



Bringing Chemistry to Life

Brussels, 27 August 2009

**Regulated information**

---

**Tessenderlo Group**

**Interim report for  
the 6 month period ended  
30 June 2009**

► **Index**

1.	MANAGEMENT REPORT	3
1.1.	THREE BUSINESS GROUPS	3
1.2.	KEY FIGURES	6
1.3.	RISKS AND UNCERTAINTIES	8
2.	STATEMENT ON THE TRUE AND FAIR VIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND THE FAIR OVERVIEW OF THE INTERIM MANAGEMENT REPORT	9
3.	INDEPENDENT AUDITORS' REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS PER 30 JUNE 2009	10
4.	UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS IFRS 30 JUNE 2009	11
4.1.	UNAUDITED CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT	11
4.2.	UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME	12
4.3.	UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION	13
4.4.	UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS	14
4.5.	NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	15

► **1. MANAGEMENT REPORT**

► **1.1. Three business groups**

**1. Chemicals**

Key figures - Chemicals – End of June  
(millions EUR) – IFRS - unaudited

	<b>2009</b>	<b>2008</b>
Revenue	424.3	660.7
REBITDA	-28.3	105.7
REBIT	-46.5	85.5
Capital expenditure (property, plant and equipment)	24.4	10.2

The Chemicals business group was impacted in H1 2009 by a very depressed market, both in terms of volumes and prices, especially regarding inorganic products. This compares with an exceptionally favourable 2008 performance, driven by an unprecedented demand and price levels.

The **potassium fertilisers** global market had to contend with an unusual lack of purchases by the farming community over the season. Customers decided to wait for a significant drop in raw material and end product prices to replenish their inventories. This drop in prices came at the end of Q2, resulting in an inventory value adjustment.

**Animal feed phosphates** were also affected by a decline in sales volumes and margins over the period due to the global market evolution and the pressure on sales prices.

As a result of the evolution of sales prices for both sulphates and phosphates, the inventory value reduction amounted to 15.3 million EUR for the semester.

**Chlor-Alkalis**, which had realised a good performance in Q1, faced a significant drop in prices in Q2, prompted by the reduced demand on the market.

In **PVC**, the last month's volumes on the market were restrained by the availability of chlorine and/or hydrochloric acid. However, the tighter demand/supply balance improved the margins in Q2 2009.

## 2. Specialities

### Key figures - Specialities – End of June (millions EUR) – IFRS - unaudited

	2009	2008
Revenue	332.6	347.0
REBITDA	55.6	64.9
REBIT	38.9	47.9
Capital expenditure (property, plant and equipment)	19.3	11.0

Overall, the REBIT increased by 10 % in Q2 2009 versus Q2 2008 thanks to a strong performance of the gelatin activity and Tessenderlo Kerley Inc (TKI). This Q2 performance limited the fall in REBIT to 19 % in H1 2009, impacted by the downturn in profits during Q1 2009.

In **gelatin**, the combination of firm sales prices and stable raw materials led to a significant improvement in the REBIT.

The **natural derivatives** business has been negatively impacted by an increase in raw materials prices and pressure on sales prices.

The **pharma business** has continued to suffer from the forecast downturn in significant product lines, which will impact profitability during the course of 2009. New molecules, developed to replace these products, are scheduled to hit the market in 2010.

**Tessenderlo Kerley Inc (TKI)** benefited in Q2 from a solid demand for fertilisers from the US farming industry during the late spring. Combined with strong sales prices, this helped increase the operating profit over the first semester.

### 3. Plastics Converting

Key figures – Plastics Converting – End of June  
(millions EUR) – IFRS - unaudited

	2009	2008
Revenue	319.6	416.1
REBITDA	21.9	39.5
REBIT	6.1	22.3
Capital expenditure (property, plant and equipment)	7.9	13.3

Final markets remained weak over the period and results are well below 2008 levels. Thanks to lower raw material costs and a tight control of the fixed costs, Q2 enjoyed renewed profitability, which significantly improved versus Q1 2009.

The **profiles** business continues to be affected by the crisis of the building industry, especially in the UK and the USA. A major plan to improve productivity through fixed cost reduction has been launched throughout the business unit with a specific programme to reorganise its operations in Continental Europe. Those plans should start to yield benefits in the second half of 2009 with a full impact in 2010.

The **plastic pipe systems** business, a strong profit contributor for the business group thanks to its integrated distribution network and to its leadership position in Benelux, saw its profitability drop off compared to the same period in 2008. This led to a restructuring of its operations in France, fully provisioned at the end of June 2009, which should have a full favourable impact on margins and fixed costs as per Q3 2009.

Similarly, the **compounds** operations suffered from low activity in both the automotive and building market during the first semester. In eastern France, a plant closure has been launched and fully provisioned. This restructuring should also lead to improved profitability by the end of 2009 and should impact margins fully in 2010.

► 1.2. Key figures

Key figures (millions EUR) – IFRS - unaudited

	30.06.2009	30.06.2008
Revenue	1,076.5	1,423.8
REBITDA (*)	33.9	203.4
REBIT (**)	-19.9	148.6
Non-recurring (expense)/income items	-82.1	-1.8
EBIT	-102.0	146.8
Finance costs	-5.5	-8.1
Income tax expense	-0.5	-42.8
Share of result of investments accounted for using the equity method	0.4	5.2
Profit (+) / Loss (-) for the period	-107.6	101.1
Result attributable to equity holders of the group	-107.7	101.1
Net cash flow (***)	29.0	168.0

(\*) REBITDA: recurring earnings before interests, taxes, depreciation, amortisation and provisions.

(\*\*) REBIT: recurring earnings before interests and taxes.

(\*\*\*) Net cash flow: Profit (+) / loss (-) for the period and all non cash flow items included in the income statement (provisions, amortisations, depreciation and impairment losses).

Key figures per business group – Second quarter  
(millions EUR) – IFRS – unaudited (\*)

	Revenue		REBIT	
	Q2 - 2009	Q2 - 2008	Q2 - 2009	Q2 - 2008
Chemicals	183.1	375.7	-37.5	59.4
Specialities	180.0	180.3	26.4	23.9
Plastics Converting	168.1	219.9	9.0	14.5
Non-allocated items	-	-	-11.3	-3.7
Total	531.2	775.9	-13.4	94.1

Key figures per business group – End of June  
(millions EUR) – IFRS – unaudited (\*)

	Revenue		REBIT	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Chemicals	424.3	660.7	-46.5	85.5
Specialities	332.6	347.0	38.9	47.9
Plastics Converting	319.6	416.1	6.1	22.3
Non-allocated items	-	-	-18.4	-7.1
Total	1,076.5	1,423.8	-19.9	148.6

(\*) Please take into consideration that as from 1 January 2009 the activities of the Organic Chlorine Derivatives are incorporated in the business group Chemicals instead of the business group Specialities, while the activities of Tessenderlo Kerley are included in the business group Specialities and no longer in the business group Chemicals. The financial information for 2008 has been revised in this way.

### ► 1.3. Risks and uncertainties

The main risks and uncertainties which the group is facing are the following, however this is not an exhaustive list:

- Commodity price risk

In the normal course of its business, the group is exposed to risk resulting from fluctuations in the market prices of commodities and raw materials.

- Energy price risk

Since some of the businesses of the group are very energy intensive, changes in energy prices could therefore pose a risk to their profitability.

- Exchange rate risk

The group incurs foreign currency risks on sales, purchases, investments and borrowings that are denominated in a currency other than the EUR. The currencies giving rise to this risk are primarily GBP, USD, PLN, HUF, YEN and CHF, and could therefore impact the results of the group.

- Credit risk

This risk relates to the risk of non-payment from any counterparty.

- Environmental regulations

The group is subject to changes of environmental regulations, which could expose it to significant compliance costs and litigation relating to environmental issues.

► **2. Statement on the true and fair view of the condensed consolidated interim financial statements and the fair overview of the interim management report**

Mr. G. Marchand (Chairman of the Board of Directors and CEO) and Mr. M. de Vogue (CFO) certify, on behalf and for the account of the company, that, to their knowledge,

- a) the condensed consolidated interim financial statements which have been prepared in accordance with the International Financial Reporting Standard on Interim Financial Statements (IAS 34), give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the entities included in the consolidation as a whole,
- b) the interim management report includes a fair overview of the information required under Article 13, §§ 5 and 6 of the Royal Decree of November 14, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

### ► 3. Independent auditors' report on the review of the condensed consolidated interim financial statements as per 30 June 2009

#### Report of the statutory auditor to the shareholders of Tessenderlo Chemie NV on the review of the condensed consolidated interim financial statements as of 30 June 2009 and for the six month period then ended

##### *Introduction*

We have reviewed the accompanying condensed consolidated interim statement of financial position of Tessenderlo Chemie NV ("the Company") as at 30 June 2009, and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the six-month period then, and explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standard IAS 34, "*Interim Financial Reporting*", as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

##### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" as well as in accordance with the recommendations of the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" applicable to review engagements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing ("ISA") or with the auditing standards of the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

##### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2009 are not prepared, in all material respects, in accordance with IAS 34, "*Interim Financial Reporting*", as adopted by the European Union.

Kontich, 27 August 2009

KPMG Bedrijfsrevisoren/Réviseurs d'Entreprises  
Statutory auditor  
represented by  
Ludo Ruysen  
Bedrijfsrevisor/Réviseur d'Entreprises

► **4. Unaudited condensed consolidated interim financial statements IFRS 30 June 2009** (Limited review by KPMG Bedrijfsrevisoren/Réviseurs d'Entreprises only on the half year figures)

**4.1. Unaudited condensed consolidated interim income statement (millions EUR) – IFRS**

	30.06.2009	30.06.2008	Q2-2009	Q2-2008
<b>Revenue</b>	<b>1,076.5</b>	<b>1,423.8</b>	<b>531.2</b>	<b>775.9</b>
Cost of sales	-928.7	-1,092.7	-456.3	-586.7
<b>Gross profit</b>	<b>147.8</b>	<b>331.1</b>	<b>74.9</b>	<b>189.2</b>
Distribution expenses	-56.8	-77.5	-26.4	-39.7
Sales and marketing expenses	-30.7	-30.6	-16.0	-15.9
Administrative expenses	-67.1	-61.5	-34.8	-30.3
Other operating income and expenses	-13.1	-12.9	-11.2	-9.2
<b>Profit from operations before non-recurring items (REBIT)</b>	<b>-19.9</b>	<b>148.6</b>	<b>-13.5</b>	<b>94.1</b>
Non-recurring items	-82.1	-1.8	-83.0	-5.1
<b>Profit (+)/Loss (-) from operations (EBIT)</b>	<b>-102.0</b>	<b>146.8</b>	<b>-96.5</b>	<b>89.0</b>
Finance costs	-7.2	-9.4	-2.7	-3.5
Finance income	1.7	1.3	0.4	0.6
Share of result of equity accounted investees, net of income tax	0.4	5.2	-0.1	3.0
<b>Result before tax</b>	<b>-107.1</b>	<b>143.9</b>	<b>-98.9</b>	<b>89.1</b>
Income tax expense	-0.5	-42.8	-2.5	-24.9
<b>Profit (+) / Loss (-) for the period</b>	<b>-107.6</b>	<b>101.1</b>	<b>-101.4</b>	<b>64.2</b>
Attributable to:				
<b>Equity holders of the group</b>	<b>-107.7</b>	<b>101.1</b>	<b>-101.5</b>	<b>64.2</b>
<b>Non-controlling interest</b>	<b>0.1</b>	<b>-</b>	<b>0.1</b>	
Weighted average number of ordinary shares (in million shares)	27.7	27.6		
Diluted weighted average number of ordinary shares (in million shares)	27.7	27.6		
Basic earnings per share (in euro)	-3.88	3.66		
Diluted earnings per share (in euro)	-3.88	3.66		

4.2. Unaudited condensed consolidated interim statement of comprehensive income (millions EUR) – IFRS

	30.06.2009	30.06.2008
Translation differences	1.1	-15.9
Derivative financial instruments	-1.3	-
Options and capital increase	0.4	0.1
Revaluation reserves	5.0	-
Income tax effect on other comprehensive income	-1.2	-
<b>Other comprehensive income for the period, net of income tax</b>	<b>4.0</b>	<b>-15.8</b>
<b>Profit (+) / loss (-) for the period</b>	<b>-107.6</b>	<b>101.1</b>
<b>Total comprehensive income (+) and expense (-) for the period</b>	<b>-103.6</b>	<b>85.3</b>
Attributable to:		
Equity holders of the group	-103.7	85.3
Non-controlling interest	0.1	-
<b>Total comprehensive income (+) and expense (-) for the period</b>	<b>-103.6</b>	<b>85.3</b>

4.3. Unaudited condensed consolidated interim statement of financial position (millions EUR) – IFRS

	30.06.2009	31.12.2008
<b>ASSETS</b>		
<b>Total non-current assets</b>	<b>871.8</b>	<b>810.1</b>
Property, plant and equipment	675.7	652.0
Goodwill	61.9	38.3
Intangible assets	68.9	39.9
Investments accounted for using the equity method	22.6	39.6
Other investments	5.1	5.2
Deferred tax assets	18.5	17.7
Trade and other receivables	19.1	17.4
<b>Total current assets</b>	<b>916.0</b>	<b>1,002.1</b>
Inventories	415.8	473.7
Trade and other receivables	432.5	469.5
Derivative financial instruments	0.1	5.4
Cash and cash equivalents	67.6	53.5
<b>Non-current assets classified as held for sale</b>	<b>0.9</b>	<b>0.7</b>
<b>Total assets</b>	<b>1,788.7</b>	<b>1,812.9</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Total equity</b>	<b>761.5</b>	<b>902.0</b>
Equity attributable to equity holders of the group	759.3	900.0
Non-controlling interest	2.2	2.0
<b>Total liabilities</b>	<b>1,019.6</b>	<b>910.9</b>
<b>Total non-current liabilities</b>	<b>314.3</b>	<b>267.7</b>
Financial liabilities	95.8	96.7
Employee benefits	40.7	41.0
Provisions	148.4	85.6
Deferred tax liabilities	29.4	44.4
<b>Total current liabilities</b>	<b>712.9</b>	<b>643.2</b>
Financial liabilities	340.2	251.4
Trade and other payables	346.5	388.9
Current tax liabilities	6.2	2.0
Provisions	20.0	0.9
<b>Total Equity and Liabilities</b>	<b>1,788.7</b>	<b>1,812.9</b>

4.4. Unaudited condensed consolidated interim statement of cash flows  
(millions EUR) – IFRS

	30.06.2009	30.06.2008
<b>OPERATING ACTIVITIES</b>		
Profit (+)/Loss (-) for the period	-107.6	101.1
Depreciation, impairment and amortisation	56.6	68.6
Changes in provisions	80.8	-3.9
Finance costs	7.2	9.4
Finance income	-1.7	-1.3
Loss / (profit) on sale of non-current assets	-0.1	-11.2
Share of result of equity accounted investees, net of income tax	-0.4	-5.2
Income tax expense	0.5	42.8
Non cash items	-6.3	2.1
Changes in working capital	66.2	-106.0
<i>Cash generated from operating activities</i>	95.2	96.4
Interest paid	-5.0	-5.3
Income tax (paid) / received	-4.3	-12.1
Dividends received from investments accounted for using the equity method	3.5	3.4
<b>Cash flow from operating activities</b>	<b>89.4</b>	<b>82.4</b>
<b>INVESTING ACTIVITIES</b>		
Acquisitions of Property, Plant and Equipment and intangible assets	-53.6	-39.7
Acquisition of investments and businesses, net of cash acquired	-57.9	-5.5
Proceeds from sale of PP&E and intangible assets	0.4	12.4
<b>Cash flow from investing activities</b>	<b>-111.1</b>	<b>-32.8</b>
<b>FINANCING ACTIVITIES</b>		
Increase / (decrease) of issued capital	-	-
Increase / (decrease) of financial liabilities	74.6	4.5
(Increase) / decrease of long term receivables	-1.5	-0.2
Dividends paid to shareholders	-37.0	-35.0
<b>Cash flow from financing activities</b>	<b>36.1</b>	<b>-30.7</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>14.4</b>	<b>18.9</b>
Effect of exchange rate differences	-0.3	-0.8
Cash and cash equivalents at the beginning of the year	53.5	93.6
Cash and cash equivalents at the end of this period	67.6	111.7

► **4.5. Notes to the unaudited condensed consolidated interim financial statements**

Reporting entity	1
Statement of compliance	2
Significant accounting policies	3
Use of estimates and judgments	4
Financial risk management	5
Segment reporting	6
Equity	7
Non-recurring items	8
Business combinations	9
Inventory	10
Income tax expense	11
Property, plant and equipment	12
Goodwill	13
Share capital and share premium	14
Financial liabilities	15
Provisions	16
Contingent assets and liabilities	17
Related parties	18
Subsequent events	19

## 1. Reporting entity

Tessenderlo Chemie NV (hereafter referred to as the « Company ») is a company domiciled in Belgium. The condensed consolidated interim financial statements for the six month period ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as the « group ») and the group's interests in associates and jointly controlled entities.

## 2. Statement of compliance

These condensed consolidated interim financial statements for the six month period ended 30 June 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting, as adopted for use by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the group as at and for the year ended 31 December 2008.

These condensed consolidated interim financial statements were approved by the Board of Directors on 27 August 2009.

## 3. Significant accounting policies

The accounting policies used by the group in the present condensed consolidated interim financial statements are consistent with those used in the preparation of the consolidated financial statements as at and for the year ended 31 December 2008, except as described below.

### A. Summary of changes in accounting policies

#### *IAS 1 (revised) Presentation of financial statements*

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The group chose to present two statements: an income statement and a statement of comprehensive income. The present condensed consolidated interim financial statements have been prepared under the revised disclosure requirements.

**B. Foreign currency**

The following exchange rates have been used in preparing the condensed consolidated interim financial statements:

Exchange rates				
	Closing rate		Average rate	
	30 June 2009	30 June 2008	6 month period ended 30 June 2009	6 month period ended 30 June 2008
1 EUR equals :				
Brazilian real	2.7561	2.5260	2.9222	2.5175
Canadian dollar	1.6275	1.5942	1.6054	1.5401
Chinese yuan	9.6545	10.8051	9.1070	10.7989
Czech crown	25.8820	23.8930	27.1435	25.1913
Hungarian forint	271.55	235.43	289.98	253.58
Polish zloty	4.4520	3.3513	4.4757	3.4901
Pound sterling	0.8521	0.7923	0.8939	0.7752
Slovak koruna	30.1260	30.2050	30.1260	30.3223
Swiss franc	1.5265	1.6056	1.5057	1.6065
US dollar	1.4134	1.5764	1.3328	1.5304

**4. Use of estimates and judgments**

The preparation of the financial statements in conformity with IFRS as adopted for use by the European Union requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making the reported amounts of revenue and expenses that may not be readily apparent from other sources. Actual results could differ from those estimates. Estimates are used in accounting for allowances for uncollectible receivables, inventory obsolescence, depreciation & impairments, employee benefits, taxes, restructuring provisions and contingencies. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary.

The group has applied significant estimates and judgments in order to prepare the condensed consolidated interim financial statements with respect to property, plant and equipment, goodwill, lower of cost or net realisable value adjustments with respect to inventories, provisions, income and deferred taxes, employee benefits and contingencies.

## 5. Financial risk management

For an overview of the main risks and uncertainties which the group is facing, we refer to 1.3. of this interim report. Also, reference is made to the 2008 Annual Report as available on the company's website [www.tessenderlogroup.com](http://www.tessenderlogroup.com)

## 6. Segment reporting

### Segment reporting – Period ended 30 June 2009

	Chemicals	Specialities	Plastics Converting	Non-allocated	Total
Revenue	424.3	332.6	319.6	-	<b>1,076.5</b>
REBIT*	-46.5	38.9	6.1	-18.4	<b>-19.9</b>
EBIT**	-105.4	38.9	-18.5	-17.0	<b>-102.0</b>
Capital expenditure	24.4	19.3	7.9	0.6	<b>52.2</b>

### Segment reporting – Period ended 30 June 2008

	Chemicals	Specialities	Plastics Converting	Non-allocated	Total
Revenue	660.7	347.0	416.1	-	<b>1,423.8</b>
REBIT*	85.5	47.9	22.3	-7.1	<b>148.6</b>
EBIT**	92.9	52.5	6.7	-5.3	<b>146.8</b>
Capital expenditure	10.2	11.0	13.3	5.2	<b>39.7</b>

\* Profit from operations before non-recurring items

\*\* Profit (+)/Loss (-) from operations

## 7. Equity

### Unaudited condensed consolidated interim statement of changes in equity attributable to equity holders of the group (millions EUR) - IFRS

	2009	2008
<b>Balance at 01.01</b>	<b>900.0</b>	<b>800.2</b>
Profit (+)/Loss (-) attributable to equity holders of the group	-107.7	101.1
Net income (+) / expense (-) recognised directly in equity	4.0	-15.8
Dividends paid to shareholders	-37.0	-35.0
<b>Balance at 30.06</b>	<b>759.3</b>	<b>850.5</b>

## 8. Non-recurring items

The non-recurring items during the first half of 2009 amount to -82.1 million EUR related to provisions for risks and restructurings.

## 9. Business combinations

### *Acquisitions – subsidiaries and activities*

In February 2009 MPR Services, Inc., a subsidiary of Tessenderlo Kerley, Inc (US) and JET Oil Solutions have formed a joint venture Environmentally Clean Systems (ECS). ECS will be addressing waste water issues of the oil and gas industries with its electro-coagulation (EC) processes.

In March 2009 Eurocell Profiles Ltd, a UK subsidiary within the business unit Profiles, has acquired Merritt Plastics Ltd (Derbyshire, UK). Merritt Plastics is a PVC-u recycling and extrusion company and a Recovynyl certified recycler.

In March 2009, Tessenderlo NI Holding BV (Breda, Netherlands) and Gulf Technologies Holding Company WLL have established a joint venture MPR Services Middle East WLL (Bahrain). MPR Services, Inc. will provide the management and operation of the reclaiming services in this joint venture. MME will serve the oil and gas industries in the GCC-countries (Gulf Cooperation Council) and Egypt and will be providing MPR's amine reclaiming services in this region.

In June 2009, Tessenderlo Kerley acquired the Linuron herbicide assets from DuPont Crop Protection, Wilmington, Delaware (US). TKI acquired global rights to the Linuron business, including trade names, registrations and registration data. This acquisition enables Tessenderlo Kerley to further expand its crop protection range.

Akiolis Group, a French subsidiary within the business group Specialities, has acquired the remaining 50 % stake in the Fiso Group in June 2009. As from 30<sup>th</sup> June 2009, Fiso Group is accounted for by the full consolidation method (formerly consolidated through the equity method).

### 10. Inventory

During the first six months of 2009, the group recorded a value reduction of inventory within the business group Chemicals for an amount of 15.3 million EUR due to the negative evolution of sales prices. This value reduction is included in cost of sales. The value reductions of inventory during the first half of 2008 were immaterial.

### 11. Income tax expense

The group's consolidated effective tax rate for the six month period ended 30 June 2009 is 0.5 % compared to an effective rate of 30% for the six month period ended 30 June 2008.

### 12. Property, plant and equipment

For the six month period ended 30 June 2009, the group's capital expenditure amounted to 52.2 million EUR (39.7 million EUR for the six month period ended 30 June 2008).

Disposals for the six month period ended 30 June 2009 amounted to 0.4 million EUR (compared to 12.4 million EUR for the same period in 2008).

### 13. Goodwill

<b>ACQUISITION COST</b>	
At 1 January 2009	63.9
. acquisitions through business combinations	18.6
. change of accounting principles	3.1
. sales and disposals	-
. transfers	-
. translation differences	2.6
At 30 June 2009	88.2
<b>IMPAIRMENT LOSSES</b>	
At 1 January 2009	-25.6
. acquisitions through business combinations	-
. sales and disposals	-
. transfers	-
. translation differences	-0.7
At 30 June 2009	-26.3
<b>CARRYING AMOUNTS</b>	
As per 1 January 2009	38.3
As per 30 June 2009	61.9
<b>ACQUISITION COST</b>	
At 1 January 2008	64.6
. acquisitions through business combinations	1.8
. sales and disposals	-
. transfers	-
. translation differences	-3.7
At 30 June 2008	62.7
<b>IMPAIRMENT LOSSES</b>	
At 1 January 2008	-27.4
. acquisitions through business combinations	-
. sales and disposals	-
. transfers	-
. translation differences	1.3
At 30 June 2008	-26.1
<b>CARRYING AMOUNTS</b>	
As per 1 January 2008	37.2
As per 30 June 2008	36.6

The “acquisitions through business combinations” and the “change in accounting principles” of the first half of 2009 relate to the acquisition of the second 50 % of Fiso Group. The first 50 % of the Fiso Group was acquired in 2006.

### 14. Share capital and share premium

The Board of Directors’ proposal to distribute a gross dividend of 1.33 EUR per share or 37.0 million EUR for the business year 2008 was approved by the shareholders of Tessenderlo Chemie at their annual general meeting on 2 June 2009, and was thus reflected in the condensed consolidated interim financial statements for the six month period ended 30 June 2009.

On 31 August 2009, Tessenderlo Chemie NV will include 84,967 additional shares (with VVPR strip) in trading on Eurolist on NYSE Euronext Brussels. These are 84,967 ordinary shares subscribed by staff on 150,000 presented. No ordinary shares emitted at the time of the conversion of warrants.

Pro memo: shareholders who declared holding an interest of more than 5 %, represent today as a whole 25.93 % of the Tessenderlo Chemie NV share capital (see [www.tessenderlogroup.com](http://www.tessenderlogroup.com): Investors). The Extraordinary General Meeting of Tessenderlo Chemie NV of June 2009 has decided to bring the notification threshold from 3 % to 5 %.

### 15. Financial liabilities

Financial liabilities			
	30.06.2009	31.12.2008	30.06.2008
Non-current financial liabilities	95.8	96.7	117.5
Current financial liabilities	340.2	251.4	223.4
<b>Total financial liabilities</b>	<b>436.0</b>	<b>348.1</b>	<b>340.9</b>
Cash and cash equivalents	-67.6	-53.5	-111.7
<b>Net financial liabilities</b>	<b>368.4</b>	<b>294.6</b>	<b>229.2</b>

The debt repayment schedule for the principal loans of the group, originally at long term is the following as per 30 June 2009:

	Long term	Short term	Total	Rate (%)	Maturity
Credit institutions	30.0	10.0	40.0	3.65 (fixed)	Dec '09-'12
Credit institutions	40.0	10.0	50.0	3.368 (fixed)	Oct '09-'13
Credit institutions	15.0	5.0	20.0	floating	Jun '10-'13
<b>Total</b>	<b>85.0</b>	<b>25.0</b>	<b>110.0</b>		

During the first half of 2009, an amount of 5.0 million EUR has already been reimbursed.

### 16. Provisions

The principal outstanding provisions as per June 30<sup>th</sup> 2009 relate to risks and restructuring provisions.

### 17. Contingent assets and liabilities

The group could be confronted with a number of potential claims and disputes, which are a consequence of the daily operational activities. These claims and disputes are not of such nature that they could be subject today to a suitable provision.

It is the group's policy to recognise environmental provisions in the balance sheet, when the company has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

These provisions are reviewed periodically and adjusted, if necessary, as assessments and cleanups proceed and additional information becomes available. Environmental liabilities can change substantially due to the emergence of additional information on the nature or extent of the contamination, a change in legislation or other factors of a similar nature.

While it is not feasible to predict the outcome of all pending environmental exposures, it is reasonably possible that there will be a need for future provisions for environmental costs which, in management's opinion, based on information currently available, would not have a material effect on the group's financial position but could be material to the group's results in any one accounting period.

In order to acquire an additional stake of 20 % in Wolf Mountain Products, the group holds, as agreed with the current owners of that share, an option which may be exercised from 1 January 2014 until 30 June 2014. The exercise price is determined by a formula, which takes into account the financial figures of Wolf Mountain Products.

The group has been granted emission allowances for the period 2008-2012 (575 KT CO<sub>2</sub> emission allowances per year). These granted emission allowances have been obtained free of charge. The total number of allowances which will be used by the Group in this period cannot yet be determined reliably.

## 18. Related parties

The Group has a related party relationship with its subsidiaries, associates, joint ventures and with its directors and its Management Committee.

Transactions with joint ventures :

	30.06.2009	30.06.2008
Revenue	4.0	0.2
Cost of sales	6.9	13.7
Other operating income	0.1	0.1
Finance costs	-	0.1
Current assets	0.4	0.4
Current liabilities	2.4	5.1

Transactions with associates :

	30.06.2009	30.06.2008
Revenue	-	-
Cost of sales	-	-
Other operating income	0.1	-
Finance costs	-	-
Current assets	1.5	-
Current liabilities	-	-

Dividends were received from joint-ventures and associates for an amount of 3.5 million EUR (2008: 3.4 million EUR). Transactions with joint ventures and associates are due to the ordinary course of business and are based on the principle 'at arm's length'.

Transactions with the members of the Management Committee:

	30.06.2009	30.06.2008
Short-term employee benefits	0.9	0.8
Post-employee benefits	0.3	0.2
Share based payments	-	-
<b>Total</b>	<b>1.2</b>	<b>1.0</b>

Short-term employee benefits include salaries (including social security contributions), bonuses earned during the period, car leases and other allowances where applicable.

Director's payments consist mainly of director's fees (tantièmes).

### 19. Subsequent events

No material subsequent events occurred after the balance sheet date.