

Brussels, August 26, 2015

Regulated information¹

Press release

Tessenderlo Group HY 2015 results

Key Events

- On April 10, 2015, Tessenderlo Group announced it will invest 50 million EUR at its PC Loos (Produits Chimiques de Loos) site, part of the business unit Water Treatment, to build a new membrane technology based production plant, replacing the existing mercury electrolysis and will be entering shortly the KOH market.
- On April 28, 2015, Tessenderlo Group announced a strategic investment in liquid fertilizers in Europe. The business unit Tessenderlo Kerley International will construct a Thio-Sul® production plant in Rouen, France.
- Within the Agro segment, the KTS® production facility in Hanford (California) made its production start-up at the end of June 2015.
- On July 15, 2015, Tessenderlo Chemie NV issued two series of bonds with a maturity of 7 years (the “2022 bonds”) and 10 years (the “2025 bonds”). The total issue amount was 250.0 million EUR, of which 192.0 million EUR for the 2022 bonds and 58.0 million EUR for the 2025 bonds. The net proceeds of the bonds issue will be used, amongst others, to refinance the group’s currently outstanding 150.0 million EUR private placement, which matures in October 2015.

Strong performance in 2Q15 driven by the segments Agro and Industrial solutions

2Q15	2Q14	% Change	Million EUR	HY15	HY14	% Change
444.3	379.3	17.1%	Revenue Group	850.1	775.7	9.6%
-	-1.4		- Revenue Other segment	-	-31.2	
444.3	377.9	17.6%	Revenue at comparable scope	850.1	744.5	14.2%
56.6	46.5	21.9%	Rebitda Group	102.8	84.7	21.4%
-	0.7		- Rebitda Other segment	-	-1.2	
56.6	47.1	20.1%	Rebitda at comparable scope	102.8	83.5	23.2%
			Rebit Group	66.6	52.3	27.4%
			- Rebit Other segment	-	-1.2	
			Rebit at comparable scope	66.6	51.1	30.4%
			Profit (+) / loss (-) for the period	40.4	25.3	59.6%
			Total comprehensive income for the period	39.8	14.4	175.8%
			Cash flow from operating activities minus capital expenditure	95.6	47.6	101.0%
			Net debt	65.3	199.0	
			Notional net debt	87.5	291.3	

Remarks:

- All quarterly information included in the press release is unaudited.
- IFRIC 21 Levies is applied as from January 1, 2015. HY 14 and 2Q14 figures throughout the press release are as reported, adjusted to reflect the effects of the retrospective application of IFRIC 21 Levies.

¹ 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.



Bringing Chemistry to Life

Revenue

At comparable scope, the 2Q15 revenue increased by 17.6% or by 6.9% when excluding the foreign exchange effect. Reported revenue increased in the three segments Agro, Bio-valorization and Industrial solutions, while revenue of Bio-valorization decreased slightly when excluding the foreign exchange effect. The Agro 2Q15 revenue increase was driven by Sulfates, where higher volumes were sold at improved prices. The revenue of Industrial solutions increased thanks to the contribution of Mining and Industrial as well as by a higher revenue within Plastic Pipe Systems.

At comparable scope, the revenue of all three segments, rose by 14.2% in HY15 compared to HY14 (or by 4.9% when excluding the foreign exchange effect). Reported revenue increased within all three segments, while a small decrease in revenue could be noted in the operating segment Bio-valorization when excluding the foreign exchange effect.

Rebitda

The 2Q15 rebitda increased by 20.1% at comparable scope or by 3.4% when excluding the foreign exchange effect, and includes a write-off as a consequence of changed accounting estimates concerning inventory obsolescence for -3.7 million EUR.

Key contributors to the 2Q15 rebitda increase are the operating segments Agro and Industrial solutions, while the rebitda of the segment Bio-valorization decreased.

The HY15 rebitda increased by 23.2% at comparable scope or by 6.4% when excluding the foreign exchange effect. The total write-off as a consequence of changed accounting estimates concerning inventory obsolescence amounts to -12.1 million EUR in HY15.

The key contributor to this HY rebitda increase is the operating segment Agro, while also Industrial solutions positively contributed to this result. The operating segment Bio-valorization experienced a decrease in overall profitability versus last year, being the main segment impacted by the inventory write-off mentioned above.

Profit/loss for the period

The HY15 profit amounts to 40.4 million EUR compared to 25.3 million EUR in the same period last year. The increase of the operational results and the decrease of the net finance costs were partially offset by an increase of the non-recurring costs.

Net financial debt

At the end of June 2015, group net financial debt stood at 65.3 million EUR, versus 57.1 million EUR at the end of December 2014, resulting in a leverage of 0.4x at the half year end. Notional net debt decreased to 87.5 million EUR, compared to 155.3 million EUR as per year end 2014. The decrease of the notional net debt can be explained by the improved cash flow from operating activities.

Capital expenditure amounted to 20.6 million EUR in HY15 (31.1 million EUR in HY14). In the coming months many production sites will be included in maintenance projects and the level of investments will increase.

Outlook

The HY15 results were strong and in line with the indications the group provided at the release of our first quarter trading update on April 24, 2015. The group therefore reconfirms that, based on current assumptions, the growth of the 2015 REBITDA, compared to the 2014 REBITDA, is anticipated to be in a range between 15% and 20%. However the group wants to emphasize that it currently operates in volatile economical and financial circumstances, which could negatively impact the consolidated results and limit the REBITDA growth.

► Operating segments performance review

GROUP KEY FIGURES - YEAR TO DATE			
Million EUR	HY15	HY14	% change
Revenue	850.1	775.7	9.6%
Agro	372.8	296.7	25.6%
Bio-valorization	249.0	241.3	3.2%
Industrial solutions	228.3	206.5	10.6%
Other	-	31.2	-100.0%
REBITDA	102.8	84.7	21.4%
Agro	87.4	60.3	45.0%
Bio-valorization	-7.5	6.6	nm
Industrial solutions	22.9	16.5	38.4%
Other	-	1.2	-100.0%
REBIT	66.6	52.3	27.4%
Agro	77.0	52.2	47.5%
Bio-valorization	-21.7	-7.7	nm
Industrial solutions	11.3	6.6	71.9%
Other	-	1.2	-100.0%
Non-recurring items	-20.0	-2.2	nm
EBIT	46.6	50.1	-7.0%

AGRO			
Million EUR	HY15	HY14	% change
Revenue	372.8	296.7	25.6%
REBITDA	87.4	60.3	45.0%
REBITDA margin	23.5%	20.3%	-
REBIT	77.0	52.2	47.5%
REBIT margin	20.7%	17.6%	-

The HY15 revenue increased by 25.6% or by 10.2% when excluding the foreign exchange effect.

All businesses contributed to the rebitda growth of the segment (+45.0% or +24.7% when excluding the foreign exchange effect).

BIO-VALORIZATION			
Million EUR	HY15	HY14	% change
Revenue	249.0	241.3	3.2%
REBITDA	-7.5	6.6	nm
REBITDA margin	-3.0%	2.7%	-
REBIT	-21.7	-7.7	nm
REBIT margin	-8.7%	-3.2%	-

Revenue increased by 3.2% in HY15 or decreased by -2.6% when excluding the foreign exchange effect.

An inventory write-off, which is a consequence of changed accounting estimates concerning inventory obsolescence, was the main reason for a lower segment profitability in HY15.

INDUSTRIAL SOLUTIONS			
Million EUR	HY15	HY14	% change
Revenue	228.3	206.5	10.6%
REBITDA	22.9	16.5	38.4%
REBITDA margin	10.0%	8.0%	-
REBIT	11.3	6.6	71.9%
REBIT margin	4.9%	3.2%	-

The HY15 revenue of the segment Industrial solutions increased by 10.6% (or 6.0% when excluding the foreign exchange rate effect).

The HY 15 rebitda increased by 38.4% or by 27.8% when excluding the foreign exchange rate effect. Both evolutions were supported by all its activities.

OTHER			
Million EUR	HY15	HY14	% change
Revenue	-	31.2	-100.0%
REBITDA	-	1.2	-100.0%
REBITDA margin	-	3.8%	-
REBIT	-	1.2	-100.0%
REBIT margin	-	3.9%	-

The most important contributor in HY14 was the phosphates activity before the sale of this business was completed on February 28, 2014.



► Condensed consolidated financial information at June 30, 2015

The group also published the 2015 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.

CONSOLIDATED INCOME STATEMENT		
Million EUR	HY15	HY14
Revenue	850.1	775.7
Cost of sales	-640.0	-590.2
Gross profit	210.1	185.5
Distribution expenses	-49.6	-45.6
Sales and marketing expenses	-26.6	-21.3
Administrative expenses	-57.9	-57.1
Other operating income and expenses	-9.4	-9.3
Profit (+) / loss (-) from operations before non-recurring items (REBIT)	66.6	52.3
Non-recurring income / (expense) items	-20.0	-2.2
Profit (+) / loss (-) from operations (EBIT)	46.6	50.1
Finance (costs) / income - net	6.0	-10.8
Share of result of equity accounted investees, net of income tax	2.3	1.6
Profit (+) / loss (-) before tax	54.9	40.9
Income tax expense	-14.5	-15.6
Profit (+) / loss (-) for the period	40.4	25.3
Attributable to:		
- Equity holders of the company	41.5	25.4
- Non-controlling interest	-1.1	-0.1
Basic earnings per share (EUR)	0.98	0.80
Diluted earnings per share (EUR)	0.98	0.80

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Million EUR	HY15	HY14
Profit (+) / loss (-) for the period	40.4	25.3
Translation differences	-10.4	-1.3
Net change in fair value of derivative financial instruments, before tax	0.1	-2.2
Other movements	-0.0	-0.1
Income tax on other comprehensive income	-0.0	0.8
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-10.4	-2.8
Remeasurements of the net defined benefit liability, before tax	10.9	-9.5
Income tax on other comprehensive income	-1.1	1.5
Other comprehensive income not being reclassified to profit or loss in subsequent periods	9.8	-8.0
Other comprehensive income for the period, net of income tax	-0.6	-10.9
Total comprehensive income for the period	39.8	14.4
Attributable to:		
- Equity holders of the company	40.7	14.7
- Non-controlling interest	-0.9	-0.2
Total comprehensive income for the period	39.8	14.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Million EUR	30.06.2015	31.12.2014
ASSETS		
Total non-current assets	601.1	596.3
Property, plant and equipment	460.6	462.6
Goodwill	36.9	38.8
Other intangible assets	44.8	45.2
Investments accounted for using the equity method	23.0	18.6
Other investments	2.0	2.5
Deferred tax assets	20.5	18.6
Trade and other receivables	13.2	9.2
Derivative financial instruments	-	0.8
Total current assets	627.1	586.9
Inventories	206.7	248.2
Trade and other receivables	276.7	180.2
Derivative financial instruments	1.4	1.5
Cash and cash equivalents	142.3	157.0
Non-current assets classified as held for sale	6.7	2.3
Total assets	1,234.8	1,185.4
EQUITY AND LIABILITIES		
Total equity	477.3	436.9
Equity attributable to equity holders of the company	474.2	433.5
Issued capital	212.4	212.4
Share premium	224.2	224.2
Reserves and retained earnings	37.6	-3.1
Non-controlling interest	3.1	3.4
Total liabilities	757.5	748.5
Total non-current liabilities	245.1	260.8
Loans and borrowings	3.4	3.9
Employee benefits	49.7	53.3
Provisions	141.1	149.8
Trade and other payables	4.0	4.1
Derivative financial instruments	10.8	11.9
Deferred tax liabilities	36.1	37.8
Total current liabilities	512.4	487.7
Bank overdrafts	0.5	0.6
Loans and borrowings	203.6	209.7
Trade and other payables	252.9	230.1
Derivative financial instruments	22.1	27.1
Current tax liabilities	4.2	1.3
Employee benefits	0.9	1.5
Provisions	28.1	17.5
Total equity and liabilities	1,234.8	1,185.4

CONSOLIDATED STATEMENT OF CASH FLOWS²

Million EUR	30.06.2015	30.06.2014
OPERATING ACTIVITIES		
Profit (+) / loss (-) for the period	40.4	25.3
Depreciation, amortization and impairment losses on tangible assets, goodwill and other intangible assets	39.8	31.1
Impairment losses on disposal groups	-	0.5
Changes in provisions	4.7	-9.1
Finance costs / (income) - net	-6.0	10.8
Loss / (profit) on sale of non-current assets	-6.3	-0.2
Share of result of equity accounted investees, net of income tax	-2.3	-1.6
Income tax expense	14.5	15.6
Other non-cash items	-0.7	0.7
Changes in inventories	52.3	39.5
Changes in trade and other receivables	-29.8	-20.0
Changes in trade and other payables	10.8	-6.6
<i>Cash generated from operations</i>	<i>117.4</i>	<i>86.0</i>
Income tax (paid)/received	-1.9	-9.6
Dividends received	0.7	2.2
Dividends received from other investments	0.0	0.1
Cash flow from operating activities	116.2	78.6
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	-20.3	-30.1
Acquisition of other intangible assets	-0.3	-1.0
Acquisition of businesses, net of cash acquired	-2.1	-
Proceeds from the sale of property, plant and equipment	3.1	1.1
Proceeds from the sale of subsidiaries, net of cash disposed of	-	4.0
Proceeds from the sale of other investments	6.7	-
Capital decrease from investments accounted for using the equity method	-	3.6
Cash flow from investing activities	-12.8	-22.4
FINANCING ACTIVITIES		
Capital increase from non-controlling interests	0.6	0.5
Change in non-recourse factoring and securitization	-76.0	10.5
Proceeds from new borrowings	7.3	2.4
Reimbursement of borrowings	-14.8	-44.6
Cash movement resulting from settlement financial instruments	-31.6	1.4
Interest paid	-2.9	-4.4
Interest received	0.3	0.1
Other finance costs paid	-2.2	-3.2
Decrease of long term receivables	0.1	0.7
Cash flow from financing activities	-119.2	-36.7
Net increase / (decrease) in cash and cash equivalents	-15.8	19.6
Effect of exchange rate differences	1.0	0.0
Cash and cash equivalents less bank overdrafts at the beginning of the period	156.5	44.8
Cash and cash equivalents less bank overdrafts at the end of the period	141.7	64.4

² The following cash impacts are presented within financing activities as from 2015:

- The settlement of financial instruments, acquired to hedge intragroup loans (as from March 2015, the group no longer uses currency swaps to hedge intragroup loans)
- The evolution of the balance of non-recourse factoring and securitization agreements

2014 figures have been represented.



Bringing Chemistry to Life

► Financial calendar

Third quarter 2015 trading update

October 27, 2015

Agenda for August 26, 2015

2pm CET/1pm UK - conference call and webcast for analysts and investors

Registration details are available at: <http://www.tessenderlo.com>

Tessenderlo Group is a worldwide specialty company, focused on food, agriculture, water management and on valorizing bio-residuals. The group employs about 4,800 people and is a leader in most of its markets, with a consolidated revenue of 1.4 billion EUR in 2014. 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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