

EVERY MOLECULE COUNTS

ACTIVITY REPORT 2013



TESSENDERLO GROUP

We are an international specialty group with a worldwide presence providing solutions for global needs in food, agriculture, water management and efficient use and re-use of natural resources.

Our 5,121 people are working at more than 100 locations across the globe. Our group is a leader in most of its relevant markets, primarily serving customers in agriculture, industry, construction, and health and consumer goods end markets.

As individuals and as a company, we are driven to always find new and more sustainable ways to address the mega-challenges. And we do this by making the most of the world's natural resources.

As such, we are experts in reclaiming by-products from other industries and transforming them into a set of new products ranging from nutrients for food, feed and agriculture to delivering efficient and environmentally friendly water treatment solutions for several industries.

Whether it is in the products and solutions we supply, or in the way we produce them, care for our planet and its resources is at the heart of all of our businesses. Because we believe that "every molecule counts".

1,790
MILLION EUR
of revenue

5,121 PEOPLE
of headcount

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HIGHLIGHTS OF 2013

PORTFOLIO RESHUFFLE CONCLUDED

2013 saw the end of several divestments that were launched as part of the transformation started in 2010 with the objective to create a group focused on providing solutions for the mega-challenges. As a result, the group is no longer involved in profiles, compounds, phosphates and OCD business. It follows the earlier exits from the PVC/Chlor-Alkali business and the pharmaceutical ingredients activities.

SUSTAINED DEVELOPMENT OF THE TESSENDERLO KERLEY BUSINESS

In terms of investments, the focus is directed mainly on Tessenderlo Kerley, and more specifically on the construction of the Hanford fertilizer plant and storage facilities in California that enters its final stage, and the start of construction of the Barrick Goldstrike Thio-GoldTM-Ca plant.

A NEW REFERENCE SHAREHOLDER

On November 8, 2013, Picanol Group entered the share capital of Tessenderlo Chemie NV when it acquired the 27.52 % stake of SNPE, a French state-owned company. Picanol Group is a Belgian industrial group with a global footprint mainly in the textile industry.

Following the change in shareholdership, Luc Tack and Mel de Vogue were appointed a shared CEO role for Tessenderlo Group at the end of December, succeeding Frank Coenen.



EXPANSION AT AKIOLIS

Akiolis further developed its activities in 2013. It opened new production sites for granulated organic fertilizers and animal feed, set up a joint venture in the bio-diesel sector, and expanded its collection zone in France.

DYKA AWARDED

DYKA Netherlands received the NRK Award for energy efficiency. NRK is the Dutch federation of the rubber and plastics industry. DYKA demonstrates that supply chain savings through smart use of materials and recycling efforts can improve energy and environmental performance.

CLOSING OF THE HAM PHOSPHATES PRODUCTION

On December 16, after decades of phosphates production, Tessenderlo Group closed down the phosphates activity at its Ham plant in Belgium.

JDP SHOWS BEST RESULT EVER

Thanks to its relentless customer focus, John Davidson Pipes Ltd. achieved the best result in its 41-year history, despite the tough conditions in the UK construction market.

OPENING OF THE BRAZILIAN GELATIN PLANT

In September 2013, our new state of the art gelatin plant in Acorizal, Brazil was officially inaugurated in the presence of local authorities, the Belgian ambassador in Brazil and many of our South American customers.



Read more about our markets and applications on www.tessenderlogroup.com



BACK TO PROFITABILITY

Following an eventful year for Tessenderlo Group, Co-CEOs Mel de Vogue and Luc Tack and Chairman of the Board Gérard Marchand look back on the highlights that marked 2013 on an operational and organizational level and share their thoughts for the future.

WHAT HAVE BEEN THE KEY MILESTONES FOR 2013?

The transformation of the Group continued throughout 2013 and culminated in the completion of the divestment program we embarked on in 2010.

At the beginning of the year, we launched a plan to improve the future performance of its Business Unit Inorganics. The BRIO-program aims at restoring the competitive position of the potassium sulfate business (SOP) in a sustainable manner and to maintain its global top-3 position. The SOP business fits within the group's strategy, focusing on agriculture and food, and is a core activity for the group.

The BRIO-program targets important financial improvements, by taking out stranded cost related to the phosphate activity and profit improvement initiatives for the remaining sulfates business.

In February 2013, we completed the sale of our continental European Profiles activities, known under the brand name Profialis, to OpenGate Capital, a global private investment company.

In May of that year, we sold Tessenderlo Partecipazioni S.p.A including its subsidiary Tessenderlo Italia Srl to International Chemical Investors Group (ICIG), a private industrial holding company. The sale concerned one production site in Pieve Vergonte (Italy), with an electrolysis and chloro-aromatics plant and two hydro-electric power stations, and meant the group's withdrawal from the Organic chlorine Derivatives business.

The following month saw the completion of the sale of our Compounds activities to Mitsubishi Chemical Corporation, a global industrial company already present in the compounds industry. The sale comprises four production sites in France, Poland and China and one R&D site in Belgium, employing 360 employees.

In the fall of 2013, we continued with the divestment of our UK Profiles activities (trading under the Eurocell name) to H2 Equity Partners, a private investment firm. The sale comprises three production sites, a warehousing site, and 124 sales branches, employing 978 people. This divestment marks the group's exit from profiles activities, following previous divestments in the US, Canada and continental Europe.

Finally, at the end of the year, we signed an agreement to sell our Aliphos feed phosphate business to Ecophos, an entrepreneurial Belgian producer and developer with feed phosphate as its core activity. The sale was concluded in February 2014 and comprises one production site in Rotterdam, Netherlands, three sales offices (Germany, Spain, Poland) and a number of commercial functions. The businesses in scope employ together 57 people. The phosphate production at the Ham site (Belgium), which has been closed down end 2013 for environmental reasons, is not part of the transaction.

We have completed our portfolio reshuffle, and now return back to focus all of our attention on the operations we have kept in the Group.

We also continued to invest in the growth of Tessenderlo Kerley, including adding KTS® storage, which is already getting ready for the 2014 season, and KTS® production capacity, which will come on stream in the course of 2015; both investments are in Hanford California, placing us in the middle of our clients so that we can better serve them.

Two other important events occurred this year: following the announcement in July, in November Picanol Group purchased SNPE's 27.5% stake in Tessengerlo Group, thereby becoming the group's largest shareholder. As a result, we now have a long-term anchor shareholder who fully supports our strategy, and brings a lot of industrial experience as well as a true entrepreneurial attitude.

Following the major change of shareholder, the Board of Directors decided to put a dual CEO structure in place. In December, Luc Tack who comes from Picanol, and Mel de Vogue were appointed as co-CEOs. In January of this year, the GMC has been adapted, and Stefaan Haspeslagh who also joins from Picanol, has been appointed Executive Director Transformation and Development. With this new GMC, we shall lead the group on the next phase of its repositioning.

Now we we need to get our profitability back on track.

HOW DID YOU PERFORM IN 2013?

2013 was a year full of changes and with lots of challenges at all levels. Operationally, we had an incredibly tough year, with continuing difficult market conditions and weak performance in many of our Business Units.

Over the past years, Tessengerlo Group has transformed at an enormous speed into a different Group. This transformation has however seriously impacted our equity and profits. The historical clean-up, many divestments and a lagging contribution of some of our most important investments, have resulted in 3 consecutive years of losses.

The economic situation has unfortunately also had an impact on our profitability and demands our full attention in the coming years.

WHAT ARE THE EXPECTATIONS FOR 2014?

We strongly believe that the direction the Group has taken is the right one, but we need to get our basics right so we can continue our journey and strengthen our sustainable industrial activities. 2014 will be another difficult year, but we will focus on operational excellence, sales excellence, cost control and cash generation.

We believe in adopting a true entrepreneurial attitude. We believe in Tessengerlo Group as it exists today. Every Business Unit that we have at the moment, is here to stay for the long run.

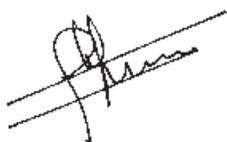
We are convinced that the future will be bright, but unfortunately we have to face the difficult times before we can turn the page completely.

Based on current assumptions, which include low visibility in the fragile economic environment, we anticipate that 2014 REBITDA will be broadly in line with 2013 REBITDA at the same scope of activity. Our outlook for the year is based upon a REBITDA decline for Inorganics impacted by the project to transform the Ham (Belgium) site into being exclusively focused on sulfates. In addition, the segment Gelatin and Akiolis is anticipated to deliver REBITDA in 2014 below the level achieved in 2013. Apart from these impacts, Tessengerlo Kerley, Plastic Pipe Systems and Water Treatment are anticipated to deliver REBITDA growth in the coming year.

With respect to the dividend, the Board of Directors will propose the shareholders at the next Ordinary General Assembly of 3 June 2014 to suspend the dividend pay-out for the financial year 2013.

Overall, the focus will be to continue implementing cost reduction and commercial improvement actions, in order to recover profitability.

G rard Marchand
Chairman of the Board
of Directors



Mel de Vogue
Co-Chief Executive
Officer



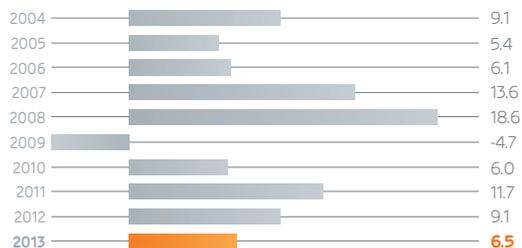
Luc Tack
Co-Chief Executive
Officer



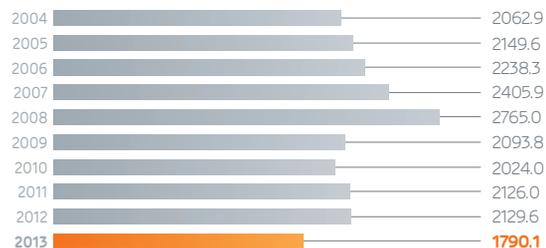
TESSENDERLO GROUP FIGURES AT A GLANCE

The tough global economic context and challenging and exceptional market conditions in some of our markets have impacted the group's operational and financial performance.

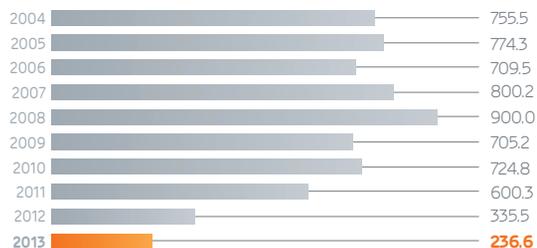
ROCE (%)



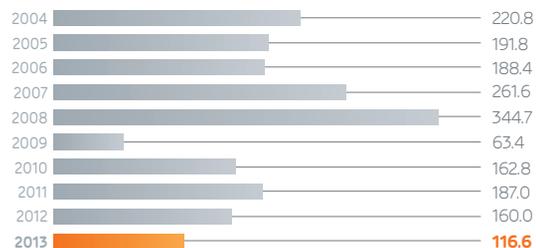
Revenue (in million EUR)



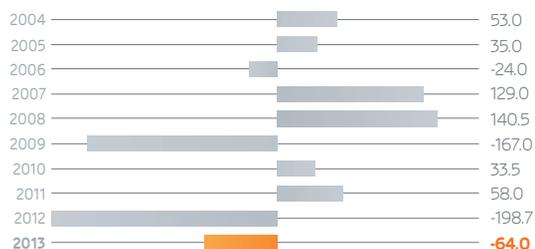
Equity attributable to equity shareholders of the company (in million EUR)



REBITDA (in million EUR)



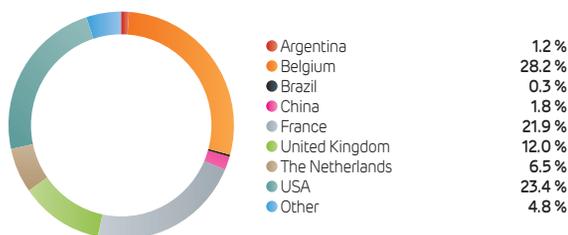
Profit (+) / loss (-) (in million EUR)



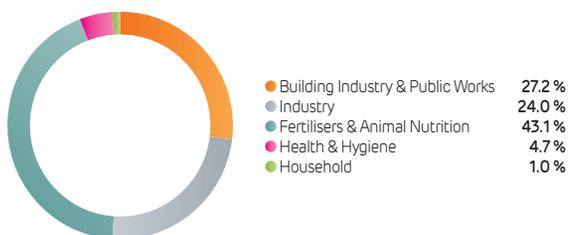
Revenue per geography



Revenue per country of production



Revenue per end market



Distribution of the CAPEX 2013



REBITDA per segment (in million EUR)



48 %

of group REBITDA is generated by the Business Unit Tessenderlo Kerley

OUR BUSINESSES AROUND THE WORLD

TESSENDERLO KERLEY

GELATIN & AKIOLIS

PRODUCTION LOCATIONS



- 9 manufacturing plants and 65 terminals in North America, 1 production site in Belgium and 1 in Turkey

- Gelatin: 3 plants in Europe, 3 plants in the Americas and 2 plants in China
- Akiolis: 15 production plants, 50 collection centers all in France

CORE MARKETS

Agriculture, Refinery & Mining Services, Water Treatment, Industrial Process Chemicals Services

Food, Medical, Pharma, Petfood, Bio fuels, Agriculture

AREA OF ACTIVITY

Agriculture, Industry

Bio-resources, Agriculture

BUSINESS DRIVERS

Growing population - Increasing demand for cost effective quality fertilizers and crop protection products for modern and more sustainable agriculture - Clean water demand - Industry need for sustainable purification of process water

Growing demand for bio-based environmentally friendly offerings in feed, food, energy and pharmaceutical and technical applications - Increased standards of living results in growing meat consumption and protein demand

STRATEGIC FOCUS

- Tessenderlo Kerley Core & Kerley International:
 - Continue to focus on the Americas and expand into Europe, Middle East and Australia
 - Expand product portfolio to broaden offering into specialty niche markets
 - Remain lowest cost-to-serve fertilizer producer
 - Optimize supply chain
- Crop Protection (Novasource®):
 - Expand and add value to crop protection product portfolio
- Mining, MPR/ECS:
 - Expand mining and industrial pillar
 - Provide a full service water treatment and recycle model
 - New markets and segments

- Gelatin:
 - Optimize return on existing assets
 - Vigorous focus on manufacturing excellence, sales excellence and improved valorization of/access to raw materials
 - Increased focus on healthy foods (protein rich, collagen hydrolysates)
- AKIOLIS:
 - Strengthen our position in our core business on upstream markets
 - Improve the valorization of finished products on petfood and aquaculture markets

ACHIEVEMENTS 2013

- Integration of the Sevin® crop protection business
- Completion of the ECS facility in North Dakota (US)
- Fertilizer capacity build up
- Start of the construction of the Barrick GoldStrike plant

- Gelatin: Official inauguration of the Brazilian gelatin plant
- AKIOLIS: Inauguration of 2 new plants in France dedicated to cereal byproducts treatment and fertilizers production
- Creation of AD Biodiesel, joint-venture for producing and commercializing biodiesel

KEY FIGURES

1. Percentage of total REBITDA before non-allocated costs
2. Sale of Phosphates was closed in February 2014
3. Profiles was sold in 2013
4. Compounds was sold in 2013
5. End 2013

Share of REBITDA¹



48.1%

Headcount⁵



510 people

Share of REBITDA¹



19.7%

Headcount⁵



2,492 people

INORGANICS ²	PLASTIC PIPE SYSTEMS & PROFILES ³	OTHER BUSINESSES ⁴			
					
<ul style="list-style-type: none"> • 1 plant in Belgium 	<ul style="list-style-type: none"> • PPS: 7 production sites (The Netherlands, Germany, Belgium, France, Poland and Hungary) and 71 branches 	<ul style="list-style-type: none"> • Plants in France, Belgium, Switzerland 			
Agriculture	Construction and Public Works	Water Treatment			
Agriculture	Industry	Industry, Municipal			
<p>Increasing demand for cost effective quality fertilizers for modern and more sustainable precision agriculture</p>	<p>Scarcity of natural resources & environmental footprint, global warming, water management</p>	<p>Need for clean drinking water and efficient waste water treatment. Provision of sustainable outlets for by-product streams</p>			
<ul style="list-style-type: none"> • Sulphates <ul style="list-style-type: none"> - Focus on premium soluble and foliar grade potassium sulphate fertilizers 	<ul style="list-style-type: none"> • PPS <ul style="list-style-type: none"> - Focus on customer intimacy - Growth of product portfolio especially in storm water management - Limited geographical development in faster growing markets, such as Central Europe - Strengthen positions in Drainage & Sewage and Soil & Waste 	<ul style="list-style-type: none"> • Water Treatment: <ul style="list-style-type: none"> - Profitable operations, providing long term and environmentally attractive solutions to industry and municipalities - Build and protect leading multi-local market positions - Secure access to low cost and sustainable raw materials - Expand geographical presence in Europe 			
<ul style="list-style-type: none"> • Sulphates: Introduction of the BRIO Program to strengthen our sulphates activities • Phosphates: Sale of the feed phosphates activities • Closing of the phosphates production in Ham (Belgium) 	<ul style="list-style-type: none"> • PPS: Best results for JDP since its 41 year History • Introduction of ULTRA KYMA® corrugated PP pipe for soil & waste and storm water management applications. Opening of the production line at Dyka Plastic, Overpelt by the Flemish prime minister Kris Peeters • Introduction of Dyka PreFit® 	<ul style="list-style-type: none"> • Water Treatment: Turnaround project of the Loos plant to fully focus on the production of water treatment chemicals 			
Share of REBITDA ¹	Headcount ⁵	Share of REBITDA ¹	Headcount ⁵	Share of REBITDA ¹	Headcount ⁵
					
8.2%	516 people	20.9%	1,275 people	3.1%	172 people

CROP YIELD BOOSTERS, CLEAN WATER SOLUTIONS AND INDUSTRIAL PROCESS ENHANCEMENT SERVICES

- **TESSENDERLO KERLEY (CORE)**
- **MPR/ECS**
- **NOVASOURCE®**
- **MINING**

WHO

- Tessenderlo Kerley supplies liquid fertilizers to support growers in efficient agriculture
- Environmentally Clean Systems provides treatment methods for cleaning and recovery of contaminated water
- NovaSource® offers a bundling of crops protections solutions
- Solution provider for the mining industry

HOW

- We help to boost the world's food production with our fertilizer business
- Our electro-coagulation processes in water treatment reduces reclamation costs and widens options for disposal
- We offer innovations that help our suppliers reduce costs and expand applications





WHO WE ARE

The **core business of Tessenderlo Kerley** is supplying specialty liquid fertilizers to support growers in efficient agriculture. We do this through reliably removing sulfur and other by-products from petroleum and gas refineries, and transforming them into liquid fertilizers, which improve production of corn, wheat, vegetables, cotton and hay. Our principal products are ammonium thiosulfate, branded as Thio-Sul® and potassium thiosulfate, branded as KTS®. Kerley Core's full line of fertilizers and soil amendment products are regrouped under the CROP VITALITY™ branding that was launched in the US in 2013.

At the end 2012, a dedicated growth unit, **Kerley International**, was set up to fuel the growth of the Tessenderlo Kerley line of fertilizers and soil amendment products outside the US and Canada. Leveraging the success of the business model in the US, Kerley International is driving focused business development in prioritized regions, including Europe, Central and Latin America.

Within Tessenderlo Kerley, **MPR Services** provides amine and glycol management, enhancing gas treatment systems in refineries, gas plants, ammonia plants, steel manufacturing and Liquefied Natural Gas (LNG) facilities.

Environmentally Clean Systems (ECS) serves the oil and gas industries, providing environmentally advantageous treatment methods for cleaning and recovery of water contaminated in oil and gas exploration, mining and refinery activities.

@ Read more about our markets and applications on www.tessenderlogroup.com



The core business of Tessenderlo Kerley is supplying specialty liquid fertilizers to support growers in efficient agriculture.

Mining & Industrial Chemicals (M&I) is a new growth unit established in 2012. The business creates value for customers operating in the mining industry by globally providing competitively priced specialty chemicals and technical services, which assist in customers' ability to more effectively use existing technology and to utilize alternate technologies.

NovaSource®, our crop protection operation, acquires, develops, registers, and markets crop protection products globally. The focus for NovaSource® is increasing the quality and productivity of specialty food crops such as potatoes, fruit, nuts and vegetables.

“Investments in infrastructure will continue in order to meet the changing market demands of more efficient supply chains.”

Tessenderlo Kerley (in million EUR)

	2012	2013
Revenue	326.8	332.2
REBITDA	79.2	71.0
REBIT	65.7	56.2
Capital expenditures*	35.6	40.0

*(PP&E and other intangible assets)

Revenue (in million EUR)



BUSINESS IN 2013

Despite a delayed start, **Kerley's core business** performed better than most other companies in the agricultural sector during 2013.

Thio-Sul® (ammonium thiosulfate) under-performed expectations, as a result of a short corn planting season due to unfavorable weather conditions in the first quarter, a significant drop in corn pricing and market uncertainty with regard to agricultural input pricing. KTS® over-performed expectations, despite product allocation for an extended period of time.

In 2013, we undertook a major overhaul of the business and the structure of **MPR**. And, we achieved an important REBIT improvement for the second year in a row.

Later than projected, our second **ECS** plant, located at a major shale oil formation in North Dakota (US), was completed in October 2013. Due to this late opening and several moves that were made by the exploration and production companies in the North Dakota region, we have been challenged to break into the market as a new player and saw our ability to deliver on the 2013 business plan restricted. Yet, North Dakota remains an extremely attractive opportunity, and will be for many years to come. Our Myton, Utah plant is still meeting expectations. Moreover, our client, Newfield Exploration, for which ECS supplies and performs all the water treatment, was awarded the State of Utah Audubon Award for its water treatment measures.

M&I has performed very well as a “startup” growth unit and is on track with its strategy for re-entering the mining and industrial markets with several products in various applications, such as base/precious metal separation. In this context, M&I began the supply of Nokes reagent to several mine sites in April 2013 and ramped up production during the year. Also in 2013, construction of the Barrick Goldstrike plant started, based on Tessenderlo Kerley’s proprietary and patented technology.

NovaSource® has shown continuous growth since 2007, and once again, delivered a strong performance that mirrored that of 2012. The year was marked by the substantial completion of the integration of the worldwide Sevin® business acquired from Bayer in 2012.

LOOKING AHEAD

Investments in infrastructure will continue in order to meet the changing market demands of more efficient supply chains. In this context, the completion of the KTS® plant and storage facility in Hanford, California is an important initiative for **Kerley’s core business** in 2014. This unit will enable us to better serve our customers in the California market and neighboring markets.

2014 will see the Barrick Goldstrike Thio-Gold™-Ca plant commissioning, with supply scheduled for the third quarter. For the long term, **M&I** anticipates substantial growth in the coming years due to anticipated new production capabilities, the depletion of “easily” attainable and less complex resources, and its competitive technical advantages.

MPR will stay the course and continue to look for opportunities to expand its offering to its customers..

As we move forward into future opportunities for **ECS**, it will be as a full service provider managing the complete flow of collecting, transporting and treating dirty water and the final disposition of the waste material.



Ever-stricter environmental regulations regarding water and the increasing competition for water across industries makes the ECS strategy to provide full service water treatment and recycling solutions for any industry a competitive advantage to survive in this field.

NovaSource® will continue its operational excellence program to make the most of its existing product portfolio. We will also continue to pursue acquisitions of product lines that complement our offering.

MULTI-PURPOSE, PRIME INGREDIENTS WITH HIGH NUTRITIONAL AND ENERGETIC POTENTIAL

- GELATIN
- AKIOLIS

WHO

- Our Gelatin business produces high quality gelatins and hydrolysates to supply growing markets in food and pharma
- Akiolis processes organic by-products from the meat and food industry into high quality ingredients for various markets

HOW

- We extract collagen from discarded materials in the food chain to produce high value products
- We collect organic by-products from upstream customers and transform them so they acquire a new value downstream



WHO WE ARE

We collect and repurpose bio-residuals and by-products from upstream customers in the food industry, and we meet downstream demand for high-quality proteins, functional foods, bio-diesel, fertilizers, pharmaceuticals.

Tessenderlo Group's **Gelatin** business unit supplies a complete range of high quality gelatins and hydrolisates through processing by-products from the meat industry. We supply a growing

market in food and pharma from sites in Asia, Europe, and North and South America, including recent additions of facilities in Brazil and China. We are the number three player in the world.

Akiolis collects organic by-products from its upstream customers: breeders, meat processors and more recently, the food industry, supermarkets and restaurants, and transforms these raw materials so that they can find new value downstream in nutrition, agriculture, industry or energy.

By-products of healthy animals are transformed through sophisticated processes to deliver high-value proteins and fats. These ingredients are used in pet food, animal feed, aquaculture, bio-fertilizers, soaps and lipochemistry.

Cereal by-products from the bakery and biscuit industry are processed into high nutritional feed for piglets. Akiolis is also active in methanization and composting of fermentable waste from the food and distribution industries.

Akiolis also produces animal fats and meat meals from fallen stock. These fats and meals are valorized as bio-fuels and are used as an alternative to fossil fuels to generate energy.

BUSINESS IN 2013

After two years of raw materials shortage for gelatin production, the availability increased during the course of 2013. As a consequence, the worldwide supply of **gelatin** improved. Simultaneously, global demand slowed down due to the crisis in Europe and the growing success of Greek yoghurt, which contains less gelatin compared to traditional yoghurt in the US. In the second half of the year, these two factors led to an increased price competition, putting margins under pressure. On top of this, there was a decrease in value from the sale of by-products. In response, we launched a global manufacturing excellence program called Spirit, in the course of 2013, which will have its first results as of 2014.



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“We will focus on strengthening our position in the traditional markets, the French market of animal by-products, while we want to improve valorization in the downstream markets, and more specifically in pet food and aquaculture.”

With the Spirit program we focus on getting the most out of every molecule by focusing on yield improvement, energy savings and getting the most of our by-products. We also work on our safety performance, on respect for the environment and empowering the people in our organization.

In line with our business strategy, we maintained a stable market share in Europe and North America while we expanded our market share in the growing markets, specifically in South America and Asia. The growth of the gelatin market in South America and Southeast Asia had a positive impact on our sales volumes. We installed additional capacity in South America to serve the growing market of collagen hydrolysates for nutraceuticals/nutraceuticals. An important event in this context in 2013 was the inauguration of our new plant in Brazil, which took place in September.

Organizational issues in China slowed down our growth and prevented us from taking full profit from our earlier investments in new capacity. We recently

implemented important changes in the management structure, strengthening the organization to prepare it for future growth.

Towards the end of the year, several cost reduction initiatives were put in place which will bring the first results in 2014. We further stepped up our efforts in manufacturing and sales excellence to compensate the increased margin pressure, and built long-term partnerships with the suppliers of bones.

In order to fully grasp the opportunity of our global presence in Gelatin, we moved from a regional structure to a fully global integrated organization, thus allowing us to optimize our supply chain on a global level.

For **Akiolis**, 2013 was marked by exceptional market conditions. The drop in volumes of by-products from the slaughterhouses in France has strongly increased competition between the main players in the market. Margins came under serious pressure and were reduced in an effort to secure our market position. This strategy has proven to be successful for Akiolis. For example, in the market of the collection of fallen stock, we increased market share with 6.8 %, reflecting the breeders' associations confidence in our company. However, sacrificing margins to secure market share brings new short-term challenges: additional and quick gains in productivity.

In its downstream markets, Akiolis continued to improve the valorization of the end products in the pet food and aquaculture sector, in collaboration with its customers, and in accordance with the opportunities linked to new regulations.

Two new production units were inaugurated in 2013, strengthening Akiolis' position in growing market segments.

Violleau, specializing in the production of fertilizers and natural soil conditioners obtained by composting, has inaugurated its new production plant for granulated organic fertilizers. These fertilizers are mainly used for the production of vegetables, viticulture, and arboriculture. Apeval, an expert in the collection and processing of by-products from the bakery and biscuit industry into ingredients for animal nutrition, has inaugurated the first production of its kind in France.

Together with key players in the European bio-diesel market, Akiolis participated in the creation of the joint venture AD Biodiesel. This new company

Two new production units were inaugurated in 2013, strengthening Akiolis' position in growing market segments.



specializes in the production and sale of biodiesel, based on animal fat and used cooking oils. For Akiolis, the main objective is to improve the valorization of its collected material for the benefit of the upstream customers in a closed loop economy.

Downstream, we continued exploring new market opportunities that came along with the changed European regulations for ingredients (fats and proteins) from healthy animal by-products. This allowed Soleval to further develop its position in the aquaculture and pet food markets in new regions such as the US and Southeast Asia.

Besides the industrial and commercial projects carried out in 2013, Akiolis completed the simplification of its governance structure. New decision making processes in support functions have resulted in efficiency gains that will lead to a better development of our competitive advantages.

LOOKING AHEAD

The priority for **Gelatin** is to further serve its customers globally, by offering high quality products, supported by a manufacturing excellence programme in our 8 plants. In R&D, we continue to focus on process innovation to increase efficiency and yield, and on technical product support to our customers.

At **Akiolis** we will create more value with each ton of collected material through an effective implementation of our Operational and Sales Excellence programs.

We will focus on strengthening our position in the traditional markets, the French market of animal by-products, while we want to improve valorization in the downstream markets, and more specifically in pet food and aquaculture. The Apeval and Violleau projects have now been completed, and we will support their further development in these growing market segments.

Gelatin and AKIOLIS (in million EUR)

	2012	2013
Revenue	524.0	514.6
REBITDA	67.7	29.1
REBIT	36.3	-0.3
Capital expenditures*	32.3	23.0

*(PP&E and other intangible assets)

Revenue (in million EUR)



MAKING NUTRIENTS READILY AVAILABLE TO PLANTS, WHILE REDUCING THE VOLUME OF FERTILIZER AND WATER REQUIRED

- SULFATES
- PHOSPHATES

WHO

- Inorganics produces potassium sulfate fertilizers
- Our soluble potassium sulfate is the market reference

HOW

- We reduce pollution by allowing a more precise application of nutrients





WHO WE ARE

After the sale of the inorganic feed phosphates business (Aliphos) to Ecophos in February 2014 and the closure of the phosphates activities in Ham (Belgium) in December 2013, the Inorganics segment only consists of the potassium sulphate fertilizers business.

Potassium sulphate fertilizers for the agricultural end markets

Sulphate of potash, (SOP) or potassium sulfate is mainly used as a fertilizer for specialty crops such as flowers, fruits, and vegetables. With production in Bel-

gium and export to more than 80 countries, we are the third largest producer in a 4.5 million ton market, focusing on high end crops and specializing in the soluble market.

The Tessenderlo Group soluble potassium sulfate product, known under the brand name SoluPotasse® is the undisputed number one soluble potassium sulfate worldwide. This premium product has a market share above 30% and an excellent reputation with regards to quality and brand recognition. SoluPotasse® enables a more precise application of nutrients, reducing both the volume of fertilizer and water required, and the runoff of excess fertilizer into water courses.

“While 2014 will be a transition year with temporarily lower production volumes, we will continue to invest in opportunities to expand production capacity in Ham with a particular focus on stepping up SoluPotasse® capacity.”

@ Read more about our markets and applications on www.tessenderlogroup.com

SOP is a versatile fertilizer, specially fit for use in a dry climate conditions. Combining potassium and sulfur, it delivers a high concentration of nutrients readily available to plants. It has a very low salinity index, making it the preferred potash fertilizer in areas at risk from soil salinity. SOP improves crop yield and quality and makes plants more resistant to drought, frost, insects and disease. And, potassium sulfate both improves the crop's nutritional value, taste and appearance, and enhances resistance to deterioration during transport and storage, and suitability for bulk processing.

BUSINESS IN 2013

Potassium sulphate fertilizers

In our established sulphate markets—Western and Southern Europe, North Africa and the Middle East – demand continued to suffer from the economic crisis in Europe and the political instability in the Middle East. Meanwhile, we did grow our soluble fertilizer SoluPotasse®, especially in Latin America.

Toward the second half of 2013, product shortage in the market generated strong demand for our product. Unfortunately, we were not able to capture the full potential of that strong demand due to social unrest in the plant at Ham (Belgium) as a result of the announced restructuring in the context of the BRIO plan.

The BRIO Reorganization Plan was launched during early 2013, aiming at adapting the Ham site and organization after the closure of the phosphate activity at the end of the year. The comprehensive plan includes efficiency improvements at all levels, including sales and operations, with the objective of preparing the potassium sulphate business for the future and to maintain its Top 3 market position.

“The comprehensive plan includes efficiency improvements at all levels, including sales and operations, with the objective of preparing the potassium sulphate business for the future and to maintain its Top 3 market position.”





SOP is a versatile fertilizer that delivers a high concentration of nutrients readily available to plants.

A sales excellence program was launched in the course of 2013 as part of the program, through which we have already successfully grown our SoluPotasse® volumes and improve our margins for all grades.

Production capacity expansion for water soluble potassium sulphate is also part of the plan.

Aliphos feed phosphates

Although Aliphos faced difficult market circumstances and was equally hit by the social actions at the production plant in Ham (Belgium), the business succeeded in maintaining its market share. Moreover, margins increased for most of the products. Because of limited product availability in Ham, not all export opportunities could be realized, which explains the lower sales volume compared to 2012. Nevertheless, the business succeeded in further developing its sales in the profitable aquafeed market segment.

2013 was further marked by the announced closure of the Ham phosphate production facility, the largest single production plant in Europe, and the preparation of the Rotterdam (Netherlands) site for producing and

shipping additional volumes in 2014. In addition, in November 2013, Tessen-derlo Group announced its intention to sell the feed phosphate business to Ecophos. Closing of this transaction has taken place at the end of February 2014.

LOOKING AHEAD

We expect to see a continued strong demand in the market for potassium sulphate. While 2014 will be a transition year with temporarily lower production volumes, we will continue to invest in opportunities to expand production capacity in Ham with a particular focus on stepping up SoluPotasse® capacity.

Inorganics (in million EUR)

	2012	2013
Revenue	405.0	370.2
REBITDA	1.7	12.1
REBIT	-4.1	7.6
Capital expenditures*	12.4	11.7

*(PP&E and other intangible assets)

Revenue (in million EUR)



MANAGING WATER SUPPLY AND DRAINAGE IN AN EFFICIENT AND SUSTAINABLE WAY

- PLASTIC PIPE SYSTEMS
- PROFILES

WHO

- Plastic Pipe Systems provides high quality piping and fittings for water management

WHO WE ARE

Following the sale of our UK **Profiles** activities (trading under the Eurocell name) in September 2013, this business segment now only covers Plastic Pipe Systems (PPS) activities.

Plastic Pipe Systems (PPS) provides high quality solutions in plastic pipe systems for water management. Our products and services are used in water supply and drainage systems, pipe systems for gas, telecommunications and other applications.

Our business unit focuses on customer intimacy by offering pre-assembled pre-fab kits, project calculations for sewage

HOW

- Our long life plastic pipe systems reduce water leakages in the supply network
- Incorporating recycled materials into our building product reduces the need for finited resources and landfill



Read more about our markets and applications on www.tessenderlogroup.com

and rainwater management systems, and syphonic roof drainage systems via a network including 71 of our own branches and 2,400 points of sale.

Too much clean water goes to waste. Even in the developed world, poor quality pipe work results in one-third of the water in supply systems being lost through leakage. We supply high performance, long life plastic pipe systems that reduce water loss in the pressure supply network.

Unpredictable rainfall frequently overwhelms retention capacities, creates flood damage, and overruns water treatment facilities. Our Duborain® solutions for drainage, infiltration and storm water management systems mitigate the negative impacts of increasingly frequent rainstorms. This is done by reducing flooding, and by collecting, storing, and managing sudden rainfall, preventing it spilling immediately into rivers, and retaining it to maximize re-use.

Our plastic pipe systems increasingly incorporate recycled material, giving new value to rest materials and reducing demands on finite resources. While maintaining high quality levels, our products replace piping made from less reliable or more resource-intensive materials, such as concrete, metal and clay.

BUSINESS IN 2013

The **Profiles** activity, included in the results until mid-September 2013, delivered a satisfactory commercial performance, mainly as a result of the modest improvement of the UK construction market and strict cost management.

Our **PPS** business suffered in 2013 because of greatly reduced construction activity in France and the Netherlands. Through ongoing and strict cost management and a restructuring program, we limited the overall impact. We did see recovery, however, in the UK, leading to a record year for JDP, achieving their best result in its 41 year history.

Despite difficult conditions, PPS managed to extend its product range and production capability.

To improve storm and rainwater management and large size sewage systems, a new corrugated twin wall PP pipe, ULTRA KYMA®, was introduced in January. For its production, a new line was opened in the site in Overpelt, Belgium.

In the Netherlands, PPS introduced an innovative prefab sewage connection system, DYKA PreFit®, for residential housing (patent pending). DYKA PreFit® consists of a service that creates a construction plan and pipes with pre-mounted inlets.

In the UK, we opened a workshop at JDP to collaborate with our customers to match their demands with our tailor made solutions in sewage systems.

Being in the 3rd consecutive year of downturn, PPS has prepared itself to grow its topline, and on the other side, streamlining the organization to benefit the bottom line.

LOOKING AHEAD

Our key focus is to bring innovative products and services for our customers.

In this context, a number of products and services are in development or were recently introduced, like DYKA PreFit® and Ultra Kyma®.

Next, we will continue to roll out successful products from the PPS portfolio like DYKA AIR®, PEVEFOR®, and AXEDO. In spring 2014, Sotra-Seperef's BI-OROC® product range of bi-orientated PVC pipes will be extended with a 25 Bar pressure pipe. These pipes are the most sustainable pipes in the world to bring water to the people according to a study conducted by The European Plastic Pipes and Fittings Association (TEPPFA) and supervised by VITO (Vlaams Instituut voor Technologische Ontwikkeling) and Denkstatt, an independent organization in the field of sustainable development.

Also, more than 30 designated projects, ranging from new product and business development, to customer intimacy initiatives, are in the pipeline to support our customers in this challenging economic climate.

Plastic Pipe Systems and Profiles (in million EUR)

	2012	2013
Revenue	544.4	413.2
REBITDA	36.0	30.9
REBIT	13.7	14.2
Capital expenditures*	17.0	10.1

*(PP&E and other intangible assets)

Revenue (in million EUR)



EFFECTIVE AND SUSTAINABLE WATER TREATMENT SOLUTIONS

- PHARMA
- COMPOUNDS
- WATER TREATMENT
- ORGANIC CHLORINE DERIVATIVES

WHO

- Our water treatment business is a leading supplier of coagulants for waste water and drinking water treatment
- Sulphur Derivatives serves a variety of industries with high quality chemicals

HOW

- We treat and recycle dirty water with quick, cheap, and sustainable processes
- We use sustainable raw materials of natural origin or recycled resources

 Read more about our markets and applications on www.tessenderlogroup.com



WHO WE ARE

Following the sale of our Compounds and Organic Chlorine Derivatives businesses in the second quarter of 2013, the group's other businesses segment now covers the water treatment and sulphur derivatives activities.

Our **Water Treatment** business supplies industrial and municipal markets with coagulants and other chemicals to treat waste water or clean drinking water. Our production processes enable the conversion or recycling of industrial side streams from the steel industry into attractive new products used for water treatment.

Tessenderlo Group operates two world scale production sites for water treatment chemicals. Both are centrally located in the highest demand region for coagulants, and serve some of the major metropolitan areas in Western Europe including Paris and Brussels.

Tessenderlo Group's **Sulphur Derivatives**, sodium sulphide and sodium hydrosulphide, are mainly used as tanning agent in the textile industry, as flotation reagent in the mining industry and as additive in the pulp and paper industry.

BUSINESS IN 2013

In Mid-2013 we finalized the divestments of the compounds and the organic chlorine derivatives (OCD) activities, marking the group's exit from these businesses.

During the first half of the year, Compounds delivered satisfactory results while OCD activities were down compared to the same period of 2012.

In **water treatment**, we continued the transformation of our Loos (France) site, the largest production plant of Ferric Chloride in Europe, towards a facility, dedicated to the production of water treatment chemicals. We focused on projects to enhance versatility of our raw material intake and to adapt the captive integration of hydrochloric acid from the Ham site in Belgium after

restructuring the activities of the latter. In addition, we have rolled out an ambitious operational excellence program, which aims at sustained effectiveness for the long term.

With performance in line with last year, our water treatment activity preserved its competitive position as a leading European supplier of coagulants for waste water and drinking water treatment. The market contraction for ferric chloride experienced during the past few years due to economical hardship and optimized dosage, bottomed out in the course of 2013.

Our **Sulfur Derivatives** activity recorded lower revenues year on year, while generating a higher REBITDA than the previous year.

LOOKING AHEAD

The project to build a new membrane-based electrolysis plant in Loos is on track, and a significant milestone was reached with the filing of the related operation permit. This represents a major long-term commitment to meet our customers' needs for provision of clean water.

Other businesses (in million EUR)

	2012	2013
Revenue	329.5	154.2
REBITDA	5.5	4.6
REBIT	-5.4	1.2
Capital expenditures*	16.4	10.6

*(PP&E and other intangible assets)

Revenue (in million EUR)

2009	283.0
2010	419.0
2011	382.6
2012	329.5
2013	154.2

A DIFFICULT BUSINESS ENVIRONMENT

2013 was a year of great challenges at an HR level. The group finds itself in the midst of a major strategic transformation, resulting in a portfolio reshuffle. This is occurring while the economic climate is not yet stabilized and competition in some of our markets is steadily increasing. Disappointing performance in a part of our activities and a difficult financial situation for the group is the result.

While the transformation is fully ongoing, cost reduction programs are also being implemented at all levels of the company to bring down fixed costs in the short term and to make the group more agile in the long run. On an organizational level this means, for instance, creating shorter decision lines and implementing a flatter corporate structure. In all, the focus remains on the customer and on providing professional service.

COPING WITH CHANGE

This period of important and numerous changes requires a lot of our people. A central role in this transformation process is attributed to our managers and supervisors at all levels. They are, in fact, the first line HR function: a permanent point of contact for employees and an antenna on the work floor. To build efficient and performing teams, it is up to them to guide and coach their teams through this whole process of change.

The managers also work closely with the social partners in a transparent and open dialogue and consider them valuable and important.

DEPLOY OUR TALENTS EFFECTIVELY

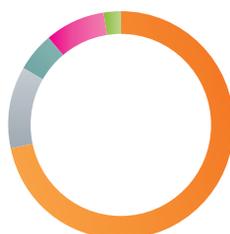
To achieve results, supervisors and managers can rely on the support of the HR group. This is initially done by nurturing talent in the organization and giving it all opportunities to develop. Building on one another's strengths and deploying them in a complementary way, is how we do this. In a business where knowledge and expertise are essential, after all, we build on our experienced and motivated employees who know the company and its products through and through.

Tessenderlo Group strongly believes in a permanent feedback culture where employees, at all times, have a clear view on their contributions, as individuals and as team members, to the realization of the company's objectives. HR guides the company through the changes that are necessary to become an effective organization and provides assistance to implement the transformation plans. Often this is done by supporting line management through the development of suitable tools that will help in the selection, identification and development of talent. In addition, HR helps to develop remuneration and reward systems and to match them to the delivered performances.

more than

5,000

employees divided over
different continents



● Europe	71.8%
● North America	11.6%
● South America	5.6%
● China	8.6%
● Rest of the world	2.4%

A PERMANENT FOCUS ON PEOPLE AND THE ENVIRONMENT

Care for Safety, Health, Environment and Quality has always been an important priority of Tessengerlo Group and its subsidiary companies. In order to further improve our SHEQ performance, in 2013 we also continued to launch initiatives and take actions with a permanent focus on people and the environment.

GROUP SAFETY PERFORMANCE

Despite promising results in some of the businesses, the group's 2013 overall safety performance only showed minor progress compared to 2012 and results have not achieved the targets set in 2011. As a result of the safety initiatives undertaken by the business units, accident severity rate – compiled at group level – improved slightly. The frequency of injury and total recordable injury rates remained flat compared to the previous year.

As the development of a safety culture does not happen overnight, we will continue our efforts to increase safety awareness at all levels in the organization and work diligently to keep everybody safe at work.

SHEQ ACHIEVEMENTS

Due to a consistent emphasis on safety, **Tessengerlo Kerley** achieved excellent safety figures in 2013. During the year, company employees worked more than 1,178,000 man-hours with only one accident and one occupational illness resulting in lost days. Of the 22 sites monitored, 16 had zero recordable mishaps.

The Tessengerlo Kerley Safety Department tracks mishap data for more than 20 entities, including contractor operations at all locations. During 2013, five of our operational sites exceeded 20 years without a lost time incident. Six others exceeded 10 years without a lost time incident.

Five of our locations have been in operation for fewer than five years. None of these facilities have experienced a lost time mishap.

In **Gelatin**, the severity rate improved, while the frequency and the total recordable injury rate remained stable compared to 2012. Several initiatives to increase health and safety (H&S) awareness were launched within the BU.

For instance, at the Treforest site in the UK, H&S performance indicators have been built into the daily operations management, reporting also of near misses and resulting actions have been reinforced and involvement of employees at all level has been intensively promoted.

Also at environmental level our UK branch scored, improving odor control on effluents, reducing solids and sludge volumes and renewing its environmental permit.

The Acorizal plant (Brazil) performed outstandingly, as well, receiving FSC 22000 accreditation after being operational for only 18 months.

On a quality level, the BU obtained Kosher and Halal accreditations and approved audits from some of its main customers in this context.

Also 2013, initiatives have been launched to gradually continue integration and coordination of the SHEQ-related matters in the business unit.

At **Akiolis**, risk prevention and reduction of the number of accidents at work remained one of the major concerns in 2013. In this context, we have focused on analyzing all accidents, including road accidents. Also this year, the

involvement of line management has been increased in order to cascade prevention reflexes and safety attitudes down into the organization. For instance, risk prevention has been integrated in all operational meetings, and supervisors regularly sit with their teams to pass on safety instructions and to collect feedback.

The increased data availability, the analysis of accidents and intensified safety communication, all contribute to improve feedback to the Akiolis sites, develop and deploy safety plans and implement the necessary corrective safety actions.

In terms of environmental management, all ISO 14001 certificates were renewed. We even extended the perimeter to C3 activities for the Viriat facility and 5 collection centers. For our 7 plants and 25 collections centers that are ISO14001 certified we received confirmation of conformity.

For the chemical products used in production, we improved our screening procedures before intake and our inventory management, and investigated the possibilities to replace dangerous products.

Also the Key Performance Indicators (KPIs) on water used per collection round and per ton of material processed were reviewed. In order to reduce water consumption, the truck wash was analyzed and improvement measures were taken.

In 2013, we also focused on odor monitoring and control. A Ph.D. study and pilot scale tests on bio-filter performance, allowed us to develop new skills in this area. The outcome of this research will gradually be introduced in Akiolis on an industrial scale which, in turn, could lead to a 25% operating costs reduction and an increased efficiency in odor removal.

In 2013, the **Inorganics** business started implementing a holistic program on safety, called ZERO17. This initiative, kicked off in 2012, aims to install a proactive safety culture and targets zero accidents resulting in lost work time by 2017. Several areas that need improvement to achieve higher safety levels were defined. The ZERO17 program has now been embedded into the BRIO-plan for Inorganics.

The stop of the feed phosphate production based on phosphate rock in Ham (Belgium) at the end of December 2013, sharply reduces the salt water discharge in the local rivers, as stipulated in the environmental license of 2008.

The remediation of the historical sludge basin along the Albert canal in Ham continues and refurbishments of the sludge basin are being prepared. When this project is completed, newly available industrial land can be created. Other sludge storages in the area being reorganized.

In **Water Treatment** the emissions through aqueous discharges improved and the authorized levels for atmospheric emissions of mercury were respected.

As for the permit of the new electrolysis project, the French administration requested complementary input linked to the new SEVESO Industrial Emission Directive (IED). This additional information was presented in January 2014.

During 2013, **PPS** reduced accidents resulting in work time lost by 50%. This is the result of the business units' proactive approach on safety and its aim to install a safety culture in all its entities. Safety KPIs are toughened on a yearly basis. Since 2011, PPS also introduced E-testing on safety knowledge for all its employees and a safety maturity test conducted by an external organization.

Our UK branch, John Davidson Pipes, was awarded the Investors in People (IIP) Gold Standard accreditation for its exceptional investments in its own workforce.

In the Netherlands, Dyka received the NRK Award for Energy Efficiency. NRK, the Dutch federation of the rubber and plastics industry, complimented Dyka for improving its energy and environmental performance through smart use of materials and recycling efforts.

PRACTICAL INNOVATIONS THAT FULFIL OUR CUSTOMERS' NEEDS

INNOVATION AND R&D

Tessenderlo's Research and Development is oriented towards improvements in product and process technology in its existing businesses. New applications for existing products are explored in the market. Special attention goes to innovative sustainable solutions allowing for reduction in energy and materials consumption along the value chain.

Tessenderlo is also recognized and chosen by customers for their needs in new process and product development. This latter approach can lead to close collaboration, novel product and process technology for the customer and Tessenderlo Group, and significant investments.

Total R&D expenditure for the group amounted to 13.2 million EUR in 2013.



TESSENDERLO GROUP STRIVES TO PROVIDE ACCURATE, QUALITY AND TIMELY INFORMATION TO THE GLOBAL FINANCIAL COMMUNITY

INVESTOR RELATIONS

The group regularly participates in events for investors, including road shows, conferences, and organizing company visits and meetings with Group Management.

Tessenderlo Group meets with analysts and investors on a regular basis in order to comment on the results and future developments. In addition, the group organizes conference calls to present and discuss the quarterly results.

ANALYST COVERAGE

At the end of 2013, Tessenderlo Chemie NV was covered by 8 sell-side analysts (http://www.tessenderlo.com/investors/share_information/analyst_coverage/) compared to 7 sell-side analysts at the end of 2012. At the end of the year, 5 analysts had a neutral rating (compared with 1 of 7 at end 2012), while 3 analysts had a negative rating (compared with 1 of 7 at end 2012).

The Picanol Group successfully completed the acquisition of the stake held by SNPE SA and now holds 27.52% of the share capital of Tessenderlo Chemie NV or the equivalent of 8,744,069 shares.

On December 31, 2013, there were in total 1,156,516 warrants (for which the acceptable period had lapsed) which were exercisable or which will become exercisable in the future. The total number of shares constituting the issued capital of Tessenderlo Chemie NV is 31,771,463, entitling the shareholders to 1 vote per share.

TESSENDERLO CHEMIE NV SHARE

Tessenderlo Chemie NV shares are listed on the Brussels Stock Exchange with code TESB. They are traded on the continuous market and are included in the following indices: BEL Mid and Next 150.

Share price performance

Tessenderlo Chemie NV share price declined 24.2% in 2013, underperforming the BEL 20 index (16.2% increase) and the European Chemicals index SX4P (8.1% increase). The share reached its year-high closing price of 25.99 on February 1, 2013. Since then, the share followed a downward trend hitting its year-low closing price of 16.68 EUR on December 12, 2013. The share closed at 18.99 EUR on the last trading day of the year.

Shareholder structure (on December 31, 2013)

	# of shares	% of total
Verbrugge NV (controlled by Picanol NV)	8,744,069	27.5%
Employees*	245,611	0.8%
Free float	22,781,783	71.7%
Total	31,771,463	100%

* not negotiable shares (held by employees or former employees)

Financial data per share as of December 31, 2013 (consolidated figures)

	2009	2010	2011	2012	2013
Data per share (EUR)					
Value of shareholders' equity	25.45	25.37	20.47	11.09	7.55
Profit (+) / Loss (-)	-5.84	0.70	-3.13	-6.28	-2.02
Net cash flow	1.65	3.67	5.02	2.67	0.85
Net dividend per ordinary share	1.00	1.00	1.00	1.00	0.00
Capital (millions EUR)					
	139.00	143.70	147.90	153.70	159.20
Capitalisation at the end of year (millions EUR)					
	640.70	780.78	606.57	761.65	603.34

Stock market data

	2009	2010	2011	2012	2013
Number of shares					
	27,798,255	28,715,584	29,531,058	30,662,300	31,771,463
Minimum/maximum closing prices					
Fixed ordinary share (EUR)	20.73 / 28.17	20.77/ 27.39	19.53/ 32.39	18.90/ 26.99	16.68/ 25.99
Market continuous					
Closing price on December 31 (EUR)	23.05	27.19	20.54	24.84	18.99
Volume*	20,845,534	14,883,517	13,202,614	13,698,882	12,832,167
Average daily volume*	81,747	57,688	51,372	53,511	50,520
Velocity (in %)**	76.05	53.87	46.41	47.71	44.36

* Number of shares traded on the Electronic Order Book only.

** Calculated based on the sum of the daily velocity using total regulated market number of shares.

DIVIDEND POLICY

In view of the financial results of the Company and taking account the financial situation of the Group, the Board of Directors proposes to the Shareholder's meeting not to attribute any dividends over the year 2013. The future dividend policy will be determined in view of the financial position of the group.

FINANCIAL CALENDAR

Financial year 2013	Results announcement	February 26, 2014
	General Meeting	June 3, 2014
First quarter 2014	Trading update	April 30, 2014
First half year 2014	Results announcement	August 27, 2014
Third quarter 2014	Trading update	October 29, 2014

Full financial and non-financial information about the Group is available on the website at www.tessengerlogroup.com. Anyone wishing to receive Tessengerlo Group press releases by e-mail may subscribe to the mailing list at www.tessengerlogroup.com/investors/ir_mailing_list/index.jsp

The Tessengerlo Chemie NV share price is published on www.tessengerlogroup.com and on the Euronext website: www.euronext.com.

CONTACT

Ingvild Van Lysebetten
Group Communication Director
Tel: +32 2 639 19 27
E-mail: ingvild.vanlysebetten@tessengerlo.com

EVOLUTION OF THE TESB SHARE PRICE IN 2012 (in EUR)



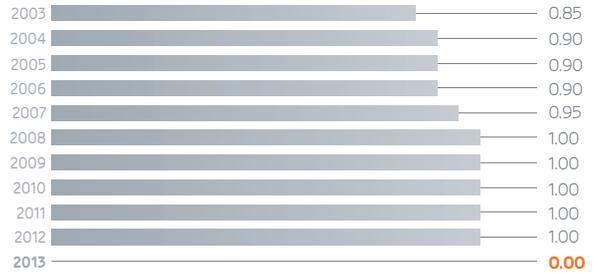
RETURN ON DIVIDENDS REINVESTED



STOCK MARKET CAPITALIZATION (in million EUR)



NET DIVIDEND PER SHARE (in EUR)



SUMMARY OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

For the year ended December 31

(Million EUR)	note	2013	2012 ¹
Revenue		1,790.1	2,129.6
Cost of sales		-1,430.8	-1,710.1
Gross profit		359.3	419.5
Distribution expenses		-91.4	-101.0
Sales and marketing expenses		-69.0	-71.6
Administrative expenses		-134.0	-157.2
Other operating income and expenses	5	-19.1	-14.9
Profit (+) / loss (-) from operations before non-recurring items (REBIT)		45.8	74.8
Gains and losses on disposals	6	4.9	15.4
Restructuring	6	-37.6	-14.8
Losses on disposal groups classified as held for sale	6	-15.8	-115.7
Impairment losses	6	-5.6	-20.6
Provisions and claims	6	5.7	-88.0
Other income and expenses	6	-16.1	-14.4
Profit (+) / loss (-) from operations (EBIT)		-18.7	-163.3
Finance costs		-62.4	-47.5
Finance income		35.7	25.0
Finance costs - net	9	-27.3	-24.5
Share of result of equity accounted investees, net of income tax		4.2	7.3
Profit (+) / loss (-) before tax		-41.7	-180.5
Income tax expense	10	-23.4	-17.9
Profit (+) / loss (-) for the period		-65.1	-198.4
Attributable to:			
- Equity holders of the company		-64.0	-198.7
- Non-controlling interest		-1.1	0.4
Basic earnings per share (EUR)	22	-2.02	-6.28
Diluted earnings per share (EUR)	22	-2.02	-6.28

1. 2012 as reported, adjusted to reflect the effects of retrospective application on the revised IAS 19 Employee Benefits (see also note 24 – Employee benefits).

For the accompanying notes which are an integral part of these consolidated financial statements, we refer to the Financial Report 2013.

Consolidated statement of comprehensive income

For the year ended December 31

(Million EUR)	note	2013	2012 ¹
Profit (+) / loss (-) for the period		-65.1	198.4
Translation differences		-15.8	-2.9
Net change in fair value of derivative financial instruments, before tax	27	0.7	-6.0
Other movements		-0.1	0.2
Income tax on other comprehensive income		-0.2	2.1
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-15.4	-6.7
Remeasurements of the net defined benefit liability, before tax		-0.3	-33.3
Change in consolidation scope, before tax		-	7.7
Income tax on other comprehensive income		0.8	3.3
Other comprehensive income not being classified to profit or loss in subsequent periods		0.5	-22.4
Other comprehensive income for the period, net of income tax		-15.0	-29.0
Total comprehensive income for the period		-80.0	-227.4
Attributable to:			
- Equity holders of the company		-78.8	-227.9
- Non-controlling interest		-1.3	0.5

1. 2012 as reported, adjusted to reflect the effects of the retrospective application on the revised IAS 19 Employee Benefits (see also note 24 – Employee benefits).

For the accompanying notes which are an integral part of these consolidated financial statements, we refer to the Financial Report 2013.

Consolidated statement of changes in equity

(Million EUR)

	note	Issued capital	Share premium	Legal reserves
Balance at January 1, 2013		153.7	88.0	14.8
Profit (+) / loss (-) for the period		-	-	-
Other comprehensive income for the period				
- Translation differences		-	-	-
- Remeasurements of the net defined benefit liability, net of tax		-	-	-
- Net change in fair value of derivative financial instruments, net of tax		-	-	-
- Change in consolidation scope		-	-	-
- Other movements ¹		-	-	-
Comprehensive income for the period, net of income taxes		0.0	0.0	0.0
Transactions with owners, recorded directly in equity				
- Shares issued	21	0.3	0.4	-
- Shares issued (stock dividend)	21	5.2	13.5	-
- Dividends paid to shareholders	21	-	-	-
- Warrants and capital increase		-	-	-
- Treasury shares		-	-	-
Total contributions by and distributions to owners		5.5	13.9	0.0
Other movements		-	-	-
Balance at December 31, 2013		159.2	102.0	14.8

1. The movement in the remeasurements of the net defined benefit liability (19.8 million EUR) is related to the Dutch pension plans which will be accounted for as defined contribution plans as from January 1st, 2014. The remeasurements previously recognized in other comprehensive income are reclassified within equity.

For the accompanying notes which are an integral part of these consolidated financial statements, we refer to the Financial Report 2013.

Translation reserves	Revaluation reserves	Hedging reserves	Treasury shares	Remeasurements of the net defined benefit liability	Amounts recognized in other comprehensive income and accumulated in equity relating to non-current assets held for sale	Retained earnings	Equity attributable to equity holders of the company	Non-controlling interest	Total equity
-26.9	10.7	-5.3	-0.6	-43.2	0.6	143.6	335.5	4.5	340.1
-	-	-	-	-	-	-64.0	-64.0	-1.1	-65.1
-15.1	-	-	-	-	-0.6	-	-15.7	0.0	-15.8
-	-	-	-	0.5	-	-	0.5	-	0.5
-	-	0.5	-	-	-	-	0.5	-	0.5
-	-	-	-	0.0	-	-	0.0	-	0.0
-	-	-	-	19.8	-	-19.8	0.0	-0.1	-0.1
-15.1	0.0	0.5	0.0	20.3	-0.6	-83.8	-78.8	-1.3	-80.0
-	-	-	-	-	-	-	0.7	-	0.7
-	-	-	-	-	-	-	18.7	-	18.7
-	-	-	-	-	-	-40.9	-40.9	-	-40.9
-	-	-	-	-	-	0.8	0.8	-	0.8
-	-	-	0.5	-	-	-	0.5	-	0.5
0.0	0.0	0.0	0.5	0.0	0.0	-40.1	-20.2	0.0	-20.2
0.0	-	-	0.2	-	0.0	-0.2	0.0	-	0.0
-41.9	10.7	-4.8	-	-22.9	0.0	19.5	236.6	3.3	239.9

Consolidated statement of cash flows

For the year ended December 31

(Million EUR)	note	2013	2012 ¹
Operating activities			
Profit (+) / loss (-) for the period		-65.1	-198.4
Depreciation, amortization and impairment losses on tangible assets, goodwill and other intangible assets		76.5	104.7
Impairment losses on disposal groups classified as held for sale		13.2	106.6
Changes in provisions		4.5	87.0
Finance costs	9	62.9	48.8
Finance income	9	-35.7	-24.2
Loss / (profit) on sale of non-current assets		-2.7	-7.2
Impact capital increase expense and warrant plan		0.8	0.0
Share of result of equity accounted investees, net of income tax		-4.2	-7.3
Income tax expense	10	23.4	17.9
Other non-cash items		-1.2	-4.1
Changes in inventories		16.1	-13.1
Changes in trade and other receivables		8.2	8.3
Changes in trade and other payables		15.9	-48.3
Cash generated from operations		112.6	70.6
Income tax paid		-8.1	-27.4
Dividends received	31	5.3	7.1
Dividends paid to non-controlling interests		-	-0.6
Cash flow from operating activities		109.8	49.7

1. 2012 as reported, adjusted to reflect the effects of the retrospective application on the revised IAS 19 Employee Benefits (see also note 24 – Employee benefits).

For the accompanying notes which are an integral part of these consolidated financial statements, we refer to the Financial Report 2013.

(Million EUR)	note	2013	2012 ¹
Investing activities			
Acquisition of property, plant and equipment	11	-94.8	-114.2
Acquisition of other intangible assets	13	-4.4	-3.7
Acquisition of investments accounted for using the equity method		-	-0.9
Acquisition of businesses, net of cash acquired		-	-15.6
Acquisition of investments		-0.5	-
Proceeds from sale of property, plant and equipment		8.2	3.1
Proceeds from sale of other intangible assets		0.3	-
Proceeds from sale of subsidiaries, net of cash disposed of		80.7	-1.7
Further settlement of the PVC/Chlor-Alkali sales transaction		-	11.1
Proceeds from sale of investments accounted for using the equity method		-	20.9
Cash flow from investing activities		-10.5	-101.0
Financing activities			
Increase / (decrease) of issued capital and share premium	21	0.7	0.8
Own shares		0.5	-0.6
Increase of financial liabilities		46.5	115.8
(Decrease) of financial liabilities		-84.1	-24.8
Interest paid		-13.6	-14.6
Interest received		0.4	0.3
Other finance costs paid		-8.5	-5.4
(Increase) / decrease of long term receivables		-1.4	-4.8
Dividends paid to shareholders	21	-22.2	-19.8
Cash flow from financing activities		-81.8	46.8
Net increase / (decrease) in cash and cash equivalents			
		17.4	-4.5
Effect of exchange rate differences		-2.1	-0.3
Cash and cash equivalents less bank overdrafts at the beginning of the period	19/23	29.5	34.2
Cash and cash equivalents less bank overdrafts at the end of the period	19/23	44.8	29.5

1. 2012 as reported, adjusted to reflect the effects of the retrospective application on the revised IAS 19 Employee Benefits (see also note 24 – Employee benefits).

For the accompanying notes which are an integral part of these consolidated financial statements, we refer to the Financial Report 2013.

Key figures¹

(in million EUR)

	2013
Revenue	1,790.1
REBITDA	116.6
REBIT	45.8
Non-recurring income/(expense) items	-64.4
EBIT	-18.7
Profit (+) / loss (-) for the period	-65.1
Net cash flow	26.9
Profit (+) / loss (-) /Revenue	(%) -3.6
REBIT/Revenue	(%) 2.6
Net cash flow/Revenue	(%) 1.5
Enterprise Value	881.2
Capital Employed (CE)	699.1
Working Capital	175.4
ROCE	(%) 6.5
Capital expenditure (PP&E)	94.8
Equity attributable to equity shareholders of the company	236.6
Return On Equity (ROE)	(%) -22.7
Net financial liabilities	258.9
Net financial liabilities/Equity	(%) 109.4
Net financial liabilities/REBITDA	2.2
Interest coverage	-1.7
Dividend paid	N/A
Payout ratio	(%) N/A
Headcount	5,121

1. Available on the Tessenderlo Group website: www.tessenderlogroup.com

2. 2012 as reported, adjusted to reflect the affects of retrospective application on the revised IAS 19 Employee Benefits

3. Continuing operations

2012 ²	2011 ³	2010 ³	2009	2008	2007	IFRS 2006	2005	2004
2,129.6	2,126.0	2,024.0	2,093.8	2,765.0	2,405.9	2,238.3	2,149.6	2,062.9
160.0	187.0	162.8	63.4	344.7	261.6	188.4	191.8	220.8
74.8	104.9	73.0	- 51.4	239.1	152.3	72.3	67.4	106.2
- 238.0	1.0	3.0	- 99.8	- 26.9	35.1	- 76.9	- 8.2	- 25.0
- 163.3	105.9	76.0	- 151.2	212.2	187.4	- 4.6	59.2	81.2
- 198.4	57.9	33.0	- 166.7	140.4	128.7	- 24.3	35.1	53.6
81.9	135.6	83.0	45.9	280.1	248.1	142.8	161.0	195.6
- 9.3	2.7	1.6	- 8.0	5.1	5.3	- 1.1	1.6	2.6
3.5	4.9	3.6	- 2.5	8.6	6.3	3.2	3.1	5.1
3.8	6.4	4.1	2.2	10.1	10.3	6.4	7.5	9.5
1 075.7	826.0	942.8	849.7	894.0	1 161.0	1 296.7	1 175.0	1 197.4
819.5	894.3	976.5	1,099.4	1,282.7	1,118.9	1,181.3	1,258.0	1,166.0
250.5	262.4	179.6	283.7	552.5	367.0	392.7	447.0	413.2
9.1	11.7	6.0	- 4.7	18.6	13.6	6.1	5.4	9.1
114.2	102.4	117.1	112.4	94.2	98.6	119.3	172.5	171.1
335.5	600.3	724.8	705.2	900.0	800.2	709.5	774.3	755.5
- 42.4	8.7	2.8	- 20.8	16.5	17.0	- 3.3	4.6	7.2
314.0	219.4	162.0	209.0	294.6	243.8	411.0	428.9	351.4
93.6	36.5	22.3	29.6	32.7	30.4	57.8	55.4	46.5
2.0	1.2	0.9	3.3	0.9	0.9	2.2	2.2	1.6
- 9.8	6.4	2.8	- 17.3	14.3	10.9	0.5	3.9	5.2
40.9	39.4	38.3	37.1	36.9	35.0	33.3	32.7	32.7
N/A	68.0	188.7	N/A	26.3	27.2	N/A	94.4	58.0
7,005	7,457	8,262	8,317	8,237	8,121	8,124	8,123	8,181

EDITOR

Michaël Vandenberghe
Group Communication
Tessengerlo Group
Troonstraat 130
B-1050 Brussels
Belgium

Concept & Pre-press
Chris Communications
www.chriscom.eu

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This Activity Report 2013 as well as the Annual Brochure 2013 and the Annual Financial Report 2013 can be viewed on our website: www.tessengerlogroup.com

TESSENDERLO CHEMIE NV

Registered office and administrative headquarters
Troonstraat 130
B-1050 Brussels
Belgium
Tel. +32 2 639 18 11
Fax +32 2 639 19 99
VAT BE 0 412 101 728
RLP Brussels



www.tessengerlogroup.com