



Brussels, June 14<sup>th</sup>, 2011

**Regulated information\***

**Press release**

## **Tessenderlo Group takes major step in its transformation into a speciality group**

### **Tessenderlo Group agrees to sell PVC and Chlor-Alkali activities to the European leader Kerling (INEOS ChlorVinyls)**

**On June 14<sup>th</sup>, 2011, Tessenderlo Group (NYSE Euronext: TESB) and Kerling, a privately held UK-based company, signed a sale and purchase agreement. Kerling, through its INEOS ChlorVinyls business, will become the new owner of Tessenderlo Group's PVC activities, including VCM, Chlor-Alkali as well as part of Organic Chlorine Derivatives. Besides the major plant at Tessenderlo in Belgium, the production plants in France (Mazingarbe) and the Netherlands (Beek and Maastricht) are involved. These businesses employ about 850 people. This transaction is subject to European merger control approval.**

Frank Coenen, CEO of Tessenderlo Group, emphasised that INEOS ChlorVinyls will be an excellent owner of these activities: "In light of our announced strategy - focusing on specialities - we looked for a long time for the right home for these businesses. Our well-invested assets together with our highly competent workforce are both strengths that were recognized by INEOS ChlorVinyls. As a European leader, INEOS ChlorVinyls is well placed to offer these businesses the best possible growth opportunities."

Chris Tane, CEO of Kerling, stated: "The Tessenderlo Group business and assets are high quality and supported by an organisation which has shown ability to manage its business through a very difficult period in our industry. I believe they will be a strong addition to our existing organisation and businesses and will underpin our further profitable growth."

The purchase price is 110 million euro on a cash-free, debt-free basis. Through the net debt reduction obtained, the group balance sheet will be further reinforced despite Tessenderlo Group taking a one-time non-cash charge of approximately 158 million EUR related to this transaction.

Following this transaction, Tessenderlo Group will have completed its exit from commodities, and taken the major step in its transformation into a speciality group which provides solutions for global megatrends by:

- food and agriculture from its Tessenderlo Kerley and Sulphate businesses
- valorising bio-residuals through its Akiolis and Gelatin businesses
- ensuring water management through its Plastics Pipe Systems and water treatment businesses



## Bringing Chemistry to Life

Until approval from the European Merger Control authorities is obtained and after further information & consultation of the relevant works councils, if not completed yet, Tessenderlo Group will continue to operate the businesses as normal.

Tessenderlo Group retains an important presence in Belgium, with its Brussels-based headquarters and activities in Ham, Overpelt, Oeselgem, Vilvoorde, Leuven, and partly at the Tessenderlo plant, representing in total more than 1 200 people. Furthermore, Tessenderlo Group will continue to work with the divested business, by supplying and buying several raw materials, and remaining their largest customer, purchasing PVC for its Plastics Pipe Systems and Profiles activities.

***Kerling** is one of the major chlor-alkali producers in Europe, a global leader in chlorine derivatives and Europe's largest PVC manufacturer. The Company also has leading UK market positions in sulphur chemicals and salt, along with significant activities in brine, bio diesel, and chlorinated paraffins.*

***Tessenderlo Group** is an international chemicals company with over 100 locations worldwide. More than 8,000 people work for the group. The group is a world and European leader in most of its product areas with a consolidated revenue totaling 2.4 billion EUR in 2010. Tessenderlo Chemie NV is listed on Eurolist by Euronext Brussels and is part of Next 150 and BEL Mid indices. Financial News wires: Bloomberg: TESB BB – Reuters: TesBt.BR – Datastream: B:Tes*

Tessenderlo Group will hold an Investor / Analyst conference call today at 10.00am CET / 9.00 am UK. Registration details can be found at [www.tessenderlo.com/](http://www.tessenderlo.com/)

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This **press release** is available in Dutch, English and French on the corporate web site [www.tessenderlogroup.com](http://www.tessenderlogroup.com) - under 'News & Media'.