

Brussels, March 11, 2015

Regulated information¹

Press release

Tessenderlo Group announces fourth quarter and full year 2014 results

Key Events

- The capital increase, approved by the extraordinary shareholders' meeting on November 18, 2014, was successfully completed on December 16, 2014 for an amount of 174.8 million EUR, increasing the number of shares by 10.592.265 to 42.396.563.

Strong performance in 4Q14 driven by the Agro segment and cost management initiatives throughout the group.

4Q14	4Q13	% Change	Million EUR ²	12M14	12M13	% Change
319.8	346.0	-7.6%	Revenue Group	1,434.2	1,790.1	-19.9%
-1.7	-42.8		- Revenue Other segment	-34.7	-381.9	
318.1	303.2	4.9%	Revenue at comparable scope³	1,399.5	1,408.2	-0.6%
17.8	9.1	94.9%	Rebitda Group	135.6	116.6	16.3%
0.2	0.4		- Rebitda Other segment	-1.1	-15.2	
18.0	9.5	89.0%	Rebitda at comparable scope³	134.4	101.4	32.6%
			Rebit Group	66.9	45.8	46.2%
			- Rebit Other segment	-1.1	-9.5	
			Rebit at comparable scope³	65.8	36.3	81.3%
			Profit (+) / loss (-) for the period	52.8	-65.1	nm
			Total comprehensive income for the period	23.7	-80.0	nm
			Cash flow from operating activities minus capital expenditure	23.8	10.6	125.5%
			Net debt	57.1	258.9	
			Notional net debt	155.3	340.8	

Revenue

At comparable scope, the 4Q14 revenue increased by 4.9% or by 1.6% when excluding the foreign exchange effect. The 4Q14 group's revenue is significantly impacted by the higher revenue within Agro.

The 2014 revenue at comparable scope decreased by 0.6% (or by 0.1% when excluding the foreign exchange effect), mostly impacted by the operating segment Bio-valorization.

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.

² All quarterly information included in the press release is unaudited.

³ Comparable scope includes the following businesses:

- Agro: Tessenderlo Kerley Core (fertilizer activities), Tessenderlo Kerley International (fertilizer activities outside North America), NovaSource (crop protection activities) and Sulfates

- Bio-valorization: Akiolis and Gelatin

- Industrial Solutions: Plastic Pipe Systems, Mining & Industrial, Water Treatment, MPR/ECS and Sulfur Derivatives

Other segment includes the businesses sold or ended since January 2013: Compounds, Organic Chlorine Derivatives, Phosphates and Profiles.



REBITDA

The 4Q14 rebitda almost doubled at comparable scope (or increased by 61.0% excluding the foreign exchange effect). Key contributors are the profitability within the operating segment Agro, as well as the impact of cost management initiatives.

The 2014 rebitda increased by 32.6% at comparable scope or by 34.4% when excluding the foreign exchange effect. Key driver of this increase was the Agro segment, while also the segment Industrial solutions grew modestly. The operating segment Bio-valorization still experienced a decrease in overall profitability versus last year.

Profit/loss for the period

The 2014 profit amounts to 52.8 million EUR compared to a loss of -65.1 million EUR last year. This result could be realized thanks to the increase of operational results (rebit moved from 45.8 million EUR in 2013 to 66.9 million EUR in 2014) and lower net finance costs and taxes in 2014 compared to 2013. Moreover the group benefited from significantly lower non-recurring costs (-15.7 million EUR in 2014 compared to -64.4 million EUR in 2013).

Net financial debt

At the end of 2014, group net financial debt stood at 57.1 million EUR, versus 258.9 million EUR at the end of December 2013, resulting in a leverage of 0.4x at year end. Notional net debt amounted to 155.3 million EUR at year-end 2014, compared to 340.8 million EUR one year earlier.

The decrease of the net financial debt is driven by the capital increase which was completed in 4Q14 for a total net amount of 172.7 million EUR and the higher operational results. Capital expenditure amounted to 68.0 million EUR in 2014 versus 99.2 million EUR in 2013.

Outlook

Based on current assumptions, Tessenderlo Group anticipates that the 2015 REBITDA will slightly grow compared to the 2014 REBITDA. These estimations are supported by an expected REBITDA increase in Industrial solutions benefiting from a full year impact of the plant at Barrick's Goldstrike site (Nevada) which contributed only during one quarter to the 2014 result, as well as by a modest growth within Plastic Pipe Systems.

The operating segment Agro is expected to maintain its profitability, supported by the investments made in infrastructure and logistics, continuing favorable market conditions as well as by a stronger USD.

The group does not anticipate any material recovery of volumes and margins in the Bio-valorization segment in the near future.

Moreover, the group will continue to implement commercial and operational improvement programs.

As from March 2015, the group no longer uses currency swaps to hedge intragroup loans.

► Operating segments performance review

Following the finalization of the first phase of the transformation process of the group, which included the divestment of multiple businesses and simplified the business unit structure of the group, Tessenderlo Group has re-assessed the segment reporting. For more information regarding the new segmentation, we refer to the press release published on May 28, 2014, which can be found on www.tessenderlo.com.

GROUP KEY FIGURES - YEAR TO DATE			
Million EUR	12M14	12M13	% change
Revenue	1,434.2	1,790.1	-19.9%
Agro	524.0	496.4	5.6%
Bio-valorization	476.0	514.6	-7.5%
Industrial solutions	399.5	397.3	0.6%
Other	34.7	381.9	-90.9%
REBITDA	135.6	116.6	16.3%
Agro	99.3	60.1	65.2%
Bio-valorization	6.3	23.0	-72.5%
Industrial solutions	28.8	18.2	57.8%
Other	1.1	15.2	-92.6%
REBIT	66.9	45.8	46.2%
Agro	80.6	43.6	84.7%
Bio-valorization	-22.7	-6.7	nm
Industrial solutions	7.9	-0.6	nm
Other	1.1	9.5	-88.4%
Non-recurring items	-15.7	-64.4	nm
EBIT	51.2	-18.7	nm

AGRO			
Million EUR	12M14	12M13	% change
Revenue	524.0	496.4	5.6%
REBITDA	99.3	60.1	65.2%
REBITDA margin	19.0%	12.1%	-
REBIT	80.6	43.6	84.7%
REBIT margin	15.4%	8.8%	-

The 2014 revenue increased by 5.6% (same increase when excluding the foreign exchange effect). Revenue grew in the Kerley agro businesses, as well as in Sulfates. The lower volumes sold in Sulfates, mostly linked to the transition at the production facility in Ham (Belgium) following the stop of the phosphates production at the end of 2013, were offset by the higher selling prices.

All businesses contributed to the rebitda growth of the segment (+65.2% or +65.3% when excluding the foreign exchange effect). The group experienced a good product demand and the investments in infrastructure & logistics positively impacted the group's ability to serve the customers.

BIO-VALORIZATION			
Million EUR	12M14	12M13	% change
Revenue	476.0	514.6	-7.5%
REBITDA	6.3	23.0	-72.5%
REBITDA margin	1.3%	4.5%	-
REBIT	-22.7	-6.7	nm
REBIT margin	-4.8%	-1.3%	-

The revenue decreased by 7.5% in 2014 or by 5.6% when excluding the foreign exchange effect. The main reason for the revenue decrease was the negative price evolution.

Important programs are ongoing to reduce operating costs in the segment Bio-valorization, however, the margin pressure was still more impactful in 2014, leading to the lower segment profitability in 2014.

INDUSTRIAL SOLUTIONS			
Million EUR	12M14	12M13	% change
Revenue	399.5	397.3	0.6%
REBITDA	28.8	18.2	57.8%
REBITDA margin	7.2%	4.6%	-
REBIT	7.9	-0.6	nm
REBIT margin	2.0%	-0.1%	-

The 2014 revenue of the segment Industrial solutions increased by 0.6% (or decreased by -0.2% when excluding the foreign exchange effect). The higher sales in the Plastic Pipes business in the first half of 2014, as result of the milder winter conditions during the first months of the year, were offset by lower sales in the second half of 2014 due to the continuing difficult market circumstances in continental Europe.

All businesses contributed to the strong profitability improvement in 2014. Solid margins and cost management supported the rebitda evolution.

OTHER			
Million EUR	12M14	12M13	% change
Revenue	34.7	381.9	-90.9%
REBITDA	1.1	15.2	-92.6%
REBITDA margin	3.2%	4.0%	-
REBIT	1.1	9.5	-88.4%
REBIT margin	3.2%	2.5%	-

The most important contributor in 2014 was the phosphates activity before the sale of this business was completed on February 28, 2014. For 2013, Other also still included, apart from phosphates, the Compounds activities and the UK Profiles activities as main contributors. These businesses were sold in the second and the third quarter of 2013 respectively.

► Additional financial information

Non-recurring income/(expense) items

NON-RECURRING INCOME / (EXPENSE) ITEMS		
Million EUR	12M14	12M13
Gains and losses on disposals	0.0	4.9
Restructuring	3.7	-37.6
Losses on disposal groups	0.6	-15.8
Impairment losses	-1.6	-5.6
Provisions and claims	-12.7	5.7
Other income and expenses	-5.8	-16.1
Total	-15.7	-64.4

Non-recurring expenses amounted to -15.7 million EUR in 2014, compared to -64.4 million EUR in 2013.

Gains and losses on disposals were insignificant in 2014.

A non-recurring income related to restructuring was recognized for an amount of 3.7 million. Expenses and provisions for a restructuring within the Gelatin activities worldwide (operating segment Bio-valorization) and within the headquarters, could be more than offset by a partial reversal of the provision for the restructuring of the site in Ham (operating segment Agro), and a partial reversal of a restructuring provision within the operating segment Industrial solutions. The latter provision was partially reversed following the decision to continue a business which was anticipated to be stopped at the end of 2014. This decision also triggered the reversal of the impairment (recorded in 2013) on assets used within this business.

The 0.6 million EUR income on disposal groups mainly relates to the further settlement and subsequent expenditures following the divestitures of 2013 and the sale of the Aliphos phosphates activity in 2014.

Impairment losses were recognized on assets which will no longer be used in the operating segment Agro and Industrial solutions, as well as on other investments within the operating segment Bio-valorization. The carrying amount of these assets and investments exceeded the recoverable amount. These impairment losses were partially compensated by the above mentioned reversal, resulting in a net impairment loss of -1.6 million EUR.

The charges for provisions and claims recognized amount to -12.7 million EUR and mainly relate to an increase of the environmental provisions due to a decrease of the discount rates used, partially compensated by a revised phasing of the cash outflows.

Other income and expenses (-5.8 million EUR) mainly relate to the impact of an electricity purchase agreement for which the own-use exemption under IAS 39 is not applicable anymore.

Finance costs and income

FINANCE COSTS AND INCOME						
Million EUR	2014			2013		
	Finance costs	Finance income	Total	Finance costs	Finance income	Total
Interest expense on financial liabilities	-11.6	-	-11.6	-13.2	-	-13.2
Amortization charges of transaction costs related to financial liabilities	-2.1	-	-2.1	-1.9	-	-1.9
Commitment fee on unused portion of the syndicated credit facility	-2.2	-	-2.2	-2.1	-	-2.1
Factoring expense	-2.5	-	-2.5	-2.4	-	-2.4
Total borrowing costs	-18.5	0.0	-18.5	-19.6	0.0	-19.6
Dividend income from other investments	-	0.1	0.1	-	0.7	0.7
Interest income	-	1.1	1.1	-	0.4	0.4
Total income from investments and cash & cash equivalents	0.0	1.2	1.2	0.0	1.0	1.0
Expense for the unwinding of discounted provisions	-1.7	-	-1.7	-2.0	-	-2.0
Net interest (expense)/income on pension asset/(liability)	-1.1	0.4	-0.7	-1.3	0.3	-1.1
Net foreign exchange gains and losses (including revaluation to fair value of derivative financial instruments)	-53.4	71.1	17.7	-37.4	34.1	-3.2
Net other finance (costs)/income	-1.3	0.2	-1.1	-2.6	0.2	-2.4
Total	-75.9	72.9	-3.0	-62.9	35.7	-27.3

Net finance costs decreased from -27.3 million EUR in 2013 to -3.0 million EUR in 2014. 19.7 million EUR of this fluctuation can be explained by the foreign exchange gain on an intercompany loan of 200.0 million USD, which is not hedged. This foreign exchange gain in the income statement is partially compensated by an opposite movement in equity through a change in the translation reserves, as the USD equity exposure of the group is negative.

Income tax expense

There was a tax income of 1.6 million EUR in 2014 compared to a tax expense of -23.4 million EUR in 2013. This decrease can be mainly explained by the recognition of estimated tax refunds on prior periods in the United States of America and by the recognition of additional deferred tax assets on tax losses carried forward in Belgium.

► Consolidated financial information at December 31, 2014

CONSOLIDATED INCOME STATEMENT		
Million EUR	12M14	12M13
Revenue	1,434.2	1,790.1
Cost of sales	-1,108.2	-1,430.8
Gross profit	326.0	359.3
Distribution expenses	-84.0	-91.4
Sales and marketing expenses	-48.3	-69.0
Administrative expenses	-109.6	-134.0
Other operating income and expenses	-17.1	-19.1
Profit (+) / loss (-) from operations before non-recurring items (REBIT)	66.9	45.8
Gains and losses on disposals	0.0	4.9
Restructuring	3.7	-37.6
Losses on disposal groups	0.6	-15.8
Impairment losses	-1.6	-5.6
Provisions and claims	-12.7	5.7
Other income and expenses	-5.8	-16.1
Profit (+) / loss (-) from operations (EBIT)	51.2	-18.7
Finance costs	-75.9	-62.9
Finance income	72.9	35.7
Finance costs - net	-3.0	-27.3
Share of result of equity accounted investees, net of income tax	3.0	4.2
Profit (+) / loss (-) before tax	51.2	-41.7
Income tax expense	1.6	-23.4
Profit (+) / loss (-) for the period	52.8	-65.1
Attributable to:		
- Equity holders of the company	53.7	-64.0
- Non-controlling interest	-0.9	-1.1
Basic earnings per share (EUR)	1.67	-2.02
Diluted earnings per share (EUR)	1.67	-2.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Million EUR	12M14	12M13
Profit (+) / loss (-) for the period	52.8	-65.1
Translation differences	-13.5	-15.8
Net change in fair value of derivative financial instruments, before tax	-3.7	0.7
Other movements	-0.1	-0.1
Income tax on other comprehensive income	1.3	-0.2
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-16.0	-15.4
Remeasurements of the net defined benefit liability, before tax	-14.6	-0.3
Income tax on other comprehensive income	1.5	0.8
Other comprehensive income not being reclassified to profit or loss in subsequent periods	-13.1	0.5
Other comprehensive income for the period, net of income tax	-29.1	-15.0
Total comprehensive income for the period	23.7	-80.0
Attributable to:		
- Equity holders of the company	24.4	-78.8
- Non-controlling interest	-0.7	-1.3
Total comprehensive income for the period	23.7	-80.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Million EUR	31.12.2014	31.12.2013
ASSETS		
Total non-current assets	596.3	595.0
Property, plant and equipment	462.6	436.7
Goodwill	38.8	37.1
Other intangible assets	45.2	49.9
Investments accounted for using the equity method	18.6	24.0
Other investments	2.5	4.3
Deferred tax assets	18.6	5.1
Trade and other receivables	9.2	34.2
Derivative financial instruments	0.8	3.7
Total current assets	586.9	486.2
Inventories	248.2	255.7
Trade and other receivables	180.2	177.0
Derivative financial instruments	1.5	4.6
Cash and cash equivalents	157.0	48.9
Non-current assets classified as held for sale	2.3	8.8
Total assets	1,185.4	1,089.9
EQUITY AND LIABILITIES		
Total equity	436.9	239.9
Equity attributable to equity holders of the company	433.5	236.6
Issued capital	212.4	159.2
Share premium	224.2	102.0
Reserves and retained earnings	-3.1	-24.6
Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets held for sale	-	0.0
Non-controlling interest	3.4	3.3
Total liabilities	748.5	850.0
Total non-current liabilities	260.8	432.4
Loans and borrowings	3.9	199.8
Employee benefits	53.3	41.6
Provisions	149.8	147.1
Trade and other payables	4.1	0.5
Derivative financial instruments	11.9	10.9
Deferred tax liabilities	37.8	32.4
Total current liabilities	487.7	409.4
Bank overdrafts	0.6	4.1
Loans and borrowings	209.7	103.8
Trade and other payables	230.1	257.3
Derivative financial instruments	27.1	7.6
Current tax liabilities	1.3	8.9
Employee benefits	1.5	1.4
Provisions	17.5	26.2
Liabilities associated with assets classified as held for sale	-	8.3
Total equity and liabilities	1,185.4	1,089.9

CONSOLIDATED STATEMENT OF CASH FLOWS		
Million EUR	31.12.2014	31.12.2013
OPERATING ACTIVITIES		
Profit (+) / loss (-) for the period	52.8	-65.1
Depreciation, amortization and impairment losses on tangible assets, goodwill and other intangible assets	68.7	76.5
Impairment losses on other investments	0.8	-
Impairment losses on disposal groups	0.5	13.2
Changes in provisions	-4.7	4.5
Finance costs	75.9	62.9
Finance income	-72.9	-35.7
Loss / (profit) on sale of non-current assets	-2.0	-2.7
Impact capital increase expense and warrant plan	-	0.8
Share of result of equity accounted investees, net of income tax	-3.0	-4.2
Income tax expense	-1.6	23.4
Other non-cash items	-0.9	-1.2
Changes in inventories	14.8	16.1
Changes in trade and other receivables	18.2	8.2
Changes in trade and other payables	-30.2	15.9
<i>Cash generated from operations</i>	<i>116.4</i>	<i>112.6</i>
Income tax paid	-29.0	-8.1
Dividends received	4.3	4.6
Dividends received from other investments	0.1	0.7
Cash flow from operating activities	91.8	109.8
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	-66.2	-94.8
Acquisition of other intangible assets	-1.8	-4.4
Subsequent consideration paid - acquisition	-0.7	-
Acquisition of investments, net of cash acquired	0.2	-0.5
Proceeds from the sale of property, plant and equipment	1.7	8.2
Proceeds from the sale of other intangible assets	0.3	0.3
Proceeds from the sale of subsidiaries, net of cash disposed of	14.4	80.7
Capital decrease from other investments and investments accounted for using the equity method	4.2	-
Cash flow from investing activities	-47.9	-10.5
FINANCING ACTIVITIES		
Increase of issued capital - issuance new shares	174.8	0.7
Increase of issued capital - conversion of warrants	0.7	-
Costs capital increase	-2.1	-
Own shares	-	0.5
Capital increase from non-controlling interests	0.8	-
Proceeds from new borrowings	1.3	46.5
Reimbursement of borrowings	-94.0	-84.1
Interest paid	-11.7	-13.6
Interest received	1.3	0.4
Other finance costs paid	-6.5	-8.5
(Increase) of long term receivables	-0.5	-1.7
Decrease of long term receivables	2.5	0.3
Dividends paid to shareholders	-	-22.2
Cash flow from financing activities	66.4	-81.8
Net increase / (decrease) in cash and cash equivalents	110.4	17.4
Effect of exchange rate differences	1.3	-2.1
Cash and cash equivalents less bank overdrafts at the beginning of the period	44.8	29.5
Cash and cash equivalents less bank overdrafts at the end of the period	156.5	44.8



► Statement of the statutory auditor

The statutory auditor has confirmed that the audit has not revealed any material misstatement in the consolidated accounts, and that the accounting data reported in the press release is consistent, in all material respects, with the accounts from which it has been derived.

► Financial calendar

First quarter 2015 trading update	April 24, 2015
Annual Shareholders' meeting	June 2, 2015
Half year 2015 results	August 26, 2015
Third quarter 2015 trading update	October 27, 2015

Agenda for March 11, 2015

2.30pm CET/1.30pm 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

Media Relations

Lars Vervoort

☎ +32 2 639 16 74

lars.vervoort@tessenderlo.com

Investor Relations

Kurt Dejonckheere

☎ +32 2 639 18 41

kurt.dejonckheere@tessenderlo.com

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