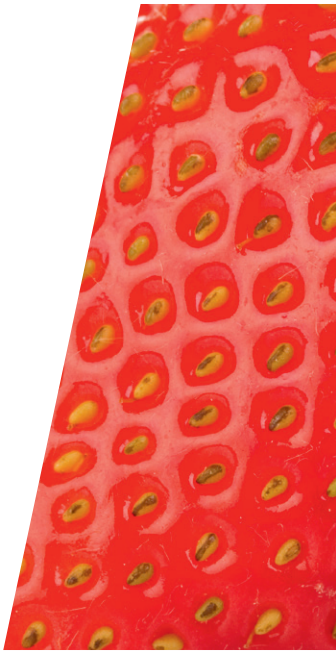
BRENNTAG



ConnectingChemistry

INTERIM REPORT 2015

BRENNTAG AG

Q2

KEY FINANCIAL FIGURES AT A GLANCE

CONSOLIDATED INCOME STATEMENT

		Q2 2015	Q2 2014 [1]
Sales	in EUR m	2,691.4	2,501.3
Gross profit	in EUR m	585.3	502.2
Operating EBITDA	in EUR m	215.4	178.5
Operating EBITDA/Gross profit	%	36.8	35.5
EBITDA	in EUR m	215.4	178.7
Profit after tax	in EUR m	108.1	82.0
Earnings per share [2]	EUR	0.69	0.53

CONSOLIDATED BALANCE SHEET		Jun. 30, 2015	Dec. 31, 2014
Total assets	in EUR m	6,430.9	6,215.0
Equity	in EUR m	2,511.9	2,356.9
Working capital	in EUR m	1,339.7	1,226.8
Net financial liabilities	in EUR m	1,540.2	1,409.7

CONSOLIDATED CASH FLOW		Q2 2015	Q2 2014
Cash provided by operating activities	in EUR m	106.6	48.5
Investments in non-current assets (capex)	in EUR m	22.7	22.3
Free cash flow	in EUR m	167.1	112.6

KEY FIGURES BRENNTAG SHARE		Jun. 30, 2015	Dec. 31, 2014
Share price	EUR	51.43	46.51
No. of shares (unweighted)		154,500,000	154,500,000
Market capitalization	in EUR m	7,946	7,186
Free float	%	100.0	100.0

A.01 KEY FINANCIAL FIGURES AT A GLANCE

[1] The figures for the period from April 1 to June 30, 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies); operating expenses have been decreased by EUR 1.8 million and EBITDA has been increased accordingly.
[2] 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.

PROFILE OF BRENNTAG

Brenntag is the global market leader in chemical distribution. Connecting 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 **490 locations** in **72 countries**.

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LETTER FROM THE CEO

Dear Shareholders,

I am pleased to report on a very good second quarter in 2015 and a positive business performance for the Group. Our operating EBITDA in particular recorded a significant improvement, increasing on a constant currency basis by 6.7% to EUR 215.4 million. Our gross profit amounted to EUR 585.3 million. On a constant currency basis, this represents an increase of 4.3% compared to the previous year's quarter. These figures follow on from what was a strong first quarter and are primarily due to the growth of our existing business.

The business achieved this positive development despite the lack of economic momentum in both Europe and North America. In Europe the economic recovery has slowed once again and at this stage we do not see positive effects from intervention of the European Central Bank to stimulate growth. The reduction in oil and gas prices has had a positive effect on fuel and energy costs across all markets. However, there is a significant impact on the North American shale oil and gas economics with a reduction in the number of new drilling rigs and postponement of major investments as a result of low returns.

Against this backdrop, we are very satisfied with the results in all of our regions in the second quarter of 2015. Brenntag Europe is well positioned and continues to grow. In North America the broad based nature of our business cushioned the impact of the reduction in the oil and gas sector. Furthermore, we were pleased with the continued strong performance in both Latin America and Asia Pacific. Growth initiatives and investment in people and assets over the last 12 months continue to return significant year over year improvement in the two regions.

Our focus on value accretive acquisitions remains. In line with our strategy of specifically expanding our product portfolio through acquisitions, we purchased the Spanish chemical distributor Quimicas Meroño in May 2015. The company will complement our regional distribution network in eastern Spain. We continue to work on further acquisitions in all regions and we are confident that we will complete additional transactions in the course of the year.

On 1 June 2015, we were delighted to announce the addition of three new Board Members of Brenntag AG, Karsten Beckmann (EMEA), Markus Klähn (North America) and Henri Nejade (Asia Pacific). The expansion of the Board reflects the continuous growth of our company and our ambitious aims for the future. All three new members of the Board of Management have many years of experience within Brenntag Group which underlines our long-term planning in the area of succession at senior level throughout the Group.

As the global market leader in chemical distribution, Brenntag plays a key role within the supply chain. In our 2015 Sustainability Report, which was published at the beginning of August, we report on our activities in the areas of safety, efficient use of resources, supply chain responsibility, compliance and how we interact with our employees and society at large.

Also with this year's Q2 results we want to provide you with an outlook for the full year: In light of our earnings performance in the first half year, we are forecasting growth in all relevant earnings parameters on a constant currency basis for the Brenntag Group as a whole. For the year 2015 we expect the Group to generate an operating EBITDA between EUR 830 million and EUR 855 million. This assumes that the average US dollar / euro exchange rate will not change significantly during the remainder of this year compared to the first half of the year.

On behalf of the Board of Management and the company as a whole, I would like to thank all stakeholders in our business for the continuing confidence which you place in our company.

Mülheim an der Ruhr, August 4, 2015

Steven Holland
Chief Executive Officer

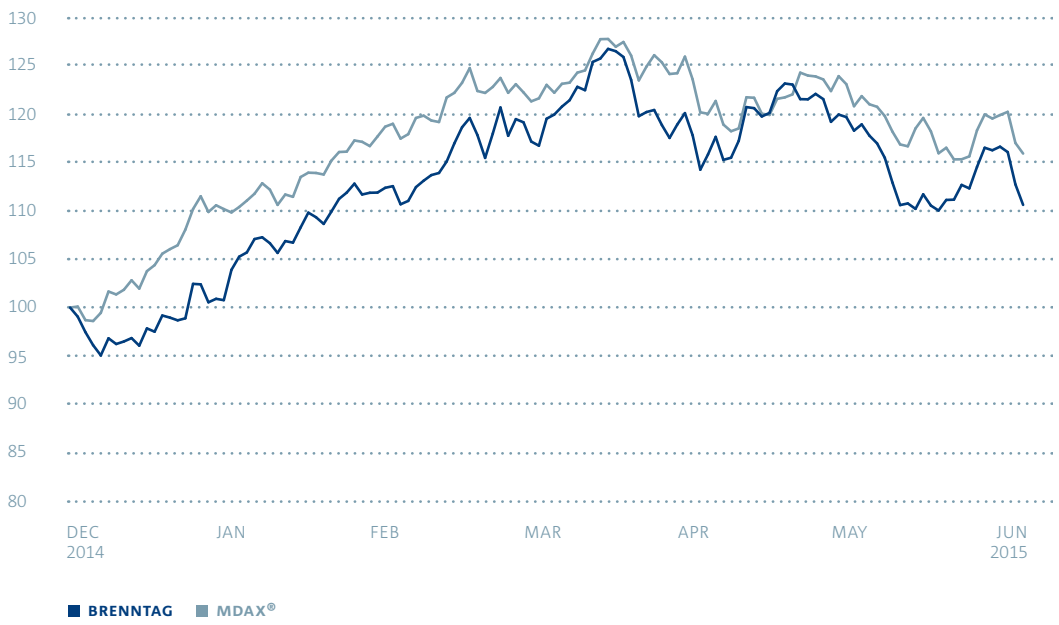
BRENNTAG ON THE STOCK MARKET

DEVELOPMENT OF THE SHARE PRICE

The capital markets largely performed well at the start of the second quarter of 2015. They maintained the positive trend which had begun at the start of the year. However, in Europe in particular the share prices weakened towards the end of the quarter. The central banks' continued capital markets-friendly policy, interest rates which remained low and the devaluation of the euro against the US dollar were unable to completely offset the increasing sense of uncertainty resulting from Greece's financial instability.

This trend could also be seen in Germany's leading index, the DAX®, where the all-time highs reached at the beginning of the second quarter of 2015 could not be maintained. The index weakened during the course of the quarter. Overall, in the first half of the year an increase of 11.6% could be achieved with a closing level at 10,944 points. The MDAX® followed this trend and closed the quarter at 19,622 points, which represents an increase of 15.9% in the first half of the year. The Brenntag share also reached a new all-time high at the beginning of the second quarter. The closing price at the end of the second quarter was EUR 51.43, marking an increase of 10.6% compared to the 2014 closing price. According to the ranking list of Deutsche Börse AG, Brenntag AG ranked 30th among all listed companies in Germany in terms of market capitalization at the end of June 2015. The average number of Brenntag shares traded daily on Xetra® in the first half of 2015 totalled about 285,000.

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 2015, the free float of the Brenntag share was 100 % of the share capital of 154,500,000 shares.

In accordance with Section 21, para. 1 German Securities Trading Act (WpHG), as at June 30, 2015, 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	Jul. 27, 2012
Sun Life / MFS	>5	Jul. 3, 2012
BlackRock	>5	Jun. 26, 2015
Newton	>3	Nov. 6, 2013
Allianz Global Investors	>3	Feb. 26, 2014

A.03 SHAREHOLDER STRUCTURE

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

KEY FIGURES AND MASTER DATA ON THE SHARE

		IPO Mar. 2010 [1]	Dec. 31, 2014	**Jun. 30, 2015**
Share price (Xetra® closing price)	EUR	16.67	46.51	51.43
Free float	%	29.03	100.0	100.0
Free float market capitalization	in EUR m	748	7,186	7,946

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

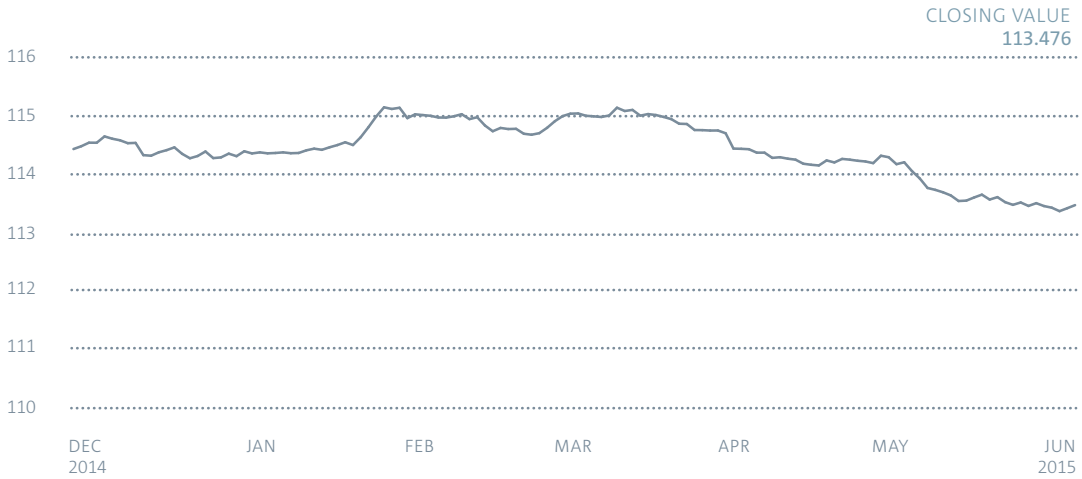
A.04 KEY FIGURES AND MASTER DATA ON THE BRENNTAG SHARE

[1] The share price has 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 5.5 %. The issue price was at 99.321 % of the nominal value.

DEVELOPMENT OF THE PRICE OF THE BRENNTAG BOND



A.05 DEVELOPMENT OF THE PRICE OF THE BRENNTAG BOND

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

KEY FIGURES AND MASTER DATA ON THE BOND

		Jul. 19, 2011	Dec. 31, 2014	**Jun. 30, 2015**
Bond price	%	99.321	114.443	113.476
Issuer				Brenntag Finance B.V.
Guarantor				Brenntag AG
Listing				Luxembourg stock exchange
ISIN				XS0645941419
Aggregate principal amount	in 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, 2015

CONTENTS

GROUP OVERVIEW

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's role in the value chain is also expressed in the brand identity "ConnectingChemistry", which was introduced in 2014.

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 ultimate 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, Compliance as well as Corporate Tax.

The consolidated financial statements as at June 30, 2015 include Brenntag AG, 27 domestic (Dec. 31, 2014: 26) and 178 foreign (Dec. 31, 2014: 179) fully consolidated subsidiaries and structured entities. Five associates (Dec. 31, 2014: 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.

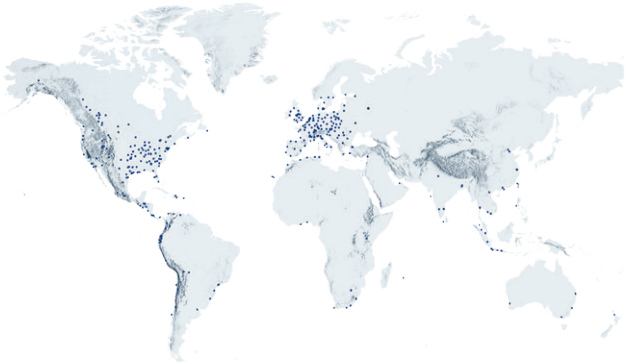
The following graphic gives an overview of the global network and the locations of the Brenntag Group:

NORTH AMERICA

		H1 2015
External sales	in EUR m	1,830.6
Operating gross profit	in EUR m	471.7
Operating EBITDA	in EUR m	186.3
Employees [1]		4,062

EUROPE

		H1 2015
External sales	in EUR m	2,380.4
Operating gross profit	in EUR m	520.2
Operating EBITDA	in EUR m	181.1
Employees [1]		6,445



LATIN AMERICA

		H1 2015
External sales	in EUR m	466.0
Operating gross profit	in EUR m	100.2
Operating EBITDA	in EUR m	31.5
Employees [1]		1,493

ASIA PACIFIC

		H1 2015
External sales	in EUR m	413.6
Operating gross profit	in EUR m	70.3
Operating EBITDA	in EUR m	24.8
Employees [1]		1,627

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.

VISION, OBJECTIVES AND STRATEGIES

2020 VISION

Our "2020 Vision" serves as a common guideline, which illustrates how we will position ourselves in the chemical distribution market in the long term, in order to continue our successful development. It covers the following points:

- We are the safest chemical distributor, striving for zero accidents and incidents.
- Throughout the world, we connect chemistry by providing the most effective industry channel for our customers and suppliers.
- We are the global leader in all our chosen markets and industries, offering the most professional sales & marketing organization in the industry, ensuring consistently high standards every day, everywhere.
- We strive to provide a working environment where the best people want to work.
- We aim to generate sustainable and high returns for our shareholders and all other stakeholders.

CONNECTINGCHEMISTRY

"ConnectingChemistry" represents the purpose of our company and thereby our commitments to our partners:

- **Success:** We support our partners in developing and growing their businesses, and enable them to expand their market reach. Equally, we are committed to creating value for our shareholders and continuously developing our employees throughout all stages of their careers.
- **Expertise:** We provide our partners with in-depth product, application and industry expertise, and sophisticated market intelligence. We set ourselves apart, drawing on our extensive product and service portfolio as well as our comprehensive industry coverage on a global level and our ability to devise creative, tailor-made solutions.
- **Customer orientation & service excellence:** We offer powerful channels to market and provide the best customer service in the industry. Only when our partners are fully satisfied do we consider our service to be delivered.

OBJECTIVES AND STRATEGIES

With our "2020 Vision", we at Brenntag will continue to pursue our goal 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.

To achieve our goals we have set clear strategic priorities.

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 our regional markets. In doing so, we benefit from leveraging our extensive global activities and key strengths. Our proactive sales activities focus 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. 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.

STRATEGIC INITIATIVES

The systematic implementation of our strategy is based on global and regional initiatives.

The goal of our global safety initiative, for instance, is to establish an outstanding safety culture and to continue to introduce globally harmonized and consistently high standards.

We are continually improving our commercial excellence in order to offer our business partners the best service in the industry. We see this as the continued optimization of procurement, sales and marketing effectiveness and efficiency. In particular, we are 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 supply chain and commercial activities.

As part of our regional growth strategies, we seek to effectively leverage our capabilities in rapidly growing and therefore particularly attractive industries such as water treatment, personal care, pharmaceuticals, food & beverages as well as adhesives, coatings, elastomers and sealants. In the oil & gas segment, we are increasingly exploiting our global expertise and position in order to promote growth. Further initiatives focus on growing the customer-specific mixing and blending business by providing value-added services.

Besides our growth initiatives, we continue to improve our operational excellence. This means, in particular, that we continue to optimize our network, to adopt best practice solutions throughout the Brenntag Group and to optimize our warehouse and transport logistics on a regional and global level.

Through our global human resources initiative, we aim to recruit highly-qualified employees, to provide for their continued development, to offer them an ongoing attractive working environment, and to establish long-term succession planning. We believe that the high quality of our employees creates a sustainable competitive advantage.

SUSTAINABILITY

At Brenntag, sustainability has always been essential to the way we operate. We believe that the business practices we follow must also benefit the needs of future generations. It is important to operate safely, act as a responsible corporate citizen, minimize our impact on the environment and ensure our long-term financial viability. We remain committed to the principles of responsible care and responsible distribution. For more information on our HSE strategy, please refer to the chapter “Health, Safety and Environmental Protection, Quality Management” in our 2015 Sustainability Report as well as the 2014 Annual Report.

REPORT ON ECONOMIC POSITION

ECONOMIC ENVIRONMENT

Overall, the moderate growth of the global economy continued in the first half of 2015. At a level of 51.0 in June 2015, the Global Manufacturing Purchasing Managers' Index remained above the neutral mark of 50. Overall, global industrial production over all industries in the first two months of the second quarter of 2015 grew moderately by around 1.9% in a year-on-year comparison. The prices on the chemical market fell in certain sectors over the last months.

Economic development in Europe remains slightly positive. Industrial production grew in the first two months of the second quarter of 2015 compared to the prior-year period by 1.4%.

In the second quarter of 2015, industrial production in the USA only grew by approx. 1.8% by comparison with the second quarter of 2014. The oil & gas industry faced a period of falling oil prices beginning in the third and fourth quarter of last year. This created uncertainty over the further development and led to reduced investments and employment.

The overall economic development in Latin America remained modest. The economic environment continues to be challenging in Venezuela, Brazil and Argentina in particular. In Latin America overall, industrial production decreased in the first two months of the second quarter of 2015 by 1.3% compared to the prior-year period.

Industrial production in the Asian economies was above average global growth rates and grew in the first two months of the second quarter of 2015 compared to the prior-year period at around 4.3%.

BUSINESS PERFORMANCE

MAJOR EVENTS IMPACTING ON BUSINESS

In May 2015, Brenntag acquired all of the shares of the Spanish chemicals distributor Quimicas Meroño, S.L., which is headquartered near Cartagena. This company offers its industrial customers logistics, blends and storage services. With the acquisition, Brenntag generates additional opportunities for growth – especially in key markets such as food & beverages as well as the oil & gas industry. In addition, we profit from the company's strong capabilities in value added services and blends. In the 2014 financial year, Quimicas Meroño generated sales of EUR 12.7 million.

Following Brenntag's decision not to renew the international accounts receivable securitization programme, the corresponding financial liabilities in the amount of EUR 187.5 million were redeemed in June partly by using available liquidity and partly with funds from the revolving credit facility. Brenntag continues to enjoy a comfortable position of liquidity and available credit lines following the redemption.

STATEMENT BY THE BOARD OF MANAGEMENT ON BUSINESS PERFORMANCE

In the second quarter of 2015, the Brenntag Group operated in an overall economic environment which was characterized by moderate growth. The Brenntag Group was able to clearly increase its operating gross profit as well as its operating EBITDA by comparison with the prior-year period. This positive trend was mainly driven by the growth of the existing business. The first-time inclusion of the acquired companies, in particular Philchem, Inc., Houston, USA (since June 2014), CHIMAB S.p.A., Campodarsego, Italy (since November 2014), and Fred Holmberg & Co AB, Malmö, Sweden (since March 2015) also contributed to this positive trend.

All of the Group's regions supported the increase in operating gross profit and operating EBITDA in the second quarter of 2015 on a constant currency basis by comparison with the prior-year period. Thanks to focussed cost management, growth in EBITDA exceeded growth in operating gross profit in the Brenntag Group, resulting in a higher conversion ratio (ratio of operating EBITDA to gross profit).

Reflecting the development of the exchange rates, the reported growth rates once again exceeded those on a constant currency basis. The US dollar in particular appreciated considerably.

Partly reflecting the greater volume of business, in the second quarter of 2015 the average working capital was higher than in the prior-year period. Annualized working capital turnover decreased in this period.

Investment in property, plant and equipment was slightly lower in the second quarter of 2015 compared to the prior-year level. However, we continue to make appropriate investment in our existing infrastructure as well as in growth projects.

In the second quarter of 2015, the development of operating EBITDA, working capital and investments resulted in a free cash flow which once again clearly exceeded the level realized in the prior-year period.

Overall, we are satisfied with our business performance, the development of the results of operations and the Group's financial position, particularly in view of the overall economic environment.

RESULTS OF OPERATIONS

BUSINESS PERFORMANCE OF THE BRENNTAG GROUP

			Change		
in EUR m	**Q2 2015**	Q2 2014 [1]	abs.	in %	in % (fx adj.) [2]
Sales	2,691.4	2,501.3	190.1	7.6	−2.8
Operating gross profit	599.1	513.9	85.2	16.6	4.3
Operating expenses	−383.7	−335.4	−48.3	14.4	3.0
Operating EBITDA	**215.4**	**178.5**	**36.9**	**20.7**	**6.7**
Transaction costs/holding charges	–	0.2	−0.2	–	–
EBITDA (incl. transaction costs/holding charges)	**215.4**	**178.7**	**36.7**	**20.5**	**6.6**
Depreciation of property, plant and equipment	−27.2	−24.4	−2.8	11.5	0.7
EBITA	188.2	154.3	33.9	22.0	7.5
Amortization of intangible assets	−9.8	−8.7	−1.1	12.6	2.1
Financial result	−17.8	−20.2	2.4	−11.9	–
Profit before tax	160.6	125.4	35.2	28.1	–
Income taxes	−52.5	−43.4	−9.1	21.8	–
Profit after tax	108.1	82.0	26.1	31.8	–

			Change		
in EUR m	**H1 2015**	H1 2014 [1]	abs.	in %	in % (fx adj.) [2]
Sales	5,265.3	4,917.4	347.9	7.1	−2.8
Operating gross profit	1,170.3	1,009.4	160.9	15.9	4.3
Operating expenses	−759.9	−671.3	−88.6	13.2	2.3
Operating EBITDA	**410.4**	**338.1**	**72.3**	**21.4**	**8.2**
Transaction costs/holding charges	–	0.2	−0.2	–	–
EBITDA (incl. transaction costs/holding charges)	**410.4**	**338.3**	**72.1**	**21.3**	**8.1**
Depreciation of property, plant and equipment	−53.7	−48.4	−5.3	11.0	0.9
EBITA	356.7	289.9	66.8	23.0	9.3
Amortization of intangible assets	−19.0	−17.5	−1.5	8.6	−2.1
Financial result	−41.5	−42.4	0.9	−2.1	–
Profit before tax	296.2	230.0	66.2	28.8	–
Income taxes	−96.9	−78.8	−18.1	23.0	–
Profit after tax	199.3	151.2	48.1	31.8	–

B.02 BUSINESS PERFORMANCE OF THE BRENNTAG GROUP

[1] The figures for the previous year have been adjusted owing to the first-time application of IFRIC 21 (Levies). For the period from April 1 to June 30, 2014, expenses decreased by EUR 1.8 million while the EBITDA figure increased accordingly; for the period from January 1 to June 30, 2014, operating expenses increased by EUR 2.6 million and the EBITDA figure decreased accordingly.
[2] Change in % (fx adj.) is the percentage change on a constant currency basis.

The new interpretation of accounting for levies (IFRIC 21) is to be applied for the first time in the 2015 financial year. IFRIC 21 covers the accounting treatment of levies imposed by a government which are not income taxes within the meaning of IAS 12 (Income Taxes). In particular, the standard clarifies the point in time when obligations to pay such levies are to be recognized as liabilities in the financial statements. In most cases, changing the point in time when a liability is recognized also affects the point in time when the corresponding amounts are to be recognized as an expense in the income statement. The first-time application of IFRIC 21 will not have any effect on the presentation of the Group's assets, financial position and results of operations for the 2015 financial year as a whole. However, in course of the financial year, the date of recognition of expenses and liabilities from levies imposed by a government will change in some cases therefore affecting the consolidated interim financial statements. The previous year's figures have thus been adjusted accordingly. The retrospective application of IFRIC 21 had no effect on the equity of the Brenntag Group as at December 31, 2014.

The following table shows the effects of the retrospective application of IFRIC 21 on EBITDA, operating EBITDA and profit before tax per quarter in 2014:

in EUR m	**Group**	Europe	North America	Latin America	Asia Pacific	All other segments
January 1 to March 31, 2014	–4.4	–2.0	–2.2	–0.2	–	–
April 1 to June 30, 2014	1.8	0.7	1.1	–	–	–
July 1 to September 30, 2014	1.0	0.7	0.2	0.1	–	–
October 1 to December 31, 2014	1.6	0.6	0.9	0.1	–	–
January 1 to December 31, 2014	–	–	–	–	–	–

B.03 EFFECTS OF THE RETROSPECTIVE APPLICATION OF IFRIC 21

SALES AND VOLUMES

In the second quarter of 2015, the Brenntag Group generated sales of EUR 2,691.4 million, thereby showing growth of 7.6 % compared to the prior-year period. On a constant currency basis, this represents a decrease of 2.8 % following a certain decline in overall chemical prices, particularly for chemicals that use oil as a raw material. Volumes increased in the second quarter of 2015. The Group's acquisitions provided a positive contribution, particularly Philchem, Inc., the Fred Holmberg Group and CHIMAB S.p.A.

For the first half of 2015, sales were 7.1 % higher than the prior-year level. However, adjusted for exchange rate effects, this represents a decrease of 2.8 %.

In contrast to manufacturing companies for which sales play a key role, for us as a chemical distributor operating gross profit is a more important factor for increasing our company's value in the long term.

OPERATING GROSS PROFIT

The Brenntag Group's operating gross profit amounted to EUR 599.1 million in the second quarter of 2015. By comparison with the second quarter of the previous year, this represents an increase of 16.6 % (or 4.3 % on a constant currency basis) which was supported by an increase in volumes.

In the first half of 2015, the Group's operating gross profit increased by 15.9 % and by 4.3 % on a constant currency basis by comparison with the first half of 2014.

OPERATING EXPENSES

In the second quarter of 2015, the Brenntag Group's operating expenses amounted to EUR 383.7 million and thus increased by 14.4 %. On a constant currency basis, the increase was 3.0 %. We recorded a moderate increase in personnel costs. On the other hand, we achieved a reduction in energy costs as a result of the lower oil price.

Over the first half of 2015, the Group's operating expenses increased by 13.2 % (or by 2.3 % on a constant currency basis).

EBITDA

The Brenntag Group achieved EBITDA of EUR 215.4 million for the second quarter of 2015, which represents earnings growth of 20.5 % or 6.6 % on a constant currency basis. Operating EBITDA adjusted for transaction costs and holding charges also amounted to EUR 215.4 million and thus increased by 20.7 % by comparison with the prior-year period. Adjusted for exchange rate effects, that represents an increase of 6.7 %. This favourable trend was mainly driven by the organic growth of the existing business. The first-time inclusion of the Group's acquisitions, particularly Philchem, Inc., CHIMAB S.p.A. and the Fred Holmberg Group also provided a positive contribution.

Overall, in the first half of 2015 the Brenntag Group generated EBITDA of EUR 410.4 million, an increase of 21.3 % and 8.1 % on a constant currency basis compared to the first half of 2014. Operating EBITDA also totalled EUR 410.4 million in the first half of 2015, increasing by 21.4 % (or by 8.2 % on a constant currency basis).

DEPRECIATION, AMORTIZATION AND FINANCIAL RESULT

Depreciation of property, plant and equipment as well as amortization of intangible assets amounted to EUR 37.0 million in the second quarter of 2015 (Q2 2014: EUR 33.1 million). Of this figure, EUR 27.2 million relates to depreciation of property, plant and equipment and EUR 9.8 million to amortization of intangible assets.

Related to the first half of 2015, depreciation of property, plant and equipment as well as amortization of intangible assets totalled EUR 72.7 million (H1 2014: EUR 65.9 million).

The financial result amounted to EUR –17.8 million in the second quarter of 2015, representing an improvement on the second quarter of 2014 (EUR –20.2 million). This development is partially due to the lower level of interest expenses incurred on local borrowings and due to an improvement in the result arising from foreign currency translation.

The slight improvement of the financial result in the first half of 2015 to EUR –41.5 million (H1 2014: EUR –42.4 million) is primarily due to the improved interest rate conditions applying to the syndicated loan. The lower interest margin applied to the syndicated loan has been effective since March 2014. Accordingly the new interest margin was not reflected in the interest result for the first quarter of 2014.

PROFIT BEFORE TAX

Profit before tax amounted to EUR 160.6 million in the second quarter of 2015 (Q2 2014: EUR 125.4 million) and EUR 296.2 million in the first half of 2015 (H1 2014: EUR 230.0 million).

INCOME TAX AND PROFIT AFTER TAX

At EUR 52.5 million in the second quarter of 2015 (Q2 2014: EUR 43.4 million) and EUR 96.9 million in the first half of 2015 (H1 2014: EUR 78.8 million), income tax was higher than the figure for the prior-year period due to the higher profit before tax.

The profit after tax totalled EUR 108.1 million in the second quarter of 2015 (Q2 2014: EUR 82.0 million) and EUR 199.3 million in the first half of 2015 (H1 2014: 151.2).

BUSINESS PERFORMANCE IN THE SEGMENTS

Q2 2015 in EUR m	**Brenntag Group**	Europe	North America	Latin America	Asia Pacific	All other segments
External sales	2,691.4	1,217.5	928.4	230.8	218.8	95.9
Operating gross profit	599.1	263.8	243.9	50.5	36.9	4.0
Operating expenses	–383.7	–170.9	–145.5	–34.4	–23.2	–9.7
Operating EBITDA	**215.4**	**92.9**	**98.4**	**16.1**	**13.7**	**–5.7**

H1 2015 in EUR m	**Brenntag Group**	Europe	North America	Latin America	Asia Pacific	All other segments
External sales	5,265.3	2,380.4	1,830.6	466.0	413.6	174.7
Operating gross profit	1,170.3	520.2	471.7	100.2	70.3	7.9
Operating expenses	–759.9	–339.1	–285.4	–68.7	–45.5	–21.2
Operating EBITDA	**410.4**	**181.1**	**186.3**	**31.5**	**24.8**	**–13.3**

B.04 BUSINESS PERFORMANCE IN THE SEGMENTS

EUROPE

in EUR m	Q2 2015	Q2 2014[1]	Change abs.	Change in %	Change in % (fx adj.)
External sales	1,217.5	1,179.6	37.9	3.2	1.2
Operating gross profit	263.8	246.6	17.2	7.0	4.5
Operating expenses	−170.9	−160.4	−10.5	6.5	4.3
Operating EBITDA	**92.9**	**86.2**	**6.7**	**7.8**	**4.8**

in EUR m	H1 2015	H1 2014[1]	Change abs.	Change in %	Change in % (fx adj.)
External sales	2,380.4	2,355.2	25.2	1.1	−0.7
Operating gross profit	520.2	490.7	29.5	6.0	3.8
Operating expenses	−339.1	−323.3	−15.8	4.9	2.8
Operating EBITDA	**181.1**	**167.4**	**13.7**	**8.2**	**5.6**

B.05 BUSINESS PERFORMANCE IN THE SEGMENTS/EUROPE

[1] The figures for the previous year have been adjusted owing to the first-time application of IFRIC 21 (Levies). For the period from April 1 to June 30, 2014, operating expenses decreased by EUR 0.7 million while the operating EBITDA increased accordingly; for the period from January 1 to June 30, 2014, operating expenses increased by EUR 1.3 million and the operating EBITDA decreased accordingly.

EXTERNAL SALES AND VOLUMES

In the second quarter of 2015, the Europe segment realized external sales of EUR 1,217.5 million and thus increased external sales by 3.2 % by comparison with the second quarter of 2014. On a constant currency basis, this represents an increase of 1.2 % and is the result of increased volumes.

In the first half of 2015, external sales rose by 1.1 %. However, on a constant currency basis, sales declined slightly by 0.7 %.

OPERATING GROSS PROFIT

The operating gross profit in the Europe segment amounted to EUR 263.8 million in the second quarter of 2015 and therefore increased by 7.0 %, or 4.5 % on a constant currency basis, compared to the previous year. This growth resulted from an increase in volumes and was positively influenced by its existing business as well as by acquisitions – particularly CHIMAB S.p.A. and Fred Holmberg Group.

In the first half of 2015, operating gross profit in the Europe segment increased by 6.0 % on the prior-year period or by 3.8 % on a constant currency basis.

OPERATING EXPENSES

Operating expenses in the Europe segment amounted to EUR 170.9 million in the second quarter of 2015 and therefore increased by 6.5 % or 4.3 % on a constant currency basis, compared to the second quarter of the previous year. This increase was mainly due to higher costs for personnel, rent and transport.

In the first half of 2015, operating expenses increased by 4.9 %. This represents a moderate increase of 2.8 % on a constant currency basis.

OPERATING EBITDA

In the second quarter of 2015, the Group's European companies generated operating EBITDA of EUR 92.9 million and thus realized an increase in earnings of 7.8 %. Adjusted for exchange rate effects, this is a growth of 4.8 %. We are satisfied with this result, particularly in view of just a slight growth of the economy.

Overall, in the first half of 2015, the Europe segment realized an increase in operating EBITDA of 8.2 % and also 5.6 % on a constant currency basis.

NORTH AMERICA

			Change		
in EUR m	**Q2 2015**	Q2 2014[1]	abs.	in %	in % (fx adj.)
External sales	928.4	815.0	113.4	13.9	–7.1
Operating gross profit	243.9	193.9	50.0	25.8	2.7
Operating expenses	–145.5	–115.2	–30.3	26.3	3.1
Operating EBITDA	**98.4**	**78.7**	**19.7**	**25.0**	**2.0**

			Change		
in EUR m	**H1 2015**	H1 2014[1]	abs.	in %	in % (fx adj.)
External sales	1,830.6	1,586.7	243.9	15.4	–5.0
Operating gross profit	471.7	376.3	95.4	25.4	3.2
Operating expenses	–285.4	–231.8	–53.6	23.1	1.5
Operating EBITDA	**186.3**	**144.5**	**41.8**	**28.9**	**6.1**

B.06 BUSINESS PERFORMANCE IN THE SEGMENTS/NORTH AMERICA

[1] The figures for the previous year have been adjusted owing to the first-time application of IFRIC 21 (Levies). For the period from April 1 to June 30, 2014, operating expenses decreased by EUR 1.1 million while operating EBITDA increased accordingly; for the period from January 1 to June 30, 2014, operating expenses increased by EUR 1.1 million and operating EBITDA decreased accordingly..

EXTERNAL SALES AND VOLUMES

In the second quarter of 2015, external sales of the North America segment – totalling EUR 928.4 million – increased by 13.9 % compared to the second quarter of the previous year heavily influenced by the continued strength of the US dollar. On a constant currency basis, this represents a decrease of 7.1 %. Overall chemical prices decreased in this period, particularly for chemicals that use oil as a raw material. Volumes were slightly above the prior-year level.

Over the first half of 2015, the North America segment realized a 15.4 % increase in external sales growth. Adjusted for exchange rate effects, that represents a decrease of 5.0 %.

OPERATING GROSS PROFIT

In the second quarter of 2015, the North American companies' operating gross profit amounted to EUR 243.9 million and thus increased by 25.8 % by comparison with the second quarter of 2014. On a constant currency basis, this represents growth of 2.7 %. Business with customers in the oil & gas sector was below the level achieved in the second quarter 2014. While the upstream[1] subsector suffered considerably from the low oil price, the midstream[1] subsector was affected to a lower degree. The downstream[1] subsector remained unaffected by this and once again reached the level of the prior-year period. Business in the other North American customer industries performed well and therefore helped to limit the overall impact from the oil & gas sector.

In the first half of 2015, operating gross profit in the North America segment increased by 25.4 % on the prior-year period and by 3.2 % on a constant currency basis.

[1] Upstream: subsector of oil and gas industry representing foremost exploration and related activities; midstream: subsector of oil and gas industry representing processing, transporting and storing; downstream: subsector of oil and gas industry representing the refining and converting of crude oil into finished products.

OPERATING EXPENSES

Operating expenses in the North America segment amounted to EUR 145.5 million in the second quarter of 2015 and therefore increased by 26.3 %. On a constant currency basis operating expenses increased by 3.1 %.

For the first half of 2015, operating expenses have thus increased by 23.1 % by comparison with the prior-year period. On a constant currency basis, that represents a slight increase of 1.5 %.

OPERATING EBITDA

The North American companies posted operating EBITDA of EUR 98.4 million in the second quarter of 2015. This represents an increase in earnings of 25.0 %, or 2.0 % on a constant currency basis. In addition to the existing business, the acquisition of Philchem, Inc.'s business also contributed to this trend. Industrial production in the USA only showed low growth in this period.

Overall for the North America segment in the first half of 2015, operating EBITDA increased by 28.9 % or 6.1 % on a constant currency basis.

LATIN AMERICA

in EUR m	Q2 2015	Q2 2014[1]	Change abs.	Change in %	Change in % (fx adj.)
External sales	230.8	202.6	28.2	13.9	1.8
Operating gross profit	50.5	39.5	11.0	27.8	13.0
Operating expenses	−34.4	−30.5	−3.9	12.8	−0.9
Operating EBITDA	**16.1**	**9.0**	**7.1**	**78.9**	**61.0**

in EUR m	H1 2015	H1 2014[1]	Change abs.	Change in %	Change in % (fx adj.)
External sales	466.0	399.1	66.9	16.8	3.4
Operating gross profit	100.2	77.1	23.1	30.0	14.1
Operating expenses	−68.7	−57.6	−11.1	19.3	4.2
Operating EBITDA	**31.5**	**19.5**	**12.0**	**61.5**	**43.8**

B.07 BUSINESS PERFORMANCE IN THE SEGMENTS / LATIN AMERICA

[1] The figures for the previous year have been adjusted owing to the first-time application of IFRIC 21 (Levies). For the period from April 1 to June 30, 2014, operating expenses remained unchanged; for the period from January 1 to June 30, 2014, operating expenses increased by EUR 0.2 million and operating EBITDA decreased accordingly.

EXTERNAL SALES AND VOLUMES

In the second quarter of 2015, the Latin America segment recorded external sales of EUR 230.8 million. This corresponds to an increase of 13.9 % (1.8 % on a constant currency basis), compared to the prior-year period, and is largely attributable to the strength of the US dollar as well as slightly higher volumes.

Over the first half of 2015, external sales increased by 16.8 % or by 3.4 % on a constant currency basis.

OPERATING GROSS PROFIT

In the second quarter of 2015, operating gross profit in the Latin America segment increased by 27.8 % to EUR 50.5 million. On a constant currency basis, this still represents a strong growth of 13.0 % by comparison with the previous year and is mainly attributable to higher operating gross profit per unit.

In the first half of 2015, the operating gross profit increased by 30.0 % and by 14.1 % on a constant currency basis.

OPERATING EXPENSES

In the second quarter of 2015, operating expenses in the Latin America segment amounted to EUR 34.4 million, an increase of 12.8% on the second quarter of 2014. On a constant currency basis, however, operating expenses decreased by 0.9%, as the integration of Gafor Distribuidora S.A. led to expenses in the previous year that did not re-occur this year.

For the first half of 2015, the operating expenses increased by 19.3% (on a constant currency basis, by 4.2%) compared to the level of the first half of 2014.

OPERATING EBITDA

The companies of the Latin America segment posted operating EBITDA of EUR 16.1 million in the second quarter of 2015, which represents favourable earnings growth of 78.9%, compared to the prior-year period. Adjusted for exchange rate effects, that represents growth of 61.0%. Particularly in view of the challenging environment, we are very satisfied with this result.

Following another positive quarter, overall in the first half of the year operating EBITDA increased by 61.5% or by 43.8% on a constant currency basis.

ASIA PACIFIC

			Change		
in EUR m	**Q2 2015**	Q2 2014	abs.	in %	in % (fx adj.)
External sales	218.8	189.0	29.8	15.8	–3.5
Operating gross profit	36.9	30.1	6.8	22.6	2.8
Operating expenses	–23.2	–19.9	–3.3	16.6	–1.7
Operating EBITDA	**13.7**	**10.2**	**3.5**	**34.3**	**11.4**

			Change		
in EUR m	**H1 2015**	H1 2014	abs.	in %	in % (fx adj.)
External sales	413.6	351.9	61.7	17.5	–1.4
Operating gross profit	70.3	57.9	12.4	21.4	2.5
Operating expenses	–45.5	–39.2	–6.3	16.1	–1.7
Operating EBITDA	**24.8**	**18.7**	**6.1**	**32.6**	**11.2**

B.08 BUSINESS PERFORMANCE IN THE SEGMENTS/ASIA PACIFIC

EXTERNAL SALES AND VOLUMES

In the second quarter of 2015, the Asia Pacific segment realized external sales of EUR 218.8 million, thereby recording an increase of 15.8 % compared to the prior-year period. On a constant currency basis, this represents a decrease of 3.5 %. Volumes increased in the same period.

For the first half of 2015, external sales increased by 17.5 % by comparison with the first half of the previous year. Adjusted for exchange rate effects, that represents a decrease of 1.4 %.

OPERATING GROSS PROFIT

In the second quarter of 2015, operating gross profit in the Asia Pacific segment increased by 22.6 % year on year to EUR 36.9 million. On a constant currency basis, this represents an increase of 2.8 % and is a result of higher volumes.

In the first half of 2015, the operating gross profit was 21.4 % (or 2.5 % on a constant currency basis) higher than in the first half of the previous year.

OPERATING EXPENSES

In the Asia Pacific segment, operating expenses in the second quarter of 2015 amounted to EUR 23.2 million and therefore increased by 16.6 %. However, on a constant currency basis a reduction by 1.7 % was achieved.

Related to the first half of the year, operating expenses increased by 16.1 %. On a constant currency basis operating expenses decreased by 1.7 %.

OPERATING EBITDA

The companies of the Asia Pacific segment posted operating EBITDA of EUR 13.7 million in the second quarter of 2015, a figure that was 34.3 % above the prior-year level. Adjusted for exchange rate effects, that represents favourable growth of 11.4 %.

Overall in the first half of 2015, the Asia Pacific segment realized earnings growth of 32.6 % or 11.2 % on a constant currency basis.

ALL OTHER SEGMENTS

			Change		
in EUR m	**Q2 2015**	Q2 2014	abs.	in %	in % (fx adj.)
External sales	95.9	115.1	−19.2	−16.7	−16.7
Operating gross profit	4.0	3.8	0.2	5.3	5.3
Operating expenses	−9.7	−9.4	−0.3	3.2	3.2
Operating EBITDA	**−5.7**	**−5.6**	**−0.1**	**1.8**	**1.8**

			Change		
in EUR m	**H1 2015**	H1 2014	abs.	in %	in % (fx adj.)
External sales	174.7	224.5	−49.8	−22.2	−22.2
Operating gross profit	7.9	7.4	0.5	6.8	6.8
Operating expenses	−21.2	−19.4	−1.8	9.3	9.3
Operating EBITDA	**−13.3**	**−12.0**	**−1.3**	**10.8**	**10.8**

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 2015, Brenntag International Chemicals GmbH, Mülheim an der Ruhr, recorded operating EBITDA which was slightly lower than in the previous year.

In the same period, the holding companies posted operating EBITDA which was almost on prior-year level.

Overall, the operating EBITDA of all other segments in the second quarter of 2015 amounted to EUR −5.7 million and was thus EUR 0.1 million below the figure for the previous year.

Over the first half of 2015, earnings declined by EUR 1.3 million to EUR −13.3 million.

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 these policies and uniform processes throughout the Group.

The most important component in the financing structure of Brenntag AG is the Group-wide syndicated loan agreement, with a term until March 2019, that we concluded with a consortium of international banks. The loan is based on variable interest rates with margins depending on leverage, 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. Total liabilities (excluding accrued interest and before offsetting of transaction costs) under the syndicated loan amounted to EUR 1,269.0 million as at June 30, 2015. As of this date, the total drawn amount of the revolving credit facility was as low as EUR 102.4 million.

Following Brenntag's decision not to renew the international accounts receivable securitization programme, the corresponding financial liabilities were redeemed in June. They amounted to EUR 187.5 million as at the repayment date. Repayment was carried out using available liquidity as well as funds from the revolving credit facility. Brenntag continues to have a comfortable state of liquidity and available credit lines. Furthermore, due to the excellent credit rating, Brenntag also has access to numerous financial instruments.

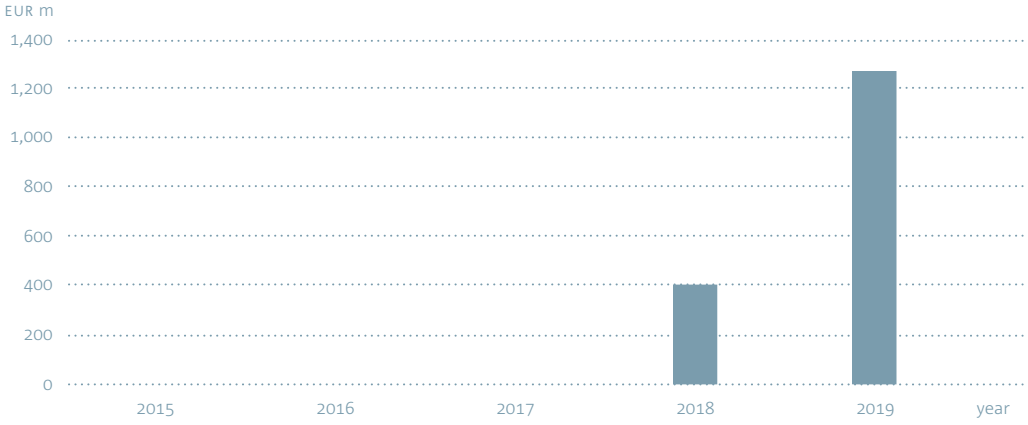
In April 2013, parts of the floating-rate syndicated loan were hedged against interest rate risks in the long term with suitable financial instruments. Overall, some 50 % of the financial indebtedness of the Brenntag Group is currently hedged against the risk of interest rate increases.

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. If any of the events of default defined in the Conditions of Issue occurs, each bond holder may declare his note due and demand immediate redemption thereof. Should the issuer not be able to meet its repayment obligations, the bond holders are entitled to levy execution against the guarantee from Brenntag AG provided as security.

In addition to the two 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 PER JUNE 30, 2015



B.10 MATURITY PROFILE OF OUR CREDIT PORTFOLIO

[1] Syndicated loan and bond excluding accrued interest and transaction costs.

INVESTMENTS

In the first half of 2015, investments in property, plant and equipment and intangible assets (excluding additions from company acquisitions) led to a total cash outflow of EUR 39.7 million (H1 2014: EUR 43.0 million).

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

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

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, whereby external borrowings are mostly not necessary.

LIQUIDITY

CASH FLOW

in EUR m	H1 2015	H1 2014
Cash provided by operating activities	**166.7**	**95.2**
Cash used for investing activities	**–81.7**	**–99.4**
thereof purchases of consolidated subsidiaries, other business units and other financial assets	(–44.5)	(–58.0)
thereof purchases of other investments	(–39.7)	(–43.0)
thereof proceeds from divestments	(2.5)	(1.6)
Cash used for financing activities	**–276.0**	**–111.9**
Change in cash and cash equivalents	**–191.0**	**–116.1**

B.11 CASH FLOW

In the reporting period, the Group's net cash inflow from operating activities amounted to EUR 166.7 million, an increase of EUR 71.5 million on the previous year. The lower increase in working capital by comparison with the first half of the previous year was a particularly positive factor. On the other hand, the Group made higher tax payments. This increase results primarily from tax payments for previous years.

Of the cash used for investing activities totalling EUR 81.7 million, EUR 39.7 million accounts 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 44.5 million mainly comprise the purchase prices for the acquisition of the company's shares in LIONHEART CHEMICAL ENTERPRISES (PROPRIETARY) LIMITED in South Africa, Fred Holmberg Group, which is headquartered in Sweden and Quimicas Meroño, S.L., headquarted in Spain.

Of the cash used for financing activities totalling EUR 276.0 million, EUR 139.1 million accounts for dividends paid to Brenntag shareholders. In addition financial liabilities of EUR 187.5 million were repaid as a result of ending the international accounts receivable securitization programme. The other changes – in total EUR 88.2 million proceeds and EUR 32.4 million repayments – primarily represent loans taken out and repayments from local bank financing arrangements and from the revolving credit facility under the syndicated loan arrangement.

DEVELOPMENT OF FREE CASH FLOW

in EUR m	**H1 2015**	H1 2014[1]	Change abs.	Change in %
EBITDA (incl. transaction costs/holding charges)	410.4	338.3	72.1	21.3
Investments in non-current assets (capex)	–37.6	–40.9	3.3	–8.1
Change in working capital	–44.7	–113.5	68.8	–60.6
Free cash flow	**328.1**	**183.9**	**144.2**	**78.4**

B.12 FREE CASH FLOW

[1] The figures for the period from January 1 to June 30, 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies); EBITDA has decreased by EUR 2.6 million.

The Brenntag Group's free cash flow amounted to EUR 328.1 million in the first half of 2015 and was thus a positive increase of 78.4 % compared to the first half of 2014 (EUR 183.9 million).

All components of free cash flow have contributed to this positive development. We were able to increase the EBITDA significantly compared to the prior-year. The increase in working capital was considerably lower than in the first half of 2014 and capex was also slightly below the level of the prior-year period.

FINANCIAL AND ASSETS POSITION

	Jun. 30, 2015		Dec. 31, 2014	
in EUR m	**abs.**	**in %**	abs.	in %
Assets				
Current assets	**3,022.6**	**47.0**	**2,935.7**	**47.2**
Cash and cash equivalents	319.0	5.0	491.9	8.0
Trade receivables	1.589.2	24.7	1,407.2	22.6
Other receivables and assets	214.9	3.3	170.8	2.7
Inventories	899.5	14.0	865.8	13.9
Non-current assets	**3,408.3**	**53.0**	**3,279.3**	**52.8**
Intangible assets [1]	2,377.7	37.0	2,268.0	36.5
Other fixed assets	928.2	14.4	904.3	14.6
Receivables and other assets	102.4	1.6	107.0	1.7
Total assets	**6,430.9**	**100.0**	**6,215.0**	**100.0**
Liabilities and Equity				
Current liabilities	**1,815.5**	**28.2**	**1,829.5**	**29.4**
Provisions	44.4	0.7	45.1	0.7
Trade payables	1,149.0	17.9	1,046.2	16.8
Financial liabilities	216.1	3.3	334.0	5.4
Miscellaneous liabilities	406.0	6.3	404.2	6.5
Equity and non-current liabilities	**4,615.4**	**71.8**	**4,385.5**	**70.6**
Equity	2,511.9	39.1	2,356.9	38.0
Non-current liabilities	2,103.5	32.7	2,028.6	32.6
Provisions	266.8	4.1	277.0	4.5
Financial liabilities	1,643.1	25.6	1,567.6	25.1
Miscellaneous liabilities	193.6	3.0	184.0	3.0
Total liabilities and equity	**6,430.9**	**100.0**	**6,215.0**	**100.0**

B.13 FINANCIAL AND ASSETS POSITION

[1] Of the intangible assets as at June 30, 2015, some EUR 1,268 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 at June 30, 2015, total assets had increased by 3.5 % to EUR 6,430.9 million (Dec. 31, 2014: EUR 6,215.0 million).

Cash and cash equivalents decreased by 35.1 % to EUR 319.0 million (Dec. 31, 2014: EUR 491.9 million), largely as a result of the dividend payout of EUR 139.1 million as well as the repayment of the liabilities due to the termination of the accounts receivable securitization programme.

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 climbed in the reporting period by 12.9 % to EUR 1,589.2 million (Dec. 31, 2014: EUR 1,407.2 million).
- Inventories increased by 3.9 % in the reporting period to EUR 899.5 million (Dec. 31, 2014: EUR 865.8 million).
- With the opposite effect on the change in working capital, trade payables increased by 9.8 % to EUR 1,149.0 million (Dec. 31, 2014: EUR 1,046.2 million).

Working capital – adjusted for exchange rate effects and acquisitions – has risen since December 31, 2014 by a total of EUR 44.7 million. At 8.1, the annualized working capital turnover[2)] in the reporting period was below the level of the second quarter of 2014 (8.9).

The intangible assets and other fixed assets of the Brenntag Group increased by 4.2 % or EUR 133.6 million to EUR 3,305.9 million year on year (Dec. 31, 2014: EUR 3,172.3 million). The increase was mainly a result of exchange rate effects (EUR 137.9 million), investments in non-current assets (EUR 37.6 million) and acquisitions (EUR 33.6 million). This was partly offset by scheduled depreciation and amortization (EUR 72.7 million).

Current financial liabilities decreased by EUR 117.9 million to a total of EUR 216.1 million (Dec. 31, 2014: EUR 334.0 million). The reduction of current financial liabilities is primarily due to the termination of the accounts receivable securitization programme in June 2015. Thereafter current financial liabilities primarily include temporary local loans taken out by Brenntag companies. Non-current financial liabilities increased by 4.8 % to EUR 1,643.1 million (Dec. 31, 2014: EUR 1,567.6 million) compared to the previous year. The increase in non-current financial liabilities reflects the influence of the stronger US dollar on the syndicated loan, drawn down in US dollars.

Current and non-current provisions amounted to EUR 311.2 million (Dec. 31, 2014: EUR 322.1 million). This figure included pension provisions amounting to EUR 147.9 million (Dec. 31, 2014: EUR 162.6 million).

As at June 30, 2015, the equity of the Brenntag Group totalled EUR 2,511.9 million (Dec. 31, 2014: EUR 2,356.9 million).

[2)] 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 at June 30, 2015, Brenntag had 13,747 employees worldwide. The total 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, 2015		Dec. 31, 2014	
Full-time Equivalents (FTE)	**abs.**	**in %**	abs.	in %
Europe	6,445	46.9	6,309	46.3
North America	4,062	29.5	4,095	30.1
Latin America	1,493	10.9	1,451	10.6
Asia Pacific	1,627	11.8	1,650	12.1
All other segments	120	0.9	117	0.9
Brenntag Group	**13,747**	**100.0**	**13,622**	**100.0**

B.14 EMPLOYEES PER SEGMENT

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 2015 at rates marginally lower than in 2014. With regard to economic regions, the Asian economies are predicted to achieve the strongest growth. Growth in Latin America and Europe is expected to be more restrained than in the other regions. In North America, the economy showed some weaknesses in the first half of 2015, partly as a consequence of the lower oil prices. Growth for the full year 2015 is expected to be only slightly above the level reached in 2014. Based on Brenntag's current geographical footprint, this results in an overall forecast average GDP growth rate of 2.5 %.

Against this background, in 2015 we are currently anticipating the following Group developments in local currencies, i.e. excluding exchange rate effects:

For the **Brenntag Group**, we expect to see all relevant earnings parameters grow. Operating gross profit should rise meaningfully, mainly due to increased volumes. All regions are expected to support this development, albeit to different degrees. Latin America and Asia Pacific are expected to provide stronger growth than the Europe and North America segments. Overall, we expect the Brenntag Group's operating EBITDA excluding one-time effects to be between EUR 830 million and EUR 855 million for 2015 as a whole. This is based on the assumption that there will be no major change in the average US dollar / euro exchange rate compared to the first half of the year.

Currently, many currencies, particularly the US dollar, are trading more strongly against the euro than in the previous year. If this development prevails throughout the year, the growth rates for the reported results will be considerably higher than those on a constant currency basis.

In 2015, we are currently anticipating the following developments in local currencies, i.e. excluding exchange rate effects, for the individual segments:

For the **Europe segment**, we expect a meaningful increase in operating gross profit. This estimate is largely based on the forecast of increased volumes, which is associated, in particular, with the expansion of the specialty chemicals and further business services. We assume that we will be able to restrict the increase in operating expenses to an appropriate level by optimizing and simplifying our logistics processes, and we expect operating EBITDA to increase moderately.

In the **North America segment**, we believe that we will be able to realize a moderate increase in operating gross profit. The sustained lower level in oil & gas prices causes a higher than usual level of uncertainty regarding the short-term development of this industry segment, especially in the upstream [3)] subsector. We do not believe that this changes the positive long-term outlook of oil & gas in North America. We continue to be well positioned to benefit from the positive long-term growth in oil & gas based on our excellent capabilities as well as supplier and customer networks. Our diversified portfolio in the entire oil & gas value chain and active expense management will help to mitigate the impact of the slow-down. Overall, we expect that the increase in operating EBITDA of our North America segment will exceed the pace of growth in operating gross profit.

[3)] Upstream: subsector of oil and gas industry representing foremost exploration and related activities.

For the **Latin America segment**, we are expecting a significant increase in operating gross profit. We plan to expand our product portfolio, particularly in the area of specialty chemicals and in the food, feed and agriculture sectors. Our plan is to restrict the increase in operating costs. Since 2013, we have continuously implemented measures to help increase efficiency within the challenging economic environment. Due to those various measures, we expect a significant increase in operating EBITDA in 2015. This growth is likely to be above-average by comparison with the Group as a whole.

In the **Asia Pacific segment**, we expect to be able to benefit from the planned expansion of business due to the development of our product range, our customer base and our supplier relationships. We therefore forecast significant growth in operating gross profit. Due to various measures to ensure a further improvement and expansion of our infrastructure in this region, we expect an increase in operating expenses. We nonetheless envisage a significant increase in our operating EBITDA.

Given the increase in business volume, we are forecasting a meaningful increase in **working capital** compared to 2014. We will continue to focus on the management of customer and supplier relationships and continue our efforts on the optimization of warehouse logistics. Because of more demanding market conditions, we expect working capital turnover to be below the level achieved in 2014.

In order to adjust property, plant and equipment capacities to the increasing business volume and to support organic growth, we are planning **investments** in property, plant and equipment on an appropriate scale in 2015. We are expecting investments to be approximately in the range of EUR 130.0 million, including projects for expanding our business operations.

Overall, we believe that **free cash flow** in 2015 will be significantly higher than in 2014. We thereby expect to be able to continue our acquisition strategy and dividend policy while maintaining an adequate liquidity position without increasing net debt.

REPORT ON OPPORTUNITIES AND RISKS

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

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

In the first half of 2015, there were no significant changes in the opportunities and risks for the Brenntag Group described in detail in the 2014 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.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

(International Financial Reporting Standards)
at June 30, 2015

CONTENTS INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

in EUR m	Note	**Jan. 1– Jun. 30, 2015**	Jan. 1– Jun. 30, 2014 [1]	**Apr. 1– Jun. 30, 2015**	Apr. 1– Jun. 30, 2014 [1]
Sales		5,265.3	4,917.4	2,691.4	2,501.3
Cost of goods sold		−4,122.7	−3,931.6	−2,106.1	−1,999.1
Gross profit		**1,142.6**	**985.8**	**585.3**	**502.2**
Selling expenses		−731.8	−643.0	−372.8	−321.5
Administrative expenses		−82.8	−75.2	−39.4	−39.0
Other operating income		19.0	12.7	10.4	7.2
Other operating expenses		−9.3	−7.9	−5.1	−3.3
Operating profit		**337.7**	**272.4**	**178.4**	**145.6**
Result of investments accounted for at equity		2.0	1.5	1.0	0.7
Finance income	1.)	1.2	1.4	0.5	0.7
Finance costs	2.)	−37.6	−38.8	−18.7	−19.1
Change in purchase price obligations and liabilities under IAS 32 to minorities	3.)	−1.8	−1.9	−0.9	−0.9
Other financial result		−5.3	−4.6	0.3	−1.6
Financial result		**−41.5**	**−42.4**	**−17.8**	**−20.2**
Profit before tax		**296.2**	**230.0**	**160.6**	**125.4**
Income taxes	4.)	−96.9	−78.8	−52.5	−43.4
Profit after tax		**199.3**	**151.2**	**108.1**	**82.0**
Attributable to:					
Shareholders of Brenntag AG		197.8	150.9	107.2	81.7
Minority shareholders		1.5	0.3	0.9	0.3
Undiluted earnings per share in euro [2]	5.)	**1.28**	**0.98**	**0.69**	**0.53**
Diluted earnings per share in euro [2]	5.)	**1.28**	**0.98**	**0.69**	**0.53**

C.01 CONSOLIDATED INCOME STATEMENT

[1] The figures for the previous year have been adjusted owing to the first-time application of IFRIC 21 (Levies). Selling expenses increased and EBITDA decreased by EUR 2.6 million for the period from January 1 to June 30, 2014 as a result of this adjustment. Selling expenses decreased and EBITDA increased by EUR 1.8 million for the period from April 1 to June 30, 2014 as a result of this adjustment.
[2] 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, 2015**	Jan. 1– Jun. 30, 2014[1]	**Apr. 1– Jun. 30, 2015**	Apr. 1– Jun. 30, 2014[1]
Profit after tax		**199.3**	**151.2**	**108.1**	**82.0**
Remeasurement of defined benefit plans	8.)	20.5	−30.3	43.2	−12.2
Deferred tax on remeasurement of defined benefit plans	8.)	−5.7	8.2	−12.1	3.4
Non-reclassifiable other comprehensive income		**14.8**	**−22.1**	**31.1**	**−8.8**
Change in exchange rate differences of fully consolidated companies		83.8	13.3	−55.5	18.4
Change in exchange rate differences of companies accounted for at equity		0.6	0.1	−0.7	0.2
Change in net investment hedge reserve		−3.3	0.6	1.6	−0.5
Change in cash flow hedge reserve		−1.9	−4.2	1.1	−2.6
Deferred tax on change in cash flow hedge reserve		0.8	1.4	−0.4	0.9
Reclassifiable other comprehensive income		**80.0**	**11.2**	**−53.9**	**16.4**
Other comprehensive income		**94.8**	**−10.9**	**−22.8**	**7.6**
Total comprehensive income		**294.1**	**140.3**	**85.3**	**89.6**
Attributable to:					
Shareholders of Brenntag AG		289.8	140.4	85.7	88.9
Minority shareholders		4.3	−0.1	−0.4	0.7

C.02 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

[1] The figures for the previous year have been adjusted owing to the first-time application of IFRIC 21 (Levies). Selling expenses increased and EBITDA decreased by EUR 2.6 million for the period from January 1 to June 30, 2014 as a result of this adjustment. Selling expenses decreased and EBITDA increased by EUR 1.8 million for the period from April 1 to June 30, 2014 as a result of this adjustment.

CONSOLIDATED BALANCE SHEET

ASSETS

in EUR m	Note	**Jun. 30, 2015**	Dec. 31, 2014
Current assets			
Cash and cash equivalents		319.0	491.9
Trade receivables		1,589.2	1,407.2
Other receivables		150.1	127.7
Other financial assets		9.7	7.9
Current tax assets		54.1	34.3
Inventories		899.5	865.8
Non-current assets held for sale		1.0	0.9
		3,022.6	**2,935.7**
Non-current assets			
Property, plant and equipment		903.2	879.3
Intangible assets		2,377.7	2,268.0
Investments accounted for at equity		25.0	25.0
Other receivables		13.4	13.8
Other financial assets		31.7	31.2
Deferred tax assets		57.3	62.0
		3,408.3	**3,279.3**
Total assets		**6,430.9**	**6,215.0**

LIABILITIES AND EQUITY

in EUR m	Note	Jun. 30, 2015	Dec. 31, 2014
Current liabilities			
Trade payables		1,149.0	1,046.2
Financial liabilities	6.)	216.1	334.0
Other liabilities		359.8	360.8
Other provisions	7.)	44.4	45.1
Current tax liabilities		46.2	43.4
		1,815.5	**1,829.5**
Non-current liabilities			
Financial liabilities	6.)	1,643.1	1,567.6
Other liabilities		2.3	2.2
Other provisions	7.)	118.9	114.4
Provisions for pensions and similar obligations	8.)	147.9	162.6
Purchase price obligations and liabilities under IAS 32 to minorities	9.)	43.5	39.7
Deferred tax liabilities		147.8	142.1
		2,103.5	**2,028.6**
Equity	10.)		
Subscribed capital		154.5	154.5
Additional paid-in capital		1,457.1	1,457.1
Retained earnings		774.2	700.7
Accumulated other comprehensive income		90.4	13.2
Equity attributable to Brenntag shareholders		**2,476.2**	**2,325.5**
Equity attributable to minority shareholders		35.7	31.4
		2,511.9	**2,356.9**
Total liabilities and equity		**6,430.9**	**6,215.0**

C.03 CONSOLIDATED BALANCE SHEET

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR m	Subscribed capital	Additional paid-in capital	Retained earnings
31.12.2013	**51.5**	**1,560.1**	**536.0**
Dividends	–	–	–133.9
Profit after tax [2)]	–	–	150.9
Other comprehensive income	–	–	–22.1
Total comprehensive income	**–**	**–**	**128.8**
Jun. 30, 2014	**51.5**	**1,560.1**	**530.9**
Dec. 31, 2014	**154.5**	**1,457.1**	**700.7**
Dividends	–	–	–139.1
Profit after tax	–	–	197.8
Other comprehensive income	–	–	14.8
Total comprehensive income	**–**	**–**	**212.6**
Jun. 30, 2015	**154.5**	**1,457.1**	**774.2**

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**
−85.4	**−2.1**	**8.7**	**−3.2**	**2,065.6**	**28.1**	**2,093.7**
–	–	–	–	−133.9	–	−133.9
–	–	–	–	150.9	0.3	151.2
13.8	0.6	−4.2	1.4	−10.5	−0.4 [1]	−10.9
13.8	**0.6**	**−4.2**	**1.4**	**140.4**	**−0.1**	**140.3**
−71.6	**−1.5**	**4.5**	**−1.8**	**2,072.1**	**28.0**	**2,100.1**

C.04 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / JUN. 30, 2014

17.1	**−6.4**	**4.1**	**−1.6**	**2,325.5**	**31.4**	**2,356.9**
–	–	–	–	−139.1	–	−139.1
–	–	–	–	197.8	1.5	199.3
81.6	−3.3	−1.9	0.8	92.0	2.8 [1]	94.8
81.6	**−3.3**	**−1.9**	**0.8**	**289.8**	**4.3**	**294.1**
98.7	**−9.7**	**2.2**	**−0.8**	**2,476.2**	**35.7**	**2,511.9**

C.05 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / JUN. 30, 2015

[1] Change in minority interests due to exchange rate differences (accumulated exchange rate differences as at Jun. 30, 2015: EUR 8.1 million; Dec. 31, 2014: EUR 5.3 million, Jun. 30, 2014: EUR 2.0 million; Dec. 31, 2013: EUR 2.4 million).
[2] The figures for the previous year have been adjusted owing to the first-time application of IFRIC 21 (Levies). Selling expenses increased and EBITDA decreased by EUR 2.6 million for the period from January 1 to June 30, 2014 as a result of this adjustment.

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	Note	**Jan. 1– Jun. 30, 2015**	Jan. 1– Jun. 30, 2014[1]	**Apr. 1– Jun. 30, 2015**	Apr. 1– Jun. 30, 2014[1]
	11.)				
Profit after tax		**199.3**	**151.2**	**108.1**	**82.0**
Depreciation and amortization		72.7	65.9	37.0	33.1
Income taxes		96.9	78.8	52.5	43.4
Income tax payments		−110.7	−81.5	−56.9	−53.6
Interest result		36.4	37.4	18.2	18.4
Interest payments (netted against interest received)		−21.6	−28.5	−10.2	−14.4
Dividends received		0.3	1.9	0.3	0.6
Changes in provisions		−8.0	0.3	−5.1	1.8
Changes in current assets and liabilities					
Inventories		13.8	−44.8	−9.0	−40.5
Receivables		−122.2	−233.5	−10.9	−36.2
Liabilities		29.9	156.7	−15.4	27.3
Non-cash change in purchase price obligations and liabilities under IAS 32 to minorities		1.8	1.9	0.9	0.9
Other non-cash income and expenses as well as reclassifications		−21.9	−10.6	−2.9	−14.3
Cash provided by operating activities		**166.7**	**95.2**	**106.6**	**48.5**
Proceeds from disposals of other financial assets		–	0.1	–	–
Proceeds from disposals of intangible assets as well as property, plant and equipment		2.5	1.5	1.7	0.7
Purchases of consolidated subsidiaries and other business units		−44.4	−57.7	−18,8	−50.6
Purchases of other financial assets		−0.1	−0.3	–	−0.2
Purchases of intangible assets as well as property, plant and equipment		−39.7	−43.0	−20.7	−23.0
Cash used for investing activities		**−81.7**	**−99.4**	**−37.8**	**−73.1**
Dividends paid to Brenntag shareholders		−139.1	−133.9	−139.1	−133.9
Profits distributed to minority shareholders		−1.3	−0.9	−1.3	−0.9
Proceeds from borrowings		88.2	53.7	79.5	46.4
Repayments of borrowings		−223.8	−30.8	−203.2	−23.5
Cash used for financing activities		**−276.0**	**−111.9**	**−264.1**	**−111.9**
Change in cash and cash equivalents		**−191.0**	**−116.1**	**−195.3**	**−136.5**
Change in cash and cash equivalents due to currency gains/losses		18.1	8.0	−11.2	6.4
Cash and cash equivalents at beginning of year		491.9	426.8	525.5	448.8
Cash and cash equivalents at end of quarter		**319.0**	**318.7**	**319.0**	**318.7**

C.06 CONSOLIDATED CASH FLOW STATEMENT

[1] The figures for the previous year have been adjusted owing to the first-time application of IFRIC 21 (Levies). Selling expenses increased and EBITDA decreased by EUR 2.6 million for the period from January 1 to June 30, 2014 as a result of this adjustment. Selling expenses decreased and EBITDA increased by EUR 1.8 million for the period from April 1 to June 30, 2014 as a result of this adjustment.

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 [3]	North America [3]	Latin America [3]	Asia Pacific	All other segments	Consolidation	**Group [3]**
External sales	**2015**	**2,380.4**	**1,830.6**	**466.0**	**413.6**	**174.7**	**–**	**5,265.3**
	2014	2,355.2	1,586.7	399.1	351.9	224.5	–	4,917.4
	Change in %	1.1	15.4	16.8	17.5	–22.2	–	7.1
	fx adjusted change in %	–0.7	–5.0	3.4	–1.4	–22.2	–	–2.8
Inter-segment sales	**2015**	**5.3**	**3.6**	**1.2**	**–**	**0.4**	**–10.5**	**–**
	2014	4.0	3.0	1.3	1.8	0.4	–10.5	–
Operating gross profit [1]	**2015**	**520.2**	**471.7**	**100.2**	**70.3**	**7.9**	**–**	**1,170.3**
	2014	490.7	376.3	77.1	57.9	7.4	–	1,009.4
	Change in %	6.0	25.4	30.0	21.4	6.8	–	15.9
	fx adjusted change in %	3.8	3.2	14.1	2.5	6.8	–	4.3
Gross profit	**2015**	**–**	**–**	**–**	**–**	**–**	**–**	**1,142.6**
	2014	–	–	–	–	–	–	985.8
	Change in %	–	–	–	–	–	–	15.9
	fx adjusted change in %	–	–	–	–	–	–	4.3
Operating EBITDA (segment result)	**2015**	**181.1**	**186.3**	**31.5**	**24.8**	**–13.3**	**–**	**410.4**
	2014	167.4	144.5	19.5	18.7	–12.0	–	338.1
	Change in %	8.2	28.9	61.5	32.6	10.8	–	21.4
	fx adjusted change in %	5.6	6.1	43.8	11.2	10.8	–	8.2
EBITDA	**2015**	**–**	**–**	**–**	**–**	**–**	**–**	**410.4**
	2014	–	–	–	–	–	–	338.3
	Change in %	–	–	–	–	–	–	21.3
	fx adjusted change in %	–	–	–	–	–	–	8.1
Investments in non-current assets (Capex) [2]	**2015**	**19.5**	**13.1**	**2.1**	**2.5**	**0.4**	**–**	**37.6**
	2014	23.6	12.6	1.6	2.0	1.1	–	40.9

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] Investments in non-current assets are the other additions to property, plant and equipment and intangible assets.
[3] The figures for the period from January 1 to June 30, 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies); selling expenses increased and EBITDA decreased, both by EUR 2.6 million for the Group.

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 [3]	North America [3]	Latin America [3]	Asia Pacific	All other segments	Consolidation	**Group [3]**
External sales	**2015**	**1,217.5**	**928.4**	**230.8**	**218.8**	**95.9**	**–**	**2,691.4**
	2014	1,179.6	815.0	202.6	189.0	115.1	–	2,501.3
	Change in %	3.2	13.9	13.9	15.8	–16.7	–	7.6
	fx adjusted change in %	1.2	–7.1	1.8	–3.5	–16.7	–	–2.8
Inter-segment sales	**2015**	**2.9**	**1.5**	**–**	**–**	**0.2**	**–4.6**	**–**
	2014	2.2	2.0	0.5	1.0	0.2	–5.9	–
Operating gross profit [1]	**2015**	**263.8**	**243.9**	**50.5**	**36.9**	**4.0**	**–**	**599.1**
	2014	246.6	193.9	39.5	30.1	3.8	–	513.9
	Change in %	7.0	25.8	27.8	22.6	5.3	–	16.6
	fx adjusted change in %	4.5	2.7	13.0	2.8	5.3	–	4.3
Gross profit	**2015**	**–**	**–**	**–**	**–**	**–**	**–**	**585.3**
	2014	–	–	–	–	–	–	502.2
	Change in %	–	–	–	–	–	–	16.5
	fx adjusted change in %	–	–	–	–	–	–	4.3
Operating EBITDA (segment result)	**2015**	**92.9**	**98.4**	**16.1**	**13.7**	**–5.7**	**–**	**215.4**
	2014	86.2	78.7	9.0	10.2	–5.6	–	178.5
	Change in %	7.8	25.0	78.9	34.3	1.8	–	20.7
	fx adjusted change in %	4.8	2.0	61.0	11.4	1.8	–	6.7
EBITDA	**2015**	**–**	**–**	**–**	**–**	**–**	**–**	**215.4**
	2014	–	–	–	–	–	–	178.7
	Change in %	–	–	–	–	–	–	20.5
	fx adjusted change in %	–	–	–	–	–	–	6.6
Investments in non-current assets (Capex) [2]	**2015**	**11.9**	**7.6**	**1.4**	**1.4**	**0.4**	**–**	**22.7**
	2014	13.2	6.9	1.0	1.3	–0.1	–	22.3

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] Investments in non-current assets are the other additions to property, plant and equipment and intangible assets.
[3] The figures for the period from April 1 to June 30, 2014 have been adjusted owing to the first-time application of IFRIC 21 (Levies); selling expenses decreased and EBITDA increased, both by EUR 1.8 million for the Group.

GROUP KEY FINANCIAL FIGURES

in EUR m	**Jan. 1– Jun. 30, 2015**	Jan. 1– Jun. 30, 2014[4]	**Apr. 1– Jun. 30, 2015**	Apr. 1– Jun. 30, 2014[4]
EBITDA	**410.4**	**338.3**	**215.4**	**178.7**
Investments in non-current assets (Capex)[1]	−37.6	−40.9	−22.7	−22.3
Changes in working capital[2] [3]	−44.7	−113.5	−25.6	−43.8
Free cash flow	**328.1**	**183.9**	**167.1**	**112.6**

C.09 FREE CASH FLOW

[1] Investments in non-current assets are the 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.
[4] The figures for the previous year have been adjusted owing to the first-time application of IFRIC 21 (Levies). Selling expenses increased and EBITDA decreased by EUR 2.6 million for the period from January 1 to June 30, 2014 as a result of this adjustment. Selling expenses decreased and EBITDA increased by EUR 1.8 million for the period from April 1 to June 30, 2014 as a result of this adjustment.

in EUR m	**Jan. 1– Jun. 30, 2015**	Jan. 1– Jun. 30, 2014[4]	**Apr. 1– Jun. 30, 2015**	Apr. 1– Jun. 30, 2014[4]
Operating EBITDA (segment result)[1]	**410.4**	**338.1**	**215.4**	**178.5**
Transaction costs/holding charges[2]	–	0.2	–	0.2
EBITDA	**410.4**	**338.3**	**215.4**	**178.7**
Scheduled depreciation of property, plant and equipment	−53.7	−48.4	−27.2	−24.4
Impairment of property, plant and equipment	–	–	–	–
EBITA	**356.7**	**289.9**	**188.2**	**154.3**
Scheduled amortization of intangible assets[3]	−19.0	−17.5	−9.8	−8.7
Impairment of intangible assets	–	–	–	–
EBIT	**337.7**	**272.4**	**178.4**	**145.6**
Financial result	−41.5	−42.4	−17.8	−20.2
Profit before tax	**296.2**	**230.0**	**160.6**	**125.4**

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 14.8 million (H1 2014: EUR 13.8 million).
[4] The figures for the previous year have been adjusted owing to the first-time application of IFRIC 21 (Levies). Selling expenses increased and EBITDA decreased by EUR 2.6 million for the period from January 1 to June 30, 2014 as a result of this adjustment. Selling expenses decreased and EBITDA increased by EUR 1.8 million for the period from April 1 to June 30, 2014 as a result of this adjustment.

in EUR m	**Jan. 1– Jun. 30, 2015**	Jan. 1– Jun. 30, 2014	**Apr. 1– Jun. 30, 2015**	Apr. 1– Jun. 30, 2014
Operating gross profit	**1,170.3**	**1,009.4**	**599.1**	**513.9**
Production/mixing & blending costs	−27.7	−23.6	−13.8	−11.7
Gross profit	**1,142.6**	**985.8**	**585.3**	**502.2**

C.11 RECONCILIATION OF OPERATING GROSS PROFIT TO GROSS PROFIT

CONSOLIDATION POLICIES AND METHODS

STANDARDS APPLIED

These interim consolidated financial statements for the period from January 1 to June 30, 2015 have been prepared in accordance with the requirements of IAS 34 (Interim Financial Reporting). The Notes are presented in condensed form compared to the Notes to the consolidated financial statements at December 31, 2014.

With the exception of the Standards to be applied for the first time in the financial year starting January 1, 2015, the same consolidation policies and methods have been applied as for the consolidated financial statements at December 31, 2014.

Income taxes are recorded on the basis of the latest estimate of the corporate income tax rate expected for the 2015 financial year.

In the 2015 financial year, the new IFRIC 21 (Levies) and the Annual Improvements to IFRS (Cycle 2011–2013) have been applied for the first time.

IFRIC 21 (Levies) deals with the accounting treatment of levies imposed by a government which are not income taxes within the meaning of IAS 12 (Income Taxes) and clarifies in particular when obligations to pay such levies are to be recognized as liabilities in the financial statements. In most cases, changing the point in time when a liability is recognized also affects the point in time when the corresponding amounts are to be recognized as an expense in the income statement. The first-time application of IFRIC 21 will not have any effect on the presentation of the Group's assets, financial position and results of operations for the 2015 financial year as a whole. However, in course of the financial year, the date of recognition of expenses and liabilities from levies imposed by a government will change in some cases therefore affecting the consolidated interim financial statements. The previous year's figures have thus been adjusted accordingly. The retrospective application of IFRIC 21 had no effect on the equity of the Brenntag Group as at December 31, 2014.

Operating EBITDA, EBITDA and profit before tax for the periods of 2014 changed as follows:

	Europe	North America	Latin America	Asia Pacific	All other segments	**Group**
January 1 to March 31, 2014	−2.0	−2.2	−0.2	–	–	−4.4
April 1 to June 30, 2014	0.7	1.1	–	–	–	1.8
July 1 to September 30, 2014	0.7	0.2	0.1	–	–	1.0
October 1 to December 31, 2014	0.6	0.9	0.1	–	–	1.6
January 1 to December 31, 2014	**–**	**–**	**–**	**–**	**–**	**–**

C.12 EFFECT OF THE RETROSPECTIVE APPLICATION OF IFRIC 21 (LEVIES)

Income taxes for the period from January 1 to June 30, 2014 decreased by EUR 0.9 million owing to the retrospective application. Based on 154.5 million shares after the stock split, the earnings per share for the period from January 1 to June 30, 2014 fell by 1 cent owing to the retrospective application.

The annual improvements to IFRS contain a large number of minor amendments to various standards which are intended to clarify the content of the standards and to eliminate any existing inconsistencies. They did not have any material effect on the presentation of the Group's assets, financial position and results of operations.

SCOPE OF CONSOLIDATION

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

	Dec. 31, 2014	Additions	Disposals	**Jun. 30, 2015**
Domestic consolidated companies	27	1	–	28
Foreign consolidated companies	179	6	7	178
Total consolidated companies	**206**	**7**	**7**	**206**

C.13 CHANGES IN SCOPE OF CONSOLIDATION

The additions relate to entities acquired within the scope of business combinations accounted for under IFRS 3. The disposals result from mergers and from disposals of structured entities following Brenntag's decision not to renew the international accounts receivable securitization programme.

Five associates (Dec. 31, 2014: five) are accounted for at equity.

BUSINESS COMBINATIONS IN ACCORDANCE WITH IFRS 3

In early March 2015, Brenntag closed its acquisition of all of the shares in Fred Holmberg & Co AB, headquartered in Malmö, Sweden, and in LIONHEART CHEMICAL ENTERPRISES (PROPRIETARY) LIMITED, headquartered in Johannesburg, South Africa.

Fred Holmberg & Co AB in Sweden is focused on the distribution of chemicals in Scandinavia and provides efficient mixing and blending activities. With the acquisition, Brenntag will further strengthen and expand the industrial chemicals product portfolio in the region.

LIONHEART CHEMICAL ENTERPRISES (PROPRIETARY) LIMITED in South Africa is a specialty distributor in the South African market, operating mainly in the food & beverage sector. Through this acquisition, Brenntag is strengthening the position in the South African chemical distribution market.

In May 2015, Brenntag acquired all of the shares of the Spanish chemicals distributor Quimicas Meroño, S.L., which is headquartered near Cartagena. This company offers its industrial customers logistics, blends and storage services. With the acquisition, Brenntag generates additional opportunities for growth – especially in key markets such as food & beverages as well as the oil and gas industry. In addition, Brenntag profits from the company's strong capabilities in value added services and blends.

The provisional purchase price for the acquisitions in the 2015 financial year is EUR 38.6 million, EUR 0.9 million of which depends on the achievement of certain gross profit targets in the years following the acquisitions. The net assets acquired break down as follows:

in EUR m	Provisional fair value
Assets	
Cash and cash equivalents	3.1
Trade receivables, other financial assets and other receivables	17.8
Other current assets	9.0
Non-current assets	15.7
Liabilities	
Current liabilities	22.7
Non-current liabilities	3.0
Net assets	**19.9**

C.14 NET ASSETS ACQUIRED

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. Measurement of the assets and liabilities (among others customer relationships and deferred taxes) taken over has not yet been completed owing to a lack of time. There are no material differences between the gross amount and carrying amount of the receivables from today's perspective. The acquisitions therefore result in provisional goodwill of EUR 18.7 million, which is mainly non-tax deductible. The main factors determining the goodwill are the above-mentioned

reasons for the acquisitions where not included in other assets (e.g. customer relationships and similar rights).

Since their acquisition, the businesses acquired in 2015 have generated sales of EUR 32.7 million and profit after tax of EUR 0.9 million.

If the above-mentioned business combinations had taken place with effect from January 1, 2015, sales of approximately EUR 5,284 million would have been shown for the Brenntag Group in the reporting period. The profit after tax would have been about EUR 200 million.

CURRENCY TRANSLATION

The euro exchange rates for major currencies developed as follows:

	Closing rate		Average rate	
1 EUR = currencies	**Jun. 30, 2015**	Dec. 31, 2014	**Jan. 1– Jun. 30, 2015**	Jan. 1– Jun. 30, 2014
Canadian dollar (CAD)	1.3839	1.4063	1.3774	1.5029
Swiss franc (CHF)	1.0413	1.2024	1.0567	1.2215
Chinese yuan renminbi (CNY)	6.9366	7.5358	6.9408	8.4500
Danish crown (DKK)	7.4604	7.4453	7.4562	7.4627
Pound sterling (GBP)	0.7114	0.7789	0.7323	0.8213
Polish zloty (PLN)	4.1911	4.2732	4.1409	4.1755
Swedish crown (SEK)	9.2150	9.3930	9.3401	8.9535
US dollar (USD)	1.1189	1.2141	1.1158	1.3703

C.15 EXCHANGE RATES OF MAIN CURRENCIES

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

1.) FINANCE INCOME

Finance income includes EUR 1.2 million (H1 2014: EUR 1.4 million) of interest income from third parties.

2.) FINANCE COSTS

in EUR m	**Jan. 1– Jun. 30, 2015**	Jan. 1– Jun. 30, 2014
Interest expense on liabilities to third parties	−33.0	−34.4
Expense from the measurement of interest rate swaps at fair value	−1.6	−1.3
Net interest expense from defined benefit pension plans	−1.7	−1.8
Interest expense on other provisions	−0.8	−0.8
Interest expense on finance leases	−0.5	−0.5
Total	**−37.6**	**−38.8**

C.16 FINANCE COSTS

3.) CHANGES IN PURCHASE PRICE OBLIGATIONS AND LIABILITIES UNDER IAS 32 TO MINORITIES

in EUR m	**Jan. 1– Jun. 30, 2015**	Jan. 1– Jun. 30, 2014
Cost from the unwinding of discounting of the purchase price obligation	−1.3	−1.2
Change in liabilities under IAS 32 to minorities	−0.5	−0.7
Total	**−1.8**	**−1.9**

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 95.6 million (H1 2014: EUR 77.0 million) as well as deferred tax expenses of EUR 1.3 million (H1 2014: deferred tax expenses of EUR 1.8 million).

The expected corporate income tax rate for the 2015 financial year was applied when determining tax expense in the first half of 2015. 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. Such earnings and expenses cannot be planned with sufficient accuracy and they are generally tax neutral.

	Jan. 1–Jun. 30, 2015			Jan. 1–Jun. 30, 2014		
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	298.0	32.5	–96.9	231.1	34.1	–78.8
tax-neutral earnings/expenses which cannot be planned with sufficient accuracy	–1.8	–	–	–1.1	–	–
including tax-neutral earnings/expenses which cannot be planned	296.2	32.7	–96.9	230.0	34.3	–78.8

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

5.) EARNINGS PER SHARE

The earnings per share of EUR 1.28 (H1 2014: EUR 0.98) are determined by dividing the share in income after tax of EUR 197.8 million (H1 2014: EUR 150.9 million) due to the shareholders of Brenntag AG by the average weighted number of shares in circulation.

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 for the first half of 2015 and the first half of 2014 is based on these 154.5 million shares.

6.) FINANCIAL LIABILITIES

in EUR m	**Jun. 30, 2015**	Dec. 31, 2014
Liabilities under syndicated loan	1,200.6	1,124.1
Other liabilities to banks	182.2	296.6
Bond	416.8	405.2
Liabilities under finance leases	11.7	12.3
Derivative financial instruments	2.1	4.0
Other financial liabilities	45.8	59.4
Total	**1,859.2**	**1,901.6**
Cash and cash equivalents	319.0	491.9
Net financial liabilities	**1,540.2**	**1,409.7**

C.19 DETERMINATION OF NET FINANCIAL LIABILITIES

The other liabilities to banks include liabilities from the revolving credit facility of syndicated loans. As at December 31, 2014, 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 182.7 million. Following Brenntag's decision not to renew this programme, the corresponding financial liabilities were redeemed in June.

7.) OTHER PROVISIONS

Other provisions break down as follows:

in EUR m	**Jun. 30, 2015**	Dec. 31, 2014
Environmental provisions	107.1	103.1
Provisions for personnel expenses	22.3	27.1
Miscellaneous provisions	33.9	29.3
Total	**163.3**	**159.5**

C.20 OTHER PROVISIONS

8.) PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

In the interim consolidated financial statements as at June 30, 2015, a discount rate for pension obligations in Germany and in the euro zone of 2.4 % (Dec. 31, 2014: 1.9 %), in Switzerland of 1.0 % (Dec. 31, 2014: 1.0 %) and in Canada of 4.1 % (Dec. 31, 2014: 4.0 %) was used to determine the present value of the pension obligations.

The decrease due to the remeasurement of defined benefit plans, provisions for pensions and similar obligations of EUR 20.5 million was recognized directly in equity. This is largely the result of the increase in the discount rate especially in the eurozone and in Canada. Allowing for deferred taxes, the actuarial losses recorded in equity consequently decreased by EUR 14.8 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, 2015**	Dec. 31, 2014
Purchase price obligation for second tranche of Zhong Yung (49 %)	42.2	37.6
Liabilities under IAS 32 to minorities	1.3	2.1
Total	**43.5**	**39.7**

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 full amount of the purchase price obligation for the second tranche of Zhong Yung is included in net investment hedge accounting. Exchange-rate-related changes in the liability are recorded within equity in the net investment hedge reserve.

10.) EQUITY

As proposed by the Board of Management and Supervisory Board, on June 9, 2015 the ordinary General Shareholders' Meeting of Brenntag AG resolved the distribution of a dividend of EUR 139,050,000.00. Based on 154.5 million shares, that is a dividend of EUR 0.90 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 166.7 million was influenced by cash outflows from the increase in working capital of EUR 44.7 million.

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

in EUR m	**Jan. 1– Jun. 30, 2015**	Jan. 1– Jun. 30, 2014
Decrease/Increase in inventories	13.8	–44.8
Increase in gross trade receivables	–106.1	–215.1
Increase in trade payables	45.3	146.8
Write-downs on trade receivables and on inventories [1]	2.3	–0.4
Change in working capital [2]	**–44.7**	**–113.5**

C.22 CHANGE IN WORKING CAPITAL

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

At 8.1, the annualized working capital turnover [1] in the reporting period was below the level of the first half of 2014 (8.9).

12.) LEGAL DISPUTES

In the first half of 2015, there were no significant changes in the legal disputes described in the 2014 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	2015					
Measurement in the balance sheet:	At amortized cost	At fair value			**Jun. 30, 2015**	
Classification of financial assets:	Loans and receivables	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Hedging derivatives	Total carrying amount	Fair value
Cash and cash equivalents	319.0	–	–	–	319.0	319.0
Trade receivables	1,589.2	–	–	–	1,589.2	1,589.2
Other receivables	72.0	–	–	–	72.0	72.0
Other financial assets	33.8	3.0	1.3	3.3	41.4	41.4
Total	**2,014.0**	**3.0**	**1.3**	**3.3**	**2,021.6**	**2,021.6**

C.23 CLASSIFICATION OF FINANCIAL ASSETS ACCORDING TO MEASUREMENT CATEGORIES / JUN. 30, 2015

in EUR m	2014					
Measurement in the balance sheet:	At amortized cost	At fair value			Dec. 31, 2014	
Classification of financial assets:	Loans and receivables	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Hedging derivatives	Total carrying amount	Fair value
Cash and cash equivalents	491.9	–	–	–	491.9	491.9
Trade receivables	1,407.2	–	–	–	1,407.2	1,407.2
Other receivables	75.8	–	–	–	75.8	75.8
Other financial assets	30.7	2.2	1.3	4.9	39.1	39.1
Total	**2,005.6**	**2.2**	**1.3**	**4.9**	**2,014.0**	**2,014.0**

C.24 CLASSIFICATION OF FINANCIAL ASSETS ACCORDING TO MEASUREMENT CATEGORIES / DEC. 31, 2014

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 91.5 million (Dec. 31, 2014: EUR 65.7 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	2015						
Measurement in the balance sheet:	At amortized cost		At fair value			Jun. 30, 2015	
Classification of financial liabilities:	Not designated in hedge accounting	Designated in hedge accounting	Financial liabilities at fair value through profit or loss	Hedging derivatives	Valuation under IAS 17	Total carrying amount	Fair value
Trade payables	1,149.0	–	–	–	–	1,149.0	1,149.0
Other liabilities	173.1	–	–	–	–	173.1	173.1
Purchase price obligations and liabilities under IAS 32 to minorities	1.3	42.2	–	–	–	43.5	44.0
Financial liabilities	1,845.4	–	2.1	–	11.7	1,859.2	1,896.3
Total	**3,168.8**	**42.2**	**2.1**	**–**	**11.7**	**3,224.8**	**3,262.4**

C.25 CLASSIFICATION OF FINANCIAL LIABILITIES ACCORDING TO MEASUREMENT CATEGORIES / JUN. 30, 2015

in EUR m	2014						
Measurement in the balance sheet:	At amortized cost		At fair value			Dec. 31, 2014	
Classification of financial liabilities:	Not designated in hedge accounting	Designated in hedge accounting	Financial liabilities at fair value through profit or loss	Hedging derivatives	Valuation under IAS 17	Total carrying amount	Fair value
Trade payables	1,046.2	–	–	–	–	1,046.2	1,046.2
Other liabilities	181.5	–	–	–	–	181.5	181.5
Purchase price obligations and liabilities under IAS 32 to minorities	2.1	37.6	–	–	–	39.7	40.2
Financial liabilities	1,885.3	–	3.6	0.4	12.3	1,901.6	1,956.2
Total	**3,115.1**	**37.6**	**3.6**	**0.4**	**12.3**	**3,169.0**	**3,224.1**

C.26 CLASSIFICATION OF FINANCIAL LIABILITIES ACCORDING TO MEASUREMENT CATEGORIES / DEC. 31, 2014

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 189.0 million (Dec. 31, 2014: EUR 181.5 million) are not financial liabilities within the meaning of IFRS 7. They are mainly liabilities from value added tax and other taxes, 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

Hierarchy level	Level 1	Level 2	Level 3	**Jun. 30, 2015**
Financial assets at fair value through profit or loss	–	3.0	–	3.0
Derivatives designated in hedge accounting with a positive fair value	–	3.3	–	3.3
Financial liabilities at fair value through profit or loss	–	2.1	–	2.1
Available-for-sale financial assets	1.3	–	–	1.3

C.27 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / JUN. 30, 2015

in EUR m

Hierarchy level	Level 1	Level 2	Level 3	Dec. 31, 2014
Financial assets at fair value through profit or loss	–	2.2	–	2.2
Derivatives designated in hedge accounting with a positive fair value	–	4.9	–	4.9
Financial liabilities at fair value through profit or loss	–	3.6	–	3.6
Derivatives designated in hedge accounting with a negative fair value	–	0.4	–	0.4
Available-for-sale financial assets	1.3	–	–	1.3

C.28 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / DEC. 31, 2014

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 or loss 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 principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Mülheim an der Ruhr, August 4, 2015

Brenntag AG

BOARD OF MANAGEMENT

Steven Holland

Karsten Beckmann

Markus Klähn

Georg Müller

Henri Nejade

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, 2015 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 4, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

sgd. Thomas Tandetzki
Wirtschaftsprüfer
(German Public Auditor)

sgd. ppa. Frank Schemann
Wirtschaftsprüfer
(German Public Auditor)

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A TO OUR SHAREHOLDERS

B INTERIM GROUP MANAGEMENT REPORT

C INTERIM CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

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

Information on rounding
Due to commercial rounding, minor differences may occur when using rounded amounts or rounded percentages.

Disclaimer
This report may contain forward-looking statements based on current assumptions and forecasts made by Brenntag AG and other information currently available to the company. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. Brenntag AG does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to conform them to future events or developments.

FINANCIAL CALENDAR 2015

SEPTEMBER 10, 2015

Commerzbank Sector Conference,
Frankfurt

NOVEMBER 5, 2015

Interim Report Q3 2015

NOVEMBER 30 – DECEMBER 3, 2015

Berenberg European Conference,
London

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