

Brussels, August 29 2013

Regulated information***Press release**

Tessenderlo Group announces second quarter 2013 results impacted by weakness in Akiolis, lower volumes in PPS and limited margin contraction in Kerley, and adjusts 2013 forecast

- Second quarter 2013 group revenue increased 7.5%; REBITDA decreased 8.4% versus the same period a year ago. Second quarter loss recorded due to non-recurring restructuring charges.
- Forecasts for 2013 adjusted to reflect continued pressure in Akiolis and PPS.
- Commitment to executing announced strategy and capturing long term prospects remains unchanged.

Tessenderlo Group had second quarter 2013 (2Q13) **revenue** of 542.4 million EUR, an increase of 7.5% compared to the same period a year ago. **REBITDA** totaled 49.0 million EUR, a decline of 8.4% versus last year mainly due to weakness in Akiolis and despite growth in Tessenderlo Kerley and Inorganics. **Net financial debt** at the end of June 2013 was 250.9 million EUR, and benefited from cash proceeds from divestments and lower working capital needs. **Recurrent profit** for the second quarter was 11.2 million EUR, while the group recorded a **loss for the period** 2Q13 of -36.2 million EUR, mainly due to non-recurring restructuring and related charges.

Based on current information, Tessenderlo Group's best estimate today is that REBITDA for the full year 2013 should be around 20% below 2012. Our estimates are based on the following facts:

REBITDA for Akiolis in the second half of 2013 will be materially below last year, due to the sharp increase in competition for collection of volumes in France and subsequent margin pressure. A comprehensive plan to improve Akiolis' performance is being implemented. While this process will take time, Akiolis has overcome similar challenges in the past, and is committed to fully recovering its market position and restoring profitability.

For Plastic Pipe Systems, construction activity is expected to remain weak, particularly in the Netherlands, putting downward pressure on volumes and REBITDA. While the group believes that this low level of activity is not sustainable, persistent economic uncertainty is not allowing a recovery to take hold. To bridge this challenging period, PPS management is focused on preserving gross margins and structurally reducing fixed costs.

Tessenderlo Kerley's (TKI) first half results have been influenced by lower ATS and KTS margins compared to the record first half of 2012, due to higher raw materials and logistics costs which have not been passed on to customers. Agriculture markets head into the second half of 2013 with limited visibility in the near term. After a late start to the 2013 US spring planting season, favorable weather conditions are expected to result in strong crop production this season and softening crop prices. Against this background, growers are becoming more cautious with their fertilizer purchases and as a result, TKI's REBITDA for the second half of 2013 will be lower than last year. However, based on solid agricultural fundamentals, TKI foresees continued profitable growth prospects. To seize these opportunities, it has recently opened a new ATS plant in Oklahoma, and is currently investing to add KTS storage and production capacity in the Western US. Furthermore, Tessenderlo Kerley is opening up new growth opportunities such as the long term agreement to supply thiosulfates to Barrick Gold for one of their gold mines.

The decrease of group REBITDA for 2013 does not change management's view of the attractive long term growth prospects in our chosen activities. Tessenderlo Group remains fully committed to executing its strategy, as it has done since 2010. This includes implementing profit improvement actions; several are currently running and will positively contribute to REBITDA in the coming quarters as well as next few years. Secondly, the group will pursue selective growth initiatives in its core activities, which have had resilient profitability and returns for the past several years. Thirdly, the group will continue its program to divest non-strategic assets. And finally, given the secured funding in place and a strong focus on managing debt levels, the group's balance sheet remains firmly under control. By further executing its strategy, Tessenderlo Group will become a faster growing, higher return specialty group.

* 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.

Sharpening focus on core activities

- May 2013: Tessenderlo Group completed the sale of its Italian organic chlorine derivatives (OCD) activity. Following this transaction, the group has completed its exit from the OCD industry.
- June 2013: The group completed the sale of its Compounds activities.

2Q13 operating performance characterized by weakness in Akiolis, lower volumes in Plastic Pipe Systems, and margin contraction in Tessenderlo Kerley

- Revenue in 2Q13 rose 7.5% to 542.4 million EUR; for HY13 revenue was up 1.8% to 1.0 billion EUR.
- REBITDA of 49.0 million EUR in 2Q13 and 81.7 million EUR in HY13; 8.4% and 14.9% below the same periods a year ago.
- Recurrent profit amounted to 11.2 million EUR for 2Q13 and 13.9 million EUR for HY13.
- The group had a loss of 36.2 million EUR in 2Q13, due to non-recurring charges related to intended restructurings in different businesses of the group as already announced. As a consequence of this second quarter loss, the group recorded a loss of 35.1 million EUR for HY13.

GROUP KEY FIGURES - SECOND QUARTER

Million EUR	2Q12	2Q13	% change as reported	% change at comparable scope
Revenue	563.3	542.4	-3.7%	7.5%
REBITDA	55.4	49.0	-11.6%	-8.4%
REBIT	33.0	30.3	-8.2%	-10.1%
Recurrent profit for the period ¹	16.5	11.2	-32.4%	-35.8%
Loss for the period	-15.3	-36.2	nm	nm

All comments included in this document, unless otherwise indicated, are based on the group's results 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 3. The group has adopted the revised IAS 19 *Employee Benefits* standard as of January 1, 2013, meaning that the 2012 comparative financial statements have been restated in compliance with the requirements of the revised standard.

Net debt decreased due to cash proceeds and improved working capital

- **Net financial debt** at the end of June 2013 came in at 250.9 million EUR, leading to a leverage of 1.8x and gearing of 49.0%.
- **Notional net debt** at the end of June was 378.1 million EUR; on this basis, leverage was 2.7x and gearing 59.2%.
- Cash inflow from divestments received in the second quarter of 2013 amounted to 30.2 million EUR.
- All covenants continue to be fully respected.

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

► Group Performance Review

- The group has published its interim report, which can be found on www.tessenderlo.com. The half year information has been subject to a review by external auditors. Reference is made to their independent auditor's review in the interim report.
- All quarterly information included in the press release is unaudited.
- Figures may not add up due to rounding.
- The reported segment Other Businesses includes Pharmaceutical Intermediates, Organic Chlorine Derivatives, Compounds, Water Treatment and Sulfur Derivatives.

Comparison at comparable scope

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

Changes in the consolidation scope are as follows:

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

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

GROUP KEY FIGURES - SECOND QUARTER

Million EUR	2Q12	2Q13	% change as reported	% change at comparable scope
Revenue	563.3	542.4	-3.7%	7.5%
Tessenderlo Kerley	108.2	127.0	17.4%	17.4%
Gelatin and Akiolis	126.7	134.7	6.3%	6.3%
Inorganics	97.6	109.1	11.9%	11.9%
Plastic Pipe Systems and Profiles	142.1	123.3	-13.3%	-1.0%
Other Businesses	88.8	45.9	-48.3%	-1.3%
Non-allocated	0.0	2.5	-	-
REBITDA	55.4	49.0	-11.6%	-8.4%
Tessenderlo Kerley	27.6	29.7	7.3%	7.3%
Gelatin and Akiolis	17.8	10.4	-41.4%	-41.4%
Inorganics	1.6	4.9	205.0%	205.0%
Plastic Pipe Systems and Profiles	12.0	11.1	-7.3%	-7.0%
Other Businesses	3.0	1.4	-51.4%	33.6%
Non-allocated	-6.5	-8.5	-	-
REBIT	33.0	30.3	-8.2%	-10.1%
Non-recurring items	-33.1	-49.0	-	-
EBIT	0.0	-18.7	nm	nm

GROUP KEY FIGURES - YEAR TO DATE

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

Revenue

Revenue for the second quarter of 2013 was 7.5% higher than the same period last year, amounting to 542.4 million EUR. Growth was mainly due to the group's agricultural-related operating segments Tessenderlo Kerley and Inorganics, which both grew by more than 10%, while Gelatin and Akiolis was up by just over 6%. The segments Other Businesses and Plastic Pipe Systems (PPS) and Profiles generated marginally less revenue than a year ago.

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

REBITDA

Second quarter 2013 REBITDA came in at 49.0 million EUR, a decrease of 8.4% compared to the prior year. The segments Inorganics and Tessenderlo Kerley both recorded higher REBITDA, with the segment Other Businesses also edging higher. PPS and Profiles had a REBITDA decline due to lower volumes in PPS, which was limited due to strong cost control, and the segment Gelatin and Akiolis had an important fall in REBITDA, due to the ongoing rise in competitive pressures in Akiolis.

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



Cash flow from operating activities

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

Net financial debt

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

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

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

► Operating segments performance review

TESSENDERLO KERLEY									
2Q12	2Q13	% change as reported	% change at comparable scope	Million EUR	HY12	HY13	% change as reported	% change at comparable scope	
108.2	127.0	17.4%	17.4%	Revenue	191.6	208.0	8.6%	8.6%	
27.6	29.7	7.3%	7.3%	REBITDA	52.2	46.8	-10.3%	-10.3%	
25.5%	23.3%	-	-	REBITDA margin	27.2%	22.5%	-	-	
24.5	25.9	5.8%	5.8%	REBIT	46.1	39.5	-14.4%	-14.4%	
22.7%	20.4%	-	-	REBIT margin	24.1%	19.0%	-	-	

Second quarter 2013 results for **Tessenderlo Kerley Inc. (TKI)** featured a solid recovery of demand for both fertilizer and crop protection products, and TKI's revenue rose 17.4% to 127.0 million EUR (+19.6% in US dollars). In the liquid fertilizer businesses, demand was strong as agricultural participants took advantage of more favorable weather conditions in the Midwest US to catch up their planting activity for corn and spring wheat following the delayed start in 1Q13. As a result, Thio-Sul® (ammonium thiosulfate) volumes were well ahead of the same period last year. KTS® (potassium thiosulfate) volumes grew moderately year on year, and TKI is undertaking investments, including building storage and new production capacity in Hanford (California) to support ongoing growth in customer demand. Fertilizer pricing in the quarter was broadly similar to 2Q12. TKI's crop protection business NovaSource® also had increased activity across most of the product portfolio in the second quarter, primarily in the US market due to the delayed spring planting season, leading to higher revenue for NovaSource in the quarter. TKI segment REBITDA in 2Q13 of 29.7 million EUR was 7.3% above a year ago (+9.5% in USD), mainly due to an increase in ATS volumes, partly offset by lower ATS margins and a temporary increase of KTS logistics costs.

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

GELATIN AND AKIOLIS									
2Q12	2Q13	% change as reported	% change at comparable scope	Million EUR	HY12	HY13	% change as reported	% change at comparable scope	
126.7	134.7	6.3%	6.3%	Revenue	250.6	268.6	7.2%	7.2%	
17.8	10.4	-41.4%	-41.4%	REBITDA	34.3	26.3	-23.4%	-23.4%	
14.1%	7.7%	-	-	REBITDA margin	13.7%	9.8%	-	-	
9.6	2.8	-71.0%	-71.0%	REBIT	18.1	10.7	-40.7%	-40.7%	
7.6%	2.1%	-	-	REBIT margin	7.2%	4.0%	-	-	

Gelatin and Akiolis segment revenue for 2Q13 was 6.3% higher than the previous year, amounting to 134.7 million EUR. However, as disclosed in the first quarter 2013 results, current market conditions for Akiolis in the French market has put significant downward pressure on profitability, leading to a segment REBITDA of 10.4 million EUR, 41.4% below a year ago.

2Q13 revenue for **Gelatin** grew year on year, with both higher volumes and pricing contributing to the increase. Volumes continued to rise on the back of demand across the product portfolio, and included further growth in China and Latin America. Sales prices were on average above the level of 2Q12. REBITDA was lower in the second quarter, explained by greater expenses linked to raw material price increases, growth initiatives and ramp up costs of the new production plants.

Revenue for **Akiolis** in 2Q13 was incrementally above the same period last year. Volumes declined in the second quarter, reflecting the intensified competitive environment for collection in France. This impact was offset by higher average selling prices. REBITDA in 2Q13 was well below a year ago, due to a combination of lower volumes, decreasing margins for fats and the actions being implemented to respond to the current competitive environment. Akiolis will continue to take appropriate commercial and cost actions which will negatively impact near term results, but should lead to a progressive improvement in the medium term.

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

INORGANICS								
2Q12	2Q13	% change as reported	% change at comparable scope	Million EUR	HY12	HY13	% change as reported	% change at comparable scope
97.6	109.1	11.9%	11.9%	Revenue	207.7	205.3	-1.2%	-1.2%
1.6	4.9	205.0%	205.0%	REBITDA	1.8	6.2	235.2%	235.2%
1.6%	4.5%	-	-	REBITDA margin	0.9%	3.0%	-	-
0.2	3.5	nm	nm	REBIT	-1.1	3.4	nm	nm
0.2%	3.2%	-	-	REBIT margin	-0.5%	1.7%	-	-

Second quarter segment revenue for **Inorganics** rose 11.9% to reach 109.1 million EUR, and REBITDA moved higher to 4.9 million EUR.

Potassium sulfate fertilizer revenue in 2Q13 increased year on year, driven by a solid volume performance compared to relatively low volumes sold in 2Q12. The group had higher demand for its specialty potash products in most regions. Average sales prices for sulfate fertilizers were higher than a year ago, and margins showed a partial recovery versus the unsatisfactory levels of 2012. Fixed costs were tightly controlled and continued to benefit from the ending of sulfates production in Loos (France). REBITDA in 2Q13 was above the same period last year due to the improved commercial results.

Second quarter 2013 revenue for **inorganic feed phosphates** decreased mainly due to lower sales volumes, while pricing was marginally below last year. Raw material costs declined slightly more than prices, supporting limited margin growth. In addition, fixed costs were lower, and REBITDA grew year on year.

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

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

PLASTIC PIPE SYSTEMS AND PROFILES								
2Q12	2Q13	% change as reported	% change at comparable scope	Million EUR	HY12	HY13	% change as reported	% change at comparable scope
142.1	123.3	-13.3%	-1.0%	Revenue	277.8	234.8	-15.5%	-5.7%
12.0	11.1	-7.3%	-7.0%	REBITDA	20.7	16.1	-22.1%	-20.1%
8.4%	9.0%	-	-	REBITDA margin	7.4%	6.9%	-	-
5.8	6.3	9.1%	-10.2%	REBIT	8.3	6.6	-20.5%	-33.6%
4.1%	5.2%	-	-	REBIT margin	3.0%	2.8%	-	-

The segment **Plastic Pipe Systems and Profiles** had 2Q13 revenue of 123.3 million EUR, or 1.0% less than a year ago. Revenue for **Plastic Pipe Systems (PPS)** was below last year, with lower demand mainly in France and the Netherlands, whereas the UK had solid growth. Revenue for **Profiles** increased driven by higher volumes, as the UK construction market showed signs of improvement. Pricing for both PPS and Profiles in the second quarter was in line with last year. A solid commercial performance in Profiles, as well as strong cost management in both PPS and Profiles, limited the decline in segment REBITDA to 7.0%, ending at 11.1 million EUR.

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

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

OTHER BUSINESSES								
2Q12	2Q13	% change as reported	% change at comparable scope	Million EUR	HY12	HY13	% change as reported	% change at comparable scope
88.8	45.9	-48.3%	-1.3%	Revenue	180.4	109.8	-39.1%	-1.4%
3.0	1.4	-51.4%	33.6%	REBITDA	4.3	3.0	-29.6%	95.9%
3.3%	3.1%	-	-	REBITDA margin	2.4%	2.7%	-	-
0.1	0.8	nm	nm	REBIT	-1.4	1.4	nm	nm
0.1%	1.8%	-	-	REBIT margin	-0.8%	1.3%	-	-

The reporting segment **Other Businesses** had revenue of 45.9 million EUR in 2Q13, representing a 1.3% decline on a year ago. Higher revenue in Water Treatment nearly offset decreases in Sulfur Derivatives and Organic Chlorine Derivatives (OCD), while Compounds was unchanged. Segment REBITDA moved 33.6% higher to 1.4 million EUR, largely explained by an improvement in Compounds.

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

► Additional Financial information

Non-recurring items

NON-RECURRING INCOME / (EXPENSE) ITEMS		
Million EUR	2Q13	2Q12
Gains and losses on disposals	0.2	11.2
Restructuring	-37.4	-2.0
Losses on disposal groups	-4.3	-35.9
Impairment losses	-4.6	-
Provisions and claims	0.4	-1.0
Other income and expenses	-3.5	-5.3
Total	-49.0	-33.1

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

Restructuring amounts to -37.4 million EUR and mainly includes:

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

Losses on disposal groups were -4.3 million EUR, which include the provision of 4.0 million EUR for a post divestment litigation which the group is subject to.

Impairment losses amount to -4.6 million EUR and are mainly related to property, plant and equipment on the sites impacted by the restructuring plans described above.

Provisions and claims amount to 0.4 million EUR. This income is mainly related to a decrease of the outstanding environmental provisions, thanks to an increase of the discount rates used.

The other income and expenses of -3.5 million EUR mainly relate to:

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

Net finance costs

The net finance costs and income in 2Q13 amount to -8.0 million EUR, compared to -6.0 million EUR in 2Q12.

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

FINANCE COSTS AND INCOME		
Million EUR	2Q13	2Q12
Interest expense on financial liabilities	-3.7	-3.8
Amortization charges of transaction costs related to financial liabilities	-0.5	-0.5
Commitment fee on unused portion of the syndicated credit facility	-0.5	-0.4
Factoring expense	-0.7	-0.5
Total borrowing costs	-5.4	-5.2
Dividend income from non-consolidated companies	0.1	0.1
Interest income	0.1	0.2
Total income from investments and cash & cash equivalents	0.2	0.3
Expense for the unwinding of discounted provisions	-0.5	-0.2
Net interest (expense)/income on pension asset/(liability)	-0.3	-0.1
Net foreign exchange gains and losses (including revaluation to fair value of derivative financial instruments)	-1.5	-0.4
Net other finance (costs)/income	-0.4	-0.3
Total	-8.0	-6.0

Borrowing costs in 2Q13 amount to -5.4 million EUR, in line with prior year costs of -5.2 million EUR.

The increase of the net foreign exchange gains and losses (including revaluation to fair value of derivative financial instruments) in 2Q13 of -1.5 million EUR, compared to a value of -0.4 million EUR in 2Q12, is mainly explained by exchange losses in the gelatin plant in Argentina.

Income tax expense

In 2Q13, tax expenses amounted to -10.8 million EUR, versus a tax expense of -10.5 million EUR in 2Q12. The income tax expenses mainly relate to the operations in the United States within the operating segments Tessenderlo Kerley and Gelatin and Akiolis. Furthermore, no deferred tax assets were recognized on fiscal losses within some other operations of the group.

Profit/loss for the period

The result for the second quarter amounted to -36.2 million EUR, compared to a result of -15.3 million EUR in 2Q12. The decrease of the net result is mainly explained by higher non-recurring charges.



Capital expenditures

Capital expenditures in 2Q13 were 29.0 million EUR, while they were 25.9 million EUR in 2Q12.

Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Million EUR	30.06.2013	31.12.2012
Balance at 01.01	335.5	584.6
Profit (+) / loss (-) for the period attributable to equity holders of the company	-35.0	-198.7
Other comprehensive income for the period, net of income tax	0.5	-29.3
Warrants and capital increase	0.7	0.0
Acquisition minority shareholdings	-	-1.4
Shares issued	-	20.3
Own shares	-0.2	-0.6
Dividends paid to shareholders	-40.9	-39.4
Ending balance	260.6	335.5

Equity attributable to equity holders of the company decreased by -74.9 million EUR to 260.6 million EUR. This is mainly a consequence of the negative result for the half year of -35.0 million EUR. The dividend payable to shareholders of the company impacted equity attributable to equity holders of the company by -40.9 million EUR. The shares created following the outcome of the optional stock dividend announced in July 2013 will lead to an increase of equity by 18.7 million EUR in 3Q13. The other comprehensive income for the period, net of income tax amounts to 0.5 million EUR and includes negative translation differences of -3.6 million EUR, compensated by the net change in fair value of derivative financial instruments, net of taxes for 0.9 million EUR, and the net change in actuarial losses for 3.2 million EUR. In November 2012 the Board of Directors offered a new emission of warrants, which could be accepted by their beneficiaries no later than January 12, 2013. The cost of these warrants amounted to -0.8 million EUR and was recognized in 1Q13.

Consolidated financial information at June 30 2013

CONSOLIDATED INCOME STATEMENT				
Million EUR	HY13	HY12 ¹	2Q13	2Q12 ¹
Revenue	1,029.0	1,108.2	542.4	563.3
Cost of sales	-811.2	-878.3	-423.2	-443.1
Gross profit	217.7	229.8	119.2	120.2
Distribution expenses	-51.7	-52.4	-28.4	-26.8
Sales and marketing expenses	-36.1	-34.6	-18.7	-17.7
Administrative expenses	-76.3	-78.7	-36.4	-38.1
Other operating income and expenses	-9.7	-8.7	-5.4	-4.6
Profit (+) / loss (-) from operations before non-recurring items (REBIT)	43.9	55.4	30.3	33.0
Gains and losses on disposals	5.0	11.6	0.2	11.2
Restructuring	-37.4	-3.0	-37.4	-2.0
Losses on disposal groups	-5.2	-35.9	-4.3	-35.9
Impairment losses	-4.7	-	-4.6	-
Provisions and claims	-1.5	-1.0	0.4	-1.0
Other income and expenses	-5.3	-9.4	-3.5	-5.3
Profit (+) / loss (-) from operations (EBIT)	-5.1	17.7	-18.7	-0.0
Finance costs	-26.2	-47.7	-8.8	-25.4
Finance income	11.6	36.0	0.8	19.5
Finance costs - net	-14.6	-11.7	-8.0	-6.0
Share of result of equity accounted investees, net of income tax	2.7	3.6	1.3	1.2
Profit (+) / loss (-) before tax	-17.0	9.6	-25.4	-4.8
Income tax expense	-18.1	-19.3	-10.8	-10.5
Profit (+) / loss (-) for the period	-35.1	-9.7	-36.2	-15.3
Attributable to:				
- Equity holders of the company	-35.0	-9.8	-36.1	-15.4
- Non-controlling interest	-0.1	0.1	-0.1	0.1
Basic earnings per share (EUR)	-1.10	-0.31	-1.14	-0.49
Diluted earnings per share (EUR)	-1.10	-0.31	-1.14	-0.49
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
Million EUR	HY13	HY12 ¹	2Q13	2Q12 ¹
Profit (+) / loss (-) for the period	-35.1	-9.7	-36.2	-15.3
Translation differences	-3.5	3.6	-5.3	4.7
Net change in fair value of derivative financial instruments, before tax	1.4	-3.1	2.6	-2.6
Other movements	-0.1	0.1	-0.1	0.1
Income tax on other comprehensive income	-0.5	1.0	-0.9	0.9
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-2.6	1.7	-3.6	3.1
Actuarial gains/(losses)	3.7	-	3.7	-
Change in consolidation scope, before tax ²	-	7.7	-	7.7
Income tax on other comprehensive income	-0.6	-2.6	-0.6	-2.6
Other comprehensive income not being reclassified to profit or loss in subsequent periods	3.2	5.1	3.2	5.1
Other comprehensive income for the period, net of income tax	0.5	6.7	-0.5	8.2
Total comprehensive income for the period	-34.6	-3.0	-36.7	-7.1
Attributable to:				
- Equity holders of the company	-34.5	-3.3	-36.5	-7.6
- Non-controlling interest	-0.1	0.3	-0.2	0.5
Total comprehensive income for the period	-34.6	-3.0	-36.7	-7.1

¹ 2012 as reported, adjusted to reflect the effects of retrospective application on the revised IAS 19 *Employee Benefits*.

² The change in consolidation scope, before tax as per HY12 (7.7 million EUR) is related to the sale in 2012 of 13.33% of the shares of T-Power SA. The related part of the changes in fair value of the interest rate swaps in the associated T-Power SA, previously accumulated in equity, was derecognized through "Other comprehensive income".

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Million EUR	30.06.2013	31.12.2012 ¹
ASSETS		
Total non-current assets	633.7	621.9
Property, plant and equipment	478.4	471.8
Goodwill	37.3	37.2
Other intangible assets	55.8	60.0
Investments accounted for using the equity method	24.6	21.4
Other investments	5.1	4.8
Deferred tax assets	5.7	5.8
Trade and other receivables	26.6	20.8
Derivative financial instruments	0.1	-
Total current assets	553.3	576.7
Inventories	282.8	303.3
Trade and other receivables	229.2	237.9
Derivative financial instruments	0.5	0.9
Cash and cash equivalents	40.8	34.7
Non-current assets classified as held for sale	1.3	64.4
Total assets	1,188.3	1,263.0
EQUITY AND LIABILITIES		
Total equity	265.1	340.1
Equity attributable to equity holders of the company	260.6	335.5
Issued capital	153.7	153.7
Share premium	88.0	88.0
Reserves and retained earnings	18.9	93.2
Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets held for sale	-	0.6
Non-controlling interest	4.4	4.5
Total liabilities	923.2	922.9
Total non-current liabilities	417.5	492.7
Loans and borrowings	192.6	275.5
Employee benefits	49.9	50.5
Provisions	140.7	129.7
Trade and other payables	1.4	1.8
Derivative financial instruments	2.9	6.5
Deferred tax liabilities	29.9	28.6
Total current liabilities	505.8	389.5
Bank overdrafts	2.3	5.2
Loans and borrowings	96.7	68.0
Trade and other payables	356.1	290.6
Derivative financial instruments	1.2	-
Current tax liabilities	9.7	2.7
Provisions	39.8	23.1
Liabilities associated with assets classified as held for sale	0.0	40.6
Total equity and liabilities	1,188.3	1,263.0

¹ 2012 as reported, adjusted to reflect the effects of retrospective application on the revised IAS 19 *Employee Benefits*.

CONSOLIDATED STATEMENT OF CASH FLOWS

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

¹ 2012 as reported, adjusted to reflect the effects of retrospective application on the revised IAS 19 *Employee Benefits*.

² The movement in the trade and other receivables as per June 30, 2013 includes the positive effect of the securitization program in the United States and Europe, reducing the trade receivables in certain affiliates in those regions.



► 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.

The consolidated financial information was authorized for issuance by the Board of Directors on August 28, 2013.

Significant accounting policies

The accounting policies used by the group in the present consolidated financial information are consistent with those used in the preparation of the consolidated financial statements as at and for the year ended December 31, 2012, except for the accounting of employee benefits, following the adoption of IAS 19R.

Segment reporting

Please see annexes 1 and 2.

Acquisitions and disposals

On May 3, 2013, the group completed the sale of the Italian organic chlorine derivatives activities to International Chemical Investors Group (ICIG), a private industrial holding company. The transaction resulted in the sale of 100% of the shares of Tessenderlo Partecipazioni S.p.A including its subsidiary Tessenderlo Italia Srl. In accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*, the assets and liabilities of the disposal group were presented as assets classified as held for sale and liabilities associated with assets held for sale at the end of December 2012. The impact of the completion of this disposal on the income statement of 2013 is not significant.

On June 18, 2013, the group completed the sale of the Compounds activities (operating segment "Compounds" within "Other Businesses") to Mitsubishi Chemical Corporation, a global industrial company already present in the compounds industry. The transaction resulted in the sale of 100% of the shares of the following companies: Thermoplastiques Cousin Tessier SAS, CTS-Marvyflo SAS and Technicompound SAS (France), CTS Hasselt BVBA (Belgium), T.C.T. Polska Sp.z.o.o. (Poland) and CTS Automotive Compounds (Changsu) Co. Ltd. (China). In accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*, the assets and liabilities of the disposal group were presented as assets classified as held for sale and liabilities associated with assets held for sale at the end of December 2012. The impact of the completion of this disposal on the income statement of 2013 is not significant.

Subsequent events

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



► Financial calendar

Third quarter 2013 results	November 14 2013
Fourth quarter 2013 results	February 20, 2014
First quarter 2014 results	May 15, 2014
Second quarter 2014 results	August 21, 2014
Third quarter 2014 results	November 13, 2014

Agenda for August 29 2013

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 6,200 people and is a leader in most of its markets, with a consolidated revenue of 2.1 billion EUR in 2012. 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	2Q13	2Q12
Tessenderlo Group		
Revenue	542.4	563.3
REBITDA	49.0	55.4
REBIT	30.3	33.0
Tessenderlo Kerley		
Revenue	127.0	108.2
REBITDA	29.7	27.6
REBIT	25.9	24.5
Gelatin and Akiolis		
Revenue	134.7	126.7
REBITDA	10.4	17.8
REBIT	2.8	9.6
Inorganics		
Revenue	109.1	97.6
REBITDA	4.9	1.6
REBIT	3.5	0.2
Plastic Pipe Systems and Profiles		
Revenue	123.3	142.1
REBITDA	11.1	12.0
REBIT	6.3	5.8
Other Businesses		
Revenue	45.9	88.8
REBITDA	1.4	3.0
REBIT	0.8	0.1
Non-allocated		
Revenue	2.5	-
REBITDA	-8.5	-6.5
REBIT	-9.1	-7.2

Annex 2 – segment overview – year to date

SEGMENT REPORTING - YEAR TO DATE		
Million EUR	HY13	HY12
Tessenderlo Group		
Revenue	1,029.0	1,108.2
REBITDA	81.7	99.3
REBIT	43.9	55.4
Tessenderlo Kerley		
Revenue	208.0	191.6
REBITDA	46.8	52.2
REBIT	39.5	46.1
Gelatin and Akiolis		
Revenue	268.6	250.6
REBITDA	26.3	34.3
REBIT	10.7	18.1
Inorganics		
Revenue	205.3	207.7
REBITDA	6.2	1.8
REBIT	3.4	-1.1
Plastic Pipe Systems and Profiles		
Revenue	234.8	277.8
REBITDA	16.1	20.7
REBIT	6.6	8.3
Other Businesses		
Revenue	109.8	180.4
REBITDA	3.0	4.3
REBIT	1.4	-1.4
Non-allocated		
Revenue	2.5	-
REBITDA	-16.7	-13.9
REBIT	-17.7	-14.6

Annex 3 – details for comparable scope - quarter

GROUP KEY FIGURES - SECOND QUARTER						
Million EUR	2Q12	Scope adjustment	Underlying change	2Q13	%change as reported	% change at comparable scope
Revenue	563.3	-58.7	37.8	542.4	-3.7%	7.5%
Tessenderlo Kerley	108.2	0.0	18.8	127.0	17.4%	17.4%
Gelatin and Akiolis	126.7	0.0	8.0	134.7	6.3%	6.3%
Inorganics	97.6	0.0	11.6	109.1	11.9%	11.9%
Plastic Pipe Systems and Profiles	142.1	-17.6	-1.3	123.3	-13.3%	-1.0%
Other Businesses	88.8	-42.3	-0.6	45.9	-48.3%	-1.3%
Non-allocated	0.0	1.2	1.3	2.5	-	-
REBITDA	55.4	-1.9	-4.5	49.0	-11.6%	-8.4%
Tessenderlo Kerley	27.6	0.0	2.0	29.7	7.3%	7.3%
Gelatin and Akiolis	17.8	0.0	-7.4	10.4	-41.4%	-41.4%
Inorganics	1.6	0.0	3.3	4.9	205.0%	205.0%
Plastic Pipe Systems and Profiles	12.0	0.0	-0.8	11.1	-7.3%	-7.0%
Other Businesses	3.0	-1.9	0.4	1.4	-51.4%	33.6%
Non-allocated	-6.5	0.0	-2.0	-8.5	-	-
REBIT	33.0	0.7	-3.4	30.3	-8.2%	-10.1%
Non-recurring items	-33.1	34.2	-50.1	-49.0	-	-
EBIT	0.0	34.9	-53.5	-18.7	nm	nm

Annex 4 – details for comparable scope – year to date

GROUP KEY FIGURES - YEAR TO DATE						
Million EUR	HY12	Scope adjustment	Underlying change	HY13	% change as reported	% change at comparable scope
Revenue	1,108.2	-97.6	18.4	1,029.0	-7.1%	1.8%
Tessenderlo Kerley	191.6	0.0	16.4	208.0	8.6%	8.6%
Gelatin and Akiolis	250.6	0.0	18.0	268.6	7.2%	7.2%
Inorganics	207.7	0.0	-2.5	205.3	-1.2%	-1.2%
Plastic Pipe Systems and Profiles	277.8	-28.8	-14.3	234.8	-15.5%	-5.7%
Other Businesses	180.4	-68.9	-1.6	109.8	-39.1%	-1.4%
Non-allocated	0.0	0.1	2.4	2.5	-	-
REBITDA	99.3	-3.2	-14.4	81.7	-17.7%	-14.9%
Tessenderlo Kerley	52.2	0.0	-5.4	46.8	-10.3%	-10.3%
Gelatin and Akiolis	34.3	0.0	-8.0	26.3	-23.4%	-23.4%
Inorganics	1.8	0.0	4.3	6.2	235.2%	235.2%
Plastic Pipe Systems and Profiles	20.7	-0.5	-4.1	16.1	-22.1%	-20.1%
Other Businesses	4.3	-2.7	1.5	3.0	-29.6%	95.9%
Non-allocated	-13.9	0.0	-2.7	-16.7	-	-
REBIT	55.4	1.2	-12.7	43.9	-20.7%	-22.4%
Non-recurring items	-37.7	34.2	-45.5	-49.0	-	-
EBIT	17.7	35.4	-58.2	-5.1	nm	nm