Brenntag Management GmbH

Mülheim an der Ruhr

Consolidated Financial Statements in Accordance with IFRS

(International Financial Reporting Standards)

at December 31, 2009

Contents of Consolidated Financial Statements

Consolidated Income Statement

€ million

	Note	2009	2008
Sales	1.)	6,364.6	7,379.6
Cost of goods sold	2.)	-4,905.1	-5,887.3
Gross profit		*1,459.5*	*1,492.3*
Selling expenses	3.)	-1,080.4	-1,111.0
Administrative expenses	4.)	-123.6	-119.4
Other operating income	5.)	41.9	43.6
Other operating expenses	6.)	-26.7	-27.3
Operating profit		*270.7*	*278.2*
Result of investments accounted for at equity	7.)	-8.8	4.1
Finance income	8.)	9.3	16.4
Finance costs	9.)	-220.8	-281.3
Distribution to minorities under IAS 32		-1.6	-2.0
Other financial result	10.)	-1.7	-16.7
Financial result		*-223.6*	*-279.5*
Profit / loss before taxes		*47.1*	*-1.3*
Income taxes	11.)	-46.6	-40.5
Profit / loss after taxes		*0.5*	*-41.8*
Attributable to:			
Brenntag shareholders		-0.1	-42.1
Minority shareholders	12.)	0.6	0.3

Consolidated Statement of Comprehensive Income

€ million

	2009	2008
Profit / loss after tax	*0.5*	*-41.8*
Change in exchange rate differences	7.4	-2.5
Change in cash flow hedge reserve	-1.4	-31.8
Deferred tax on components of other comprehensive income	0.8	8.8
Other comprehensive income	*6.8*	*-25.5*
Total comprehensive income	*7.3*	*-67.3*
Attributable to:		
Brenntag shareholders	6.5	-65.4
Minority shareholders	0.8	-1.9

Consolidated Balance Sheet

€ million

ASSETS	Note	Dec. 31, 2009	Dec. 31, 2008
Current Assets			
Cash and cash equivalents	13.)	602.6	298.7
Trade receivables	14.)	831.4	979.1
Other receivables	15.)	85.2	95.2
Other financial assets	16.)	6.3	26.5
Current tax assets		15.3	27.8
Inventories	17.)	422.3	547.2
Non-current assets held for sale	18.)	3.2	6.0
		1,966.3	*1,980.5*
Non-current Assets			
Property, plant and equipment	19.)	784.1	795.6
Intangible assets	20.)	1,785.9	1,896.6
Investments accounted for at equity	21.)	18.6	34.7
Other receivables	15.)	21.3	20.1
Other financial assets	16.)	10.6	10.1
Deferred tax assets	11.)	67.0	55.0
		2,687.5	*2,812.1*
		4,653.8	4,792.6
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables	22.)	655.6	694.5
Financial liabilities	23.)	61.5	119.0
Other liabilities	24.)	309.0	293.5
Other provisions	25.)	56.1	55.5
Current tax liabilities		2.5	21.3
		1,084.7	*1,183.8*
Non-Current Liabilities			
Financial liabilities	23.)	3,077.0	3,134.9
Other liabilities	24.)	1.7	3.4
Other provisions	25.)	139.5	142.1
Provisions for pensions and similar obligations	26.)	54.4	53.9
Liabilities to minorities under IAS 32	27.)	2.1	3.3
Deferred tax liabilities	11.)	122.1	142.9
		3,396.8	*3,480.5*
Equity	27.)		
Share capital*)		-	-
Additional paid-in capital		381.6	341.6
Retained earnings		-143.5	-142.1
Other comprehensive income		-74.0	-80.6
Shares of Brenntag shareholders		164.1	118.9
Equity attributable to minority interests		8.2	9.4
		172.3	*128.3*
		4,653.8	4,792.6

*) € 25,000.

BRENNTAG

Consolidated Statement of Changes in Equity

€ million

	Share capital *)	Addition-al paid-in capital	Retained earnings	Exchange rate dif-ferences	Cash flow hedge reserve	Deferred tax	Equity excluding minority interests	Minority interests		Equity
Dec. 31, 2007	**-**	**341.6**	**-100.0**	**-63.4**	**6.5**	**-0.4**	**184.3**	**13.4**		**197.7**
Dividends	-	-	-	-	-	-	-	-2.1		-2.1
Profit / loss after tax	-	-	-42.1	-	-	-	-42.1	0.3		-41.8
Income and expenses recog nised directly in equity after tax	-	-	-	-0.3	-31.8	8.8	-23.3	-2.2	**)	-25.5
Total income and expense for the period	-	**-**	**-42.1**	**-0.3**	**-31.8**	**8.8**	**-65.4**	**-1.9**		**-67.3**
Dec. 31, 2008	**-**	**341.6**	**-142.1**	**-63.7**	**-25.3**	**8.4**	**118.9**	**9.4**		**128.3**
Capital increase	-	40.0	-	-	-	-	40.0	-		40.0
Share increases	-	-	-1.3	-	-	-	-1.3	-0.3		-1.6
Dividends	-	-	-	-	-	-	-	-1.7		-1.7
Profit / loss after tax	-	-	-0.1	-	-	-	-0.1	0.6		0.5
Income and expenses recog nised directly in equity after tax	-	-	-	7.2	-1.4	0.8	6.6	0.2	**)	6.8
Total income and expense for the period	**-**	**-**	**-0.1**	**7.2**	**-1.4**	**0.8**	**6.5**	**0.8**		**7.3**
Dec. 31, 2009	**-**	**381.6**	**-143.5**	**-56.5**	**-26.7**	**9.2**	**164.1**	**8.2**		**172.3**

*) € 25,000.
**) Exchange rate differences.

Consolidated Cash Flow Statement

€ million

	Note	2009	2008
	28.)		
Profit / loss after taxes		**0.5**	**-41.8**
Depreciation and amortization	19.) / 20.)	205.9	202.7
Income tax	11.)	46.6	40.5
Income tax payments		-84.4	-67.9
Interest result	8.) / 9.)	211.5	264.9
Interest payments (netted against interest received)		-158.9	-177.9
Dividends received		1.4	1.1
Changes in provisions		-7.3	-8.7
Changes in current assets and liabilities			
Inventories		124.2	-17.5
Receivables		152.5	3.2
Liabilities		-31.0	-53.6
Non-cash distribution under IAS 32		1.6	2.0
Other non-cash expenses and income		27.7	30.1
Cash provided by operating activities		***490.3***	***177.1***
Proceeds from the sale of consolidated subsidiaries and other business units		-	3.8
Proceeds from disposals of investments accounted for at equity		7.4	-
Proceeds from disposals of other financial assets		0.5	1.5
Proceeds from disposals of intangible assets as well as property, plant and equipment		3.3	5.0
Purchases of consolidated subsidiaries and other business units		-17.8	-102.1
Purchases of other financial assets		-1.6	-1.7
Purchases of intangible assets as well as property, plant and equipment		-67.9	-79.7
Cash used for investing activities		***-76.1***	***-173.2***
Capital increase		40.0	-
Dividends paid to minority shareholders		-4.5	-5.9
Proceeds from borrowings		-	67.6
Repayments of borrowings		-148.5	-113.0
Cash used for financing activities		***-113.0***	***-51.3***
Change in cash and cash equivalents		***301.2***	***-47.4***
Change in cash and cash equivalents due to currency gains / losses		2.7	2.3
Cash and cash equivalents at beginning of period	13.)	298.7	343.8
Cash and cash equivalents at end of period	***13.)***	***602.6***	***298.7***

Notes

General Information

As one of the world's leading chemicals distributors with more than 400 locations, Brenntag offers its customers and suppliers an extensive range of services and global supply chain management as well as a highly developed chemicals distribution network in Europe, North and Latin America as well as in the Asia / Pacific region.

These consolidated financial statements of Brenntag[1] were prepared by the Management on February 23, 2010.

The Brenntag consolidated financial statements are denominated in euro (€). Unless otherwise stated, the amounts are in million euro (€ million). For arithmetic reasons, rounding differences of ± one unit after the decimal point (€, % etc.) may occur.

Consolidation Policies and Methods

Standards applied

The consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) – as adopted in the EU.

The IFRS comprise the standards (International Financial Reporting Standards and International Accounting Standards) issued by the International Accounting Standards Board (IASB) and the interpretations by the International Financial Reporting Interpretations Committee (IFRIC) and the former Standing Interpretations Committee (SIC).

The accounting methods applied comply with all the standards and interpretations existing and adopted by the EU as at December 31, 2009. In addition, the German commercial law

[1] Brenntag Management GmbH, Stinnes-Platz 1, 45472 Mülheim an der Ruhr, Germany.

provisions to be applied in accordance with Section 315a, (para. 1) HGB (German Commercial Code) are taken into account.

The following (in some cases revised) standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) were to be applied to the Brenntag Group for the first time in the 2009 financial year:

- Amendments to IAS 1 (Presentation of Financial Statements)
- IFRS 8 (Operating Segments)
- Amendments to IAS 23 (Borrowing Costs)
- Collection of amendments to various IFRSs (2008) (Improvements to IFRSs)
- Amendments to IFRS 1 (First-time adoption of International Financial Reporting Standards) and IAS 27 (Consolidated and Separate Financial Statements) regarding cost of an investment in a subsidiary, a jointly controlled entity or an associate
- Amendments to IFRS 4 (Insurance Contracts) and IFRS 7 (Financial Instruments: Disclosures) regarding improved information on financial instruments
- Amendments to IFRS 2 (Share-based Payment) regarding share-based payments: vesting conditions and cancellations
- Amendments to IAS 39 (Financial Instruments: Recognition and Measurement) regarding the reclassification of financial assets: effective date and transition
- Amendment to IAS 32 (Financial Instruments: Presentation) and IAS 1 (Presentation of Financial Statements) regarding puttable financial instruments and obligations arising on liquidation
- Amendments to IFRIC 9 (Reassessment of Embedded Derivatives) and IAS 39 (Financial Instruments: Recognition and Measurement) regarding embedded derivatives
- IFRIC 12 (Service Concession Arrangements)
- IFRIC 13 (Customer Loyalty Programmes)
- IFRIC 14 (IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction)
- IFRIC 15 (Agreements for the Construction of Real Estate)
- IFRIC 16 (Hedges of a Net Investment in a Foreign Operation)

The first-time application of the revised IAS 1 (Presentation of Financial Statements) has a particular effect on the presentation of the statement of consolidated changes in equity and the statement of comprehensive income.

IFRS 8 (Operating Segments) provides for the mandatory adoption of the so-called management approach for segment reporting. According to this approach, reporting must be based on the internal control and reporting information used by the top management for assessing segment performance and making resource allocations.

Under IAS 23 (Borrowing Costs), the capitalization of borrowing costs is mandatory in future. As the Brenntag Group is already making use of the previous option to capitalize borrowing costs, there will be no effects on the consolidated financial statements of the Brenntag Group from the amendments to this standard.

The collection of amendments to various IFRSs (2008) contains a large number of minor changes to various standards which are to clarify the content of the regulations and eliminate any inconsistencies.

The first-time application of the other standards and interpretations also had no material effect on the presentation of the net assets, financial position and results of operations of the Brenntag Group in comparison to the previous period.

The following (in some cases revised) standards and interpretations had been published by the end of 2009 but their adoption is not yet mandatory:

- Revised version of IFRS 3 (Business Combinations)
- Amendments to IAS 27 (Consolidated and Separate Financial Statements)
- IFRS 9 (Financial Instruments)
- Revised version of IFRS 1 (First-time Adoption of IFRS)
- Amendments to IFRS 1 (First-time Adoption of IFRS) regarding additional exemptions for first-time adopters
- Amendments to IAS 24 (Related Party Disclosures)
- Amendments to IAS 39 (Financial Instruments: Recognition and Measurement) regarding eligible hedged items in hedging relationships

- Amendments to IFRS 2 (Share-based Payment) regarding group cash-settled share-based payment transactions
- Amendments to IAS 32 (Financial Instruments: Presentation) regarding the classification of rights issues
- IFRIC 17 (Distributions of Non-cash Assets to Owners)
- IFRIC 18 (Transfer of Assets from Customers)
- IFRIC 19 (Extinguishing Financial Liabilities with Equity Instruments)
- Amendments to IFRIC 14 (The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction) regarding prepayments of a minimum funding requirement
- Collection of amendments to various IFRSs (2009)

The above-mentioned standards and interpretations will probably only be applied in the Brenntag consolidated financial statements when their adoption is mandatory and if they are endorsed by the European Union. This is the 2010 financial year for the revised versions of IFRS 1 and IFRS 3, the amendments to IFRS 1, IFRS 2, IAS 27, IAS 39 and for IFRIC 17 and IFRIC 18 and most of the collection of amendments to various IFRS (2009). The amendments to IAS 24 and to IAS 32, IFRIC 19 as well as the amendments to IFRIC 14 are to be applied for the first time for the 2011 financial year. IFRS 9 is to be applied for the first time for the 2013 financial year.

IFRS 3 (Business Combinations) will lead to material changes in the accounting of business combinations. The new IFRS 3 does not allow the capitalization of costs directly attributable to the business combination and introduces clearer requirements for the separation of a business combination from other transactions. Furthermore, any subsequent changes in estimates of a contingent purchase price payable are generally not to be recognized by adjusting goodwill but directly recognized as expense or income. In the case of successive share acquisitions which lead to the control of an entity or in the case of the sale of shares with the loss of control, the standard requires the remeasurement of the shares already held in the first case and the remaining shares in the second case at their fair value to affect net income.

The revised IAS 27 (Consolidated and Separate Financial Statements) stipulates that share acquisitions and sales which have no influence on existing control are to be recognized directly in equity (economic entity approach).

The other standards and interpretations not yet applied are also not expected to have any material effect on the presentation of the net assets, financial position and results of operations of the Brenntag Group.

Scope of consolidation

As at December 31, 2009, the consolidated financial statements include Brenntag Management GmbH and 29 domestic (prior period: 30) and 148 foreign (prior period: 145) fully consolidated subsidiaries and special purpose entities.

Five associates (prior period: seven) are accounted for at equity. In the prior period, one joint venture was also accounted for at equity.

The table below shows the changes in the number of fully consolidated companies and special purpose entities since January 1, 2009:

	Jan. 1, 2009	Additions	Disposals	Dec. 31, 2009
Domestic consolidated companies	31	0	1	30
Foreign consolidated companies	145	9	6	148
Total consolidated companies	**176**	**9**	**7**	**178**

The additions relate to the newly established companies and companies acquired as part of business combinations in accordance with IFRS 3.

The disposals result from mergers as well as from the liquidation of companies no longer operating.

A full list of shareholdings for the Brenntag Group as defined by Section 313 (para. 4) HGB has been filed with the commercial register of the district court of Duisburg under HRB 18799.

Business combinations in accordance with IFRS 3

The business in Mexico of the Mexican chemicals distributor, Austro Corp, S.A. de C.V, Mexico City, was taken over in February 2009. In addition, there were further smaller acquisitions in Turkey, Canada, the United Kingdom and Germany.

All assets and liabilities acquired were recognized at the fair value on the date of acquisition (step up). Additional intangible assets (customer relationships and similar rights as well as the trademark Austro Corp.) which were not recognized in the balance sheet of the companies acquired have been accounted for, taking tax effects into consideration. The difference between the purchase price and the revalued share of net assets was recognized as goodwill.

The following table shows how goodwill from the business combinations in 2009 was determined:

€ million		
Purchase price	10.3	
Directly attributable costs	0.2	
Cost of acquisition in 2009	**10.5**	
less fair value of the share of net assets	-8.9	*)
plus goodwill for East-Chem Inc., Mount Pearl, Canada, previously shown under Interests in associates	0.2	
Goodwill from business combinations in 2009	**1.8**	
Subsequent acquisition costs from business combinations from prior periods	1.0	
Increase in goodwill from business combinations	**2.8**	

*) for East-Chem Inc., Mount Pearl, Canada, contains only the fair value of the 50 % share in net assets acquired in the reporting period.

In accordance with IFRS 3, goodwill is not amortized.

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

€ million	
Cost of acquisition in 2009	10.5
plus cash-effective subsequent and/or contingent acquisition costs from prior periods	6.2
plus payments for the acquisition of further shares in subsidiaries already fully consolidated	2.2
less purchase price liabilities	-0.5
less cash and cash equivalents acquired	-0.6
Purchases of consolidated subsidiaries and other business units	**17.8**

Effects of the measurement of assets and liabilities of the companies acquired at fair value

€ million	**Carrying amount to IFRS**	**Fair value (IFRS 3)**
Assets		
Cash and cash equivalents	0.6	0.6
Trade receivables	3.5	3.5
Other financial assets and other receivables	0.2	0.1
Inventories	2.8	2.8
Property, plant and equipment	0.1	0.2
Customer relationships and similar rights	-	2.2
Trademark	-	1.9
Other intangible assets	-	0.6
Deferred tax assets	-	0.1
Liabilities		
Trade payables	-1.7	-1.7
Other provisions	-0.1	-0.1
Other liabilities	-0.1	-0.1
Deferred tax liabilities	-	-0.2
Net assets	**5.3**	**9.9**

If the business combinations had taken place with effect from January 1, 2009, sales of € 6,387.0 million would have been shown for the Brenntag Group in 2009. The profit after tax for the Brenntag Group in 2009 would have been € 0.9 million.

After their acquisition, the business units generated sales of € 15.9 million and profit after tax of € 0.2 million in 2009.

Consolidation methods

The consolidated financial statements include the financial statements - prepared according to uniform accounting and measurement methods - of Brenntag Management GmbH, the subsidiaries and the special purpose entities whose financial and business policies are controlled by Brenntag. This is normally the case when Brenntag Management GmbH holds the majority of voting rights either directly or indirectly or, due to its economic control, has the major economic benefit or bears the major risks from the business activities of the respective companies. Inclusion in the consolidated financial statements commences at the date on which the possibility of control exists and ends when the possibility of control no longer exists.

Acquisitions are accounted for using the purchase method in accordance with IFRS 3. The acquisition costs of an acquired business unit are considered to be the fair value of the assets given plus the costs directly attributable to the acquisition. Contingent considerations are taken into account when determining the acquisition cost if the occurrence of the contingency is likely. If Brenntag does not acquire a 100% interest but if owing to contractual agreements it is virtually certain at the time of the acquisition that further shares will be acquired, they are also already allowed for when determining the acquisition costs and corresponding liabilities are recognized. Identifiable assets, liabilities and contingent liabilities of an acquisition are measured at their fair value at the acquisition date, irrespective of the share of minority interests. Any remaining differences between the acquisition costs and the acquired proportionate net assets are recognized as goodwill. Acquisitions or sales of shares which have no effect on existing control are recognized directly in equity (economic entity approach).

Receivables, liabilities, expenses, income within the Brenntag Group and inter-company results are eliminated. Inter-company supplies and services are performed on the basis of the dealing at arm's length principle, as for third parties. Deferred taxes are recognized for temporary differences from consolidation transactions.

Associates and joint ventures of the Brenntag Group in which Brenntag holds significant or joint control are measured using the equity method. Significant control is generally considered to exist when Brenntag Management GmbH holds between 20 % and 50 % of the voting rights either directly or indirectly.

The same consolidation policies apply to companies accounted for at equity as to fully consolidated companies, whereby recognized goodwill is contained in the carrying amount of investments accounted for at equity. Brenntag’s share in the profit / loss after tax of the companies accounted for at equity is recognized directly in the income statement.

The accounting and measurement methods of the companies accounted for at equity were, as far as necessary, adjusted to the accounting and measurement methods of Brenntag.

Currency translation

Foreign currency receivables and liabilities in the single-entity statements are stated on initial recognition at the spot exchange rate at the date of the transaction. At the balance-sheet date or at the settlement date, foreign currency receivables and liabilities are translated at the closing rate. The resulting differences are recognized as income or expense in the income statement.

The items contained in the financial statements of each Group company are measured on the basis of the currency of the relevant primary economic environment in which the company operates (functional currency). The presentation currency of the Brenntag Group is the euro.

The single-entity financial statements of the companies from countries whose functional currency is not the euro have been translated into euro as follows:

Assets and liabilities are translated at the closing rate, income and expense at the annual average rate. Any differences resulting from currency translation are recorded directly within equity. Goodwill and fair value adjustments resulting from the acquisition of foreign companies are also regarded as assets and liabilities of the foreign companies and translated at the closing rate.

Foreign currency differences resulting from the translation of balance-sheet items are treated as other comprehensive income and shown as a separate equity item as are the differences resulting from the application of different exchange rates in the balance sheet and the income statement.

For some companies in Latin America and in the Asia / Pacific region, the functional currency is the US dollar and not the local currency. Non-monetary items, which are measured at historical cost, above all property, plant and equipment, intangible assets, goodwill as well as environmental provisions, are translated from the local currency into US dollars using the exchange rate at the date of the respective transaction. Monetary items are translated at the closing rate. All income and expenses are re-measured at the average exchange rate in the reporting period with the exception of depreciation and amortization, impairment losses and their reversals as well as income and expenses incurred in connection with environmental provisions. These are re-measured at the same exchange rates as the underlying assets and liabilities. The resulting foreign currency differences are recognized directly in the income statement. After remeasurement in the functional currency, US dollars, the same method is used for translation from US dollars into the Group currency, the euro, as for companies whose functional currency is the local currency.

The single-entity financial statements of foreign companies accounted for at equity are translated using the same principles.

The euro exchange rates for major currencies developed as follows:

€ 1 = currencies	**Closing rate**		**Average rate**	
	Dec. 31, 2009	**Dec. 31, 2008**	**2009**	**2008**
Canadian dollar (CAD)	1.5128	1.6998	1.5850	1.5594
Swiss franc (CHF)	1.4836	1.4850	1.5100	1.5874
Danish crown (DKK)	7.4418	7.4506	7.4462	7.4560
Pound sterling (GBP)	0.8881	0.9525	0.8909	0.7963
Polish zloty (PLN)	4.1045	4.1535	4.3276	3.5121
Swedish crown (SEK)	10.2520	10.8700	10.6191	9.6152
US dollar (USD)	1.4406	1.3917	1.3948	1.4708

Accounting and Measurement Policies

Revenue recognition

Revenue from the sale of goods is only recognized - net of value-added tax, cash discounts, discounts and rebates - when the following conditions have been satisfied:

(a) The significant risks and rewards of ownership of the goods have been transferred to the buyer.
(b) Brenntag retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
(c) The amount of revenue can be measured reliably.
(d) It is probable that the economic benefits associated with the transaction will flow to Brenntag.
(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

This is generally the case when the goods have been collected by the customer or have been dispatched by Brenntag or by a third party. In some cases, Brenntag retains title and risks of ownership until the goods arrive at the customer's premises or are paid for by the customers.

Interest income is recognized as the interest accrues using the effective interest method.

Dividend income is recognized when the right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cheques, deposits held with banks with an original term of three months or less.

Trade receivables, other receivables and other financial assets

Financial assets are divided into the following categories in line with the categories stipulated in IAS 39:

- loans and receivables
- available-for-sale financial assets
- financial assets at fair value through profit or loss

The financial assets are subsequently measured at amortized cost or at fair value depending on which of the above categories they are allocated to. IFRS 7 provides for a three-level hierarchy for determining the fair value. This hierarchy reflects the market closeness of the input data used for determining the fair value:

- Level 1: Quoted prices in active markets
- Level 2: Quoted prices in active markets for similar financial assets or liabilities, or other measurement methods for which significant inputs used are based on observable market data
- Level 3: Measurement methods for which significant inputs used are not based on observable market data

Cash and cash equivalents, trade receivables, other receivables and receivables included in other financial assets are classified in the loans and receivables category. They are measured at fair value plus transaction costs on initial recognition and carried at amortized cost in the subsequent periods.

If there are objective indications that financial assets classified as loans and receivables are not collectible in full, they are each written down to affect net income in line with the risk of loss. Furthermore, country-specific lump-sum impairment losses are recognized for receivables of the same loss risk categories, the basis for estimating the risk of loss being the extent to which the receivables are past due. The impairment losses are always posted to an allowance account. If a receivable is uncollectible, the gross value and the impairment loss are both derecognized.

The securities and shares in companies in which the company does not have at least significant influence shown under other financial assets are classified as available-for-sale financial assets. They are measured on initial recognition at fair value plus transaction costs and subsequently at fair value. If these securities or company shares are traded on an active market, the fair value is the published quoted price at the balance-sheet date (level 1). If there is no active market, the fair value is established by using a suitable valuation technique (level 2 or 3). Changes in the fair value are recognized directly within equity in the revaluation reserve.

If impairments are permanent, the income and expenses previously transferred to the revaluation reserve are reclassified to income up to the value of acquisition costs. Any additional impairment losses are recognized directly in income. If the reasons for the impairment no longer exist, the impairment losses are reversed, except for impairment losses on equity instruments.

Derivative financial instruments shown under other financial assets which are not included in cash flow hedge accounting are classified as financial assets at fair value through profit or loss. They are measured at fair value on initial recognition and in the subsequent periods. Changes in the fair value are recognized directly in income.

No use is made of the option to designate non-derivative financial assets and liabilities as at fair value through profit and loss on their initial recognition.

The fair values of the foreign exchange forward transactions and foreign exchange swaps are established by comparing forward rates and discounted to the present value. The fair values of interest rate swaps and interest caps are determined using the discounted cash flow method or option price models on the basis of current interest curves (level 2).

The initial recognition of all non-derivative financial assets is performed at the respective settlement date. Derivative financial instruments are recognized in the balance sheet when Brenntag becomes a party to the contractual provisions of that instrument.

Financial assets are derecognized if the contractual rights to the cash flows from the financial asset have expired or have been transferred and Brenntag has transferred substantially all the risks and rewards of ownership.

Inventories

The inventories are mainly merchandise. These inventories are initially recognized at cost. Furthermore, production costs for the inventories produced through further processing are also capitalized.

The inventories are subsequently measured at the lower of cost (on the basis of the weighted average cost formula) and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value also covers effects from obsolescence or reduced marketability. Reversals of earlier write-downs of inventories are performed when the net realizable value of the inventories increases again.

Non-current assets held for sale

Non-current assets held for sale are recognized separately as such if the relevant carrying amount is mainly realized by a sale transaction and not by continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets held for sale are no longer depreciated.

Property, plant and equipment

Property, plant and equipment is shown at cost of acquisition or construction, and, except for land, depreciated over its estimated economic useful life on a straight-line basis.

Acquisition costs include all expenditure which can be directly attributed to the acquisition.

The cost of self-constructed property, plant and equipment comprises direct cost of materials and direct construction costs, appropriate allocations of material and construction overheads and an appropriate share of the depreciation of assets used in construction. Expenses for company pension plans and discretionary employee benefits that are attributable to construction are recognized in the construction costs if they can be directly allocated.

The cost of borrowings for assets with a production time of at least 12 months up to the date of completion (qualifying assets) is capitalized as part of the cost of acquisition or construction.

In accordance with IAS 16, future costs for any restoration obligation are recognized as an increase in the cost of acquisition or construction of the respective asset and a corresponding provision is established on acquisition or construction of the property, plant and equipment. The restoration obligation is generally determined on the basis of estimates of the future discounted cash flows. The additional cost of acquisition or construction is depreciated over the useful life of the asset and the discounting of the corresponding provision is unwound over the useful life of the asset.

Leased assets which are to be classified as finance leases in accordance with the categorization of IAS 17 are measured at the lower of their fair value and the present value of the minimum lease payments at the inception of the lease. They are depreciated over their estimated useful lives – provided the transfer of ownership is not probable - or the contract term, whichever is shorter. The present values of future lease payments for assets capitalized as finance leases are recognized as financial liabilities.

In accordance with IAS 20, government grants and assistance for investments are deducted from the carrying amount of the related asset.

Depreciation of property, plant and equipment is allocated to the respective functional area in the income statement.

When property, plant and equipment are sold, the difference between the net proceeds and the carrying amount of the respective asset is recognized as a gain or loss in other operating income or expenses.

The following useful lives are taken as a basis for depreciation:

	Useful life
Buildings	15 to 50 years
Installations and building improvements	8 to 20 years
Technical equipment, plant and machinery	3 to 20 years
Vehicles	5 to 8 years
Other equipment, fixtures, furniture and office equipment	2 to 10 years

Intangible assets

The intangible assets include customer relationships and similar rights purchased, the "Brenntag" trademark as well as other trademarks, software, concessions and similar rights as well as goodwill from the acquisition of fully consolidated subsidiaries and business units.

Intangible assets acquired through business combinations are measured on initial recognition at their fair value on the date of acquisition.

Separately acquired intangible assets are carried at cost.

Acquired software licenses are capitalized on the basis of the directly attributable costs incurred to acquire and bring to use the specific software.

The cost of borrowings for assets with a production time of at least 12 months up to the date of completion (qualifying assets) up to the date of completion is capitalized as part of the cost of acquisition.

In addition to goodwill, the "Brenntag" trademark has an indefinite useful life as no assumption can be made about its durability or the sustainability of its economic use. The other intangible assets are amortized on a straight-line basis over their estimated useful lives. The following useful lives are assumed:

	Useful life
Concessions, industrial rights and similar rights as well as software and trademarks with definite useful lives	3 to 10 years
Customer relationships and similar rights	3 to 15 years

Impairment testing of non-current non-financial assets

Assets are tested for impairment whenever there is an objective indication that the carrying amount may not be recoverable.

Assets that have an indefinite useful life, which are not subject to scheduled amortization, are also tested for impairment at least annually.

Impairment exists when the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the value in use. The fair value is the best-possible estimate of the amount for which the asset would be acquired by a third-party in an arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from an asset. If the carrying amount is higher than the recoverable amount, the asset is immediately written down to this amount.

If the recoverable amount of an individual asset cannot be established, the recoverable amount of the cash-generating unit (CGU) to which the asset belongs is established and compared with the carrying amount of the CGU.

Impairments, except for impairments of goodwill, are reversed as soon as the reasons for the impairment no longer exist.

Goodwill is tested for impairment regularly, at least annually, after completion of the annual budget process by comparing the carrying amount of the relevant group of cash-generating units with their recoverable amount. In addition, goodwill is tested for impairment at Group level as certain assets and cash flows can only be attributed to the Group as a whole.

For the goodwill impairment test, the operating segments of the segment reporting were identified as the relevant groups of cash-generating units.

If the carrying amount of a segment exceeds the recoverable amount, an impairment loss is recognized for the difference. In this case, the goodwill of the relevant segment would first be written down. Any remaining impairment would be allocated to the assets of the segment in proportion to the net carrying amounts of the assets on the balance-sheet date. The carrying amount of an individual asset must not be less than the highest of fair value less costs to sell, value in use (both in as far as they can be established) and nil.

The "Brenntag" trademark is an asset which has an indefinite useful life and also has to be subjected to an annual impairment test. As the "Brenntag" trademark does not generate any own cash flows which are independent from other assets or groups of assets, and its carrying amount cannot be allocated sensibly and consistently to individual cash-generating units, it is allocated to the Brenntag Group as a whole.

Other provisions

Other provisions are recognized when the Group has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Non-current provisions are recognized at the present value of the expected outflow and their discounting is unwound over the period until their expected utilization.

If the projected obligation declines as a result of a change in an estimate, the provision is reversed by the corresponding amount and the resulting income is usually recognized in the functional area in which the original charge was recognized.

Provisions for pensions and similar obligations

The Group's pension obligations comprise both defined benefit and defined contribution plans.

With defined contribution plans, the contributions to be paid are charged directly as expense. Provisions for pension obligations are not established as in these cases Brenntag has no additional obligation apart from the obligation to pay the premiums.

Provisions are established for defined benefit plans. The obligations arising from these defined benefit plans are determined on the basis of the internationally recognized projected unit credit method, taking future salary and pension trends into consideration. For this purpose, an actuarial valuation is obtained every year. Mortality rates were determined using the latest Heubeck mortality tables (2005G) or comparable foreign mortality tables. Differences between the expected pension obligations calculated for the financial statements and the actual pension obligations as well as differences between the fair value of the plan assets expected at the end of the period and the actual figure (actuarial gains and losses) are spread to income in the subsequent periods over the expected remaining working lives of the participating employees where they exceed the corridor of 10 % of the maximum of the defined benefit obligation (DBO) and the plan assets (corridor method).

Past service cost is recorded directly as expense to the extent that the benefits are already vested and otherwise spread over the average period until the benefits become vested (vesting period).

Trade payables, financial liabilities and other liabilities

Based on the categories under IAS 39, the non-derivative liabilities shown under trade payables, financial liabilities and other liabilities are classified as financial liabilities measured at amortized cost. They are initially recognized at their fair value net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest method.
The accounting and measurement of the derivative financial instruments with negative fair values shown within financial liabilities is the same as the accounting and measurement of the derivative financial instruments with positive fair values shown within other financial assets.

The liabilities under finance leases are stated at their amortized cost.

Liabilities to minorities under IAS 32

The liabilities to minorities under IAS 32 are initially measured at the fair value of the limited partner's right to repayment of his limited partner’s contribution and subsequently measured at amortized cost. Changes are recognized directly in income.

Deferred taxes and current income taxes

Current income taxes in the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred taxes are determined in accordance with IAS 12 (Income Taxes). Deferred taxes arise from temporary differences between the carrying amounts of assets and liabilities in the IFRS balance sheet and the tax balance sheet, from consolidation transactions and from tax loss carryforwards where it is likely that there will be sufficient income in subsequent years for these loss carryforwards to be utilized.

Deferred tax assets are recognized to the extent that it is likely that future taxable profit will be available against which the temporary differences and unutilized loss carryforwards can be utilized.

No deferred taxes were determined for the difference between the net assets and the tax base of subsidiaries (outside basis differences) provided Brenntag is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will reverse in the foreseeable future.

Deferred taxes for domestic companies are calculated, as in the previous year, on the basis of a tax rate of 31 % (corporate income tax of 15 %, solidarity surcharge of 5.5 % on corporate income tax, and trade earnings tax of 15 %). Deferred taxes for foreign companies are calculated at local tax rates (between 10 % and 41 %; previous year: between 15 % and 41 %). These are tax rates which can be expected to apply on the basis of laws in the different countries that have been enacted or substantially enacted by the balance-sheet date.

Deferred tax assets and liabilities are netted against each other if they relate to the same tax authority, the company has a legally enforceable right to set them off against each other and they refer to the same periods.

Cash flow hedges

Some of the derivative financial instruments within other financial assets and liabilities have been included in cash flow hedge accounting.

The hedge-effective portion of changes in the fair value of these derivative financial instruments is first recognized within equity in the cash flow hedge reserve. Gains or losses from these derivatives are only reclassified to the income statement when the underlying hedged item is recognized in income. If the cash flows from a hedged item are no longer expected, the accumulated gains or losses recognized directly in equity are reclassified immediately to the income statement. Ineffective portions of the hedge accounting are recognized directly in income.

Assumptions and estimates

Assumptions and estimates which may affect the amounts and disclosures of the reported assets and liabilities and revenues and expenses have to be made in the consolidated financial statements. These estimates and assumptions mainly relate to the calculation and discounting of cash flows when impairment tests are performed as well as the likelihood of occurrence and the discounting of provisions, particularly in the field of environmental risks. Furthermore, assumptions are made as to the realization of future tax benefits from loss carryforwards as well as to the useful lives of intangible assets and property, plant and equipment.

If the WACC (weighted average cost of capital) taken as a basis for impairment testing of the goodwill had been one percentage point higher, no impairment would have arisen either at segment or at Group level.
If the discount rate used to determine the environmental provisions had been one percentage point higher or lower, the provision would have decreased by € 4.5 million or increased by € 5.0 million, respectively.

The actual amounts can differ from the assumptions and estimates in individual cases. Adjustments are recognized in income when estimates are revised.

Cash flow statement

The cash flow statement classifies cash flows by operating, investing and financing activities. The cash provided by operating activities is determined using the indirect method on the basis of the profit / loss after tax. Both interest and tax payments made and received and dividends received are presented as components of cash provided by operating activities. The effects of purchases of consolidated subsidiaries and other business units as defined by IFRS 3 (Business Combinations) are eliminated from the individual items of the cash flow statements and combined under cash flow from investing activities. The repayment of liabilities under finance leases is shown as cash used for financing activities. The effect of changes in value due to exchange rate fluctuations on cash and cash equivalents is shown separately.

Information on the Consolidated Income Statement

1.) Sales

The total sales of € 6,364.6 million (2008: € 7,379.6 million; 2007: € 6,671.4 million) mainly relate to the sale of goods. Sales of € 7.6 million (prior period: € 20.0 million) were generated with related parties.

2.) Cost of goods sold

The cost of goods sold includes cost of materials and the other operating expenses which can be allocated directly or proportionately to this line item. The cost of materials amounts to € 4,871.4 million (prior period: € 5,859.7 million). The cost of goods sold also includes write-downs of inventories of € 5.5 million (prior period: € 8.5 million).

3.) Selling expenses

The selling expenses include all direct selling and distribution costs as well as respective overheads which are incurred in the reporting period and can be allocated directly or proportionately to the line item.

Rental and lease expenses for operating leases total € 65.8 million (prior period: € 59.3 million), of which € 0.9 million (prior period: € 1.0 million) are for contingent rents. They are mainly shown under selling expenses.

4.) Administrative expenses

The administrative expenses contain all costs which are of a general administrative character provided they are not allocated to other functional areas.

5.) Other operating income

€ million	**2009**	**2008**
Income from the disposal of non-current assets	1.7	2.2
Income from the reversal of provisions no longer required	1.1	2.2
Miscellaneous operating income	39.1	39.2
Total	**41.9**	**43.6**

6.) Other operating expenses

€ million	**2009**	**2008**
Impairments of receivables	-17.0	-16.7
Income from the reversal of impairments of receivables	2.9	2.3
Losses on the disposal of non-current assets	-1.9	-2.3
Miscellaneous operating expenses	-10.7	-10.6
Total	**-26.7**	**-27.3**

7.) Result of investments accounted for at equity

€ million	**2009**	**2008**
Result of associates	3.9	3.2
Result of joint ventures	-12.7	0.9
Total	**-8.8**	**4.1**

The result of the investments accounted for at equity includes the loss from the sale of Staub & Co. Chemiehandelsgesellschaft mbH, Nuremberg.

8.) Finance income

€ million	2009	2008
Interest income from third parties	4.0	10.3
Expected income from plan assets	5.3	6.1
Total	**9.3**	**16.4**

9.) Finance costs

€ million	2009	2008
Interest expense on liabilities to third parties	-125.6	-205.9
Interest expense on liabilities to related parties	-64.7	-58.8
Expense/income from the measurement of interest rate swaps and interest caps at fair value	-16.8	5.9
Interest cost on the unwinding of discounting for provisions for pensions and similar obligations	-8.4	-7.7
Interest cost on other provisions	-3.4	-12.6
Interest expense on finance leases	-1.9	-2.2
Total	**-220.8**	**-281.3**

10.) Other financial result

€ million	2009	2008
Result from the translation of foreign currency receivables and liabilities at the closing rate	16.2	-40.5
Result from the measurement of foreign currency derivatives at fair value	-17.5	23.8
Miscellaneous other financial income	-	0.3
Miscellaneous other financial expense	-0.4	-0.3
Total	**-1.7**	**-16.7**

11.) Income taxes

€ million	**2009**	**2008**
Current income taxes	-78.1	-71.0
Deferred taxes	31.5	30.5
(thereof from temporary differences)	(38.7)	(36.0)
(thereof from tax loss carryforwards)	(-7.2)	(-5.5)
Total	**-46.6**	**-40.5**

The effective tax expense of € 46.6 million (prior period: € 40.5 million) differs by € 32.0 million (prior period: € 40.9 million) from the expected tax expense of € 14.6 million (prior period: tax income of € 0.4 million). The expected tax expense results from applying the Group tax rate of 31% (prior period: 31%) to the pre-tax result.

The reasons for the difference between the expected tax expense and the effective tax expense are as follows:

€ million	**2009**	**2008**
Pre-tax profit / loss	47.1	-1.3
Expected income tax (31%, prior period: 31%)	-14.6	0.4
Difference due to tax base for trade earnings tax	-3.3	-3.2
Difference to expected tax rate	-8.5	-6.6
Changes in valuation adjustments on deferred tax assets / losses without the establishment of deferred taxes	-14.2	-14.7
Changes in the tax rate and tax laws	3.6	0.6
Non-tax-deductible expenses	-12.9	-20.5
Tax-free income	1.7	1.3
Results from companies accounted for at equity	-1.2	-0.1
Taxes of prior periods	4.3	5.0
Deferred taxes on temporary differences from shares in subsidiaries	-0.1	-0.1
Other effects	-1.4	-2.6
Effective tax expense	**-46.6**	**-40.5**

The non-tax-deductible expenses mainly result from non-deductible finance costs.

The deferred taxes result from the individual balance sheet items as follows:

€ million	Dec. 31, 2009		Dec. 31, 2008	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Current assets				
Cash and cash equivalents				
and financial assets	11.1	4.9	11.2	9.1
Inventories	9.7	0.3	11.3	1.6
Non-current assets				
Property, plant and equipment	14.6	82.7	14.9	87.1
Intangible assets	5.7	115.5	3.9	140.1
Financial assets	16.6	7.7	18.7	5.3
Current liabilities				
Other provisions	7.8	0.2	8.6	0.3
Liabilities	29.5	1.3	24.9	3.1
Non-current liabilities				
Provisions for pensions	7.0	0.1	6.8	0.1
Other provisions	32.4	1.3	31.4	1.3
Liabilities	11.8	6.8	10.5	11.6
Special tax-allowable reserves	4.8	2.1	4.9	2.2
Loss carryforwards	92.7	-	91.7	-
Consolidation items	-	6.1	-	6.1
Deferred tax (gross)	**243.7**	**229.0**	**238.8**	**267.9**
Valuation allowance *)	-69.8	-	-58.8	-
Offsetting	-106.9	-106.9	-125.0	-125.0
Deferred tax (net)	**67.0**	**122.1**	**55.0**	**142.9**

*) Deferred tax assets and corresponding valuation allowances are shown as gross amounts.

Of the deferred tax assets, € 53.5 million (prior period: € 46.0 million) are current and € 13.5 million (prior period: € 9.0 million) are non-current. Of the deferred tax liabilities, € 0.7 million (prior period: € 1.5 million) are current and € 121.4 million (prior period: € 141.4 million) are non-current.

No deferred tax liabilities were established for temporary differences amounting to € 344.4 million (prior period: € 299.5 million). These amounts include temporary differences with a gross amount of € 243.7 million (prior period: € 187.4 million) of which, according to applicable tax law, only a portion (5 %) are in effect to be taxed at the relevant local tax rate.

The existing tax loss carryforwards and tax credits can be utilized as follows:

€ million	Loss carry-forwards	thereof: loss carryfor-wards without deferred taxes	Tax credits	thereof: tax credits without de-ferred taxes	Dec. 31, 2009
within one year	0.1	(-)	-	(-)	0.1
2 to 5 years	25.9	(24.2)	-	(-)	25.9
6 to 9 years	6.1	(-)	-	(-)	6.1
more than 9 years	52.3	(49.7)	-	(-)	52.3
unlimited	402.4	(304.8)	-	(-)	402.4
Total	**486.8**	**(378.7)**	**-**	**(-)**	**486.8**

€ million	Loss carry-forwards	thereof: loss carryfor-wards without deferred taxes	Tax credits	thereof: tax credits without de-ferred taxes	Dec. 31, 2008
within one year	0.2	(-)	-	(-)	0.2
2 to 5 years	29.0	(28.4)	-	(-)	29.0
6 to 9 years	30.0	(16.7)	0.2	(0.2)	30.2
more than 9 years	50.4	(45.4)	2.6	(2.6)	53.0
unlimited	345.1	(230.4)	-	(-)	345.1
Total	**454.7**	**(320.9)**	**2.8**	**(2.8)**	**457.5**

Restrictions on loss carryforwards and their utilization (minimum taxation) are taken into consideration when measuring the deferred taxes on loss carryforwards.

Of the total loss carryforwards, deferred taxes of € 26.0 million (prior period: € 33.2 million) were provided for loss carryforwards of € 108.1 million (prior period: € 133.8 million) which are likely to be utilized. The loss carryforwards of € 108.1 million which are likely to be utilized include domestic corporation tax and trade earnings tax loss carryforwards totalling € 42.2 million (prior period: € 53.4 million). No deferred taxes were provided for loss carryforwards of € 378.7 million (prior period: € 320.9 million) which are not likely to be utilized.

The deferred taxes recognized directly within equity amounting to € 9.2 million (prior period: € 8.4 million) were established exclusively for the fair value components recognized within equity of interest rate swaps, basis swaps and interest caps included in cash flow hedge accounting. In 2009, € 5.8 million of the deferred taxes within equity were reclassified as income in the income statement (prior period: € 0.8 million as expense).

12.) Minority interests in profit / loss after tax

Of the shares of other shareholders in the profit / loss after tax, € 1.9 million (prior period: € 1.4 million) relates to the net income for the period and € 1.3 million (prior period: € 1.1 million) to the net loss for the period of fully consolidated companies.

Personnel expenses

Personnel expenses amount to € 590.3 million (prior period: € 582.9 million). This line item includes wages and salaries totalling € 471.5 million (prior period: € 463.2 million) as well as social insurance contributions of € 118.8 million (prior period: € 119.7 million), of which pension expenses (including employer contributions to the statutory pension insurance fund) account for € 34.9 million (prior period: € 38.0 million). The interest portion of the addition to provisions for personnel expenses (mainly provisions for pensions) is not included in personnel expenses but is shown within the financial result under finance costs.

Employees

The average number of employees by segment breaks down as follows:

	2009	2008
Europe	6,319	6,504
North America	3,337	3,578
Latin America	1,215	1,176
Asia / Pacific	182	41
All Other Segments	124	126
Total	**11,177**	**11,425**

As at December 31, 2009, the employee numbers of the Brenntag Group totalled 11,094 (prior period: 11,626). Of this figure, 1,469 (prior period: 1,569) were employed in Germany.

Information on the Consolidated Balance Sheet

13.) Cash and cash equivalents

€ million	Dec. 31, 2009	Dec. 31, 2008
Bank deposits	594.0	295.2
Cheques and cash on hand	8.6	3.5
Total	**602.6**	**298.7**

14.) Trade receivables

€ million	Dec. 31, 2009	Dec. 31, 2008
Trade receivables from third parties	831.4	977.8
Trade receivables from related parties	-	1.3
Total	**831.4**	**979.1**

The impairments on trade receivables developed as follows:

€ million	Accumulated impairments of trade receivables
December 31, 2007	**11.9**
Exchange rate differences	0.2
Additions	16.7
Reversals	-2.3
Utilizations	-0.2
December 31, 2008	**26.3**
Exchange rate differences	0.6
Additions	17.0
Reversals	-2.9
Utilizations	-4.0
December 31, 2009	**37.0**

The trade receivables which were past due but for which no impairment loss had been recorded as at the reporting date were past due by the following number of days:

€ million	Dec. 31, 2009	Dec. 31, 2008
1 to 30 days	105.9	133.8
31 to 60 days	18.0	31.9
61 to 90 days	4.6	11.9
91 to 180 days	3.7	8.2
more than 180 days	3.6	2.5
Total	**135.8**	**188.3**

15.) Other receivables

€ million	Dec. 31, 2009		Dec. 31, 2008	
	Total	thereof current	Total	thereof current
Receivables from packaging	19.0	(19.0)	20.4	(20.4)
Value added tax receivables	18.1	(18.1)	17.5	(17.5)
Reimbursement claims – environment	8.6	(0.4)	7.6	(0.5)
Receivables from plan assets – pensions	5.5	(-)	6.0	(-)
Receivables from commissions and rebates	2.9	(2.9)	3.6	(3.6)
Receivables from insurance claims	4.5	(4.5)	2.8	(2.8)
Suppliers with debit balances	5.7	(5.7)	8.0	(8.0)
Receivables from employees	2.9	(2.9)	2.3	(2.3)
Receivables from other taxes	2.1	(2.1)	2.1	(2.1)
Advance payments	2.1	(2.1)	3.9	(3.9)
Deposits	2.0	(2.0)	2.1	(2.1)
Miscellaneous other receivables	20.3	(15.0)	30.5	(24.2)
Prepaid expenses	12.8	(10.5)	8.5	(7.8)
Total	**106.5**	**(85.2)**	**115.3**	**(95.2)**

16.) Other financial assets

€ million	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	**Dec. 31, 2009**
Financial receivables from related parties	1.3	0.6	1.9	3.8
Financial receivables from third parties	3.0	7.0	1.1	11.1
Derivative financial instruments	0.6	-	-	0.6
Available-for-sale financial assets	1.4	-	-	1.4
Total	**6.3**	**7.6**	**3.0**	**16.9**

€ million	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	**Dec. 31, 2008**
Financial receivables from related parties	1.3	-	0.8	2.1
Financial receivables from third parties	4.0	6.9	-	10.9
Derivative financial instruments	20.2	1.5	-	21.7
Available-for-sale financial assets	1.0	-	0.9	1.9
Total	**26.5**	**8.4**	**1.7**	**36.6**

17.) Inventories

The inventories break down as follows:

€ million	**Dec. 31, 2009**	**Dec. 31, 2008**
Merchandise	388.3	508.7
Finished goods	30.0	34.8
Raw materials and supplies	4.0	3.7
Total	**422.3**	**547.2**

18.) Non-current assets held for sale

Non-current assets held for sale of € 3.2 million (prior period: € 6.0 million) are recognized under current assets; of this figure, Latin America accounts for € 1.9 million (prior period: € 0.0 million), North America for € 1.3 million (prior period: € 2.6 million) and Europe for € 0.0 million (prior period: € 3.4 million). These assets are mainly land and buildings which are to be sold within the next twelve months as they are no longer required for the business operations of the company.

Non-current assets held for sale are carried at the lower of carrying amount and fair value less costs to sell. As the fair value of the assets less costs to sell exceeds their remaining carrying amount, no impairments had to be recorded in the reporting period.

19.) Property, plant and equipment

€ million	Real estate and lease-hold rights	Technical equipment, plant and machinery	Other equip-ment, fix-tures, furni-ture and office equip-ment	Advance payments and con-struction in progress	Total
Acquisition and production costs					
December 31, 2007	**520.3**	**233.6**	**125.7**	**32.3**	**911.9**
Exchange rate differences	-5.6	-2.1	-3.8	-0.6	-12.1
Additions from business combinations	-	-	0.6	-	0.6
Other additions	7.3	21.2	28.6	23.5	80.6
Reclassification of non-current assets held for sale	0.3	0.1	0.4	-	0.8
Disposals	-4.7	-4.0	-13.0	-0.2	-21.9
Transfers	4.2	29.6	0.5	-35.6	-1.3
December 31, 2008	**521.8**	**278.4**	**139.0**	**19.4**	**958.6**
Exchange rate differences	3.1	-0.2	3.3	-0.3	5.9
Additions from business combinations	-	0.1	0.1	-	0.2
Other additions	4.7	19.6	21.4	23.6	69.3
Reclassification of non-current assets held for sale	1.7	-0.9	-	-	0.8
Disposals	-0.3	-3.5	-15.9	-0.3	-20.0
Transfers	9.4	8.3	1.5	-20.4	-1.2
December 31, 2009	**540.4**	**301.8**	**149.4**	**22.0**	**1,013.6**
Accumulated depreciation and impairment					
December 31, 2007	**23.6**	**38.2**	**36.5**	**-**	**98.3**
Exchange rate differences	-0.9	-1.0	-2.2	-	-4.1
Scheduled depreciation	19.9	32.0	31.4	-	83.3
Reclassification of non-current assets held for sale	0.1	-0.4	0.3	-	-
Disposals	-1.2	-2.1	-11.6	-	-14.9
Transfers	-	-	0.4	-	0.4
December 31, 2008	**41.5**	**66.7**	**54.8**	**-**	**163.0**
Exchange rate differences	0.4	0.1	2.2	-	2.7
Scheduled depreciation	20.0	32.0	28.6	-	80.6
Impairment	1.2	0.5	-	-	1.7
Reclassification of non-current assets held for sale	-0.8	-0.6	-	-	-1.4
Disposals	-0.3	-2.2	-14.6	-	-17.1
Transfers	-	0.7	-0.7	-	-
December 31, 2009	**62.0**	**97.2**	**70.3**	**0.0**	**229.5**
Carrying amounts at Dec. 31, 2009	478.4	204.6	79.1	22.0	784.1
Carrying amounts at Dec. 31, 2008	480.3	211.7	84.2	19.4	795.6

Of the non-current assets held for sale, € 4.1 million (prior period: € 1.4 million) were reclassified to property, plant and equipment as there is no longer any intention to sell these assets.

The carrying amounts for assets recognized on the basis of finance leases total € 10.0 million (prior period: € 10.4 million) for real estate, € 1.1 million (prior period: € 1.6 million) for technical equipment, plant and machinery, and € 5.9 million (prior period: € 7.1 million) for other equipment as well as fixtures, furniture and office equipment.

The volume of government grants totals € 1.0 million (prior period: € 1.1 million).

20.) Intangible assets

€ million	Goodwill	Trademarks	Customer relationships and similar rights	Acquired software, licenses and similar rights	Total
Acquisition and production costs					
December 31, 2007	**1,415.2**	**207.8**	**430.0**	**32.0**	**2,085.0**
Exchange rate differences	-12.3	-0.3	-9.0	0.7	-20.9
Additions from business combinations	48.2	-	36.2	2.6	87.0
Other additions	-	-	-	3.7	3.7
Disposals	-0.7	-	-	-0.8	-1.5
Transfers	-	-	-	2.8	2.8
December 31, 2008	**1,450.4**	**207.5**	**457.2**	**41.0**	**2,156.1**
Exchange rate differences	0.4	-	2.6	0.4	3.4
Additions from business combinations	2.8	1.9	2.2	0.6	7.5
Other additions	-	-	-	2.5	2.5
Disposals	-0.2	-	-	-1.3	-1.5
Transfers	-	-	-	1.2	1.2
December 31, 2009	**1,453.4**	**209.4**	**462.0**	**44.4**	**2,169.2**
Accumulated amortization and impairment					
December 31, 2007	**-**	**3.5**	**131.9**	**8.0**	**143.4**
Exchange rate differences	-	-0.2	-2.8	0.1	-2.9
Scheduled amortization	-	2.7	109.8	6.9	119.4
Disposals	-	-	-	-0.6	-0.6
Transfers	-	-	-	0.2	0.2
December 31, 2008	**-**	**6.0**	**238.9**	**14.6**	**259.5**
Exchange rate differences	-	0.1	0.6	0.7	1.4
Scheduled amortization	-	2.3	114.4	6.9	123.6
Disposals	-	-	-	-1.2	-1.2
Transfers	-	-	-	-	-
December 31, 2009	-	**8.4**	**353.9**	**21.0**	**383.3**
Carrying amounts at Dec. 31, 2009	1,453.4	201.0	108.1	23.4	1,785.9
Carrying amounts at Dec. 31, 2008	1,450.4	201.5	218.3	26.4	1,896.6

Goodwill and the "Brenntag" trademark are tested regularly, at least annually, for impairment after completion of the annual budget process.

The regional allocation of goodwill over the groups of cash-generating units relevant for impairment testing is as follows:

€ million	**Dec. 31, 2009**	**Dec. 31, 2008**
Europe	706.5	699.3
North America	665.2	671.8
Latin America	29.0	27.7
Asia / Pacific	24.9	23.5
All other segments	27.8	28.1
Group	**1,453.4**	**1,450.4**

The fair value less costs to sell is taken as the recoverable amount. This amount is determined on the basis of a recognized company valuation model. The company valuation model is based on cash flow plans which are in turn based on the five-year plan approved by the management and applicable at the date of the performance of the impairment test.

The cash flow forecasts for the impairment test of the financial year ended December 31, 2009 were derived from the budget for 2010 and the plan years 2011 to 2014. The assumed growth rate for the period from 2015 onwards is 1.25 % in Europe and North America (prior period: 1.25%) and 2.5 % in Latin America and Asia / Pacific (prior period: Latin America 2.5 %). The planned cash flows are based on the management's past experience and expectations about the future market developments. They were discounted at the weighted average cost of capital (WACC).

The discount rates for the segments reflect the special risks of the respective region:

WACC in %	**2009**	**2008**
Europe	8.3	8.4
North America	7.9	7.8
Latin America	10.0	10.3
Asia / Pacific	8.7	-
Group	8.3	8.4

Amortization of customer relationships and similar rights as well as local trademarks has been recognized under selling expenses. The majority of customer relationships and similar rights will have been amortized in full by September 30, 2010.

21.) Investments accounted for at equity

The investments accounted for at equity developed as follows:

€ million	**Interests in joint ventures**	**Interests in Associates**	**Total**
December 31, 2007	**21.5**	**12.7**	**34.2**
Exchange rate differences	-	-2.1	-2.1
Share of profit / loss for the period	0.9	3.2	4.1
Dividends received	-1.3	-0.1	-1.4
Disposals	-	-0.1	-0.1
December 31, 2008	**21.1**	**13.6**	**34.7**
Exchange rate differences	-	2.3	2.3
Share of profit / loss for the period	-	3.9	3.9
Dividends received	-1.1	-	-1.1
Disposals	-20.0	-1.2	-21.2
December 31, 2009	**0.0**	**18.6**	**18.6**

The interest in the joint venture Staub & Co. Chemiehandelsgesellschaft mbH, Nuremberg, was sold in 2009. This transaction resulted in a loss of € 12.7 million. Furthermore, the remaining shares in East-Chem. Inc., Mount Pearl, Canada were acquired.

The financial year of the companies accounted for at equity is the calendar year.

The assets, liabilities, sales and profits / losses for the period of the companies accounted for at equity are as follows (presentation in each case on the basis of 100% of the shares):

€ million	Joint ventures	Asso-ciates	Dec. 31, 2009	Joint ventures	Asso-ciates	Dec. 31, 2008
Current assets	-	39.4	39.4	10.0	32.6	42.6
Non-current assets	-	16.7	16.7	12.3	6.6	18.9
Current liabilities	-	19.9	19.9	5.4	17.5	22.9
Non-current liabilities	-	5.2	5.2	4.0	5.4	9.4

€ million	Joint ventures	Asso-ciates	2009	Joint ventures	Asso-ciates	2008
Sales	-	103.1	103.1	65.6	83.9	149.5
Profit / loss after tax	-	7.7	7.7	1.8	6.4	8.2

Former joint ventures or associates in which Brenntag no longer has a significant investment at the balance-sheet date are not included in the year of disposal in the financial information shown in the above two tables.

Sales and profits / losses of companies acquired are shown in the year of acquisition only for the period in which the company belongs to the Group.

22.) Trade payables

€ million	Dec. 31, 2009	Dec. 31, 2008
Trade payables to third parties	655.6	694.4
Trade payables to related parties	-	0.1
Total	**655.6**	**694.5**

Trade payables include accruals of € 92.1 million (prior period: € 100.8 million).

23.) Financial liabilities

€ million	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	**Dec. 31, 2009**
Liabilities under syndicated loan	30.7	1,216.7	913.0	2,160.4
Other liabilities to banks	16.7	171.8	10.3	198.8
Liabilities under finance leases	3.4	10.3	6.4	20.1
Financial liabilities to related parties	-	-	702.2	702.2
Derivative financial instruments	5.6	34.3	-	39.9
Other financial liabilities	5.1	10.6	1.4	17.1
Total	**61.5**	**1,443.7**	**1,633.3**	**3,138.5**

€ million	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	**Dec. 31, 2008**
Liabilities under syndicated loan	73.7	98.8	2,122.9	2,295.4
Other liabilities to banks	29.7	206.5	12.4	248.6
Liabilities under finance leases	3.9	11.4	6.6	21.9
Financial liabilities to related parties	-	-	637.5	637.5
Derivative financial instruments	1.9	22.8	-	24.7
Other financial liabilities	9.8	16.0	-	25.8
Total	**119.0**	**355.5**	**2,779.4**	**3,253.9**

Brenntag's funding concept is mainly based on loan agreements with an international syndicate of banks. This syndicated loan consists of Senior Facilities, a Second Lien and a Mezzanine Facility.

The liabilities under the syndicated loan break down as follows:

€ million		Remaining term	Interest rate above EURIBOR/ LIBOR	Remaining term less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	Dec. 31, 2009
Senior Facility Agreement										
	Tranche A	1/18/2013	1.75%	10.5	22.6	33.0	19.9	-	-	**86.0**
	Tranche B	1/18/2014	1.75% / 2.00%	-	-	-	-	1,145.6	-	**1,145.6**
	Tranche C	1/18/2015	2.25%	-	-	-	-	-	122.3	**122.3**
	Accrued interest			8.0	-	-	-	-	-	**8.0**
Total				18.5	22.6	33.0	19.9	1,145.6	122.3	**1,361.9**
Second Lien Facility Agreement										
		7/18/2015	4.00%	-	-	-	-	-	362.2	**362.2**
	Accrued interest			3.7	-	-	-	-	-	**3.7**
Total				3.7	-	-	-	-	362.2	**365.9**
Mezzanine Facility Agreement										
		1/18/2016	7.00%	-	-	-	-	-	422.7	**422.7**
	Accrued interest			10.1	-	-	-	-	5.8	**15.9**
Total				10.1	-	-	-	-	428.5	**438.6**
Transaction costs				-1.6	-1.5	-1.5	-1.3	-0.1	-	**-6.0**
Liabilities under syndicated loan				**30.7**	**21.1**	**31.5**	**18.6**	**1,145.5**	**913.0**	**2,160.4**

€ million		Remaining term	Interest rate above EURIBOR/ LIBOR	Remaining term less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	Dec. 31, 2008
Senior Facility Agreement										
	Tranche A	1/18/2013	1.75%	8.5	21.1	29.8	33.4	20.3	0.0	**113.1**
	Tranche B	1/18/2014	2.0% / 2.25%	-	-	-	-	-	1,214.1	**1,214.1**
	Tranche C	1/18/2015	2.25%	-	-	-	-	-	125.0	**125.0**
	Accrued interest			37.1	-	-	-	-	-	**37.1**
Total				45.6	21.1	29.8	33.4	20.3	1,339.1	**1,489.3**
Second Lien Facility Agreement										
		7/18/2015	4.00%	-	-	-	-	-	368.1	**368.1**
	Accrued interest			12.1	-	-	-	-	-	**12.1**
Total				12.1	-	-	-	-	368.1	**380.2**
Mezzanine Facility Agreement										
		1/18/2016	7.00%	-	-	-	-	-	410.1	**410.1**
	Accrued interest			17.4	-	-	-	-	5.7	**23.1**
Total				17.4	-	-	-	-	415.8	**433.2**
Transaction costs				-1.4	-1.4	-1.5	-1.5	-1.4	-0.1	**-7.3**
Liabilities under syndicated loan				**73.7**	**19.7**	**28.3**	**31.9**	**18.9**	**2,122.9**	**2,295.4**

At December 31, 2009, the Mezzanine Facility Agreement had a margin of 7.0 percentage points (prior period: 7.0 percentage points) above EURIBOR, of which 3.0 percentage points (prior period: 3.0 percentage points) are rollover interest.

The loans under the Senior Facility Agreement, the Second Lien Facility Agreement and the Mezzanine Facility Agreement are secured in full by pledging direct and indirect investments of Brenntag Management GmbH in fully consolidated subsidiaries as well as by other pledged assets.

In the event of the Brenntag Group's sustained breach of the terms and obligations laid down in the syndicated loan agreements, the facility agent appointed by the lenders may foreclose the loans if he feels this move necessary to safeguard the lenders' interests. Should the Brenntag Group companies which appear as the borrowers not be able to meet their payment obligations, the lenders are entitled to levy execution against the assets provided as security.

The carrying amounts shown in the consolidated financial statements of Brenntag Management GmbH of the assets provided as security for liabilities to banks in addition to the pledged company shares are as follows:

€ million	**Dec. 31 2009**	**Dec. 31, 2008**
Inventories	204.4	272.3
Property, plant and equipment	429.3	430.2
Cash and cash equivalents	460.9	189.8
Receivables and other financial assets	667.3	828.8
Total	**1,761.9**	**1,721.1**

The non-current other liabilities to banks are mainly liabilities to banks of the consolidated special purpose entity, Brenntag Funding Ltd., Dublin.

The following table shows the reconciliation of the future minimum lease payments to liabilities under finance leases:

€ million	**Minimum lease payments**	**Interest portion**	**Liabilities from finance leases**
less than 1 year	5.4	2.0	3.4
1 to 2 years	4.2	1.4	2.8
2 to 3 years	2.9	1.2	1.7
3 to 4 years	5.8	0.7	5.1
4 to 5 years	1.3	0.6	0.7
more than 5 years	10.9	4.5	6.4
Dec. 31, 2009	**30.5**	**10.4**	**20.1**

€ million	**Minimum lease payments**	**Interest portion**	**Liabilities from finance leases**
less than 1 year	6.2	2.3	3.9
1 to 2 years	4.8	1.7	3.1
2 to 3 years	3.6	1.3	2.3
3 to 4 years	2.3	1.1	1.2
4 to 5 years	5.4	0.6	4.8
more than 5 years	11.5	4.9	6.6
Dec. 31, 2008	**33.8**	**11.9**	**21.9**

The liabilities to related parties refer to a loan granted by Brachem Acquisition S.C.A., Luxembourg. This loan is described in detail in note 27.) Equity / Economic capital.

24.) Other liabilities

€ million	Dec. 31, 2009	thereof current	Dec. 31, 2008	thereof current
Liabilities from packaging	68.1	(68.1)	69.1	(69.1)
Liabilities to employees	77.5	(77.5)	79.5	(79.5)
Liabilities from value added tax	26.0	(26.0)	22.9	(22.9)
Liabilities from other taxes	15.1	(15.1)	14.2	(14.2)
Liabilities to insurance companies	11.9	(11.9)	11.3	(11.3)
Liabilities from social insurance contributions	7.4	(7.4)	7.9	(7.9)
Miscellaneous other liabilities	93.9	(92.2)	78.6	(75.2)
Deferred income	10.8	(10.8)	13.4	(13.4)
Total	**310.7**	**(309.0)**	**296.9**	**(293.5)**

Other liabilities include accruals of € 33.6 million (prior period: € 33.5 million).

25.) Other provisions

The other provisions developed as follows:

€ million	Environmental provisions	Provisions for personnel expenses	Miscellaneous provisions	**Total**
January 1, 2009	**126.0**	**20.1**	**51.5**	**197.6**
Exchange rate differences	0.1	-0.1	-	-
Additions from business combinations	-	-	0.1	0.1
Interest changes	3.4	0.2	0.1	3.7
Utilizations	-6.3	-8.0	-16.6	-30.9
Reversals	-6.1	-0.8	-1.5	-8.4
Additions	5.2	8.5	18.8	32.5
Transfers	0.4	-2.7	3.3	1.0
December 31, 2009	**122.7**	**17.2**	**55.7**	**195.6**

The other provisions have the following maturities:

€ million	**Dec. 31, 2009**	**Dec. 31, 2008**
less than 1 year	56.1	55.5
1 to 5 years	92.2	86.6
more than 5 years	47.3	55.5
Total	**195.6**	**197.6**

Environmental provisions

In its business operations throughout the world, the Brenntag Group is subject to the laws of different countries which govern the handling of chemicals. These laws may mean that action has to be taken to dispose of hazardous materials or remedy damage to the environment. The polluter-must-pay principle generally applies, i.e. anybody who causes damage to the environment is liable for the resultant costs regardless of whether the polluter is the owner or the operator of a plant.

The recognition and measurement of environmental provisions are coordinated centrally by external independent experts. If the performance of restoration work or the imposing of environmental requirements by the authorities is probable and if these lead to an outflow of economic resources, a provision is established if the resultant costs can be reliably estimated. The provision amounts are determined on the basis of individual cost estimates for each case. Allowance is made not only for the kind and severity of pollution but also for the conditions at the respective sites and the sovereign territories in which these sites are located.

Environmental provisions are stated at their present values. They are discounted at maturity-dependent risk-free interest rates derived from the swap rates on the interbank market for the respective functional currencies. Increases in the future expenditure due to inflation are allowed for.

At December 31, 2009, the environmental provisions totalled € 122.7 million (prior period: € 126.0 million). This figure includes € 29.3 million (prior period: € 29.8 million) for contingencies which, in line with the requirements of IFRS 3 (Business Combinations), entered the balance sheet through the purchase price allocation in connection with the acquisition of the Brenntag Group by equity funds advised by BC Partners, Bain Capital and Goldman. The environmental restoration provisions established mainly relate to the rehabilitation of soil and ground water but also cover costs for further and accompanying measures such as necessary environmental inspections and observations.

Due to the large number of parameters which have to be considered when determining environmental provisions, there are uncertainties in their measurement. This applies both to the amount and the timing of future expenditure. However, based on the information available at the time of the preparation of these financial statements, it can be assumed that the environmental provisions are reasonable and any additional amounts incurred would not have any significant effect on the net assets, financial position and results of operations of the Group.

In some cases, special agreements have been reached which ensure that the cost of any future environmental work necessary will be borne by third parties. If receipt of payment from the third party is virtually certain provided Brenntag meets its obligations, these reimbursement claims are capitalized. They are measured in the same way as the corresponding provisions. The amount recognized does not exceed the amount of the provision. The reimbursement claims capitalized at December 31, 2009 amount to € 8.6 million (prior period: € 7.6 million).

Provisions for personnel expenses

The provisions for personnel expenses include pre-retirement part-time work compensation amounting to € 2.4 million (prior period: € 2.3 million) and anniversary bonuses amounting to € 2.9 million (prior period: € 2.7 million).

Miscellaneous provisions

Miscellaneous provisions include provisions for compensation payable of € 5.2 million (prior period: € 4.0 million) as well as for risks from unsettled litigation amounting to € 9.7 million (prior period: € 7.8 million) and provisions for restoration obligations amounting to € 2.8 million (prior period: € 3.4 million).

Provisions for current and likely litigation are established in those cases where reasonable estimates are possible. These provisions contain all estimated legal costs as well as the possible settlement costs. The amounts are based on information and cost estimates provided by lawyers.

Provisions for restoration obligations are statutory obligations arising from the dismantling of plant and machinery.

26.) Provisions for pensions and similar obligations

There are both defined contribution and defined benefit pension plans for the employees of the Brenntag Group. The pension obligations vary depending on the legal, tax and economic circumstances in the respective countries and the employee's years of service with the company and compensation. The defined benefit plans are funded with provisions and largely covered by assets of external funds.

Defined contribution plans

A large number of the employees of the Brenntag Group receive benefits from the statutory social insurance fund, into which the contributions are paid as part of their salary. In addition, various other pension fund obligations exist at the companies of the Brenntag Group. As the company has no further obligations after payment of the retirement pension contributions to the state social insurance fund and private insurance companies, these plans are treated as defined contribution plans. Current pension contribution payments were recognized as expense for the relevant period. In the 2009 financial year, pension expenses in the Brenntag Group totalled € 18.8 million (prior period: € 19.9 million) for employer contributions to the statutory pension insurance fund and € 11.7 million (prior period: € 10.2 million) for non-statutory defined contribution plans.

Defined benefit plans

Pension expenses for obligations from defined benefit plans total € 7.5 million (prior period: € 9.5 million). Apart from the interest cost and the expected return on external assets recorded within the financial result, the pension expenses are allocated to the functional areas within the operating result.

Pension expenses for defined benefit plans and similar obligations

€ million	**2009**	**2008**
Current service cost	-6.1	-6.7
Interest cost	-8.4	-7.7
Expected return on plan assets	5.3	6.1
Past service cost (changes in the pension plan)	-	-0.6
Amortization of actuarial gains / (losses)	0.6	-3.8
Settlements	1.0	-
Effect of the limiting of plan assets in acc. with IAS 19.58 b	0.1	3.2
Total	**-7.5**	**-9.5**

The pensions expected to be paid directly by the company in 2010 total € 1.9 million. The expected payments into the plan assets for 2010 amount to € 5.4 million.

While the value of assets was determined on the basis of the fair value of the funds invested at December 31, 2009, the pension obligations were calculated using actuarial reports. The assumptions used in the actuarial measurement of the obligations and the costs as well as the expected rates of return on plan assets are shown in the following table:

Actuarial parameters applied

in %	Europe *)		North America		Latin America	
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Discount rate	4.1 *)	4.8 *)	6.25	7.5	6.5	6.5
Projected salary increases	2.1	2.1	4.0	4.5	2.4	2.4
Projected pension payment increases	1.3	1.5	3.0	3.0	6.5	6.5
Inflation	1.5	1.5	3.0	3.0	5.0	5.0
Medical cost trend	n.a.	n.a.	6.5	6.5	n.a.	n.a.
Expected rate of return on plan assets	4.0	4.3	7.0	7.0	n.a.	n.a.

*) Dec. 31, 2009: EURO countries 5.25% discount rate; Switzerland 3.0% discount rate
Dec. 31, 2008: EURO countries 6.25% discount rate; Switzerland 3.5% discount rate.

Breakdown of the fair value of the plan assets

€ million	**Dec. 31, 2009**	**Dec. 31, 2008**
Shares	19.2	14.9
Fixed-interest securities	21.9	16.3
Real estate / property trusts	-	-
(thereof assets used by the company)	(-)	(-)
Others (insurances)	93.4	93.9
(thereof assets used by the company)	(-)	(-)
Total	**134.5**	**125.1**

The other plan assets of € 93.4 million (prior period: € 93.9 million) consist of € 87.5 million (prior period: € 84.8 million) from insurance contracts at European Brenntag companies and € 5.9 million (prior period: € 9.1 million) from other assets in Canada (€ 1.6 million) and in Switzerland (€ 4.3 million). The insurance contracts work with an average discount rate of 3.0 %. Together with the income generated in prior periods and the expected future rates of return thereon, an average expected long-term rate of return of 4.0 % has been recognized.

Of the shares and fixed-interest securities shown as assets, € 21.0 million are from Canada, € 19.2 million from Switzerland and € 0.9 million from France. The Canadian assets are invested in external investment fund shares. 58.1 % of the portfolio of this investment fund consists of Canadian, US und international shares. 35.0 % is invested in fixed-interest securities and the remaining 6.9 % consists of cash and other assets. Due to the investment structure of the fund, an expected long-term rate of return of 7.0 % has been recognized. 7.8 % of the assets in Switzerland have been invested in international shares and 16.7 % in fixed-interest securities. The majority (69.9 %) consists of insurance contracts. The remaining 5.6 % is cash. An expected long-term rate of return of 3.75% has been recognized. The assets in France consist exclusively of fixed-interest securities with an expected long-term rate of return of 4.0 %.

Effect from the increase / decrease in the medical cost inflation rate

€ million	**Dec. 31, 2009**	**Dec. 31, 2008**
Influence of + 1 percentage point on the service cost and interest cost	0.1	0.2
Influence of + 1 percentage point on the pension obligations at the end of the period	1.5	0.8
Influence of - 1 percentage point on the service cost and interest cost	-0.1	-0.1
Influence of - 1 percentage point on the pension obligations at the end of the period	-1.2	-0.6

Reconciliation of the present value of pensions and similar obligations to the provisions shown in the balance sheet

€ million	2009	2008
Pension obligations from defined benefit pension plans		
Present value of pension entitlements at the beginning of the period	161.0	162.6
Exchange rate differences	3.2	3.4
Reclassification	1.0	-
Changes in the scope of consolidation	-	0.1
Utilizations	-10.0	-9.2
Service cost	6.1	6.7
Employee contributions	1.2	1.2
Interest cost	8.4	7.7
Changes in pension plans	-	1.7
Settlements	-1.0	-
Actuarial (gain) / loss	12.3	-13.2
Present value of pension entitlements at the end of the period	**182.2**	**161.0**
(thereof funded)	(135.1)	(123.3)
(thereof unfunded)	(47.1)	(37.7)

€ million	2009	2008
Fair value of plan assets		
Fair value at the beginning of the period	125.1	129.6
Exchange rate differences	2.5	4.9
Transfers	-	-
Reclassification	0.9	0.5
Changes in the scope of consolidation	-	-
Utilizations	-8.2	-7.3
Employee contributions	1.2	1.2
Employer contributions	5.7	4.8
Expected return on plan assets	5.3	6.1
Changes in pension plans	-	1.1
Actuarial gain / (loss)	2.0	-15.8
Fair value of plan assets at the end of the period	**134.5**	**125.1**

The reconciliation of the obligation less plan assets to the provision actually recognized in the balance sheet is as follows:

€ million	**Dec. 31, 2009**	**Dec. 31, 2008**
Present value of the funded pension entitlements	135.1	123.3
less fair value of plan assets	-134.5	-125.1
Overfunding by plan assets	0.6	-1.8
Present value of unfunded pension entitlements	47.1	37.7
Funded status of pension entitlements	47.7	35.9
Unrecognized actuarial gain / (loss)	-0.9	9.8
Unrecognized past service cost	-	-
Provisions for pensions and similar obligations – net	46.8	45.7
thereof assets capitalized	5.5	6.0
Limiting of plan assets in accordance with IAS 19.58 b	2.1	2.2
Provisions for pensions and similar obligations shown in the balance sheet	**54.4**	**53.9**

The provisions for pensions shown include € 8.2 million (prior period: € 6.9 million) for health care plans in Canada.

The amounts not yet recognized in the income statement are the difference between the pension obligation – after deduction of the fair value of the plan assets – and the liability reported in the balance sheet. Of the actuarial loss of € 12.3 million (prior period: gain of € 13.2 million) in the obligations, € 13.4 million (prior period: gain of € 11.7 million) is attributable to actuarial losses due to changes in actuarial parameters to be applied at the measurement date and € 1.1 million (prior period: € 1.5 million) to actuarial gains due to experience adjustments to the obligations.

The actual gain from plan assets is € 7.3 million (prior period: actual loss of € 9.7 million). The actuarial gains in the plan assets of € 2.0 million (prior period: losses of € 15.8 million) which are also new and as yet unrecognized in the income statement are due to differences between the effective and expected rates of returns of the plan assets. Overall, this led to total unrecognized losses of € 0.9 million (prior period: gain of € 9.8 million).

In accordance with IAS 19, the actuarial net gain or net loss portion shown in the income statement is determined using the corridor method. The gain / loss outside the 10 % corridor (the higher of pension obligation and plan assets) is amortized in the income statement over the expected average remaining working lives of the employees.

Historical development of provisions for pensions and similar obligations

€ million	**Dec. 31, 2009**	**Dec. 31, 2008**	**Dec. 31, 2007**	**Dec. 31, 2006**
Pension obligation from defined benefit plans	182.2	161.0	162.6	171.4
Fair value of plan assets	134.5	125.1	129.6	127.0
Funded status of pension entitlements	47.7	35.9	33.0	44.4
Gains / (losses) from experience adjustments - pension obligation	1.1	1.5	-2.6	-
Gains / (losses) from experience adjustments - plan assets	2.0	-15.8	-3.5	1.8

27.) Equity / Economic capital

The total comprehensive income for the period comprises the profit / loss after tax as well as the other comprehensive income. The other comprehensive income contains gains and losses which are recognized directly in equity.

The result from exchange rate differences contains the differences from the translation of the financial statements of foreign companies into the Group currency (euro), which are recognized directly in equity.

The cash flow hedge reserve includes those portions of the fair values of the interest rate swaps, basis swaps and interest caps included in cash flow hedge accounting that are recognized directly within equity. Deferred taxes on these effects are also recognized directly in equity in the reserve for deferred tax on cash flow hedges.

Minority interests cover shares of non-Group shareholders in the subscribed capital, retained earnings, additional paid-in capital and the result of the consolidated subsidiaries.

The aim of capital management at Brenntag is to optimally deploy the resources used to ensure the company's continued existence and at the same time to generate a reasonable return on investment for the shareholders. The economic capital used for this purpose breaks down as follows:

€ million	**Dec. 31, 2009**	**Dec. 31, 2008**
Equity	172.3	128.3
Loan from Brachem Acquisition S.C.A., Luxembourg	702.3	637.5
Liabilities to minorities under IAS 32	2.1	3.3
Economic capital	**876.7**	**769.1**

The loan of € 702.3 million from the parent company, Brachem Acquisition S.C.A., Luxembourg, to Brenntag Management GmbH is contained in financial liabilities to related parties.

This subordinate shareholders' loan runs until December 31, 2016 and carries interest of 10 % per annum. The interest is capitalized annually.

At Group level, the shareholders' loan is allocated to the economic capital. Furthermore, Brenntag also includes the liabilities to minorities under IAS 32 in the economic capital.

28.) Information on the cash flow statement

Cash and cash equivalents included in the prior period financing funds of € 47.9 million (including accrued interest) which were made available to Brenntag under a syndicated loan specially for the purpose of financing acquisitions. In the current year, € 11.5 million of this figure was used for acquisitions. The remaining amount was paid back in accordance with the loan agreements.

Interest effects in connection with the unwinding of discounts and changes in interest rates of provisions are shown under interest result. Of the interest payments, € 3.7 million (prior period: € 9.6 million) relate to interest received and € 162.6 million (prior period: € 187.5 million) to interest paid.

The cash provided by operating activities increased by inter alia € 146.6 million (prior period: increase of € 2.8 million) due to changes in gross trade receivables and decreased by € 44.4 million (prior period: reduction of € 59.7 million) due to changes in trade payables. The other non-cash expenses and income contain valuation allowances on trade receivables and on inventories totalling € 15.6 million (prior period: € 20.9 million).

Segment reporting

IFRS 8 (Operating Segments) introduces the management approach to segment reporting and is mandatory for the first time in the 2009 financial year. According to this approach, reporting must be based on the internal control and reporting information used by the top management for assessing segment performance and making resource allocations. The business segments identified in accordance with IFRS 8 are the same as the business segments previously identified in accordance with IAS 14.

The Brenntag Group operates solely in the field of chemical distribution and is controlled through the regions Europe, North America, Latin America and Asia / Pacific. The individual activities are allocated to these segments on the basis of the location of the registered office of the respective subsidiary. Allocation of the activities on the basis of the location of the registered offices of the customers would not lead to a different segmentation. The geographical segmentation reflects control and supervision by the management and permits a reliable estimate of risks and benefits.

All transactions between companies within a segment have been eliminated.

The Group accounts for inter-segment sales transactions as if the transactions were made with third parties at current prices (arm's length principle).

The "All Other Segments" column contains activities which cannot be allocated to the geographical segments (in particular BRENNTAG International Chemicals GmbH, Mülheim an der Ruhr, as well as the activities of those holding companies which cannot be allocated to a geographical segment) including Brenntag Management GmbH. All consolidation measures between the segments are shown separately. Deviations between the figures from the segment reporting and the corresponding figures in the consolidated financial statements are shown as a reconciliation.

The result metric mainly used for control of the segments is operating EBITDA. Operating EBITDA is the operating profit / loss as recorded in the income statement plus amortization of intangible assets and depreciation of property, plant and equipment, adjusted for the following items:

- Transaction expenses: Expenses that are connected with the restructuring and refinancing under company law. They are eliminated for purposes of management reporting to permit a clear presentation of the operating performance and comparability on segment level.
- Headquarter charges: Certain intercompany charges imposed on the operating companies. Operating companies cannot be held responsible for the amount that they are charged. So these charges are eliminated for purposes of management reporting. On Group level they net to zero.

€ million	**2009**	**2008**
Operating EBITDA	**480.3**	**482.1**
Transaction costs	-3.7	-1.2
EBITDA	**476.6**	**480.9**
Depreciation of property, plant and equipment and amortization of intangible assets	-204.2	-202.7
Impairment of property, plant and equipment	-1.7	-
Financial result	-223.6	-279.5
Profit / loss before tax	**47.1**	**-1.3**

Of the impairments of property, plant and equipment, € 1.1 million relate to the segment Latin America and € 0.6 million to the segment Europe.

€ million		Europe	North America	Latin America	Asia/Pacific	All other segments	Consolidation	Group
External sales	2009	3,434.4	2,050.5	610.5	58.4	210.8	-	6,364.6
	2008	*4,027.5*	*2,447.9*	*626.2*	*15.0*	*263.0*	-	*7,379.6*
Inter-segment sales	2009	2.8	3.0	18.0	-	0.6	-24.4	-
	2008	*2.4*	*4.9*	*20.9*	-	*1.8*	*-30.0*	-
Operating gross profit *)	2009	807.6	537.7	123.3	14.5	10.1	-	1,493.2
	2008	*839.8*	*542.0*	*126.3*	*3.4*	*8.3*	-	*1,519.8*
Operating EBITDA	2009	250.6	196.8	42.3	2.2	-11.6	-	480.3
	2008	*254.2*	*204.4*	*44.1*	*1.0*	*-21.6*	-	*482.1*
Investments in non-current assets **)	2009	48.7	15.8	6.2	0.8	0.3	-	71.8
	2008	*63.4*	*13.3*	*7.5*	-	*0.1*	-	*84.3*

*) External sales less cost of materials
**) Other additions to property, plant and equipment and intangible assets are shown as investments in non-current assets

There are no major non-cash items in the reporting period. Differences between the operating EBITDA and cash flow from operating activities of the segments mainly result from changes in the working capital.

The non-current assets comprise property, plant and equipment and intangible assets including goodwill. The allocation of the non-current assets over the different countries is as follows:

€ million		Germany	USA	France	Others	Group
Property, plant and equipment	Dec. 31, 2009	109.7	141.8	87.1	445.5	784.1
	Dec. 31, 2008	*110.4*	*150.6*	*84.9*	*449.7*	*795.6*
Intangible assets	Dec. 31, 2009	390.1	587.7	134.9	673.2	1,785.9
	Dec. 31, 2008	*404.1*	*643.3*	*147.8*	*701.4*	*1,896.6*

The allocation of external sales over the different countries is shown in the following table:

€ million		Germany	USA	France	Others	Group
External sales	2009	936.3	1,811.3	420.8	3,196.2	6,364.6
	2008	*1,186.1*	*2,136.9*	*503.0*	*3,553.6*	*7,379.6*

Other financial obligations and contingent liabilities

The other financial obligations break down as follows:

€ million	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	**Dec. 31, 2009**
Purchase commitments for property, plant and equipment	1.5	-	-	1.5
Obligations under consultancy agreements as well as from future minimum lease payments for operating leases	31.2	76.2	21.2	128.6
Total	**32.7**	**76.2**	**21.2**	**130.1**

€ million	Remaining term			
	less than 1 year	1 to 5 years	more than 5 years	**Dec. 31, 2008**
Purchase commitments for property, plant and equipment	3.0	-	-	3.0
Obligations under consultancy agreements as well as from future minimum lease payments for operating leases	35.4	71.7	26.8	133.9
Total	**38.4**	**71.7**	**26.8**	**136.9**

The obligations from future minimum lease payments for operating leases mainly relate to rent obligations from the leasing of real estate as well as other equipment, fixtures, furniture and office equipment.

At present there are no pending or foreseeable court cases or arbitration proceedings which could have significant effects on the economic situation of the Brenntag Group.

During tax audits related to alcohol tax, the customs authorities discovered that for 2006 and 2007 alcohol had been delivered to two customers within Germany without the excise duty permits necessary for tax-free delivery. As the excise duty permits had, however, been obtained for the onward delivery of the alcohol to final customers, there was no tax evasion. Therefore, we and our advisors are expecting our request for the waiving of the applicable alcohol tax amounting to € 38.9 million to be granted.

Reporting of financial instruments

Carrying amounts, valuations and fair values according to measurement categories

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

€ million	2009					
Measurement in the balance sheet:	at amortized cost	at fair value			**December 31,2009**	
Measurement category under IAS 39:	Loans and receivables	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Hedging derivatives under IAS 39	Carrying amount	Fair value
Cash and cash equivalents	602.6	-	-	-	602.6	602.6
Trade receivables	831.4	-	-	-	831.4	831.4
Other receivables	65.7	-	-	-	65.7	65.7
Other financial assets	14.9	0.6	1.4	-	16.9	16.9
Total	**1,514.6**	**0.6**	**1.4**	**-**	**1,516.6**	**1,516.6**

€ million	2008					
Measurement in the balance sheet:	at amortized cost	at fair value			**December 31, 2008**	
Measurement category under IAS 39:	Loans and receivables	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Hedging derivatives under IAS 39	Carrying amount	Fair value
Cash and cash equivalents	298.7	-	-	-	298.7	298.7
Trade receivables	979.1	-	-	-	979.1	979.1
Other receivables	77.3	-	-	-	77.3	77.3
Other financial assets	13.0	18.3	1.9	3.4	36.6	36.6
Total	**1,368.1**	**18.3**	**1.9**	**3.4**	**1,391.7**	**1,391.7**

The majority of the financial assets in the loans and receivables category measured at amortized cost have remaining terms of less than one year. Their carrying amounts at the balance-sheet date are therefore approximately their fair values.

Of the other receivables shown in the balance sheet, € 40.8 million (prior period: € 38.0 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 receivables from plan assets.

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

€ million	2009					
Measurement in the balance sheet:	at amortized cost	at fair value			**December 31, 2009**	
Measurement category under IAS 39:	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit or loss	Hedging derivatives under IAS 39	Valuation under IAS 17	Carrying amount	Fair value
Trade payables	655.6	-	-	-	655.6	655.6
Other liabilities	243.4	-	-	-	243.4	243.4
Liabilities to minorities under IAS 32	2.1	-	-	-	2.1	2.1
Financial liabilities	3,078.5	5.4	34.5	20.1	3,138.5	3,184.2
Total	**3,979.6**	**5.4**	**34.5**	**20.1**	**4,039.6**	**4,085.3**

€ million	2008					
Measurement in the balance sheet:	at amortized cost	at fair value			**December 31, 2008**	
Measurement category under IAS 39:	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit or loss	Hedging derivatives under IAS 39	Valuation under IAS 17	Carrying amount	Fair value
Trade payables	694.5	-	-	-	694.5	694.5
Other liabilities	229.2	-	-	-	229.2	229.2
Liabilities to minorities under IAS 32	3.3	-	-	-	3.3	3.3
Financial liabilities	3,207.3	1.2	23.5	21.9	3,253.9	3,283.3
Total	**4,134.3**	**1.2**	**23.5**	**21.9**	**4,180.9**	**4,210.3**

The majority of the trade payables measured at amortized cost and other liabilities have remaining terms of less than one year. Their carrying amounts at the balance-sheet date are therefore approximately their fair values. The fair values of the financial liabilities have been determined using the discounted cash flow method on the basis of current interest curves.

Of the other liabilities shown in the balance sheet, € 67.3 million (prior period: € 67.7 million) are not financial liabilities within the meaning of IFRS 7. They are mainly liabilities from value added tax and other taxes, liabilities under staff leave entitlements as well as deferred income.

The allocation of the financial assets and liabilities recognized in the balance sheet at fair value to the levels of the IFRS 7 fair value hierarchy is shown in the table below:

€ million	2009			
Hierarchy level	Level 1	Level 2	Level 3	**Dec. 31, 2009**
Financial assets at fair value through profit or loss	-	0.6	-	0.6
Financial liabilities at fair value through profit or loss	-	5.4	-	5.4
Available-for-sale financial assets	1.4	-	-	1.4
Hedging derivatives under IAS 39 with negative fair values	-	34.5	-	34.5

€ million	2008			
Hierarchy level	Level 1	Level 2	Level 3	**Dec. 31, 2008**
Financial assets at fair value through profit or loss	-	18.3	-	18.3
Financial liabilities at fair value through profit or loss	-	1.2	-	1.2
Available-for-sale financial assets	1.9	-	-	1.9
Hedging derivatives under IAS 39 with positive fair values	-	3.4		3.4
Hedging derivatives under IAS 39 with negative fair values	-	23.5	-	23.5

The net results from financial assets and liabilities broken down into measurement categories are as follows:

€ million	2009							
	from interest		from subsequent measurement					
			at fair value		currency translation		balance of impairments	net result
	gains	losses	gains	losses	gains	losses		
Loans and receivables	4.0	-	-	-	37.8	-25.2	-14.1	2.5
Financial assets and liabilities at fair value through profit or loss	0.2	-	38.4	-55.9	-	-	-	-17.3
Hedging derivatives under IAS 39	0.3	-17.3	-	-	-	-	-	-17.0
Liabilities from finance leases under IAS 17	-	-1.9	-	-	-	-	-	-1.9
Financial liabilities measured at amortized cost	-	-188.5	-	-	29.2	-25.6	-	-184.9
Total	**4.5**	**-207.7**	**38.4**	**-55.9**	**67.0**	**-50.8**	**-14.1**	**-218.6**

€ million	2008							
	from interest		from subsequent measurement					
			at fair value		currency translation		balance of impairments	net result
	gains	losses	gains	losses	gains	losses		
Loans and receivables	10.3	-	-	-	29.7	-46.1	-14.4	-20.5
Financial assets and liabilities at fair value through profit or loss	0.2	-	46.8	-23.0	-	-	-	24.0
Hedging derivatives under IAS 39	8.8	-3.1	-	-	-	-	-	5.7
Liabilities from finance leases under IAS 17	-	-2.2	-	-	-	-	-	-2.2
Financial liabilities measured at amortized cost	-	-263.3	-	-	24.3	-48.4	-	-287.4
Total	**19.3**	**-268.6**	**46.8**	**-23.0**	**54.0**	**-94.5**	**-14.4**	**-280.4**

The net interest result is shown under finance income and finance costs. Of the interest expense on liabilities to third parties contained in finance costs, € 1.8 million (prior period: € 1.4 million) is interest expense which is not part of the effective interest on financial liabilities measured at amortized cost.

With the exception of impairments of trade receivables and other receivables, the net results from subsequent measurement are shown under other financial result. The impairments of trade receivables and other receivables are shown under other operating expenses and the income from the receipt of trade receivables derecognized in prior periods is shown under other operating income.

Nature and extent of risks arising from financial instruments

According to IFRS 7, risks arising from financial instruments can typically be divided into market risks, credit risks and liquidity risks.

In the market risk category, the Brenntag Group's global business operations expose it particularly to exchange rate and interest rate risks. The management and monitoring of these risks are the responsibility of the central department, Corporate Finance & Controlling. Whilst the interest rate risks are solely managed centrally, the Group companies are responsible for handling the exchange rate risks arising from their business operations. The Group companies have been instructed to reduce any exchange rate risks to a minimum.

Brenntag Holding GmbH, Mülheim an der Ruhr is available as a contract partner for the Group companies for exchange rate hedging transactions, its own exposure being hedged by back-to-back transactions with banks. If the Group companies contract hedges directly with the banks, the Corporate Finance & Controlling is regularly informed of their nature and extent.

Currency risks

Currency risks arise particularly when monetary items or contracted future transactions are in a different currency to the functional currency of a company.

Any foreign currency risk for monetary items and contracted transactions is generally hedged in full, taking into account the claims and obligations in the same currency and with the same maturity. Forward exchange contracts and cross-currency swaps are used as hedging instruments. The derivative financial instruments used have maturities of less than one year and are not included in hedge accounting.

If the euro had been worth 10 % more or less against all currencies at December 31, 2009, translation of the monetary items in foreign currency into the Group currency, euro, allowing for the foreign exchange forward deals and foreign exchange swaps still open on December 31, 2009 would have decreased the financial result by € 6.9 million (prior period: € 6.2 million) or increased it by € 8.4 million (prior period: € 7.6 million). The change in the financial result is mainly due to the higher or lower value of the euro against the pound sterling, Polish zloty and Australian dollar.

Interest rate risks

Interest rate risks can occur due to changes in the market interest rates. The risks result from changes in the fair values of fixed-interest financial instruments or from changes in the cash flows of variable-interest financial instruments. The optimal structure of variable and fixed interest rates is determined as part of interest risk management. It is not possible to simultaneously minimize both kinds of interest rate risk.

Due to its funding through a variable-interest syndicated loan, the Brenntag Group is exposed to an interest rate risk in the form of a cash flow risk. Interest rate swaps, basis swaps and interest caps have been concluded to limit that risk to the degree stipulated by the management. With the interest rate swaps, a fixed interest rate is paid every six months and a variable interest rate received. With the interest caps, any compensation payment is determined every six months. The interest rate swaps and interest caps have, whenever possible, been included in cash flow hedge accounting. In the period up to July 22, 2013, the amounts transferred to the cash flow hedge reserve are recognized as finance costs when the cash flow occurs.

The cash flow hedge reserve has developed as follows:

€ million	**Cash flow hedge reserve**
Dec. 31, 2007	**6.5**
Changes in the fair value of cash flow hedges	-26.1
Reclassifications to finance costs	-5.7
Dec. 31, 2008	**-25.3**
Changes in the fair value of cash flow hedges	-18.0
Reclassifications to finance costs	16.6
Dec. 31, 2009	**-26.7**

The changes of the non-effective part of the fair value of the financial instruments included in cash flow hedge accounting shown under finance costs amount to € 0.3 million (in the prior period: € 0.0 million).

If the market interest rate in 2009 had been 25 basis points (prior period: 25 basis points) higher or lower (related to the total amount of derivatives as well as variable-interest financial assets and liabilities at December 31, 2009), the financial result would have been € 3.7 million lower or € 3.7 million higher (prior period: € 3.3 million lower or € 3.3 million higher). Without allowing for deferred taxes, the cash flow hedge reserve would have been € 3.8 million higher (prior period: € 3.6 million higher) or € 3.8 million lower (prior period: € 3.6 million lower).

Credit risks

There is a credit risk with non-derivative financial instruments when contractually agreed payments are not made by the relevant contractual parties. As the Brenntag Group has diverse business operations in many different countries, significant concentrations of credit risks from trade receivables as well as from loans are not to be expected. The expected credit risk from individual receivables is allowed for by write-downs of the assets. The maximum credit risk of the non-derivative financial instruments corresponds to their carrying amounts.

With the derivative financial instruments used, the maximum credit risk is the sum total of all positive fair values of these instruments as, in the event of non-performance by the contractual parties, losses on assets would be restricted to this amount. As derivative financial instruments have only been concluded with banks which we consider to have a first-rate credit standing, significant credit risks are not to be expected.

Liquidity risks

The liquidity risk is the risk that the Brenntag Group may in future not be able to meet its contractual payment obligations. Due to the fact that the Brenntag Group's business is not subject to any pronounced seasonal fluctuations, there is relatively little fluctuation in liquidity during the financial year.

To ensure that the Brenntag Group can pay at all times, it not only has appropriate liquidity reserves in the form of cash and cash equivalents but also credit lines under the syndicated loan which can be utilized as needed. In order to identify the liquidity risks, the Group has a multi-annual liquidity plan which is regularly reviewed and adjusted if necessary.

The undiscounted cash flows resulting from financial liabilities are shown in the following table below:

€ million	Carrying amount Dec. 31, 2009	**Cash flows 2010 – 2015ff.** 2010	2011	2012	2013	2014.	2015ff
Trade payables	655.6	655.6	-	-	-	-	-
Other liabilities	310.7	309.0	1.7	-	-	-	-
Liabilities to minorities under IAS 32	2.1	2.1	-	-	-	-	-
Liabilities under syndicated loan	2,160.4	77.0	97.5	107.8	162.1	1,140.3	1,056.9
Other liabilities to banks	198.8	23.3	5.1	174.4	0.9	11.3	-
Liabilities under finance leases	20.1	5.4	4.2	2.9	5.8	1.3	10.9
Liabilities to related companies	702.2	-	-	-	-	-	1,380.6
Derivatives financial instruments	39.9	-	-	-	-	-	-
Cash inflows	-	187.2	13.1	6.1	7.3	-	-
Cash outflows	-	216.7	24.0	5.9	5.9	-	-
Other financial liabilities	17.1	7.1	6.4	2.8	2.5	1.5	1.2
Total	**4,106.9**	**1,109.0**	**125.8**	**287.7**	**169.9**	**1,154.4**	**2,449.6**

€ million	Carrying amount Dec. 31, 2008	**Cash flows 2009 – 2014ff.** 2009	2010	2011	2012	2013	2014 ff.
Trade payables	694.5	694.5	-	-	-	-	-
Other liabilities	229.2	225.8	0.2	1.9	-	0.4	0.9
Liabilities to minorities under IAS 32	3.3	3.3	-	-	-	-	-
Liabilities under syndicated loan	2,295.4	170.3	183.4	191.9	194.7	180.5	2,433.2
Other liabilities to banks	248.6	38.9	207.4	1.3	1.1	1.2	13.6
Liabilities under finance leases	21.9	6.2	4.8	3.6	2.3	5.4	11.5
Liabilities to related companies	637.5	-	-	-	-	-	1,380.6
Derivatives financial instruments	24.7	-	-	-	-	-	-
Cash inflows	-	36.6	-	-	-	-	-
Cash outflows	-	42.4	14.1	5.8	-	-	-
Other financial liabilities	25.8	11.7	7.4	3.9	2.2	2.3	2.2
Total	**4,180.9**	**1,156.5**	**417.3**	**208.4**	**200.3**	**189.8**	**3,842.0**

Derivative Financial Instruments

The nominal volume and fair values of derivative financial instruments are shown in the table below:

€ million	Dec. 31, 2009			Dec. 31, 2008		
	Nominal volume	Positive fair value	Negative fair value	Nominal volume	Positive fair value	Negative fair value
Foreign exchange forward transactions and foreign exchange swaps excluding hedge accounting	222.1	0.6	5.2	175.5	17.6	1.2
Interest rate swaps in hedge accounting	882.7	-	34.3	860.0	1.1	23.5
Interest rate swaps excluding hedge accounting	-	-	-	66.0	0.7	-
Interest caps in hedge accounting	185.0	-	-	385.0	2.3	-
Interest caps excluding hedge accounting	100.0	-	-	71.9	-	-
Basis swaps in hedge accounting	131.9	-	0.2	-	-	-
Basis swaps excluding hedge accounting	138.8	-	0.2	-	-	-
Total		**0.6**	**39.9**		**21.7**	**24.7**

Related parties

During its normal business activities, Brenntag Management GmbH also obtains services from and provides services for related parties. These related parties are the subsidiaries included in the consolidated financial statements as well as associates and joint ventures accounted for at equity. Furthermore, the parent company of Brenntag Management GmbH is considered to be a related party. The parent company of Brenntag Management GmbH - and at the same time ultimate controlling entity - is Brachem Acquisition S.C.A., Luxembourg, represented by its general partner, Brahms Chemical Intermediate SA, Luxembourg.

Related parties are also the members of the management and the supervisory boards of Brenntag Management GmbH.

The short-term benefits for the managing directors of Brenntag Management GmbH for the financial year ended December 31, 2009 (including expenses arising from a multiannual incentive program) total € 25.5 million (prior period: € 5.0 million) including compensation for work performed at subsidiaries. The figure in 2009 includes expenses in connection with the early termination of a multiannual incentive program amounting to € 22.8 million; of which € 12.8 million is attributable to the North America segment, € 5.2 million to the Europe segment and € 4.8 million to all other segments. Furthermore, in the previous period one-off payments of € 0.4 million were made in connection with the termination of employment contracts. Future pension entitlements earned in the reporting period (current service cost) and payments into defined contribution plans amount to € 0.1 million (prior period: € 0.1 million). Apart from the aforementioned, there were no transactions with related parties.

Along with other senior managers of the Brenntag Group, the managing directors of Brenntag Management GmbH are included in a management participation programme at the parent company Brachem Acquisition S.C.A., Luxembourg. Under this programme, the eligible managers purchase shares in Brachem Acquisition S.C.A., Luxembourg, at market prices through management participation companies.

The following business transactions were performed with the related parties on terms equivalent to those that prevail in arm's length transactions:

€ million	**2009**	**2008**
Sales revenue from transactions with joint ventures	7.3	19.7
Sales revenue from transactions with associates	0.3	0.3
Goods and services rendered by associates	0.4	0.4
Goods and services rendered by parent company	0.3	0.2
Interest expenses to parent company	64.7	58.8

€ million	**Dec. 31, 2009**	**Dec. 31, 2008**
Trade receivables	-	1.3
(thereof joint ventures)	*(-)*	*(1.0)*
(thereof associates)	*(-)*	*(0.3)*
Financial receivables	3.8	2.1
(thereof associates)	*(0.6)*	*(-)*
(thereof parent company)	*(3.2)*	*(2.1)*
Trade payables	-	0.1
(thereof joint ventures)	*(-)*	*(0.1)*
Financial liabilities	702.2	637.5
(thereof parent company)	*(702.2)*	*(637.5)*

The transactions of Brenntag Management GmbH with consolidated subsidiaries as well as between consolidated subsidiaries have been eliminated in the consolidated financial statements.

The financial liabilities relate to a loan granted by Brachem Acquisition S.C.A., Luxembourg, which is described in detail under note 27.) Equity / Economic capital.

Audit fees for the consolidated financial statements

The following fees for the services of the auditors of the consolidated financial statements, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, were recognized as expenses:

€ million	**2009**	**2008**
Audit of year-end financial statements	0.8	0.9
Other assurance or valuation services	0.5	0.7
Tax advisory services	0.1	0.1
Other services rendered	0.2	0.3
Total	**1.6**	**2.0**

Exemptions pursuant to Section 264, para. 3, HGB

The following subsidiaries intend to make use of the exemptions pursuant to Section 264, para. 3, of the German Commercial Code (HGB):

Brenntag Holding GmbH, Mülheim an der Ruhr
Brenntag Germany Holding GmbH, Mülheim an der Ruhr
Brenntag Foreign Holding GmbH, Mülheim an der Ruhr
Brenntag Beteiligungs GmbH, Mülheim an der Ruhr
BRENNTAG GmbH, Duisburg
BRENNTAG International Chemicals GmbH, Mülheim an der Ruhr
Brenntag Real Estate GmbH, Mülheim an der Ruhr
Herkommer & Bangerter Vertriebs GmbH, Neuenburg am Rhein

Subsequent Events

On February 17, 2010 the Brenntag Group signed an amendment agreement with the syndicated loan lenders which enables the Brenntag Group to retain the existing syndicated loan, also in the event of a possible IPO. In addition to amendments designed to enable an IPO with a market-adequate financing structure, there are a large number of changes which give the Group greater flexibility under the syndicated loan for the time after any IPO. Most changes are subject to the condition that an IPO actually takes place, in which the Mezzanine liabilities are repaid in full and certain leverage covenants are met. In this case, the margins on the variable-interest tranches of the syndicated loan then still outstanding would increase. The transaction costs incurred as a result of the amendment agreement will be recorded in full in 2010 under finance costs.

Mülheim an der Ruhr, February 23, 2010

Brenntag Management GmbH

THE MANAGEMENT

Stephen R. Clark	Jürgen Buchsteiner
Steven E. Holland	Michael Andrew Twinning

Management of Brenntag Management GmbH

The responsibilities of the managing directors of Brenntag Management GmbH are as follows:

Stephen R. Clark	Managing Director, Chairman and CEO Communications Corporate Development HR Internal Audit
Jürgen Buchsteiner	Managing Director, Chief Financial Officer Group Accounting Finance & Controlling, IR Legal M & A Risk Management Tax
Steven E. Holland	Managing Director, Chief Operating Officer Operations - North America - Latin America - Europe - Asia / Pacific HSE
Michael Andrew Twinning	Managing Director

Supervisory Committee of Brachem Acquisition S.C.A., Luxembourg

At the end of September 2006, equity funds advised by BC Partners, Bain Capital and Goldman acquired all shares in Brenntag Investor Holding GmbH, the then German parent company of the Brenntag Group, through subsidiaries of Brenntag Management GmbH (formerly Brahms Acquisition GmbH). The parent company of Brenntag Management GmbH is Brachem Acquisition S.C.A. The Supervisory Committee of Brachem Acquisition S.C.A. is made up of the following members:

Jens Reidel (until August 4, 2009)	BC Partners - Chairman of BC Partner Ltd.
Stefan Zuschke	BC Partners – Managing Director of BC Partner GmbH Beteiligungsberatung
Thomas Weinmann	BC Partners - Partner in BC Partner GmbH Beteiligungsberatung
Erol Ali Dervis	BC Partners - Partner in BC Partner GmbH Beteiligungsberatung
Doreen Nowotne (from August 24, 2009)	BC Partners - Partner BC Partner GmbH Beteiligungsberatung
Dr Michael Siefke	Bain Capital – Managing Director of Bain Capital Beteiligungsberatung GmbH

Brenntag Management GmbH

Mülheim an der Ruhr

Group Management Report
for the financial year
from January 1 to December 31, 2009

Contents of Group Management Report

1 Business and Economic Environment

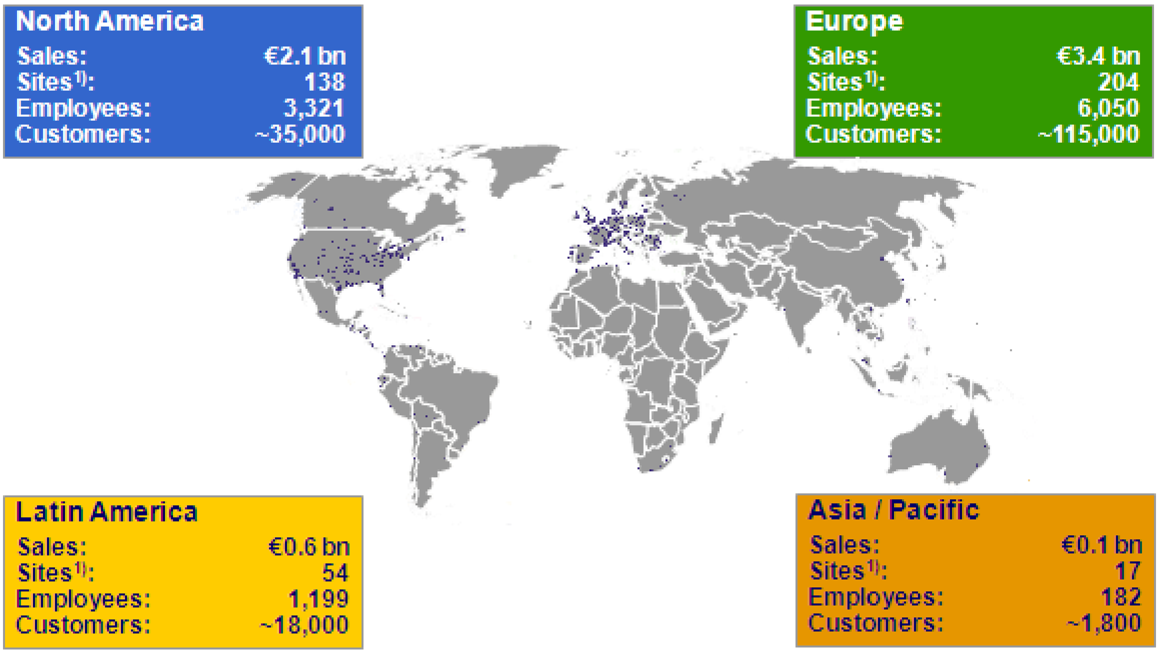
1.1 Business Activities and Group Structure

Measured by sales, Brenntag is the leading full-line distributor of industrial and specialty chemicals with over 400 distribution centers in more than 60 countries. Headquartered in Mülheim an der Ruhr, Germany, we provide a one-stop shop for over 10,000 chemical products, delivering to more than 150,000 customers, typically in less-than-truckload quantities.

The business of the Brenntag Group is decentrally organized to be able to react more quickly to the market and our customers' needs. Responsibility for operational business lies with the regionally structured segments: Europe, North America, Latin America and Asia / Pacific as well as All Other Segments.

With effect from January 1, 2009, central functions that previously belonged to Brenntag Holding GmbH and their employees were largely transferred to Brenntag Management GmbH. The central functions allocated to the European business stayed part of Brenntag Holding GmbH. Otherwise the Group structure remained largely unchanged in 2009. As the parent, Brenntag Management GmbH is responsible for the strategy of the Brenntag Group, risk management and central financing. The consolidated financial statements include Brenntag Management GmbH, 29 domestic (prior period: 30) and 148 foreign (prior period: 145) fully consolidated subsidiaries and special purpose entities. Five associates (prior period: seven) are accounted for at equity. In 2008, one joint venture was also accounted for at equity.

The following map provides an overview of the global network of the Brenntag Group:



Figures excluding “All Other Segments”, which, in addition to various holding companies, covers the international trading activities of Brenntag International Chemicals.

[1] Warehouse sites comprise the Group's own and leased warehouses as well as storage capacities in ware houses operated by third parties.

1.2 Overall Economy and Situation in the Industry

In the last quarter of 2008 / first quarter of 2009, the global economy suffered one of the worst recessions since the end of World War II. As the financial crisis deepened, the world economy was hit by a series of global shocks which led to a massive decline in international trade in goods and services as well as to a slump in production, although the severity of the slump varied greatly from region to region. Real gross domestic product shrank worldwide in the first quarter of 2009 by 2.3 % and in the second quarter by 2.0 % in a year-on-year comparison. The decrease in demand had above all an effect on the production of capital goods and consumer durables and, together with increasing general economic uncertainty at global level, caused the fall in industrial production to accelerate in the first and second quarters of 2009 after the downturn in the last quarter of 2008. Output fell massively worldwide compared with the previous year by 11.5 % in the first quarter and by 9.8 % in the second quarter.

However, the monetary and fiscal economic stimulus programs introduced virtually simultaneously in the major national economies as well as the reversal of the global inventory cycle contributed to a stabilization of the situation and set the world economy on a path to growth again, albeit at a low level. Overall, the factors which had a positive influence helped ensure that global GDP shrank by "only" 1.1 % in 2009 whilst global industrial output slumped by over 8 %, the industrialized countries being harder hit by the crisis than the group of emerging markets and developing countries.

The economy in the European Union, which had nose-dived at the beginning of 2009, showed first signs of stabilization towards the middle of the year; nevertheless, overall economic output is expected to have fallen by 4.2 % in 2009, the industrial sector being particularly badly hit by the recession and slumping by some 16 % according to current calculations.

After the severe drop in overall economic output in the USA that persisted over four quarters, the US economy managed to stabilize in the second half of 2009. Therefore, GDP in 2009 is likely to have fallen by 2.5 %. Industrial activity was in the grip of recession over a period of five quarters in 2008 and 2009 and it was not until the third quarter of 2009 that a slight upturn was recorded. Overall, however, production output of US industry is expected to have fallen by roughly 10 % in 2009 in a year-on-year comparison.

In the economic area of Latin America, there were also signs that the economy had gradually recovered from the global recession towards the end of 2009. Data for the first ten months indicate that industry in the entire region has reduced its output by 9.2% compared with 2008. National economic stimulus programs, rising commodity prices and positive asset effects cushioned the impact of the economic recession over the year as a whole. The gross domestic product of the region fell by "only" 2.5 % compared with 2008.

The international financial and economic crisis had the smallest effect on the South East Asian economic area. Expansive economic policy and a resurgence of the financial markets with positive knock-on effects on consumer behavior ensured that the region recorded growth of 5.0 %, even though there was a sharp fall in international demand in 2009.

The varying degrees of economic downward in all industries in the different regions and countries during the course of the year influenced the demand for chemicals in the customer industries relevant for chemical distribution and thus determined the development of business of the entire branch. The developments in the individual regional chemical distribution markets mainly reflected the trends in manufacturing industry.

In Europe, due to the sharp slump in production in the various branches of industry, demand for chemicals is expected to have dropped sharply, both in volume and value, in 2009. As some branches of the consumer goods industry and the construction industry managed to buck the downward trend, it is estimated that the volumes sold through chemical distributors will not have declined to the same degree as manufacturing output. The simultaneously falling prices, particularly for basic chemicals, however, indicate that the chemicals distribution market shrank in value in 2009 by between 15 % and 20 %, the development in the Nordic and Central and East European markets being somewhat more moderate. Current economic data indicate a slump of similar dimensions for the North American chemicals distribution market. The sharp decline in production and reductions in inventories in the individual customer industries together with lower prices led to a fall in sales of 15 % to 20 % in the chemical distribution industry. In Latin America, the chemical distribution industry was also not able to escape the downward trend. The slump in demand due to lower production output in the first three quarters of 2009 led to sales in the industry decreasing by 13 % to 17 % with prices also falling.

1.3 Major Events Impacting on Business

For the Brenntag Group, 2009 was dominated by action to counter the effects of the global financial crisis. Our efforts mainly focused on safeguarding the profitability of our operational business by optimizing both our network and our cost structures.

In addition, we continued to pursue our strategy of selectively strengthening our market penetration by making a number of small acquisitions. For example, we reinforced our presence in the Mexican market for nutrition products by acquiring the distribution business of Austro Corp, S.A. de C.V., Mexico City. We also acquired the Turkish distributor, Trend Gıda Sanayi ve Ticaret Limited Şirketi, Istanbul.

1.4 Statement by the Management on Business Performance

The business environment of the Brenntag Group in 2009 was marked by the impact of the global recession.

Our sales fell significantly compared with the same period in 2008 as both average selling prices and tonnages decreased. Falling prices on the sales markets were accompanied by a parallel movement on the procurement markets. As our operating gross profit margin is not a percentage mark-up on the purchase price but is the value of our services which does not really depend on the purchase price, the impact of declining sales on operating gross profit was substantially smaller.

On the cost side, we initiated a whole series of measures. On the one hand, we significantly cut back staff numbers and thus current personnel expenses. On the other hand, all non-personnel costs were reduced as much as possible. We reviewed and further improved internal structures and processes. On the cost-cutting side, we also benefited from lower sales volumes and falling crude oil prices which made themselves particularly noticeable in lower fuel, energy and transport costs. Thanks to the early implementation of these measures - some were already introduced in the fourth quarter of 2008 - we managed to virtually offset the decrease in operating gross profit.

Furthermore, the US dollar was stronger against the euro on an annual average than in 2008. The result contributions measured in euros of our Group companies in the US dollar area profited from this development. As a result, we managed to maintain EBITDA at a virtually constant level compared with the previous year and meet our expectations.

Falling selling and purchase prices also led to a significant decrease in working capital. As a result, we further considerably improved the Group’s liquidity.

We reduced investment in property, plant and equipment. This had a further positive effect on the liquidity situation. Here we profited from the fact that our business model not only requires a relatively low volume of investment but also affords great flexibility in the timing of such investment.

Given the overall economic environment, business performance and the earnings and financial situation were generally very pleasing.

2 Earnings, Financial and Assets Situation

2.1 Earnings

2.1.1 Business performance of the Brenntag Group

Brenntag Group *€ million*	**2009**	**2008**	**Change** *abs.*	*in %*
External sales	6,364.6	7,379.6	-1,015.0	-13.8
Operating gross profit	1,493.2	1,519.8	-26.6	-1.8
Operating expenses	-1,012.9	-1,037.7	24.8	-2.4
Operating EBITDA	480.3	482.1	-1.8	-0.4
Transaction costs / HQ charges	*-3.7*	*-1.2*		
EBITDA (incl. transaction costs)	**476.6**	**480.9**	**-4.3**	**-0.9**
EBITA *)	394.3	397.6	-3.3	-0.8

*) EBITA is defined as EBITDA less depreciation on property, plant and equipment.

The measure of our results mainly used for control of the Brenntag Group is EBITDA. The segments are controlled on the basis of operating EBITDA, which is the operating profit/loss as recorded in the consolidated income statement plus amortization of intangible assets and depreciation of property, plant and equipment, adjusted for the following items:

- transaction expenses: Expenses that are connected with the restructuring and refinancing under company law. They are eliminated for purposes of management reporting to permit a clear presentation of the operating performance and comparability on segment level.
- headquarter charges: Certain intercompany charges imposed on the operating companies. Operating companies cannot be held responsible for the amount that they are charged. So these charges are eliminated for purposes of management reporting. On Group level they net to zero.

I. EBITDA

The Brenntag Group posted EBITDA of € 476.6 million in the reporting period. This figure is more or less on a par with 2008 (change: - € 4.3 million or - 0.9 %). We managed to achieve this in an unfavorable macroeconomic climate through cost-cutting and margin optimization measures supported by a number of acquisitions made in 2008 including those in Eastern Europe and Asia. We also benefited from our wide diversification, which makes us largely independent of negative developments in individual regional markets or customer industries.

II. Sales, tonnages and prices

In the reporting period, the Group recorded external sales of € 6,364.6 million, which was 13.8 % less than in 2008. This drop in sales is mainly due to falling average selling prices and only to a small extent to the decrease in tonnages compared with the previous year.

III. Gross operating profit and margins

In the reporting period, the Group recorded an operating gross profit of € 1,493.2 million, which was 1.8 % less than in the previous year. In a climate of falling prices for chemicals, the decrease in operating gross profit was much less pronounced than the drop in sales. The reason for this very pleasing development is that our operating gross profit represents the price for our services and is therefore largely independent of the purchase price of the chemicals. Furthermore, we continued to focus on customers and products with high value added.

IV. Operating expenses

In the reporting period, operating expenses (excluding interest, the result from investments, taxes, depreciation, amortization and transaction costs) were slightly lower than in 2008 (2.4 %).

The decrease in tonnages led to a fall in volume-dependent costs. Furthermore, the lower crude oil price meant our transport and energy bills were lower. In addition, the series of measures we introduced to rein in costs had a positive effect. Current personnel expenses were reduced by cutting staff numbers and strict control of pay developments. On the non-personnel side, processes were reviewed and optimized and thus savings achieved, e.g. in travel, telecommunications and consultancy costs. However, these savings were partly absorbed by one-off expenses for the implementation of the measures.

V. Depreciation, amortization and financial result

In the reporting period, depreciation of property, plant and equipment and amortization of intangible assets amounted to € 205.9 million and therefore remained roughly constant compared with the previous year. Of this figure, € 123.6 million relates to amortization of intangible assets, in particular amortization of customer relationships and similar rights (€ 114.4 million). This includes the amortization of the customer base, which was capitalized as part of the purchase price allocation following the acquisition of the Brenntag Group by the equity funds advised by BC Partners, Bain Capital and Goldman (€ 102.4 million). Depreciation of property, plant and equipment totaled € 82.3 million.

The significant decrease in finance cost is a result of generally lower interest rates on those of our loans with variable interest rates. The higher, non-cash-effective interest cost on a subordinate shareholders' loan had a counter-effect. Correspondingly, the interest income on cash and cash equivalents was lower than in the same period in 2008.

The result of investments accounted for at equity includes the loss of € 12.7 million from the sale of Staub & Co. Chemiehandelsgesellschaft mbH, Nuremberg.

VI. Profit before taxes

In the reporting period, the profit before taxes amounted to € 47.1 million, whereas in the prior period the company recorded a pre-tax loss of € 1.3 million.

VII. Income tax and net income

At € 46.6 million, income tax expense is slightly higher than in 2008 and mainly reflects the positive development of profit before taxes.

The relatively high tax expense in the reporting period compared with the profit before taxes is mainly due to the high tax rates in North America which are payable on the profit generated as well as to losses of certain Group companies for which no deferred tax assets were established. Furthermore, non-deductible expenses which will not reduce the tax burden in future also affect the Group tax rate.

After deduction of income taxes, the net income for the Group is € 0.5 million.

2.1.2 Business performance in the segments

The picture for 2009 by segment is as follows:

Brenntag Group ***€ million***	**Total**	**Europe**	**North America**	**Latin America**	**Asia / Pacific**	**All Other Segments**
External sales	6,364.6	3,434.4	2,050.5	610.5	58.4	210.8
Operating gross profit	1,493.2	807.6	537.7	123.3	14.5	10.1
Operating expenses	-1,012.9	-557.0	-340.9	-81.0	-12.3	-21.7
Operating EBITDA	**480.3**	**250.6**	**196.8**	**42.3**	**2.2**	**-11.6**

Europe

Europe ***€ million***	**2009**	**2008**	**Change** *abs.*	*in %*
External sales	3,434.4	4,027.5	-593.1	-14.7
Operating gross profit	807.6	839.8	-32.2	-3.8
Operating expenses	-557.0	-585.6	28.6	-4.9
Operating EBITDA	**250.6**	**254.2**	**-3.6**	**-1.4**

I. Operating EBITDA

At € 250.6 million, the operating EBITDA in the Europe segment was slightly down on the previous year's figure (change: - € 3.6 million or - 1.4 %). Overall, given the general economic environment, the development of earnings in Europe was, however, very satisfactory. Despite generally falling demand and the consolidation process taking place on both customer and supplier sides, we even managed to improve on the previous year’s result on a constant currency basis. Here we were helped by the strong margins on our products but also by the restructuring measures introduced in past years and further cost-cutting action taken in all European countries.

Adjusted for the acquisitions, volumes were down in all countries. In the United Kingdom and Central and Eastern Europe, the decreases were in the low single-digit range thanks to our excellent market position and were therefore small relative to the relevant regional macroeconomic indicators. In Central and Eastern Europe, Benelux and Scandinavia in the difficult market environment, we even managed to boost tonnages on the back of successfully integrated acquisitions. The development was similar in both the industrial and specialty chemical segments of our product portfolio.

The development of the operating result in France was pleasing. A further restructuring phase was implemented to counteract continued fierce competition and we were thus able to match the 2008 operating result despite restructuring costs. At the beginning of the year, it was Spain and Portugal which were hit worst by the economic crisis. However, systematically implemented restructuring measures had the desired effect and the operating result, adjusted for restructuring costs, improved steadily over the year and even grew by a two-digit percentage in the fourth quarter. The recession and aggressive competition also impacted on volumes and results in Germany. However, counteraction initiated in 2008 and intensified in the current year had the intended effect and we closed the reporting period with an improved operating result.

In 2008, Brenntag continued to round off the product portfolio in Europe with acquisitions in Scandinavia, Belgium, the Netherlands and Eastern Europe, thus strengthening our regional presence. In the reporting period, the business operations taken over in Scandinavia and Belgium from Yara, one of Brenntag's suppliers, fully met our expectations with the contributions they made to the result despite the generally adverse market conditions. Following completion of its integration, the Dipol Group acquired in 2008 also developed positively in the second half of the year in a very difficult market environment, enabling us to increase our market penetration, particularly in the Baltic States, Russia and Ukraine. All in all, the integration and business performance of these acquisitions are proof that Brenntag can grow successfully, also in difficult economic times.

II. Sales, tonnages and prices

In the reporting period, the Europe segment recorded external sales of € 3,434.4 million. This is a decrease of 14.7 % in a year-on-year comparison and is attributable to three main factors: Firstly, a reverse of the trend towards rising prices for organic chemicals that had prevailed, particularly in 2008. The purchase prices for raw materials fell significantly, particularly in the solvents segment of the market. Prices of inorganic basic products did not fluctuate so much. Secondly, the relative strength of the euro against East European currencies and Sterling had a negative impact on the development of sales. Thirdly, tonnages decreased. This is due to the economic downswing, reduced stocks held by our customers and consolidation on both the customer and supplier sides.

III. Operating gross profit and margins

In the reporting period, we managed to post an operating gross profit of € 807.6 million. On the basis of the actual exchange rates, this is a decrease of 3.8 % compared with the previous year. This is mainly due to the aforementioned unfavorable development of exchange rates. The fall in demand as a result of the recession also had a negative impact. However, our strategy of focusing on customers and products with a higher value-added helped to mitigate the effect. In 2009, the Brenntag product and customer portfolio again proved to be resilient to short-term procurement and sales trends. The business relations with many small and medium-sized customers and the proportionately larger share of warehouse business with its higher value-added made our business stable in this difficult market environment. The falling purchase prices were passed on to our customers with a time lag. Last but not least, increases in surcharges, such as those for packaging and the transportation of hazardous goods, helped to improve the earnings situation.

IV. Operating expenses

Operating expenses were cut by € 28.6 million or 4.9 % in a year-on-year comparison although the expenses of the companies acquired in 2008 as well as one-off expenses in connection with restructuring measures and the early termination of the multi-annual incentive program absorbed some of the savings. One reason for the fall in operating expenses is of course the lower sales volumes. However, it also reflects the effects of the restructuring measures in all segments.

Adjusted for one-off costs, current personnel expenses were lower than in 2008 thanks to staff cuts and strict pay controls.

Targeted cost controls in all other areas brought further savings. Energy and transport costs decreased not only because of the fall in tonnages but also as a result of the lower oil price, the negotiation of better conditions with external service providers and the optimized deployment of our own vehicle fleet. Savings were also made in other cost areas, such as travel, telecommunications, maintenance and advertising.

North America

North America *€ million*	2009	2008	Change *abs.*	 *in %*
External sales	2,050.5	2,447.9	-397.4	-16.2
Operating gross profit	537.7	542.0	-4.3	-0.8
Operating expenses	-340.9	-337.6	-3.3	1.0
Operating EBITDA	**196.8**	**204.4**	**-7.6**	**-3.7**

I. Operating EBITDA

The North American companies posted operating EBITDA of € 196.8 million in the reporting period. Operating EBITDA was thus 3.7 % down on the previous year's figure. Given the very negative general economic environment in North America, it was nevertheless a good result.

The decline in sales was partly offset. On the one hand, it was again shown that since the operating gross profit represents payment for our services, it is largely independent of the prices for chemicals. On the other hand, thanks to strict cost management, we managed to keep the rise in operating costs moderate. Measured in euro, the results also benefited from the stronger US dollar compared with the previous year.

The individual North American units presented a mixed picture. Brenntag Mid-South, Inc., Henderson/Kentucky and Brenntag Pacific, Inc., Santa Fe Springs, performed particularly well. They managed to more than offset the decline in total tonnages by increasing margins. Our subsidiary Coastal Chemical Company, L.L.C., Abbeville, whose business is linked to the oil and gas industry, did not perform so well. The Canadian national organization, BRENNTAG Canada, Inc., Etobicoke, was likewise hit by the development of the oil and gas market and also recorded a fall in operating EBITDA.

II. Sales, tonnages and prices

In the North America segment, we recorded external sales of € 2,050.5 million in the reporting period, a decrease of 16.2 % on the previous year. The deep recession in the US economy was reflected in lower demand from our customers. The sales volume was therefore well down on the previous year so all North American companies saw sales fall.

III. Operating gross profit and margins

In the reporting period, the operating gross profit of the North American companies totaled € 537.7 million and was therefore just 0.8 % down on the 2008 figure. Our focus on high-margin product lines was a contributory factor to this positive development. Moreover, we managed to profit from short-term fluctuations in market prices.

IV. Operating expenses

In the reporting period, operating expenses rose by € 3.3 million compared with the previous year. However, the 2009 figure contains one-off expenses in connection with the early termination of a multi-annual incentive program. On the one hand, savings were achieved on current personnel expenses by adjusting staff numbers to the changed demand situation. On the other hand, non-personnel costs were reduced thanks to strict cost control. Furthermore, costs which depend on total tonnages such as transport costs fell compared with the previous year.

Latin America

Latin America ***€ million***	**2009**	**2008**		**Change**
			abs.	***in %***
External sales	610.5	626.2	-15.7	-2.5
Operating gross profit	123.3	126.3	-3.0	-2.4
Operating expenses	-81.0	-82.2	1.2	-1.5
Operating EBITDA	**42.3**	**44.1**	**-1.8**	**-4.1**

I. Operating EBITDA

In the reporting period, the Latin America segment posted operating EBITDA of € 42.3 million and therefore could not quite follow on from the exceptionally successful year in 2008, when it nearly doubled the result of 2007.

Generally, business suffered from the weak overall economic environment, particularly in the first six months of 2009. The decrease in the operating EBITDA was mainly due to lower operating gross profit which could not be completely offset by cuts in operating expenses.

We saw operating EBITDA fall in many countries. One exception was Mexico, which also profited from an acquisition in February 2009 and investments in sites in 2008. Business in Brazil and Argentina also developed positively.

II. Sales, tonnages and prices

External sales totaled € 610.5 million in the reporting period and were thus well down on the 2008 figure. The main reason was the lower prices. However, changes in the product portfolio boosted tonnages, which had a positive effect.

The rise in tonnages was spread over most of the Latin American countries. Only the volumes sold in Venezuela were well down on 2008; the decline in tonnages is above all due to our intentionally restrictive market presence in the light of the specific country risk.

III. Operating gross profit and margins

In the reporting period, operating gross profit of the Latin American companies totaled € 123.3 million and was thus 2.4 % down on the previous year's figure. Despite higher tonnages, they could not quite match the unusually high figure recorded in the previous year.

IV. Operating expenses

Operating expenses in Latin America fell slightly in the reporting period. The periodic devaluation of various Latin American currencies against the key currency, the US dollar, had a positive impact on costs, particularly in the first half of 2009. Expenses were also successively reduced through staff cutbacks and cost control.

Asia / Pacific

Asia / Pacific *€ million*	**2009**	**2008** *)	**Change** *abs.*	*in %*
External sales	58.4	15.0	43.4	289.3
Operating gross profit	14.5	3.4	11.1	326.5
Operating expenses	-12.3	-2.4	-9.9	412.5
Operating EBITDA	**2.2**	**1.0**	**1.2**	**120.0**

*) 2008 covers the period from October 1 to December 31, 2008.

Brenntag took over the distribution activities of the Rhodia Group in the Asia / Pacific region with effect from September 30, 2008. This acquisition enabled Brenntag to enter the markets of nine countries in a growth region and was the reason for the establishment of the new segment, Asia / Pacific.

External sales totaled € 58.4 million in 2009. Operating gross profit rose to € 14.5 million. The development of operating expenses reflected the start-up costs connected with setting up a regional holding company in Singapore.

The Asia / Pacific segment posted operating EBITDA of € 2.2 million in the reporting period and thus performed in line with our expectations.

<u>All Other Segments</u>

All Other Segments *€ million*	**2009**	**2008**	Change *abs.*	Change *in %*
External sales	210.8	263.0	-52.2	-19.8
Operating gross profit	10.1	8.3	1.8	21.7
Operating expenses	-21.7	-29.9	8.2	-27.4
Operating EBITDA	**-11.6**	**-21.6**	**10.0**	**-46.3**

In addition to various holding companies, All Other Segments contains the international chemicals trading activities of Brenntag International Chemicals as well as our sourcing activities in China.

Operating EBITDA in the reporting period totaled - € 11.6 million, an improvement of € 10.0 million on 2008. We managed to well exceed the previous year's result with our chemicals trading activities, which is a highly volatile business. Cost savings in the holding companies also contributed to the positive development of All Other Segments.

2.2 Development of Free Cash Flow und Return on Net Assets (RONA)

Free Cash Flow *€ million*	**2009**	**2008**	Change *abs.*	Change *in %*
EBITDA (incl. transaction costs)	476.6	480.9	-4.3	-0.9
CAPEX	-71.8	-84.3	12.5	-14.8
Change in working capital	242.0	-53.5	295.5	-552.3
Free cash flow	**646.8**	**343.1**	**303.7**	**88.5**

Free Cash Flow is defined as EBITDA less other additions to property, plant and equipment less other additions to acquired software, licenses and similar rights (CAPEX) plus/less changes in working capital; working capital is defined as trade receivables plus inventories less trade payables.

The Group's free cash flow amounted to € 646.8 million in the reporting period and thus grew by 88.5 % compared with the previous year (€ 343.1 million).

The main reason for this increase is that working capital decreased by € 242.0 million in 2009 whereas in 2008 it rose by € 53.5 million. At the same time we reduced CAPEX by 14.8 %.

Return on Net Assets ***€ million***	**2009**	**2008**		**Change**
			abs.	***in %***
EBITA	394.3	397.6	-3.3	-0.8
Average property, plant and equipment	780.3	797.2	-16.9	-2.1
Average working capital	691.9	833.1	-141.2	-16.9
Return on net assets	**26.8%**	**24.4%**		

RONA means Return on Net Assets and is defined as EBITA divided by the sum of average property, plant and equipment plus average working capital. Average property, plant and equipment is defined for a particular year as the mean average of values for property, plant and equipment at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year. Average working capital is defined for a particular year as the mean average of the values for working capital at each of the following five times: the beginning of the year, the end of each of the first, second and third quarters, and the end of the year.

In 2009, the Group generated RONA of 26.8 %. Compared with the previous year, RONA rose by 2.4 percentage points, mainly as a result of lower average working capital (change: - € 141.2 million or -16.9 %). Low investments, which led to a fall in average property, plant and equipment (change: - € 16.9 million or - 2.1 %), also contributed to the positive development of RONA.

2.3 Financing and Liquidity

Cash Flow ***€ million***	**2009**	**2008**
Cash flow provided by operating activities	***490.3***	***177.1***
Cash used for investing activities	***-76.1***	***-173.2***
(Purchases of financial investments and other financial assets)	(-19.4)	(-103.8)
(Purchases of other investments)	(-67.9)	(-79.7)
(Proceeds from divestments)	(11.2)	(10.3)
Cash used for financing activities	***-113.0***	***-51.3***
Change in cash and cash equivalents	***301.2***	***-47.4***

The cash of the Group provided by operating activities totaled € 490.3 million in the reporting period. The significant increase compared with the previous year is mainly due to the reduction of working capital which freed up cash.

Cash used for investing activities totaled € 76.1 million. The funds were used for the acquisition of subsidiaries to be consolidated and other business units (€ 17.8 million), financial assets (€ 1.6 million) as well as for investments in intangible assets and property, plant and equipment (€ 67.9 million). Of the divestments, € 7.4 million relate to the sale of investments accounted for at equity, € 0.5 million to other financial assets and € 3.3 million to intangible assets and property, plant and equipment.

The cash used for financing activities includes repayments of borrowings (€ 148.5 million), the capital increase of € 40.0 million by the parent of Brenntag Management GmbH, Brachem Acquisition S.C.A., Luxembourg, in 2009 and dividend payments to minority shareholders of subsidiaries (€ 4.5 million).

The most important component in Brenntag's financing structure is Group-wide loan agreements that we have concluded with a consortium of international banks. These syndicated loans entered into effect on January 18, 2006. At December 31, 2009, liabilities under these loans (excluding accrued interest and transaction costs) totaled € 2,138.8 million.

Our financing is largely provided by long-term financing instruments which are broken down into various tranches with different maturity dates. Our plans provide for the capital requirements for operating activities and investments in property, plant and equipment to be covered by the cash provided by operating activities so that no further loans are necessary for the operating business. As part of the syndicated loan, we also have a variable credit line available to provide periodic liquidity.

Some of our subsidiaries are direct borrowers under the syndicated loan. Other subsidiaries obtain their financing from intra-Group loans provided by other Brenntag companies. Two companies in Luxembourg, which are borrowers under the loan agreement, exist specially for this purpose. All major Group companies are liable for the liabilities under the syndicated loan and have pledged substantial parts of their assets as security in favor of the lenders.

Alongside the syndicated loan, an international accounts receivable securitization program is an important component of Group funding. Eleven Brenntag companies in five countries regularly sell trade receivables as part of this program. We had financial liabilities of some € 171.8 million pursuant to this accounts receivable securitization program. Thanks to the flexibility of the agreements, we can raise new funds from this program at short notice when required. Towards the end of 2009, an agreement was reached with the banks involved to extend the maturity date by two years so the program will continue until January 2012. Furthermore, some of our companies make use of credit lines with local banks on a minor scale in consultation with the Group Treasury department.

In addition to the above-mentioned liabilities to banks, the Brenntag Group is financed by a shareholders' loan of € 702.3 million granted by the parent of Brenntag Management GmbH, Brachem Acquisition S.C.A, Luxembourg. In line with the terms of the underlying agreement, current interest on this loan is capitalized.

In our opinion, the credit lines and liquid funds available are adequate to cover the future liquidity needs of our Group, even if requirements should change unexpectedly.

2.4 Investment

In the reporting period, investment in property, plant and equipment and intangible assets (excluding additions from company acquisitions) led to a total cash outflow of € 67.9 million (prior period: € 79.7 million).

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

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

Major investment projects in the reporting period were:

- Facility in Kedzierzyn-Kozle, Poland (€ 1.5 million): To keep pace with growing demand in the Polish market and meet our increasing logistics requirements, we are extending and modernizing our largest site in the region.
- Facility in Amiens, France (€ 5.1 million): It is necessary to expand storage capacities if the specialty chemicals business in France is to grow. The new warehouse in Amiens will replace the current one in Sartrouville and ensure that all important environmental requirements and industrial standards are met.
- Modernization of Loire Bretagne, France (€ 0.6 million): The acids and lyes facilities at the site near Nantes are being modernized. The investment will ensure that the facility meets the latest environmental and safety requirements.
- Facility in Berg, Austria (€ 1.1 million): The plant and equipment at the Berg facility are being modernized. These investments ensure that the strategically important mixing and blending plants operate according to state-of-the-art environmental and safety standards.
- Duisburg facility, Germany (€ 0.8 million): To drive growth in the area of complex mixing and blending, we are investing in new capacities. With this investment we aim to win new customer groups and set ourselves apart from our competitors with an extended product offering.

- Hamburg facility, Germany (€ 0.8 million): Installation of a tank farm to store and distribute high-performance diesel fuel and motor oils. This investment ensures an extended product offering and will strengthen long-term customer relationships.
- Henderson site, Kentucky, USA (€ 1.1 million): The capacities at the existing site in Henderson, Kentucky, are being extended.
- Menomonee Falls site, USA (€ 1.0 million): The capacities of the warehouse and the loading equipment are being extended.
- Warehouse in Queretaro, Mexico (€ 0.4 million): This investment completes a project started in 2007. With the new site, Brenntag Mexico is creating a strong position for itself in this growth region and replacing the previous regional warehouse near Mexico City.
- Asia / Pacific: Investment in IT projects for improving the infrastructure (€ 0.4 million) to provide the basis for sustained growth in the region.

The following acquisitions were made in the reporting period:

- Austro Corp: Brenntag Mexico S.A. de C.V., Mexico City, acquired the distribution business of Austro Corp, S.A. de C.V., Mexico City, in an asset deal. With this acquisition, Brenntag can significantly strengthen its market position in Mexico in the food chemistry segment as well as in the oil and gas business.
- Trend Gıda: Brenntag CEE GmbH, Vienna, acquired Trend Gıda Sanayi ve Ticaret Limited Şirketi, Istanbul, and, in an asset deal, the sales contract with Givaudan from MM Gida ve Kimya Ticaret Kollectif Şirketi. This has strengthened our presence in the Turkish market, particularly in the food chemistry sector.

Furthermore, we acquired the remaining shares in East-Chem, Inc., Mount Pearl, Canada.

2.5 Financial and Assets Position

Financial and Assets Position *€ million*	**Dec. 31, 2009** *abs.*	*in %*	**Dec. 31, 2008** *abs.*	*in %*
Assets				
Current assets	***1,966.3***	***42.3***	***1,980.5***	***41.3***
Cash and cash equivalents	602.6	12.9	298.7	6.2
Trade receivables	831.4	17.9	979.1	20.4
Other receivables and assets	110.0	2.4	155.5	3.3
Inventories	422.3	9.1	547.2	11.4
Non-current assets	***2,687.5***	***57.7***	***2,812.1***	***58.7***
Fixed assets	2,588.6	55.6	2,726.9	56.9
Receivables and other assets	98.9	2.1	85.2	1.8
Total assets	***4,653.8***	***100.0***	***4,792.6***	***100.0***
Liabilities and Equity				
Current liabilities	***1,084.7***	***23.3***	***1,183.8***	***24.7***
Borrowings	1,084.7	23.3	1.183.8	24.7
Provisions	56.1	1.2	55.5	1.2
Trade payables	655.6	14.1	694.5	14.5
Other liabilities	373.0	8.0	433.8	9.0
Non-current liabilities	***3,569.1***	***76.7***	***3,608.8***	***75.3***
Equity	172.3	3.7	128.3	2.7
Borrowings	3,396.8	73.0	3,480.5	72.6
Provisions	193.9	4.2	196.0	4.1
Liabilities	3,202.9	68.8	3,284.5	68.5
Total liabilities and equity	***4,653.8***	***100.0***	***4,792.6***	***100.0***

As of December 31, 2009, total assets had decreased to € 4,653.8 million (prior period: € 4,792.6 million).

The trade receivables of the Brenntag Group had dropped at the end of 2009 by 15.1 % to € 831.4 million (prior period: € 979.1 million). On the one hand, the decrease reflects the falling sales revenue as a result of lower prices and volumes. However, it is also due to systematic receivables management and the resultant shorter maturities of receivables.

The other current receivables and assets decreased by 29.3 % to € 110.0 million in 2009 (prior period: € 155.5 million). This development is due to lower fair values of financial instruments and the receipt of income tax refunds.

The inventories of the Brenntag Group fell by 22.8 % to € 422.3 million in the 2009 reporting period (prior period: € 547.2 million). This was mainly due to lower average purchase prices. However, thanks to improved warehouse logistics we also managed to increase our inventory turnover rate.

The total assets of the Brenntag Group fell by 5.1 % or € 138.3 million to € 2,588.6 million (prior period: € 2,726.9 million). The decrease was mainly a result of the amortization of customer relationships, the sale of Staub & Co. Chemiehandelsgesellschaft mbH previously accounted for at equity and a more restrained investment policy than in the previous year.

The other non-current receivables and assets rose by 16.1 % to € 98.9 million (prior period: € 85.2 million) in 2009. This development is mainly due to the increase in deferred tax assets of € 12.0 million.

In 2009, trade payables decreased by 5.6 % to € 655.6 million (prior period: € 694.5 million) since purchase prices fell while credit terms remained unchanged.

Other current liabilities fell by 14.0 % to € 373.0 million in 2009 (prior period: € 433.8 million). This decrease is a result of lower accrued interest in connection with loans.

The non-current liabilities decreased by 2.5 % to € 3,202.9 million in 2009 (prior period: € 3,284.5 million). This decrease resulted from the repayment of loans under the Senior Facility Agreement, the repayment of other bank loans as well as exchange rate effects.

There were no significant changes in current and non-current provisions which totaled € 250.0 million at the end of 2009 (prior period: € 251.5 million). This figure includes pension provisions of € 54.4 million (prior period: € 53.9 million).

At the end of 2009, the equity of the Brenntag Group totaled € 172.3 million (prior period: € 128.3 million). The increase in equity is mainly due to the injection of € 40.0 million into additional paid-in capital by the shareholder Brachem Acquisition S.C.A., Luxembourg. Furthermore, positive exchange rate effects of € 7.4 million also contributed to the increase in equity.

3 Non-financial Performance Indicators

3.1 Employees

As of December 31, 2009, Brenntag had 10,876 employees worldwide. The number of employees is determined on the basis of full-time equivalents, i.e. part-time jobs are weighted according to the number of hours worked.

The number of employees fell by about 607 or 5.3 % compared with the previous year, above all due to the economic downturn.

Full Time Equivalents (FTE)	Dec. 31, 2009		Dec. 31, 2008	
	abs.	*in %*	*abs.*	*in %*
Europe	6,050	55.6	6,407	55.8
North America	3,321	30.6	3,576	31.2
Latin America	1,199	11.0	1,217	10.6
Asia / Pacific	182	1.7	163	1.4
All Other Segments	124	1.1	120	1.0
Brenntag Group	**10,876**	**100.0**	**11,483**	**100.0**

The following table shows the number of employees per segment and area of work:

Full Time Equivalents (FTE)	Europe	North America	Latin America	Asia / Pacific	All Other Segments	Dec. 31, 2009	
						abs.	*in %*
Sales	2,158	1,150	432	99	12	3,851	35,4
Distribution	828	762	36	1	-	1,627	15,0
Warehouses	1,815	1,102	404	8	-	3,329	30,6
Administration	1,249	307	327	74	112	2,069	19,0
Brenntag Group	**6,050**	**3,321**	**1,199**	**182**	**124**	**10,876**	**100,0**

Personnel expenses including social insurance contributions totaled € 590.3 million as against € 582.9 million in 2008.

As an attractive employer, Brenntag attaches great importance to staff motivation and providing our staff and managers with opportunities to improve their qualifications and take part in further training programs. Our staff’s high level of competence and dedication are the key to global success, enabling us to optimally satisfy our suppliers' and customers' requirements.

Brenntag was training 82 young people throughout Germany as wholesale and foreign trade clerks or warehouse logistics clerks at the reporting date. In addition, the company offers an induction program for university graduates. The decentralized national organizations offer various programs for professional and personal training and qualification at local level. International acquisitions, working together in multinational teams, the cultural diversity of the Group and cross-border careers place special requirements on international personnel development. Therefore, the Brenntag competence model was introduced, which examines entrepreneurial skills, customer and market-oriented competencies and cultural competencies.

The Brenntag Potential Assessment or “BPA” is based on this competence model. The aim of the BPA is to identify potential leaders worldwide and it is updated every two to three years.

Brenntag offers coordinated development measures for this defined target group to raise professional and personal qualifications steadily throughout the Group. In cooperation with Ashridge Management College, we developed the Leadership Program and the Growing Leaders Program.

The Brenntag Leadership Program is specially designed for managers and up-and-coming managers worldwide. In the last ten years, over 100 participants from all regions have attended this program. The participants are also given additional support with flanking coaching measures either individually or in the group.

The Growing Leaders Program is for young junior managers in Europe. Since its launch in 2006, some 30 people have taken part in this program, which focuses on general management. The program deepens and in particular reinforces the networking of our European up-and-coming and current managers.

3.2 Health, Safety and Environmental Protection, Quality Management

Health, safety, environmental protection and the long-term conservation of natural resources are of key importance to Brenntag. If the safety of processes cannot be guaranteed, they are not performed. This is the basis of our global HSE strategy (HSE: health, safety and environment).

Brenntag's HSE Strategy

Safety policy

The health of our workers and the safety of our sites are an absolute priority for Brenntag. We continuously reduce the risk of accidents by optimizing work processes and increasing plant safety.

Product stewardship policy

Brenntag ensures the proper handling of our products while they are under the Group's stewardship. This includes procurement, packaging, classification and labeling, handling and storage, possible disposal as well as product dossiers and safety instructions.

Environmental policy

Brenntag takes appropriate measures to minimize environmental impacts to the soil, water and air.

Compliance policy

In the Brenntag Group, we comply with all health, safety and environmental legal requirements, including import and export regulations and marketing and use restrictions for chemicals in all our operations and sales organizations.

Quality policy

Brenntag ensures the quality of our products and services by implementing ISO 9001 quality management systems at national level.

Brenntag takes part in the Responsible Care / Responsible Distribution (RC/RD) Program of the organization of the International Council of Chemical Trade Associations (ICCTA). We are therefore committed to the implementation and observance of the eight guidelines laid down in the global program covering the following areas:

- Legal requirements
- Management of risk
- Policies and documentation
- Provision of information
- Training
- Emergency response
- Ongoing improvements
- Community interaction

The implementation of the contents of the RC/RD program in the Group is reviewed by independent experts applying the relevant regional assessment systems; in Europe: European Single Assessment Document (ESAD); in North America: Site Class Verification (SCV); in Latin America: Calidad, Seguridad, Salud y Medio Ambiente (CASA). By this means, environmental performance and safe handling of chemicals are reviewed and documented by independent experts.

Uniform procedures for the safe handling of chemicals are established by regional HSE coordinators and HSE teams. These procedures are recorded and documented in regionally applicable HSE manuals down to the level of the individual warehouse sites.

Accidents at work and similar occurrences are recorded and evaluated centrally according to a standardized system. Key lessons learned are communicated throughout the entire organization and included in the aforementioned HSE manuals. Brenntag reduced the number of notifiable industrial accidents[1] within the Group from 144 in 2008 to 135 in 2009. This led to a reduction in the Lost Time Injury Rate (3 days/1 million)[2] from 6.4 in 2008 to 6.1 in 2009.

1 Industrial accidents resulting in more than 3 days absence from work.
2 LTIR (**L**ost **T**ime **I**njury **R**ate) – number of industrial accidents resulting in at least three days absence from work per one million working hours.

In addition to the regular external and internal reviews, audits by experienced external consultants are instruments to identify potential for improvements. For example, in 2007 and 2008 a safety assessment focusing on fire and explosion protection was conducted by external explosion protection experts at 136 Brenntag sites for flammable liquids. These measures led and are still leading to a number of suggestions for improvement which are being continually processed by the regional HSE teams.

In recent years, Brenntag conducted a survey together with an independent environmental expert in which the environmental risks including historical data which allow conclusions to be drawn about possible contamination were examined, evaluated at each site and collated in an environmental database. This environmental database serves as a basis for determining environmental provisions and is an instrument for organizing necessary environmental remediation work.

Data that are necessary for the safe handling of our products during storage, transport and within the delivery chain are stored in central databases at Brenntag. In the USA, the database is the Brenntag Uniform System (BUS) and in Europe the SAP/R3 module, Environment, Health and Safety (EH&S). The data are thus available to most of the Group and ever more national organizations are being connected. This applies to the safety regulations for the chemicals in the Brenntag portfolio. Furthermore, with the EH&S module it is possible to implement all amendments to European laws simultaneously in all countries and make them accessible to the staff. SAP EH&S is therefore an important prerequisite for systematic chemicals management.

The basis for quality management within the Brenntag Group is the internationally applicable ISO 9001 standard. As at December 31, 2009, 71% of our operating sites had introduced quality management systems certified according to this standard. Furthermore, 65 sites are certified according to the international standard ISO 14001 for environmental management systems.

REACH – the chemicals regulation of the European Union – has formed the legal framework for handling chemicals to protect the environment and human health since it came into force on June 1, 2007. The registration of all chemical substances as a basis for REACH will span a period of eleven years. With its international REACH Implementation Team, consisting of a European network of experienced HSE experts and a large number of REACH-trained staff as well as with the support of the management, Brenntag is well equipped to handle all REACH tasks.

4 Subsequent Events

On February 17, 2010, the Brenntag Group signed an amendment agreement with the syndicated loan lenders which enables the Brenntag Group to retain the existing syndicated loan, also in the event of a possible IPO. In addition to amendments designed to enable an IPO with a market-adequate financing structure, there are a large number of changes which give the Group greater flexibility under the syndicated loan for the time after any IPO. Most changes are subject to the condition that an IPO actually takes place, in which the Mezzanine liabilities are repaid in full and certain leverage covenants are met. In this case, the margins on the variable-interest tranches of the syndicated loan then still outstanding would increase. The transaction costs incurred as a result of the amendment agreement will be recorded in full in 2010 under finance costs.

5 Risk Report

Our business policy is geared to steadily improving the efficiency and earning power of our Group. The Brenntag Group and its companies operating in the field of chemicals distribution and related areas are confronted with a large number of risks which may arise from their business activities. At the same time, these business activities do not only lead to risks but also to many opportunities to safeguard and enhance the company’s competitiveness.

5.1 Risk Management System

The risk management system of the Brenntag Group is an integral part of the planning, control and reporting processes of all operational and legal units as well as the central functions. To identify, monitor and limit risks at an early stage, our risk management system consists of risk reporting (an early detection system), controlling and an internal monitoring system as well as individual measures to limit known risks and identify any additional risks at an early stage.

Risk reporting (early detection system)

We continue to identify and analyze risks in the Group companies and are continually improving internal workflows throughout the Group and the computer systems used.

The risk stock-takes performed every six months are an important instrument for global risk management. In addition, all units have been instructed to report any significant risks suddenly occurring to the head office of the Group. Each risk stock-take is performed both centrally and decentrally and gathers both quantitative data and qualitative information on existing and possible risks. The risks are recorded at the place where the risks exist or staff with the relevant qualifications to handle the risks work. Any risks which are identified are assessed with regard to their probability of occurrence and the potential damage. If a risk can be reliably counteracted by effective action, only the residual risk after any counter measures initiated is described (net risk). The individual risks reported are then consolidated for the Group and presented to the decision-makers. Special attention is paid to risks which are identified as critical due to the combination of probability of occurrence and amount of loss.

Controlling

Our central and decentralized controlling departments immediately process the information gained from the monthly and quarterly reports and can thus identify and communicate risks and opportunities. In addition, the decentralized departments regularly give a qualitative assessment of the company's situation and the market in quarterly reports. The Group reporting and monitoring system thus ensures that the decision-makers are provided with the latest and above all correct information.

Internal monitoring system

Another important part of risk management in the Brenntag Group is the internal monitoring system which consists of the internal control system and the internal audit department.

The internal control system comprises all central and decentralized policies and regulations which the Board of Management and the regional and local managements lay down with the aim of ensuring

- the effectiveness and efficiency of the workflows and processes,
- the correctness and reliability of internal and external financial reporting as well as
- the Group-wide observance of applicable laws and regulations.

The internal control system with regard to the Group accounting process is ensured by an IFRS accounting manual applicable throughout the Group and by the use of a uniform, standardized reporting and consolidation software containing comprehensive testing and validation routines. The auditors check in quarterly reviews of selected companies that the regulations laid down in the accounting manual have been observed. The security and proper functioning of the software used is confirmed by the auditors in the annual audits.

Both the efficiency of the workflows and processes and the effectiveness of the internal control systems set up in the decentralized units as well as the reliability of the systems used are regularly examined by the internal audit department. The results of these audits are reported immediately. Thus, we ensure that the Management is kept continuously informed of any weaknesses and any resulting risks.

5.2 Opportunities and Risks

Projects are regularly initiated in all areas to maintain and strengthen the Group's earning power. In addition to cost optimization, these projects focus on exploiting sales opportunities.
To limit or entirely eliminate possible financial consequences of any risks which may occur, we have taken out insurances to cover damage and liability risks.

In the following we have listed risks and opportunities which could influence the operational performance and financial and earnings situation of the Brenntag Group. Furthermore, risks not identified so far which may have a negative impact on our company may arise from unforeseen economic and political developments.

- Market risks and opportunities: Economic downturns, including the current global financial and economic crisis, may have a negative impact on our sales and operating gross profit in our main sales markets in Europe, North America and Latin America. The fact that we mainly operate in stable market economies and the high geographic diversification of our business mean that these risks are considerably reduced. Furthermore, since our customers come from many different branches and industries, the risks are spread.
-

  In all our main sales markets, we face fierce competition from rival companies. Therefore, we are continually working to improve the quality and price of our products and services. Furthermore, we see our size in relation to many smaller competitors as a decisive advantage.

  The handling of and trading in chemicals are governed by a large number of regulations and laws. Changes to this regulatory framework (e.g. restrictions or new requirements) may lead to lower sales or involve higher costs to satisfy these regulations. However, we also see ourselves in a better position here than smaller competitors thanks to our size and the central systems we have in place.

  As far as the sales markets are concerned, we see great opportunities for the Brenntag Group in the conclusion of sales partnership agreements for new products or product categories. The high density of our distribution network and the professional organization at all levels of the Brenntag Group should be interesting for potential partners.

  As part of the antitrust investigations in some parts of the chemicals distribution industry initiated in some European countries at the end of 2006, branches of some chemical distributors including Brenntag were searched in 2007. So far, these investigations appear to have had no impact on the market conditions in the markets affected, but this cannot be entirely excluded. However, no material adverse effect on the Brenntag Group is expected.

- Financial risks and opportunities: Our business is exposed to exchange rate, interest rate, credit and price risks.

  Due to the fact that we operate in countries with different currencies, changes in exchange rates may have positive or negative effects on the results of the Group. Any change in the euro/US dollar exchange rate has a considerable impact as a major part of our business is conducted in the US dollar area. We systematically monitor exchange rate risks on the basis of a Group-wide financial policy which lays down the basic strategy, threshold values and hedging instruments to be used.

  We limit credit risks for our cash investments by only doing business with banks and business partners with credit ratings we consider to be good. Payments are also handled through such banks. Risks of uncollectible receivables are reduced by continually monitoring the customers' credit rating and payment behavior and setting appropriate credit limits. In addition, risks are limited by taking out credit insurances.

  Brenntag's financing structure is based on high external borrowings. However, the loan agreements we have concluded cover these requirements in the long term. Like comparable loan agreements, our syndicated loan contains a number of customary affirmative and negative covenants for the following financial metrics:

  - total leverage ratio: net debt to EBITDA
  - senior leverage ratio: senior net debt to EBITDA
  - interest coverage ratio: EBITDA to interest cost
  - investments

  The different metrics are determined in accordance with the definitions in the loan agreements and are not the same as the corresponding terms used in the financial statements. These covenants have, in our opinion, been drawn up in such a manner that there would have to be a very unusual development of business for Brenntag not to be able to meet them. The observance of the covenants is regularly checked and confirmed to the lenders every quarter. Furthermore, scenario calculations are made in order to be able to take suitable action at an early stage if necessary. In the event of the Brenntag Group's sustained breach of the covenants, the facility agent appointed by the lenders may foreclose the loans if he feels this move necessary to safeguard the lenders' interests.

We hedge some of the risks by using derivative instruments, such as foreign exchange forwards, interest rate and currency swaps or combined instruments. Financial risks are mainly hedged by the Treasury department at the head office of the Group. If individual companies hedge operational risks themselves, this is done in consultation with and under the supervision of Group headquarters. This permits a balancing of risks throughout the Group.

- Environmental and safety risks: Handling chemicals gives rise to risks which we counter by maintaining a high standard of safety precautions at our warehouses and filling stations and, where necessary, improving them. Environmental and safety risks are monitored on the basis of a uniform environmental and safety strategy as well as through Group-wide standards set in regional manuals (health, safety and environmental protection). Furthermore, we regularly inform our employees and customers about how to handle chemicals safely and about emergency procedures in the event of accidents.

- IT risks: IT risks arise from the increasing networking of our, in some cases, complex systems. This can lead to networks failing and data being falsified or destroyed due to operating and program errors or external influences. We counteract these risks by continually investing in hardware and software as well as by using virus scanners, firewall systems and access and authorization checks. These measures are monitored using Group-wide IT security standards.

- Personnel risks: Personnel risks mainly result from the turnover of staff in key positions. Brenntag limits these risks by intensive further training and junior management programs to further improve our employees' qualifications as well as performance-based compensation with success-based incentive systems, substitute regulations and early succession planning. Moreover, we offer career opportunities in Germany and abroad.

- Acquisition risks: In the Brenntag Group, every decision to buy is linked to high requirements on the ROI of the particular investment. The company valuations which include the due diligence results are of central importance in acquisitions. The acquisition of companies always involves risks surrounding the integration of employees and processes. We strive to limit these risks by conducting opportunity and risk analyses at an early stage in the approval process, if necessary with the support of external consultants.

- Pension risks: The Brenntag Group has not insignificant pension obligations. Part of these obligations result from defined benefit plans. We believe that we have made sufficient provision for the risks from future pension obligations. Brenntag could be forced to increase our provisions if the assets with which part of the pension obligations is secured lose value.

- Legal risks: Legal risks result in particular from labor and civil law proceedings. Provisions are established for ongoing legal disputes on the basis of the estimated risk and, if necessary, with the help of external consultants.

6 Forecast Report

There is still considerable uncertainty in the forecasts on the future development of the global economy. We currently believe that the global economy will recover slightly in 2010 and expect moderate growth of sales and EBITDA. On the cost side, we want to profit from the fact that the cost-efficiency measures initiated in 2009 will develop their full impact.

Against this backdrop, we are expecting sales in the Europe segment to recover. The intense competition could, however, lead to slight pressure on margins. We are expecting to further benefit from our cost-cutting measures.

Since the general economic environment has stabilized, we are also expecting tonnages to recover, leading to a positive effect on the operating gross profit in the North America segment. Furthermore we assume that there will be a moderate development of operating costs.

In the Latin America segment, we are expecting tonnages and sales to rise in the coming years due to the improved overall economic environment and the extension of the product range, which should be reflected in rising profits. It remains to be seen what effect the devaluation of the currency in Venezuela announced at the beginning of January 2010 will have on the development of business.

We are expecting the growth region, Asia / Pacific to develop above the Group average.

Given the likely increase in business volume, we are also expecting a moderate rise in working capital and investments in property, plant and equipment. We believe that the trend towards sharply falling prices seen in 2009 will only partly reverse. Furthermore, the careful management of our customer and supplier relationships as well as our efforts to optimize warehouse logistics will limit the rise in working capital. The latter is also expected to lead to investments in property, plant and equipment being slightly below the level of depreciation.

We will further strive to proactively take over distribution activities from suppliers and achieve complete geographical coverage, also by acquisitions. The growth markets of Latin America and Asia are particularly interesting to us. We expect the ongoing concentration process in the market to continue as large distributors such as Brenntag with a global presence and a comprehensive product portfolio offer increasing advantages for suppliers and customers alike.

Therefore, we will also continue to round off our product portfolio to suit the demands of the regional markets and focus on access to new products and markets as well as growth segments. This includes the attractive customer industries of water chemistry and treatment, personal care products and cosmetics, nutrition as well as the fields of adhesives, coatings, paints and elastomers.

We are also aiming to expand business with pan-regional key accounts, especially in Europe and North America, who benefit particularly from our broad geographical presence and our comprehensive product portfolio. Improving cost efficiency is also a point of constant focus. Here we are currently concentrating particularly on our warehouse and transportation logistics.

Overall, we believe that the market for chemicals distribution will grow, also in the long term. On the one hand, momentum from the growth of industrial output will have a positive effect and, on the other hand, the trend towards chemical producers' outsourcing their distribution activities to specialized distributors will continue. Our broad market presence, both with regard to customer industries and regions, will enable us to participate to a reasonable extent in this trend in the next few years. If the consolidation process among chemical distributors continues, we may even be able to reap an above-average benefit from this trend.

Brenntag Management GmbH

List of Group´s subsidiaries and equity interest according § 313 Abs. 2 HGB as of 31. December 2009

No.	Company	Seat	held directly % *	held indirectly % *	effective net holding % *	via No.
1	Brenntag Management GmbH	Mülheim				
	Consolidated subsidiaries					
	Algeria					
2	Alliance Chimie Algerie SPA	Algiers		100,00	51,00	58
	Argentina					
3	Brenntag Argentina S.A.	Buenos Aires		90,00	100,00	111
				10,00		117
4	HCI Chemcentral SA de Argentina	Buenos Aires		2,00	100,00	111
				98,00		174
	Australia					
5	Brenntag Australia Pty. Ltd.	Sydney		100,00	100,00	144
6	Brenntag Pty. Ltd.	Melbourne		100,00	100,00	5
	Belgium					
7	BRENNTAG N.V.	Deerlijk		99,99	100,00	63
				0,01		45
8	European Polymers and Chemicals Distribution BVBA	Kortrijk		74,00	74,00	125
	Bermuda					
9	HCI Chemicals (FSC) Ltd.	Hamilton		0,10	100,00	162
				99,80		167
				0,10		174
10	HCI Ltd.	Hamilton		100,00	100,00	11
11	Pelican Chemical Traders Ltd.	Hamilton		100,00	100,00	19
12	Viking Traders Ltd.	Hamilton		100,00	100,00	11
	Bolivia					
13	Brenntag Bolivia S.R.L.	Santa Cruz		90,00	100,00	111
				10,00		112
	Brazil					
14	Brenntag Quimica Brasil Ltda.	Guarulhos, Sao Paulo		100,00	100,00	111
	Bulgaria					
15	BRENNTAG Bulgaria EOOD	Sofia		100,00	100,00	111
	Chile					
16	Brenntag Chile Comercial e Industrial Ltda.	Santiago		95,00	100,00	111
				5,00		112
	China					
17	Brenntag (Shanghai) Chemical Trading Co., Limited	Shanghai		100,00	100,00	111
	Costa Rica					
18	Quimicos Holanda Costa Rica S.A.	San Jose		100,00	100,00	111
	Curacao (Dutch Antilles)					
19	HCI (Curacao) N.V.	Curacao		100,00	100,00	111
20	HCI Shipping N.V.	Curacao		100,00	100,00	19
	Denmark					
21	Brenntag Nordic A/S	Hellerup		100,00	100,00	111
22	Aktieselskabet af 1. Januar 1987	Niva		100,00	100,00	21

No.	Company	Seat	held directly % *	held indirectly % *	effective net holding % *	via No.
Germany						
23	Brenntag Germany Holding GmbH	Mülheim		100,00	100,00	45
24	Biesterfeld, Graen GmbH & Co. KG	Munich		100,00	96,75	27
25	CVH Chemie-Vertrieb GmbH & Co. Hannover KG	Hannover		51,00	51,00	23
26	BBG Berlin-Brandenburger Lager- u. Distributionsgesellschaft	Dahlwitz-Hoppegarten		50,00	98,38	27
				50,00		23
27	Biesterfeld Chemiedistribution GmbH	Hamburg		96,75	96,75	23
28	CLG Lagerhaus GmbH & Co. KG	Bremen		100,00	100,00	23
29	CVB Albert Carl GmbH & Co. KG	Berlin		100,00	51,00	25
30	CVM Chemie-Vertrieb Magdeburg GmbH & Co. KG	Schönebeck		100,00	51,00	25
31	Biesterfeld, Graen Verwaltungs GmbH	Munich		100,00	96,75	27
32	CLG Lagerhaus GmbH	Duisburg		100,00	100,00	23
33	CVP Chemie-Vertrieb Berlin GmbH	Berlin		100,00	51,00	25
34	Chemische Industrielle Gesellschaft mit beschränkter Haftung	Frankfurt am Main		100,00	96,75	27
35	CVH Chemie-Vertrieb Verwaltungsgesellschaft mbH	Hannover		51,00	51,00	23
36	Blitz 03-1161 GmbH	Mülheim		100,00	100,00	39
37	Blitz 03-1162 GmbH	Mülheim		100,00	100,00	41
38	Blitz 03-1163 GmbH	Mülheim		100,00	100,00	42
39	Brenntag Foreign Holding GmbH	Mülheim		100,00	100,00	45
40	ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt	Düsseldorf		94,00	94,00	23
41	CM Komplementär 03-018 GmbH & Co. KG	Mülheim		100,00	100,00	39
42	CM Komplementär 03-019 GmbH & Co. KG	Mülheim		100,00	100,00	41
43	CM Komplementär 03-020 GmbH & Co. KG	Mülheim		100,00	100,00	42
44	Baumeier GmbH	Berlin		33,34	82,59	47
				33,33		27
				33,33		25
45	Brenntag Beteiligungs GmbH	Mülheim		100,00	100,00	49
46	Brenntag Finanz-Service GmbH	Mülheim		0,00	0,00	89
47	BRENNTAG GmbH	Duisburg		100,00	100,00	23
48	BRENNTAG International Chemicals GmbH	Mülheim/Ruhr		100,00	100,00	23
49	Brenntag Holding GmbH	Mülheim	100,00		100,00	1
50	Brenntag Real Estate GmbH	Mülheim		100,00	100,00	45
51	Herkommer & Bangerter Vertriebs GmbH	Neuenburg am Rhein		100,00	100,00	47
Dominican Republic						
52	Brenntag Caribe S.A.	Santo Domingo		100,00	100,00	111
53	HCI Chemcentral Dominica Republic S.A.	Santo Domingo		99,80	100,00	111
				0,10		19
				0,10		20
Ecuador						
54	Brenntag Ecuador S.A.	Guayaquil		100,00	100,00	111
El Salvador						
55	Brenntag El Salvador S.A. de C.V.	San Salvador		100,00	100,00	111
Finland						
56	BRENNTAG Nordic OY	Kaunianen		100,00	100,00	111
France						
57	BRENNTAG S.A.	Chassieu		100,00	100,00	63
58	Brenntag Maghreb SAS	Vitrolles		51,00	51,00	62
59	Societe commerciale Tardy et Cie. S.a.r.l.	Vitrolles		51,22	51,22	62
60	Brenntag Investissement SAS	Chassieu		100,00	100,00	63
61	Brachem France Holding SAS	Chassieu		100,00	100,00	49
62	Brenntag Export S.A.R.L.	Vitrolles		100,00	100,00	57
63	Brenntag France Holding SAS	Chassieu		100,00	100,00	61
64	Brenntag France SAS	Paris		0,00	0,00	89
65	M.B.M. SAS	Chassieu		100,00	100,00	63
Greece						
66	Brenntag Hellas Chimika Monoprosopi EPE	Agia Paraskevi Attika		100,00	100,00	124
United Kingdom						
67	Woodland 4 Limited	Leeds		100,00	100,00	39
68	Albion Colours Ltd.	Leeds		100,00	100,00	79
69	Albion Distillation Service Ltd.	Leeds		100,00	100,00	79
70	Brenntag Inorganic Chemicals Ltd.	Leeds		100,00	100,00	72
71	Brenntag Inorganic Chemicals (Thetford) Ltd.	Leeds		100,00	100,00	79
72	Brenntag UK and Ireland Limited	Leeds		100,00	100,00	80
73	Brenntag UK Group Limited	Leeds		100,00	100,00	75
74	Brenntag UK Limited	Leeds		100,00	100,00	79
75	Brenntag UK Holding Ltd.	Leeds		100,00	100,00	60
76	Murgatroyd`s Salt & Chemical Company Ltd.	Leeds		100,00	100,00	70
77	Water Treatment Solution Ltd.	Leeds		100,00	100,00	70
78	Woodland 1 Ltd.	Leeds		100,00	100,00	73
79	Woodland 2 Ltd.	Leeds		100,00	100,00	72
80	Woodland 3 Ltd.	Leeds		100,00	100,00	73
Guatemala						
81	Brenntag Guatemala S.A.	Guatemala City		100,00	100,00	111

No.	Company	Seat	held directly % *	held indirectly % *	effective net holding % *	via No.
Honduras						
82	Inversiones Quimicas S.A.	San Pedro Sula		99,91	100,00	111
				0,09		19
83	Compania Hondurena de Terminales S.A.	Puerto Cortez		96,00	100,00	111
				4,00		19
Hong Kong						
84	Brenntag Hong Kong Limited	Wanchai		99,96	100,00	111
				0,04		117
India						
85	Brenntag India Private Ltd.	Mumbai		100,00	100,00	111
Indonesia						
86	PT Brenntag Indonesia	Jakarta Selatan		99,00	100,00	111
				1,00		112
87	PT Dharmala HCI i.L.	Jakarta		91,14	91,14	111
Ireland						
88	Brenntag Chemical Distribution (Irland) Ltd.	Dublin		100,00	100,00	79
89	Brenntag Funding Limited	Dublin		0,00	0,00	
Italy						
90	BRENNTAG HOLDING S.p.A.	Milan		100,00	100,00	111
91	BRENNTAG S.p.A.	Milan		100,00	100,00	90
92	Romana Chimici S.p.A.	Anagni		80,00	100,00	91
				20,00		90
93	Brenntag Italia S.r.l.	Milan		0,00	0,00	89
94	Natural World S.r.l.	Lugo		100,00	100,00	91
Canada						
95	BRENNTAG Canada, Inc.	Etobicoke		100,00	100,00	115
Columbia						
96	Brenntag Colombia S.A.	Bogota		92,00	100,00	111
				5,06		112
				0,57		19
				1,23		20
				1,14		117
97	Canytam Limited	Bogota		100,00	100,00	96
98	HCI Chemcentral de Colombia, E.U.	Bogota		100,00	100,00	174
Croatia						
99	BRENNTAG Hrvatska d.o.o.	Zagreb		100,00	100,00	124
Latvia						
100	S I A BRENNTAG LATVIA	Riga		100,00	74,00	131
101	Dipol Baltija SIA	Riga		100,00	100,00	175
Lithuania						
102	UAB Brenntag Lietuva	Klaipeda		100,00	74,00	131
Luxembourg						
103	Brenntag FinanceCo I, S.a.r.L.	Munsbach		100,00	100,00	49
104	Brenntag FinanceCo II, S.a.r.L.	Munsbach		100,00	100,00	49
Malaysia						
105	Brenntag Malaysia Sdn Bhd	Kuala Lumpur		100,00	100,00	111
Morocco						
106	Brenntag Maroc, S.A.R.L.	Casablanca		100,00	100,00	149
107	Alcochim Maroc S.A.R.L.	Casablanca		100,00	51,00	58
Mexico						
108	Brenntag Mexico S.A. de C.V.	Mexico City		99,99	100,00	111
				0,01		19
109	BRENNTAG Pacific S. DE R.L. DE C.V.	Tijuana		1,00	100,00	171
				99,00		172
Nicaragua						
110	Brenntag Nicaragua, S.A.	Managua		100,00	100,00	111

No.	Company	Seat	held directly % *	held indirectly % *	effective net holding % *	via No.
Netherlands						
111	BRENNTAG (Holding) B.V.	Amsterdam		26,00	100,00	39
				74,00		120
112	H.C.I Chemicals Nederland B.V.	Amsterdam		100,00	100,00	111
113	BRENNTAG NEDERLAND B.V.	Dordrecht		100,00	100,00	111
114	HCI USA Holdings B.V.	Amsterdam		100,00	100,00	118
115	Holland Chemical International B.V.	Amsterdam		100,00	100,00	111
116	Chemproha Chemiepartner B.V.	Dordrecht		100,00	100,00	113
117	HCI Central Europe Holding B.V.	Amsterdam		100,00	100,00	111
118	Brenntag Coöperatief U.A.	Amsterdam		99,00	100,00	171
				1,00		170
119	Brenntag Dutch C.V.	Amsterdam		99,90	100,00	111
				0,10		112
120	Brenntag HoldCo B.V.	Dordrecht		100,00	100,00	49
121	Brenntag Vastgoed B.V.	Dordrecht		100,00	100,00	113
122	C.N. Schmidt B.V.	Amsterdam		100,00	100,00	113
Norway						
123	BRENNTAG Nordic AS	Oslo		100,00	100,00	142
Austria						
124	Brenntag CEE GmbH	Vienna		99,90	100,00	127
				0,10		45
125	JLC-Chemie Handels GmbH	Wiener Neustadt		100,00	100,00	124
126	Provida GmbH	Vienna		100,00	100,00	124
127	Brenntag Austria Holding GmbH	Vienna		100,00	100,00	7
Panama						
128	BRENNTAG PANAMA S.A.	Panama City		100,00	100,00	19
Peru						
129	Brenntag Peru SAC	Lima		100,00	100,00	111
Philippines						
130	Brenntag Philippines Inc	Taguig		100,00	100,00	111
Poland						
131	BRENNTAG Polska sp.zo.o.	Kedzierzyn Kozle		35,00	74,00	7
				39,00		124
132	Eurochem Service Polska sp. zo.o.	Warsaw		100,00	74,00	131
133	Forchem sp.zo.o	Warsaw		100,00	74,00	8
134	PHU Elmar Sp.zo.o.	Dabrowa		100,00	74,00	131
Portugal						
135	BRENNTAG PORTUGAL-PRODUTOS QUIMICOS Lda.	Sintra		73,67	100,00	39
				25,88		45
				0,45		23
Puerto Rico						
136	Brenntag Puerto Rico, Inc.	Caguas		100,00	100,00	111
Romania						
137	S.C. Brenntag s.r.l.	Bucharest		100,00	100,00	117
Russia						
138	OOO BRENNTAG	Moscow		100,00	100,00	124
139	Tride Rus	Saint Petersburg		100,00	100,00	159
Sweden						
140	Brenntag Nordic AB	Malmö		100,00	100,00	141
141	Brenntag Nordic Investment AB	Gothenburg		100,00	100,00	142
142	Brenntag Nordic Holding AB	Gothenburg		100,00	100,00	111
Switzerland						
143	Brenntag Schweizerhall AG	Reinach		100,00	100,00	63
Singapore						
144	Brenntag Asia Pacific Pte. Ltd.	Singapore		100,00	100,00	111
145	Brenntag Singapore PTE. LTD.	Singapore		100,00	100,00	111
Slovakia						
146	BRENNTAG SLOVAKIA s.r.o.	Bratislava		100,00	100,00	124
Slovenia						
147	Brenntag Ljubljana d.o.o.	Trzin		100,00	100,00	124

No.	Company	Seat	held directly % *	held indirectly % *	effective net holding % *	via No.
Spain						
148	Devon Chemicals S.A.	Barcelona		100,00	100,00	111
149	BRENNTAG Quimica S.A.	Dos Hermanas		100,00	100,00	63
150	BRENNTAG QUIMICA Finance, S.L.U.	Sevilla		0,00	0,00	89
151	ESPECIALIDADES PUMA, S.A.	Sant Andreu de la Barca (Barcelona)		100,00	100,00	149
Taiwan						
152	BRENNTAG (Taiwan) Co. Ltd.	Taipei		100,00	100,00	111
153	Brenntag Chemicals Co., Ltd.	Taipei		100,00	100,00	111
Thailand						
154	Brenntag (Thailand) Co. Ltd.	Bangkok		0,00	100,00	144
				99,98		111
				0,01		112
Czech Republic						
155	Brenntag CR s.r.o.	Prague		100,00	100,00	124
Tunisia						
156	Alliance Tunisie S.A.R.L.	Tunis		100,00	51,00	58
Turkey						
157	Brenntag Kimya Ticaret Limited Sirketi	Kavacik - Istanbul		0,02	100,00	127
				99,98		124
Ukraine						
158	Poldiplast Ltd.	Kiev		100,00	100,00	175
159	Tride Ltd.	Kiev		100,00	100,00	124
Hungary						
160	Brenntag Hungaria Kft.	Budapest		97,94	100,00	124
				2,06		117
161	HCI Hungaria Kft.	Budapest		96,67	100,00	111
				3,33		112
USA						
162	Brenntag Mid-South, Inc.	Henderson/Kentucky		100,00	100,00	171
163	Brenntag Southwest, Inc.	Longview/Texas		100,00	100,00	171
164	Brenntag Northeast Inc.	Reading		100,00	100,00	171
165	Brenntag Southeast, Inc.	Durham		100,00	100,00	171
166	Coastal Chemical Company, L.L.C.	Abbeville		100,00	100,00	114
167	Brenntag Latin America, Inc.	Wilmington		100,00	100,00	171
168	Brenntag Funding LLC	Reading		100,00	100,00	171
169	Brenntag Great Lakes L.L.C.	Milwaukee		100,00	100,00	114
170	Brenntag North America Foreign Holding, LLC	Wilmimgton		100,00	100,00	171
171	Brenntag North America, Inc.	Reading		100,00	100,00	111
172	Brenntag Pacific, Inc.	Santa Fe Springs		100,00	100,00	171
173	Brenntag Specialties, Inc.	South Plainfield		100,00	100,00	171
174	Brenntag Specialties Latin America, LLC	Springfield		100,00	100,00	111
175	Dipol Chemical International, Inc.	Rockville		100,00	100,00	124
Venezuela						
176	Holanda Venezuela C.A.	Caracas		100,00	100,00	111
177	Inversiones HCI Chemcentral de Venezuela, C.A.	Caracas		100,00	100,00	176
178	Quimicos Barcelona, C.A.	Caracas		100,00	100,00	176
Investments accounted for at equity						
Denmark						
179	Borup Kemi I/S	Borup, Skovbo		33,30	33,30	22
Germany						
180	Richard Sichler GmbH & Co. KG	Braunschweig		50,00	25,50	25
181	SOFT CHEM GmbH	Hannover		33,40	17,03	35
Philippines						
182	Gordez Philippines Inc.	Muntinlupa City		20,00	20,00	130
South Africa						
183	Crest Chemicals (Proprietary) Limited	Midrand		50,00	50,00	111

* **Shares in capital of the company**