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Regulated information*

Press release

Tessenderlo Group announces three new strategic initiatives and Second Quarter 2012 results

Further evidence of strong progress in strategy execution

- Tessenderlo Kerley recently closed a long term agreement to supply a US gold mining operation of Barrick Gold with its thiosulfates products
- The group announces today its intention to divest its continental European profiles activities to Open Gate, a global investment company
- The group’s Chinese organic chlorine derivatives activities were sold in August
- The sale of 13.33% of T-Power shares was completed in June

2Q12 operating results led by Tessenderlo Kerley and Gelatin & Akiolis

- Revenue increased 4.0% to 563.3 million EUR in 2Q12; HY12 revenue of 1.1 billion EUR was up 3.2%
- REBITDA amounted to 55.7 million EUR in 2Q12 and 99.8 million EUR for HY12; lower by 8.2% and 14.0% respectively compared to the strong same period last year
- The segments Tessenderlo Kerley and Gelatin & Akiolis, which represent 73% of group REBITDA, had together double digit revenue and profitability growth in the second quarter, year on year
- Recurrent profit was 16.8 million EUR for 2Q12 and 27.2 million EUR for HY12
- The group recorded a loss of 15.1 million EUR for 2Q12 due primarily to a non-recurring charge of 35.9 million EUR related to the intended divestment of its continental European profiles, and the sale of Chinese organic chlorine derivatives activities. As a result, for the half year 2012 the group made a loss of 9.2 million EUR

GROUP KEY FIGURES FROM CONTINUING OPERATIONS - SECOND QUARTER

Million EUR	2Q11	2Q12	% change as reported	% change at comparable scope
Revenue	561.9	563.3	0.2%	4.0%
REBITDA	60.8	55.7	-8.4%	-8.2%
REBIT	41.0	33.3	-18.7%	-20.0%
Recurrent profit(+)/loss(-) for the period ¹	23.7	16.8	-29.4%	-31.2%
Profit(+)/loss(-) for the period	22.4	-15.1	-167.1%	-167.1%

All comments included in this document, unless otherwise indicated, are based on the group’s continuing operations at comparable scope i.e. adjusted for the impact of businesses which have been purchased or sold during the past 12 months. Further information can be found on page 2.

Stable financial position

- **Net financial debt** was 244.5 million EUR at end June 2012, resulting in a leverage of 1.4x and gearing of 30.5%
- **Notional net debt** was 335.9 million EUR; on this basis, leverage was 2.0x and gearing 37.6%

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

* 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.



► Strategic Progress

New long term contract in mining

Tessenderlo Kerley Inc. (TKI) will service a gold mining operation in the western US, via a long term production and supply agreement. TKI will construct, own and operate a new, environmentally safe thiosulfates production facility on the site of a mining operation of Barrick Gold Corporation, the gold industry leader. The production facility will utilize patented TKI technology, and startup is estimated to take place at the end of 2013. The new plant, the first of its kind for the group, demonstrates the commitment by Tessenderlo Group to grow its business with the mining industry. Equally, it confirms the group's ability to identify new profitable growth opportunities, by further exploiting its unique business model in adjacent industries.

Intention to divest its continental European Profiles to a global private investment company

Tessenderlo Group announces today that it has the intention to divest its continental European profiles activities to OpenGate Capital, a global private investment company with headquarters in the USA and offices in France and Brazil. The Profialis activities include two production facilities in France and in Belgium, and distribution centers in Hungary and Poland.

The works councils of Profialis in Belgium and France have been informed that the consultation procedures about this transaction are being launched.

Sale of Organic Chlorine Derivatives activity

On August 21, 2012, the group sold its organic chlorine derivatives activities in China to a Hong Kong based private investment firm.

Completion of sale of 13.33% of T-Power shares

In September 2011, Tessenderlo Group announced that it had sold 13.33% of T-Power shares to Tokyo Gas, subject to approval by the authorities, other shareholders rights, and 3rd party consents. With the conditions now fulfilled, the sale has been completed in June 2012.

These four transactions are fully in line with the group's strategy, and show that the group continues to make further progress in strategy execution, including investing in new growth opportunities. These transactions also demonstrate that the group is strengthening its focus on specialty products and services in the areas of food, agriculture, water management and valorizing bio-residuals.

► Group Performance Review

- 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 34 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.

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 January 2011: sale of Tessenderlo Fine Chemicals UK Ltd (operating segment Organic Chlorine Derivatives within Other Businesses).
- End of July 2011: sale of Organic Chlorine Derivative activities in Tessenderlo and Maastricht (within Other Businesses).
- End of July 2011: sale of Chelsea Building Products Inc. (operating segment Plastic Pipe Systems and Profiles).
- End of September 2011: sale of Dynaplast-Extruco Inc. (operating segment Plastic Pipe Systems and Profiles).
- End of October 2011: acquisition of BT Bautechnik Group (operating segment Plastic Pipe Systems and Profiles).

GROUP KEY FIGURES FROM CONTINUING OPERATIONS - SECOND QUARTER

Million EUR	2Q11	2Q12	%change as reported	% change at comparable scope
Revenue	561.9	563.3	0.2%	4.0%
Tessenderlo Kerley	82.1	108.2	31.8%	31.8%
Gelatin and Akiolis	117.0	126.7	8.3%	8.3%
Inorganics	99.8	97.6	-2.1%	-2.1%
Plastic Pipe Systems and Profiles	158.0	142.1	-10.0%	-7.7%
Other Businesses	105.2	88.8	-15.6%	-0.8%
Non-allocated	0.0	0.0	-	-
REBITDA	60.8	55.7	-8.4%	-8.2%
Tessenderlo Kerley	21.4	27.6	29.0%	29.0%
Gelatin and Akiolis	16.9	17.6	4.1%	4.1%
Inorganics	7.8	1.6	-79.3%	-79.3%
Plastic Pipe Systems and Profiles	14.6	12.2	-16.5%	-16.7%
Other Businesses	6.7	3.0	-55.6%	-55.3%
Non-allocated	-6.6	-6.4	-	-
REBIT	41.0	33.3	-18.7%	-20.0%
Non-recurring items	-2.0	-33.1	-	-
EBIT	39.0	0.2	-99.4%	-100.2%

GROUP KEY FIGURES FROM CONTINUING OPERATIONS - YEAR TO DATE

Million EUR	HY11	HY12	%change as reported	% change at comparable scope
Revenue	1,116.9	1,108.2	-0.8%	3.2%
Tessenderlo Kerley	157.1	191.6	21.9%	21.9%
Gelatin and Akiolis	235.7	250.6	6.3%	6.3%
Inorganics	207.0	207.7	0.4%	0.4%
Plastic Pipe Systems and Profiles	301.1	277.8	-7.7%	-5.4%
Other Businesses	215.9	180.4	-16.5%	-0.2%
Non-allocated	0.0	0.0	-	-
REBITDA	116.9	99.8	-14.6%	-14.0%
Tessenderlo Kerley	41.6	52.2	25.6%	25.6%
Gelatin and Akiolis	36.3	33.9	-6.5%	-6.5%
Inorganics	14.1	1.9	-86.7%	-86.7%
Plastic Pipe Systems and Profiles	24.2	21.1	-12.7%	-12.7%
Other Businesses	13.7	4.3	-68.9%	-66.7%
Non-allocated	-12.9	-13.6	-	-
REBIT	76.3	55.9	-26.7%	-27.4%
Non-recurring items	3.1	-37.7	-	-
EBIT	79.5	18.2	-77.1%	-77.9%



Revenue

Second quarter 2012 revenue grew 4.0% to 563.3 million EUR, driven by strong increases for Tessenderlo Kerley and Gelatin & Akiolis. Revenue for the segments Other Businesses and Inorganics was marginally lower than a year ago. Plastic Pipe Systems (PPS) and Profiles ended below last year as construction activity continued to be weak.

For the first half of 2012, revenue increased to 1.1 billion EUR, 3.2% higher year on year. As in 2Q12, the main drivers were Tessenderlo Kerley and Gelatin & Akiolis, while Inorganics and Other Businesses were stable and PPS and Profiles declined.

REBITDA

REBITDA in 2Q12 decreased by 8.2% year on year to 55.7 million EUR, a clear improvement versus the first quarter. Tessenderlo Kerley was significantly ahead and Gelatin & Akiolis also grew in the quarter. This progression was more than offset by much lower REBITDA for Inorganics and Other Businesses, while PPS and Profiles also declined.

Half year 2012 REBITDA totaled 99.8 million EUR, 14.0% below the same period a year ago. The strong performance of Tessenderlo Kerley could not compensate lower REBITDA in the balance of the group, especially the segments Inorganics and Other Businesses, which both had very challenging comparable results.

Cash flow from operating activities

In the first half of 2012, cash flow from operating activities amounted to 12.2 million EUR (HY11: 25.6 million EUR). Trade working capital as a percentage of revenue was 21.1% at the end of June 2012 (end June 2011: 18.7%). As in the first quarter of 2012, the main driver of this increase relates to higher working capital in Inorganics. Actions are ongoing to improve this situation. Furthermore, the three new production sites - gelatin in Brazil and China, and compounds in China - require initial working capital to start operations, while revenue generated from production sourced from these new sites is limited at this stage.

Net financial debt

Group net financial debt at the end of June 2012 was 244.5 million EUR, versus 219.4 million EUR at the end of December 2011. The change in net financial debt was largely due to capital expenditures and taxes, while cash generated from operating activities and proceeds from the sale of non-strategic assets were the main compensating elements.

Based on the net debt position and last twelve months REBITDA at the end of June 2012, leverage amounted to 1.4x (2.0 based on notional net debt). Gearing was 30.5% at the end of June 2012 (37.6% based on notional net debt).



► Operating segments performance review – continuing operations

TESSENDERLO KERLEY								
2Q11	2Q12	% change as reported	% change at comparable scope	Million EUR	HY11	HY12	% change as reported	% change at comparable scope
82.1	108.2	31.8%	31.8%	Revenue	157.1	191.6	21.9%	21.9%
21.4	27.6	29.0%	29.0%	REBITDA	41.6	52.2	25.6%	25.6%
26.1%	25.5%	-	-	REBITDA margin	26.5%	27.2%	-	-
19.2	24.5	27.6%	27.6%	REBIT	37.1	46.1	24.2%	24.2%
23.4%	22.7%	-	-	REBIT margin	23.6%	24.1%	-	-

Tessenderlo Kerley Inc. (TKI) second quarter 2012 revenue was strongly ahead of last year, amounting to 108.2 million EUR, a rise of 31.8% in euro terms. With attractive crop pricing in place, the US agriculture industry planted a higher than normal number of acres. Weather patterns continued to be positive during most of the quarter in major growing regions until the second half of June, when unusually high temperatures, combined with a lack of rain, led to drought conditions. Thio-Sul® volumes increased, and KTS® potassium thiosulfate volumes were significantly higher than a year ago, following a slow start to the year. Prices were mostly stable to somewhat higher to account for higher raw material costs. NovaSource®, TKI's crop protection business, generated more revenue in 2Q12, primarily as incremental new sales of carbaryl, which was acquired at the end of January 2012, were recorded. REBITDA for the segment moved up 29.0% to 27.6 million EUR for the quarter. In US dollar terms, total TKI revenue grew 21.8% and REBITDA was 19.2% above a year ago.

Over the **first half of 2012**, TKI registered growth of revenue by 21.9% to 191.6 million EUR. As in the second quarter, sales increased due to ongoing market demand, and further supported by constructive weather conditions and the addition of carbaryl to NovaSource. Segment REBITDA of 52.2 million EUR, a gain of 25.6%, is primarily attributable to the positive agricultural context. In US dollar terms, total TKI revenue was up 12.7% and REBITDA rose 16.0%.

The long term need for increased agriculture production, driven by population growth and changing diets should underpin demand for TKI's products. However, in addition to the historical pattern of lower results in the second half of the year compared to the first half, demand for agriculture inputs may reduce temporarily until moisture levels recover.

GELATIN AND AKIOLIS								
2Q11	2Q12	% change as reported	% change at comparable scope	Million EUR	HY11	HY12	% change as reported	% change at comparable scope
117.0	126.7	8.3%	8.3%	Revenue	235.7	250.6	6.3%	6.3%
16.9	17.6	4.1%	4.1%	REBITDA	36.3	33.9	-6.5%	-6.5%
14.5%	13.9%	-	-	REBITDA margin	15.4%	13.5%	-	-
9.8	9.4	-3.8%	-3.8%	REBIT	21.7	17.8	-18.1%	-18.1%
8.4%	7.4%	-	-	REBIT margin	9.2%	7.1%	-	-

For both **Gelatin and Akiolis**, market conditions in 2Q12 were broadly unchanged from the previous quarter: raw material availability remained under pressure, leading to lower volumes despite solid demand, and higher sales prices. Against this background, Gelatin and Akiolis had an improved performance in the second quarter. Revenue for the segment rose by 8.3% to 126.7 million EUR, and REBITDA came in at 17.6 million EUR, an increase of 4.1%.

Revenue for **Gelatin** for 2Q12 was well above the same period a year ago. As in the first quarter, revenue growth was driven by upward pricing adjustments implemented over the past year to compensate more expensive raw materials. While gelatin demand continues to hold up well, and incremental new sales were recorded from the new plant in China, overall sales volumes decreased in 2Q12 year on year. However, volumes were higher than in the first quarter. The gelatin industry continues to be challenged by pressure on the availability of raw materials worldwide, and most prominently in South America. REBITDA was up in the quarter based on a solid commercial performance.

Akiolis 2Q12 revenue was slightly lower year on year. Volumes had a decline, similar to the level seen in the first quarter, as a result of less volumes available for processing. The volume effect on revenue was partially compensated by higher average selling prices across most of the portfolio. The



REBITDA decrease, which was less pronounced than in the first quarter, was attributable to increased energy costs as well as reduced volumes.

First half 2012 revenue for Gelatin and Akiolis grew 6.3% to 250.6 million EUR, with somewhat lower volumes more than compensated by higher average prices. Segment REBITDA was down 6.5% to 33.9 million EUR, as a decrease in the first quarter could not be offset by an improved second quarter result.

INORGANICS								
2Q11	2Q12	% change as reported	% change at comparable scope	Million EUR	HY11	HY12	% change as reported	% change at comparable scope
99.8	97.6	-2.1%	-2.1%	Revenue	207.0	207.7	0.4%	0.4%
7.8	1.6	-79.3%	-79.3%	REBITDA	14.1	1.9	-86.7%	-86.7%
7.8%	1.7%	-	-	REBITDA margin	6.8%	0.9%	-	-
6.6	0.2	-96.9%	-96.9%	REBIT	11.6	-1.0	-108.8%	-108.8%
6.6%	0.2%	-	-	REBIT margin	5.6%	-0.5%	-	-

Inorganics revenue in 2Q12 dropped slightly to 97.6 million EUR or 2.1% year on year, and REBITDA declined by 79.3% to end up at 1.6 million EUR.

2Q12 revenue for **potassium sulfate fertilizers** was below the same period a year ago. Volumes were lower than last year due to lower tolling volumes. Prices were incrementally above 2Q11, while variable costs continued to increase more than selling prices, leading to lower margins. Reduced operating expenses could largely offset the impact of the margin shortfall, such that REBITDA was nearly unchanged year on year.

Inorganic feed phosphates revenue rose again in 2Q12 compared to the same period last year. The increase was entirely due to higher volumes, while selling prices were slightly lower than 2Q11. Margins were much lower due to higher phosphate raw materials costs. Despite some fixed cost savings, REBITDA was substantially below the very high amount in the second quarter last year.

HY12 segment revenue is in line with the first half of 2011, up 0.4% to 207.7 million EUR as higher revenue in phosphates offset a decrease in sulfates. REBITDA of 1.9 million EUR is 86.7% below last year, mainly due to selling prices not offsetting higher cost raw materials.

While global agriculture markets generally remain positive, the group's main markets in Europe and the Middle East remain challenging given political and economic uncertainty.

PLASTIC PIPE SYSTEMS AND PROFILES								
2Q11	2Q12	% change as reported	% change at comparable scope	Million EUR	HY11	HY12	% change as reported	% change at comparable scope
158.0	142.1	-10.0%	-7.7%	Revenue	301.1	277.8	-7.7%	-5.4%
14.6	12.2	-16.5%	-16.7%	REBITDA	24.2	21.1	-12.7%	-12.7%
9.2%	8.6%	-	-	REBITDA margin	8.0%	7.6%	-	-
7.7	6.0	-21.1%	-25.6%	REBIT	10.2	8.7	-14.4%	-20.8%
4.9%	4.3%	-	-	REBIT margin	3.4%	3.1%	-	-

The segment Plastic Pipe Systems and Profiles generated 142.1 million EUR of revenue in the second quarter of 2012, 7.7% below last year. Revenue for **Plastic Pipe Systems (PPS)** decreased, as the majority of markets, including France and the Netherlands, ended lower. During the quarter there were clear signs of a deteriorating market for construction products in the markets where PPS is present. **Profiles** revenue also declined, attributable to weakness in continental Europe, while the UK was also lower. 2Q12 selling prices for PPS and continental European Profiles were at a similar level when compared to the prior year, whereas prices edged higher in the UK. Segment REBITDA fell 16.7% to 12.2 million EUR, mainly as a result of lower volumes in PPS, while Profiles was largely unchanged thanks to cost control measures.

Revenue for PPS and Profiles in the **first half of 2012** dropped 5.4% to 277.8 million EUR, as both PPS and Profiles had lower activity compared to the same period of 2011. REBITDA decreased 12.7% to 21.1 million EUR, mainly due to the lower activity levels at PPS.

There are no indications of a recovery of construction activity from its current low levels. Against this background, measures are being taken to reduce costs further, while continuing to work on important commercial initiatives, such as increasing the group's storm water management activities.

OTHER BUSINESSES								
2Q11	2Q12	% change as reported	% change at comparable scope	Million EUR	HY11	HY12	% change as reported	% change at comparable scope
105.2	88.8	-15.6%	-0.8%	Revenue	215.9	180.4	-16.5%	-0.2%
6.7	3.0	-55.6%	-55.3%	REBITDA	13.7	4.3	-68.9%	-66.7%
6.3%	3.3%	-	-	REBITDA margin	6.3%	2.4%	-	-
4.1	0.1	-97.3%	-97.5%	REBIT	8.4	-1.4	-117.0%	-117.4%
3.9%	0.1%	-	-	REBIT margin	3.9%	-0.8%	-	-

2Q12 revenue for the **Other Businesses** reporting segment had a marginal decrease of 0.8% to 88.8 million EUR. Sulfur Derivatives, Pharma and Organic Chlorine Derivatives (OCD) were all slightly up year on year, while Compounds was in line and Water Treatment was just below last year. REBITDA for the segment of 3.0 million EUR was 55.3% down compared to a very strong 2Q11, and was an improvement versus 1Q12. All activities presented lower REBITDA, with the main impacts in OCD due to margin pressures, particularly in China and in Water Treatment, because of lower volumes and reduced availability of less expensive raw materials linked to a fall in activity in the steel industry.

On a **half year** basis, the segment generated revenue at the same level as a year ago, moving -0.2% to 180.4 million EUR. OCD and Compounds registered revenue gains, Water Treatment and Pharma were marginally higher while Sulfur Derivatives was lower. REBITDA of 4.3 million EUR was 66.7% below the high amount for 2Q11. Compounds was incrementally higher despite increased operating expenses linked to the new production facility in China, while Pharma decreased due to some margin pressure and higher energy costs. OCD REBITDA was much lower compared to a challenging comparable base as a result of lower margins in China. Higher raw material costs and a temporary increase of maintenance expenses led to a decrease in REBITDA for Water Treatment.

► Additional Financial information

Non-recurring items

NON-RECURRING INCOME / (EXPENSE) ITEMS		
Million EUR	2Q12	2Q11
Gains and losses on disposals	11.2	-0.1
Restructuring	-2.0	-0.6
Losses on disposal groups classified as held for sale	-35.9	-
Provisions and claims	-1.0	0.1
Other income and expenses	-5.3	-1.4
Total	-33.1	-2.0

In 2Q12, the group recorded a non-recurring loss of -33.1 million EUR.

In September 2011, Tessenderlo Group sold 13.33% of the shares in T-Power SA to Tokyo Gas, reducing the participation in this associate from 33.33% to 20.00%. The transaction was closed in June 2012 after all related conditions were fulfilled. The sale resulted in a non-recurring gain, after deducting expenses related to this transaction, of 10.9 million EUR.

The restructuring expenses relate to expenses for further operational efficiency improvements.

In accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*, the assets and liabilities of the disposal groups Profialis (operating segment Plastic Pipe Systems and Profiles, including the subsidiaries Profialis NV, Profialis SAS, Profialis Kft, Profialis Sp.zo.o. and Wymar Systems Ltd) and Lianyungang Taile Chemical Industry, Co. Ltd (operating segment Organic Chlorine Derivatives within Other Businesses) were presented as assets and liabilities classified as held for sale at the end of June 2012. The current and non-current assets were recognized at the lower of their carrying amount and their fair value less costs to sell, resulting in a non-recurring loss of 35.9 million EUR as per June 30, 2012 (which includes impairment charges for 33.5 million EUR and costs to sell for 2.4 million EUR).

The other non-recurring income and expenses of 2Q12 mainly relate to the exceptional loss following an incident in 1Q12 at the sulphuric acid plant at the site in Ham (within the operating segment Inorganics) for -0.7 million EUR, the realized loss on electricity contracts which are no longer for own use following the sale of the majority of the PVC/Chlor-Alkali activities in 2011 (-1.8 million EUR) and other expenses related to the reorganization and optimization of several activities (-0.8 million EUR).

Net finance costs

The net finance costs and income in 2Q12 amount to -5.9 million EUR, compared to -7.0 million EUR in 2Q11.

The 2Q net finance costs and income are further detailed as follows:

FINANCE COSTS AND INCOME		
Million EUR	2Q12	2Q11
Interest expense on financial liabilities	-3.8	-3.8
Capitalized borrowing costs	-	0.5
Amortization charges of transaction costs related to financial liabilities	-0.5	-0.5
Commitment fee on unused portion of the syndicated credit facility	-0.4	-0.5
Factoring expense	-0.5	-1.2
Total borrowing costs	-5.2	-5.6
Dividend income from non-consolidated companies	0.1	0.1
Interest income	0.2	0.4
Total income from investments and cash & cash equivalents	0.3	0.5
Expense for the unwinding of discounted provisions	-0.2	-0.2
Net foreign exchange gains and losses (including revaluation to fair value of derivative financial instruments)	-0.4	-0.2
Amortization charges related to the unwinding of derivative financial instruments	0.0	-0.4
Net other finance (costs)/income	-0.3	-1.0
Total	-5.9	-7.0

Income tax expense

The group's consolidated effective tax rate based on the recurrent profit (+)/loss (-) amounts to 43.0% in 2Q12 (2Q11: 35.5%).

The income tax expenses mainly relate to the operations in the United States within the operating segments Tessenderlo Kerley and Gelatin & Akiolis. Furthermore, no deferred tax assets were recognized on fiscal losses within some other operations of the group.

Profit/loss for the period

The result for the second quarter amounted to -15.1 million EUR, compared to a result from continuing operations of 22.4 million EUR in 2Q11. The decrease of the net result is mainly explained by the losses recognized on disposal groups classified as held for sale for 35.9 million EUR.

Capital expenditures

Capital expenditures for the second quarter 2012 were 25.9 million EUR, a decrease of 2.3 million EUR compared to 28.2 million EUR a year earlier.

Equity

The equity attributable to equity holders of the company decreased by 42.2 million EUR to 558.1 million EUR. This is a consequence of the negative result of HY12 (-9.3 million EUR), the net change in fair value of derivative financial instruments, net of taxes for -2.0 million EUR and the dividend payable to shareholders of the company for -39.4 million EUR (the shares created following the successful optional stock dividend will lead to an increase of equity by 19.5 million EUR in 3Q12). These negative movements were partly compensated by positive translation differences for 3.4 million EUR and the



impact of the amounts previously recognized in other comprehensive income and accumulated in equity related to T-Power SA and which are now recorded through the income statement following the sale of 13.33% of the participation (5.1 million EUR).

► Outlook

Performance for the first half of 2012 is overall in line with the group's expectations.

Taking into account the group's traditional higher weighting in the first half year, demand for most of the group's activities is anticipated to be slightly below for the rest of the year, when compared to the same period of 2011.

Construction end markets are expected to stay challenging in the countries where the group is active, impacting Plastic Pipe Systems and Profiles.

Food and agriculture markets should continue to be attractive going forward despite extreme summer weather conditions in the US and continued margin pressures in Inorganics.

Solid demand should continue in the various markets served by Gelatin and Akiolis.

Execution of the announced strategy remains a top priority.

Tessenderlo Group maintains a cautious view on this year.



Consolidated financial information at 30 June 2012

CONSOLIDATED INCOME STATEMENT				
Million EUR	HY12	HY11	2Q12	2Q11
Continuing operations				
Revenue	1,108.2	1,116.9	563.3	561.9
Cost of sales	-878.1	-877.5	-442.9	-438.4
Gross profit	230.1	239.4	120.4	123.6
Distribution expenses	-52.4	-52.4	-26.8	-25.4
Sales and marketing expenses	-34.6	-33.6	-17.7	-17.8
Administrative expenses	-78.5	-70.8	-38.0	-34.4
Other operating income and expenses	-8.7	-6.3	-4.6	-5.0
Profit (+) / loss (-) from operations before non-recurring items (REBIT)	55.9	76.3	33.3	41.0
Gains and losses on disposals	11.6	5.5	11.2	-0.1
Restructuring	-3.0	-0.6	-2.0	-0.6
Losses on disposal groups classified as held for sale	-35.9	-	-35.9	-
Provisions and claims	-1.0	0.1	-1.0	0.1
Other income and expenses	-9.4	-1.8	-5.3	-1.4
Profit (+) / loss (-) from operations (EBIT)	18.2	79.5	0.2	39.0
Finance costs	-47.2	-24.1	-25.2	-10.6
Finance income	35.7	13.0	19.3	3.7
Finance costs - net	-11.6	-11.1	-5.9	-7.0
Share of result of equity accounted investees, net of income tax	3.6	3.0	1.2	1.8
Profit (+) / loss (-) before tax	10.2	71.4	-4.5	33.8
Income tax expense	-19.4	-21.2	-10.5	-11.4
Profit (+) / loss (-) for the period from continuing operations	-9.2	50.2	-15.1	22.4
Discontinued operations				
Profit (+) / Loss (-) for the period from discontinued operations, net of income tax	-	-153.5	-	-155.8
Profit (+) / loss (-) for the period	-9.2	-103.3	-15.1	-133.3
Attributable to:				
- Equity holders of the company	-9.3	-103.3	-15.2	-133.4
- Non-controlling interest	0.1	-	0.1	0.1
Basic earnings per share (EUR)	-0.30	-3.38	-0.50	-4.37
Diluted earnings per share (EUR)	-0.30	-3.38	-0.50	-4.37
Basic earnings per share (EUR) - Continuing operations	-0.30	1.64	-0.50	0.73
Diluted earnings per share (EUR) - Continuing operations	-0.30	1.64	-0.50	0.73
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
Million EUR	HY12	HY11	2Q12	2Q11
Profit (+) / loss (-) for the period	-9.2	-103.3	-15.1	-133.3
Translation differences	3.5	-16.3	4.6	-3.2
Net change in fair value of derivative financial instruments, before tax	-3.1	-3.6	-2.6	-2.0
Change in consolidation scope, before tax ¹	7.7	-	7.7	-
Income tax on other comprehensive income	-1.6	1.2	-1.7	0.7
Other movements	0.1	-	0.1	-
Other comprehensive income for the period, net of income tax	6.7	-18.7	8.1	-4.5
Comprehensive income (+) and expense (-) for the period	-2.5	-122.0	-7.0	-137.8
Attributable to:				
- Equity holders of the company	-2.8	-121.9	-7.3	-137.8
- Non-controlling interest	0.3	-0.1	0.3	-
Comprehensive income (+) and expense (-) for the period	-2.5	-122.0	-7.0	-137.8

1. As a result of the sale 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 associate T-Power SA, previously accumulated in equity, has been derecognized through "Other Comprehensive Income".

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Million EUR	30.06.2012	31.12.2011
ASSETS		
Total non-current assets	699.0	695.3
Property, plant and equipment	508.7	518.8
Goodwill	54.5	55.0
Other intangible assets	65.9	58.1
Investments accounted for using the equity method	21.2	20.8
Other investments	5.1	5.7
Deferred tax assets	8.8	7.4
Trade and other receivables	34.8	29.5
Total current assets	708.8	676.6
Inventories	338.5	350.8
Trade and other receivables	316.1	290.9
Derivative financial instruments	1.4	0.0
Cash and cash equivalents	52.8	34.9
Non-current assets classified as held for sale	20.8	7.8
Total assets	1,428.6	1,379.7
EQUITY AND LIABILITIES		
Total equity	562.5	604.6
Equity attributable to equity holders of the company	558.1	600.3
Issued capital	147.9	147.9
Share premium	73.5	73.5
Reserves and retained earnings	336.3	382.4
Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets held for sale	0.4	-3.6
Non-controlling interest	4.4	4.3
Total liabilities	850.4	775.1
Total non-current liabilities	304.3	309.0
Financial liabilities	179.7	180.5
Employee benefits	30.6	30.6
Provisions	51.7	56.1
Trade and other payables	2.1	2.4
Derivative financial instruments	10.2	8.8
Deferred tax liabilities	30.1	30.6
Total current liabilities	546.1	466.1
Bank overdrafts	1.1	0.7
Financial liabilities	116.6	73.2
Trade and other payables	411.3	379.3
Derivative financial instruments	0.1	1.6
Current tax liabilities	6.0	3.0
Provisions	11.0	8.4
Liabilities associated with assets classified as held for sale	15.7	-
Total equity and liabilities	1,428.6	1,379.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Million EUR	Issued capital	Share premium	Legal reserves	Translation reserves	Revaluation reserves	Hedging reserves	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, 2011	143.7	57.5	13.8	-14.4	10.7	-2.5	-	516.0	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
- Change in consolidation scope	-	-	-	-	-	-	-	-	0.0	-	0.0
- Net change in fair value of derivative financial instruments, net of tax	-	-	-	-	-	-2.4	-	-	-2.4	-	-2.4
Comprehensive income for the period, net of income taxes	-	-	-	-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
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-38.3	-38.3	-	-38.3
Other movements	-	-	0.6	-	-	-	-	-0.6	0.0	-	0.0
Balance at June 30, 2011	143.7	57.5	14.4	-30.6	10.7	-4.9	-	373.8	564.6	3.6	568.2



Million EUR	Issued capital	Share premium	Legal reserves	Translation reserves	Revaluation reserves	Hedging reserves	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	Non-controlling interest	Total equity
Balance at January 1, 2012	147.9	73.5	14.4	-23.4	10.7	-2.8	-3.6	383.5	600.3	4.3	604.6
Profit (+) / Loss (-) for the period	-	-	-	-	-	-	-	-9.3	-9.3	0.1	-9.2
Other comprehensive income for the period											
- Translation differences	-	-	-	3.4	-	-	-	-	3.4	0.1	3.5
- 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	-	-	-	-	-	-	-	-	0.0	0.1	0.1
Comprehensive income for the period, net of income taxes	-	-	-	3.4	-	-0.5	3.6	-9.3	-2.8	0.3	-2.5
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	-	-	-	-	-	-	-	-39.4	-39.4	-0.2	-39.5
Other movements	-	-	0.4	-0.4	-	-	0.4	-0.4	0.0	-	0.0
Balance at June 30, 2012	147.9	73.5	14.8	-20.3	10.7	-3.3	0.4	334.4	558.1	4.4	562.5

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 as was disclosed in note 21 - Non-current assets classified as held for sale of the 2011 financial report. The balance of 0.4 million EUR as per June 30, 2012 relates to the share of the disposal groups in the translation reserves.

CONSOLIDATED STATEMENT OF CASH FLOWS		
Million EUR	30.06.2012	30.06.2011
OPERATING ACTIVITIES		
Profit (+) / loss (-) for the period	-9.2	-103.3
Depreciation, amortization and impairment losses on tangible assets, goodwill and other intangible assets ¹	43.4	54.2
Impairment losses on disposal groups classified as held for sale ¹	33.5	151.0
Changes in provisions	-4.8	0.4
Finance costs	47.2	25.3
Finance income	-35.7	-13.1
Loss / (profit) on sale of non-current assets	-11.8	-4.9
Share of result of equity accounted investees, net of income tax	-3.6	-3.0
Income tax expense	19.4	21.8
Other non-cash items	-4.8	-6.0
Changes in inventories	2.4	-20.0
Changes in trade and other receivables	-44.6	-71.3
Changes in trade and other payables	-5.7	2.9
<i>Cash generated from operations</i>	<i>25.8</i>	<i>34.0</i>
Income tax paid	-16.3	-10.1
Dividends received from investments accounted for using the equity method	2.7	1.8
Cash flow from operating activities²	12.2	25.6
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	-46.5	-43.6
Acquisition of other intangible assets	-1.6	-2.4
Acquisitions of investments accounted for using the equity method	-	-1.3
Acquisition of businesses, net of cash acquired	-14.2	-
Proceeds from the sale of property, plant and equipment	2.1	1.7
Proceeds from the sale of other intangible assets	0.1	-
Proceeds from the sale of subsidiaries, net of cash disposed of	-	17.8
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	-28.0	-27.8
FINANCING ACTIVITIES		
Increase / (decrease) of financial liabilities	42.6	-51.7
Payment of transaction costs related to financial liabilities	-	-3.5
Interest paid	-5.8	-6.5
Interest received	0.3	0.7
Other finance costs paid	-2.7	-4.7
(Increase) / decrease of long term receivables	-1.4	-1.1
Cash flow from financing activities²	33.0	-66.8
Net increase / (decrease) in cash and cash equivalents	17.2	-68.9
Effect of exchange rate differences	0.4	-1.8
Cash and cash equivalents less bank overdrafts at the beginning of the period	34.2	144.7
Cash and cash equivalents less bank overdrafts at the end of the period	51.8	73.9

¹. As from 2012 onwards, a split is made between "Depreciation, amortization and impairment losses on tangible assets, goodwill and other intangible assets" and "Impairment losses on disposal groups classified as held for sale". The 2011 figures were restated.

². As from the beginning of 2012 onwards, "interests received", "interests paid" and "other finance costs paid" are no longer classified as cash flow items from operating activities, but as cash flow items from financing activities. The 2011 figures were restated.



► Notes to the consolidated financial information

Basis of preparation

The consolidated financial information in this press release has been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use by the European Union.

This press release 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 2011.

The consolidated financial information was authorized for issuance by the Board of Directors on August 28, 2012.

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 31 December 2011.

Segment reporting

Please see annexes 1 and 2.

Acquisitions and disposals

On June 1, 2012, Soleval Ouest SAS, a subsidiary within the operating segment "Gelatin and Akiolis", acquired 100% of the shares and voting rights of Société Azuréenne de Récupération SAR, a specialist in the collection of used food cooking oil and organic waste in the region Provence-Alpes-Côte d'Azur. This purchase resulted in the recognition of a goodwill of 1.2 million EUR. The impact of this acquisition on the financial position and income statement of the group is considered to be immaterial.

In September 2011, the group sold 13.33% of the shares in T-Power SA to Tokyo Gas, reducing the participation from 33.33% to 20.00%. The transaction was subject to approval by the authorities, other shareholders rights, and 3rd party consents. After fulfillment of these conditions, the transaction was closed in June 2012. The sale resulted in a non-recurring gain, after deducting expenses related to this transaction, of 10.9 million EUR.

Subsequent events

On July 10, 2012 a fire took place in the company Tessenderlo Chemie NV (Ham, Belgium), within the Sulphates activity (operating segment Inorganics). The full impact of this incident has not yet been determined, however is considered not to be material.

On July 11, 2012, the European Commission issued a press release on an antitrust investigation it conducts in the Plastic Pipes market. The European Commission carried out an inspection at one (and only one) of the subsidiaries of the group, namely Nyloplast Europe BV, which produces fittings in the Netherlands. Nyloplast Europe BV fully cooperated with the authorities during this inspection. There is no indication that this investigation will have a significant impact on the group's consolidated statement of financial position, the consolidated income statement, nor on the consolidated statement of cash flows in any one accounting period.

On August 29, 2012, the group announces its intention to divest its European continental profiles activities, known under the brand name Profialis (operating segment Plastic Pipe Systems and Profiles). A transaction would result in the shares of the following companies being sold: Profialis NV, Profialis SAS, Profialis Kft, Profialis Sp.zo.o. and Wymar Systems Ltd. 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 classified as held for sale at June 30, 2012.

As per August 21, 2012 the group sold the subsidiary Lianyungang Taile Chemical Industry, Co. Ltd, a producer of benzyl chloride and high purity benzaldehyde in China (operating segment "Organic Chlorine Derivatives"), to a private investor. In accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*, the assets and liabilities of this disposal group are presented as assets and liabilities classified as held for sale at the end of June 2012.



Bringing Chemistry to Life

► Financial calendar

Third quarter 2012 results	November 15, 2012
Full Year 2012 results	February 28, 2013
First quarter 2013 results	May 16, 2013
Second quarter 2013 results	August 29, 2013
Third quarter 2013 results	November 14, 2013

Agenda for August 29, 2012

10.00 am CET/9.00 am UK - conference call and webcast for analysts and investors
Registration details are available at: <http://www.tessenderlo.com/investors/>

Tessenderlo Group is a worldwide specialty company, focused on food, agriculture, water management and on valorizing bio-residuals. The group employs about 7,500 people and is a leader in most of its markets, with a consolidated revenue of 2.1 billion EUR in 2011. Tessenderlo Chemie NV is listed on NYSE 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, French and English** on the corporate website www.tessenderlogroup.com - under 'News & Media'



Annex 1 – segment overview - quarter

SEGMENT REPORTING SECOND QUARTER		
Million EUR	2Q12	2Q11
Tessenderlo Group		
Revenue	563.3	561.9
REBITDA	55.7	60.8
REBIT	33.3	41.0
Tessenderlo Kerley		
Revenue	108.2	82.1
REBITDA	27.6	21.4
REBIT	24.5	19.2
Gelatin and Akiolis		
Revenue	126.7	117.0
REBITDA	17.6	16.9
REBIT	9.4	9.8
Inorganics		
Revenue	97.6	99.8
REBITDA	1.6	7.8
REBIT	0.2	6.6
Plastic Pipe Systems and Profiles		
Revenue	142.1	158.0
REBITDA	12.2	14.6
REBIT	6.0	7.7
Other Businesses		
Revenue	88.8	105.2
REBITDA	3.0	6.7
REBIT	0.1	4.1
Non-allocated		
Revenue	0.0	0.0
REBITDA	-6.4	-6.6
REBIT	-7.0	-6.5



Annex 2 – segment overview – year to date

SEGMENT REPORTING HALF YEAR		
Million EUR	HY12	HY11
Tessenderlo Group		
Revenue	1,108.2	1,116.9
REBITDA	99.8	116.9
REBIT	55.9	76.3
Tessenderlo Kerley		
Revenue	191.6	157.1
REBITDA	52.2	41.6
REBIT	46.1	37.1
Gelatin and Akiolis		
Revenue	250.6	235.7
REBITDA	33.9	36.3
REBIT	17.8	21.7
Inorganics		
Revenue	207.7	207.0
REBITDA	1.9	14.1
REBIT	-1.0	11.6
Plastic Pipe Systems and Profiles		
Revenue	277.8	301.1
REBITDA	21.1	24.2
REBIT	8.7	10.2
Other Businesses		
Revenue	180.4	215.9
REBITDA	4.3	13.7
REBIT	-1.4	8.4
Non-allocated		
Revenue	0.0	0.0
REBITDA	-13.6	-12.9
REBIT	-14.3	-12.8

Annex 3 - details for comparable scope - quarter

GROUP KEY FIGURES FROM CONTINUING OPERATIONS - SECOND QUARTER						
Million EUR	2Q11	Scope adjustment	Underlying change	2Q12	% change as reported	% change at comparable scope
Revenue	561.9	-20.1	21.4	563.3	0.2%	4.0%
Tessenderlo Kerley	82.1	0.0	26.1	108.2	31.8%	31.8%
Gelatin and Akiolis	117.0	0.0	9.7	126.7	8.3%	8.3%
Inorganics	99.8	0.0	-2.1	97.6	-2.1%	-2.1%
Plastic Pipe Systems and Profiles	158.0	-4.3	-11.5	142.1	-10.0%	-7.7%
Other Businesses	105.2	-15.7	-0.7	88.8	-15.6%	-0.8%
Non-allocated	0.0	0.0	0.0	0.0	-	-
REBITDA	60.8	-0.2	-4.9	55.7	-8.4%	-8.2%
Tessenderlo Kerley	21.4	0.0	6.2	27.6	29.0%	29.0%
Gelatin and Akiolis	16.9	0.0	0.7	17.6	4.1%	4.1%
Inorganics	7.8	0.0	-6.2	1.6	-79.3%	-79.3%
Plastic Pipe Systems and Profiles	14.6	-0.1	-2.3	12.2	-16.5%	-16.7%
Other Businesses	6.7	-0.0	-3.7	3.0	-55.6%	-55.3%
Non-allocated	-6.6	0.0	0.3	-6.4	-	-
REBIT	41.0	0.5	-8.2	33.3	-18.7%	-20.0%
Non-recurring items	-2.0	-0.3	-30.8	-33.1	-	-
EBIT	39.0	0.2	-39.0	0.2	-99.4%	-100.2%

Annex 4 - details for comparable scope – year to date

GROUP KEY FIGURES FROM CONTINUING OPERATIONS - YEAR TO DATE						
Million EUR	HY11	Scope adjustment	Underlying change	HY12	% change as reported	% change at comparable scope
Revenue	1,116.9	-43.1	34.3	1,108.2	-0.8%	3.2%
Tessenderlo Kerley	157.1	0.0	34.5	191.6	21.9%	21.9%
Gelatin and Akiolis	235.7	0.0	14.9	250.6	6.3%	6.3%
Inorganics	207.0	0.0	0.8	207.7	0.4%	0.4%
Plastic Pipe Systems and Profiles	301.1	-7.9	-15.4	277.8	-7.7%	-5.4%
Other Businesses	215.9	-35.2	-0.4	180.4	-16.5%	-0.2%
Non-allocated	0.0	0.0	0.0	0.0	-	-
REBITDA	116.9	-1.1	-16.0	99.8	-14.6%	-14.0%
Tessenderlo Kerley	41.6	0.0	10.6	52.2	25.6%	25.6%
Gelatin and Akiolis	36.3	0.0	-2.4	33.9	-6.5%	-6.5%
Inorganics	14.1	0.0	-12.2	1.9	-86.7%	-86.7%
Plastic Pipe Systems and Profiles	24.2	-0.2	-2.8	21.1	-12.7%	-12.7%
Other Businesses	13.7	-0.9	-8.6	4.3	-68.9%	-66.7%
Non-allocated	-12.9	0.0	-0.6	-13.6	-	-
REBIT	76.3	0.3	-20.7	55.9	-26.7%	-27.4%
Non-recurring items	3.1	-0.3	-40.5	-37.7	-	-
EBIT	79.5	-0.0	-61.3	18.2	-77.1%	-77.9%

Annex 5 - continuing and discontinued operations

GROUP KEY FIGURES - SECOND QUARTER						
2Q12			Million EUR	2Q11		
Continuing operations	Discontinued operations	Total		Continuing operations	Discontinued operations	Total
563.3	-	563.3	Revenue	561.9	156.4	718.4
55.7	-	55.7	REBITDA	60.8	7.8	68.7
33.3	-	33.3	REBIT	41.0	1.2	42.2
16.8	-	16.8	Recurrent profit(+)/loss(-) for the period ¹	23.7	1.1	24.7
-15.1	-	-15.1	Profit(+)/loss(-) for the period	22.4	-155.8	-133.3
-0.50	-	-0.50	Basic earnings per share (EUR)	0.73	-5.10	-4.37
-0.50	-	-0.50	Diluted earnings per share (EUR)	0.73	-5.10	-4.37
-	-	18.9	Cash flow from operating activities ²	-	-	35.8

GROUP KEY FIGURES - YEAR TO DATE						
HY12			Million EUR	HY11		
Continuing operations	Discontinued operations	Total		Continuing operations	Discontinued operations	Total
1,108.2	-	1,108.2	Revenue	1,116.9	306.4	1,423.3
99.8	-	99.8	REBITDA	116.9	17.6	134.5
55.9	-	55.9	REBIT	76.3	5.3	81.6
27.2	-	27.2	Recurrent profit(+)/loss(-) for the period ¹	46.8	3.6	50.4
-9.2	-	-9.2	Profit(+)/loss(-) for the period	50.2	-153.5	-103.3
-0.30	-	-0.30	Basic earnings per share (EUR)	1.64	-5.03	-3.38
-0.30	-	-0.30	Diluted earnings per share (EUR)	1.64	-5.03	-3.38
-	-	12.2	Cash flow from operating activities ²	-	-	25.6
-	-	244.5	Net financial debt	-	-	176.7

1. Recurrent profit (+)/loss (-) for the period is the profit (+)/loss (-) for the period excluding non-recurring items, net of taxes.
2. As from the beginning of 2012 onwards, "interests received", "interests paid" and "other finance costs paid" are no longer classified as cash flow items from operating activities, but as cash flow items from financing activities. The 2011 figures were restated.