second quarter of 2013. Progress has been made on the major issues the region faced in 2013. However, the region remains volatile, especially with respect to the unstable situation in Venezuela and the economic development in Brazil. Measures to appropriately address the new situation are being implemented over the coming quarters.

Overall, the earnings of the Latin America segment fell in the first half of 2014 by 23.9% and on a constant currency basis by 18.3%.

ASIA PACIFIC

in EUR m	**Q2 2014**	Q2 2013	Change abs.	Change in %	Change in % (fx adj.)
External sales	189.0	186.9	2.1	1.1	9.1
Operating gross profit	30.1	31.1	−1.0	−3.2	4.9
Operating expenses	−19.9	−18.9	−1.0	5.3	13.1
Operating EBITDA	**10.2**	**12.2**	**−2.0**	**−16.4**	**−8.1**

in EUR m	**H1 2014**	H1 2013	Change abs.	Change in %	Change in % (fx adj.)
External sales	351.9	364.2	−12.3	−3.4	4.2
Operating gross profit	57.9	62.3	−4.4	−7.1	1.2
Operating expenses	−39.2	−36.8	−2.4	6.5	15.6
Operating EBITDA	**18.7**	**25.5**	**−6.8**	**−26.7**	**−19.7**

B.08 BUSINESS PERFORMANCE IN THE SEGMENTS / ASIA PACIFIC

External sales, volumes and prices

The Asia Pacific segment grew external sales in the second quarter of 2014 by 1.1% or 9.1% on a constant currency basis to EUR 189.0 million compared to the second quarter of 2013. This growth was attributable to higher volumes.

External sales fell by 3.4% in the first half of 2014. However, adjusted for exchange rate effects, they increased by 4.2%.

Operating gross profit

In the second quarter of 2014, operating gross profit totalled EUR 30.1 million, decreasing by 3.2% compared to the prior-year period. However, on a constant currency basis the prior-year figure was exceeded by 4.9% despite a difficult business environment in some of the countries relevant for our business. Both the existing companies and the acquisitions, Blue Sky Environment Pty Ltd and the Zytex Group, contributed to this growth.

Related to the first half of 2014, this results in an exchange rate-related fall in operating gross profit of 7.1%. Adjusted for exchange rate effects, the Asia Pacific companies grew operating gross profit by 1.2% compared to the first half of 2013.

Operating expenses

Operating expenses in the second quarter of 2014 amounted to EUR 19.9 million, increasing compared to the prior-year period by 5.3% (on a constant currency basis by 13.1%). This increase results partly from our objective to increase our capabilities in order to be better equipped for future growth in the Asia Pacific region, which was reflected in higher personnel expenses.

In the first half of 2014, operating expenses increased in the Asia Pacific segment by 6.5% or 15.6% on a constant currency basis.

Operating EBITDA

The companies of the Asia Pacific segment posted operating EBITDA of EUR 10.2 million for the second quarter of 2014. This was a decrease of 16.4% or 8.1% on a constant currency basis, despite slightly strengthened economic momentum.

Overall, earnings in the first half of 2014 fell by 26.7% or by 19.7% on a constant currency basis.

ALL OTHER SEGMENTS

in EUR m	Q2 2014	Q2 2013	Change abs.	Change in %	Change in % (fx adj.)
External sales	115.1	135.2	−20.1	−14.9	−14.9
Operating gross profit	3.8	4.1	−0.3	−7.3	−7.3
Operating expenses	−9.4	−11.0	1.6	−14.5	−14.5
Operating EBITDA	**−5.6**	**−6.9**	**1.3**	**−18.8**	**−18.8**

in EUR m	H1 2014	H1 2013	Change abs.	Change in %	Change in % (fx adj.)
External sales	224.5	253.9	−29.4	−11.6	−11.6
Operating gross profit	7.4	7.9	−0.5	−6.3	−6.3
Operating expenses	−19.4	−21.5	2.1	−9.8	−9.8
Operating EBITDA	**−12.0**	**−13.6**	**1.6**	**−11.8**	**−11.8**

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 second quarter of 2014, operating EBITDA of Brenntag International Chemicals GmbH, Mülheim an der Ruhr, grew compared to the prior-year period. This increase was achieved as a result of constant operating gross profit whilst operating expenses decreased.

In the same period, the holding companies posted improved operating EBITDA compared to the second quarter of 2013.

Overall, the operating EBITDA of all other segments in the second quarter of 2014 amounted to EUR −5.6 million and was thus EUR 1.3 million more favourable than the figure for the same prior-year period.

Related to the first half of 2014, operating EBITDA even improved by EUR 1.6 million compared to the first half of 2013.

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 1,046.0 million as of June 30, 2014. The revolving credit facility was mostly unused on the reporting date.

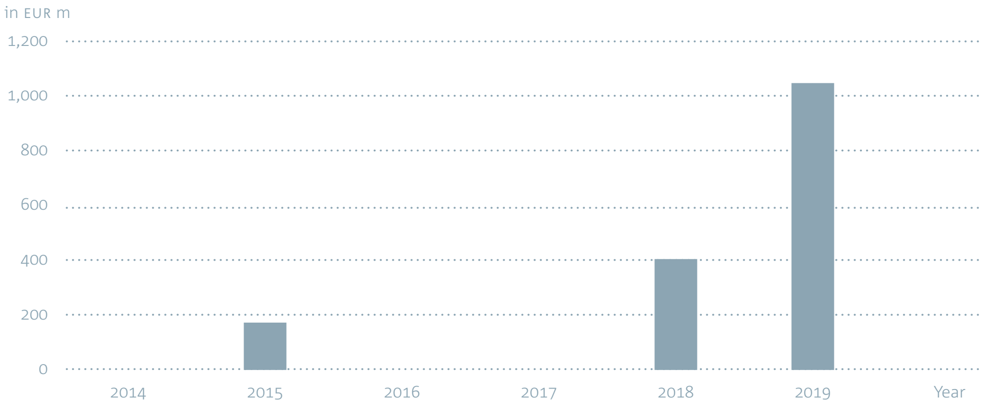
In April 2013, parts of the floating-rate syndicated loan were hedged against interest rate risks in the long term with suitable financial instruments. Overall, some 50% of the financial indebtedness of the Brenntag Group is currently hedged against the risk of interest rate increases.

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 176.1 million (before offsetting of transaction costs) as of June 30, 2014. In the second quarter of 2014, the programme was extended in its existing structure until June 2015 and we were also able to significantly reduce the interest margins. In addition to the three refinancing instruments, 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 OF JUNE 30, 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 half of 2014, investments in property, plant and equipment and intangible assets (excluding additions from company acquisitions) led to a total cash outflow of EUR 43.0 million (H1 2013: EUR 40.1 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 1.5 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 0.8 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. The total sum invested is EUR 1.0 million.
- 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.
- Greeley site, USA (EUR 0.4 million): Our site in Greeley is in an attractive location in the Niobrara shale gas area. Production of oil and gas is expected to continue growing very fast in this region in the coming years. In order to reap maximum benefit from this growth, we are investing in the extension of our existing capacities and expanding the infrastructure.
- Santiago de Chile site, Chile (EUR 0.3 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	H1 2014	H1 2013
Cash provided by operating activities	**95.2**	**112.7**
Cash used for investing activities	**−99.4**	**−70.5**
thereof purchases of consolidated subsidiaries, other business units and other financial assets	(−58.0)	(−33.0)
thereof purchases of other investments	(−43.0)	(−40.1)
thereof proceeds from divestments	(1.6)	(2.6)
Cash used for financing activities	**−111.9**	**−110.0**
Change in cash and cash equivalents	**−116.1**	**−67.8**

B.11 CASH FLOW

The cash of the Group provided by operating activities totalled EUR 95.2 million in the reporting period and was therefore EUR 17.5 million below the prior-year figure. The decrease was mainly due to the sharper increase in inventories and trade receivables.

Of the cash used for investing activities totalling EUR 99.4 million, EUR 43.0 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 58.0 million include the purchase price of EUR 30.0 million for the shares in Philchem, Inc. as well as the purchase price of EUR 20.5 million for the shares in Gafor Distribuidora S.A. The remaining EUR 7.5 million include 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 outflows for financing activities totalled EUR 111.9 million in the reporting period. This figure includes the dividend of EUR 133.9 million for the Brenntag shareholders. The other changes largely resulted from loans taken out (EUR 53.7 million) and redemptions (EUR 28.3 million) on local bank loans.

DEVELOPMENT OF FREE CASH FLOW

in EUR m	**H1 2014**	H1 2013	Change abs.	Change in %
EBITDA (incl. transaction costs/holding charges)	340.9	333.8	7.1	2.1
Investments in non-current assets (Capex)	−40.9	−34.5	−6.4	18.6
Change in working capital	−113.5	−128.8	15.3	−11.9
Free cash flow	**186.5**	**170.5**	**16.0**	**9.4**

B.12 FREE CASH FLOW

The Brenntag Group's free cash flow amounted to EUR 186.5 million in the first half of 2014 and thus increased significantly by 9.4% compared to the first half of 2013 (EUR 170.5 million).

This positive development is largely due to higher EBITDA and the smaller increase in working capital compared to the prior year, which more than compensated for the slightly higher capex.

FINANCIAL AND ASSETS POSITION

	Jun. 30, 2014		Dec. 31, 2013	
in EUR m	**abs.**	**in %**	abs.	in %
Assets				
Current assets	**2,797.8**	**47.4**	**2,589.8**	**46.0**
Cash and cash equivalents	318.7	5.4	426.8	7.6
Trade receivables	1,488.3	25.2	1,248.8	22.2
Other receivables and assets	180.3	3.1	157.1	2.8
Inventories	810.5	13.7	757.1	13.4
Non-current assets	**3,108.9**	**52.6**	**3,037.5**	**54.0**
Intangible assets [1]	2,148.3	36.4	2,074.3	36.9
Other fixed assets	865.4	14.7	869.4	15.4
Receivables and other assets	95.2	1.5	93.8	1.7
Total assets	**5,906.7**	**100.0**	**5,627.3**	**100.0**
Liabilities and Equity				
Current liabilities	**1,886.5**	**31.9**	**1,656.4**	**29.4**
Provisions	45.4	0.8	37.3	0.7
Trade payables	1,122.4	19.0	961.5	17.1
Financial liabilities	344.2	5.8	293.9	5.2
Miscellaneous liabilities	374.5	6.3	363.7	6.4
Equity and non-current liabilities	**4,020.2**	**68.1**	**3,970.9**	**70.6**
Equity	2,101.8	35.6	2,093.7	37.2
Non-current liabilities	1,918.4	32.5	1,877.2	33.4
Provisions	244.9	4.1	212.5	3.8
Financial liabilities	1,484.2	25.1	1,474.6	26.2
Miscellaneous liabilities	189.3	3.3	190.1	3.4
Total liabilities and equity	**5,906.7**	**100.0**	**5,627.3**	**100.0**

B.13 FINANCIAL AND ASSETS POSITION

[1] Of the intangible assets as of June 30, 2014, some EUR 1,153 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 June 30, 2014, total assets had increased by 5.0% to EUR 5,906.7 million (December 31, 2013: EUR 5,627.3 million).

Cash and cash equivalents decreased by 25.3% to EUR 318.7 million (December 31, 2013: EUR 426.8 million), largely as a result of the dividend payout of EUR 133.9 million at the end of June 2014.

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 19.2% to EUR 1,488.3 million (December 31, 2013: EUR 1,248.8 million).
- Inventories increased by 7.1% in the reporting period to EUR 810.5 million (December 31, 2013: EUR 757.1 million).
- With the opposite effect on the change in working capital, trade payables increased by 16.7% to EUR 1,122.4 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 113.5 million. At 8.9, the annualized working capital turnover [1)] in the reporting period decreased slightly compared to the level of the second quarter of 2013 (9.1).

The intangible assets and other fixed assets of the Brenntag Group increased by 2.4% or EUR 70.0 million to EUR 3,013.7 million compared to prior year (December 31, 2013: EUR 2,943.7 million). The change was mainly a result of acquisitions (EUR 73.6 million), investments in non-current assets (EUR 40.9 million) and positive exchange rate effects (EUR 23.0 million), on the one hand, as well as scheduled depreciation and amortization (EUR 65.9 million), on the other.

The current financial liabilities of EUR 344.2 million (December 31, 2013: EUR 293.9 million) increased by 17.1% compared to the prior year, largely due to temporary loans taken out by Brenntag companies. At EUR 1,484.2 million (December 31, 2013: EUR 1,474.6 million), the non-current financial liabilities remained virtually unchanged in the reporting period compared to the end of 2013.

Current and non-current provisions amounted to EUR 290.3 million (December 31, 2013: EUR 249.8 million). This figure included pension provisions amounting to EUR 132.5 million (December 31, 2013: EUR 101.0 million).

As of June 30, 2014, the equity of the Brenntag Group totalled EUR 2,101.8 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 half-year projected onto the full year (sales for the first half-year multiplied by two); average working capital is defined for the first half-year as the average of the values for working capital at the beginning of the year and at the end of the first and second quarters.

EMPLOYEES

As of June 30, 2014, Brenntag had 13,497 employees worldwide. The number of employees is determined on the basis of full-time equivalents, i.e. part-time jobs are weighted according to the number of hours worked.

	Jun. 30, 2014		Dec. 31, 2013	
Full-time equivalents (FTE)	**abs.**	**in %**	abs.	in %
Europe	6,240	46.2	6,145	46.6
North America	4,080	30.2	3,970	30.1
Latin America	1,452	10.8	1,418	10.8
Asia Pacific	1,609	11.9	1,536	11.6
All Other Segments	116	0.9	116	0.9
Brenntag Group	**13,497**	**100.0**	**13,185**	**100.0**

B.14 EMPLOYEES PER SEGMENT

SUBSEQUENT EVENTS

Brenntag performed a 1:3 stock split during the third quarter of 2014. Each shareholder received, without additional payment, two additional shares per each share held. After the General Shareholders' Meeting resolved the capital increase from company funds through the issue of new shares in June 2014, the registered share capital of the company is now EUR 154.5 million. It is divided into an equally high number of registered no-par-value shares following the split.

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. The average forecast growth rate calculated using Brenntag's sales per country amounts to 2.7%. In Europe, the positive macroeconomic development experienced during the first half of 2014 is expected to continue throughout the year. In North America, after a moderate first half of 2014, impacted by severe weather conditions, sequential improvement is expected in the second half of the year. In Latin America, by contrast, a continuation of the economic difficulties, particularly in Venezuela, is anticipated. Similarly, in Asia, particularly in Thailand, the macroeconomic difficulties are expected to continue for the rest of the year.

In view of the development of earnings in the first half of 2014, we are currently anticipating the following Group and segment developments in local currencies, i.e. excluding exchange rate effects, for the 2014 financial year compared to 2013:

For the Brenntag Group, all relevant earnings parameters are expected to grow. Operating gross profit should increase meaningfully, 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, we expect the Brenntag Group's operating EBITDA excluding one-time effects to be between EUR 700 million and EUR 720 million for 2014 as a whole. It has been assumed that there will be no major change in the average US dollar / euro exchange rate compared to the first half of the year. Growth is expected to be driven mainly by the segments Europe and North America.

For the Europe segment, we predict a meaningful 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. Brenntag is confident that the increase in operating expenses can be limited by continuing tight cost control and expects the growth rate of operating EBITDA to be higher than that of operating gross profit or, adjusted for the increase in provisions in 2013, at a similar level.

In the North America segment, operating gross profit is expected to grow significantly. This will be partly driven by the planned and initiated expansion of the oil & gas business as well as the anticipated growth in our other focus industries. A moderate increase in operating EBITDA is expected.

The expected development in the Latin America segment will be influenced by the continued unfavourable overall economic situation in Venezuela and Brazil, which is significantly affecting Brenntag's business in the region. For the other countries in the Latin America region, a significant increase in operating gross profit is expected. As a result of the planned implementation of measures to optimize the value chain, we expect to be able to keep operating expenses strictly controlled. In summary, the Latin America segment is expected to achieve only a slight operating EBITDA growth for the year.

For the Asia Pacific segment, there is confidence that it will benefit from the growth of its product portfolio and the expansion of its markets given the positive economic momentum in this region. Therefore, we forecast significant growth in operating gross profit for the rest of the year which should translate into a significant increase also on a full-year basis. Operating expenses are expected to increase significantly. Personnel expenses will be higher due to the increase in our capabilities. Furthermore, the business in this region is likely to continue to suffer from the political developments in Thailand. Nevertheless, a meaningful increase in operating EBITDA is expected over the rest of the year and the prior-year figure should be almost reached 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. Continued focus will be on management of customer and supplier relationships as well as work on the sustained optimization of warehouse logistics. As a result the high level of working capital turnover achieved in 2013 should be more or less maintained.

In order to adjust property, plant and equipment capacities to the increasing business volume, the plan is to invest on an appropriate scale in property, plant and equipment in 2014. An increase in investments compared to 2013 is expected, primarily as a result of projects for expanding our business operations.

Overall, it is estimated 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 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 half 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 June 30, 2014

CONTENTS INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

in EUR m	Note	**Jan. 1 – Jun. 30, 2014**	Jan. 1 – Jun. 30, 2013	**Apr. 1 – Jun. 30, 2014**	Apr. 1 – Jun. 30, 2013
Sales		4,917.4	4,963.8	2,501.3	2,544.7
Cost of goods sold		−3,931.6	−3,983.7	−1,999.1	−2,042.5
Gross profit		**985.8**	**980.1**	**502.2**	**502.2**
Selling expenses		−640.4	−646.9	−323.3	−333.5
Administrative expenses		−75.2	−75.9	−39.0	−39.7
Other operating income		12.7	14.3	7.2	7.7
Other operating expenses		−7.9	−8.5	−3.3	−4.1
Operating profit		**275.0**	**263.1**	**143.8**	**132.6**
Result of investments accounted for at equity		1.5	1.4	0.7	1.6
Finance income	1.)	4.3	4.3	2.2	2.2
Finance costs	2.)	−41.7	−41.4	−20.6	−20.6
Changes in purchase price obligations and liabilities under IAS 32 to minorities	3.)	−1.9	−2.9	−0.9	−1.2
Other financial result		−4.6	−9.1	−1.6	−5.2
Financial result		**−42.4**	**−47.7**	**−20.2**	**−23.2**
Profit before tax		**232.6**	**215.4**	**123.6**	**109.4**
Income taxes	4.)	−79.7	−76.7	−42.8	−40.5
Profit after tax		**152.9**	**138.7**	**80.8**	**68.9**
Attributable to:					
Shareholders of Brenntag AG		152.6	138.4	80.5	68.7
Minority shareholders		0.3	0.3	0.3	0.2
Undiluted earnings per share in euro [1]	5.)	**0.99**	**0.90**	**0.52**	**0.44**
Diluted earnings per share in euro [1]	5.)	**0.99**	**0.90**	**0.52**	**0.44**

C.01 CONSOLIDATED INCOME STATEMENT

[1] As part of a stock split, the number of shares was increased in the third quarter of 2014 from 51.5 million to 154.5 million. The earnings per share refer for all periods reported to these 154.5 million shares.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	Note	**Jan. 1 – Jun. 30, 2014**	Jan. 1 – Jun. 30, 2013	**Apr. 1 – Jun. 30, 2014**	Apr. 1 – Jun. 30, 2013
Profit after tax		**152.9**	**138.7**	**80.8**	**68.9**
Remeasurement of defined benefit plans	8.)	−30.3	17.5	−12.2	7.1
Deferred tax on remeasurement of defined benefit plans	8.)	8.2	−4.8	3.4	−1.9
Non-reclassifiable other comprehensive income		**−22.1**	**12.7**	**−8.8**	**5.2**
Change in exchange rate differences of fully consolidated companies		13.3	−21.0	18.4	−46.8
Change in exchange rate differences of companies accounted for at equity		0.1	−3.3	0.2	−2.1
Change in net investment hedge reserve		0.6	−1.3	−0.5	0.5
Change in cash flow hedge reserve		−4.2	9.2	−2.6	9.2
Deferred tax on change in cash flow hedge reserve		1.4	−2.9	0.9	−2.9
Reclassifiable other comprehensive income		**11.2**	**−19.3**	**16.4**	**−42.1**
Other comprehensive income		**−10.9**	**−6.6**	**7.6**	**−36.9**
Total comprehensive income		**142.0**	**132.1**	**88.4**	**32.0**
Attributable to:					
Shareholders of Brenntag AG		142.1	131.1	87.7	32.1
Minority shareholders		−0.1	1.0	0.7	−0.1

C.02 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED BALANCE SHEET

ASSETS

in EUR m	Note	**Jun. 30, 2014**	Dec. 31, 2013
Current Assets			
Cash and cash equivalents		318.7	426.8
Trade receivables		1,488.3	1,248.8
Other receivables		134.6	112.6
Other financial assets		2.9	6.6
Current tax assets		41.1	36.0
Inventories		810.5	757.1
Non-current assets held for sale		1.7	1.9
		2,797.8	**2,589.8**
Non-current Assets			
Property, plant and equipment		841.1	844.7
Intangible assets		2,148.3	2,074.3
Investments accounted for at equity		24.3	24.7
Other receivables		10.8	13.2
Other financial assets		28.4	30.7
Deferred tax assets		56.0	49.9
		3,108.9	**3,037.5**
Total assets		**5,906.7**	**5,627.3**

LIABILITIES AND EQUITY

in EUR m	Note	**Jun. 30, 2014**	Dec. 31, 2013
Current Liabilities			
Trade payables		1,122.4	961.5
Financial liabilities	6.)	344.2	293.9
Other liabilities		334.2	322.0
Other provisions	7.)	45.4	37.3
Current tax liabilities		40.3	41.7
		1,886.5	**1,656.4**
Non-current Liabilities			
Financial liabilities	6.)	1,484.2	1,474.6
Other liabilities		1.2	2.0
Other provisions	7.)	112.4	111.5
Provisions for pensions and similar obligations	8.)	132.5	101.0
Purchase price obligations and liabilities under IAS 32 to minorities	9.)	41.5	41.1
Deferred tax liabilities		146.6	147.0
		1,918.4	**1,877.2**
Equity			
Subscribed capital		51.5	51.5
Additional paid-in capital		1,560.1	1,560.1
Retained earnings		532.6	536.0
Accumulated other comprehensive income		−70.4	−82.0
Equity attributable to Brenntag shareholders		**2,073.8**	**2,065.6**
Equity attributable to minority shareholders		28.0	28.1
		2,101.8	**2,093.7**
Total liabilities and equity		**5,906.7**	**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**
Dividends	–	–	−123.6
Profit after tax	–	–	138.4
Other comprehensive income	–	–	12.7
Total comprehensive income	**–**	**–**	**151.1**
Jun. 30, 2013	**51.5**	**1,560.1**	**331.7**

Dec. 31, 2013	**51.5**	**1,560.1**	**536.0**
Dividends	–	–	−133.9
Profit after tax	–	–	152.6
Other comprehensive income	–	–	−22.1
Total comprehensive income	**–**	**–**	**130.5**
Jun. 30, 2014	**51.5**	**1,560.1**	**532.6**

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**
–	–	–	–	−123.6	–	−123.6
–	–	–	–	138.4	0.3	138.7
−25.0	−1.3	9.2	−2.9	−7.3	0.7 [1]	−6.6
−25.0	**−1.3**	**9.2**	**−2.9**	**131.1**	**1.0**	**132.1**
−22.7	**−4.0**	**9.2**	**−2.9**	**1,922.9**	**29.8**	**1,952.7**

C.04 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / JUN. 30, 2013

−85.4	**−2.1**	**8.7**	**−3.2**	**2,065.6**	**28.1**	**2,093.7**
–	–	–	–	−133.9	–	−133.9
–	–	–	–	152.6	0.3	152.9
13.8	0.6	−4.2	1.4	−10.5	−0.4 [1]	−10.9
13.8	**0.6**	**−4.2**	**1.4**	**142.1**	**−0.1**	**142.0**
−71.6	**−1.5**	**4.5**	**−1.8**	**2,073.8**	**28.0**	**2,101.8**

C.05 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / JUN. 30, 2014

[1] Change in exchange rate differences (accumulated exchange rate differences as at Jun. 30, 2014: EUR 2.0 million, Dec. 31, 2013: EUR 2.4 million, Jun. 30, 2013: EUR 3.5 million, Dec. 31, 2012: EUR 2.8 million).

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	Note	**Jan. 1 – Jun. 30, 2014**	Jan. 1 – Jun. 30, 2013	**Apr. 1 – Jun. 30, 2014**	Apr. 1 – Jun. 30, 2013
	10.)				
Profit after tax		**152.9**	**138.7**	**80.8**	**68.9**
Depreciation and amortization		65.9	70.7	33.1	36.5
Income taxes		79.7	76.7	42.8	40.5
Income tax payments		−81.5	−74.1	−53.6	−39.9
Interest result		37.4	37.1	18.4	18.4
Interest payments (netted against interest received)		−28.5	−28.2	−14.4	−10.9
Dividends received		1.9	0.3	0.6	0.2
Changes in provisions		0.3	12.4	1.8	18.4
Changes in current assets and liabilities					
Inventories		−44.8	−29.6	−40.5	−10.7
Receivables		−233.5	−217.4	−36.2	−48.9
Liabilities		154.1	109.7	29.1	2.5
Non-cash change in purchase price obligations and liabilities under IAS 32 to minorities		1.9	2.9	0.9	1.2
Other non-cash income and expenses as well as reclassifications		−10.6	13.5	−14.3	2.8
Cash provided by operating activities		**95.2**	**112.7**	**48.5**	**79.0**
Proceeds from disposals of other financial assets		0.1	–	–	–
Proceeds from disposals of intangible assets as well as property, plant and equipment		1.5	2.6	0.7	1.2
Purchases of consolidated subsidiaries and other business units		−57.7	−33.0	−50.6	−33.0
Purchases of other financial assets		−0.3	–	−0.2	–
Purchases of intangible assets as well as property, plant and equipment		−43.0	−40.1	−23.0	−18.2
Cash used for investing activities		**−99.4**	**−70.5**	**−73.1**	**−50.0**
Dividends paid to Brenntag shareholders		−133.9	−123.6	−133.9	−123.6
Dividends paid to minority shareholders		−0.9	−1.0	−0.9	−1.0
Proceeds from borrowings		53.7	34.5	46.4	25.7
Repayments of borrowings		−30.8	−19.9	−23.5	−5.8
Cash used for financing activities		**−111.9**	**−110.0**	**−111.9**	**−104.7**
Change in cash and cash equivalents		**−116.1**	**−67.8**	**−136.5**	**−75.7**
Change in cash and cash equivalents due to currency gains/losses		8.0	−6.5	6.4	−4.9
Cash and cash equivalents at beginning of year/quarter		426.8	346.6	448.8	352.9
Cash and cash equivalents at end of quarter		**318.7**	**272.3**	**318.7**	**272.3**

C.06 CONSOLIDATED CASH FLOW STATEMENT

CONDENSED NOTES

KEY FINANCIAL FIGURES BY SEGMENT

for the period from January 1 to June 30

SEGMENT REPORTING IN ACCORDANCE WITH IFRS 8

in EUR m		Europe	North America	Latin America	Asia Pacific	All Other Segments	Consoli-dation	**Group**
External sales	**2014**	**2,355.2**	**1,586.7**	**399.1**	**351.9**	**224.5**	**–**	**4,917.4**
	2013	2,335.9	1,573.0	436.8	364.2	253.9	–	4,963.8
	Change in %	0.8	0.9	−8.6	−3.4	−11.6	–	−0.9
	fx adjusted change in %	1.3	6.0	−1.4	4.2	−11.6	–	2.1
Inter-segment sales	**2014**	**4.0**	**3.0**	**1.3**	**1.8**	**0.4**	**−10.5**	**–**
	2013	4.9	3.4	1.8	0.4	0.3	−10.8	–
Operating gross profit [1]	**2014**	**490.7**	**376.3**	**77.1**	**57.9**	**7.4**	**–**	**1,009.4**
	2013	469.7	377.3	85.8	62.3	7.9	–	1,003.0
	Change in %	4.5	−0.3	−10.1	−7.1	−6.3	–	0.6
	fx adjusted change in %	4.7	4.9	−3.4	1.2	−6.3	–	3.8
Gross profit	**2014**	**–**	**–**	**–**	**–**	**–**	**–**	**985.8**
	2013	–	–	–	–	–	–	980.1
	Change in %	–	–	–	–	–	–	0.6
	fx adjusted change in %	–	–	–	–	–	–	3.7
Operating EBITDA (segment result)	**2014**	**168.7**	**145.6**	**19.7**	**18.7**	**−12.0**	**–**	**340.7**
	2013	143.2	152.8	25.9	25.5	−13.6	–	333.8
	Change in %	17.8	−4.7	−23.9	−26.7	−11.8	–	2.1
	fx adjusted change in %	17.8	−0.1	−18.3	−19.7	−11.8	–	5.5
EBITDA	**2014**	**–**	**–**	**–**	**–**	**–**	**–**	**340.9**
	2013	–	–	–	–	–	–	333.8
	Change in %	–	–	–	–	–	–	2.1
	fx adjusted change in %	–	–	–	–	–	–	5.6
Investments in non-current assets (Capex) [2]	**2014**	**23.6**	**12.6**	**1.6**	**2.0**	**1.1**	**–**	**40.9**
	2013	20.8	8.9	3.2	1.1	0.5	–	34.5

C.07 SEGMENT REPORTING IN ACCORDANCE WITH IFRS 8 FOR THE PERIOD FROM JANUARY 1 TO JUNE 30

[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.

KEY FINANCIAL FIGURES BY SEGMENT

for the period from April 1 to June 30

SEGMENT REPORTING IN ACCORDANCE WITH IFRS 8

in EUR m		Europe	North America	Latin America	Asia Pacific	All Other Segments	Consoli-dation	Group
External sales	**2014**	**1,179.6**	**815.0**	**202.6**	**189.0**	**115.1**	**–**	**2,501.3**
	2013	1,184.0	817.2	221.4	186.9	135.2	–	2,544.7
	Change in %	−0.4	−0.3	−8.5	1.1	−14.9	–	−1.7
	fx adjusted change in %	−0.1	5.3	−2.0	9.1	−14.9	–	1.3
Inter-segment sales	**2014**	**2.2**	**2.0**	**0.5**	**1.0**	**0.2**	**−5.9**	**–**
	2013	2.1	1.7	0.8	–	0.2	−4.8	–
Operating gross profit [1]	**2014**	**246.6**	**193.9**	**39.5**	**30.1**	**3.8**	**–**	**513.9**
	2013	237.2	198.1	43.4	31.1	4.1	–	513.9
	Change in %	4.0	−2.1	−9.0	−3.2	−7.3	–	–
	fx adjusted change in %	4.0	3.4	−2.7	4.9	−7.3	–	3.2
Gross profit	**2014**	**–**	**–**	**–**	**–**	**–**	**–**	**502.2**
	2013	–	–	–	–	–	–	502.2
	Change in %	–	–	–	–	–	–	–
	fx adjusted change in %	–	–	–	–	–	–	3.2
Operating EBITDA (segment result)	**2014**	**85.5**	**77.6**	**9.0**	**10.2**	**−5.6**	**–**	**176.7**
	2013	67.5	83.1	13.2	12.2	−6.9	–	169.1
	Change in %	26.7	−6.6	−31.8	−16.4	−18.8	–	4.5
	fx adjusted change in %	26.5	−1.6	−27.6	−8.1	−18.8	–	8.3
EBITDA	**2014**	**–**	**–**	**–**	**–**	**–**	**–**	**176.9**
	2013	–	–	–	–	–	–	169.1
	Change in %	–	–	–	–	–	–	4.6
	fx adjusted change in %	–	–	–	–	–	–	8.5
Investments in non-current assets (Capex) [2]	**2014**	**13.2**	**6.9**	**1.0**	**1.3**	**−0.1**	**–**	**22.3**
	2013	11.4	5.2	1.6	0.5	0.2	–	18.9

C.08 SEGMENT REPORTING IN ACCORDANCE WITH IFRS 8 FOR THE PERIOD FROM APRIL 1 TO JUNE 30

[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 – Jun. 30, 2014**	Jan. 1 – Jun. 30, 2013	**Apr. 1 – Jun. 30, 2014**	Apr. 1 – Jun. 30, 2013
EBITDA	**340.9**	**333.8**	**176.9**	**169.1**
Investments in non-current assets (Capex) [1]	−40.9	−34.5	−22.3	−18.9
Changes in working capital [2] [3]	−113.5	−128.8	−43.8	−50.2
Free cash flow	**186.5**	**170.5**	**110.8**	**100.0**

C.09 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 – Jun. 30, 2014**	Jan. 1 – Jun. 30, 2013	**Apr. 1 – Jun. 30, 2014**	Apr. 1 – Jun. 30, 2013
Operating EBITDA (segment result) [1]	**340.7**	**333.8**	**176.7**	**169.1**
Transaction costs / holding charges [2]	0.2	–	0.2	–
EBITDA	**340.9**	**333.8**	**176.9**	**169.1**
Scheduled depreciation of property, plant and equipment	−48.4	−49.9	−24.4	−25.7
Impairment of property, plant and equipment	–	−1.2	–	−1.2
EBITA	**292.5**	**282.7**	**152.5**	**142.2**
Scheduled amortization of intangible assets [3]	−17.5	−19.6	−8.7	−9.6
Impairment of intangible assets	–	–	–	–
EBIT	**275.0**	**263.1**	**143.8**	**132.6**
Financial result	−42.4	−47.7	−20.2	−23.2
Profit before tax	**232.6**	**215.4**	**123.6**	**109.4**

C.10 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 13.8 million (H1 2013: EUR 16.0 million).

in EUR m	**Jan. 1 – Jun. 30, 2014**	Jan. 1 – Jun. 30, 2013	**Apr. 1 – Jun. 30, 2014**	Apr. 1 – Jun. 30, 2013
Operating gross profit	**1.009.4**	**1,003.0**	**513.9**	**513.9**
Operating costs [1]	−23.6	−22.9	−11.7	−11.7
Gross profit	**985.8**	**980.1**	**502.2**	**502.2**

C.11 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 June 30, 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 as investments at fair value through profit or loss in the consolidated financial statements of investment entities
- 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

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 as investments at fair value through profit or loss in the consolidated financial statements of investment entities 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.

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	**Jun. 30, 2014**
Domestic consolidated companies	27	–	–	27
Foreign consolidated companies	181	4	4	181
Total consolidated companies	**208**	**4**	**4**	**208**

C.12 CHANGES IN SCOPE OF CONSOLIDATION

The additions to consolidated companies result from mergers and one establishment. 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.

In early April 2014, the acquisition of 100% of the shares of Gafor Distribuidora S.A., 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.

In early June, Brenntag took over 100% of the shares of Philchem, Inc., based in Houston, Texas, USA. The company is specialized in managing individual supply and demand imbalances in selected product groups. Philchem, Inc. utilizes long-term relationships with key suppliers and has excellent logistics expertise. Philchem's business model complements the strategic profile of Brenntag Global Marketing, LLC and its expertise in products with global flow.

The provisional purchase price of these acquisitions is EUR 73.2 million, EUR 8.9 million of which depends on the achievement of various operating gross profit targets in the years after acquisition.

Assets and liabilities acquired in business combinations are recognized at their fair value on the date of acquisition. The multi-period excess earnings method was used to measure customer relationships.

The net assets acquired break down as follows:

in EUR m	Provisional fair value
Assets	
Cash and cash equivalents	2.3
Trade receivables, other financial assets and other receivables	21.3
Other current assets	5.1
Non-current assets	28.4
Liabilities	
Current liabilities	21.7
Non-current liabilities	3.1
Non-current contingent liabilities	5.2
Net assets	**27.1**

C.13 NET ASSETS ACQUIRED

Measurement of the assets and liabilities taken over has not yet been completed owing to a lack of time. The acquisitions therefore result in provisional tax-deductible goodwill of EUR 46.1 million. The main factors determining the goodwill are the above-mentioned reasons for the acquisitions where not included in other assets (e.g. customer relations and similar rights).

Since their acquisition by Brenntag, businesses acquired in 2014 generated sales of EUR 32.5 million and profit after tax of EUR 1.5 million.

If the business combinations had taken place with effect from January 1, 2014, sales of about EUR 4,967 million would have been shown for the Brenntag Group in the reporting period. The profit after tax would have been about EUR 155 million.

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

	Closing rate		Average rate	
1 EUR = currencies	**Jun. 30, 2014**	Dec. 31, 2013	**Jan. 1 – Jun. 30, 2014**	Jan. 1 – Jun. 30, 2013
Canadian dollar (CAD)	1.4589	1.4671	1.5029	1.3341
Swiss franc (CHF)	1.2156	1.2276	1.2215	1.2299
Chinese yuan renminbi (CNY)	8.4722	8.3491	8.4500	8.1285
Danish crown (DKK)	7.4557	7.4593	7.4627	7.4572
Pound sterling (GBP)	0.8015	0.8337	0.8213	0.8508
Polish zloty (PLN)	4.1568	4.1543	4.1755	4.1772
Swedish crown (SEK)	9.1762	8.8591	8.9535	8.5311
US dollar (USD)	1.3658	1.3791	1.3703	1.3134

C.14 EXCHANGE RATES OF MAIN CURRENCIES

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

1.) Finance income

in EUR m	**Jan. 1 – Jun. 30, 2014**	Jan. 1 – Jun. 30, 2013
Interest income from third parties	1.4	1.9
Interest income from plan assets	2.9	2.4
Total	**4.3**	**4.3**

C.15 FINANCE INCOME

2.) Finance costs

in EUR m	**Jan. 1 – Jun. 30, 2014**	Jan. 1 – Jun. 30, 2013
Interest expense on liabilities to third parties	−34.4	−35.4
Expense from the measurement of interest rate swaps at fair value	−1.3	−0.6
Interest expense on provisions for pensions and similar obligations	−4.7	−4.2
Interest expense on other provisions	−0.8	−0.6
Interest expense on finance leases	−0.5	−0.6
Total	**−41.7**	**−41.4**

C.16 FINANCE COSTS

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

in EUR m	**Jan. 1 – Jun. 30, 2014**	Jan. 1 – Jun. 30, 2013
Cost from the unwinding of discounting of the purchase price obligation	−1.2	−2.1
Result from measurement of the purchase price obligation at the exchange rate on the reporting date	–	−0.3
Change in liabilities under IAS 32 to minorities	−0.7	−0.5
Total	**−1.9**	**−2.9**

C.17 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 77.9 million (H1 2013: current tax expenses of EUR 74.5 million) as well as deferred tax expenses of EUR 1.8 million (H1 2013: deferred tax expenses of EUR 2.2 million).

The expected corporate income tax rate for the 2014 financial year was applied when determining tax expense in the first half 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 – Jun. 30, 2014			Jan. 1 – Jun. 30, 2013		
in EUR m	Profit before tax	Tax rate in %	Income taxes	Profit before tax	Tax rate in %	Income taxes
excluding tax-neutral earnings/expenses which cannot be planned	**233.7**	**34.1**	**−79.7**	222.0	34.6	−76.7
tax-neutral earnings/expenses which cannot be planned with sufficient accuracy	**−1.1**	**–**	**–**	−6.6	–	–
including tax-neutral earnings/expenses which cannot be planned	**232.6**	**34.3**	**−79.7**	215.4	35.6	−76.7

C.18 PROFIT BEFORE TAX AFTER ELIMINATION OF TAX-NEUTRAL EARNINGS AND EXPENSES WHICH CANNOT BE PLANNED

5.) Earnings per share

Brenntag performed a 1:3 stock split in the third quarter of 2014. Each shareholder received, without additional payment, two additional shares per each share held. After the General Shareholders' Meeting resolved the capital increase from company funds through the issue of new shares in June 2014, the registered share capital of the company is now EUR 154.5 million. It is divided into an equally high number of registered no-par-value shares following the split.

The earnings per share of EUR 0.99 (H1 2013: EUR 0.90) are determined by dividing the share in income after tax of EUR 152.6 million (H1 2013: EUR 138.4 million) due to the shareholders of Brenntag AG by the number of 154.5 million shares after the share split.

6.) Financial liabilities

in EUR m	**Jun. 30, 2014**	Dec. 31, 2013
Liabilities under syndicated loan	1,037.4	1,034.3
Other liabilities to banks	316.2	277.6
Bond	415.6	404.0
Liabilities under finance leases	12.9	13.6
Derivative financial instruments	3.2	1.9
Other financial liabilities	43.1	37.1
Total	**1,828.4**	**1,768.5**
Cash and cash equivalents	318.7	426.8
Net financial liabilities	**1,509.7**	**1,341.7**

C.19 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 175.9 million (Dec. 31, 2013: EUR 175.4 million).

7.) Other provisions

Other provisions break down as follows:

in EUR m	**Jun. 30, 2014**	Dec. 31, 2013
Environmental provisions	100.8	98.3
Provisions for personnel expenses	29.2	26.8
Miscellaneous provisions	27.8	23.7
Total	**157.8**	**148.8**

C.20 OTHER PROVISIONS

8.) Provisions for pensions and similar obligations

In the interim consolidated financial statements as at June 30, 2014, a discount rate for pension obligations in Germany and in the euro zone of 2.9% (Dec. 31, 2013: 3.7%), in Switzerland of 1.6% (Dec. 31, 2013: 2.2%) and in Canada of 4.25% (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 30.3 million. Allowing for deferred taxes, the actuarial losses recorded in equity consequently increased by EUR 22.1 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	**Jun. 30, 2014**	Dec. 31, 2013
Purchase price obligation for second tranche of Zhong Yung (49%)	40.0	39.4
Liabilities under IAS 32 to minorities	1.5	1.7
Total	**41.5**	**41.1**

C.21 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 half of 2014 all exchange rate-related changes in the liability were recorded in the net investment hedge reserve.

10.) Equity

As proposed by the Board of Management and Supervisory Board, on June 17, 2014 the ordinary General Shareholders' Meeting of Brenntag AG resolved the distribution of a dividend of EUR 133,900,000.00. Based on 51.5 million shares, that is a dividend of EUR 2.60 per no-par-value share entitled to dividend.

11.) Information on the consolidated cash flow statement

The net cash inflow from operating activities amounting to EUR 95.2 million was influenced by cash outflows from the increase in working capital of EUR 113.5 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 – Jun. 30, 2014**	Jan. 1 – Jun. 30, 2013
Increase in inventories	−44.8	−29.6
Increase in gross trade receivables	−215.1	−201.7
Increase in trade payables	146.8	101.8
Write-downs on trade receivables and on inventories [1]	−0.4	0.7
Change in working capital [2]	**−113.5**	**−128.8**

C.22 CHANGE IN WORKING CAPITAL

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

At 8.9, the annualized working capital turnover [1] in the reporting period decreased slightly compared to the level of the second quarter of 2013 (9.1).

12.) Legal disputes

In the first half 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 half-year projected onto the full year (sales for the first half-year multiplied by two); average working capital is defined for the first half-year as the average of the values for working capital at the beginning of the year and at the end of the first and second quarters.

13.) 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			**Jun. 30, 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	318.7	–	–	–	318.7	318.7
Trade receivables	1,488.3	–	–	–	1,488.3	1,488.3
Other receivables	65.4	–	–	–	65.4	65.4
Other financial assets	24.2	1.0	1.3	4.8	31.3	31.3
Total	**1,896.6**	**1.0**	**1.3**	**4.8**	**1,903.7**	**1,903.7**

C.23 CLASSIFICATION OF FINANCIAL ASSETS ACCORDING TO MEASUREMENT CATEGORIES / JUN. 30, 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.24 CLASSIFICATION OF FINANCIAL ASSETS 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 80.0 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 and advance payments.

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			**Jun. 30, 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	1,122.4	–	–	–	–	1,122.4	1,122.4
Other liabilities	231.5	–	–	–	–	231.5	231.5
Purchase price obligations and liabilities under IAS 32 to minorities	1.5	40.0	–	–	–	41.5	41.4
Financial liabilities	1,812.3	–	2.6	0.6	12.9	1,828.4	1,871.3
Total	**3,167.7**	**40.0**	**2.6**	**0.6**	**12.9**	**3,223.8**	**3,266.6**

C.25 CLASSIFICATION OF FINANCIAL LIABILITIES ACCORDING TO MEASUREMENT CATEGORIES / JUN. 30, 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.26 CLASSIFICATION OF FINANCIAL LIABILITIES ACCORDING TO MEASUREMENT CATEGORIES / DEC. 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 103.9 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	**Jun. 30, 2014**
Financial assets at fair value through profit or loss	–	1.0	–	1.0
Derivatives designated in hedge accounting with a positive fair value	–	4.8	–	4.8
Financial liabilities at fair value through profit or loss	–	2.6	–	2.6
Derivatives designated in hedge accounting with a negative fair value	–	0.1	–	0.1
Available-for-sale financial assets	1.3	–	–	1.3

C.27 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / JUN. 30, 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.28 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / DEC. 31, 2013

14.) Subsequent events

Brenntag performed a 1:3 stock split in the third quarter of 2014. Each shareholder received, without additional payment, two additional shares per each share held. After the General Shareholders' Meeting resolved the capital increase from company funds through the issue of new shares in June 2014, the registered share capital of the company is now EUR 154.5 million. It is divided into an equally high number of registered no-par-value shares following the split.

RESPONSIBILITY STATEMENT

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

Mülheim an der Ruhr, August 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 June 30, 2014 which are part of the half-year financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Düsseldorf, August 6, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Thomas Tandetzki
Wirtschaftsprüfer
(German Public Auditor)

ppa. Frank Schemann
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A TO OUR SHAREHOLDERS

B MANAGEMENT REPORT

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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

AUG 08
2014
Roadshow,
London

NOV 05
2014
Interim Report
Q3 2014

NOV 19
2014
Deutsche Bank
Business Service &
Leisure Conference,
London

NOV 24
2014
Bank of America
European Business
Services Conference,
London

DEC 01-04
2014
Berenberg Pan
European Conference,
London

DEC 02-03
2014
Credit Suisse Business
Services West
Coast Conference,
San Francisco

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