ConnectingChemistry

BRENNTAG

Q1

GLOBAL MARKET LEADER

IN CHEMICAL
DISTRIBUTION

INTERIM REPORT
Q1 2016

KEY FINANCIAL FIGURES AT A GLANCE

CONSOLIDATED INCOME STATEMENT

		Q1 2016	Q1 2015
Sales	EUR m	2,580.1	2,573.9
Gross profit	EUR m	586.6	557.3
Operating EBITDA	EUR m	192.1	195.0
Operating EBITDA / gross profit	%	32.7	35.0
Profit after tax	EUR m	66.0	91.2
Earnings per share	EUR	0.43	0.59

CONSOLIDATED BALANCE SHEET

		Mar. 31, 2016	Dec. 31, 2015
Total assets	EUR m	6,963.8	6,976.2
Equity	EUR m	2,698.4	2,690.5
Working capital	EUR m	1,283.5	1,268.1
Net financial liabilities	EUR m	1,630.9	1,676.1

CONSOLIDATED CASH FLOW

		Q1 2016	Q1 2015
Net cash provided by operating activities	EUR m	99.0	60.1
Investments in non-current assets (capex)	EUR m	17.6	14.9
Free cash flow	EUR m	131.2	161.0

KEY FIGURES BRENNTAG SHARE

		Mar. 31, 2016	Dec. 31, 2015
Share price	EUR	50.20	48.28
No. of shares (unweighted)		154,500,000	154,500,000
Market capitalization	EUR m	7,756	7,459
Free float	%	100.0	100.0

A.01 KEY FINANCIAL FIGURES AT A GLANCE

COMPANY PROFILE

Brenntag is the global leader in chemical distribution. The company manages complex supply chains for both chemicals manufacturers and users by simplifying market access to thousands of products and services. It combines a global network with outstanding local execution.

Brenntag is therefore the industry's most effective and preferred channel to market for partners – really living its philosophy: "ConnectingChemistry".

Brenntag operates a global network spanning more than 530 locations in 74 countries. With its global workforce of more than 14,000 employees, the company generated sales of EUR 10.3 billion in 2015.

CONTENTS

CEO Letter

Dear Shareholders,

Brenntag achieved solid results, broadly in line with our expectations, in an ongoing difficult economic environment in the first quarter 2016. As in the total year 2015 our business was impacted by different regional factors also in the first months of this year.

Against this background the good performance of the Group's Gross Profit has to be viewed particularly positive. Here, we recorded a significant rise of Gross Profit of 5.3% (as reported) to 586.6 million EUR in the reporting period. This growth shows our excellent access to markets and customers and strong strategic positioning.

In North America, particularly the continuous weak demand of customers in the oil & gas segment as well as the negative growth of industrial production in other customer industries had a negative impact on our results.

In the first quarter 2016 the European region again showed a good performance in a difficult economic climate. We are optimistic, that we are able to increase the region's performance further especially through new products and services currently developed.

Asia Pacific reported strong results. This was driven by the ongoing outsourcing trend, the particularly new business activities in China and the contribution of TAT group which was acquired last year.

In Latin America the macroeconomic environment remains very volatile. In particular in Venezuela a significant devaluation of the local currency bolivar strongly impacted our results for the region in the reporting period.

Despite the aforementioned challenges, Operating EBITDA was only slightly below last year's level at EUR 192.1 million (–1.5% as reported).

We continue our acquisition strategy and closed a number of transactions in the first quarter namely Leis Polytechnik and ACU in Germany as well as Plastichem in South Africa.

In the first quarter 2016 we showed good results in a difficult economic environment. We confirm to expect to grow all relevant earnings parameters for the full year 2016 with solid organic EBITDA growth in the regions EMEA, Asia Pacific and in Latin America excluding Venezuela. In North America the industrial production as well as the oil & gas sector is sequentially weaker and is expected to remain a challenge for Brenntag for the rest of the year. The Group will benefit from a positive contribution from the acquisitions closed in 2015.

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

Mülheim an der Ruhr, May 6, 2016

Steven Holland
Chief Executive Officer

BRENNTAG ON THE STOCK MARKET

SHARE PRICE PERFORMANCE

At the beginning of 2016, stock prices on equity markets around the world declined significantly, due mainly to low oil prices and uncertainty about the state of the Chinese economy. Although European Central Bank policy was still capital market-friendly and the euro remained weak against the US dollar, this failed to provide sufficient momentum in Europe to offset these effects. Only towards the end of the quarter did share prices show a recovering trend.

A similar trend was seen in Germany's leading index, the DAX®, which declined by 7.2% in the first quarter of 2016 to close at 9,966 points at the end of March 2016. Although the MDAX® performed better, ending the quarter at 20,398 points, it was also down by 1.8%. Brenntag shares closed the quarter at EUR 50.20, an increase of 4.0% compared with the 2015 closing price.

According to Deutsche Börse AG's ranking, Brenntag AG ranked 33rd among all listed companies in Germany by market capitalization at the end of March 2016. The average number of Brenntag shares traded daily on Xetra® in the first quarter of 2016 totalled about 352,000 compared with around 280,000 shares in the first quarter of 2015.

BRENNTAG SHARE PRICE PERFORMANCE (INDEXED)

A.02 BRENNTAG SHARE PRICE PERFORMANCE (INDEXED)

SHAREHOLDER STRUCTURE

As of May 1, 2016, notification had been received from the following shareholders under Section 21, para. 1 of the German Securities Trading Act (WpHG) that their share of the voting rights now exceeds the 3% or 5% threshold:

SHAREHOLDER STRUCTURE

Shareholder	Interest in %	Date of notification
BlackRock	>5	Mar. 24, 2016
Threadneedle	>5	Jul. 23, 2012
Sun Life / MFS	>5	Jul. 3, 2012
Oppenheimer Funds, Inc.	>3	Dec. 7, 2015
Norges Bank	>3	Dec. 2, 2015
Allianz Global Investors	>3	Feb. 26, 2014

A.03 SHAREHOLDER STRUCTURE

KEY DATA ON THE BRENNTAG SHARES

		IPO Mar. 29, 2010[1]	Dec. 31, 2015	**Mar. 31, 2016**
Share price (Xetra® closing price)	EUR	16.67	48.28	50.20
Free float	%	29.03	100.0	100.0
Free float market capitalization	EUR m	748	7,459	7,756

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

A.04 KEY DATA ON THE BRENNTAG SHARES

[1] As part of a stock split, the number of shares was increased in the third quarter of 2014 from 51.5 million to 154.5 million. The number of shares and the share prices have been retroactively adjusted in line with the stock split.

CREDITOR RELATIONS

Brenntag's strong credit profile is reflected by investment grade ratings from two international rating agencies: Standard & Poor's has assigned a "BBB" rating (outlook: stable) and Moody's has assigned a "Baa3" rating (outlook: stable).

On November 25, 2015, Brenntag successfully completed the placement of a senior, unsecured bond with warrant units maturing in 2022 in the final amount of USD 500 million and bearing a coupon of 1.875% per annum. The warrants provide the option to acquire no-par value ordinary registered Brenntag AG shares upon payment of the initial exercise price, which was fixed at EUR 72.93, representing a 45% premium on the share price at the launch date.

On July 19, 2011, Brenntag Finance B.V., Amsterdam, Netherlands, an indirectly wholly-owned subsidiary of Brenntag AG, issued a corporate bond in the amount of EUR 400 million. The seven-year bond bears a coupon of 5.50% per annum. The issue price was 99.321% of par value.

KEY DATA ON THE BONDS OF THE BRENNTAG GROUP

		Bond 2018		**Bond (with Warrants) 2022**
Issuer		Brenntag Finance B.V.		Brenntag Finance B.V.
Listing		Luxembourg stock exchange		Frankfurt Open Market (Freiverkehr)
ISIN		XS0645941419		DE000A1Z3XQ6
Aggregate principal amount	EUR m	400	USD m	500
Denomination	EUR	1,000	USD	250,000
Minimum transferrable amount	EUR	50,000	USD	250,000
Coupon	%	5.50	%	1.875
Interest payment		Jul. 19	semi-annual	Jun. 2/Dec. 2
Maturity		Jul. 19, 2018		Dec. 2, 2022

A.05 KEY DATA ON THE BONDS OF THE BRENNTAG GROUP

GROUP INTERIM MANAGEMENT REPORT

for the period from January 1 to March 31, 2016

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 a full-line range of chemical products and value-added services to around 180,000 customers. 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 our brand identity "ConnectingChemistry".

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 worldwide are active 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 EMEA (Europe, Middle East & Africa), 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).

Brenntag is the global market leader in full-line chemical distribution. We define market leadership 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 supply chain as a whole.

GROUP STRUCTURE

As the ultimate parent company, Brenntag AG is responsible for the strategy of the Group. The central functions of Brenntag AG are Corporate Controlling, Corporate Finance & Investor Relations, Corporate HSE (Health, Safety and Environment), Corporate IT, Corporate Accounting, Corporate Mergers & Acquisitions, Corporate International Human Resources Management, Corporate Development, Corporate Communications, Corporate Legal, Corporate Internal Audit, Compliance, Corporate Risk Management as well as Corporate Tax.

The consolidated financial statements as at March 31, 2016 include Brenntag AG, 30 domestic (Dec. 31, 2015: 27) and 194 foreign (Dec. 31, 2015: 194) consolidated subsidiaries including structured entities. Five associates (Dec. 31, 2015: five) have been accounted for using the equity method.

SEGMENTS AND LOCATIONS

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

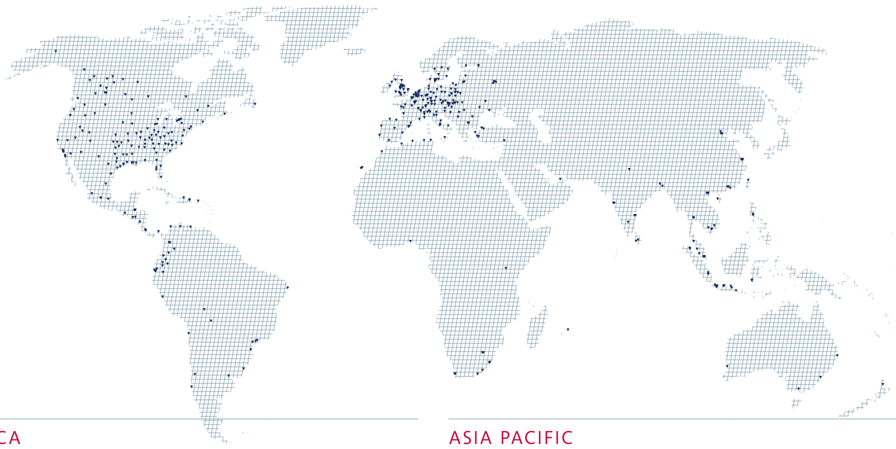
The following graphic gives an overview of the global network and the locations of the Brenntag Group:

NORTH AMERICA

		Q1 2016
External sales	EUR m	941.3
Operating gross profit	EUR m	244.2
Operating EBITDA	EUR m	84.6
Employees[1]		4,485

EMEA

		Q1 2016
External sales	EUR m	1,154.2
Operating gross profit	EUR m	267.6
Operating EBITDA	EUR m	88.3
Employees[1]		6,600



LATIN AMERICA

		Q1 2016
External sales	EUR m	191.8
Operating gross profit	EUR m	43.6
Operating EBITDA	EUR m	12.4
Employees[1]		1,510

ASIA PACIFIC

		Q1 2016
External sales	EUR m	234.1
Operating gross profit	EUR m	41.9
Operating EBITDA	EUR m	14.9
Employees[1]		1,812

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 STRATEGY

ConnectingChemistry

“ConnectingChemistry” describes value creation, purpose and commitment to all our partners within the supply chain:

- **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 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 develop creative, tailor-made solutions.
- **Customer orientation and 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.

2020 VISION

Our “2020 Vision” illustrates how we continue to position ourselves in the markets and industries we serve and is summarized by the following five commitments to our current and future development:

- We are the safest chemicals 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 and 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.

OBJECTIVES AND STRATEGY

With our “2020 Vision”, we pursue our goal to be the preferred distributor for both specialty and industrial chemicals for our customers and suppliers and, at the same time, the industry leader in safety, growth and profitability. We aim to achieve this with a clear growth strategy geared to steadily expanding our leading market position while continually improving profitability.

ORGANIC GROWTH AND ACQUISITIONS

We strive to extend our market leadership by steadily growing our product and service offering organically 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 tailored full-service solutions along the entire value chain rather than just products.

In addition, we continue to seek acquisition opportunities that support our 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 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, achieving the resulting economies of scale and placing emphasis on value-added services are major levers we use to increase profitability and returns.

STRATEGIC INITIATIVES

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

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

In order to offer our business partners the best service in the industry, we are continuously working worldwide to improve our commercial excellence – that is to say, our effectiveness and efficiency in procurement, sales and marketing. Our points of focus include systematically expanding business with regional, pan-regional and global key accounts, for which our broad product offering and extensive geographic network provide unrivalled service capabilities. In addition, we will continue to actively realize the potential that arises as a result of chemical producers outsourcing supply chain and commercial activities.

As part of our regional growth strategies, we continue seeking 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, paints, elastomers and sealants. In oil & gas, we are counting on the segment's long-term potential in combination with our excellent capabilities and our supplier and customer network despite the current uncertainty about the near-term direction of the industry. In order to achieve sustainable growth, we are placing more emphasis on developing our global oil and gas expertise as well as downstream [1)] products and services. 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, in particular by optimizing our network, adopting best practice solutions throughout the Brenntag Group and optimizing our warehouse and transport logistics on a regional and global level.

[1)] Downstream: the refining and processing sector of the oil and gas industry

In our human resources activities, we seek to recruit, develop and retain highly qualified employees. Last year, we extensively revised our global human resources strategy and launched various new initiatives with the aim of best positioning the Brenntag brand in the employment market. We put particular emphasis on our employees' continuing development and on targeted succession planning.

SUSTAINABILITY

As the global market leader in full-line chemical distribution, we also aim to lead the industry in sustainability. We are aware of our responsibility to future generations and therefore it is important to us to operate safely, act as a responsible corporate citizen, minimize our impact on the environment and ensure our long-term financial viability.

Our sustainability management focuses on the aspects derived from our daily operations and service portfolio:

- Safety
- Resource efficiency
- Responsibility within the supply chain
- Compliance
- Employees
- Social responsibility

We remain committed to the principles of responsible care and responsible distribution as well as the principles of the UN Global Compact. We are also a member of "Together for Sustainability", an industry initiative that aims to enhance sustainability across the entire chemical supply chain. Detailed information on our sustainability management can be found in our latest sustainability report and in the "Health, Safety and Environmental Protection, Quality Management" chapter of our latest annual report.

REPORT ON ECONOMIC POSITION

ECONOMIC ENVIRONMENT

Last year's weak trend in the global economy continued into 2016. The Global Manufacturing Purchasing Managers' Index (PMI) stood at 50.5 in March 2016, a reading barely above the 50 neutral mark. Across all sectors of industry, global production grew by around 1.3% year on year in the first two months of the first quarter of 2016.

The European economy continued to deliver a moderate performance. Industrial production grew by 1.9% year on year in the first two months of the first quarter of 2016.

The USA saw a continuation of the trend evident at the end of 2015 in particular. Partly because of the persistently low oil price and reduced investment in this sector, industrial production contracted by around 1.7% year on year in the first quarter of 2016.

Latin America continued to experience an economic downturn. Economic conditions remained challenging in Brazil and Argentina. In Venezuela, the recession is now stretching into its third year in 2016 due to a still-volatile political situation, high inflation and the change to the currency mechanism, which led to a massive devaluation of the local currency. Overall, industrial production in Latin America contracted by approximately 2.6% year on year in the first two months of the first quarter of 2016.

The economies of Asia likewise continued to see slower growth momentum. Industrial production across the region as a whole grew by around 4.1% year on year in the first two months of the first quarter of 2016.

BUSINESS PERFORMANCE

MAJOR EVENTS IMPACTING ON BUSINESS

In early February, Brenntag acquired Leis Polytechnik polymere Werkstoffe GmbH based in Ramstein-Miesenbach, Germany, which specializes in the development, production and distribution of high-performance polymer compounds. This acquisition strengthens Brenntag's market presence in Germany and expands its portfolio in the specialty polymers industry. Leis is expected to generate sales of approximately EUR 11 million in financial year 2016.

At the end of February, Brenntag acquired ACU PHARMA und CHEMIE Group (ACU) based in Apolda, Germany. This will enable it to benefit from the outsourcing trend among chemicals producers in this area. Brenntag is thus continuing to systematically expand its portfolio of value-added services, particularly for customers in the life science segment. The acquiree generated sales of approximately EUR 4.5 million in financial year 2015.

In March, Brenntag additionally acquired 100% of the shares in specialty chemicals distributor Plastichem Pty. Ltd. based in Kempton Park, South Africa. Plastichem distributes high-performance polymers for plastics and rubber. With a larger range of specialty chemicals, Brenntag is diversifying its current product portfolio in South Africa. Plastichem is expected to generate sales of almost EUR 27 million in financial year 2016.

As already outlined in the section of the 2015 Annual Report on events after the end of the reporting period, in mid-February 2016 the Venezuelan government further devalued the country's currency, the bolivar, by more than 90%. In February 2016, the existing, three-tier model in place since February 2015 was converted to a dual model, under which CENCOEX and SIMADI will be the only official exchange mechanisms available. For Brenntag, this gave rise to losses of approximately EUR 27 million triggered by exchange rate movements and recognized in net finance costs.

STATEMENT BY THE BOARD OF MANAGEMENT ON BUSINESS PERFORMANCE

In the first quarter of 2016, the Brenntag Group was operating in an economic environment that continued to show weak macroeconomic growth and was additionally impacted by sustained pressure from the low oil price. In this environment, the Group lifted prior-year operating gross profit through the contribution made by the acquisitions, particularly those in the North America and Asia Pacific segments. On a constant currency basis, the rate of growth was slightly higher.

Operating EBITDA for the first quarter of 2016 was down slightly on the previous year. The growth rate was also slightly negative on a constant currency basis.

The business in Europe showed very solid growth in a difficult economic environment. In North America, we continue to be impacted by weak demand from customers in the oil & gas sector due to the persistently low oil price. In Latin America, the devaluation of the currency in Venezuela had the expected significant adverse effect on performance while the rest of the region showed remarkable growth in a challenging macroeconomic environment. Business in the Asia Pacific region developed very favourably, in terms of both the hitherto existing business of the Asia Pacific segment and the contribution from the recently acquired TAT Group.

We were able to reduce working capital slightly year on year and increase annualized working capital turnover in the first quarter of 2016.

As planned, capital expenditure on property, plant and equipment showed a year-on-year increase in the first quarter of 2016. We continue to make appropriate investment in our existing infrastructure and in growth projects.

Overall, operating EBITDA, the changes in working capital and capital expenditure resulted in a free cash flow which again reached a high level.

On the whole, business performance in the first quarter of 2016 was impacted by the weakness in the oil & gas sector, the challenging macroeconomic environment, particularly in North America, and the devaluation of the currency in Venezuela. On the other hand, Asia Pacific and Latin America outside Venezuela grew strongly.

RESULTS OF OPERATIONS

BUSINESS PERFORMANCE OF THE BRENNTAG GROUP

			Change		
in EUR m	**Q1 2016**	Q1 2015	abs.	in %	in % (fx adj.)[1]
Sales	2,580.1	2,573.9	6.2	0.2	1.3
Operating gross profit	600.4	571.2	29.2	5.1	6.1
Operating expenses	−408.3	−376.2	−32.1	8.5	9.6
Operating EBITDA	**192.1**	**195.0**	**−2.9**	**−1.5**	**−0.7**
Depreciation of property, plant and equipment	−28.8	−26.5	−2.3	8.7	9.5
EBITA	163.3	168.5	−5.2	−3.1	−2.3
Amortization of intangible assets	−12.2	−9.2	−3.0	32.6	34.8
Net finance costs	−49.7	−23.7	−26.0	109.7	–
Profit before tax	101.4	135.6	−34.2	−25.2	–
Income tax expense	−35.4	−44.4	9.0	−20.3	–
Profit after tax	66.0	91.2	−25.2	−27.6	–

B.02 BUSINESS PERFORMANCE OF THE BRENNTAG GROUP

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

SALES AND VOLUMES

The Brenntag Group achieved sales of EUR 2,580.1 million in the first quarter of 2016, an increase of 0.2% on the first quarter of 2015. This represents sales growth of 1.3% on a constant currency basis. While prices on the chemicals market, especially for chemicals based on oil as a raw material, declined over that period, our volumes increased. The sales growth was due to the contribution from the acquisitions, particularly J.A.M. Distributing Company, G.H. Berlin-Windward and TAT.

OPERATING GROSS PROFIT

The Brenntag Group's operating gross profit increased by 5.1% year on year to EUR 600.4 million in the first quarter of 2016. This represents growth of 6.1% on a constant currency basis and is due to both an increase in volumes and a higher operating gross profit per unit. The increase in operating gross profit is attributable to the inclusion of the acquisitions made. This more than offset the decline in operating gross profit from customers in the oil & gas sector in the North America segment.

OPERATING EXPENSES

The Brenntag Group's operating expenses increased by 8.5%, or 9.6% on a constant currency basis, to EUR 408.3 million in the first quarter of 2016. This rise is mainly the result of the acquisition-driven business growth, which resulted in higher personnel, rent and transport costs. Apart from the acquisitions made, operating expenses were only moderately higher.

OPERATING EBITDA

The Brenntag Group generated operating EBITDA of EUR 192.1 million in the first quarter of 2016, a decrease of 1.5% or, on a constant currency basis, a slight decline of 0.7%. The acquisitions made last year, particularly J.A.M. Distributing Company, G.H. Berlin-Windward and TAT Group, supported the earnings performance. This partly offset the decline in earnings in the oil & gas sector as well as the new situation in Venezuela, where the business is no longer generating meaningful EBITDA as a result of the devaluation.

DEPRECIATION, AMORTIZATION AND NET FINANCE COSTS

Depreciation of property, plant and equipment and amortization of intangible assets amounted to EUR 41.0 million in the first quarter of 2016, with depreciation of property, plant and equipment accounting for EUR 28.8 million of this amount and amortization of intangible assets for EUR 12.2 million. Compared with the first quarter of 2015, total depreciation and amortization was up by EUR 5.3 million, a rise due mainly to higher amortization charges on customer relationships resulting from acquisitions.

Net finance costs amounted to EUR 49.7 million in the first quarter of 2016 (Q1 2015: EUR 23.7 million). This increase in costs was driven mainly by the change to the official exchange rate mechanisms announced by the Venezuelan government in mid-February and the resulting foreign exchange losses of EUR 27.1 million. Interest expense, which is a component of net finance costs, amounted to EUR 20.3 million (Q1 2015: EUR 18.2 million). The slight overall increase in expense is due mainly to the bond with warrant units issued in the amount of USD 500.0 million in November 2015.

PROFIT BEFORE TAX

Profit before tax amounted to EUR 101.4 million in the first quarter of 2016 (Q1 2015: EUR 135.6 million). The year-on-year decline in profit before tax is mainly the result of foreign exchange losses in Venezuela in 2016.

INCOME TAXES AND PROFIT AFTER TAX

Due to the lower profit before tax, income tax expense declined by EUR 9.0 million year on year to EUR 35.4 million in the first quarter of 2016 (Q1 2015: EUR 44.4 million).

Profit after tax stood at EUR 66.0 million in the first quarter of 2016 (Q1 2015: EUR 91.2 million).

BUSINESS PERFORMANCE IN THE SEGMENTS

Q1 2016 in EUR m	**Brenntag Group**	EMEA	North America	Latin America	Asia Pacific	All other segments
External sales	2,580.1	1,154.2	941.3	191.8	234.1	58.7
Operating gross profit	600.4	267.6	244.2	43.6	41.9	3.1
Operating expenses	−408.3	−179.3	−159.6	−31.2	−27.0	−11.2
Operating EBITDA	**192.1**	**88.3**	**84.6**	**12.4**	**14.9**	**−8.1**

B.03 BUSINESS PERFORMANCE IN THE SEGMENTS

EMEA (EUROPE, MIDDLE EAST & AFRICA)

in EUR m	Q1 2016	Q1 2015	Change abs.	Change in %	Change in % (fx adj.)
External sales	1,154.2	1,162.9	−8.7	−0.7	0.7
Operating gross profit	267.6	256.4	11.2	4.4	5.9
Operating expenses	−179.3	−168.2	−11.1	6.6	7.9
Operating EBITDA	**88.3**	**88.2**	**0.1**	**0.1**	**1.8**

B.04 BUSINESS PERFORMANCE IN THE SEGMENTS/EMEA

EXTERNAL SALES AND VOLUMES

The EMEA segment posted external sales of EUR 1,154.2 million in the first quarter of 2016, a slight decrease on the first quarter of 2015 (−0.7%). On a constant currency basis, this represents a slight increase of 0.7%. Volumes in the first quarter of 2016 remained on a par with the prior-year period.

OPERATING GROSS PROFIT

The companies in the EMEA segment lifted operating gross profit by 4.4% to EUR 267.6 million in the first quarter of 2016. This represents a year-on-year increase of 5.9% on a constant currency basis and is due mainly to a higher operating gross profit per unit.

OPERATING EXPENSES

Operating expenses in the EMEA segment amounted to EUR 179.3 million in the first quarter of 2016, an increase of 6.6% on the first quarter of 2015. This represents a rise of 7.9% on a constant currency basis and is due primarily to higher personnel, rent and transport costs. The cost increase was partly driven by the inclusion of the acquisitions and partly by one-time items.

OPERATING EBITDA

The companies in the EMEA segment generated operating EBITDA of EUR 88.3 million overall in the first quarter of 2016, a year-on-year increase of 0.1% and, on a constant currency basis, 1.8%.

NORTH AMERICA

in EUR m	Q1 2016	Q1 2015	Change abs.	Change in %	Change in % (fx adj.)
External sales	941.3	902.2	39.1	4.3	3.1
Operating gross profit	244.2	227.8	16.4	7.2	5.9
Operating expenses	−159.6	−139.9	−19.7	14.1	13.0
Operating EBITDA	**84.6**	**87.9**	**−3.3**	**−3.8**	**−5.3**

B.05 BUSINESS PERFORMANCE IN THE SEGMENTS / NORTH AMERICA

Performance in the North America segment during the first quarter of 2016 was impacted by a mix of various effects: the positive contribution from the newly acquired J.A.M. Distributing Company and G.H. Berlin-Windward mostly offset the adverse impact of persistently weak demand from customers in the oil & gas sector and a weak overall economic environment.

EXTERNAL SALES AND VOLUMES

External sales in the North America segment climbed by 4.3% to EUR 941.3 million in the first quarter of 2016. On a constant currency basis, this represents a rise of 3.1%. This is due to an increase in volumes driven by the inclusion of acquirees J.A.M. Distributing Company and G.H. Berlin-Windward which more than offset the decline in volumes sold to customers in the oil & gas sector.

OPERATING GROSS PROFIT

The operating gross profit generated by the North American companies increased by 7.2% year on year to EUR 244.2 million in the first quarter of 2016. This represents a rise of 5.9% on a constant currency basis and is attributable to an increase in volumes. Business with customers in the oil & gas sector continued to be impacted by low demand. The upstream sector[2] and midstream sector[2] in particular were adversely affected. The downstream sector[2], on the other hand, was almost on a par with the previous year. Excluding the oil & gas business and acquirees J.A.M. Distributing Company and G.H. Berlin-Windward, operating gross profit grew by around 2% in the first quarter of 2016.

OPERATING EXPENSES

Operating expenses in the North America segment amounted to EUR 159.6 million in the first quarter of 2016, an increase of 14.1%, or 13.0% on a constant currency basis. This is primarily attributable to the acquisition-driven increase in the volume of business, which resulted in higher personnel, rent and maintenance costs. At the same time, headcount in the oil & gas business was reduced by more than 13% in order to match the lower demand from customers in this sector.

OPERATING EBITDA

The North American companies generated operating EBITDA of EUR 84.6 million in the first quarter of 2016, a year-on-year decrease of 3.8%, or 5.3% on a constant currency basis. This is due primarily to the reduction in demand from customers in the oil & gas sector, which was partly offset by the aforementioned reductions in headcount. In addition, with industrial production in contraction, the economic environment generated considerable headwinds.

[2] Upstream: the sector of the oil and gas industry primarily comprising exploration and related activities; midstream: the sector of the oil and gas industry comprising treatment, transportation and storage; downstream: the refining and processing sector of the oil and gas industry.

LATIN AMERICA

in EUR m	**Q1 2016**	Q1 2015	Change abs.	Change in %	Change in % (fx adj.)
External sales	191.8	235.2	−43.4	−18.5	−12.7
Operating gross profit	43.6	49.7	−6.1	−12.3	−6.0
Operating expenses	−31.2	−34.3	3.1	−9.0	−2.8
Operating EBITDA	**12.4**	**15.4**	**−3.0**	**−19.5**	**−13.3**
Operating EBITDA w/o Venezuela	**12.6**	**12.8**	**−0.2**	**−1.6**	**8.6**

B.06 BUSINESS PERFORMANCE IN THE SEGMENTS/LATIN AMERICA

EXTERNAL SALES AND VOLUMES

The Latin America segment achieved external sales of EUR 191.8 million in the first quarter of 2016, a decline of 18.5% compared with the first quarter of 2015. On a constant currency basis, external sales dropped by 12.7%. This performance is partly attributable to a fall in volumes. In particular, the devaluation of the Venezuelan bolivar had a significant adverse effect on our business in both this country and the region.

OPERATING GROSS PROFIT

The Latin American companies generated operating gross profit of EUR 43.6 million in the first quarter of 2016. This represents a decline of 12.3%, or 6.0% on a constant currency basis, and is due to performance in Venezuela. The rest of the business in Latin America grew by almost 4% on a constant currency basis.

OPERATING EXPENSES

Operating expenses in the Latin America segment amounted to EUR 31.2 million in the first quarter of 2016, a reduction of 9.0% or, on a constant currency basis, 2.8% compared with the prior-year period.

OPERATING EBITDA

The Latin American companies posted operating EBITDA of EUR 12.4 million in the first quarter of 2016, a year-on-year decline of 19.5%, or 13.3% on a constant currency basis. The result was impacted significantly by the fact that the local Venezuelan result is now translated at a much weaker exchange rate, as a result of which the business in Venezuela is no longer contributing to operating EBITDA. In the first quarter of 2015, operating EBITDA in Venezuela amounted to almost EUR 3 million. Adjusted for the business in Venezuela, we achieved growth of 8.6% on a constant currency basis.

ASIA PACIFIC

in EUR m	**Q1 2016**	Q1 2015	Change abs.	Change in %	Change in % (fx adj.)
External sales	234.1	194.8	39.3	20.2	24.9
Operating gross profit	41.9	33.4	8.5	25.4	30.5
Operating expenses	−27.0	−22.3	−4.7	21.1	26.2
Operating EBITDA	**14.9**	**11.1**	**3.8**	**34.2**	**39.3**

B.07 BUSINESS PERFORMANCE IN THE SEGMENTS / ASIA PACIFIC

EXTERNAL SALES AND VOLUMES

The Asia Pacific segment generated external sales of EUR 234.1 million in the first quarter of 2016 and thus posted sales growth of 20.2%. This represents a rise of 24.9% on a constant currency basis and is attributable to an increase in volumes. The growth is due to both the contribution made by TAT Group and the positive performance turned in by the hitherto existing business of the Asia Pacific segment.

OPERATING GROSS PROFIT

The companies in the Asia Pacific segment lifted operating gross profit by 25.4% year on year to EUR 41.9 million in the first quarter of 2016. This represents growth of 30.5% on a constant currency basis and is due primarily to an increase in volumes.

OPERATING EXPENSES

Operating expenses in the Asia Pacific segment increased by 21.1% year on year to EUR 27.0 million in the first quarter of 2016. On a constant currency basis, this represents a rise of 26.2%. The year-on-year increase in costs is mainly attributable to the inclusion of TAT Group.

OPERATING EBITDA

The companies in the Asia Pacific segment generated operating EBITDA of EUR 14.9 million in the first quarter of 2016 and thus posted earnings growth of 34.2% compared with the prior-year period. On a constant currency basis, this represents a strong increase of 39.3% due to both the inclusion of TAT Group and the positive performance turned in by the hitherto existing business of the Asia Pacific segment. In particular our business in China performed extremely well in the first quarter of 2016 despite slowing economic momentum. We are very pleased with the result.

ALL OTHER SEGMENTS

			Change		
in EUR m	**Q1 2016**	Q1 2015	abs.	in %	in % (fx adj.)
External sales	58.7	78.8	−20.1	−25.5	−25.5
Operating gross profit	3.1	3.9	−0.8	−20.5	−20.5
Operating expenses	−11.2	−11.5	0.3	−2.6	−2.6
Operating EBITDA	**−8.1**	**−7.6**	**−0.5**	**6.6**	**6.6**

B.08 BUSINESS PERFORMANCE IN THE SEGMENTS / ALL OTHER SEGMENTS

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

In the first quarter of 2016, Brenntag International Chemicals GmbH, Mülheim an der Ruhr, did not match the very strong figures achieved in the prior-year period.

The operating EBITDA posted by the holding companies in the first quarter of 2016 were on a par with the first quarter of 2015.

Overall, the operating EBITDA of all other segments fell by EUR 0.5 million year on year to EUR −8.1 million in the first quarter of 2016.

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 running until March 2019, which 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 fully 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 1,186.3 million as at March 31, 2016. The revolving credit facility was mostly unused on the reporting date.

In April 2013, parts of the floating-rate syndicated loan were hedged against interest rate risks with suitable financial instruments. Overall, some 64% of the financial indebtedness of the Brenntag Group is currently hedged against the risk of interest rate increases.

The bond (Bond 2018) 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 holder of the Bond 2018 may terminate his bond and request that it be repaid immediately. Should the issuer not be able to meet its repayment obligations, the bondholders are entitled to call on the guarantee provided by Brenntag AG as security.

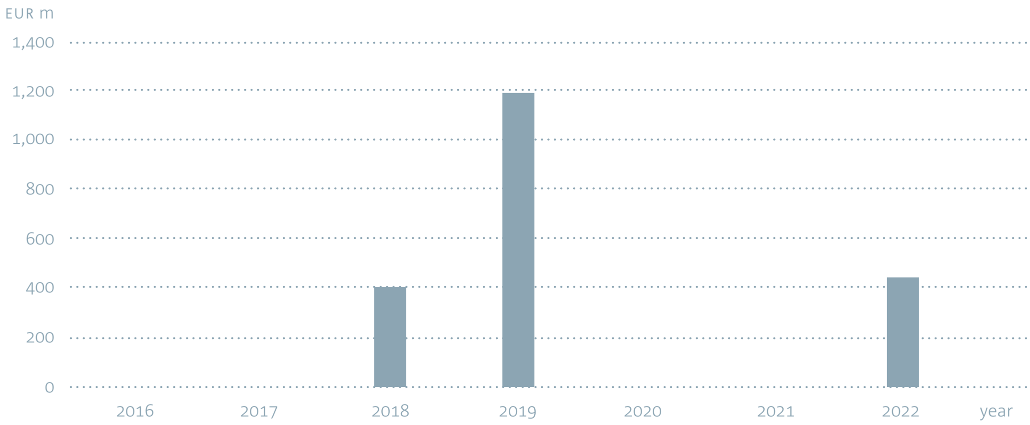
Furthermore, in November 2015, Brenntag Finance B.V. issued a bond with warrant units in the amount of USD 500.0 million maturing in December 2022. The bond (Bond (with Warrants) 2022) was issued at 92.7% of par and bears a coupon of 1.875% p.a. with interest payable semi-annually. The interest expense from the Bond (with Warrants) 2022 comprises the aforementioned interest payments and the ongoing amortization of the discount. The discount (7.3% or USD 36.5 million) is the warrant premium on the warrants to purchase Brenntag AG shares issued together with the Bond (with Warrants) 2022. The warrant premium was recognized in the Group's additional paid-in capital. If a termination event as defined in the bond terms and conditions occurs, each holder of the Bond (with Warrants) 2022 may terminate his Bond (with Warrants) 2022 and request that it be repaid immediately. Should the issuer not be able to meet its repayment obligations, the bondholders are entitled to call on the guarantee provided by Brenntag AG as security.

In addition to the three above-mentioned refinancing instruments, some of our companies make use of credit lines with local banks on a lesser scale in consultation with the Group management.

Based on our decision not to extend the international accounts receivable securitization programme, we repaid the corresponding financial liabilities in the amount of EUR 187.5 million in June 2015.

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

MATURITY PROFILE OF OUR CREDIT PORTFOLIO [1] AS PER MARCH 31, 2016



B.09 MATURITY PROFILE OF OUR CREDIT PORTFOLIO

[1] Syndicated loan, Bond 2018 and Bond (with Warrants) 2022 excluding accrued interest and transaction costs.

INVESTMENTS

In the first quarter of 2016, investments in property, plant and equipment and intangible assets (excluding additions from company acquisitions) led to a total cash outflow of EUR 24.0 million (Q1 2015: EUR 19.0 million).

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

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

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

LIQUIDITY

CASH FLOW

in EUR m	**Q1 2016**	Q1 2015
Net cash provided by operating activities	**99.0**	**60.1**
Net cash used in investing activities	**−52.9**	**−43.9**
thereof payments to acquire consolidated subsidiaries, other business units and other financial assets	(−31.3)	(−25.7)
thereof payments to acquire intangible assets and property, plant and equipment	(−24.0)	(−19.0)
thereof proceeds from divestments	(2.4)	(0.8)
Net cash used in financing activities	**−20.8**	**−11.9**
Change in cash and cash equivalents	**25.3**	**4.3**

B.10 CASH FLOW

The Group's net cash inflow from operating activities amounted to EUR 99.0 million in the reporting period, an increase of EUR 38.9 million on the prior-year figure. Besides current earnings (after adjustment for currency-related write-downs), cash flow was positively impacted primarily by the reduction in tax payments in the current financial year, while working capital showed another increase year on year.

Of the net cash of EUR 52.9 million used in investing activities, EUR 24.0 million comprised payments to acquire intangible assets and property, plant and equipment. Payments to acquire consolidated subsidiaries, other business units and other financial assets in the amount of EUR 31.3 million consisted mainly of the purchase prices for the acquisition of Leis Polytechnik polymere Werkstoffe GmbH based in Ramstein-Miesenbach, Germany and ACU PHARMA und CHEMIE Group (ACU) based in Apolda, Germany.

Of the net cash of EUR 20.8 million used in financing activities, EUR 14.5 million related to the early partial repayment of the liability to acquire the remaining shares in Zhong Yung (second tranche). The other changes comprise local bank loans taken out in the amount of EUR 17.3 million and repayments on local bank loans of EUR 17.9 million.

FREE CASH FLOW

in EUR m	**Q1 2016**	Q1 2015	Change abs.	Change in %
Operating EBITDA	192.1	195.0	−2.9	−1.5
Investments in non-current assets (Capex)	−17.6	−14.9	−2.7	18.1
Change in working capital	−43.3	−19.1	−24.2	126.7
Free cash flow	**131.2**	**161.0**	**−29.8**	**−18.5**

B.11 FREE CASH FLOW

The Brenntag Group's free cash flow amounted to EUR 131.2 million in the first quarter of 2016, a decrease of 18.5% on the prior-year period (EUR 161.0 million).

This is due mainly to the change in working capital. In the prior-year period, the increase in working capital was small due to lower prices. In the first quarter of 2016, we recorded a larger increase but were able to limit this. This is reflected in the improvement in working capital turnover.

The change in EBITDA also contributed to the decrease in free cash flow, as did capital expenditure to expand our infrastructure.

FINANCIAL AND ASSETS POSITION

	Mar. 31, 2016		Dec. 31, 2015	
in EUR m	abs.	in %	abs.	in %
Assets				
Current assets	**3,157.5**	**45.3**	**3,098.8**	**44.4**
Cash and cash equivalents	580.2	8.3	579.1	8.3
Trade receivables	1,494.3	21.5	1,426.5	20.4
Other receivables and assets	216.7	3.1	196.1	2.8
Inventories	866.3	12.4	897.1	12.9
Non-current assets	**3,806.3**	**54.7**	**3,877.4**	**55.6**
Intangible assets [1]	2,727.3	39.2	2,772.1	39.7
Other fixed assets	967.5	13.9	994.4	14.3
Receivables and other assets	111.5	1.6	110.9	1.6
Total assets	**6,963.8**	**100.0**	**6,976.2**	**100.0**
Liabilities and Equity				
Current liabilities	**1,742.6**	**25.0**	**1,738.9**	**24.9**
Provisions	41.8	0.6	42.1	0.6
Trade payables	1,077.1	15.4	1,055.5	15.1
Financial liabilities	166.0	2.4	160.8	2.3
Miscellaneous liabilities	457.7	6.6	480.5	6.9
Equity and non-current liabilities	**5,221.2**	**75.0**	**5,237.3**	**75.1**
Equity	2,698.4	38.8	2,690.5	38.6
Non-current liabilities	2,522.8	36.2	2,546.8	36.5
Provisions	299.2	4.3	272.0	3.9
Financial liabilities	2,045.1	29.3	2,094.4	30.0
Miscellaneous liabilities	178.5	2.6	180.4	2.6
Total liabilities and equity	**6,963.8**	**100.0**	**6,976.2**	**100.0**

B.12 FINANCIAL AND ASSETS POSITION

[1] Of the intangible assets as at March 31, 2016, some EUR 1,252 million relates to goodwill and trademarks that were capitalized as part of the purchase price allocation performed on the acquisition of the Brenntag Group by funds advised by BC Partners Limited, Bain Capital, Ltd. and subsidiaries of Goldman Sachs International at the end of the third quarter of 2006 in addition to the relevant intangible assets already existing in the previous Group structure.

As at March 31, 2016, total assets had decreased by 0.2% compared with the end of the previous year to EUR 6,963.8 million (Dec. 31, 2015: EUR 6,976.2 million).

At EUR 580.2 million, cash and cash equivalents were almost unchanged compared with the end of the previous year (Dec. 31, 2015: EUR 579.1 million).

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

- Trade receivables increased by 4.8% in the reporting period to EUR 1,494.3 million (Dec. 31, 2015: EUR 1,426.5 million).
- Inventories decreased by 3.4% in the reporting period to EUR 866.3 million (Dec. 31, 2015: EUR 897.1 million).
- With the opposite effect on working capital, trade payables increased by 2.0% to EUR 1,077.1 million (Dec. 31, 2015: EUR 1,055.5 million).

Adjusted for exchange rate effects and acquisitions, working capital rose by a total of EUR 43.3 million compared with December 31, 2015. Annualized working capital turnover[3)] was up on the first quarter of 2015 (8.0) to 8.1 in the reporting period.

The Brenntag Group's intangible and other non-current assets declined by 1.9% or EUR 71.7 million year on year to EUR 3,694.8 million (Dec. 31, 2015: EUR 3,766.5 million). The decline is mainly the result of exchange rate effects (EUR 81.6 million) and depreciation and amortization in the amount of EUR 41.0 million. This was partly offset by additions from acquisitions (EUR 34.8 million) and investments in non-current assets (EUR 17.6 million).

Current financial liabilities showed a slight increase of EUR 5.2 million to EUR 166.0 million in total (Dec. 31, 2015: EUR 160.8 million). Current financial liabilities consist mostly of temporary local loans taken out by Brenntag companies. Non-current financial liabilities declined by 2.4% year on year to EUR 2,045.1 million (Dec. 31, 2015: EUR 2,094.4 million). This slight reduction in non-current financial liabilities is due to exchange rate effects.

Current and non-current provisions amounted to a total of EUR 341.0 million (Dec. 31, 2015: EUR 314.1 million). This figure included pension provisions in the amount of EUR 181.2 million (Dec. 31, 2015: EUR 150.9 million).

As at March 31, 2016, the equity of the Brenntag Group totalled EUR 2,698.4 million (Dec. 31, 2015: EUR 2,690.5 million).

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

EMPLOYEES

As at March 31, 2016, Brenntag had 14,534 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.

	Mar. 31, 2016		Dec. 31, 2015	
Full-time Equivalents (FTE)	**abs.**	**in %**	abs.	in %
EMEA	6,600	45.4	6,482	44.8
North America	4,485	30.8	4,525	31.3
Latin America	1,510	10.4	1,511	10.5
Asia Pacific	1,812	12.5	1,814	12.5
All other segments	127	0.9	127	0.9
Brenntag Group	**14,534**	**100.0**	**14,459**	**100.0**

B.13 EMPLOYEES PER SEGMENT

REPORT ON EXPECTED DEVELOPMENTS

The International Monetary Fund forecasts that growth in the global economy, measured in terms of GDP, will remain at a low level in 2016. As regards the individual segments of the Brenntag Group, North America is expected to see sustained low growth on a par with 2015. The economy is likely to continue to be adversely affected by the uncertainty surrounding oil price developments. Growth in Europe is expected to be low and only slightly stronger than in 2015. Negative economic growth is anticipated for Latin America in 2016. The Asian economies are predicted to achieve the highest growth. Weighted by the sales generated by Brenntag in the individual countries, this results in a forecast average growth rate of 2.4%.

Against this background, we currently expect the following Group and segment performance in financial year 2016 in local currencies, i.e. excluding exchange rate effects:

We believe that the **Brenntag Group** will see growth in all relevant earnings metrics. Operating gross profit should increase meaningfully due to the acquisitions carried out in 2015 and higher volumes in the hitherto existing business of the Group. Leaving the situation in Venezuela aside, all regions are expected to support performance in terms of operating gross profit, albeit to different degrees. The effects of the downturn in the oil & gas business in North America weigh on the otherwise positive trend expected in the regions. Overall, operating EBITDA should show meaningful growth.

For the **EMEA segment**, we expect a meaningful increase in operating gross profit, based mainly on the higher volumes forecast. Among other things, we aim to grow by extending the life science, lubricants and water treatment businesses while at the same time expanding in high-growth regions such as Africa, the Middle East and Turkey. Overall, we expect meaningful growth in operating EBITDA.

In the **North America segment**, we predict a meaningful increase in operating gross profit, driven in particular by the expansion of the lubricants business made possible by the acquisition of G.H. Berlin-Windward und J.A.M. Distributing Company. At the same time, we see a heightened degree of uncertainty about the near-term direction of the oil & gas sector due to the sustained low level of the crude oil price. For the other areas of business, however, we expect a positive trend overall and therefore believe that we will be able to achieve a meaningful increase in operating EBITDA. In addition, our diversified portfolio across the entire oil & gas value chain and active cost management will help to mitigate the short-term effects of the weakness in this sector.

In the **Latin America segment**, we expect a significant decline in operating gross profit due to the devaluation and change to the currency exchange mechanism that took place in Venezuela in February 2016. For our business in the other countries of Latin America excluding Venezuela, we expect a moderate increase in operating gross profit. We plan to expand our activities in countries such as Mexico, Brazil and Colombia as well as our product portfolio, particularly in the area of food and feed. Given the very volatile political and economic situation and bearing in mind the change to the currency exchange mechanism in Venezuela, we believe that operating EBITDA will be down significantly on the high level reached in the previous year despite the positive trend in many countries. For our business in the other countries of Latin America excluding Venezuela, on the other hand, we expect operating EBITDA to be roughly on a par with the previous year.

In the **Asia Pacific segment**, besides sustained organic growth, we also expect to benefit noticeably from the integration of TAT Group, which is active in several Asian countries. We therefore forecast significant growth in operating gross profit, which we aim to translate into a significant increase in operating EBITDA. We also expect a positive trend in operating gross profit and operating EBITDA for the hitherto existing business of the Asia Pacific segment.

Given the planned increase in business volume as a result of organic growth and the acquisitions carried out in 2015, we expect average **working capital** to grow significantly compared with year-end 2015. We will continue to focus on customer and supplier relationship management and work continuously to bring about sustained improvements in warehouse logistics. As a result, we expect to be able to accelerate the working capital turnover achieved in 2015.

In order to bring property, plant and equipment capacities into line with the increasing volume of business and support organic growth, we plan to make appropriate **investments** in property, plant and equipment in 2016. We expect capital expenditure to increase to approximately EUR 150 million, primarily as a result of projects to expand our business operations.

The exceptionally high **free cash flow** achieved in 2015 benefitted from a reduction in working capital supported by the decline in chemical pricing. As the reduction in working capital is not expected to be repeated in 2016, we expect a decrease in free cash flow of more than 10% despite the positive trend in operating EBITDA. We expect to be able to continue our acquisition strategy and dividend policy while maintaining Group liquidity at an adequate level without increasing net financial liabilities.

REPORT ON OPPORTUNITIES AND RISKS

Our strategy is geared to steadily improving the efficiency and underlying profitability of our business. The Brenntag Group companies are exposed to a number of risks arising from their business activities in the field of chemical distribution and related areas. At the same time, these business activities also give rise to numerous opportunities to safeguard and nurture the company's competitiveness and growth.

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

In the first quarter of 2016, there were no significant changes in the opportunities and risks for the Brenntag Group described in detail in the 2015 Annual Report. Other risks that we are currently unaware of or that we now consider immaterial might also negatively impact our business operations. Currently, there are no indications of risks that may jeopardize the continued existence of the company.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

at March 31, 2016

CONTENTS

CONSOLIDATED INCOME STATEMENT

in EUR m	Note	Jan. 1–Mar. 31, 2016	Jan. 1–Mar. 31, 2015
Sales		2,580.1	2,573.9
Cost of sales		−1,993.5	−2,016.6
Gross profit		**586.6**	**557.3**
Selling expenses		−392.4	−359.0
Administrative expenses		−46.3	−43.4
Other operating income		6.6	8.6
Other operating expenses		−3.4	−4.2
Operating profit		**151.1**	**159.3**
Share of profit or loss of equity-accounted investments		0.4	1.0
Interest income	1.)	1.1	0.7
Interest expense	2.)	−21.4	−18.9
Change in liabilities relating to acquisition of non-controlling interests recognized in profit or loss	3.)	−1.2	−0.9
Other net finance costs	4.)	−28.6	−5.6
Net finance costs		**−49.7**	**−23.7**
Profit before tax		**101.4**	**135.6**
Income tax expense	5.)	−35.4	−44.4
Profit after tax		**66.0**	**91.2**
Attributable to:			
Shareholders of Brenntag AG		65.9	90.6
Non-controlling interests		0.1	0.6
Basic earnings per share in euro	6.)	**0.43**	**0.59**
Diluted earnings per share in euro	6.)	**0.43**	**0.59**

C.01 CONSOLIDATED INCOME STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m		Jan. 1–Mar. 31, 2016	Jan. 1–Mar. 31, 2015
Profit after tax		**66.0**	**91.2**
Remeasurements of defined benefit pension plans	9.)	−29.7	−22.7
Deferred tax relating to remeasurements of defined benefit pension plans	9.)	8.3	6.4
Items that will not be reclassified to profit or loss		**−21.4**	**−16.3**
Change in exchange rate differences on translation of consolidated companies		−36.2	139.3
Change in exchange rate differences on translation of equity-accounted investments		−0.2	1.3
Change in net investment hedge reserve		2.3	−4.9
Change in cash flow hedge reserve		−4.4	−3.0
Deferred tax relating to change in cash flow hedge reserve		1.6	1.2
Items that may be reclassified subsequently to profit or loss		**−36.9**	**133.9**
Other comprehensive income		**−58.3**	**117.6**
Total comprehensive income		**7.7**	**208.8**
Attributable to:			
Shareholders of Brenntag AG		9.4	204.1
Non-controlling interests		−1.7	4.7

C.02 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED BALANCE SHEET

ASSETS

in EUR m	Note	Mar. 31, 2016	Dec. 31, 2015
Current assets			
Cash and cash equivalents		580.2	579.1
Trade receivables		1,494.3	1,426.5
Other receivables		154.8	137.0
Other financial assets		11.7	10.2
Current tax assets		49.3	47.9
Inventories		866.3	897.1
Non-current assets held for sale		0.9	1.0
		3,157.5	**3,098.8**
Non-current assets			
Property, plant and equipment		944.5	971.9
Intangible assets		2,727.3	2,772.1
Equity-accounted investments		23.0	22.5
Other receivables		21.6	21.1
Other financial assets		32.8	38.4
Deferred tax assets		57.1	51.4
		3,806.3	**3,877.4**
Total assets		**6,963.8**	**6,976.2**

LIABILITIES AND EQUITY

in EUR m	Note	**Mar. 31, 2016**	Dec. 31, 2015
Current liabilities			
Trade payables		1,077.1	1,055.5
Financial liabilities	7.)	166.0	160.8
Other liabilities		366.8	370.5
Other provisions	8.)	41.8	42.1
Liabilities relating to acquisition of non-controlling interests	10.)	47.3	63.3
Current tax liabilities		43.6	46.7
		1,742.6	**1,738.9**
Non-current liabilities			
Financial liabilities	7.)	2,045.1	2,094.4
Other liabilities		3.3	2.6
Other provisions	8.)	118.0	121.1
Provisions for pensions and other post-employment benefits	9.)	181.2	150.9
Liabilities relating to acquisition of non-controlling interests	10.)	5.8	5.4
Deferred tax liabilities		169.4	172.4
		2,522.8	**2,546.8**
Equity			
Subscribed capital		154.5	154.5
Additional paid-in capital		1,491.4	1,491.4
Retained earnings		982.5	938.0
Accumulated other comprehensive income		27.4	62.5
Equity attributable to Brenntag shareholders		**2,655.8**	**2,646.4**
Equity attributable to non-controlling interests	11.)	42.6	44.1
		2,698.4	**2,690.5**
Total liabilities and equity		**6,963.8**	**6,976.2**

C.03 CONSOLIDATED BALANCE SHEET

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR m	Subscribed capital	Additional paid-in capital	Retained earnings
Dec. 31, 2014	**154.5**	**1,457.1**	**700.7**
Profit after tax	–	–	90.6
Other comprehensive income	–	–	−16.3
Total comprehensive income	**–**	**–**	**74.3**
Mar. 31, 2015	**154.5**	**1,457.1**	**775.0**

Dec. 31, 2015	**154.5**	**1,491.4**	**938.0**
Business combinations	–	–	–
Profit after tax	–	–	65.9
Other comprehensive income	–	–	−21.4
Total comprehensive income	**–**	**–**	**44.5**
Mar. 31, 2016	**154.5**	**1,491.4**	**982.5**

Exchange rate differences	Net investment hedge reserve	Cash flow hedge reserve	Deferred taxes relating to cash flow hedge reserve	Equity attributable to Brenntag shareholders	Non-controlling interests	**Equity**
17.1	**−6.4**	**4.1**	**−1.6**	**2,325.5**	**31.4**	**2,356.9**
–	–	–	–	90.6	0.6	91.2
136.5	−4.9	−3.0	1.2	113.5	4.1	117.6
136.5	**−4.9**	**−3.0**	**1.2**	**204.1**	**4.7**	**208.8**
153.6	**−11.3**	**1.1**	**−0.4**	**2,529.6**	**36.1**	**2,565.7**

C.04 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / MAR. 31, 2015

70.3	**−8.6**	**1.2**	**−0.4**	**2,646.4**	**44.1**	**2,690.5**
–	–	–	–	–	0.2	0.2
–	–	–	–	65.9	0.1	66.0
−34.6	2.3	−4.4	1.6	−56.5	−1.8	−58.3
−34.6	**2.3**	**−4.4**	**1.6**	**9.4**	**−1.7**	**7.7**
35.7	**−6.3**	**−3.2**	**1.2**	**2,655.8**	**42.6**	**2,698.4**

C.05 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY / MAR. 31, 2016

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	Note	Jan. 1–Mar. 31, 2016	Jan. 1–Mar. 31, 2015
	12.)		
Profit after tax		**66.0**	**91.2**
Depreciation and amortization		41.0	35.7
Income tax expense		35.4	44.4
Income taxes paid		−43.8	−53.8
Net interest expense		20.3	18.2
Interest paid (netted against interest received)		−7.4	−11.4
Changes in provisions		0.2	−2.9
Changes in current assets and liabilities			
Inventories		9.7	22.8
Receivables		−118.7	−111.3
Liabilities		55.2	45.3
Non-cash change in liabilities relating to acquisition of non-controlling interests		1.2	0.9
Other non-cash items and reclassifications		39.9	−19.0
Net cash provided by operating activities		**99.0**	**60.1**
Proceeds from the disposal of intangible assets and property, plant and equipment		2.4	0.8
Payments to acquire consolidated subsidiaries and other business units		−31.1	−25.6
Payments to acquire other financial assets		−0.2	−0.1
Payments to acquire intangible assets and property, plant and equipment		−24.0	−19.0
Net cash used in investing activities		**−52.9**	**−43.9**
Repayments of liabilities relating to acquisition of non-controlling interests		−14.5	–
Proceeds from borrowings		17.4	8.7
Repayments of borrowings		−23.7	−20.6
Net cash used in financing activities		**−20.8**	**−11.9**
Change in cash and cash equivalents		**25.3**	**4.3**
Effect of exchange rate changes on cash and cash equivalents		−24.2	29.3
Cash and cash equivalents at beginning of period		579.1	491.9
Cash and cash equivalents at end of period		**580.2**	**525.5**

C.06 CONSOLIDATED CASH FLOW STATEMENT

CONDENSED NOTES

KEY FINANCIAL FIGURES BY SEGMENT

for the period from January 1 to March 31

SEGMENT REPORTING IN ACCORDANCE WITH IFRS 8

in EUR m		EMEA	North America	Latin America	Asia Pacific	All other segments	Consoli-dation	Group
External sales	**2016**	**1,154.2**	**941.3**	**191.8**	**234.1**	**58.7**	**–**	**2,580.1**
	2015	1,162.9	902.2	235.2	194.8	78.8	–	2,573.9
	Change in %	−0.7	4.3	−18.5	20.2	−25.5	–	0.2
	fx adjusted change in %	0.7	3.1	−12.7	24.9	−25.5	–	1.3
Inter-segment sales	**2016**	**2.1**	**3.2**	**0.1**	**−0.1**	**0.1**	**−5.4**	**–**
	2015	2.4	2.1	1.2	–	0.2	−5.9	–
Operating gross profit [1]	**2016**	**267.6**	**244.2**	**43.6**	**41.9**	**3.1**	**–**	**600.4**
	2015	256.4	227.8	49.7	33.4	3.9	–	571.2
	Change in %	4.4	7.2	−12.3	25.4	−20.5	–	5.1
	fx adjusted change in %	5.9	5.9	−6.0	30.5	−20.5	–	6.1
Gross profit	**2016**	**–**	**–**	**–**	**–**	**–**	**–**	**586.6**
	2015	–	–	–	–	–	–	557.3
	Change in %	–	–	–	–	–	–	5.3
	fx adjusted change in %	–	–	–	–	–	–	6.2
Operating EBITDA [2] (Segment result)	**2016**	**88.3**	**84.6**	**12.4**	**14.9**	**−8.1**	**–**	**192.1**
	2015	88.2	87.9	15.4	11.1	−7.6	–	195.0
	Change in %	0.1	−3.8	−19.5	34.2	6.6	–	−1.5
	fx adjusted change in %	1.8	−5.3	−13.3	39.3	6.6	–	−0.7
Investments in non-current assets (capex) [3]	**2016**	**7.8**	**6.9**	**1.3**	**1.6**	**–**	**–**	**17.6**
	2015	7.6	5.5	0.7	1.1	–	–	14.9

C.07 SEGMENT REPORTING IN ACCORDANCE WITH IFRS 8

[1] External sales less cost of materials.
[2] Segment operating EBITDA is calculated as segment EBITDA adjusted for holding charges. These are certain costs charged between holding companies and operating companies. At Group level they net to zero. Operating EBITDA therefore corresponds to EBITDA at Group level.
[3] Investments in non-current assets are the other additions to property, plant and equipment and intangible assets.

GROUP KEY FINANCIAL FIGURES

in EUR m	**Jan. 1–Mar. 31, 2016**	Jan. 1–Mar. 31, 2015
Operating EBITDA	192.1	195.0
Investments in non-current assets (capex) [1]	−17.6	−14.9
Change in working capital [2][3]	−43.3	−19.1
Free cash flow	**131.2**	**161.0**

C.08 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 effects and acquisitions.

in EUR m	**Jan. 1–Mar. 31, 2016**	Jan. 1–Mar. 31, 2015
Operating EBITDA [1][2]	**192.1**	**195.0**
Depreciation of property, plant and equipment	−28.8	−26.5
Impairment of property, plant and equipment	–	–
EBITA	**163.3**	**168.5**
Amortization of intangible assets [3]	−12.2	−9.2
Impairment of intangible assets	–	–
EBIT	**151.1**	**159.3**
Net finance costs	−49.7	−23.7
Profit before tax	**101.4**	**135.6**

C.09 RECONCILIATION FROM OPERATING EBITDA TO PROFIT BEFORE TAX

[1] At Group level, operating EBITDA corresponds to EBITDA.
[2] Including operating EBITDA all other segments.
[3] This figure includes amortization of customer relationships in the amount of EUR 9.2 million (Q1 2015: EUR 7.2 million).

in EUR m	Jan. 1–Mar. 31, 2016	Jan. 1–Mar. 31, 2015
Operating gross profit	**600,4**	**571,2**
Production/mixing & blending costs	−13,8	−13,9
Gross profit	**586,6**	**557,3**

C.10 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 March 31, 2016 have been prepared in accordance with the requirements of IAS 34 (Interim Financial Reporting). The Notes are presented in condensed form compared with the Notes to the con-solidated financial statements as at December 31, 2015.

With the exception of the standards and interpretations required to be applied for the first time in the period beginning January 1, 2016, the same accounting policies have been applied as for the consolidated financial statements as at December 31, 2015.

Income taxes have been recognized on the basis of the latest estimate of the Group tax rate expected for financial year 2016.

The following revised standards and annual improvements issued by the International Accounting Standards Board (IASB) have been applied by the Brenntag Group for the first time:

- Amendment to IAS 19 (Employee Benefits (revised 2011)) regarding employee contributions to defined benefit plans
- Amendments to IFRS 11 (Joint Arrangements) regarding the acquisition of an interest in a joint operation
- Amendments to IAS 16 (Property, Plant and Equipment) and IAS 38 (Intangible Assets) regarding acceptable methods of depreciation and amortization
- Amendments to IAS 1 (Presentation of Financial Statements) in connection with the Disclosure Initiative
- Annual Improvements to IFRSs (2010 – 2012 Cycle)
- Annual Improvements to IFRSs (2012 – 2014 Cycle)
- Amendments to IFRS 10 (Consolidated Financial Statements), IFRS 12 (Disclosure of Interests in Other Entities) and IAS 28 (Investments in Associates and Joint Ventures (revised 2011)) regarding the application of the consolidation exception for investment entities – not relevant to Brenntag
- Amendments to IAS 27 (Separate Financial Statements) regarding the use of the equity method in separate financial statements – not relevant to Brenntag
- Amendments to IAS 16 (Property, Plant and Equipment) and IAS 41 (Agriculture) regarding accounting for bearer plants – not relevant to Brenntag

IAS 19 (Employee Benefits (revised 2011)) provides for the sharing of risks between employees and employer to be taken into account when employees make their own contributions on the basis of the formal terms of a plan. This may lead to a reduction in the present value of the benefit obligation. Provided that the contributions are independent of the number of years of service, the amendment to IAS 19 leads to an option permitting the full amount of such contributions paid by employees to be taken into account in the present value of the defined benefit obligation.

The amendments to IFRS 11 (Joint Arrangements) regarding the acquisition of an interest in a joint operation clarify that the acquisition of an interest, or of an additional interest, in a joint operation that constitutes a business is a business combination in accordance with IFRS 3 and therefore the rules set out in IFRS 3 are required to be applied to the extent that they do not conflict with IFRS 11. In cases where additional interests are acquired and joint control is retained, previously held interests in the same joint operation are not remeasured.

The amendments to IAS 16 (Property, Plant and Equipment) and IAS 38 (Intangible Assets) regarding acceptable methods of depreciation and amortization clarify that depreciation of items of property, plant and equipment may not be calculated on the basis of revenues from the sale of goods manufactured using those assets. Revenue is presumed to be an inappropriate basis for amortizing an intangible asset, except in circumstances where the rights embodied in that intangible asset are expressed directly as a measure of revenue (as is the case for rights to a product which end when a specific revenue threshold is achieved) or when revenue and the consumption of the economic benefits of the intangible asset are highly correlated. It is also clarified that a fall in the sales price of goods manufactured and services provided using property, plant and equipment and intangible assets may be an indication that those items of property, plant and equipment and intangible assets are impaired.

The amendments to IAS 1 (Presentation of Financial Statements) made in connection with the Disclosure Initiative are intended to ensure that much more emphasis is placed on the materiality concept. The objective of the clarifications is to free the IFRS financial statements from immaterial information and to give more prominence to relevant information.

The annual improvements to IFRSs contain a number of minor amendments to various standards that are intended to clarify the content of the standards and eliminate any existing inconsistencies.

The aforementioned revised standards and annual improvements to IFRSs do not have a material effect on the presentation of the Group's net assets, financial position and results of operations.

SCOPE OF CONSOLIDATION

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

	Dec. 31, 2015	Additions	Disposals	**Mar. 31, 2016**
Domestic consolidated companies	28	3	–	31
Foreign consolidated companies	194	2	2	194
Total consolidated companies	**222**	**5**	**2**	**225**

C.11 CHANGES IN SCOPE OF CONSOLIDATION

The additions relate to entities acquired in business combinations accounted for under IFRS 3. The disposals result from mergers.

Five associates (Dec. 31, 2015: five) are accounted for using the equity method.

BUSINESS COMBINATIONS IN ACCORDANCE WITH IFRS 3

In early February, Brenntag acquired Leis Polytechnik polymere Werkstoffe GmbH based in Ramstein-Miesenbach, Germany, which specializes in the development, production and distribution of high-performance polymer compounds. This acquisition strengthens Brenntag's market presence in Germany and expands its portfolio in the specialty polymers industry.

At the end of February, Brenntag acquired ACU PHARMA und CHEMIE Group (ACU) based in Apolda, Germany. This will enable it to benefit from the outsourcing trend among chemicals producers in this area. Brenntag is thus continuing to systematically expand its portfolio of value-added services, particularly for customers in the life science segment.

In March, Brenntag additionally acquired 100% of the shares in specialty chemicals distributor Plastichem Pty. Ltd. based in Kempton Park, South Africa. Plastichem distributes high-performance polymers for plastics and rubber. With a larger range of specialty chemicals, Brenntag is diversifying its current product portfolio in South Africa.

Purchase prices, net assets and goodwill relating to these acquisitions break down as follows:

in Mio. EUR	Provisional fair value
Purchase price	**38.7**
of which consideration contingent on profit targets	3.0
Assets	
Cash and cash equivalents	3.9
Trade receivables, other financial assets and other receivables	6.1
Other current assets	7.0
Non-current assets	12.2
Liabilities	
Current liabilities	7.9
Non-current liabilities	3.0
Net assets	**18.3**
Goodwill	**20.4**
of which deductible for tax purposes	–

C.12 NET ASSETS ACQUIRED

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

Measurement of the assets acquired and liabilities assumed (among others customer relationships and deferred taxes) 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. 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).

Acquisition-related costs in the amount of EUR 0.4 million were recognized under other operating expenses.

Since their acquisition by Brenntag, the businesses acquired in 2016 have generated sales in the amount of EUR 4.8 million and profit after tax of EUR 0.5 million.

If the above-mentioned business combinations had taken place with effect from January 1, 2016, sales in the amount of about EUR 2,586 million would have been reported for the Brenntag Group in the reporting period. Profit after tax would have been about EUR 66 million.

Goodwill from BWE, LLC (G.H. Berlin-Windward), which was acquired in December 2015, increased by EUR 1.4 million as a result of subsequent acquisition costs.

CURRENCY TRANSLATION

The euro exchange rates of major currencies changed as follows:

	Closing rate		Average rate	
EUR 1 = currencies	**Mar. 31, 2016**	Dec. 31, 2015	**Jan. 1– Mar. 31, 2016**	Jan. 1– Mar. 31, 2015
Canadian dollar (CAD)	1.4738	1.5116	1.5149	1.3957
Swiss franc (CHF)	1.0931	1.0835	1.0960	1.0722
Chinese yuan renminbi (CNY)	7.3514	7.0608	7.2101	7.0231
Danish crown (DKK)	7.4512	7.4626	7.4605	7.4501
Pound sterling (GBP)	0.7916	0.7340	0.7704	0.7434
Polish zloty (PLN)	4.2576	4.2639	4.3652	4.1926
Swedish crown (SEK)	9.2253	9.1895	9.3267	9.3800
US dollar (USD)	1.1385	1.0887	1.1020	1.1261

C.13 EXCHANGE RATES OF MAJOR CURRENCIES

CONSOLIDATED INCOME STATEMENT, CONSOLIDATED BALANCE SHEET AND CONSOLIDATED CASH FLOW STATEMENT DISCLOSURES

1.) INTEREST INCOME

Interest income in the amount of EUR 1.1 million (Q1 2015: EUR 0.7 million) is interest income from third parties.

2.) INTEREST EXPENSE

in EUR m	**Jan. 1– Mar. 31, 2016**	Jan. 1– Mar. 31, 2015
Interest expense on liabilities to third parties	−19.1	−16.5
Expense from the fair value measurement of interest rate swaps	−0.7	−0.9
Net interest expense on defined benefit pension plans	−0.9	−0.9
Interest expense on other provisions	−0.5	−0.4
Interest expense on finance leases	−0.2	−0.2
Total	**−21.4**	**−18.9**

C.14 INTEREST EXPENSE

3.) CHANGE IN LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS RECOGNIZED IN PROFIT OR LOSS

in EUR m	**Jan. 1– Mar. 31, 2016**	Jan. 1– Mar. 31, 2015
Unwinding of discounting of liabilities relating to acquisition of non-controlling interests	−0.9	−0.6
Change in liabilities recognized in profit or loss arising from limited partners' rights to repayment of contributions	−0.3	−0.3
Total	**−1.2**	**−0.9**

C.15 CHANGE IN LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS RECOGNIZED IN PROFIT OR LOSS

For further information, please refer to Note 10.).

4.) OTHER NET FINANCE COSTS

As already outlined in the section of the 2015 Annual Report on events after the end of the reporting period, in mid-February 2016 the Venezuelan government further devalued the country's currency, the bolivar, by more than 90%. In February 2016, the existing, three-tier model in place since February 2015 was converted to a dual model, under which CENCOEX and SIMADI will be the only official exchange mechanisms available. For Brenntag, this gave rise to losses of EUR 27.1 million triggered by exchange rate movements and recognized in other net finance costs.

5.) INCOME TAX EXPENSE

Income tax expense comprises current tax expense of EUR 34.9 million (Q1 2015: current tax expense of EUR 44.2 million) and deferred tax expense of EUR 0.5 million (Q1 2015: deferred tax expense of EUR 0.2 million).

Tax expense for the first quarter of 2016 was calculated using the Group tax rate expected for financial year 2016. Some items of income and expense that cannot be planned with sufficient accuracy are disregarded when determining the expected Group tax rate and calculating tax expense for the reporting period.

	Jan. 1–Mar. 31, 2016			Jan. 1–Mar. 31, 2015		
in Mio. EUR	Profit before tax	Tax rate	Income tax expense	Profit before tax	Tax rate	Income tax expense
excluding unplannable tax-neutral income / expenses	102.6	34.5	35.4	136.5	32.5	44.4
tax-neutral income / expenses that cannot be planned with sufficient accuracy	−1.2	–	–	−0.9	–	–
including unplannable tax-neutral income / expenses	101.4	34.9	35.4	135.6	32.7	44.4

C.16 PROFIT BEFORE TAX AFTER ELIMINATION OF UNPLANNABLE TAX-NEUTRAL INCOME / EXPENSES

The expected Group tax rate for financial year 2016 is 34.5%. Compared with the expected Group tax rate for 2015, this represents a rise of 2 percentage points due mainly to foreign exchange losses in Venezuela in 2016. Those losses, which are disregarded for tax purposes, are the result of the devaluation of the bolivar exchange rate relative to the functional currency, the US dollar.

6.) EARNINGS PER SHARE

Earnings per share in the amount of EUR 0.43 (Q1 2015: EUR 0.59) are determined by dividing the share of profit after tax of EUR 65.9 million (Q1 2015: EUR 90.6 million) attributable to the shareholders of Brenntag AG by the average weighted number of shares in circulation.

The warrants from the bond (Bond (with Warrants) 2022) issued in October 2015 had no diluting effect as the average Brenntag share price is lower than the warrant strike price of EUR 72.93. The diluted earnings per share are therefore the basic earnings per share.

7.) FINANCIAL LIABILITIES

in EUR m	**Mar. 31, 2016**	Dec. 31, 2015
Liabilities under syndicated loan	1,179.1	1,214.7
Other liabilities to banks	136.7	134.2
Bond 2018	412.4	406.5
Bond (with Warrants) 2022	408.0	423.2
Finance lease liabilities	13.0	14.4
Derivative financial instruments	7.6	4.3
Other financial liabilities	54.3	57.9
Total	**2,211.1**	**2,255.2**
Cash and cash equivalents	580.2	579.1
Net financial liabilities	**1,630.9**	**1,676.1**

C.17 DETERMINATION OF NET FINANCIAL LIABILITIES

8.) OTHER PROVISIONS

Other provisions break down as follows:

in EUR m	**Mar. 31, 2016**	Dec. 31, 2015
Environmental provisions	101.0	104.8
Provisions for personnel expenses	22.4	21.4
Miscellaneous provisions	36.4	37.0
Total	**159.8**	**163.2**

C.18 OTHER PROVISIONS

9.) PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

In the interim consolidated financial statements as at March 31, 2016, the present value of pension obligations was determined using a discount rate of 1.7% (Dec. 31, 2015: 2.4%) in Germany and the other countries of the euro zone, 0.4% (Dec. 31, 2015: 0.7%) in Switzerland and 3.9% (Dec. 31, 2015: 4.2%) in Canada.

Due to the remeasurement of defined benefit plans, provisions for pensions and other post-employment benefits increased by an amount of EUR 29.7 million recognized directly in retained earnings. This is mainly the result of the reduction in the discount rate. Net of deferred taxes, actuarial losses recognized in other comprehensive income consequently increased by EUR 21.4 million.

10.) LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS

Liabilities relating to the acquisition of non-controlling interests break down as follows:

in EUR m	**Mar. 31, 2016**	Dec. 31, 2015
Liabilities relating to acquisition of non-controlling interests	51.0	67.0
Liabilities arising from limited partners' rights to repayment of contributions	2.1	1.7
Total	**53.1**	**68.7**

C.19 LIABILITIES RELATING TO ACQUISITION OF NON-CONTROLLING INTERESTS

Liabilities relating to the acquisition of non-controlling interests mainly comprise a non-contingent obligation to acquire the remaining shares in Zhong Yung (second tranche). On initial recognition at the end of August 2011, the purchase price expected in 2016 was required to be recognized as a liability in equity at its present value. Unwinding of discounting and changes in the estimate of the future purchase price are recognized in profit or loss.

As the entire liability was included in net investment hedge accounting, the exchange rate-related change in the liability is recognized within equity in the net investment hedge reserve.

In the first quarter of 2016, EUR 14.5 million of the liabilities relating to the acquisition of non-controlling interests were settled ahead of schedule. The effects of unwinding of discounting are presented in Note 3.).

11.) EQUITY

Non-controlling interests comprise the shares of non-Group shareholders in the equity of consolidated entities. The non-controlling interests changed as follows:

in EUR m	Subscribed capital, retained earnings and additional paid-in capital	Exchange rate differences	Non-controlling
Dec. 31, 2014	**26.1**	**5.3**	**31.4**
Profit after tax	0.6	–	0.6
Other comprehensive income	–	4.1	4.1
Total comprehensive income	**0.6**	**4.1**	**4.7**
Mar. 31, 2015	**26.7**	**9.4**	**36.1**

C.20 CHANGE IN NON-CONTROLLING INTERESTS / MAR. 31, 2015

in EUR m	Subscribed capital, retained earnings and additional paid-in capital	Exchange rate differences	Non-controlling
Dec. 31, 2015	**36.6**	**7.5**	**44.1**
Business combinations	0.2	–	0.2
Profit after tax	0.1	–	0.1
Other comprehensive income	–	−1.8	−1.8
Total comprehensive income	**0.1**	**−1.8**	**−1.7**
Mar. 31, 2016	**36.9**	**5.7**	**42.6**

C.21 CHANGE IN NON-CONTROLLING INTERESTS / MAR. 31, 2016

12.) CASH FLOW STATEMENT DISCLOSURES

The net cash inflow from operating activities amounting to EUR 99.0 million was influenced by cash outflows from the increase in working capital of EUR 43.3 million.

The increase in working capital resulted from changes in inventories, gross trade receivables and trade payables as well as from valuation allowances on trade receivables and inventories as follows:

in EUR m	**Jan. 1– Mar. 31, 2016**	Jan. 1– Mar. 31, 2015
Decrease in inventories	9.7	22.8
Increase in gross trade receivables	−95.7	−96.0
Increase in trade payables	43.6	51.5
Valuation allowances on trade receivables and on inventories [1]	−0.9	2.6
Change in working capital [2]	**−43.3**	**−19.1**

C.22 CHANGE IN WORKING CAPITAL

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

Annualized working capital turnover [1] was up on the first quarter of 2015 (8.0) to 8.1 in the reporting period.

13.) LEGAL PROCEEDINGS AND DISPUTES

In the first quarter of 2016, there were no significant changes within the Group compared with the legal proceedings and disputes described in the 2015 Annual Report.

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

14.) 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	**2016**					
Measurement in the balance sheet:	At amortized cost	At fair value			**Mar. 31, 2016**	
Classification of financial assets:	Loans and receivables	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans and receivables	Financial assets at fair value through profit or loss	Available-for-sale financial assets
Cash and cash equivalents	580.2	–	–	–	580.2	580.2
Trade receivables	1,494.3	–	–	–	1,494.3	1,494.3
Other receivables	81.9	–	–	–	81.9	81.9
Other financial assets	38.8	4.3	1.3	0.1	44.5	44.5
Total	**2,195.2**	**4.3**	**1.3**	**0.1**	**2,200.9**	**2,200.9**

C.23 CLASSIFICATION OF FINANCIAL ASSETS BY MEASUREMENT CATEGORY / MAR. 31, 2016

in Mio. EUR	2015					
Measurement in the balance sheet:	At amortized cost	At fair value			**Dec. 31, 2015**	
Classification of financial assets:	Loans and receivables	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans and receivables	Financial assets at fair value through profit or loss	Available-for-sale financial assets
Cash and cash equivalents	579.1	–	–	–	579.1	579.1
Trade receivables	1,426.5	–	–	–	1,426.5	1,426.5
Other receivables	81.7	–	–	–	81.7	81.7
Other financial assets	42.4	2.4	1.3	2.5	48.6	48.6
Total	**2,129.7**	**2.4**	**1.3**	**2.5**	**2,135,9**	**2,135,9**

C.24 CLASSIFICATION OF FINANCIAL ASSETS BY MEASUREMENT CATEGORY / DEC. 31, 2015

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

Of the other receivables recognized in the balance sheet, EUR 94.5 million (Dec. 31, 2015: EUR 76.4 million) are not financial assets within the meaning of IFRS 7. They are mainly receivables from value-added tax and other taxes, prepaid expenses and prepayments.

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	**2016**						
Measurement in the balance sheet:	At amortized cost		At fair value			**Mar. 31, 2016**	
Classification of financial liabilities:	Not designated in hedge accounting	Designated in hedge accounting	Financial liabilities at fair value through profit or loss	Derivatives designated in hedge accounting	Not designated in hedge accounting	Designated in hedge accounting	Financial liabilities at fair value through profit or loss
Trade payables	1,077.1	–	–	–	–	1,077.1	1,077.1
Other liabilities	176.1	–	–	–	–	176.1	176.1
Liabilities relating to acquisition of non-controlling interests	5.8	47.3	–	–	–	53.1	53.5
Financial liabilities	2,190.5	–	5.5	2.1	13.0	2,211.1	2,239.8
Total	**3,449.5**	**47.3**	**5.5**	**2.1**	**13.0**	**3,517.4**	**3,546.5**

C.25 CLASSIFICATION OF FINANCIAL LIABILITIES BY MEASUREMENT CATEGORY / MAR. 31, 2016

in EUR m	2015						
Measurement in the balance sheet:	At amortized cost		At fair value			Dec. 31, 2015	
Classification of financial liabilities:	Not designated in hedge accounting	Designated in hedge accounting	Financial liabilities at fair value through profit or loss	Derivatives designated in hedge accounting	Not designated in hedge accounting	Designated in hedge accounting	Financial liabilities at fair value through profit or loss
Trade payables	1,055.5	–	–	–	–	1,055.5	1,055.5
Other liabilities	187.0	–	–	–	–	187.0	187.0
Liabilities relating to acquisition of non-controlling interests	5.4	63.3	–	–	–	68.7	69.3
Financial liabilities	2,236.5	–	4.3	–	14.4	2,255.2	2,293.6
Total	**3,484.4**	**63.3**	**4.3**	**–**	**14.4**	**3,566.4**	**3,605.4**

C.26 CLASSIFICATION OF FINANCIAL LIABILITIES BY MEASUREMENT CATEGORY / DEC. 31, 2015

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 reporting date therefore approximate 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 liabilities relating to the acquisition of non-controlling interests 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 recognized in the balance sheet, EUR 194.1 million (Dec. 31, 2015: EUR 186.1 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	**Mar. 31, 2016**
Financial assets at fair value through profit or loss	–	4.3	–	4.3
Derivatives designated in hedge accounting with a positive fair value	–	0.1	–	0.1
Financial liabilities at fair value through profit or loss	–	5.5	–	5.5
Derivatives designated in hedge accounting with a negative fair value	–	2.1	–	2.1
Available-for-sale financial assets	1.3	–	–	1.3

C.27 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / MAR. 31, 2016

in EUR m

Hierarchy level	Level 1	Level 2	Level 3	**Dec. 31, 2015**
Financial assets at fair value through profit or loss	–	2.4	–	2.4
Derivatives designated in hedge accounting with a positive fair value	–	2.5	–	2.5
Financial liabilities at fair value through profit or loss	–	4.3	–	4.3
Available-for-sale financial assets	1.3	–	–	1.3

C.28 FINANCIAL INSTRUMENTS ACCORDING TO FAIR VALUE HIERARCHY / DEC. 31, 2015

Mülheim an der Ruhr, May 6, 2016

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 March 31, 2016 which are part of the quarterly 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, May 6, 2016

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Thomas Tandetzki
Wirtschaftsprüfer
(German Public Auditor)

ppa. Frank Schemann
Wirtschaftsprüfer
(German Public Auditor)

TABLE DIRECTORY

A TO OUR SHAREHOLDERS

B MANAGEMENT REPORT

C CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

IMPRINT AND CONTACT

Issuer
Brenntag AG
Stinnes-Platz 1
45472 Mülheim an der Ruhr, Germany
Phone: + 49 (0) 208 7828 0
Fax: + 49 (0) 208 7828 698
E-mail: info@brenntag.de
Internet: www.brenntag.com

Contact
Brenntag AG
Corporate Finance & Investor Relations
Thomas Langer, Diana Alester, René Weinberg
Phone: +49 (0) 208 7828 7653
Fax: +49 (0) 208 7828 7755
E-mail: IR@brenntag.de

Concept and text
Brenntag AG
Corporate Finance & Investor Relations

Design
MPM Corporate Communication Solutions
Untere Zahlbacher Straße 13
55131 Mainz, Germany
Phone: + 49 (0) 61 31 95 69 0
Fax: + 49 (0) 61 31 95 69 112
E-mail: info@mpm.de
Internet: www.mpm.de

Print
Woeste Druck + Verlag GmbH & Co. KG, Essen

Print CO2 compensated
Id-No. 1327318
www.bvdm-online.de

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C006990

Information on the Annual 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 2016

MAY 11
2016
JP Morgan Business Services Conference
[LONDON]

JUN 8–9
2016
Deutsche Bank German / Austrian Corporate Conference
[BERLIN]

JUN 14
2016
General Shareholders' Meeting
[DÜSSELDORF]

JUN 28
2016
Goldman Sachs European Business Services Conference
[LONDON]

AUG 10
2016
Interim Report Q2 2016

NOV 9
2016
Interim Report Q3 2016

Brenntag AG
Corporate Finance & Investor Relations
Stinnes-Platz 1
45472 Mülheim an der Ruhr
Germany

Phone: + 49 (0) 208 7828 7653
Fax: + 49 (0) 208 7828 7755
E-mail: IR@brenntag.de