



Bringing Chemistry to Life

# MODEST REVENUE GROWTH AND A RETURN TO POSITIVE REBIT

Tessenderlo Group  
First Quarter 2010 Performance  
30 April 2010



# Agenda

- **Operational performance review**
- **Questions and Answers**

# Highlights

- Revenue grew by 4.0% to 567.3 million EUR
- REBITDA\* increased 65.0% to 32.5 million EUR
- REBIT returned to positive territory at 4.2 million EUR
- Negative impact on January and February; March showed strong performance
- Operating profitability improvement was broad-based
- Loss for the period of -5.1 million EUR
- Net financial debt amounted to 241.2 million EUR<sup>1</sup>

\*REBITDA is recurring earnings before interest, tax, depreciation and amortization and provisions

<sup>1</sup>including impact of 109.4 million EUR non-recourse factoring

# Modest revenue growth and a return to positive REBIT

Million EUR	1Q10	1Q09	% Change
Revenue	567.3	545.3	4.0%
REBITDA	32.5	19.7	65.0%
REBIT	4.2	-6.4	nm
Profit/Loss for the period	-5.1	-6.2	nm
CF from operating activities	-17.1	26.8	nm
Net financial debt	241.2 <sup>1</sup>	296.1	nm

<sup>1</sup>including impact of 109.4 million EUR non-recourse factoring

# Inorganics

## Improvement due to activity pick-up

Million EUR	1Q10	1Q09
Revenue	89.0	86.5
REBITDA	-0.2	-6.9
REBIT	-2.1	-8.7

- Revenue grew by 3.0%
- Clear volume pick up in fertilisers as anticipated; feed phosphates also had higher volumes
- Contribution to profitability improvement from both activities

# PVC/Chlor-Alkali

## Environment continues to be very tough

Million EUR	1Q10	1Q09
Revenue	118.2	125.7
REBITDA	5.1	7.5
REBIT	-1.8	1.1

- Segment revenue decreased 5.9%
- Improvement of PVC vs 1Q09 (volumes, prices, margins)
- Chlor-Alkali pricing and margins much lower
- Segment profitability below last year reflect ongoing difficult environment (oversupply)

# Gelatin and Natural Derivatives

## Good results against challenging comparable

Million EUR	1Q10	1Q09
Revenue	95.3	88.4
REBITDA	15.2	17.8
REBIT	7.7	12.5

- Segment revenue was 7.9% above last year
- Groupe FISO performed well and contributed positively to revenue and profitability
- Segment profitability was lower than exceptional 1Q09

# Tessenderlo Kerley

## Volume growth drives good performance

Million EUR	1Q10	1Q09
Revenue	54.5	39.0
REBITDA	11.6	5.9
REBIT	9.5	4.3

- Substantial increase in revenue of 39.7% (organic: 33.2%)
- Supportive weather conditions and preparing for season drove good volumes
- Better volumes and good pricing led to higher profitability

# Plastic Pipe Systems and Profiles

## Cost savings continue to support results

Million EUR	1Q10	1Q09
Revenue	126.9	128.7
REBITDA	7.8	6.1
REBIT	0.8	-0.9

- Segment revenue slightly declined by 1.4%; severe winter impacted activity in January and February with March picking up strongly
- Profitability increased due to reduction in fixed costs

# Other Businesses

## Modest improvement from cost savings

Million EUR	1Q10	1Q09
Revenue	83.3	77.1
REBITDA	-1.8	-3.5
REBIT	-4.5	-7.5

- Revenue showed slight improvement
- Reduction of negative profitability primarily due to fixed cost reductions
- Calaire Chimie (Pharmaceutical intermediates) announced in April 2010 its intention to reorganise its activities

# Non-recurring items

Million EUR	1Q10	1Q09
Gain on disposals	2.1	-
Restructuring (including impairment losses)	-0.2	-0.8
Other	-	1.7
<b>Total</b>	<b>1.9</b>	<b>0.9</b>

- **Positive impact mainly related to sale of zinc chloride activity in March 2010**

# Below EBIT

## Positive EBIT but income tax leads to net loss

Million EUR	1Q10	1Q09
EBIT	6.1	-5.5
Net finance costs	-4.7	-3.2
Income tax expense	-7.2	2.0
Share of result of equity accounted investees	0.7	0.5
Profit / Loss for the period	-5.1	-6.2

# Cash Flow

## Net financial debt reconciliation

Million EUR		
<b>Net financial debt at 31.12.2009</b>	<b>-209.0</b>	
Cash flow from operating activities		-17.1
Cash flow from investing activities		-14.8
Increase of long-term receivables		0.1
Exchange rate difference of net financial debt		0.7
Charges related to financial liabilities		-1.1
<b>Net financial debt at 31.03.2010</b>	<b>-241.2</b>	

# Balance Sheet

- **Shareholders equity amounted to 710.2 million EUR, an increase of 5.0 million EUR**
  - ▶ positive conversion differences (+12.4 million EUR) mainly US dollar
  - ▶ negative result for the first quarter of 2010 (-5.1 million EUR)
  - ▶ effect of the fair value of the derivative financial instruments amounts to -2.3 million EUR.
  
- **Net financial liabilities were 241.2 million EUR at the end of March 2010 (34.0 % of equity) against 209.0 million EUR at the end of 2009 (29.6 % of equity).**
  
- **Gearing was 34.0% compared to 29.6% at the end of December 2009 (49.4% vs 47.1% respectively when excluding the non-recourse factoring program).**

# Financing

## **Syndicated loan completed**

- **500 million EUR syndicated facility successfully completed end February**
- **Committed funding for group's business plans during next 3 years**

# Outlook

- **The group continues to believe that 2010 will show a gradual recovery with varied performances in our businesses**
- **Following the strong performance at the end of the first quarter, the group expects a further clear improvement in group profitability in the second quarter, which is traditionally the strongest quarter of the year**
- **However, visibility on the second half of 2010 remains low, making it difficult to forecast the extent to which this period will contribute to the group's full year results**



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# Questions and Answers



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