Brussels, August 29, 2013

Regulated information

Tessenderlo Group

Interim report for the 6 month period ended 30 June 2013[1]

[1] Note that Tessenderlo Group publishes, in addition to this interim report, also a press release on the June 30, 2013 results, which contains limited additional quarterly figures. This press release can be consulted on our web site www.tessenderlogroup.com

Index

1. MANAGEMENT REPORT 4

   1.1. KEY FIGURES 4
   1.2. OPERATING SEGMENTS PERFORMANCE REVIEW 5
   1.3. RISKS AND UNCERTAINTIES 8

2. STATEMENT ON THE TRUE AND FAIR VIEW OF THE CONSOLIDATED FINANCIAL INFORMATION AND THE FAIR OVERVIEW OF THE MANAGEMENT REPORT 10

3. CONSOLIDATED FINANCIAL INFORMATION JUNE 30, 2013 11

   3.1. CONSOLIDATED INCOME STATEMENT 11
   3.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 12
   3.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION 13
   3.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 14
   3.5. CONSOLIDATED STATEMENT OF CASH FLOWS 16
   3.6. NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION 17

4. INDEPENDENT AUDITORS' REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AS PER JUNE 30, 2013 39

5. FINANCIAL GLOSSARY 41

Note to the reader:

- The half year information has been subject to a review by external auditors. Reference is made to the independent auditor's review in chapter 4 of this report. All quarterly information included in the interim report is unaudited, as well as non-IFRS accounting information (REBITDA).
- Figures may not add up due to rounding.
- The reported segment "Other Businesses" includes Pharmaceutical Intermediates, Organic Chlorine Derivatives, Compounds, Water Treatment and Sulphur Derivatives.

Comparison at comparable scope

Scope indicates the impact of a change in the consolidation scope of the group, related to the purchase or sale of a business or businesses during the last 12 months. For comparison purposes, management presents the evolution of the group's results on the basis of the same consolidation scope.

Changes in the consolidation scope for continuing operations are as follows:

- End of August 2012: sale of Lianyungang Taile Chemical Industry Co., Ltd (operating segment "Organic Chlorine Derivatives" within "Other Businesses").
- End of November 2012: Sale of Calaire Chimie SAS and Farchemia srl (operating segment "Pharmaceutical Intermediates" within "Other Businesses").
- End of January 2013: Sale of continental European profiles activities (operating segment "Plastic Pipe Systems and Profiles").
- Beginning of May 2013: Sale of Tessenderlo Partecipazioni S.p.A including its subsidiary Tessenderlo Italia srl (operating segment "Organic Chlorine Derivatives" within "Other Businesses").
- In June 2013: Sale of Compounds activities (operating segment "Compounds" within "Other businesses").

The subsidiary Tessenderlo Trading (Shanghai) Co. Ltd continues to perform some immaterial trading activities for several disposed groups ("Organic Chlorine Derivatives", "Pharmaceutical Intermediates" and "Compounds"). The revenue of these activities is included in non-allocated as from the moment of disposal. This reclassification is treated as a scope adjustment within "Other Businesses" and "Non-allocated".

1. MANAGEMENT REPORT

1.1. Key figures

GROUP KEY FIGURES - YEAR TO DATE		
HY13	Million EUR	HY12
1,029.0	Revenue	1,108.2
81.7	REBITDA	99.3
43.9	REBIT	55.4
13.9	Recurrent profit for the period[1]	26.7
-35.1	Loss(-) for the period	-9.7
-1.10	Basic earnings per share (EUR)	-0.31
-1.10	Diluted earnings per share (EUR)	-0.31
87.8	Cash flow from operating activities	12.2
250.9	Net financial debt	244.5

GROUP KEY FIGURES - YEAR TO DATE				
Million EUR	HY12	HY13	% change as reported	% change at comparable scope
Revenue	**1,108.2**	**1,029.0**	**-7.1%**	**1.8%**
Tessenderlo Kerley	191.6	208.0	8.6%	8.6%
Gelatin and Akiolis	250.6	268.6	7.2%	7.2%
Inorganics	207.7	205.3	-1.2%	-1.2%
Plastic Pipe Systems and Profiles	277.8	234.8	-15.5%	-5.7%
Other Businesses	180.4	109.8	-39.1%	-1.4%
Non-allocated	0.0	2.5	-	-
REBITDA	**99.3**	**81.7**	**-17.7%**	**-14.9%**
Tessenderlo Kerley	52.2	46.8	-10.3%	-10.3%
Gelatin and Akiolis	34.3	26.3	-23.4%	-23.4%
Inorganics	1.8	6.2	235.2%	235.2%
Plastic Pipe Systems and Profiles	20.7	16.1	-22.1%	-20.1%
Other Businesses	4.3	3.0	-29.6%	95.9%
Non-allocated	-13.9	-16.7	-	-
REBIT	**55.4**	**43.9**	**-20.7%**	**-22.4%**
Non-recurring items	-37.7	-49.0	-	-
EBIT	17.7	-5.1	nm	nm

1. Recurrent profit (+)/loss (-) for the period is the profit (+)/loss (-) for the period excluding non-recurring items, net of taxes.

Group Performance Review

1. Revenue

Tessenderlo Group revenue for the first half of 2013 was 1.0 billion EUR, 1.8% higher year on year. Revenue was up between 7% and nearly 9% for the segments “Gelatin and Akiolis”, and “Tessenderlo Kerley”, while the segments “Other Businesses” and “Inorganics” were just below the level of HY12. “Plastic Pipe Systems and Profiles” was down almost 6% due to a slow start to 2013.

2. REBITDA

For the first six months of 2013, REBITDA totaled 81.7 million EUR, 14.9% less than the comparable period of 2012. The segments “Inorganics” and “Other Businesses” had higher REBITDA, while the segments “Plastic Pipe Systems and Profiles”, “Tessenderlo Kerley” and “Gelatin and Akiolis” posted lower REBITDA year on year.

3. Cash flow from operating activities

Cash flow from operating activities totaled 87.8 million EUR for the first half of 2013 (HY2012: 12.2 million EUR). As a percentage of revenue, trade working capital was 18.3% at the end of June 2013 (end June 2012: 21.1%). Adjusting for the impact of transactions, the proforma trade working capital was 20.4% at the end of June 2013 (proforma end June 2012: 22.1%). The reduction in trade working capital is mostly explained by a reduction of trade working capital in the segment “Inorganics” compared to the high level at the end of June 2012, and an improved mix.

4. Net financial debt

The group had net financial debt of 250.9 million EUR at the end of June 2013, versus 314.0 million EUR at the end of December 2012. This reduction is mainly attributable to proceeds from the sale of non-strategic assets. The group also expanded its recently implemented securitization program to include activities not previously covered.

Notional net debt totaled 378.1 million EUR at the end of June 2013, compared to 393.9 million EUR at the end of December 2012.

At the end of June 2013, leverage was 1.8x (2.7x based on notional net debt). Gearing was 49.0% at the end of June 2013 (59.2% based on notional net debt).

1.2. Operating segments performance review

TESSENDERLO KERLEY				
Million EUR	HY12	HY13	%change as reported	%change at comparable scope
Revenue	191.6	208.0	8.6%	8.6%
REBITDA	52.2	46.8	-10.3%	-10.3%
REBITDA margin	27.2%	22.5%	-	-
REBIT	46.1	39.5	-14.4%	-14.4%
REBIT margin	24.1%	19.0%	-	-

For the HY13, Tessenderlo Kerley's segment revenue was 208.0 million EUR, 8.6% higher than the first half of 2012 (+10.0% in USD), as the increased fertilizer sales volumes in the second quarter more than made up for the weather-impacted shortfall in 1Q13. Half year revenue was also supported by higher crop protection revenues. REBITDA for the segment of 46.8 million EUR was 10.3% lower than HY12 (-9.2% in USD) due to the slower start in 2013 which could not be fully compensated by an improving second quarter.

GELATIN AND AKIOLIS				
Million EUR	HY12	HY13	%change as reported	%change at comparable scope
Revenue	250.6	268.6	7.2%	7.2%
REBITDA	34.3	26.3	-23.4%	-23.4%
REBITDA margin	13.7%	9.8%	-	-
REBIT	18.1	10.7	-40.7%	-40.7%
REBIT margin	7.2%	4.0%	-	-

HY13 segment revenue for "Gelatin and Akiolis" was 7.2% up on the first half of last year, totaling 268.6 million EUR. The increase is mainly due to higher average prices, while the volume impact was marginally positive. Segment REBITDA of 26.3 million EUR is down 23.4% on HY12, primarily as a result of reduced volumes in Akiolis and the cost of actions implemented to restore its market position.

INORGANICS				
Million EUR	HY12	HY13	%change as reported	%change at comparable scope
Revenue	207.7	205.3	-1.2%	-1.2%
REBITDA	1.8	6.2	235.2%	235.2%
REBITDA margin	0.9%	3.0%	-	-
REBIT	-1.1	3.4	nm	nm
REBIT margin	-0.5%	1.7%	-	-

Inorganics segment revenue for HY13 of 205.3 million EUR was essentially in line with last year, decreasing by 1.2%. Sulfates revenue improved in the first six months, offsetting lower revenue in phosphates. HY13 segment REBITDA totaled 6.2 million EUR, an improvement versus the same period a year ago, mostly as a result of a better commercial performance in sulfates and cost control in both activities.

At the end of June, the group announced its social partners and personnel about its plan for the future of Tessenderlo Chemie Ham (Belgium), with the objective of the plan being to sustain future profitability of the Ham site in a structural way, and to maintain the group's position in the top 3 of the potassium sulfate market.

PLASTIC PIPE SYSTEMS AND PROFILES				
Million EUR	**HY12**	**HY13**	**% change as reported**	**% change at comparable scope**
Revenue	277.8	234.8	-15.5%	-5.7%
REBITDA	20.7	16.1	-22.1%	-20.1%
REBITDA margin	7.4%	6.9%	-	-
REBIT	8.3	6.6	-20.5%	-33.6%
REBIT margin	3.0%	2.8%	-	-

Plastic Pipe Systems and Profiles segment revenue for HY13 of 234.8 million EUR was 5.7% lower than a year ago, due to lower construction activity in the French and Dutch markets, while the UK market is turning more positive. Segment REBITDA decreased 20.1% to 16.1 million EUR, due to lower volumes in Plastic Pipe Systems, especially in the first quarter, which could not be fully offset by cost measures and higher REBITDA in Profiles.

While the construction markets remain fragile in many of the markets in which the group is active, a strong focus on protecting margins, and fixed cost control, means that any improvement in activity will largely flow to the bottom line.

OTHER BUSINESSES				
Million EUR	**HY12**	**HY13**	**% change as reported**	**% change at comparable scope**
Revenue	180.4	109.8	-39.1%	-1.4%
REBITDA	4.3	3.0	-29.6%	95.9%
REBITDA margin	2.4%	2.7%	-	-
REBIT	-1.4	1.4	nm	nm
REBIT margin	-0.8%	1.3%	-	-

For the first half of 2013, segment revenue for "Other Businesses" of 109.8 million EUR was 1.4% less than the same period last year. "Organic Chlorine Derivatives" and "Sulfur Derivatives" had revenue declines, nearly compensated by increases in "Water Treatment" and "Compounds". REBITDA for the segment rose 95.9% to 3.0 million EUR, mainly as a result of higher REBITDA in "Sulfur Derivatives" and "Compounds".

1.3. Risks and uncertainties

Under the explicit understanding that this is not an exhaustive list, the main risk factors and uncertainties for the group for the second semester of 2013 are listed below. Additional risks of which the group is not aware may possibly exist. There may also be risks that the group currently believes to be unimportant, but which can still have an adverse effect. The order of the risk factors described below is not an indicator of their probability of occurrence or the extent of their financial implications. The main risks detected were classified into four categories: strategic, operational, financial and external risks.

Strategic risks

There are inherent risks and uncertainties related to the execution of the group portfolio optimization strategy, to transform the company from a multi-local, diversified commodity chemicals player into an international specialty group, including obtaining sufficient financing, managing the change arising from implementation including the integration of acquisitions, the risk of having to post a loss on certain divestments, and the impact on the overall cost structure.

Considering the recent different divestments by the group, there are inherent risks and uncertainties linked to these transactions. While the group assesses regularly any potential need for provision for items which could lead to required indemnification payable to the acquirer, new events might require to recognize additional provisions or to pay such indemnifications.

Operational risks

- **Raw material price risk**

In the normal course of its business the group is exposed to risks resulting from changes in the availability and/or market prices of raw materials. These fluctuations could have an adverse effect on the results of operations of the group.

- **Reliance on single business partner**

Certain of the group's production units are dependent on a single source of supply of a raw material and moving to an alternative supplier in case of supply problems could require significant time and/or resources. If the group's key suppliers are unable to provide the raw materials required for production, this could have a negative impact on the group's business and results of operations.

- **Risks relating to geographical scope of activity**

The group conducts its business to a significant extent on an international level. The group's operations may be affected by political and economic conditions and regulatory regimes in the countries where entities of the group operate or will operate.

Some businesses, like Akiolis, Plastic Pipe Systems and Profiles, operate in national or regional markets with national or regional competition. Others, like Gelatin, operate in global markets and face global competition. There can be no assurance that the group can continue to effectively compete in the future, and failure to compete effectively may have an adverse effect on its business, financial conditions and results of operations.

- **Risks relating to safety, health and environment**

Certain of the group's activities may cause significant harm to persons or the environment, or where accidents may have serious consequences. The group is also involved in activities which entail the storage and transportation of hazardous substances. While all necessary measures are taken to comply with applicable regulations and to mitigate these risks to the highest extent possible, any material adverse impact on its business, operations and financial condition as a result of these activities cannot be excluded.

- **Risks relating to the group's insurance coverage which may not adequately protect against certain operating hazards**

Although the group believes that it has obtained insurance cover for operational risks and operational and other liabilities customary to its business, the insurance coverage may not adequately protect the group against certain operating hazards and/or may be subject to certain deductibles, exclusions and limits on coverage. To the extent that the group suffers loss or damage that is not covered by insurance or exceeds its insurance coverage, its result of operations and cash flow may be adversely affected.

Financial risks

The group is exposed to a variety of financial risks such as credit risk, liquidity risk, interest risk and currency risk (primarily the US dollar (USD), Pound sterling (GBP), Polish zloty (PLN), Hungarian forint (HUF), Chinese yuan (CNY), Brazilian real (BRL) and Argentine peso (ARS)).

Note 28 - Financial instruments of the 2012 consolidated financial statements contains detailed information on the company's exposures to financial risks and its risk management policies.

External risks

- **Risks arising from legal proceedings and claims**

Tessenderlo Chemie NV and certain of its subsidiaries are, and might be in the future, a party to legal proceedings and claims. Given the inherent uncertainty of litigation, it is possible that the group might incur liabilities as a consequence of the proceedings and claims brought against it.

- **Risks relating to the regulatory framework**

The group is subject to various regulations, including environmental, safety and health legislation, as well as future changes in such regulations. If the group is not in compliance with those requirements, it could be required to make significant expenditures to cure violations. In such circumstances the group could also be subject to material fines or penalties and, potentially, criminal sanctions, which could have a material adverse effect on its results of operations.

- **Risks relating to economic conditions and financial markets**

The group is exposed to the risk of a worsening of the global economy, which can lead to a global recession or a recession in one or several of the major geographic markets. An economic downturn in the businesses or geographic areas in which the group sells its products could reduce demand for these products and result in a decrease in sales volumes. Operating segments might also be affected with high cyclicality and volatility of both demand and pricing in some industries, particularly the agricultural and buildings market. These risks could have a negative impact on the group's results of operations.

The group is also exposed to credit and capital market volatility and economic and financial crises, which can have a negative influence on the results, given some of the operating segments are closely linked to general economic conditions.

2. Statement on the true and fair view of the consolidated financial information and the fair overview of the management report

Mr. F. Coenen (CEO) and Mr. M. de Vogue (CFO) certify, on behalf and for the account of the company, that, to their knowledge,

a) the consolidated financial information which has been prepared in accordance with the International Financial Reporting Standard on Interim Financial Statements (IAS 34), gives a true and fair view of the financial position, income statement and statement of comprehensive income of the company, and the entities included in the consolidation as a whole,

b) the 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. Consolidated financial information June 30, 2013

3.1. CONSOLIDATED INCOME STATEMENT

Million EUR	Note	HY13	HY12[1]
Revenue	**6**	**1,029.0**	**1,108.2**
Cost of sales		-811.2	-878.3
Gross profit		**217.7**	**229.8**
Distribution expenses		-51.7	-52.4
Sales and marketing expenses		-36.1	-34.6
Administrative expenses		-76.3	-78.7
Other operating income and expenses		-9.7	-8.7
Profit (+) / loss (-) from operations before non-recurring items (REBIT)		**43.9**	**55.4**
Gains and losses on disposals	8	5.0	11.6
Restructuring	8	-37.4	-3.0
Losses on disposal groups	8	-5.2	-35.9
Impairment losses	8	-4.7	-
Provisions and claims	8	-1.5	-1.0
Other income and expenses	8	-5.3	-9.4
Profit (+) / loss (-) from operations (EBIT)		**-5.1**	**17.7**
Finance costs	10	-26.2	-47.7
Finance income	10	11.6	36.0
Finance costs - net		**-14.6**	**-11.7**
Share of result of equity accounted investees, net of income tax		2.7	3.6
Profit (+) / loss (-) before tax		**-17.0**	**9.6**
Income tax expense	11	-18.1	-19.3
Profit (+) / loss (-) for the period		**-35.1**	**-9.7**
Attributable to:			
- Equity holders of the company		**-35.0**	**-9.8**
- Non-controlling interest		**-0.1**	**0.1**
Basic earnings per share (EUR)	18	-1.10	-0.31
Diluted earnings per share (EUR)	18	-1.10	-0.31

1. 2012 as reported, adjusted to reflect the effects of the retrospective application on the revised IAS 19 *Employee Benefits* (see also note 21 – Employee benefits).

3.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Million EUR	Note	HY13	HY12[1]
Profit (+) / loss (-) for the period		**-35.1**	**-9.7**
Translation differences		-3.5	3.6
Net change in fair value of derivative financial instruments, before tax		1.4	-3.1
Other movements		-0.1	0.1
Income tax on other comprehensive income		-0.5	1.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods		**-2.6**	**1.7**
Actuarial gains/(losses)		3.7	-
Change in consolidation scope, before tax[2]		-	7.7
Income tax on other comprehensive income		-0.6	-2.6
Other comprehensive income not being reclassified to profit or loss in subsequent periods		**3.2**	**5.1**
Other comprehensive income for the period, net of income tax		**0.5**	**6.7**
Total comprehensive income for the period		**-34.6**	**-3.0**
Attributable to:			
- Equity holders of the company		-34.5	-3.3
- Non-controlling interest		-0.1	0.3
Total comprehensive income for the period		**-34.6**	**-3.0**

1. 2012 as reported, adjusted to reflect the effects of the retrospective application on the revised IAS 19 *Employee Benefits* (see also note 21 – Employee benefits).
2. The change in consolidation scope, before tax as per HY12 (7.7 million EUR) is related to the sale in 2012 of 13.33% of the shares of T-Power SA. The related part of the changes in fair value of the interest rate swaps in the associated T-Power SA, previously accumulated in equity, was derecognized through “Other comprehensive income”.

3.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Million EUR	**Note**	**30.06.2013**	**31.12.2012[1]**	**01.01.2012[1]**
ASSETS				
Total non-current assets		**633.7**	**621.9**	**679.7**
Property, plant and equipment	13	478.4	471.8	518.8
Goodwill		37.3	37.2	55.0
Other intangible assets		55.8	60.0	58.1
Investments accounted for using the equity method		24.6	21.4	20.8
Other investments		5.1	4.8	5.7
Deferred tax assets		5.7	5.8	7.1
Trade and other receivables		26.6	20.8	14.2
Derivative financial instruments	20	0.1	-	-
Total current assets		**553.3**	**576.7**	**676.6**
Inventories	14	282.8	303.3	350.8
Trade and other receivables	15	229.2	237.9	290.9
Derivative financial instruments	20	0.5	0.9	-
Cash and cash equivalents	19	40.8	34.7	34.9
Non-current assets classified as held for sale	**9**	**1.3**	**64.4**	**7.8**
Total assets		**1,188.3**	**1,263.0**	**1,364.1**
EQUITY AND LIABILITIES				
Total equity		**265.1**	**340.1**	**588.8**
Equity attributable to equity holders of the company		**260.6**	**335.5**	**584.6**
Issued capital		153.7	153.7	147.9
Share premium		88.0	88.0	73.5
Reserves and retained earnings		18.9	93.2	366.7
Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets held for sale		-	0.6	-3.6
Non-controlling interest		**4.4**	**4.5**	**4.3**
Total liabilities		**923.2**	**922.9**	**775.2**
Total non-current liabilities		**417.5**	**492.7**	**309.1**
Loans and borrowings	19	192.6	275.5	180.5
Employee benefits		49.9	50.5	32.7
Provisions	22	140.7	129.7	56.1
Trade and other payables		1.4	1.8	2.4
Derivative financial instruments	20	2.9	6.5	8.8
Deferred tax liabilities		29.9	28.6	28.6
Total current liabilities		**505.8**	**389.5**	**466.1**
Bank overdrafts	19	2.3	5.2	0.7
Loans and borrowings	19	96.7	68.0	73.2
Trade and other payables	16	356.1	290.6	379.3
Derivative financial instruments	20	1.2	-	1.6
Current tax liabilities		9.7	2.7	3.0
Provisions	22	39.8	23.1	8.4
Liabilities associated with assets classified as held for sale	**9**	**0.0**	**40.6**	**-**
Total equity and liabilities		**1,188.3**	**1,263.0**	**1,364.1**

1. 2012 as reported, adjusted to reflect the effects of the retrospective application on the revised IAS 19 *Employee Benefits* (see also note 21 – Employee benefits).

3.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Million EUR	Note	Issued capital	Share premium	Legal reserves	Translation reserves	Revaluation reserves	Hedging reserves	Treasury shares	Actuarial gains/(losses)	Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets classified as held for sale[1]	Retained earnings	Equity attributable to equity holders of the company[2]	Non-controlling interest	Total equity
Balance at January 1, 2012		**147.9**	**73.5**	**14.4**	**-23.4**	**10.7**	**-2.8**	**0.0**	**-15.8**	**-3.6**	**383.5**	**584.6**	**4.3**	**588.8**
Profit (+) / Loss (-) for the period		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-9.8**	**-9.8**	**0.1**	**-9.7**
Other comprehensive income for the period														
- Translation differences		-	-	-	3.5	-	-	-	-	-	-	3.5	0.1	3.6
- Change in consolidation scope		-	-	-	-	-	-	-	-	5.1	-	5.1	-	5.1
- Net change in fair value of derivative financial instruments, net of tax		-	-	-	-	-	-0.5	-	-	-1.5	-	-2.0	-	-2.0
- Other movements		-	-	0.4	-0.4	-	-	-	-	0.4	-0.4	0.0	0.1	0.1
Comprehensive income for the period, net of income taxes		**0.0**	**0.0**	**0.4**	**3.1**	**0.0**	**-0.5**	**0.0**	**0.0**	**3.9**	**-10.2**	**-3.3**	**0.3**	**-3.0**
Transactions with owners, recorded directly in equity														
- Dividends paid to shareholders		-	-	-	-	-	-	-	-	-	-39.4	-39.4	-0.2	-39.5
Total contributions by and distributions to owners		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-39.4**	**-39.4**	**-0.2**	**-39.5**
Balance at June 30, 2012		**147.9**	**73.5**	**14.8**	**-20.3**	**10.7**	**-3.3**	**0.0**	**-15.8**	**0.4**	**333.9**	**541.8**	**4.5**	**546.3**

1. The fair value of the interest rate swaps, net of taxes, related to the 13.33% participation in T-Power SA, previously recognized directly in equity, amounted to -3.6 million EUR as per December 31, 2011 and was included in the hedging reserves.
2. 2012 as reported, adjusted to reflect the effects of the retrospective application on the revised IAS 19 *Employee Benefits* (see also note 21 – Employee benefits).

Million EUR	Note	Issued capital	Share premium	Legal reserves	Translation reserves	Revaluation reserves	Hedging reserves	Treasury shares	Actuarial gains/(losses)	Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets classified as held for sale	Retained earnings	Equity attributable to equity holders of the company	Non-controlling interest	Total equity
Balance at January 1, 2013		**153.7**	**88.0**	**14.8**	**-26.9**	**10.7**	**-5.3**	**-0.6**	**-43.2**	**0.6**	**143.6**	**335.5**	**4.5**	**340.1**
Profit (+) / Loss (-) for the period		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-35.0**	**-35.0**	**-0.1**	**-35.1**
Other comprehensive income for the period														
- Translation differences		-	-	-	-2.9	-	-		-	-0.6	-	-3.6	0.1	-3.5
- Actuarial gains/(losses), net of tax		-	-	-	-	-	-	-	3.2	-	-	3.2		3.2
- Net change in fair value of derivative financial instruments, net of tax		-	-	-	-	-	0.9	-	-	-	-	0.9	-	0.9
- Other movements		-	-	-	-	-	-	-	-	-	-	0.0	-0.1	-0.1
Comprehensive income for the period, net of income taxes		**0.0**	**0.0**	**0.0**	**-2.9**	**0.0**	**0.9**	**0.0**	**3.2**	**-0.6**	**-35.0**	**-34.5**	**-0.1**	**-34.6**
Transactions with owners, recorded directly in equity														
- Dividends paid to shareholders	17	-	-	-	-	-	-	-	-	-	-40.9	-40.9	-	-40.9
- Warrants and capital increase		-	-	-	-	-	-	-	-	-	0.7	0.7	-	0.7
- Treasury shares		-	-	-	-	-	-	-0.2	-	-	-	-0.2	-	-0.2
Total contributions by and distributions to owners		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-0.2**	**0.0**	**0.0**	**-40.2**	**-40.4**	**0.0**	**-40.4**
Balance at June 30, 2013		**153.7**	**88.0**	**14.8**	**-29.8**	**10.7**	**-4.3**	**-0.8**	**-40.0**	**0.0**	**68.4**	**260.6**	**4.4**	**265.1**

3.5. CONSOLIDATED STATEMENT OF CASH FLOWS

Million EUR	Note	30.06.2013	30.06.2012[1]
OPERATING ACTIVITIES			
Profit (+) / loss (-) for the period		**-35.1**	**-9.7**
Depreciation, amortization and impairment losses on tangible assets, goodwill and other intangible assets		42.2	43.4
Impairment losses on disposal groups classified as held for sale	8	0.7	33.5
Changes in provisions		23.8	-4.3
Finance costs	10	26.2	47.7
Finance income	10	-11.6	-36.0
Loss / (profit) on sale of non-current assets		-0.6	-11.8
Impact capital increase expense, purchase own shares and warrant plan		0.7	-
Share of result of equity accounted investees, net of income tax		-2.7	-3.6
Income tax expense	11	18.1	19.3
Other non-cash items		-2.4	-4.8
Changes in inventories		18.8	2.4
Changes in trade and other receivables [2]		-17.6	-44.6
Changes in trade and other payables		31.7	-5.7
Cash generated from operations		*92.1*	*25.8*
Income tax paid		-6.7	-16.3
Dividends received from investments accounted for using the equity method		2.3	2.7
Cash flow from operating activities		**87.8**	**12.2**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	13	-48.6	-46.5
Acquisition of other intangible assets		-1.6	-1.6
Acquisition of businesses, net of cash acquired		-	-14.2
Proceeds from the sale of property, plant and equipment		7.0	2.1
Proceeds from the sale of other intangible assets		0.1	0.1
Proceeds from the sale of subsidiaries, net of cash disposed of		29.5	-
Further settlement of the PVC/Chlor-Alkali sales transaction		-	11.1
Proceeds from the sale of investments accounted for using the equity method		-	20.9
Cash flow from investing activities		**-13.6**	**-28.0**
FINANCING ACTIVITIES			
Purchase own shares		-0.2	-
Increase of financial liabilities		37.9	75.3
(Decrease) of financial liabilities		-92.0	-32.7
Interest paid		-5.2	-5.8
Interest received		0.2	0.3
Other finance costs paid		-4.8	-2.8
(Increase) / decrease of long term receivables		-0.9	-1.2
Dividends paid to shareholders		-	-
Cash flow from financing activities		**-65.0**	**33.0**
Net increase / (decrease) in cash and cash equivalents		**9.2**	**17.2**
Effect of exchange rate differences		-0.1	0.4
Cash and cash equivalents less bank overdrafts at the beginning of the period		29.5	34.2
Cash and cash equivalents less bank overdrafts at the end of the period		38.5	51.8

1. 2012 as reported, adjusted to reflect the effects of the retrospective application on the revised IAS 19 *Employee Benefits* (see also note 21 – Employee benefits).
2. "Changes in trade and other receivables" include the change in the amount which has been received in cash under various non recourse factoring agreements, whereby trade receivables are sold at their nominal value minus a discount in exchange for cash. The amount received increased from 79.9 million EUR as per December 31, 2012 to 127.3 million EUR as per June 30, 2013. At HY 2012 the factoring amount increased to 91.4 million EUR, from 85.8 million EUR as per December 31, 2011.

3.6. Notes to the consolidated financial information

1. Reporting entity
2. Statement of compliance
3. Significant accounting policies
4. Critical accounting estimates and judgments
5. Financial risk management
6. Segment reporting
7. Acquisitions and disposals
8. Non-recurring income/(expense) items
9. Non-current assets classified as held for sale
10. Finance costs and income
11. Income tax expense
12. Seasonality of operations
13. Property, plant and equipment
14. Inventories
15. Trade and other receivables
16. Trade and other payables
17. Share capital and share premium
18. Earnings per share
19. Loans and borrowings
20. Financial instruments
21. Employee Benefits
22. Provisions
23. Contingencies
24. Related parties
25. Subsequent events

1. Reporting entity

Tessenderlo Chemie NV (hereafter referred to as “the company”) is a company domiciled in Belgium. The consolidated financial information for the six month period ended June 30, 2013 comprises 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

This consolidated financial information for the six month period ended June 30, 2013 has been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 *Interim Financial Reporting*, as adopted for use by the European Union. It does 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 December 31, 2012[1] which have been prepared in accordance with IFRS.

This consolidated financial information was approved by the Board of Directors on August 28, 2013. This consolidated financial information has been reviewed, not audited.

3. Significant accounting policies

The accounting policies used by the group in the present consolidated financial information are consistent with those used in the preparation of the consolidated financial statements as at and for the year ended December 31, 2012, except for the adoption of new standards effective as of January 1, 2013.

3.1. New standards and amendments adopted by the group

The group applies for the first time certain standards and amendments that require restatement of previous financial statements. These include IAS 19 (Revised 2011) *Employee Benefits*, IFRS 13 *Fair value Measurement*, and amendments to IAS 1 *Presentation of Financial Statements* and to IAS 34 *Interim financial reporting*. As required by IAS 34, the nature and the effect of these changes are disclosed below.

The amendments of IAS 19 *Employee Benefits* (Revised 2011) that caused the most significant impact on the group’s financial position or performance include:

- actuarial gains and losses are recognized immediately in other comprehensive income; and
- expected return on plan assets recognized in the income statement is calculated based on the rate used to discount the defined benefit obligation.

The 2012 comparative financial statements have been restated in compliance with the requirements of the revised standard. The effect of the adoption of IAS 19R is explained in note 21.

IFRS 13 *Fair Value Measurement*: IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group. The disclosure requirements in IFRS 13 are applicable for the full annual financial statements at December 31, 2013. Some of these disclosures are specifically required in interim

[1] The 2012 consolidated financial statements can be consulted on the group’s web site www.tessenderlogroup.com

financial information for financial instruments by IAS 34.16A(j). The group provides these disclosures in Note 20 – Financial instruments.

IAS 1 *Presentation of Items of Other Comprehensive Income* – amendments to IAS 1: The amendments require that an entity presents separately the items of other comprehensive income that would be reclassified to the income statement in the future if certain conditions are met, from those that would never be reclassified to the income statement. The amendment affected presentation only and had no impact on the group's financial position or performance.

IAS 34 *Interim financial reporting* and segment information for total assets and liabilities (amendment): The amendment clarifies the requirements in IAS 34 relating to segment information to enhance consistency with the requirements in IFRS 8 *Operating Segments*. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. As a result of this amendment, the group provides this disclosure as total segment assets and total segment liabilities are reported to the chief operating decision maker (CODM). See Note 6 – Segment reporting.

3.2. Recently issued IFRS

To the extent that new IFRS requirements are expected to be applicable in the future, they have been listed hereafter.

Effective as from January 1, 2014:

- IFRS 10 *Consolidated Financial Statements*
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interests in Other Entities*
- IAS 27 *Separate Financial Statements* (2011)
- IAS 28 *Investments in Associates and Joint Ventures* (2011)

Effective as from January 1, 2015:

- IFRS 9 *Financial Instruments*

For the six-month period ended June 30, 2013, these new or amended standards have not been applied in preparing the consolidated financial information. The group does not plan to adopt these standards early. They are not expected to have a significant impact on the group's financial statements.

3.3. Foreign currency

The following exchange rates have been used in preparing the consolidated financial information:

EXCHANGE RATES					
	Closing rate			Average rate	
1 EUR equals:	30.06.2013	31.12.2012	30.06.2012	30.06.2013	30.06.2012
Argentine peso	6.9956	6.4870	5.7270	6.7297	5.6962
Brazilian real	2.8899	2.7036	2.5788	2.6683	2.4144
Chinese yuan	8.0280	8.2207	8.0011	8.1285	8.1901
Czech crown	25.9490	25.1510	25.6400	25.6994	25.1742
Hungarian forint	294.8500	292.3000	287.7700	296.0100	295.4500
Polish zloty	4.3376	4.0740	4.2488	4.1772	4.2459
Pound sterling	0.8572	0.8161	0.8068	0.8508	0.8225
US dollar	1.3080	1.3194	1.2590	1.3134	1.2965

4. Critical accounting 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 judgments, estimates and assumptions that affect the application of the accounting policies, 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 and assumptions are reviewed periodically and the effects of revisions, if needed, are reflected in the financial statements.

Estimates and judgments are mainly used in accounting for:

- Allowances for uncollectible receivables. These are based on an extensive analysis of the customer credit risk, ageing and historic payment behaviour.
- Inventory obsolescence and lower of cost of net realizable value adjustments, which are determined through the analysis of the market circumstances at closing date.
- Depreciation and amortisation, which are based on the estimated useful life of an asset.
- Impairments. The carrying amount of financial assets, property, plant and equipment, goodwill and other intangible assets is reviewed at each balance sheet date to determine whether an indication of impairment exits. If any such indication exists, the asset's recoverable amount is estimated.
- Employee benefits. The calculation of defined benefit obligations is based on actuarial assumptions such as future salary increases, the expected return on plan assets, the turnover rate and life expectancy, and through the use of a discount rate.
- Taxes. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and credits can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. In making its judgment management takes into account the long term business strategy.
- Provisions and contingencies. The amounts recognized reflect management's best estimate of the expected expenditures required to settle the present obligation at balance sheet date. If the effect is material, provisions are determined by discounting the expected future cash

flows. As per June 30, 2013 the environmental provisions amounted to 106.5 million EUR. These provisions could change substantially due to the emergence of additional information on the nature or extent of the contamination, a change in legislation, a change in best practices for sanitation, a change in timing of cash outflows, a change in agreement with authorities on the treatment of the polluted site or other factors of a similar nature.

- Non-current assets classified as held for sale, which are recognized at the lower of their carrying amount and fair value less costs to sell.
- Financial instruments, which are measured at fair value in the statement of financial position based on inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- In 2008, the group signed a 15-year 50 MWh baseload electricity purchase agreement for the PVC activity in Tessenderlo Chemie NV (Belgium). The contract became effective in 2Q11 (i.e. when the T-Power plant became operational). The group sold the majority of the PVC/Chlor-Alkalli activities to INEOS Chlorvinyls in 3Q11. This purchase agreement was not part of the sales transaction and therefore, as from that moment, the group does no longer buy the electricity for own use but has the intention to sell the 50 MWh on the market until the end of the contract (2026). A reassessment of the valuation of the contract will be done in the second half of 2013.

5. Financial risk management

For an overview of the main risks and uncertainties which the group is facing, we refer to 1.3. Risks and uncertainties of this interim report. Also, we refer to the 2012 Annual Report as available on the company's website www.tessenderlogroup.com.

6. Segment reporting

The group has nine operating segments based on the principal business activities and economic environments, as defined under IFRS 8 *Operating Segments*. The customers and main markets of these segments are different. Four operating segments (Tessenderlo Kerley, Gelatin and Akiolis, Inorganics and Plastic Pipe Systems and Profiles) fulfil the quantitative thresholds and are reported separately.

The operating segments Pharmaceutical Intermediates, Compounds, Organic Chlorine Derivatives, Water Treatment and Sulphur Derivatives do not fulfil the quantitative thresholds and are grouped in "Other Businesses". The information provided below is consistent with the information that is available and evaluated regularly by the Chief Operating Decision Maker (the Group Management Committee).

The activities of the operating segment Pharmaceutical Intermediates were sold in the second half of 2012, while the remaining activities of the operating segment Organic Chlorine Derivatives and the activities of the operating segment Compounds were sold in the first half of 2013 (note 7 – Acquisitions and disposals). The financial statements of the sold subsidiaries are included in the consolidated financial statements until the date that control in those subsidiaries ceased.

The group is a diversified specialty group that is worldwide active in many areas of agriculture, food, water management, efficient re(use) of natural resources and other industrial markets. The products of the group are used in various applications and consumption markets. Although a leadership position is occupied by the group in a number of diverse markets, the diversification of the group's revenue makes the group not reliant on major customers.

We refer to the table below for the major lines of the income statement and the statement of financial position per operating segment. The information presented is for the six-month period ended June 30, except for Statement of financial position comparatives at December 31, 2012.

SEGMENT REPORTING	Tessenderlo Kerley		Gelatin and Akiolis		Inorganics		Plastic Pipe Systems and Profiles		Other Businesses		Non-allocated		Tessenderlo Group	
Million EUR	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Revenue (internal and external)	208.1	191.9	268.6	250.8	205.3	207.9	234.8	277.8	109.9	181.0	2.5	0.0	1,029.2	1,109.5
Revenue (internal)	0.2	0.3	0.0	0.2	0.0	0.2	0.0	0.0	0.0	0.6	0.0	0.0	0.2	1.3
Revenue	**208.0**	**191.6**	**268.6**	**250.6**	**205.3**	**207.7**	**234.8**	**277.8**	**109.8**	**180.4**	**2.5**	**0.0**	**1,029.0**	**1,108.2**
REBITDA	**46.8**	**52.2**	**26.3**	**34.3**	**6.2**	**1.8**	**16.1**	**20.7**	**3.0**	**4.3**	**-16.7**	**-13.9**	**81.7**	**99.3**
Return on revenue (REBITDA/revenue)	**22.5%**	**27.2%**	**9.8%**	**13.7%**	**3.0%**	**0.9%**	**6.9%**	**7.4%**	**2.7%**	**2.4%**	**-**	**-**	**7.9%**	**9.0%**
Segment assets	217.6	222.7	395.3	415.1	148.1	164.2	247.2	247.3	56.6	99.0	47.3	47.8	1,112.1	1,196.2
Investments accounted for using the equity method	9.5	8.3	4.3	4.2	-	-	-	-	-	-	10.8	8.9	24.6	21.4
Other investments	-	-	-	-	-	-	-	-	-	-	5.1	4.8	5.1	4.8
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	5.7	5.8	5.7	5.8
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	40.8	34.7	40.8	34.7
Total assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,188.3**	**1,263.0**
Segment liabilities	36.1	21.6	125.0	114.6	173.0	153.7	84.9	96.0	51.9	80.6	130.8	79.2	601.7	545.8
Loans and borrowings	-	-	-	-	-	-	-	-	-	-	289.4	343.5	289.4	343.5
Bank overdrafts	-	-	-	-	-	-	-	-	-	-	2.3	5.2	2.3	5.2
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	29.9	28.6	29.9	28.6
Total equity	-	-	-	-	-	-	-	-	-	-	265.1	340.1	265.1	340.1
Total Equity and liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,188.3**	**1,263.0**
Capital expenditures: property, plant and equipment and other intangible assets	20.6	15.4	9.0	13.4	6.9	5.3	5.2	6.8	6.8	5.5	1.6	1.7	50.2	48.0
Depreciation, amortization and impairment losses on tangible assets, goodwill and other intangible assets	7.3	6.1	15.1	15.6	5.1	3.0	9.2	12.2	4.3	5.6	1.2	0.9	42.2	43.4
Impairment losses on disposal groups classified as held for sale	-	-	-	-	-	-	-0.1	27.6	0.8	5.9	-	-	0.7	33.5

The balance sheet figures of 2012 as included in the segment reporting are adjusted in order to reflect the effects of the retrospective application on the revised IAS 19 (see also note 21 – Employee benefits).

The increase of segment liabilities within “Inorganics” can be mainly explained by the recognition of restructuring provisions in HY13 (note 8 – Non-recurring income/(expense) items).

The decrease of segment assets and liabilities within “Other Businesses” can be mainly explained by the different sale transactions which were closed in HY13 (note 7 – Acquisitions and disposals).

The increase of segment liabilities within “Non-allocated” can be explained by the recognition of the 2012 dividend (40.9 million EUR) which was approved during the annual general meeting on June 4, 2013 and which is included within current “Trade and other payables” as per June 30, 2013.

The subsidiary Tessenderlo Trading (Shanghai) Co. Ltd continues to perform some immaterial trading activities for several disposed groups (“Organic Chlorine Derivatives”, “Pharmaceutical Intermediates” and “Compounds”). The revenue of these activities is included in non-allocated as from the moment of disposal.

The reconciliation of the profit before tax is as follows:

RECONCILIATION PROFIT BEFORE TAX		
Million EUR	**30.06.2013**	**30.06.2012**
REBITDA of reportable segments	95.3	108.9
REBITDA of non-allocated and other businesses	-13.7	-9.7
REBITDA	**81.7**	**99.3**
Depreciation, amortization, impairment losses and provisions	-37.8	-43.9
Non-recurring income/(expense) items	-49.0	-37.7
Finance costs - net	-14.6	-11.7
Share of result of equity accounted investees, net of income tax	2.7	3.6
Profit (+) / loss (-) before tax	**-17.0**	**9.6**

7. Acquisitions and disposals

On January 31, 2013, the group completed the sale of the continental European Profiles activities, known under the brand name Profialis (operating segment “Plastic Pipe Systems and Profiles”). The sale resulted in a non-recurring gain of 0.2 million EUR in the first half of 2013. A non-recurring loss of -35.7 million EUR was recognized in 2012 (which included impairment charges for -32.2 million EUR and costs to sell and other provisions for -3.5 million EUR). The subsidiaries of Profialis have contributed 5.8 million EUR to the group’s half year 2013 revenue (HY12: 35.5 million EUR), and 0.1 million EUR to the group’s half year 2013 recurring result (HY12: -0.8 million EUR).

In February 2013, the group has sold its 49.50% participation in Alkemin S de RL de CV (operating segment “Tessenderlo Kerley”). The impact of this transaction on the HY13 consolidated income statement is not significant.

On May 3, 2013, the group completed the sale of Tessenderlo Partecipazioni S.p.A including its subsidiary Tessenderlo Italia Srl (operating segment “Organic Chlorine Derivatives” within “Other Businesses”). The sale resulted in a non-recurring loss of -0.9 million EUR in the first half of 2013. A non-recurring loss of -32.9 million EUR was recognized in 2012 (which included impairment charges for -31.5 million EUR and costs to sell and other provisions for -1.4 million EUR). Tessenderlo Partecipazioni S.p.A and Tessenderlo Italia srl have contributed 9.3 million EUR to the group’s half year 2013 revenue (HY12: 13.6 million EUR) and -1.9 million EUR to the group’s half year 2013 recurring result (HY12: -2.6 million EUR).

On June 18, 2013, the group completed the sale of the Compounds activities (operating segment “Compounds” within “Other Businesses”). The sale resulted in a non-recurring gain of 0.2 million EUR in the first half of 2013. A non-recurring loss of -8.8 million EUR was recognized in 2012 (which included impairment charges for -5.7 million EUR and costs to sell and other provisions for -3.1 million EUR). The subsidiaries of the Compounds activities have contributed 54.9 million EUR to the group’s half year 2013 revenue (HY12: 65.4 million EUR), and 1.7 million EUR to the group’s half year 2013 recurring result (HY12: -1.0 million EUR).

The table below shows the major classes of assets and liabilities of the subsidiaries at disposal date (these disposal groups were already classified as “Non-current assets classified as held for sale” and “Liabilities associated with assets classified as held for sale” as per December 31, 2012):

	Profialis	Tessenderlo Partecipazioni SpA and Tessendelo Italia srl	Compounds	Total
(Million EUR)				
ASSETS	**15.2**	**9.0**	**60.9**	**85.1**
Non-current assets	**0.0**	**0.0**	**17.1**	**17.1**
Property, plant and equipment	0.0	0.0	16.5	**16.5**
Deferred tax assets	0.0	0.0	0.6	**0.6**
Current assets	**15.2**	**9.0**	**43.8**	**68.0**
Inventories	1.8	0.0	19.3	**21.1**
Trade and other receivables	13.4	9.0	24.4	**46.8**
LIABILITIES	**12.2**	**10.6**	**21.9**	**44.8**
Non-current liabilities	**1.0**	**2.6**	**1.4**	**5.0**
Employee benefits	0.6	1.6	0.6	**2.7**
Provisions	0.2	1.0	0.0	**1.2**
Trade and other payables	0.0	0.0	0.1	**0.1**
Deferred tax liabilities	0.3	0.0	0.7	**0.9**
Current liabilities	**11.2**	**8.0**	**20.6**	**39.8**
Provisions	0.2	0.0	0.2	**0.4**
Trade and other payables	11.0	7.9	20.1	**39.0**
Current tax liabilities	0.0	0.1	0.2	**0.4**

The assets disposed of for these three disposal groups amounted to 85.1 million EUR, while the assets classified as held for sale as per December 31, 2012 amounted to 61.1 million EUR. The difference can be mainly explained by the reimbursement of the ongoing non-recourse factoring program in these disposal groups before closing date of the transactions. The amount of non-recourse factoring in these three disposal groups amounted to 17.2 million EUR as per December 31, 2012.

8. Non-recurring income/(expense) items

NON-RECURRING INCOME / (EXPENSE) ITEMS		
Million EUR	**HY13**	**HY12**
Gains and losses on disposals	5.0	11.6
Restructuring	-37.4	-3.0
Losses on disposal groups	-5.2	-35.9
Impairment losses	-4.7	-
Provisions and claims	-1.5	-1.0
Other income and expenses	-5.3	-9.4
Total	**-49.0**	**-37.7**

For the first half of 2013, the net non-recurring income/(expense) items amount to -49.0 million EUR.

A non-recurring gain on disposals of 5.0 million EUR was realized following the sale of some non-strategic assets, mainly land in France and in the United States of America.

Restructuring amounts to -37.4 million EUR and mainly includes:

- Expenses and provisions for a restructuring within Akiolis (operating segment “Gelatin and Akiolis”) which was decided upon following the lower volumes and increased competitive intensity. The measures taken should lead to a progressive improvement of the operational results in the medium term.
- Expenses and provisions for the restructuring of the plant in Ham (Belgium) as announced in June 2013 (operating segment “Inorganics”). The group informed social partners and personnel about its future plans of Tessenderlo Chemie Ham, which might lead to a possible reduction of 170 permanent positions. The phosphate production unit in Ham will be closed at the end of 2013, mainly for environmental reasons. In addition, fundamental improvements in efficiency are required in the fertilizer unit (potassium sulfate) - which will be the main activity in Ham - due to the sharply increased competitive pressure and rising costs.
- Expenses and provisions related to the termination of an operating agreement within “Other Businesses” and for further operational efficiency improvements within several subsidiaries.

Losses on disposal groups amount to -5.2 million EUR as per HY13, which mainly include the provision of 4.0 million EUR for a post divestment litigation which the group is subject to.

Impairment losses amount to -4.7 million EUR and are mainly related to property, plant and equipment of the plants impacted by the restructuring plans described above.

Provision and claims amount to -1.5 million EUR. Charges related to the recognition of a provision for an onerous contract were partially offset by the decrease of recognized environmental provisions. The latter is a consequence of the increase of discount rates used.

Other income and expenses (-5.3 million EUR) mainly relate to:

- The realized loss on an electricity contract which is no longer for own use following the sale of the majority of the PVC/Chlor-Alkali activities in 2011 (see also note 4 – Critical accounting estimates and judgments).
- One-off consultancy fees and other expenses related to the reorganization and optimization of several activities.
- Expenses for a potential industrial project (operating segment “Inorganics”) which was discontinued.

9. Non-current assets classified as held for sale

Million EUR	30.06.2013	31.12.2012
Non-current assets classified as held for sale	**1.3**	**64.4**
Disposal group Profialis	-	7.3
Disposal group Compounds	-	50.2
Disposal group Organic Chlorine Derivatives	-	3.6
Other non-current assets classified as held for sale	1.3	3.3
Liabilities associated with assets classified as held for sale	**-**	**40.6**
Disposal group Profialis	-	11.2
Disposal group Compounds	-	19.2
Disposal group Organic Chlorine Derivatives	-	10.2

The group completed in the first half of 2013 the sale of the European continental profiles activities, the Italian Organic Chlorine Derivatives activities and the operating segment Compounds (note 7 – Acquisitions and disposals). The sale of land located at a French subsidiary within the operating segment “Plastic Pipe Systems and Profiles” was completed in the first quarter of 2013 (note 8 - Non-recurring income/(expense) items).

The remaining assets held for sale as per June 30, 2013 consist of non-strategic assets, mainly a building and plant, machinery and equipment located at an Italian subsidiary within the operating segment “Inorganics” (1.3 million EUR), which management is still committed to sell.

10. Finance costs and income

Net finance costs and income amount to -14.6 million EUR as per June 30, 2013, compared to -11.7 million EUR as per June 30, 2012.

The net finance costs and income can be detailed as follows:

FINANCE COSTS AND INCOME		
Million EUR	**HY13**	**HY12**
Interest expense on financial liabilities	-7.5	-7.3
Amortization charges of transaction costs related to financial liabilities	-0.9	-0.9
Commitment fee on unused portion of the syndicated credit facility	-0.9	-0.9
Factoring expense	-1.2	-1.1
Total borrowing costs	**-10.6**	**-10.2**
Dividend income from non-consolidated companies	0.1	0.1
Interest income	0.2	0.2
Total income from investments and cash & cash equivalents	**0.3**	**0.3**
Expense for the unwinding of discounted provisions	-0.9	-0.4
Net interest (expense)/income on pension asset/(liability)	-0.5	-0.1
Net foreign exchange gains and losses (including revaluation to fair value of derivative financial instruments)	-1.3	-0.3
Amortization charges related to the unwinding of derivative financial instruments	0.0	-0.3
Net other finance (costs)/income	-1.6	-0.6
Total	**-14.6**	**-11.7**

Borrowing costs as per June 30, 2013 amount to -10.6 million EUR, which is in line with prior year costs (-10.2 million EUR).

The expense for the unwinding of discounted provisions increased compared to the same period last year due to the additional environmental provisions recognized as per year-end 2012.

The increase of the net interest (expense)/income on the pension liability is a consequence of the higher net pension liability recognized as per December 31, 2012 compared to December 31, 2011, partially compensated by a lower discount rate used.

The increase of the net foreign exchange gains and losses (including revaluation to fair value of derivative financial instruments) in HY13 (-1.3 million EUR) compared to HY12 (-0.3 million EUR) can be mainly explained by exchange losses in the gelatin plant in Argentina.

The increase of the net other finance costs in HY13 (-1.6 million EUR) compared to HY12 (-0.6 million EUR) can mainly be explained by the one-time expenses following the start of a securitization program in the United States of America and in France.

11. Income tax expense

Tax expenses amounted to -18.1 million EUR in the first half of 2013, versus a tax expense of -19.3 million EUR in the same period last year. The income tax expenses mainly relate to the operations in the United States within the operating segments “Tessenderlo Kerley” and “Gelatin and Akiolis”. Furthermore, no deferred tax assets were recognized on fiscal losses within some other operations of the group.

12. Seasonality of operations

Tessenderlo Group demonstrates a relatively limited seasonality pattern at group level for revenue (first half of 2012: 52%) while seasonality at operating profitability level (as expressed by REBITDA) is somewhat more pronounced (first half of 2012: 62%). The degree of seasonality at group level is primarily determined by selling to customers in several end markets, including food, pet food, construction, agriculture and water treatment. Two important end markets which demonstrate seasonal characteristics are construction and agriculture. The group sells into the construction markets through its operating segment “Plastic Pipe Systems and Profiles” in several countries in the northern hemisphere, which are typically impacted by winter weather conditions in the first and fourth quarters. Agriculture related sales made in the operating segments “Inorganics” and “Tessenderlo Kerley” are influenced by the planting seasons, especially the spring planting season. Most of Tessenderlo Kerley’s sales are in the United States, and this normally leads to sales and operating profitability being higher in the first half of the year. “Tessenderlo Kerley” is the largest contributor to group operating profitability, which can explain why group operating profitability is typically higher in the first half year than in the second half year.

13. Property, plant and equipment

For the six month period ended June 30, 2013, the group’s capital expenditure amounted to 48.6 million EUR (HY 2012: 46.5 million EUR). The capital expenditure – property, plant and equipment and other intangible assets – per operating segment is disclosed in note 6 - Segment reporting.

During the six month period ended June 30, 2013 the group entered into contracts to purchase property, plant and equipment for 44.7 million EUR, the majority of which is expected to be delivered in 2013 and 2014. The main commitments relate to Tessenderlo Kerley Inc. (29.9 million EUR), a US subsidiary within the operating segment “Tessenderlo Kerley”, which anticipates future capital spending mainly for:

- Tessenderlo Kerley Inc. will service a gold mining operation in the Western US, via a long term production and supply agreement. Tessenderlo Kerley Inc. will construct, own and operate a new, environmentally safe thiosulfates production facility on the site of the mining operation of Barrick Gold Corporation, the gold industry leader. Startup is estimated to take place in the first half of 2014.
- A production facility at Hanford, California. This facility will produce KTS fertilizers. It is anticipated to be operational in the second half of 2014.

14. Inventories

Inventory decreased by 20.5 million EUR from 303.3 million EUR as per December 31, 2012 to 282.8 million EUR as per June 30, 2013.

During the first six months of 2013, the value reduction of inventory recorded by the group amounted to 1.5 million EUR (as per HY12: 10.7 million EUR).

The value reduction recognized in 2012 was mainly explained by the measurement at fair value less costs to sell of the disposal groups Profialis (operating segment “Plastic Pipe Systems and Profiles”) and Lianyungang Taile Chemical Industry, Co. Ltd (operating segment “Organic Chlorine Derivatives”), which led to a write down of the inventories for 9.1 million EUR. These value reductions were included in the losses on disposal groups classified as held for sale (note 8 - Non-recurring income/(expense) items).

15. Trade and other receivables

Current trade and other receivables decreased from 237.9 million EUR as per December 31, 2012 to 229.2 million EUR as per June 30, 2013.

As per June 30, 2013, an amount of 127.3 million EUR has been received in cash under various non-recourse factoring agreements and securitization programs (December 31, 2012: 79.9 million EUR of which 17.2 million EUR related to businesses which were presented as businesses held for sale).This amount is derecognized from the balance sheet.

16. Trade and other payables

Current trade and other payables increased from 290.6 million EUR as per December 31, 2012 to 356.1 million EUR as per June 30, 2013.

As per June 30, 2013 the dividend payable of 40.9 million EUR, which was settled in July 2013, is included (see also note 17 - Share capital and share premium).

17. Share capital and share premium

The Board of Directors’ proposal to distribute a gross dividend of 1.3333 EUR per share or 40.9 million EUR for the business year 2012 was approved by the shareholders of Tessenderlo Chemie NV at their annual general meeting on June 4, 2013, and is reflected in the consolidated financial information for the six-month period ended June 30, 2013. The Board of Directors decided to offer to the shareholders a choice of payment conditions: the option of receiving a dividend in new shares at a price of 18.00 EUR per share, or in cash, or a combination of both. The shareholders could make their choice of payment during a period from Tuesday, June 11, 2013 until Friday, July 5, 2013.

The choice of shareholders for distribution in new shares lead to creation of 1,040,386 additional new shares. These shares were included for trading on Eurolist on NYSE Euronext Brussels on July 16, 2013. The balance of the dividend (22.2 million EUR) was paid out on July 15, 2013. As per June 30, 2013, the gross dividend of 40.9 million EUR is recognized in the statement of financial position as current liabilities in “Trade and other payables”.

On August 23, 2013, Tessenderlo Chemie NV included 43,211 additional shares in trading on Eurolist on NYSE Euronext Brussels. These are 43,211 ordinary shares subscribed by staff on 150,000 presented. No shares were emitted at the time of conversion of warrants.

18. Earnings per share

Basic earnings per share

The calculation of the basic earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the six month period ended June 30, 2013, adjusted for stock dividends.

The weighted average number of ordinary shares and the earnings per share are calculated as follows:

BASIC EARNINGS PER SHARE		
	30.06.2013	**30.06.2012**
Number of ordinary shares at January 1	30,662,300	29,531,058
Payment of stock dividend 2011 at July 17, 2012	-	1,085,455
Adjustment following reconciliation difference as published (Belgisch Staatsblad/Moniteur Belge) on March 14, 2013	25,566	-
Payment of stock dividend 2012 at July 16, 2013	1,040,386	1,040,386
Adjusted number of ordinary shares at January 1	**31,728,252**	**31,656,899**
Effect of shares issued	-	-
Effect of own shares	-36,460	0
Adjusted weighted average number of ordinary shares at June 30	**31,691,792**	**31,656,899**
Profit (+) / loss (-) attributable to equity holders of the company (million EUR)	-35.0	-9.8
Basic earnings per share (in EUR)	**-1.10**	**-0.31**

Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders and the diluted weighted average number of ordinary shares outstanding during the first half of 2013.

Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share.

The weighted average number of ordinary shares (diluted) and the diluted earnings per share are calculated as follows:

DILUTED EARNINGS PER SHARE		
	30.06.2013	**30.06.2012**
Adjusted weighted average number of ordinary shares at June 30	31,691,792	31,656,899
Effect of warrants issued	-	-
Adjusted diluted weighted average number of ordinary shares at June 30	**31,691,792**	**31,656,899**
Profit (+) / loss (-) attributable to equity holders of the company (million EUR)	-35.0	-9.8
Diluted earnings per share (in EUR)	**-1.10**	**-0.31**

19. Loans and borrowings

LOANS AND BORROWINGS		
Million EUR	**30.06.2013**	**31.12.2012**
Non-current loans and borrowings	192.6	275.5
Current loans and borrowings	96.7	68.0
Total loans and borrowings	**289.4**	**343.5**
Cash and cash equivalents	-40.8	-34.7
Bank overdrafts	2.3	5.2
Net loans and borrowings	**250.9**	**314.0**

The loans and borrowings decreased by -63.2 million EUR to 250.9 million EUR and is mainly explained by the proceeds from sale of disposal groups and non-strategic assets (36.6 million EUR) and an increase of the non-recourse factoring program. An amount of 127.3 million EUR (December 31, 2012: 79.9 million EUR) has been received in cash under various non-recourse factoring agreements, whereby trade receivables are sold at their nominal value minus a discount in exchange for cash.

The loans and borrowings as per June 30, 2013 mainly include:

- a private placement with a maturity of 5 years in October 2010 (150.0 million EUR).
- a drawdown of the amended syndicated facility (25.0 million EUR). The amended syndicated facility was signed in April 2011 with maturity in April 2016.
- the use of a Belgian commercial paper program (71.9 million EUR).
- a FCO loan (Fundos Constitucionais de Financiamento, a state fund) granted to the Brazilian subsidiary PB Brasil through Banco Do Brasil SA for an amount of 19.2 million EUR.

The gearing ratio at the end of June 2013 amounts to 49.0% (December 31, 2012: 48.3%).

20. Financial instruments

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy: this hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified, is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value in the statement of financial position as per June 30, 2013 are grouped into the fair value hierarchy as follows:

Fair value hierarchy				
Million EUR	**Level 1**	**Level 2**	**Level 3**	**Total**
Foreign currency swaps	-	-0.6	-	-0.6
Cross currency interest rate swaps	-	-2.7	-	-2.7
Interest rate swaps	-	-0.1	-	-0.1
Total	**0.0**	**-3.5**	**0.0**	**-3.5**

The fair value of these forward contracts is calculated as the discounted value of the difference between the contract rate and the current forward rate.

The fair value of these instruments generally reflects the estimated amounts that the group would receive on settlement of favorable contracts or be required to pay to terminate unfavorable contracts at the reporting date, and thereby takes into account the current unrealized gains or losses on open contracts.

There were no transfers between Levels 1 and 2 and no transfer into or out of Level 3 during the period.

The fair value of loans and borrowings measured at amortised cost in the statement of financial position as per June 30, 2013 are presented below:

Fair value loans & borrowings		
Million EUR	**Carrying amount**	**Fair value**
Leasing payables	0.5	0.5
Credit institutions	192.1	210.8
Non-current loans and borrowings	**192.6**	**211.3**

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Other investments
- Cash and cash equivalents
- Current loans and borrowings
- Trade and other payables
- Assets and liabilities within “Non-current assets classified as held for sale” and “Liabilities associated with assets classified as held for sale”

21. Employee Benefits

Defined benefit pension plans

The group has adopted the revised IAS 19 *Employee Benefits* standard as of January 1, 2013.
The main changes of this standard are the following:
- actuarial gains and losses are recognized immediately in other comprehensive income; and
- expected return on plan assets recognized in the income statement is calculated based on the rate used to discount the defined benefit obligation.

The 2012 comparative financial statements have been restated in compliance with the requirements of the revised standard, changing the equity attributable to equity holders of the company by -44.0 million EUR net of taxes as per 31 December 2012, including a decrease of the 2012 profit (+) / loss (-) for the period attributable to equity holders of the company of -0.8 million EUR.

The impact of IAS 19R on the 2012 consolidated statement of financial position can be summarized as follows:

Impact IAS 19R on December 31, 2012 consolidated statement of financial position			
Million EUR	**31.12.2012 Revised**	**31.12.2012 Published**	**Variance**
Deferred tax assets	5.8	4.3	1.5
Trade and other receivables	20.8	47.6	-26.8
Total assets	**1,263.0**	**1,288.2**	**-25.3**
Equity	335.5	379.5	-44.0
Employee benefits	50.5	25.6	25.0
Deferred tax liabilities	28.6	34.9	-6.2
Total liabilities	**1,263.0**	**1,288.2**	**-25.3**

The impact of IAS 19R on the 2012 consolidated income statement can be summarized as follows:

Impact IAS 19R on December 31, 2012 consolidated income statement			
Million EUR	**31.12.2012 Revised**	**31.12.2012 Published**	**Variance**
REBIT	74.8	75.9	-1.1
REBITDA	160.0	161.1	-1.1
Finance costs - net	-24.5	-24.3	-0.2
Non-recurring income / (expense) items	-238.0	-238.3	0.3
Share of result of equity accounted investees, net of income tax	7.3	7.3	0.0
Income tax expense	-17.9	-18.0	0.2
Profit (+) / loss (-) for the period	**-198.4**	**-197.5**	**-0.8**

The impact of IAS 19R on the 2012 interim consolidated income statement is the following:

Impact IAS 19R on June 30, 2012 consolidated income statement			
Million EUR	**30.06.2012 Revised**	**30.06.2012 Published**	**Variance**
REBIT	55.4	55.9	-0.5
REBITDA	99.3	99.8	-0.5
Finance costs - net	-11.7	-11.6	-0.1
Non-recurring income / (expense) items	-37.7	-37.7	0.0
Share of result of equity accounted investees, net of income tax	3.6	3.6	0.0
Income tax expense	-19.3	-19.4	0.1
Profit (+) / loss (-) for the period	**-9.7**	**-9.2**	**-0.5**

The application of IAS 19R as per June 30, 2013 led to a net increase of equity by 3.2 million EUR.

Share-based payments

On November 14, 2012, the Board of Directors decided to offer a new emission of warrants, which had to be accepted by their beneficiaries ultimately by January 12, 2013. On January 12, 2013, 150 000 warrants were accepted by senior management with an average exercise price of 22.13 EUR. The cost of these warrants (0.8 million EUR) was recognized in HY13.

22. Provisions

PROVISIONS	30.06.2013			31.12.2012		
Million EUR	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Environment	7.3	99.2	106.5	4.2	104.0	108.2
Dismantlement	-	18.4	18.4	-	17.8	17.8
Restructuring	20.6	18.1	38.7	10.4	2.7	13.1
Other	11.9	4.9	16.8	8.5	5.3	13.8
Total	**39.8**	**140.7**	**180.5**	**23.1**	**129.7**	**152.8**

Provisions increased by 27.7 million EUR from 152.8 million EUR as per December 31, 2012 to 180.5 million EUR as per June 30, 2013.

The increase is mainly explained by the recognition of restructuring provisions, mainly in the operating segments “Inorganics” and “Gelatin and Akiolis” and within “Other Businesses” (see also note 8 - Non-recurring income/(expense) items).

23. Contingencies

The group is confronted with a number of claims or potential claims and disputes, which are a consequence of the daily operational activities. To the extent such claims and disputes are such that 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, suitable provisions have been made.

It is the group's policy to recognize environmental provisions in the balance sheet, when the group 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 work proceeds 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.

As stated in note 22 - Provisions, the environmental provisions in accordance with the above policies aggregated to 106.5 million EUR at June 30, 2013 (December 31, 2012: 108.2 million EUR).

While it is not feasible to predict the outcome of all pending environmental exposures, it cannot be excluded 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 the remaining stake of 50% in Établissements Violleau SAS, the group holds, as agreed with the current owners of that share, an option which may be exercised from April 1, 2014 until May 15, 2014. The exercise price is determined by a formula, which takes into account the financial figures of Établissements Violleau SAS.
In order to acquire the remaining equity interest of 13.8% in the subsidiary PB Gelatins Heilongjiang & Co Ltd, the group holds, as agreed with the current owners of that share, a call option which may be exercised at any time. The exercise price is determined by a formula, which takes into account the financial figures of PB Gelatins Heilongjiang & Co Ltd.

Acquisition, investment and joint-venture agreements as well as divestments may contain habitual provisions leading to price adjustments. In addition, for divestments, proper consideration has been given to provisions for possible indemnifications payable to the acquirer, if any, including matters in the area of health, environment, tax, product liability, restructuring, competition, pensions and share incentives.

The group was granted emission allowances for the period 2008-2012. These granted emission allowances were obtained free of charge. Only an immaterial surplus of emission allowances remains available at the end of this period. The group has applied for an allocation of emission allowances for the period 2013-2020 based on the fact that the products and activities related to these emissions are subject to international market competition, on which the EU rules on free allocation shall apply, in addition to the basic method of auctioning these allowances. The application was declared admissible by the Belgian authorities and is pending at European level. Depending on the full approval of this application, and together with the reserve transferred from the previous period, the group expects to be sufficiently covered for the future emissions.

24. Related parties

The company has a related party relationship with its subsidiaries, associates, joint ventures and with its main shareholder, directors and its Group Management Committee. The Belgian pension fund “OFP Pensioenfonds”, which covers the post employment benefit obligation of the employees of some Belgian subsidiaries, is also considered to be a related party.

As per June 30, 2013, Société Nationale des Poudres et Explosifs (SNPE), a French state owned company is holding 8 283 855 shares (27.0% of the company). SNPE is a leading French industrial group specializing in chemicals for energetic materials used at the core of several civilian and military systems, particularly in solid propulsion for strategic and tactical missiles and space launchers. It also operates in the specialties chemical field. SNPE receives dividends related to its shares and is represented in the Board of Directors through three members. SNPE fully subscribed the optional stock dividend related to the dividend for the financial year 2012 (460 214 shares).

The group purchased and sold goods and services to various related parties in which the group holds a 50% or less equity interest (investment in associates and joint ventures). Such transactions were conducted at arm’s length with terms comparable to transactions with third parties.

Premiums for an amount of 0.9 million EUR were paid to the Belgian pension fund, “OFP Pensioenfonds”. Liabilities related to employee benefits schemes as per June 30, 2013 include 12.4 million EUR related to the “OFP Pensioenfonds”.

TRANSACTIONS WITH JOINT VENTURES (FOR THE SIX MONTH PERIOD ENDED JUNE 30, EXCEPT FOR BALANCE SHEET COMPARATIVES AT DECEMBER 31)

Million EUR	2013	2012
Revenue	6.9	3.9
Cost of sales	13.7	11.7
Current assets	1.1	0.6
Current liabilities	2.6	1.8

TRANSACTIONS WITH ASSOCIATES (FOR THE SIX MONTH PERIOD ENDED JUNE 30, EXCEPT FOR BALANCE SHEET COMPARATIVES AT DECEMBER 31)

Million EUR	2013	2012
Other operating income	0.1	-

Dividends were received from joint ventures and associates for an amount of 2.3 million EUR (June 30, 2012: 2.7 million EUR).

TRANSACTIONS WITH THE MEMBERS OF THE GROUP MANAGEMENT COMMITTEE		
Million EUR	**30.06.2013**	**30.06.2012**
Short-term employee benefits	2.5	2.5
Post-employee benefits	0.2	0.2
Share based payments	0.7	-
Total	**3.4**	**2.7**

Short-term employee benefits include salaries and bonuses estimated for the period at 100 % realization of the objectives (both including social security contributions), car leases and other allowances where applicable.

In November 2012 the Board of Directors offered a new emission of warrants, which had to be accepted by their beneficiaries ultimately on January 12, 2013. The cost of these warrants, related to members of the Group Management Committee, amounted to -0.7 million EUR and was recognized in HY13.

In HY13, members of the GMC did not exercise any warrants (HY12: no warrants were exercised by members of the GMC).

25. Subsequent events

SNPE SA and Picanol Group (NYSE Euronext: PIC) have signed on July 25, 2013 a binding agreement for the sale by SNPE SA to the Picanol Group of the stake held by SNPE SA in Tessenderlo Chemie NV, representing 27.6% of the share capital of Tessenderlo Chemie NV. This transaction is subject to regulatory approval, more in particular competition clearance. The transaction is expected to close at the latest on November 8, 2013. Following the closing of this transaction, SNPE SA will no longer own shares in Tessenderlo Chemie NV.

4. Independent auditors' report on the review of the condensed consolidated interim financial Information as per 30 June 2013

pwc

Tessenderlo Chemie NV
Troonstraat 130
1050 ELSENE

For the attention of the Board of Directors

STATUTORY AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2013

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of Tessenderlo Chemie NV and its subsidiaries (the "Group") as of 30 June 2013, which comprises the condensed consolidated statement of financial position as of 30 June 2013 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review 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 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.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union.

Antwerp, 27 August 2013

The statutory auditor
PwC Bedrijfsrevisoren bcvba
Represented by

Peter Van den Eynde*
Partner

*Peter Van den Eynde BVBA
Board Member, represented by its fixed representative,
Peter Van den Eynde

5. Financial glossary

Basic earnings per share (Basic EPS)

Profit (+)/loss (-) for the period attributable to equity holders of the company divided by the weighted average number of ordinary shares outstanding during the period.

Capital employed (CE)

The carrying amount of property, plant and equipment (PP&E), other intangible assets and goodwill together with working capital.

Capital expenditure

Amount of money spent to upgrade, acquire or maintain property, plant and equipment (PP&E) and other intangible assets.

Dividend per share (gross)

Total amount paid as dividend divided by the number of shares issued at closing date.

Diluted earnings per share (Diluted EPS)

Profit (+)/loss (-) for the period attributable to equity holders of the company divided by the fully diluted weighted average number of ordinary shares outstanding during the period.

Diluted weighted average number of ordinary shares

Weighted average number of ordinary shares, adjusted by the effect of warrants on issue.

EBIT

Earnings before interests and taxes (Profit (+)/loss (-) from operations).

EBITDA

Earnings before interests, taxes, depreciation, amortization, impairment losses and provisions.

Gearing

Net financial debt divided by the sum of net financial debt and equity attributable to equity holders of the company.

Interest coverage

Profit (+)/loss (-) for the period plus income tax expense and interest expense, divided by the interest expense.

Market capitalization

Number of shares issued (at the end of the period) multiplied by the market price per share (at the end of the period).

Net cash flow

Profit (+)/loss (-) for the period added with all non cash flow items included in the income statement (provisions, amortizations, depreciation and impairment losses).

Net financial debt

Non-current and current loans and borrowings minus cash and cash equivalents.

Non-recurring income/(expense) items

Items related to restructuring, impairment losses, claims and other income or expenses, which do not occur regularly as part of the normal activities of the company.

Payout ratio

Gross dividend divided by profit for the period attributable to equity holders of the company.

REBIT

Recurring earnings before interests and taxes (Profit (+)/loss (-) from operations before non-recurring income/(expense) items).

REBITDA

Recurring earnings before interests, taxes, depreciation, amortization and provisions (Profit (+)/loss (-) from recurring operations plus depreciation, amortization and provisions).

Return on capital employed (ROCE)

REBIT divided by capital employed.

Return on equity (ROE)

Profit (+)/loss (-) for the period divided by average equity attributable to equity holders of the company.

Theoretical aggregated weighted tax rate

Calculated by applying the statutory tax rate of each country on the profit before tax of each entity and by dividing the resulting tax charge by the total profit before tax of the group.

Weighted average number of ordinary shares

Number of shares outstanding at the beginning of the period, adjusted by the number of shares cancelled, repurchased or issued during the period multiplied by a time-weighting factor.

Working capital

The sum of inventories, trade and other receivables minus trade and other payables.