

TESSENDERLO GROUP THIRD QUARTER 2017 TRADING UPDATE: 3Q17 RESULTS IMPACTED BY THE DECLINE OF THE USD AND CHALLENGING MARKET CONDITIONS

1. KEY EVENTS

- Tessenderlo Group has recently started production of Thio-Sul® at its new liquid fertilizer plants in Rouen (France) and East Dubuque (USA). The liquid fertilizer Thio-Sul® is used for broad-acre crops as well as arboricultural and vegetable crop cultivation.
- Construction works at the new membrane technology based production plant in Loos (France) remain on schedule. The plant is expected to start production and replace the existing old mercury electrolysis in 4Q17.
- Within the Plastic Pipe Systems (PPS) business unit, which provides high quality, value-added solutions in plastic pipe systems for the utilities, agricultural, building and civil engineering markets, SOTRA SEPEREF has started operating under its new trading name, DYKA France, since early October 2017.

| 3Q17 | 3Q16 | % Change | Million EUR | 9M17 | 9M16 | % Change |
|--------------|--------------|---------------|--|----------------|----------------|--------------|
| 376.0 | 378.0 | -0.5% | Revenue Group | 1,300.7 | 1,233.0 | 5.5% |
| -11.3 | -15.1 | | - Other revenue included in revenue Group ² | -41.0 | -33.4 | |
| 364.7 | 362.8 | 0.5% | Revenue | 1,259.7 | 1,199.7 | 5.0% |
| 40.6 | 44.9 | -9.6% | REBITDA Group | 163.5 | 165.3 | -1.1% |
| -3.4 | -1.4 | | - Other REBITDA included in REBITDA Group ² | -5.8 | -1.6 | |
| 37.1 | 43.5 | -14.6% | REBITDA | 157.7 | 163.7 | -3.7% |
| | | | Net debt | 53.4 | 112.7 | |

Remark: all quarterly information included in the press release is unaudited.

2. REVENUE

3Q17 revenue increased by 0.5% (or by +3.7% when excluding the foreign exchange effect) compared to the same period last year. Excluding the foreign exchange effect, the operating segments Agro (+5.1%) and Industrial Solutions (+4.4%) contributed to the revenue increase, while revenue of the Bio-valorization segment (+1.4%) remained stable year-on-year.

3. REBITDA

The REBITDA in 3Q17 amounted to 37.1 million EUR, compared to 43.5 million EUR one year earlier (a decrease by -14.6% or by -9.4% when excluding the foreign exchange effect).

When excluding the foreign exchange effect, the Industrial Solutions REBITDA increased, while the REBITDA of the operating segments Agro and Bio-valorization decreased.

Industrial Solutions REBITDA was positively impacted by the solid performance of the Mining & Industrial business unit as well as by the positive evolution of the dispute related to the expiration of a contract within the Environmentally Clean Systems (ECS) business unit. The other activities in the segment remained stable.

¹The enclosed information constitutes regulated information as defined in the Royal Decree of November 14, 2007 regarding the duties of issuers of financial instruments which have been admitted for trading on a regulated market.

²The line "Other" refers to engineering and construction activities of the subsidiary Tessenderlo Kerley Services Inc., for the joint-venture Jupiter Sulphur LLC.

Lower margins in the Agro segment could not be offset by increased volumes, while the 3Q17 Bio-valorization REBITDA was negatively impacted by lower volumes and margins.

4. NET FINANCIAL DEBT

At the end of the third quarter of 2017, group net financial debt amounted to 53.4 million EUR, resulting in a leverage of 0.3x. Net financial debt as per year-end 2016 amounted to 136.6 million EUR. The decrease of debt in the first three quarters of 2017 can be explained by the operational results, partially offset by the capital expenditure. Capital expenditure amounted to 19.5 million EUR in 3Q17 (3Q16: 22.5 million EUR), bringing the year to date capital expenditure to 59.0 million EUR (9M16: 69.8 million EUR).

Outlook

Notwithstanding the challenging market conditions and taking into account the fact that Tessenderlo Group generates a significant share of its REBITDA in USD, and the recent currency volatility, the group confirms its previous forecast to realize a 2017 REBITDA in line with the REBITDA of 198.0 million EUR in 2016.

The group would like to emphasize that it currently operates in a volatile political, economic and financial environment.

5. FINANCIAL CALENDAR

| | |
|--|------------------|
| Full year results 2017 | March 14, 2018 |
| First quarter 2018 trading update | May 7, 2018 |
| Annual General Meeting of shareholders | May 8, 2018 |
| Half year 2018 results | August 22, 2018 |
| Third quarter 2018 trading update | October 25, 2018 |

Agenda for October 26, 2017

3pm CET/2pm UK - conference call and webcast for analysts and investors

Registration details are available at: www.tessenderlo.com

Tessenderlo Group is a diversified industrial group that focuses on agriculture, valorizing bio-residuals and providing industrial solutions. The group employs approximately 4,900 people, is a leader in most of its markets and recorded a consolidated revenue of 1.6 billion EUR in 2016. Tessenderlo Group is listed on Euronext Brussels and is part of Next 150 and BEL Mid indices. Financial News wires: Bloomberg: TESB BB – Reuters: TESB.BR – Datastream: B:Tes

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This **press release** is available in **Dutch and English** on the corporate website www.tessenderlo.com - under 'News & Media'

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