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Regulated information*

Press release

All comments included in this document, unless otherwise indicated, are based on the group's continuing operations

QUARTERLY REPORT – 30 JUNE 2011

Tessenderlo Group reports solid operational performance and completes divestment of PVC/Chlor-Alkali businesses

Tessenderlo Group delivered an improved performance in the second quarter (2Q) and half year (HY) of 2011. Solid performances in Tessenderlo Kerley, Gelatin and Akiolis and Plastic Pipe Systems supported revenue growth and margin expansion at REBIT and REBITDA levels

- **Second quarter 2011 revenue** increased 2.3% to 561.9 million EUR and **half year** revenue was 9.5% higher at 1.1 billion EUR
- **REBIT** in 2Q11 was up 13.2% year on year to 41.0 million EUR, bringing the half year total to 76.3 million EUR. **REBITDA** of 60.8 million EUR is 5.0% above 2Q10 whilst HY11 REBITDA rose 35.3% to 116.9 million EUR
- **Recurrent profit for the period from continuing operations**¹ totaled 23.7 million EUR in 2Q11 (2Q10: 22.2 million EUR) while year to date recurrent profit from continuing operations is 46.8 million EUR (HY10: 18.7 million EUR)
- Due to the previously disclosed one-time non-cash charge of 158 million EUR arising from the sale of PVC/Chlor-Alkali activities, the group reported a **loss for the period of -133.3 million EUR** for the second quarter and -103.3 million EUR for the first half of 2011

The group maintained a strong balance sheet and a low level of net debt

- **Net financial debt** was 176.7 million EUR at June 30, 2011, slightly higher than a year ago and virtually unchanged compared to March 31, 2011. Taking into account non-recourse factoring, **notional net debt** would amount to 315.1 million EUR at June 30, 2011, in line with the position at June 30, 2010 (316.7 million EUR)
- As the sale of the group's PVC/Chlor-Alkali activities was completed on August 1st, 2011, the cash proceeds received on net financial debt will be accounted for in the third quarter 2011 results
- **Gearing** rose but remained low at 23.7%, including the impact of the one-time non-cash charge of 158 million EUR mentioned above, but not yet the impact of the cash proceeds.

The second quarter of 2011 included a major milestone in the history of Tessenderlo Group

- The group announced the sale of PVC, Chlor-Alkali and part of its OCD activities for 110 million EUR on a cash-free, debt-free basis to Ineos ChlorVinyls on June 14th, and on August 1st the deal was closed. This transaction signals the group's exit from cyclical, low return commodity chemicals businesses and allows a better allocation of resources in the group's higher return specialty activities.
- At the end of July, the group also announced the sale of its US Profile activities, which will be taken into account in 3Q11 results.
- These actions indicate that the group has made substantial progress in transforming itself into a specialties group, which provides solutions for global challenges by:
 - supporting agriculture and food production with products from its Tessenderlo Kerley and Sulphate businesses
 - valorising bio-residuals through its Akiolis and Gelatin businesses
 - contributing to water management through its Plastics Pipe Systems and water treatment businesses.

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

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

GROUP KEY FIGURES - QUARTER TO DATE

| 2Q11 | | | Million EUR | 2Q10 | | |
|-----------------------|-------------------------|--------|---|-----------------------|-------------------------|-------|
| Continuing operations | Discontinued operations | Total | | Continuing operations | Discontinued operations | Total |
| 561.9 | 156.4 | 718.4 | Revenue | 549.4 | 122.2 | 671.7 |
| 41.0 | 1.2 | 42.2 | REBIT | 36.2 | -7.8 | 28.4 |
| 60.8 | 7.8 | 68.7 | REBITDA | 57.9 | -0.9 | 56.9 |
| 23.7 | 1.1 | 24.7 | Recurrent profit (+)/loss (-) for the period ¹ | 22.2 | -7.4 | 14.9 |
| 22.8 | -156.1 | -133.3 | Profit (+)/loss (-) for the period | 35.2 | -7.6 | 27.6 |
| 0.77 | -5.30 | -4.53 | Basic earnings per share (EUR) | 1.20 | -0.26 | 0.94 |
| 0.77 | -5.30 | -4.53 | Diluted earnings per share (EUR) | 1.20 | -0.26 | 0.94 |
| - | - | 30.5 | Cash flow from operating activities | - | - | 104.0 |

GROUP KEY FIGURES - YEAR TO DATE

| HY11 | | | Million EUR | HY10 | | |
|-----------------------|-------------------------|---------|--|-----------------------|-------------------------|---------|
| Continuing operations | Discontinued operations | Total | | Continuing operations | Discontinued operations | Total |
| 1,116.9 | 306.4 | 1,423.3 | Revenue | 1,020.5 | 240.6 | 1,261.0 |
| 76.3 | 5.3 | 81.6 | REBIT | 43.1 | -10.5 | 32.6 |
| 116.9 | 17.6 | 134.5 | REBITDA | 86.4 | 3.1 | 89.4 |
| 46.8 | 3.6 | 50.4 | Recurrent profit (+)/loss (-) for the period | 18.7 | -10.1 | 8.7 |
| 50.2 | -153.5 | -103.3 | Profit (+)/loss (-) for the period | 32.8 | -10.2 | 22.5 |
| 1.71 | -5.21 | -3.51 | Basic earnings per share (EUR) | 1.11 | -0.35 | 0.76 |
| 1.70 | -5.21 | -3.51 | Diluted earnings per share (EUR) | 1.11 | -0.35 | 0.76 |
| - | - | 15.2 | Cash flow from operating activities | - | - | 86.9 |

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

► Group Performance Review

Note to the reader:

- The half year information has been subject to a review by external auditors. Reference is made to their independent auditor's review report on page 40 of the interim report. All quarterly information included in the press release is unaudited, as well as non-IFRS accounting information (REBITDA).
- Figures may not add up due to rounding.
- **REBITDA:** recurring earnings before interest, taxes, depreciation and amortization, impairment losses and provisions. (Profit (+)/loss (-)) from recurring operations plus depreciation, amortization and provisions).
- **REBIT:** recurring earnings before interest and taxes (Profit from operations before non-recurring items).
- Following the sale of the PVC and Chlor-Alkali activities to Kerling (INEOS ChlorVinyls), the operating segment PVC/Chlor-Alkali is no longer presented as part of the continuing operations of the group. For more information on the discontinued operations we refer to the interim report. The remaining Chlor-Alkali activities (Water Treatment and Sulphur Derivatives) are included in "Other Businesses", since they do no longer fulfill the quantitative thresholds to be reported as a separate operating segment. Comparative figures 2010 are restated.
- **Other Businesses:** Pharmaceutical Intermediates, Organic Chlorine Derivatives, Compounds and continued Chlor-Alkali (Water Treatment and Sulphur Derivatives).

GROUP KEY FIGURES – CONTINUING OPERATIONS

| 2Q11 | 2Q10 | Million EUR | HY11 | HY10 |
|-------|-------|---|---------|---------|
| 561.9 | 549.4 | Revenue | 1,116.9 | 1,020.5 |
| 60.8 | 57.9 | REBITDA | 116.9 | 86.4 |
| 41.0 | 36.2 | REBIT | 76.3 | 43.1 |
| -1.6 | 13.3 | Non-recurring items | 3.1 | 15.2 |
| 39.4 | 49.6 | EBIT | 79.5 | 58.3 |
| 22.8 | 35.2 | Profit (+)/loss (-) for the period | 50.2 | 32.8 |
| 0.77 | 1.20 | Basic earnings per share (EUR) | 1.71 | 1.11 |
| 0.77 | 1.20 | Diluted earnings per share (EUR) | 1.70 | 1.11 |
| | | Net financial debt | 176.7 | 168.1 |

OPERATING SEGMENT KEY FIGURES: REVENUE – CONTINUING OPERATIONS

| 2Q11 | 2Q10 | Million EUR | HY11 | HY10 |
|-------|-------|--|---------|---------|
| 561.9 | 549.4 | Tessenderlo Group | 1,116.9 | 1,020.5 |
| 99.8 | 110.5 | Inorganics | 207.0 | 200.0 |
| 117.0 | 102.8 | Gelatin and Akiolis | 235.7 | 198.1 |
| 82.1 | 74.1 | Tessenderlo Kerley | 157.1 | 128.6 |
| 158.0 | 154.8 | Plastic Pipe Systems and Profiles | 301.1 | 281.7 |
| 105.2 | 107.4 | Other Businesses | 215.9 | 212.1 |
| - | - | Non-allocated | - | - |

OPERATING SEGMENT KEY FIGURES: REBITDA – CONTINUING OPERATIONS

| 2Q11 | 2Q10 | Million EUR | HY11 | HY10 |
|------|------|--|-------|------|
| 60.8 | 57.9 | Tessenderlo Group | 116.9 | 86.4 |
| 7.8 | 7.7 | Inorganics | 14.1 | 7.5 |
| 16.9 | 14.5 | Gelatin and Akiolis | 36.3 | 29.7 |
| 21.4 | 16.7 | Tessenderlo Kerley | 41.6 | 28.3 |
| 14.6 | 16.9 | Plastic Pipe Systems and Profiles | 24.2 | 24.7 |
| 6.7 | 6.6 | Other Businesses | 13.7 | 5.9 |
| -6.6 | -4.7 | Non-allocated | -12.9 | -9.8 |

1. Revenue

Group revenue from continuing operations in the second quarter rose to 561.9 million EUR, 2.3% above the comparable period last year. When adjusted for the loss of revenue from Tessenderlo Fine Chemicals Ltd (TFC), which was sold in January 2011, the revenue increase would be 4.8%. Gelatin and Akiolis, along with Tessenderlo Kerley, had double-digit revenue growth. Plastic Pipe Systems and Profiles had a modest growth, while Inorganics could not match the high revenue in 2Q10. Other Businesses had a limited decline, but would have been higher after adjusting for the loss of revenue from TFC.

Half year revenue from continuing operations climbed 9.5% to 1.1 billion EUR with all segments higher than one year ago.

2. REBITDA

Group REBITDA from continuing operations came in at 60.8 million EUR, representing an increase of 5.0% over the second quarter last year. When adjusted for the loss of REBITDA from Tessenderlo Fine Chemicals, the revenue increase would be 7.1%. Most operating segments had a higher REBITDA, with Tessenderlo Kerley, and Gelatin and Akiolis well ahead of last year. Other Businesses and Inorganics were marginally higher; Other Business was negatively impacted by the loss of REBITDA from TFC. Plastic Pipe Systems and Profiles was down on a year ago in the quarter, as continuous increases in raw material costs could not be fully compensated by higher selling prices.

HY11 REBITDA from continuing operations rose by 35.3% to 116.9 million EUR.

3. Cash flow from operating activities

Cash flow from operating activities fell from 86.9 million EUR in HY10 to 15.2 million EUR in HY11, mainly as a result of higher working capital requirements, although trade working capital as a percentage of revenue lower than a year ago, falling from 21.6% to 19.2%.

4. Net financial debt

The group remained with a low level of net financial debt at 176.7 million EUR at June 30 2011. The increase of 14.7 million EUR versus the position at the end of December 2010 is principally the result of investing activities which were not fully offset by cash flow from operating activities. Leverage amounted to 0.8x (1.6x based on net debt taking into account non-recourse factoring) at the end of June 2011, below the leverage of 1.4x (2.5x based on net debt taking into account non-recourse factoring) at end June 2010. Gearing for the group was 23.7% (35.7% based on net debt taking into account non-recourse factoring) for June 2011 compared to 19.0% (30.6% based on net debt taking



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into account non-recourse factoring) at end June 2010. As disclosed earlier in this document, gearing at end June 2011 is negatively impacted by the non-cash charge of 158 million EUR arising from the sale of PVC/Chlor-Alkali, whereby shareholder's equity is lower at the end of June, but does not yet reflect the receipt of cash proceeds on net debt, which took place as of August 1st 2011.

► **Operating segments performance review – Continuing operations**

| INORGANICS | | | | | | |
|------------|-------|----------|----------------|-------|-------|----------|
| 2Q11 | 2Q10 | % change | Million EUR | HY11 | HY10 | % change |
| 99.8 | 110.5 | -9.8% | Revenue | 207.0 | 200.0 | 3.5% |
| 7.8 | 7.7 | - | REBITDA | 14.1 | 7.5 | 86.6% |
| 6.6 | 6.4 | 3.5% | REBIT | 11.6 | 4.3 | 168.4% |

The **Inorganics** operating segment reported **revenue** of 99.8 million EUR in 2Q11, 9.8% down on a year ago. **Potassium sulphate fertilizer** revenue was lower, as volumes came in below the exceptional levels in the second quarter of last year. In addition, key markets in the Mediterranean region saw an estimated 50% decline in demand, which the group views as a temporary factor related to political and economic events in the region. The group anticipates that growth in these markets will resume, driven by food production needs. Finally, in contrast with the traditional seasonality pattern where volumes are higher in the first half of the year, the group anticipates that in 2011, volumes in the second half will be at least as high as the first half. Pricing in the quarter increased year on year, reflecting higher selling prices implemented to cover rising raw material costs. REBITDA was lower mainly attributable to the impact of much lower volumes in the quarter, as well as scheduled temporary higher maintenance expenses.

2Q11 revenue for **inorganic feed phosphates** rose in 2Q11. Volumes were somewhat lower than a year ago, partly impacted by a period of force majeure during April and part of May due to delays in raw material deliveries. In addition, technical problems, which were resolved during the quarter, constrained production capacity during part of the quarter. Market demand for feed phosphates eased following the strong start to 2011. Average selling prices in the quarter were well ahead of the low levels of last year, reflecting higher market prices for phosphate products. This impact led to REBITDA for phosphates above last year, in spite of the limited volume decline.

Inorganics REBITDA for the quarter of 7.8 million EUR was marginally above the same period in 2010. The improved REBITDA of phosphates were mainly offset by lower REBITDA in sulphates.

First half 2011 revenue for Inorganics of 207.0 million EUR was 3.5% ahead of last year, supported by improved pricing in both sulphates and phosphates, while volumes of sulphates declined in the first half of 2011 as explained above. A solid increase of segment REBITDA to 14.1 million EUR for the first six months is attributable to higher REBITDA for both activities, with a larger contribution from phosphates.

| GELATIN AND AKIOLIS | | | | | | |
|---------------------|-------|----------|----------------|-------|-------|----------|
| 2Q11 | 2Q10 | % change | Million EUR | HY11 | HY10 | % change |
| 117.0 | 102.8 | 13.9% | Revenue | 235.7 | 198.1 | 19.0% |
| 16.9 | 14.5 | 16.8% | REBITDA | 36.3 | 29.7 | 22.0% |
| 9.8 | 7.1 | 37.7% | REBIT | 21.7 | 14.8 | 46.9% |

Second quarter 2011 **Gelatin and Akiolis revenue** of 117.0 million EUR represented further growth for this segment. In a stable market environment, sales volumes were in line with those of a year ago. Prices moved higher for most of the segment's products and services, partly reflecting an increase in energy costs. In addition, enhancements to the service offering contributed incremental revenue. **REBITDA** for the quarter benefited from the sound revenue performance, and totaled 16.9 million EUR. Good progress was made on the projects for new gelatin production in Brazil and China, which are on track to start operations by the end of 2011.

For the **first half** of 2011, segment revenue totaled 235.7 million EUR, with both quarters showing an increase due to sustained demand and a firming pricing environment. The segment continues to invest for growth while maintaining control of its fixed costs, which when coupled with the year to date revenue gain, helped to generate 36.3 million EUR REBITDA.

| TESSENDERLO KERLEY | | | | | | |
|--------------------|------|----------|----------------|-------|-------|----------|
| 2Q11 | 2Q10 | % change | Million EUR | HY11 | HY10 | % change |
| 82.1 | 74.1 | 10.9% | Revenue | 157.1 | 128.6 | 22.2% |
| 21.4 | 16.7 | 27.6% | REBITDA | 41.6 | 28.3 | 46.6% |
| 19.2 | 14.5 | 32.0% | REBIT | 37.1 | 24.0 | 54.6% |

Tessenderlo Kerley Inc. (TKI) recorded another solid quarter, reflecting the robust fundamentals present in world agricultural markets. Despite challenging weather conditions, including an unusually late spring planting season in northern tier of the US, commodity crop prices continued to provide incentives for growers to increase their yields and output. **Revenue** grew to 82.1 million EUR in the second quarter, with strong demand for specialty liquid sulphur fertilizers, in spite of the very strong first quarter, and a negative impact from weather conditions in some regions prevailing in the second quarter. Fertilizer pricing moved up, taking into account higher input costs. NovaSource[®] (TKI's crop protection business) revenue was lower in the quarter, mainly impacted by adverse weather conditions; year to date revenue is ahead of a year ago. Segment **REBITDA** amounted to 21.4 million EUR (2Q10: 16.7 million EUR), as continued control of expenses ensured that the strong commercial performance was largely retained in the bottom line.

Revenue during the **first half of 2011** rose to 157.1 million EUR, as both volumes and prices were ahead of a year ago. Demand for sulphur fertilizers such as ATS, KTS, CaTS and others in the TKI portfolio was supportive, as a result of the increasing importance of sulphur in growers' nutrient management programs. NovaSource[®] also contributed to TKI revenue growth over the first six months. In addition to the top line increase, favorable sulphur economics led to **REBITDA** of 41.6 million EUR, a strong advance on last year.

| PLASTIC PIPE SYSTEMS AND PROFILES | | | | | | |
|-----------------------------------|-------|----------|----------------|-------|-------|----------|
| 2Q11 | 2Q10 | % change | Million EUR | HY11 | HY10 | % change |
| 158.0 | 154.8 | 2.1% | Revenue | 301.1 | 281.7 | 6.9% |
| 14.6 | 16.9 | -13.8% | REBITDA | 24.2 | 24.7 | -2.0% |
| 7.7 | 10.0 | -23.0% | REBIT | 10.2 | 10.8 | -5.1% |

Second quarter revenue for the segment **Plastic Pipe Systems and Profiles** was slightly ahead of 2Q10, totalling 158.0 million EUR. **Plastic Pipe Systems (PPS)** recorded higher revenue, with all geographies increasing compared to a year ago. Revenue has benefited from better volumes into renovation markets, while new construction markets remain soft. Revenue from **Profiles** was lower than last year, mainly due to a material decrease in the US market compared to a high base period in 2010, while UK and continental European revenue was marginally lower. Both PPS and Profiles businesses continued to adjust prices to recover part of the raw material cost increases experienced over the last several months. Segment **REBITDA** was 14.6 million EUR (2Q10: 16.9 million EUR), as a result of a limited increase of REBITDA in PPS and a decrease in Profiles. The main reasons for the REBITDA decline were gross margin pressures due to the continuous increase of PVC input prices during the last 18 months, and additional operating expenses linked to further expansion of the group's Profiles distribution network in the UK.

Half year revenue for PPS and Profiles grew to 301.1 million EUR (HY10: 281.7 million EUR), with most of the rise explained by higher sales in the first quarter compared to the weather-impacted 1Q10. The revenue growth came entirely from PPS, in which all markets managed to generate more revenue than a year ago due to a combination of volume recovery and price increases to partly offset raw

material cost pressures. Profiles revenue was in line with HY10, with modest growth in the UK and continental Europe markets offset by a decline in the US. The segment achieved an REBITDA of 24.2 million EUR, implying a slight decrease in absolute terms, despite an estimated negative impact of 6 million EUR of higher PVC input prices.

| OTHER BUSINESSES | | | | | | |
|------------------|-------|----------|-------------|-------|-------|----------|
| 2Q11 | 2Q10 | % change | Million EUR | HY11 | HY10 | % change |
| 105.2 | 107.4 | -2.0% | Revenue | 215.9 | 212.1 | 1.8% |
| 6.7 | 6.6 | 1.3% | REBITDA | 13.7 | 5.9 | 132.6% |
| 4.1 | 3.2 | 28.3% | REBIT | 8.4 | -0.5 | - |

Please refer to the note on page 3 for an updated description of the 4 business units which make up the reporting segment **Other Businesses**.

Revenue of 105.2 million EUR for 2Q11 was slightly below a year ago. **Compounds** revenue continued to benefit mainly from higher volumes related to its success in securing supply for a greater number of automotive models. Similar to the first quarter, the **Organic Chlorine Derivatives (OCD)** and **Pharma** businesses had revenue below the same period last year. The explanations for these declines are the same as in 1Q11: for Pharma, the group exited from its glycine activities at the end of 2010, so has no revenue this year whereas revenue was generated during all of 2010. The revenue decline for OCD in 2Q11 is fully attributable to the sale of Tessenderlo Fine Chemicals Ltd (TFC) at the end of January 2011. Excluding TFC's revenue in 2010, the remaining OCD activities had higher revenue in the second quarter. **Water Treatment and Sulphur Derivatives**, which are now reported as part of Other Businesses, had increased revenue for the quarter compared to a year ago, as demand for water treatment chemicals from Western European municipalities was solid. **REBITDA for the segment** of 6.7 million EUR was in line with 2Q10. OCD was higher in spite of the lack of REBITDA in 2Q11 from TFC following its disposal. Compounds also posted a better result, driven by higher volumes and a better product mix. Water Treatment and Sulphur Derivatives was modestly higher, while Pharma had a lower result.

For the half year period, revenue for Other Businesses edged higher to 215.9 million EUR.

► Operating segments performance review – Discontinued operations

| DISCONTINUED OPERATIONS PVC/CHLOR-ALKALI | | | | | | |
|--|-------|----------|-------------|-------|-------|----------|
| 2Q11 | 2Q10 | % change | Million EUR | HY11 | HY10 | % change |
| 156.4 | 122.2 | 28.0% | Revenue | 306.4 | 240.6 | 27.4% |
| 7.8 | -0.9 | - | REBITDA | 17.6 | 3.1 | 473.1% |
| 1.2 | -7.8 | - | REBIT | 5.3 | -10.5 | - |

► Financial information

1. Non-recurring items

| NON-RECURRING ITEMS | | |
|---------------------------|-------------|-------------|
| Million EUR | 2Q11 | 2Q10 |
| Gain/(loss) on disposals | -0.1 | 0.8 |
| Restructuring | -0.6 | -1.2 |
| Provisions and claims | 0.1 | 13.7 |
| Other income and expenses | -1.0 | - |
| Total | -1.6 | 13.3 |

The 2Q11 non-recurring items from continuing operations only had an insignificant impact on the consolidated income statement.

2. Net finance costs

The net finance costs from continuing operations slightly decreased from -7.4 million EUR in 2Q10 to -7.0 million EUR in 2Q11. These mainly include net interest expenses for -4.1 million EUR and other charges for -2.6 million EUR. The other charges mainly consist of factoring expenses and the payment of commitment fees on the unused portion of the syndicated facility.

3. Income tax expense

2Q11 income tax expenses from continuing operations were -11.4 million EUR, versus -8.0 million EUR a year ago. The income tax expenses are mainly due to profits generated in the US.

4. Profit/loss for the period

Profit from continuing operations for the second quarter amounted to 22.8 million EUR, compared to 35.2 million EUR in 2Q10. The decrease of the 2Q11 profit compared to the same period last year can be mainly explained by the recording of a non-recurring gain of 12.7 million EUR in 2Q10 following the decision of the European Commission on the EU fine, rendered on July 20th 2010.

HY11 group profit from continuing operations amounted to 50.2 million EUR (HY10: 32.8 million EUR).

The continuing and discontinued operations combined report a loss of -133.3 million EUR in 2Q11, mainly as a consequence of the non-recurring loss (-158.0 million EUR) realized on the sale of the majority of the PVC/Chlor-Alkali activities and part of the OCD activities to Kerling. More details on the discontinued operations are provided in the interim report 2011.

5. Capital expenditures

Capital expenditures for the second quarter were 28.2 million EUR (2Q10: 29.4 million EUR) and 46.0 million EUR for the half year (HY10: 44.2 million EUR).

6. Balance sheet

The equity attributable to equity holders of the company decreased by 160.2 million EUR. This is a consequence of the negative result of HY11 (-103.3 million EUR), negative translation differences for -16.2 million EUR and the net change in fair value of derivative financial instruments for -2.4 million EUR. The dividend payable to shareholders of the company has an impact of -38.3 million EUR on equity, but the shares created following the successful optional stock dividend will lead to an increase of equity by 18.1 million EUR in 3Q11.



► Outlook

Tessenderlo Group's operational performance in the first half of 2011 has shown progress versus the same period a year ago. For the continuing operations, the second half of 2011 is anticipated to be broadly in line with the solid results recorded in the second half of 2010. Consequently, as expected, 2011 will represent a clearly improved operating result for the continuing operations of the group on a full year basis.

At the same time, the group has maintained a healthy balance sheet, and this will be strengthened further, following receipt of cash proceeds for the sales of PVC/Chlor-Alkali and Chelsea Building Products. This context of better results and low net debt levels will allow the group to continue implementing its strategy of becoming a higher return specialty company.

► **Condensed consolidated interim financial information
30 June 2011**

| CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT | | | | |
|--|---------------|--------------|---------------|--------------|
| Million EUR | 30.06.2011 | 30.06.2010 | 2Q11 | 2Q10 |
| <u>Continuing operations</u> | | | | |
| Revenue | 1,116.9 | 1,020.5 | 561.9 | 549.4 |
| Cost of sales | -877.5 | -818.2 | -438.4 | -430.5 |
| Gross profit | 239.4 | 202.3 | 123.6 | 118.9 |
| Distribution expenses | -52.4 | -52.3 | -25.4 | -26.4 |
| Sales and marketing expenses | -33.6 | -30.2 | -17.8 | -15.1 |
| Administrative expenses | -70.8 | -67.8 | -34.4 | -34.7 |
| Other operating income and expenses | -6.3 | -9.0 | -5.0 | -6.4 |
| Profit (+)/ Loss (-) from operations before non-recurring items (REBIT) | 76.3 | 43.1 | 41.0 | 36.2 |
| Gain/(loss) on disposals | 5.5 | 2.9 | -0.1 | 0.8 |
| Restructuring | -0.6 | -1.5 | -0.6 | -1.2 |
| Provisions and claims | 0.1 | 13.7 | 0.1 | 13.7 |
| Other income and expenses | -1.8 | - | -1.0 | - |
| Profit (+) / Loss (-) from operations (EBIT) | 79.5 | 58.3 | 39.4 | 49.6 |
| Finance costs | -24.1 | -30.4 | -10.6 | -21.9 |
| Finance income | 13.0 | 18.2 | 3.7 | 14.5 |
| Finance costs - net | -11.1 | -12.3 | -7.0 | -7.4 |
| Share of result of equity accounted investees, net of income tax | 3.0 | 1.8 | 1.8 | 1.1 |
| Profit (+) / Loss (-) before tax | 71.4 | 47.9 | 34.2 | 43.2 |
| Income tax expense | -21.2 | -15.1 | -11.4 | -8.0 |
| Profit (+) / Loss (-) for the period from continuing operations | 50.2 | 32.8 | 22.8 | 35.2 |
| <u>Discontinued operations</u> | | | | |
| Profit (+) / Loss (-) for the period from discontinued operations, net of income tax | -153.5 | -10.2 | -156.1 | -7.6 |
| Profit (+) / Loss (-) for the period | -103.3 | 22.5 | -133.3 | 27.6 |
| Attributable to: | | | | |
| - Equity holders of the company | -103.3 | 22.4 | -133.4 | 27.5 |
| - Non-controlling interest | - | 0.1 | 0.1 | 0.1 |
| Basic earnings per share (EUR) | -3.51 | 0.76 | | |
| Diluted earnings per share (EUR) | -3.51 | 0.76 | | |
| Basic earnings per share (EUR) – continuing operations | 1.71 | 1.11 | | |
| Diluted earnings per share (EUR) – continuing operations | 1.70 | 1.11 | | |

| CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME | | | | |
|--|---------------|-------------|---------------|-------------|
| Million EUR | 30.06.2011 | 30.06.2010 | 2Q11 | 2Q10 |
| Profit (+) / loss (-) for the period | -103.3 | 22.5 | -133.3 | 27.6 |
| Translation differences | -16.3 | 30.9 | -3.2 | 18.5 |
| Net change in fair value of derivative financial instruments | -3.6 | -8.0 | -2.0 | -4.5 |
| Income tax on other comprehensive income | 1.2 | 2.7 | 0.7 | 1.5 |
| Other comprehensive income for the period, net of income tax | -18.7 | 25.6 | -4.5 | 15.5 |
| Total comprehensive income (+) and expense (-) for the period | -122.0 | 48.1 | -137.8 | 43.1 |
| Attributable to: | | | | |
| - Equity holders of the company | -121.9 | 48.0 | -137.8 | 43.0 |
| - Non-controlling interest | -0.1 | 0.1 | - | 0.1 |
| Total comprehensive income (+) and expense (-) for the period | -122.0 | 48.1 | -137.8 | 43.1 |

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

| Million EUR | 30.06.2011 | 31.12.2010 |
|---|----------------|----------------|
| ASSETS | | |
| Total non-current assets | 649.9 | 877.9 |
| Property, plant and equipment | 475.1 | 682.2 |
| Goodwill | 51.9 | 53.4 |
| Other intangible assets | 53.3 | 61.2 |
| Investments accounted for using the equity method | 31.9 | 27.7 |
| Other investments | 5.6 | 6.7 |
| Deferred tax assets | 3.5 | 23.7 |
| Trade and other receivables | 23.8 | 22.9 |
| Derivative financial instruments | 4.8 | - |
| Total current assets | 690.2 | 800.4 |
| Inventories | 300.3 | 349.7 |
| Trade and other receivables | 314.4 | 299.5 |
| Derivative financial instruments | 0.6 | 0.7 |
| Cash and cash equivalents | 74.9 | 150.5 |
| Non-current assets classified as held for sale | 217.5 | 18.1 |
| Total assets | 1,557.5 | 1,696.5 |
| EQUITY & LIABILITIES | | |
| Total equity | 568.2 | 728.6 |
| Equity attributable to equity holders of the company | 564.6 | 724.8 |
| Issued capital | 143.7 | 143.7 |
| Share premium | 57.5 | 57.5 |
| Reserves | 372.2 | 390.8 |
| Retained earnings | -8.8 | 132.8 |
| Non-controlling interest | 3.6 | 3.7 |
| Total liabilities | 989.3 | 967.9 |
| Total non-current liabilities | 330.6 | 362.2 |
| Financial liabilities | 184.2 | 195.4 |
| Employee benefits | 33.7 | 38.2 |
| Provisions | 53.8 | 65.9 |
| Trade and other payables | 29.8 | 30.2 |
| Derivative financial instruments | - | 0.8 |
| Deferred tax liabilities | 29.1 | 31.6 |
| Total current liabilities | 523.1 | 599.2 |
| Bank overdrafts | 1.0 | 5.8 |
| Financial liabilities | 66.4 | 111.3 |
| Trade and other payables | 437.6 | 469.6 |
| Derivative financial instruments | 0.4 | 0.2 |
| Current tax liabilities | 7.0 | 0.4 |
| Provisions | 10.7 | 11.9 |
| Liabilities associated with assets classified as held for sale | 135.6 | 6.5 |
| Total equity and liabilities | 1,557.5 | 1,696.5 |

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

| | Issued capital | Share premium | Other reserves | Translation reserves | Revaluation reserves | Hedging reserves | Retained earnings | Equity attributable to equity holders of the company | Non-controlling interest | Total equity |
|--|----------------|---------------|----------------|----------------------|----------------------|------------------|-------------------|--|--------------------------|--------------|
| Million EUR | | | | | | | | | | |
| Balance at 1 January 2010 | 139.0 | 43.9 | 394.0 | -30.0 | 10.7 | -1.6 | 149.2 | 705.2 | 2.3 | 707.5 |
| Profit (+) / loss (-) for the period | - | - | - | - | - | - | 22.4 | 22.4 | 0.1 | 22.5 |
| Other comprehensive income for the period | | | | | | | | | | |
| - Translation differences | - | - | - | 30.9 | - | - | - | 30.9 | 0.4 | 31.3 |
| - Net change in fair value of derivative financial instruments, net of tax | - | - | - | - | - | -5.3 | - | -5.3 | - | -5.3 |
| Total comprehensive income for the period, net of income tax | - | - | - | 30.9 | - | -5.3 | 22.4 | 48.0 | 0.5 | 48.5 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | |
| - Dividends paid to shareholders | - | - | - | - | - | - | -37.1 | -37.1 | - | -37.1 |
| - Warrants and capital increase | - | - | 0.9 | - | - | - | - | 0.9 | - | 0.9 |
| Total contributions by and distributions to owners | - | - | 0.9 | - | - | - | -37.1 | -36.2 | - | -36.2 |
| Balance at 30 June 2010 | 139.0 | 43.9 | 394.9 | 0.9 | 10.7 | -6.9 | 134.5 | 717.0 | 2.8 | 719.8 |

| | Issued capital | Share premium | Other reserves | Translation reserves | Revaluation reserves | Hedging reserves | Retained earnings | Equity attributable to equity holders of the company | Non-controlling interest | Total equity |
|--|----------------|---------------|----------------|----------------------|----------------------|------------------|-------------------|--|--------------------------|---------------|
| Million EUR | | | | | | | | | | |
| Balance at 1 January 2011 | 143.7 | 57.5 | 397.0 | -14.4 | 10.7 | -2.5 | 132.8 | 724.8 | 3.7 | 728.5 |
| Profit (+) / loss (-) for the period | - | - | - | - | - | - | -103.3 | -103.3 | - | -103.3 |
| Other comprehensive income for the period | | | | | | | | | | |
| - Translation differences | - | - | - | -16.2 | - | - | - | -16.2 | -0.1 | -16.3 |
| - Net change in fair value of derivative financial instruments, net of tax | - | - | - | - | - | -2.4 | - | -2.4 | - | -2.4 |
| Total comprehensive income for the period, net of income tax | - | - | - | -16.2 | - | -2.4 | -103.3 | -121.9 | -0.1 | -122.0 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | |
| - Dividends paid to shareholders | - | - | - | - | - | - | -38.3 | -38.3 | - | -38.3 |
| - Warrants and capital increase | - | - | - | - | - | - | - | - | - | - |
| Total contributions by and distributions to owners | - | - | - | - | - | - | -38.3 | -38.3 | - | -38.3 |
| Balance at 30 June 2011 | 143.7 | 57.5 | 397.0 | -30.6 | 10.7 | -4.9 | -8.8 | 564.6 | 3.6 | 568.2 |

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS – CONTINUING AND DISCONTINUED OPERATIONS

| Million EUR | 30.06.2011 | 30.06.2010 |
|---|---------------|--------------|
| OPERATING ACTIVITIES | | |
| Profit (+)/Loss (-) for the period | -103.3 | 22.5 |
| Depreciation, amortisation and impairment losses on tangible assets, goodwill and other intangible assets | 205.2 | 56.4 |
| Changes in provisions | 0.4 | -22.0 |
| Finance costs | 25.3 | 30.4 |
| Finance income | -13.1 | -18.7 |
| Loss / (profit) on sale of non-current assets | -4.9 | -3.1 |
| Share of result of equity accounted investees, net of income tax | -3.0 | -1.8 |
| Income tax expense | 21.8 | 15.1 |
| Other non-cash items | -6.0 | -2.2 |
| Changes in inventories | -20.0 | 53.8 |
| Changes in trade and other receivables | -71.3 | -53.7 |
| Changes in trade and other payables | 2.9 | 22.7 |
| <i>Cash generated from operations</i> | <i>34.0</i> | <i>99.4</i> |
| Interest paid | -6.5 | -3.4 |
| Interest received | 0.7 | 0.4 |
| Other finance costs paid | -4.7 | -3.8 |
| Income tax paid | -10.1 | -6.7 |
| Dividends received from investments accounted for using the equity method | 1.8 | 1.0 |
| Cash flow from operating activities | 15.2 | 86.9 |
| INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment | -43.6 | -42.7 |
| Acquisition of other intangible assets | -2.4 | -1.5 |
| Acq. of investments accounted for using the equity method | -1.3 | -5.2 |
| Acquisition of investments | - | -1.6 |
| Proceeds from sale of property, plant and equipment | 1.7 | 4.9 |
| Proceeds from the sale of subsidiaries, net of cash disposed of | 17.8 | - |
| Cash flow from investing activities | -27.8 | -46.1 |
| FINANCING ACTIVITIES | | |
| Increase / (decrease) of financial liabilities | -51.7 | 68.7 |
| Payment of transaction costs related to financial liabilities | -3.5 | -8.3 |
| (Increase) / decrease of long term receivables | -1.1 | -0.2 |
| Dividends paid to shareholders | - | - |
| Cash flow from financing activities | -56.3 | 60.2 |
| Net increase / (decrease) in cash and cash equivalents | -68.9 | 101.0 |
| Effect of exchange rate differences | -1.8 | 3.3 |
| Cash and cash equivalents less bank overdrafts at the beginning of the period | 144.7 | 44.3 |
| Cash and cash equivalents less bank overdrafts at the end of the period | 73.9 | 148.6 |

► Notes to the condensed consolidated interim financial information

1. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2011 has been prepared in accordance with International Financial Reporting Standards (IFRS). 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 31 December 2010.

This condensed consolidated interim financial information was approved by the board of directors on August 24th, 2011.

2. Significant accounting policies

The accounting policies used by the group in the present condensed consolidated interim financial information are consistent with those used in the preparation of the consolidated financial statements as at and for the year ended 31 December 2010.

3. Segment reporting

Please see annexes 1 and 2.

4. Business combinations

For more details regarding the disposals and discontinued operations in the first semester of 2011, we refer to the half year report, available at www.tessenderlogroup.com/investors

5. Subsequent events

On July 25th 2011, the group announced that it has sold the subsidiary Chelsea Building Products Inc. (US) within the segment "Plastic Pipe Systems and Profiles" to Graham Partners, a US-based, privately held investment company. In accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*, the assets and liabilities of this disposal group have been presented as assets and liabilities held for sale as per 30th June 2011.

On July 26th 2011, the EU Commission has given its approval for the sale of the group's PVC and Chlor-Alkali activities to Kerling, a privately held UK-based company. Kerling, through its INEOS ChlorVinyls business, has become upon closing of the transaction on August 1st 2011 the new owner of Tessenderlo Group's PVC/Chlor-Alkali activities, including VCM, as well as part of Organic Chlorine Derivatives.



► Financial calendar

Third quarter 2011 results
Full Year 2011 results

October 27th, 2011
February 16th, 2012

***Tessenderlo Group** is an international chemicals company with over 100 locations worldwide. About 7,200 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*

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This press release is available in Dutch, English and French on the corporate web site www.tessenderlogroup.com - under 'News & Media'.

ANNEX 1

SEGMENT REPORTING SECOND QUARTER – CONTINUING OPERATIONS

| Million EUR | 2Q11 | 2Q10 |
|--|-------------|-------------|
| Tessenderlo Group | | |
| Revenue | 561.9 | 549.4 |
| REBITDA | 60.8 | 57.9 |
| REBIT | 41.0 | 36.2 |
| Inorganics | | |
| Revenue | 99.8 | 110.5 |
| REBITDA | 7.8 | 7.7 |
| REBIT | 6.6 | 6.4 |
| Gelatin and Akiolis | | |
| Revenue | 117.0 | 102.8 |
| REBITDA | 16.9 | 14.5 |
| REBIT | 9.8 | 7.1 |
| Tessenderlo Kerley | | |
| Revenue | 82.1 | 74.1 |
| REBITDA | 21.4 | 16.7 |
| REBIT | 19.2 | 14.5 |
| Plastic Pipe Systems and Profiles | | |
| Revenue | 158.0 | 154.8 |
| REBITDA | 14.6 | 16.9 |
| REBIT | 7.7 | 10.0 |
| Other Businesses | | |
| Revenue | 105.2 | 107.4 |
| REBITDA | 6.7 | 6.6 |
| REBIT | 4.1 | 3.2 |
| Non-allocated | | |
| Revenue | - | - |
| REBITDA | -6.6 | -4.7 |
| REBIT | -6.5 | -5.0 |

ANNEX 2

SEGMENT REPORTING HALF YEAR – CONTINUING OPERATIONS

| Million EUR | HY11 | HY10 |
|--|---------|---------|
| Tessenderlo Group | | |
| Revenue | 1,116.9 | 1,020.5 |
| REBITDA | 116.9 | 86.4 |
| REBIT | 76.3 | 43.1 |
| Inorganics | | |
| Revenue | 207.0 | 200.0 |
| REBITDA | 14.1 | 7.5 |
| REBIT | 11.6 | 4.3 |
| Gelatin and Akiolis | | |
| Revenue | 235.7 | 198.1 |
| REBITDA | 36.3 | 29.7 |
| REBIT | 21.7 | 14.8 |
| Tessenderlo Kerley | | |
| Revenue | 157.1 | 128.6 |
| REBITDA | 41.6 | 28.3 |
| REBIT | 37.1 | 24.0 |
| Plastic Pipe Systems and Profiles | | |
| Revenue | 301.1 | 281.7 |
| REBITDA | 24.2 | 24.7 |
| REBIT | 10.2 | 10.8 |
| Other Businesses | | |
| Revenue | 215.9 | 212.1 |
| REBITDA | 13.7 | 5.9 |
| REBIT | 8.4 | -0.5 |
| Non-allocated | | |
| Revenue | - | - |
| REBITDA | -12.9 | -9.8 |
| REBIT | -12.8 | -10.4 |