

Brussels, November 15, 2012

**Regulated information\***

**Press release**

**Tessenderlo Group announces Third Quarter 2012 results in line with expectations**

**Continued progress in strategy execution**

- Tessenderlo Group announced in early October that it had launched a turnaround project to reposition its Loos (France) site to focus on the production of water treatment chemicals, securing the group's leading position in this profitable growth segment
- Also in early October, the group announced its intention to divest its pharmaceutical ingredients activities Farchemia and Calaire Chimie to ICIG, a private industrial holding company
- Upon conclusion of the information and consultation process, the group signed an agreement to sell its continental European profiles activities, subject to merger control approval, to Open Gate, a global investment company

**3Q12 operating results led by growth businesses Tessenderlo Kerley and Gelatin & Akiolis**

- Revenue rose 0.6% to 517.5 million EUR in 3Q12; 9M12 revenue of 1.6 billion EUR was up 2.4%
- REBITDA of 36.6 million EUR in 3Q12 and 136.4 million EUR for 9M12 represented a decline of 24.0% and 16.9% respectively, versus the same period last year
- The segments Tessenderlo Kerley and Gelatin & Akiolis, which represent 76% of group REBITDA, again had together a solid revenue and profitability performance in the third quarter
- Recurrent profit was 3.6 million EUR for 3Q12 and 30.8 million EUR for 9M12
- The group had a 40.2 million EUR loss in 3Q12, due to a non-recurring charge of 46.0 million EUR. This charge is primarily made up by a loss of 35.1 million EUR on the divestment of the group's pharmaceutical ingredients activities mentioned above. Consequently, the group made a loss of 49.4 million EUR for 9M12

**GROUP KEY FIGURES FROM CONTINUING OPERATIONS - THIRD QUARTER**

Million EUR	3Q11	3Q12	%change as reported	%change at comparable scope
Revenue	519.8	517.5	-0.4%	0.6%
REBITDA	47.3	36.6	-22.7%	-24.0%
REBIT	27.5	15.0	-45.5%	-47.1%
Recurrent profit(+)/loss(-) for the period <sup>1</sup>	15.0	3.6	-75.9%	-79.0%
Profit(+)/loss(-) for the period	16.2	-40.2	nm	nm

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.

**Financial position in line with expectations**

- **Net financial debt** at end September 2012 was 265.2 million EUR, resulting in a leverage of 1.7x and gearing of 33.2%
- **Notional net debt** was 350.9 million EUR; on this basis, leverage was 2.2x and gearing 39.7%

<sup>1</sup> Recurrent 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.

## ► Group Performance Review

- 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 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).
- End of August 2012: sale of Lianyungang Taile Chemical Industry, Co. Ltd (operating segment Organic Chlorine Derivatives within Other Businesses).

GROUP KEY FIGURES FROM CONTINUING OPERATIONS - THIRD QUARTER				
Million EUR	3Q11	3Q12	% change as reported	% change at comparable scope
<b>Revenue</b>	<b>519.8</b>	<b>517.5</b>	<b>-0.4%</b>	<b>0.6%</b>
Tessenderlo Kerley	56.5	69.8	23.7%	23.7%
Gelatin and Akiolis	120.7	129.2	7.1%	7.1%
Inorganics	117.9	102.5	-13.0%	-13.0%
Plastic Pipe Systems and Profiles	138.5	137.7	-0.6%	-1.9%
Other Businesses	86.3	78.3	-9.3%	-1.3%
<b>REBITDA</b>	<b>47.3</b>	<b>36.6</b>	<b>-22.7%</b>	<b>-24.0%</b>
Tessenderlo Kerley	13.2	16.3	23.1%	23.1%
Gelatin and Akiolis	17.5	17.4	-0.6%	-0.6%
Inorganics	11.3	-0.0	nm	nm
Plastic Pipe Systems and Profiles	12.2	10.4	-14.5%	-19.6%
Other Businesses	1.9	0.3	-82.7%	-82.5%
Non-allocated	-8.7	-7.8	nm	nm
<b>REBIT</b>	<b>27.5</b>	<b>15.0</b>	<b>-45.5%</b>	<b>-47.1%</b>
<b>Non-recurring items</b>	<b>-0.1</b>	<b>-46.0</b>	<b>nm</b>	<b>nm</b>
<b>EBIT</b>	<b>27.3</b>	<b>-31.0</b>	<b>nm</b>	<b>nm</b>

GROUP KEY FIGURES FROM CONTINUING OPERATIONS - YEAR TO DATE				
Million EUR	9M11	9M12	% change as reported	% change at comparable scope
<b>Revenue</b>	<b>1,636.7</b>	<b>1,625.6</b>	<b>-0.7%</b>	<b>2.4%</b>
<b>Tessenderlo Kerley</b>	213.6	261.4	22.4%	22.4%
<b>Gelatin and Akiolis</b>	356.4	379.9	6.6%	6.6%
<b>Inorganics</b>	324.9	310.3	-4.5%	-4.5%
<b>Plastic Pipe Systems and Profiles</b>	439.5	415.5	-5.5%	-4.3%
<b>Other Businesses</b>	302.3	258.6	-14.4%	-0.6%
<b>REBITDA</b>	<b>164.2</b>	<b>136.4</b>	<b>-16.9%</b>	<b>-16.9%</b>
<b>Tessenderlo Kerley</b>	54.8	68.5	25.0%	25.0%
<b>Gelatin and Akiolis</b>	53.8	51.3	-4.6%	-4.6%
<b>Inorganics</b>	25.3	1.8	-92.8%	-92.8%
<b>Plastic Pipe Systems and Profiles</b>	36.4	31.6	-13.3%	-15.1%
<b>Other Businesses</b>	15.6	4.6	-70.5%	-68.7%
<b>Non-allocated</b>	-21.7	-21.4	nm	nm
<b>REBIT</b>	<b>103.8</b>	<b>70.9</b>	<b>-31.7%</b>	<b>-32.7%</b>
<b>Non-recurring items</b>	3.0	-83.7	nm	nm
<b>EBIT</b>	106.8	-12.8	nm	nm

## Revenue

Revenue for the third quarter of 2012 revenue was up 0.6% to 517.5 million EUR. Tessenderlo Kerley had a solid top line performance, while Gelatin & Akiolis also ended higher than a year ago. Revenue for the segments Other Businesses and Plastic Pipe Systems (PPS) and Profiles decreased slightly, and Inorganics was well down when compared to the high level of revenue recorded last year.

For the first nine months of 2012, group revenue totaled 1.6 billion EUR, 2.4% higher than 9M11. Increases were recorded for Tessenderlo Kerley and Gelatin & Akiolis, while PPS and Profiles and Inorganics were below last year, and Other Businesses was nearly unchanged, year on year.

## REBITDA

3Q12 REBITDA fell 24.0% to 36.6 million EUR, which can be fully attributed to a much weaker performance by Inorganics when compared to the strong result of a year ago. Tessenderlo Kerley generated more REBITDA than a year ago, while Gelatin & Akiolis had stable REBITDA. Both PPS and Profiles and Other Businesses reported less REBITDA than in the same period last year.

REBITDA over the nine months of 2012 was 136.4 million EUR, 16.9% lower than 9M11. A solid increase from Tessenderlo Kerley was unable to offset the declines of REBITDA in the other segments of the group, in particular, the segments Inorganics and Other Businesses. Gelatin and Akiolis had a modest decrease, and PPS and Profiles also moved down in 9M12.



### Cash flow from operating activities

Cash flow from operating activities for the first nine months of 2012 was 48.7 million EUR (9M11: -2.4 million EUR). As a percentage of revenue, trade working capital was 19.7% at the end of September 2012 (end September 2011: 19.2%).

### Net financial debt

At the end of September 2012, group net financial debt was 265.2 million EUR, versus 219.4 million EUR at the end of December 2011 and 244.5 million EUR at the end of June 2012. The change in net financial debt was largely due to capital expenditures and taxes, while cash flow from operating activities and proceeds from the sale of non-strategic assets were the main compensating elements.

Taking into account the net debt position and last twelve months REBITDA at the end of September 2012, leverage amounted to 1.7x (2.2 based on notional net debt). Gearing was 33.2% at the end of September 2012 (39.7% based on notional net debt).

## ► Operating segments performance review – continuing operations

TESSENDERLO KERLEY								
3Q11	3Q12	% change as reported	% change at comparable scope	Million EUR	9M11	9M12	% change as reported	% change at comparable scope
56.5	69.8	23.7%	23.7%	Revenue	213.6	261.4	22.4%	22.4%
13.2	16.3	23.1%	23.1%	REBITDA	54.8	68.5	25.0%	25.0%
23.5%	23.4%	-	-	REBITDA margin	25.7%	26.2%	-	-
10.9	13.0	19.4%	19.4%	REBIT	48.0	59.1	23.1%	23.1%
19.3%	18.6%	-	-	REBIT margin	22.5%	22.6%	-	-

**Third quarter 2012** revenue for **Tessenderlo Kerley Inc. (TKI)** grew 23.7% to 69.8 million EUR. Global agriculture markets remained robust in the quarter, despite facing extremely hot and dry weather in the US since late June, resulting in drought conditions across much of the country. TKI liquid fertilizer sales volumes were slightly above the same period of 2011. In light of the adverse weather situation, which was estimated to have had a minor negative volume impact, Thio-Sul® (ATS) had a good performance, and also recorded some sales at the end of the quarter ahead of an announced price adjustment, reflecting higher raw material costs. Demand for KTS® potassium thiosulfate volumes in the quarter was above the same period last year, as an extended season has allowed for additional potassium application. Average fertilizer selling prices edged lower compared to 3Q11, when they were increasing due to a strong rise in raw materials costs. Further revenue growth was seen in NovaSource®, TKI's crop protection business, which had an early start to the soil fumigant season. TKI segment REBITDA gained 23.1% in 3Q12, ending up at 16.3 million EUR. In US dollar terms, total TKI revenue grew 8.1% and REBITDA was 6.9% above a year ago.

Solid demand and pricing for fertilizer products, and strong growth from NovaSource drove overall revenue higher by 22.4% to 261.4 million EUR in the first **nine months** of 2012. Segment REBITDA moved 25.0% higher to 68.5 million EUR, and is primarily attributable to the positive agricultural markets. In US dollar terms, total TKI revenue was up 11.5% and REBITDA rose 13.8%.

Despite an unusually challenging weather context in much of the US since the middle of this year, the long term picture for supplying agriculture inputs continues to be positive. In the short term, drought conditions are anticipated to temporarily reduce demand for Thio-Sul (ATS). Recent rainfall has started to benefit some regions of the US, however it will be important to continue restoring soil moisture levels, to enable growers to respond to higher demand at attractive crop prices.

GELATIN AND AKIOLIS								
3Q11	3Q12	% change as reported	% change at comparable scope	Million EUR	9M11	9M12	% change as reported	% change at comparable scope
120.7	129.2	7.1%	7.1%	Revenue	356.4	379.9	6.6%	6.6%
17.5	17.4	-0.6%	-0.6%	REBITDA	53.8	51.3	-4.6%	-4.6%
14.5%	13.5%	-	-	REBITDA margin	15.1%	13.5%	-	-
10.2	9.3	-8.9%	-8.9%	REBIT	32.0	27.1	-15.1%	-15.1%
8.5%	7.2%	-	-	REBIT margin	9.0%	7.1%	-	-

The segment **Gelatin and Akiolis** continued to increase its revenue, moving 7.1% higher to 129.2 million EUR in **3Q12**. Trends observed in the first half of 2012 remained in place, with volume decreases due to lower availability of raw materials offset by higher average selling prices. Segment REBITDA was nearly unchanged versus a year ago, declining by -0.6% to 17.4 million EUR.

**Gelatin** revenue was higher in the third quarter of 2012 compared to last year. In line with the first six months of the year, sales volumes were limited in 3Q12 by raw material availability and consequently lower than a year ago, but were unchanged compared to 2Q12. Average selling prices rose year on year, to offset the increase in raw material costs. Importantly, demand for gelatin remains solid in the current environment. Raw material availability globally continues to represent a challenge to the gelatin industry. Strong commercial results, supported by cost management efforts, led to higher REBITDA in the quarter.

**Akiolis** 3Q12 revenue was stable versus the same period of 2011. Volumes for the quarter were below a year ago due to a reduction in volumes available for processing. However, this volume impact is offset by an increase in average sales prices. REBITDA declined year on year at a similar level as the second quarter, with the decline related to higher priced energy, and the fall in volumes.

For the first **nine months of 2012**, revenue for Gelatin and Akiolis amounted to 379.9 million EUR, up +6.6%, based on an increase of selling prices which more than made up for lower volumes, as has been the pattern across the first three quarters. REBITDA for the segment moved 4.6% lower to 51.3 million EUR, related to a weak first quarter performance.

INORGANICS								
3Q11	3Q12	% change as reported	% change at comparable scope	Million EUR	9M11	9M12	% change as reported	% change at comparable scope
117.9	102.5	-13.0%	-13.0%	Revenue	324.9	310.3	-4.5%	-4.5%
11.3	-0.0	nm	nm	REBITDA	25.3	1.8	-92.8%	-92.8%
9.6%	0.0%	-	-	REBITDA margin	7.8%	0.6%	-	-
9.7	-2.0	nm	nm	REBIT	21.3	-3.0	nm	nm
8.2%	-1.9%	-	-	REBIT margin	6.6%	-1.0%	-	-

Segment revenue for **Inorganics** revenue fell 13.0% in the **third quarter** of 2012 to 102.5 million EUR, and segment REBITDA dropped to zero.

**Potassium sulfate fertilizers** generated much lower revenue year on year. Sales volumes in 3Q12 were well below last year, which benefited from the shipment of a large vessel to the Middle East, as well as tolling volumes for which the contract has ended. Selling prices moved slightly higher, but not enough to cover increased raw material costs, putting pressure on margins. Work continued on containing fixed costs, but this could not offset the lower commercial result, leading to a decrease of REBITDA.

3Q12 revenue of **inorganic feed phosphates** had a limited decline versus last year, as a result of lower sales prices, while volumes were virtually unchanged. Decreased selling prices and more costly raw materials combined to push margins lower. REBITDA was down strongly when compared to 3Q11.

Segment revenue for the **nine months** period totaled 310.3 million EUR, 4.5% below the same period of last year, with a slight increase in phosphates more than offset by less revenue in sulfates. REBITDA dropped 92.8% against a strong result for the same period of 2011 to 1.8 million EUR, as margins for both activities were reduced.

PLASTIC PIPE SYSTEMS AND PROFILES								
3Q11	3Q12	% change as reported	% change at comparable scope	Million EUR	9M11	9M12	% change as reported	% change at comparable scope
138.5	137.7	-0.6%	-1.9%	Revenue	439.5	415.5	-5.5%	-4.3%
12.2	10.4	-14.5%	-19.6%	REBITDA	36.4	31.6	-13.3%	-15.1%
8.8%	7.6%	-	-	REBITDA margin	8.3%	7.6%	-	-
5.9	5.5	-6.5%	-12.7%	REBIT	16.1	14.2	-11.5%	-17.8%
4.2%	4.0%	-	-	REBIT margin	3.7%	3.4%	-	-

**Third quarter** 2012 revenue for the segment **Plastic Pipe Systems and Profiles** was 137.7 million EUR, -1.9% versus the same period a year ago. **Plastic Pipe Systems (PPS)** continued to face a difficult demand environment in most of its markets, leading to lower revenue for the quarter. The Netherlands, France, and Poland were weaker, while the UK performed well in a tough market, based on improved service and a selective expansion of the distribution network. **Profiles** revenue was marginally lower, as reduced demand in the continental Europe activities was nearly offset by an increase in the UK. Selling prices moved somewhat higher, mainly due to UK profiles, while PPS and continental European Profiles were mostly in line with a year ago. Segment REBITDA declined by 19.6% to 10.4 million EUR, primarily due to a lower level of activity across the segment.

Revenue for PPS and Profiles over **9M12** was 4.3% down to 415.5 million EUR, with PPS and Profiles both recording a year on year fall in demand and volumes. As a direct consequence, REBITDA for the segment dropped 15.1% to 31.6 million EUR.

Given the current state of activity in the construction sector, which shows no signs of improvement, actions continue to be implemented with a focus on improving profitability.

OTHER BUSINESSES								
3Q11	3Q12	% change as reported	% change at comparable scope	Million EUR	9M11	9M12	% change as reported	% change at comparable scope
86.3	78.3	-9.3%	-1.3%	Revenue	302.3	258.6	-14.4%	-0.6%
1.9	0.3	-82.7%	-82.5%	REBITDA	15.6	4.6	-70.5%	-68.7%
2.2%	0.4%	-	-	REBITDA margin	5.2%	1.8%	-	-
-0.5	-2.6	nm	nm	REBIT	7.9	-4.1	nm	nm
-0.5%	-3.4%	-	-	REBIT margin	2.6%	-1.6%	-	-

**Third quarter** 2012 revenue for the **Other Businesses** reporting segment was nearly unchanged, down -1.3% to 78.3 million EUR. Compounds and Sulfur Derivatives each generated more revenue than a year ago, while Water Treatment was marginally lower. Pharma and Organic Chlorine Derivatives (OCD) each had a decline of revenue. Segment REBITDA was 0.3 million EUR, 82.5% down versus 3Q11. Sulfur Derivatives was above last year, while Compounds and Water Treatment were stable, and OCD and Pharma were lower.

Revenue for the **nine months** of 2012 amounted to 258.6 million EUR, -0.6% lower than a year ago. This is primarily due to revenue decreases for the Chinese OCD activities, which were sold in August 2012, as well as Pharma, while Compounds, Water Treatment and Sulfur Derivatives had higher revenue. REBITDA was 4.6 million EUR, 68.7% lower than the strong performance achieved in 9M11. Compounds was at the same level as a year ago, while Pharma dropped due to lower volumes and increased energy costs. OCD REBITDA decreased sharply year on year, primarily driven by the Chinese activity divested at the end of August 2012, which had unusually strong results in 9M11 and much lower margins in 2012. Sulfur Derivatives had reduced REBITDA mainly due to lower volumes, and Water Treatment has been impacted by increased raw material costs.

## ► Additional Financial information

### Non-recurring items

NON-RECURRING INCOME / (EXPENSE) ITEMS		
Million EUR	3Q12	3Q11
Gains and losses on disposals	-	3.4
Restructuring	-6.0	-3.0
Losses on disposal groups classified as held for sale	-34.6	-
Impairment losses	-1.5	-
Provisions and claims	-0.8	-
Other income and expenses	-3.2	-0.5
<b>Total</b>	<b>-46.0</b>	<b>-0.1</b>

In 3Q12, the group recorded a non-recurring loss of -46.0 million EUR.

The restructuring expenses relate among others to the project to close down two non-competitive independent production units for pharmaceutical intermediates and sulfate fertilizers at the Loos (France) site, following persistent difficult market conditions and a decline in demand from both units. Following this project to close down, impairment losses were recognized for an amount of -1.5 million EUR.

On October 9, 2012 the group announced its intention to sell the pharmaceutical ingredients activities, Farchemia srl and Calaire Chimie SAS, to International Chemical Investors Group (ICIG), a private industrial holding company. In accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*, the assets and liabilities of the disposal groups Farchemia srl and Calaire Chimie SAS (operating segment "Pharmaceutical Intermediates") were presented as assets and liabilities as held for sale at the end of September 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 35.1 million EUR as per September 30, 2012 (which includes impairment charges for 29.5 million EUR and costs to sell and other provisions for 5.6 million EUR).

The other non-recurring income and expenses in 3Q12 mainly relate to 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 (-1.9 million EUR), and other expenses related to the reorganization and optimization of several activities (-0.3 million EUR).





## Net finance costs

The net finance costs and income in 3Q12 amount to -7.8 million EUR, compared to -7.7 million EUR in 3Q11.

The 3Q net finance costs and income are further detailed as follows:

FINANCE COSTS AND INCOME		
Million EUR	3Q12	3Q11
Interest expenses on financial liabilities	-3.9	-3.6
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	-0.3	-0.6
Factoring expenses	-0.5	-0.9
<b>Total borrowing costs</b>	<b>-5.2</b>	<b>-5.0</b>
Dividend income from non-consolidated companies	0.0	-
Interest income	0.0	0.0
<b>Total income from investments and cash &amp; cash equivalents</b>	<b>0.0</b>	<b>0.0</b>
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)	-2.1	-1.6
Amortization charges related to the unwinding of derivative financial instruments	-	-0.4
Net other finance (costs)/income	-0.3	-0.4
<b>Total</b>	<b>-7.8</b>	<b>-7.7</b>

## Income tax expense

The group's consolidated effective tax rate based on the recurrent profit (+)/loss (-) amounts to 72.5% in 3Q12 (3Q11: 32.1%).

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 third quarter amounted to -40.2 million EUR, compared to a result from continuing operations of 16.2 million EUR in 3Q11. The decrease of the net result is mainly explained by the losses recognized on disposal groups classified as held for sale for 34.6 million EUR.

## Capital expenditures

Capital expenditures for the third quarter 2012 were 31.0 million EUR, an increase by 5.2 million EUR compared to 25.8 million EUR a year earlier.



## Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Million EUR	30.09.2012	31.12.2011
<b>Balance at 01.01</b>	<b>600.3</b>	<b>724.8</b>
Profit (+) / loss (-) for the period attributable to equity holders of the company	-49.7	-95.5
Other comprehensive income for the period, net of income tax	1.8	-12.7
Warrants and capital increase	0.1	1.7
Shares issued	20.3	20.2
Own shares	-0.3	-
Dividends paid to shareholders	-39.4	-38.3
<b>Ending balance</b>	<b>533.1</b>	<b>600.3</b>

For the first nine months of 2012, the equity attributable to equity holders of the company decreased by 67.2 million EUR to 533.1 million EUR. This is mainly a consequence of the negative result of 9M12 (-49.7 million EUR), the net change in fair value of derivative financial instruments, net of taxes for -3.5 million EUR and the dividend to shareholders of the company for -39.4 million EUR. The shares created following the successful optional stock dividend program led to an increase of equity by 19.5 million EUR in 3Q12.

These negative movements were partly compensated by 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). The capital increase in favor of the group's employees led to an increase of issued capital by 0.8 million EUR.

## ► Outlook

The group's performance over the first nine months is overall in line with its expectations.

Food and agriculture markets globally are anticipated to remain positive, acknowledging the fact that weather conditions may have a short term, limited negative impact on Tessenderlo Kerley. Given the specific environment of Inorganics, margins are expected to remain under pressure.

Demand for Gelatin and Akiolis should remain resilient in light of the end markets served.

Construction markets show signs of further deterioration, given the elevated level of macroeconomic uncertainty in Europe.

Strategy execution, in terms of divestments of non-core businesses, as well as investments including acquisitions in growth activities, will continue to be a top priority.



Consolidated financial information at 30 September 2012

CONSOLIDATED INCOME STATEMENT				
Million EUR	9M12	9M11	3Q12	3Q11
<b>Continuing operations</b>				
Revenue	1,625.6	1,636.7	517.5	519.8
Cost of sales	-1,296.9	-1,290.6	-418.8	-413.1
<b>Gross profit</b>	<b>328.8</b>	<b>346.1</b>	<b>98.7</b>	<b>106.7</b>
Distribution expenses	-77.0	-75.5	-24.6	-23.1
Sales and marketing expenses	-52.5	-50.0	-17.9	-16.4
Administrative expenses	-116.0	-109.3	-37.5	-38.5
Other operating income and expenses	-12.4	-7.6	-3.7	-1.3
<b>Profit (+) / loss (-) from operations before non-recurring items (REBIT)</b>	<b>70.9</b>	<b>103.8</b>	<b>15.0</b>	<b>27.5</b>
Gains and losses on disposals	11.6	8.9	-	3.4
Restructuring	-9.0	-3.6	-6.0	-3.0
Losses on disposal groups classified as held for sale	-70.5	-	-34.6	-
Impairment losses	-1.5	-	-1.5	-
Provisions and claims	-1.7	0.1	-0.8	-
Other income and expenses	-12.7	-2.4	-3.2	-0.5
<b>Profit (+) / loss (-) from operations (EBIT)</b>	<b>-12.8</b>	<b>106.8</b>	<b>-31.0</b>	<b>27.3</b>
Finance costs	-59.0	-29.2	-11.7	-5.1
Finance income	39.6	10.5	3.9	-2.6
<b>Finance costs - net</b>	<b>-19.4</b>	<b>-18.7</b>	<b>-7.8</b>	<b>-7.7</b>
Share of result of equity accounted investees, net of income tax	5.2	4.5	1.6	1.5
<b>Profit (+) / loss (-) before tax</b>	<b>-26.9</b>	<b>92.6</b>	<b>-37.2</b>	<b>21.2</b>
Income tax expense	-22.5	-26.3	-3.0	-5.1
<b>Profit (+) / loss (-) for the period from continuing operations</b>	<b>-49.4</b>	<b>66.4</b>	<b>-40.2</b>	<b>16.2</b>
<b>Discontinued operations</b>				
Profit (+) / Loss (-) for the period from discontinued operations, net of income tax	-	-153.4	-	0.1
<b>Profit (+) / loss (-) for the period</b>	<b>-49.4</b>	<b>-87.0</b>	<b>-40.2</b>	<b>16.2</b>
Attributable to:				
- Equity holders of the company	-49.7	-87.0	-40.4	16.3
- Non-controlling interest	0.3	-0.0	0.2	-0.0
Basic earnings per share (EUR)	-1.62	-2.85	-1.32	0.53
Diluted earnings per share (EUR)	-1.62	-2.85	-1.32	0.53
Basic earnings per share (EUR) - Continuing operations	-1.62	2.17	-1.32	0.53
Diluted earnings per share (EUR) - Continuing operations	-1.62	2.17	-1.32	0.53
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>				
Million EUR	9M12	9M11	3Q12	3Q11
<b>Profit (+) / loss (-) for the period</b>	<b>-49.4</b>	<b>-87.0</b>	<b>-40.2</b>	<b>16.2</b>
Translation differences	0.2	-12.3	-3.3	4.1
Net change in fair value of derivative financial instruments, before tax	-5.2	-9.0	-2.2	-5.4
Change in consolidation scope, before tax <sup>1</sup>	7.7	-	-	-
Income tax on other comprehensive income	-0.8	3.1	0.7	1.8
Other movements	0.2	-	0.1	-
<b>Other comprehensive income for the period, net of income tax</b>	<b>2.0</b>	<b>-18.2</b>	<b>-4.7</b>	<b>0.5</b>
<b>Comprehensive income (+) and expense (-) for the period</b>	<b>-47.4</b>	<b>-105.2</b>	<b>-44.9</b>	<b>16.8</b>
Attributable to:				
- Equity holders of the company	-47.9	-105.4	-45.1	16.5
- Non-controlling interest	0.5	0.2	0.2	0.3
<b>Comprehensive income (+) and expense (-) for the period</b>	<b>-47.4</b>	<b>-105.2</b>	<b>-44.9</b>	<b>16.8</b>

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	30.09.2012	31.12.2011
<b>ASSETS</b>		
<b>Total non-current assets</b>	<b>696.3</b>	<b>695.3</b>
Property, plant and equipment	497.5	518.8
Goodwill	55.2	55.0
Other intangible assets	63.4	58.1
Investments accounted for using the equity method	22.1	20.8
Other investments	5.1	5.7
Deferred tax assets	5.0	7.4
Trade and other receivables	47.9	29.5
<b>Total current assets</b>	<b>655.2</b>	<b>676.6</b>
Inventories	321.3	350.8
Trade and other receivables	291.6	290.9
Cash and cash equivalents	42.4	34.9
<b>Non-current assets classified as held for sale</b>	<b>32.2</b>	<b>7.8</b>
<b>Total assets</b>	<b>1,383.7</b>	<b>1,379.7</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>537.7</b>	<b>604.6</b>
<b>Equity attributable to equity holders of the company</b>	<b>533.1</b>	<b>600.3</b>
Issued capital	153.7	147.9
Share premium	88.0	73.5
Reserves and retained earnings	291.4	382.4
Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets held for sale	0.0	-3.6
<b>Non-controlling interest</b>	<b>4.5</b>	<b>4.3</b>
<b>Total liabilities</b>	<b>815.9</b>	<b>775.1</b>
<b>Total non-current liabilities</b>	<b>306.8</b>	<b>309.0</b>
Financial liabilities	176.1	180.5
Employee benefits	27.3	30.6
Provisions	53.9	56.1
Trade and other payables	1.9	2.4
Derivative financial instruments	10.0	8.8
Deferred tax liabilities	37.5	30.6
<b>Total current liabilities</b>	<b>509.1</b>	<b>466.1</b>
Bank overdrafts	1.6	0.7
Financial liabilities	129.9	73.2
Trade and other payables	354.7	379.3
Derivative financial instruments	0.4	1.6
Current tax liabilities	4.9	3.0
Provisions	17.6	8.4
<b>Liabilities associated with assets classified as held for sale</b>	<b>30.2</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>1,383.7</b>	<b>1,379.7</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

Million EUR	30.09.2012	30.09.2011
<b>OPERATING ACTIVITIES</b>		
<b>Profit (+) / loss (-) for the period</b>	<b>-49.4</b>	<b>-87.0</b>
Depreciation, amortization and impairment losses on tangible assets, goodwill and other intangible assets <sup>1</sup>	65.8	74.2
Impairment losses on disposal groups classified as held for sale <sup>1</sup>	63.5	151.0
Changes in provisions	4.8	0.4
Finance costs	59.0	30.5
Finance income	-39.6	-11.1
Loss / (profit) on sale of non-current assets	-13.6	-8.5
Share of result of equity accounted investees, net of income tax	-5.2	-4.5
Income tax expense	22.5	26.9
Other non-cash items	-2.8	-3.9
Changes in inventories	-1.5	-32.6
Changes in trade and other receivables	-23.7	-119.0
Changes in trade and other payables	-10.9	-4.6
<i>Cash generated from operations</i>	<i>68.8</i>	<i>11.8</i>
Income tax paid	-24.0	-18.1
Dividends received from investments accounted for using the equity method	4.0	3.9
<b>Cash flow from operating activities<sup>2</sup></b>	<b>48.7</b>	<b>-2.4</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	-76.6	-69.1
Acquisition of other intangible assets	-2.4	-2.7
Acquisitions of investments accounted for using the equity method	-0.7	-2.4
Acquisition of businesses, net of cash acquired	-14.2	-3.7
Proceeds from the sale of property, plant and equipment	2.9	2.4
Proceeds from the sale of other intangible assets	0.1	-
Proceeds from the sale of subsidiaries, net of cash disposed of	-2.8	143.7
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	-
<b>Cash flow from investing activities</b>	<b>-61.6</b>	<b>68.2</b>
<b>FINANCING ACTIVITIES</b>		
Increase / (decrease) of issued capital	0.8	2.2
Increase / (decrease) of financial liabilities	52.9	-84.2
Payment of transaction costs related to financial liabilities	-	-3.5
Interest paid	-9.6	-8.6
Interest received	0.3	0.9
Other finance costs paid	-3.8	-6.8
(Increase) / decrease of long term receivables	-1.5	-5.2
Dividends paid to shareholders	-19.8	-20.2
<b>Cash flow from financing activities<sup>2</sup></b>	<b>19.3</b>	<b>-125.5</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>6.4</b>	<b>-59.7</b>
Effect of exchange rate differences	0.2	-0.6
Cash and cash equivalents less bank overdrafts at the beginning of the period	34.2	143.4
Cash and cash equivalents less bank overdrafts at the end of the period	40.8	83.1

<sup>1</sup>. 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.

<sup>2</sup>. 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.

The consolidated financial information was authorized for issuance by the Board of Directors on November 14, 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 December 31, 2011.

### Segment reporting

Please see annexes 1 and 2.

### Acquisitions and disposals

In August 2012, the group completed the sale of 100% of the shares in Lianyungang Taile Chemical Industry, Co. Ltd to a private investor. The sale resulted in a non-recurring loss, after deducting expenses related to this transaction, of -4.5 million EUR. In accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*, the assets and liabilities of this disposal group were presented as assets and liabilities as held for sale at the end of June 2012.

### Subsequent events

On October 4, 2012, upon conclusion of the information and consultation process, the group signed an agreement to sell its continental European profiles activities to Open Gate. The transaction is still subject to merger control approval. (The transaction resulted in a non-recurring loss, after deducting expenses related to this transaction, of -30.9 million EUR. 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 as held for sale as from June 2012.)

On October 5, 2012, the group announced the launch of a turnaround project to reposition its Loos site in France (operating segments "Inorganics" and "Water Treatment") to focus on the production of water treatment chemicals, securing the group's leading position in this profitable growth segment. The group will therefore make a major investment in a new electrolysis plant for the production of water treatment chemicals. The project also encompasses a multi-year environmental improvement plan to manage the historical soil pollution on the Loos site.

On October 9, 2012, the group announced its intention to sell its pharmaceutical ingredients activities, Farchemia srl and Calaire Chimie SAS (operating segment "Pharmaceutical Intermediates"), to International Chemical Investors Group (ICIG), a private industrial holding company. The transaction would result in the shares of the above mentioned companies in France and Italy being sold. In accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*, the assets and liabilities of these disposal groups have been presented as assets and liabilities held for sale at September 30, 2012.



Bringing Chemistry to Life

## ► Financial calendar

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 November 15, 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](http://www.tessenderlogroup.com) - under 'News & Media'



Annex 1 – segment overview - quarter

SEGMENT REPORTING THIRD QUARTER		
Million EUR	3Q12	3Q11
<b>Tessenderlo Group</b>		
Revenue	517.5	519.8
REBITDA	36.6	47.3
REBIT	15.0	27.5
<b>Tessenderlo Kerley</b>		
Revenue	69.8	56.5
REBITDA	16.3	13.2
REBIT	13.0	10.9
<b>Gelatin and Akiolis</b>		
Revenue	129.2	120.7
REBITDA	17.4	17.5
REBIT	9.3	10.2
<b>Inorganics</b>		
Revenue	102.5	117.9
REBITDA	-0.0	11.3
REBIT	-2.0	9.7
<b>Plastic Pipe Systems and Profiles</b>		
Revenue	137.7	138.5
REBITDA	10.4	12.2
REBIT	5.5	5.9
<b>Other Businesses</b>		
Revenue	78.3	86.3
REBITDA	0.3	1.9
REBIT	-2.6	-0.5
<b>Non-allocated</b>		
Revenue	-	-
REBITDA	-7.8	-8.7
REBIT	-8.2	-8.7





**Annex 2 – segment overview – year to date**

<b>SEGMENT REPORTING - YEAR TO DATE</b>		
<b>Million EUR</b>	<b>9M12</b>	<b>9M11</b>
<b>Tessenderlo Group</b>		
Revenue	1,625.6	1,636.7
REBITDA	136.4	164.2
REBIT	70.9	103.8
<b>Tessenderlo Kerley</b>		
Revenue	261.4	213.6
REBITDA	68.5	54.8
REBIT	59.1	48.0
<b>Gelatin and Akiolis</b>		
Revenue	379.9	356.4
REBITDA	51.3	53.8
REBIT	27.1	32.0
<b>Inorganics</b>		
Revenue	310.3	324.9
REBITDA	1.8	25.3
REBIT	-3.0	21.3
<b>Plastic Pipe Systems and Profiles</b>		
Revenue	415.5	439.5
REBITDA	31.6	36.4
REBIT	14.2	16.1
<b>Other Businesses</b>		
Revenue	258.6	302.3
REBITDA	4.6	15.6
REBIT	-4.1	7.9
<b>Non-allocated</b>		
Revenue	-	-
REBITDA	-21.4	-21.7
REBIT	-22.5	-21.5

**Annex 3 - details for comparable scope - quarter**

GROUP KEY FIGURES FROM CONTINUING OPERATIONS - THIRD QUARTER						
Million EUR	3Q11	Scope adjustment	Underlying change	3Q12	% change as reported	% change at comparable scope
<b>Revenue</b>	<b>519.8</b>	<b>-5.2</b>	<b>2.9</b>	<b>517.5</b>	<b>-0.4%</b>	<b>0.6%</b>
<b>Tessenderlo Kerley</b>	56.5	0.0	13.4	69.8	23.7%	23.7%
<b>Gelatin and Akiolis</b>	120.7	0.0	8.5	129.2	7.1%	7.1%
<b>Inorganics</b>	117.9	0.0	-15.4	102.5	-13.0%	-13.0%
<b>Plastic Pipe Systems and Profiles</b>	138.5	1.8	-2.6	137.7	-0.6%	-1.9%
<b>Other Businesses</b>	86.3	-7.0	-1.0	78.3	-9.3%	-1.3%
<b>REBITDA</b>	<b>47.3</b>	<b>0.6</b>	<b>-11.3</b>	<b>36.6</b>	<b>-22.7%</b>	<b>-24.0%</b>
<b>Tessenderlo Kerley</b>	13.2	0.0	3.1	16.3	23.1%	23.1%
<b>Gelatin and Akiolis</b>	17.5	0.0	-0.1	17.4	-0.6%	-0.6%
<b>Inorganics</b>	11.3	0.0	-11.3	-0.0	nm	nm
<b>Plastic Pipe Systems and Profiles</b>	12.2	0.6	-2.3	10.4	-14.5%	-19.6%
<b>Other Businesses</b>	1.9	-0.0	-1.5	0.3	-82.7%	-82.5%
<b>Non-allocated</b>	-8.7	0.0	0.9	-7.8	nm	nm
<b>REBIT</b>	<b>27.5</b>	<b>0.4</b>	<b>-12.9</b>	<b>15.0</b>	<b>-45.5%</b>	<b>-47.1%</b>
<b>Non-recurring items</b>	-0.1	0.0	-45.9	-46.0	nm	nm
<b>EBIT</b>	27.3	0.4	-58.8	-31.0	nm	nm

**Annex 4 - details for comparable scope – year to date**

GROUP KEY FIGURES FROM CONTINUING OPERATIONS - YEAR TO DATE						
Million EUR	9M11	Scope adjustment	Underlying change	9M12	% change as reported	% change at comparable scope
<b>Revenue</b>	<b>1,636.7</b>	<b>-48.3</b>	<b>37.2</b>	<b>1,625.6</b>	<b>-0.7%</b>	<b>2.4%</b>
<b>Tessenderlo Kerley</b>	213.6	0.0	47.8	261.4	22.4%	22.4%
<b>Gelatin and Akiolis</b>	356.4	0.0	23.4	379.9	6.6%	6.6%
<b>Inorganics</b>	324.9	0.0	-14.6	310.3	-4.5%	-4.5%
<b>Plastic Pipe Systems and Profiles</b>	439.5	-6.1	-18.0	415.5	-5.5%	-4.3%
<b>Other Businesses</b>	302.3	-42.2	-1.4	258.6	-14.4%	-0.6%
<b>REBITDA</b>	<b>164.2</b>	<b>-0.5</b>	<b>-27.3</b>	<b>136.4</b>	<b>-16.9%</b>	<b>-16.9%</b>
<b>Tessenderlo Kerley</b>	54.8	0.0	13.7	68.5	25.0%	25.0%
<b>Gelatin and Akiolis</b>	53.8	0.0	-2.5	51.3	-4.6%	-4.6%
<b>Inorganics</b>	25.3	0.0	-23.5	1.8	-92.8%	-92.8%
<b>Plastic Pipe Systems and Profiles</b>	36.4	0.3	-5.2	31.6	-13.3%	-15.1%
<b>Other Businesses</b>	15.6	-0.9	-10.1	4.6	-70.5%	-68.7%
<b>Non-allocated</b>	-21.7	0.0	0.3	-21.4	nm	nm
<b>REBIT</b>	<b>103.8</b>	<b>0.7</b>	<b>-33.6</b>	<b>70.9</b>	<b>-31.7%</b>	<b>-32.7%</b>
<b>Non-recurring items</b>	3.0	-0.3	-86.4	-83.7	nm	nm
<b>EBIT</b>	106.8	0.4	-120.0	-12.8	nm	nm

## Annex 5 - continuing and discontinued operations

GROUP KEY FIGURES - THIRD QUARTER						
Continuing operations	3Q12		Million EUR	Continuing operations	3Q11	
	Discontinued operations	Total			Discontinued operations	Total
517.5	-	517.5	Revenue	519.8	46.4	566.2
36.6	-	36.6	REBITDA	47.3	-1.2	46.2
15.0	-	15.0	REBIT	27.5	-1.1	26.4
3.6	-	3.6	Recurrent profit(+)/loss(-) for the period <sup>1</sup>	15.0	-0.6	14.3
-40.2	-	-40.2	Profit(+)/loss(-) for the period	16.2	0.1	16.2
-1.32	-	-1.32	Basic earnings per share (EUR)	0.53	0.00	0.53
-1.32	-	-1.32	Diluted earnings per share (EUR)	0.53	0.00	0.53
-	-	36.5	Cash flow from operating activities <sup>2</sup>	-	-	-28.0

GROUP KEY FIGURES - YEAR TO DATE						
Continuing operations	9M12		Million EUR	Continuing operations	9M11	
	Discontinued operations	Total			Discontinued operations	Total
1,625.6	-	1,625.6	Revenue	1,636.7	352.8	1,989.5
136.4	-	136.4	REBITDA	164.2	16.5	180.7
70.9	-	70.9	REBIT	103.8	4.2	108.0
30.8	-	30.8	Recurrent profit(+)/loss(-) for the period <sup>1</sup>	61.8	3.0	64.8
-49.4	-	-49.4	Profit(+)/loss(-) for the period	66.4	-153.4	-87.0
-1.62	-	-1.62	Basic earnings per share (EUR)	2.17	-5.02	-2.85
-1.62	-	-1.62	Diluted earnings per share (EUR)	2.17	-5.02	-2.85
-	-	48.7	Cash flow from operating activities <sup>2</sup>	-	-	-2.4
-	-	265.2	Net financial debt	-	-	133.4

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.