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REGULATED INFORMATION
August 23, 2017, 8:00 am CET

TESSENDERLO GROUP INTERIM REPORT FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2017[1]

[1] Note that Tessenderlo Group published, in addition to this interim report, also a press release on the June 30, 2017 results, which contains limited additional quarterly figures. This press release can be consulted on our website www.tessenderlo.com.

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Note to the reader:

- The half year information has been subject to a review by external auditors. Reference is made to the independent auditor's review in chapter 4 of this report.
- Figures may not add up due to rounding.

1. MANAGEMENT REPORT

1.1 GROUP KEY FIGURES

Million EUR	HY17	HY16	% Change
Revenue Group	924.6	855.1	8.1%
- Other revenue included in revenue Group[2]	-29.7	-18.2	
Revenue	**894.9**	**836.8**	**6.9%**
REBITDA Group	122.9	120.4	2.0%
- Other REBITDA included in REBITDA Group[2]	-2.3	-0.2	
REBITDA	**120.6**	**120.2**	**0.3%**
REBIT Group	86.6	82.9	4.5%
- Other REBIT included in REBIT Group[2]	-2.2	-0.1	
REBIT	**84.4**	**82.8**	**1.9%**
Profit (+) / loss (-) for the period	**17.1**	**40.3**	**-57.6%**
Total comprehensive income	**22.9**	**29.1**	**-21.5%**
Capital expenditure	**39.5**	**47.3**	**-16.5%**
Cash flow from operating activities	**142.6**	**72.9**	**95.5%**

GROUP KEY FIGURES - YEAR TO DATE			
Million EUR	**HY17**	**HY16**	**% Change**
Revenue Group	**924.6**	**855.1**	**8.1%**
Agro	362.7	346.6	4.7%
Bio-valorization	272.5	244.0	11.7%
Industrial Solutions	259.7	246.3	5.4%
Other	29.7	18.2	63.0%
REBITDA Group	**122.9**	**120.4**	**2.0%**
Agro	76.4	78.9	-3.2%
Bio-valorization	20.8	13.4	54.6%
Industrial Solutions	23.4	27.9	-16.2%
Other	2.3	0.2	nm
REBIT Group	**86.6**	**82.9**	**4.5%**
Agro	63.9	66.7	-4.2%
Bio-valorization	7.3	-2.4	nm
Industrial Solutions	13.2	18.6	-29.0%
Other	2.2	0.1	nm
Non-recurring and exceptional operating income/(expense) items	-4.4	-3.8	-15.1%
EBIT	82.2	79.1	4.0%

[2] The line "Other" refers to engineering and construction activities of the subsidiary Tessenderlo Kerley Services Inc., for the joint-venture Jupiter Sulphur LLC.

REVENUE

The HY17 revenue increased by 6.9% (or by 6.4% when excluding the foreign exchange effect). The revenue within Bio-valorization increased by 11.7% when excluding the foreign exchange effect, with an increase in both Akiolis and Gelatin. Industrial Solutions revenue increased by 6.5% when excluding the foreign exchange effect, mainly within Plastic Pipe Systems and Mining & Industrial. Agro revenue increased by 2.7% when excluding the foreign exchange effect, where the positive evolution in SOP Plant Nutrition was partially offset by a decrease in Crop Vitality.

REBITDA

The HY17 REBITDA increased by +0.3% (or decreased by -1.7% when excluding the foreign exchange effect). The HY17 REBITDA includes a reversal of inventory write-offs of +1.7 million EUR (while in HY16 an additional inventory write-off for -2.8 million EUR was recognized). The HY17 REBITDA increase within Bio-valorization, was more than offset by the REBITDA decrease in the operating segments Agro and Industrial Solutions.

NET FINANCIAL DEBT

At the end of June 2017, group net financial debt amounted to 40.8 million EUR, resulting in a leverage of 0.2x, compared to a net financial debt of 136.6 million EUR as per year-end 2016. The cash flow from operating activities amounts to 142.6 million EUR (72.9 million EUR in HY16), partially offset by capital expenditure of 39.5 million EUR (47.3 million EUR in HY16). The HY17 decrease of the working capital by 37.7 million EUR, compared to an increase by -37.4 million EUR over HY16, is the main driver of the higher operating cash flow.

PROFIT (+) / LOSS (-) FOR THE PERIOD

The HY17 profit amounts to 17.1 million EUR compared to 40.3 million EUR in the same period last year. Higher net finance costs, significantly impacted by non-realized exchange losses on USD, GBP and CNY, explain the lower result for the period.

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1.2 OPERATING SEGMENTS PERFORMANCE REVIEW

AGRO			
Million EUR	**HY17**	**HY16**	**% Change**
Revenue	362.7	346.6	4.7%
REBITDA	76.4	78.9	-3.2%
REBITDA margin	21.1%	22.8%	
REBIT	63.9	66.7	-4.2%
REBIT margin	17.6%	19.2%	

HY17 revenue increased by 4.7% (or by 2.7% when excluding the foreign exchange effect). The impact of higher sulphates volumes was only partially offset by lower selling prices in HY17 compared to HY16.
The HY17 REBITDA decreased by -3.2% compared to prior year (by -5.8% when excluding the foreign exchange effect), mainly a consequence of Crop Vitality results being negatively impacted by lower margins. The HY REBITDA of the other Agro activities remained stable compared to one year earlier.

BIO-VALORIZATION			
Million EUR	**HY17**	**HY16**	**% Change**
Revenue	272.5	244.0	11.7%
REBITDA	20.8	13.4	54.6%
REBITDA margin	7.6%	5.5%	
REBIT	7.3	-2.4	nm
REBIT margin	2.7%	-1.0%	

Revenue increased by 11.7% in HY17 (same increase when excluding the foreign exchange effect). The revenue increase can be explained by higher volumes within Gelatin, as well as a changed mix in the upstream and downstream Akiolis markets. The REBITDA increased from 13.4 million EUR as per HY16 to 20.8 million EUR as per HY17 (+54.6% or +53.8% when excluding the foreign exchange effect). The HY17 result was positively impacted by an inventory write-off reversal (+2.3 million EUR), while its impact was negative in HY16 (-2.3 million EUR). Operational improvements, which are the result of continuous investments and ongoing maintenance programs in the different gelatin plants, were offset by increased raw material prices in the Americas, while Akiolis could benefit from a changed mix in the upstream and downstream markets.

INDUSTRIAL SOLUTIONS			
Million EUR	**HY17**	**HY16**	**% Change**
Revenue	259.7	246.3	5.4%
REBITDA	23.4	27.9	-16.2%
REBITDA margin	9.0%	11.3%	
REBIT	13.2	18.6	-29.0%
REBIT margin	5.1%	7.5%	

The HY17 revenue of the segment Industrial Solutions increased by 5.4% (or 6.5% when excluding the foreign exchange rate effect), being positively impacted by the activities Plastic Pipe Systems and Mining & Industrial.
The HY17 REBITDA decreased by -16.2% (or by -16.6% when excluding the foreign exchange rate effect). This decrease can be mainly explained by higher raw material prices within Plastic Pipe Systems, current unfavorable market conditions within Performance Chemicals and the expiration of a contract within Environmentally Clean Systems (ECS) which is currently under dispute. The solid performance of Mining & Industrial could only partially offset this decrease.

2. STATEMENT ON THE TRUE AND FAIR VIEW OF THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND THE FAIR OVERVIEW OF THE MANAGEMENT REPORT

Mr. L. Tack (CEO) and Mr. S. Haspeslagh, representative of Findar BVBA (COO/CFO) certify, on behalf and for the account of the company, that, to their knowledge,

a) the condensed consolidated financial information which has been prepared in accordance with the International Financial Reporting Standard on Interim Financial Statements (IAS 34), gives a true and fair view of the financial position, income statement and statement of comprehensive income of the company, and the entities included in the consolidation as a whole,
b) the management report includes a fair overview of the information required under Article 13, §5 and §6 of the Royal Decree of November 14, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

3. CONDENSED CONSOLIDATED FINANCIAL INFORMATION JUNE 30, 2017

3.1 CONSOLIDATED INCOME STATEMENT

Million EUR	note	HY17	HY16
Revenue	**6**	**924.6**	**855.1**
Cost of sales		-682.3	-629.3
Gross profit		**242.3**	**225.8**
Distribution expenses		-57.3	-49.2
Sales and marketing expenses		-31.7	-29.5
Administrative expenses		-56.7	-55.9
Other operating income and expenses		-10.0	-8.3
Profit (+) / loss (-) from operations before non-recurring and exceptional operating items (REBIT)		**86.6**	**82.9**
Non-recurring and exceptional operating income/(expense) items	7	-4.4	-3.8
Profit (+) / loss (-) from operations (EBIT)		**82.2**	**79.1**
Finance (costs) / income - net	**8**	**-45.3**	**-19.3**
Share of result of equity accounted investees, net of income tax		1.7	1.8
Profit (+) / loss (-) before tax		**38.7**	**61.6**
Income tax expense	9	-21.6	-21.4
Profit (+) / loss (-) for the period		**17.1**	**40.3**
Attributable to:			
- Equity holders of the company		**17.6**	**40.7**
- Non-controlling interest		**-0.5**	**-0.4**
Basic earnings per share (EUR)	14	0.41	0.95
Diluted earnings per share (EUR)	14	0.41	0.95

3.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Million EUR	Note	HY17	HY16
Profit (+) / loss (-) for the period		**17.1**	**40.3**
Translation differences		-3.4	3.5
Net change in fair value of derivative financial instruments, before tax		1.3	-1.2
Other movements		-0.2	0.1
Income tax on other comprehensive income		-0.4	0.4
Other comprehensive income to be reclassified to profit or loss in subsequent periods		**-2.7**	**2.9**
Remeasurements of the net defined benefit liability, before tax	16	6.0	-14.0
Income tax on other comprehensive income		2.5	0.0
Other comprehensive income not being classified to profit or loss in subsequent periods		**8.5**	**-14.0**
Other comprehensive income, net of income tax		**5.8**	**-11.1**
Total comprehensive income		**22.9**	**29.1**
Attributable to:			
- Equity holders of the company		23.6	29.5
- Non-controlling interest		-0.8	-0.4

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3.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Million EUR ASSETS	note	30.06.2017	31.12.2016
Total non-current assets		**646.7**	**661.4**
Property, plant and equipment	11	497.7	508.4
Goodwill		34.4	35.6
Other intangible assets	11	37.6	45.7
Investments accounted for using the equity method		27.9	27.3
Other investments		1.7	1.9
Deferred tax assets		36.4	31.7
Trade and other receivables		11.0	10.9
Total current assets		**767.9**	**697.4**
Inventories	12	246.8	309.7
Trade and other receivables	12	309.2	268.0
Derivative financial instruments		0.0	0.5
Cash and cash equivalents	13/15	211.8	119.2
Total assets		**1,414.6**	**1,358.8**
EQUITY AND LIABILITIES			
Total equity		**628.8**	**605.9**
Equity attributable to equity holders of the company		**628.3**	**604.7**
Issued capital		215.8	215.8
Share premium		235.6	235.6
Reserves and retained earnings		177.0	153.3
Non-controlling interest		**0.5**	**1.3**
Total liabilities		**785.8**	**752.9**
Total non-current liabilities		**476.0**	**482.8**
Loans and borrowings	15	225.1	226.9
Employee benefits	16	57.1	61.5
Provisions		129.7	132.4
Trade and other payables		3.3	4.2
Derivative financial instruments	17	11.8	12.2
Deferred tax liabilities		49.0	45.5
Total current liabilities		**309.7**	**270.1**
Bank overdrafts	15	0.1	0.0
Loans and borrowings	15	27.5	28.9
Trade and other payables	12	260.1	221.9
Derivative financial instruments	17	6.2	6.0
Current tax liabilities		1.7	1.5
Employee benefits	16	1.0	1.8
Provisions		13.3	10.0
Total equity and liabilities		**1,414.6**	**1,358.8**

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3.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Million EUR	Note	Issued capital	Share premium	Legal reserves	Translation reserves	Hedging reserves	Retained earnings	Equity attributable to equity holders of the company	Non-controlling interest	Total equity
Balance at January 1, 2017		**215.8**	**235.6**	**18.4**	**-77.2**	**-6.8**	**219.0**	**604.7**	**1.3**	**605.9**
Profit (+) / loss (-) for the period		**-**	**-**	**-**	**-**	**-**	**17.6**	**17.6**	**-0.5**	**17.1**
Other comprehensive income for the period										
- Translation differences		-	-	-	-3.3	-	-	-3.3	-0.1	-3.4
- Remeasurements of the net defined benefit liability, before tax	16	-	-	-	-	-	6.0	6.0	-	6.0
- Net change in fair value of derivative financial instruments, before tax		-	-	-	-	1.3	-	1.3	-	1.3
- Income tax on other comprehensive income		-	-	-	-	-0.4	2.5	2.0	-	2.0
- Other movements		-	-	-	-	-	-	0.0	-0.2	-0.2
Comprehensive income, net of income taxes		**0.0**	**0.0**	**0.0**	**-3.3**	**0.8**	**26.1**	**23.6**	**-0.8**	**22.9**
- Other movements		-	-	3.2	-	-	-3.2	0.0	-	0.0
Balance at June 30, 2017		**215.8**	**235.6**	**21.6**	**-80.5**	**-6.0**	**241.9**	**628.3**	**0.5**	**628.8**

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3.5 CONSOLIDATED STATEMENT OF CASH FLOWS

Million EUR	Note	30.06.2017	30.06.2016
OPERATING ACTIVITIES			
Profit (+) / loss (-) for the period		**17.1**	**40.3**
Depreciation, amortization and impairment losses on tangible assets, goodwill and other intangible assets		37.0	39.5
Changes in provisions		1.2	-5.4
Finance costs / (income) - net	8	45.3	19.3
Loss / (profit) on sale of non-current assets		-0.7	0.2
Share of result of equity accounted investees, net of income tax		-1.7	-1.8
Income tax expense	9	21.6	21.4
Other non-cash items		-0.3	-0.7
Changes in inventories	12	53.9	9.3
Changes in trade and other receivables	12	-55.7	-46.7
Changes in trade and other payables	12	39.6	-0.0
Change in accounting estimates - inventory write off		-1.7	2.8
Revaluation electricity forward contract	17	-0.3	1.7
Cash generated from operations		***155.2***	***79.8***
Income tax (paid)/received		-13.7	-7.2
Dividends received		1.1	0.3
Cash flow from operating activities		**142.6**	**72.9**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	11	-39.3	-47.3
Acquisition of other intangible assets	11	-0.1	-0.0
Acquisition of businesses, net of cash acquired		-	-3.3
Proceeds from the sale of property, plant and equipment and other intangible assets		1.6	1.3
Proceeds from the sale of investments accounted for using the equity method		-	-0.6
Cash flow from investing activities		**-37.9**	**-49.8**
FINANCING ACTIVITIES			
Proceeds from new borrowings		0.4	2.2
(Reimbursement) of borrowings		-3.6	-13.3
Interest paid		-0.1	-0.2
Interest received		0.3	0.3
Other finance costs paid		-0.8	-0.9
(Increase) / decrease of long term receivables		-0.2	0.6
Cash flow from financing activities		**-4.1**	**-11.4**
Net increase / (decrease) in cash and cash equivalents		**100.6**	**11.8**
Effect of exchange rate differences		-8.1	-1.1
Cash and cash equivalents less bank overdrafts at the beginning of the period	13/15	119.2	129.7
Cash and cash equivalents less bank overdrafts at the end of the period	13/15	211.7	140.4

3.6 NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

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1. REPORTING ENTITY

Tessenderlo Group nv[3] (hereafter referred to as "the company"), the parent company, is a company domiciled in Belgium. The condensed consolidated financial information for the six month period ended June 30, 2017 comprises the company and its subsidiaries (together referred to as "the group") and the group's interests in associates and jointly controlled entities.

2. STATEMENT OF COMPLIANCE

This condensed consolidated financial information for the six month period ended June 30, 2017 has been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 *Interim Financial Reporting*, as adopted for use by the European Union. It does not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the group as at and for the year ended December 31, 2016 which have been prepared in accordance with IFRS.

This condensed consolidated financial information was approved by the Board of Directors on August 21, 2017. This condensed consolidated financial information has been reviewed, not audited.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used by the group in the present condensed consolidated financial information are consistent with those used in the preparation of the consolidated financial statements as at and for the year ended December 31, 2016 and in accordance with IAS 34 *Interim Financial Reporting*.

There are no new or amended standards or interpretations that are effective for the first time for the interim report for the six month period ended June 30, 2017 that had a significant impact on the consolidated financial statements. For the six month period ended June 30, 2017, the group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

In the first semester of 2017 Tessenderlo Group continued with a detailed analysis of IFRS 15 *Revenue from contracts with customers*. IFRS 15 will replace the current standards IAS 18 *Revenue*, IAS 11 *Construction contracts* and a number of revenue related interpretations. IFRS 15 specifies how and when revenue is recognized and provides more informative and relevant disclosures. The main types of commercial arrangements used with customers in each operating segment were reviewed under this model.

The majority of the group's revenue consists of the sales of goods. The products are generally sold directly or through distributors to the customers. Revenue is currently recognized when the goods are delivered to the customers, where the point of recognition is dependent on the contract sales terms, known as the International Commercial terms (Incoterms). The revenue recognition model will change under IFRS 15 from one based on the transfer of risk and reward of ownership to one based on the transfer of control of ownership. The sale of goods qualifies as a separate performance obligation, while the transportation of goods is not qualified as a distinct service. The related costs of transportation are incurred as part of the performance obligation to transfer goods to the customer.

Within Agro and Industrial Solutions, the group also provides distinct services, such as product training or engineering services, which are rendered prior to the period that the corresponding goods are sold to the customer. The right to return an item is limited to default products and limited in time. Based on the results of the current analysis performed, the group does not expect any significant impact of IFRS 15 on the current accounting practice.

[3] The extraordinary general meeting of June 6, 2017 decided to change the name of the company to "Tessenderlo Group nv" (previously Tessenderlo Chemie nv).

The group also recognizes revenue from the sale of services. These mainly relate to the collection of organic materials within Akiolis (operating segment Bio-valorization), and water treatment services at industrial mining, refinery and oil and gas exploration water treatment locations within MPR and ECS (operating segment Industrial Solutions). The sale of services qualifies as a separate performance obligation, where revenue is recognized over time. Under IFRS 15, revenue will be recognized when a customer obtains control of the services, which can be at a point in time or over time. For each performance obligation satisfied over time, revenue needs to be recognized by measuring the progress towards complete satisfaction of that performance obligation at the end of each reporting period. Based on the results of the current analysis performed, the group does not expect any significant impact of IFRS 15 on the current accounting practice.

The group is currently also executing engineering and construction activities through its subsidiary Tessenderlo Kerley Services Inc. (included in “Other”) for the joint-venture Jupiter Sulphur LLC. Revenue is currently recognized based on the percentage of completion. The majority of the engineering and construction activities are expected to be completed by year-end 2017. Based on the results of the current analysis performed, the group does not expect any significant impact of IFRS 15 on the current accounting practice.

Some of the customer contracts include trade discounts or volume rebates, which are granted to the customer if the delivered quantities exceed a certain threshold. In these cases, the transaction price includes a variable consideration. According to IFRS 15, the effect of the variable consideration on the transaction price should be taken into account in revenue recognition by estimating the probability of the realization of the discount or rebate for each contract. Based on the results of the current analysis performed, the group does not expect any significant impact of IFRS 15 on the current accounting practice.

Some customer contracts, mainly in the operating segment Agro, contain consignment arrangements. The products are shipped and stored in owned or rented tanks at the customer’s premises. The revenue is only recognized at the moment the product is actually withdrawn by the customer. The sales price will be the applicable market price at that moment. There have been no bill and hold arrangements identified in the reviewed contracts. Based on the results of the current analysis performed, the group does not expect any significant impact of IFRS 15 on the current accounting practice.

Depending on the customer and the credit risk assessment made for this customers, the payment terms are determined conform current market conditions. There have been no customer arrangements identified in which the consideration included a financing component. Credit risk for a large majority of the receivables is covered under a group credit insurance program and payment behavior is closely monitored by the credit department.

Costs of obtaining a contract are currently expensed. Under IFRS 15, the incremental costs of obtaining a contract with a customer will be recognized as an asset if the entity expects to recover them. No material incremental costs of obtaining a contract, which would fulfill the capitalization criteria as defined by IFRS 15, have been identified in the reviewed contracts.

Based on the current analysis performed, the group does not expect any significant impact on the timing and amount of revenue recognition. The group continues to work on the transition to the new standard and plans to adopt the new standard on the required effective date using the modified retrospective method. Under this method, IFRS 15 will only be applied to contracts that are not completed as of the date of initial application (January 1, 2018). This would mean that comparative figures of 2017 will not be restated and that the cumulative effect of initially applying IFRS 15 will be recognized as an adjustment to the opening balance of retained earnings of 2018.

The following exchange rates have been used in preparing the condensed consolidated financial information:

EXCHANGE RATES					
	Closing rate			Average rate	
1 EUR equals:	30.06.2017	31.12.2016	30.06.2016	30.06.2017	30.06.2016
Argentine peso	18.9690	16.6673	16.6838	17.0156	15.9992
Brazilian real	3.7600	3.4305	3.5898	3.4431	4.1295
Chinese yuan	7.7385	7.3202	7.3755	7.4448	7.2965
Czech crown	26.1970	27.0210	27.1310	26.7841	27.0396
Hungarian forint	308.9700	309.8300	317.0600	309.4213	312.7135
Polish zloty	4.2259	4.4103	4.4362	4.2690	4.3688
Pound sterling	0.8793	0.8562	0.8265	0.8606	0.7788
US dollar	1.1412	1.0541	1.1102	1.0830	1.1159

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed consolidated financial information in conformity with IFRS as adopted for use by the European Union requires management to make judgments, estimates and assumptions that affect the application of the accounting policies, the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial information and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making the reported amounts of revenue and expenses that may not be readily apparent from other sources. Actual results could differ from those estimates.

Estimates and assumptions are reviewed periodically and the effects of revisions, if needed, are reflected in the condensed consolidated financial information. The judgments, estimates and assumptions used in preparing the condensed consolidated financial information for June 30, 2017 are the same as those applied and disclosed in the consolidated financial statements at December 31, 2016. Actual results could differ from these estimates.

5. RISKS AND UNCERTAINTIES

Under the explicit understanding that this is not an exhaustive list, the main risk factors and uncertainties for the group for the second semester of 2017 are listed below. Additional risks of which the group is not aware may possibly exist. There may also be risks that the group currently believes to be unimportant, but which can still have an adverse effect. The order in which the individual risks are presented is neither indicative of their likelihood to occur, nor of the severity or significance of the individual risks. Please note that in the 2016 annual report additional risks were included. For a more detailed overview of the major risks for the group, we refer to our 2016 annual report.

- **The group depends on the availability of sufficient volumes of raw materials with the required specifications at competitive prices.**

The group depends on the availability of sufficient volumes of raw materials, which meet the required specifications, against competitive prices. While the group sources most of its raw materials from multiple suppliers, some raw materials are sourced from only few suppliers. As such, the group relies on a number of third party suppliers and other business partners. If the market prices fall below the agreed minimum prices, the group may be required to purchase products at above-market prices.

- **If the group is unable to sell, store, re-utilize or dispose of certain components that it produces, it may be required to limit or reduce its overall production levels.**

The group's chemical operations are dependent on its ability to sell, store, re-utilize or otherwise dispose of certain components (such as by-products and co-products) which are produced in the course of the production process of various products. There can be no assurance that the group will be able to do this in the future and will not be required to reduce its overall production levels or invest in new treatment processes.

- **The group's results are dependent on weather conditions and are subject to seasonality.**

Several of the group's activities are dependent on weather conditions. The group also has activities which are also subject to seasonality, whereby products are sold within a short timeframe. Products of the group's Agro segment must be supplied to the customers during the planting season. Bad weather conditions can disrupt this process, reduce the possibility to apply product and/or reduce the need for products. The group also sells products in the construction markets in several countries in the northern hemisphere, which are typically affected by winter weather conditions.

- **The group's current and future investments and/or constructions are subject to the risk of delays, cost overruns and other complications, and may not achieve the expected returns.**

The group currently has new projects which are under construction or in ramp-up phase. In addition, the group is implementing a number of major investment projects that are key to its strategy. These projects may be delayed, exceed the budget or the utilized technology may prove to be inadequate or may fail to reach the expected return.

- **The group is exposed to an energy off-take agreement.**

The group sold the majority of its PVC/Chlor-Alkali activities in the third quarter of 2011. The electricity purchase agreement relating to that activity was not part of the sale transaction and therefore the group is still under an obligation to purchase certain quantities of electricity. As the group no longer needs the electricity for its own use, it needs to sell the electricity on the market until the end of the contract. The value of the contract is depending on the current and future difference between market electricity prices and the generation cost based on market gas prices, and on the effect of the hourly pricing optimization as foreseen in the contract. Based on today's electricity prices and the current price of electricity futures, the contract has a negative value in the financial statements as per June 30, 2017 (-18.0 million EUR).

- **The group's results are highly sensitive to commodity prices.**

Market factors largely beyond the group's control, such as the actual or perceived changes in level of supply and demand, the availability and cost of substitute materials and inventory levels maintained by producers, all influence product prices. In certain of the group's segments, the prices of the group's products are correlated to the prices of major commodity products, such as KCl, soy, palm oil and polymers. As such, the group may not be able to implement or preserve its pricing policy.

- **The group may be exposed to product liability and warranty claims, including but not limited to liability in respect of food safety.**

The group's products are subject to increasingly stringent industry, regulatory and customer requirements. The activities of the group may expose the group to product liability and warranty claims. The products manufactured by the group are used in various downstream applications including, but not limited to, the food, cosmetics, nutraceutical and pharmaceutical industry and may contain undetected errors or defects, which may lead, for example, to product recalls, increased customer service and support, payment of monetary damages to customers, lawsuits and loss of customers. In addition, the group cannot exclude that customers incorrectly apply the group's products.

- **The group is exposed to a variety of financial risks such as credit risk, liquidity risk, currency risk and interest risk.**

We refer to note 26 - Financial instruments of the 2016 consolidated financial statements for more detailed information on the company's exposure to financial risks and its risk management policies.

- Credit risk

The maximum exposure to credit risk amounts to 532.0 million EUR as of June 30, 2017. This amount mainly consists of current and non-current trade and other receivables (320.2 million EUR), derivative financial instruments (0.0 million EUR) and cash and cash equivalents (211.8 million EUR).

- Liquidity risk

The group limits this risk, through a series of actions:

- The setup of a factoring program at the end of 2009, which is put on hold since 2015;
- A capital increase of 174.8 million EUR on December 19, 2014;
- The issuance in July 2015 of two series of bonds with a maturity of 7 years (the "2022 bonds") and 10 years (the "2025 bonds"). The total issue amount was 250.0 million EUR, of which 192.0 million EUR for the 2022 bonds and 58.0 million EUR for the 2025 bonds;
- The replacement of the syndicated facility agreement in December 2015 by 5 year committed bilateral credit lines for a total amount of 142.5 million EUR (of which part can be drawn in USD) with four banks. These facilities have no financial covenants and ensure maximum flexibility for the different activities.

In addition, the group uses a commercial paper program of maximum 200.0 million EUR.

- Currency risk

The currencies given rise to this risk are primarily USD (US Dollar), Pound sterling (GBP), Chinese yuan (CNY), Brazilian real (BRL) and Argentina peso (ARS). The USD, CNY and GBP exposure is mainly due to intragroup loans and cash and cash equivalents which are not hedged.

- Interest risk

The financial debt position was mainly funded by fixed interest rate instruments. The interest rate of the bonds issued in July 2015, for an amount of 192.0 million EUR with a maturity of 7 years and 58.0 million EUR with a maturity of 10 years, is fixed at 2.875% and 3.375% respectively.

6. SEGMENT REPORTING

The following 3 operating segments fulfill the quantitative thresholds and are reported separately:

- "Agro" - includes manufacturing and distribution of fertilizers and crop protection products (including the following businesses: Crop Vitality, Tessenderlo Kerley International, NovaSource and SOP Plant Nutrition).
- "Bio-valorization" - includes collecting and processing of animal by-products; manufacturing and distribution of gelatins (including the following businesses: Gelatin and Akiolis).
- "Industrial Solutions" - includes manufacturing and distribution of solutions for industrial applications, including water management and solutions for the mining industry (including the following businesses: Plastic Pipe Systems, Mining and Industrial, Performance Chemicals and MPR/ECS).

The line "Other" refers to engineering and construction activities of the subsidiary Tessenderlo Kerley Services Inc. for the joint-venture Jupiter Sulphur LLC.

The recurring costs (costs included within REBIT), related to the corporate activities, are allocated to the different operating segments they support.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The Executive Committee has been identified as the chief operating decision maker. The measure of segment profit/loss is REBIT, which is consistent with information that is monitored by the chief operating decision maker.

The group is a diversified specialty group that is worldwide active in many areas of agriculture, food, water management, efficient re(use) of natural resources and other industrial markets. The products of the group are used in various applications and consumption markets. Although a leadership position is occupied by the group in a number of diverse markets, the diversification of the group's revenue makes the group not reliant on major customers.

The major line items of the income statement and statement of financial position are shown per operating segment in the table below. The income statement information is for the six month period ended June 30, while information from the statement of financial position is compared to December 31, 2016 figures.

Tessenderlo Group
EVERY MOLECULE COUNTS

SEGMENT REPORTING

Million EUR	Agro		Bio-valorization		Industrial solutions		Other		Non-allocated		Tessenderlo Group	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue (internal and external)	363.0	346.9	272.5	244.0	259.7	246.3	29.7	18.2	-	-	925.0	855.4
Revenue (internal)	0.3	0.3	-	-	-	-	-	-	-	-	0.3	0.3
Revenue	**362.7**	**346.6**	**272.5**	**244.0**	**259.7**	**246.3**	**29.7**	**18.2**	**-**	**-**	**924.6**	**855.1**
REBIT	**63.9**	**66.7**	**7.3**	**-2.4**	**13.2**	**18.6**	**2.2**	**0.1**	**-**	**-**	**86.6**	**82.9**
REBITDA	**76.4**	**78.9**	**20.8**	**13.4**	**23.4**	**27.9**	**2.3**	**0.2**	**-**	**-**	**122.9**	**120.4**
Return on revenue (REBITDA/revenue)	**21.1%**	**22.8%**	**7.6%**	**5.5%**	**9.0%**	**11.3%**	**7.8%**	**1.0%**	**-**	**-**	**13.3%**	**14.1%**
Segment assets	456.8	500.8	372.1	391.6	266.2	237.7	12.1	9.0	29.6	39.7	1,136.9	1,178.8
Investments accounted for using the equity method	16.7	17.0	0.7	0.7	-	-	-	-	10.5	9.6	27.9	27.3
Other investments	-	-	-	-	-	-	-	-	1.7	1.9	1.7	1.9
Deferred tax assets	-	-	-	-	-	-	-		36.4	31.7	36.4	31.7
Cash and cash equivalents	-	-	-	-	-	-	-	-	211.8	119.2	211.8	119.2
Total assets	**473.5**	**517.8**	**372.9**	**392.2**	**266.2**	**237.7**	**12.1**	**9.0**	**290.0**	**202.1**	**1,414.6**	**1,358.8**
Segment liabilities	84.9	64.7	139.4	134.8	81.4	68.7	2.4	3.9	176.0	179.5	484.2	451.6
Loans and borrowings	-	-	-	-	-	-	-	-	252.5	255.8	252.5	255.8
Bank overdrafts	-	-	-	-	-	-	-	-	0.1	0.0	0.1	0.0
Deferred tax liabilities	-	-	-	-	-	-	-	-	49.0	45.5	49.0	45.5
Total equity	-	-	-	-	-	-	-	-	628.8	605.9	628.8	605.9
Total equity and liabilities	**84.9**	**64.7**	**139.4**	**134.8**	**81.4**	**68.7**	**2.4**	**3.9**	**1,106.4**	**1,086.7**	**1,414.6**	**1,358.8**
Capital expenditures: property, plant and equipment and other intangible assets	10.0	27.4	10.8	11.3	18.4	8.5	-	-	0.3	0.1	39.5	47.3
Depreciation, amortization and impairment losses on property, plant and equipment, goodwill and other intangible assets	12.5	12.2	14.2	15.9	10.2	10.0	0.1	0.1	-	1.3	37.0	39.5

The reconciliation of the profit before tax is as follows:

RECONCILIATION PROFIT BEFORE TAX		
Million EUR	**30.06.2017**	**30.06.2016**
REBITDA of reportable segments	120.6	120.2
Other REBITDA included in Rebitda Group	2.3	0.2
REBITDA	**122.9**	**120.4**
Depreciation and amortization	-36.3	-37.5
Non-recurring and exceptional operating income/(expense) items	-4.4	-3.8
Finance (costs) / income - net	-45.3	-19.3
Share of result of equity accounted investees, net of income tax	1.7	1.8
Profit (+) / loss (-) before tax	**38.7**	**61.6**

7. NON-RECURRING AND EXCEPTIONAL OPERATING INCOME/(EXPENSE) ITEMS

For the first half of 2017, the net non-recurring and exceptional operating income/(expense) items amount to -4.4 million EUR (HY16: -3.8 million EUR).

The non-recurring and exceptional operating items mainly relate to the impact of an electricity purchase agreement, for which the own-use exemption under IAS 39 is not applicable anymore, the recognition of a restructuring provision within the operating segment Bio-valorization (following an announced reorganization of the Akiolis activities at the Pontivy plant - France) and several other individually insignificant items.

8. FINANCE COSTS AND INCOME

Net finance costs and income amount to -45.3 million EUR as per June 30, 2017, compared to -19.3 million EUR as per June 30, 2016.

FINANCE COSTS AND INCOME – YTD		
Million EUR	**HY17**	**HY16**
Total borrowing costs	-3.6	-3.7
Total income from investments, cash and cash equivalents	0.4	0.3
Net other finance (costs)/income	-42.1	-15.9
Total	**-45.3**	**-19.3**

Total borrowing costs amounted to -3.6 million EUR in HY17 compared to -3.7 million EUR in HY16. The borrowing costs mainly relate to the accrued interest charges on the bonds, issued in 2015, with a maturity of 7 years (the “2022 bonds”) and a maturity of 10 years (the “2025 bonds”) with a fixed rate of 2.875% and 3.375% respectively.

The net other finance costs can mainly be explained by the unrealized foreign exchange losses on USD, GBP and CNY intercompany loans and cash and cash equivalents, which are not hedged. The strengthening of the euro against the USD (+8.3%), GBP (+2.7%) and CNY (+5.7%) impacted this result. We refer to the 2016 financial report for more information on the group’s exposure to foreign currency risk.

9. INCOME TAX EXPENSE

Tax expenses amount to -21.6 million EUR in HY17, versus a tax expense of -21.4 million EUR in the same period last year. The income tax expenses mainly relate to the operations in the United States within the operating segment Agro.

Deferred tax assets on fiscal losses carried forward are recognized for 29.7 million EUR. These are mainly recognized on Tessenderlo Group nv, the parent company, for an amount of 20.2 million EUR (December 2016: 20.0 million EUR) and on French fiscal losses for an amount of 8.1 million EUR (December 2016: 6.8 million EUR).

The intention to reform the corporate tax legislation in Belgium was announced in July 2017. It is intended to reduce the corporate tax rate from 33.99% to 29.58% in 2018 and to 25% as from 2020, while a minimum taxation would be imposed on companies having a profit above 1.0 million EUR. The impact of these tax reform measures is not taken into account for the calculation of deferred tax assets on losses carried forward as per June 30, as these changes are not yet substantially enacted.

10. SEASONALITY OF OPERATIONS

Tessenderlo Group demonstrates a limited seasonality pattern at group level for revenue (first half of 2016: 54%), while seasonality at operating profitability level (as expressed by REBITDA) is more pronounced (first half of 2016: 61%). The degree of seasonality at group level is primarily determined by selling to customers in several end markets, including food, pet food, construction, agriculture and water treatment. Two important end markets which demonstrate seasonal characteristics are construction and agriculture. The group sells into the construction markets through its operating segment Industrial Solutions in several countries in the northern hemisphere, which are typically impacted by winter weather conditions in the first and fourth quarter. Agriculture related sales made in the operating segment Agro are influenced by the planting seasons, especially the spring planting season. Most of the sales of Crop Vitality - being part of the Agro operating segment - are in the United States, and this normally leads to higher sales and operating profitability in the first half of the year. Agro is the largest contributor to the group operating profitability, which explains why group operating profitability is typically higher in the first half year.

11. PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

For the six month period ended June 30, 2017, the group’s capital expenditure amounted to 39.5 million EUR (HY16: 47.3 million EUR).

The capital expenditure - property, plant and equipment and other intangible assets - per operating segment is disclosed in note 6 - Segment reporting.

During the six month period ended June 30, 2017 the group entered into contracts to purchase property, plant and equipment for 33.3 million EUR, the majority of which is expected to be delivered in 2017. The commitments mainly relate to the finalization of the construction of the new Thio-Sul® production plant in Rouen (France) and the construction of a membrane technology based production plant in the Produits Chimiques de Loos site (France).

12. WORKING CAPITAL

WORKING CAPITAL			
Million EUR	**30.06.2017**	**31.12.2016**	**30.06.2016**
Inventories	246.8	309.7	272.0
Current trade and other receivables	309.2	268.0	285.9
Current trade and other payables	-260.1	-221.9	-244.0
Working capital	**296.0**	**355.8**	**313.9**

The working capital decrease as per June 2017 compared to year-end 2016 can mainly be explained by a seasonality effect. Inventory decreased by -62.8 million EUR from 309.7 million EUR as per December 31, 2016 to 246.8 million EUR as per June 30, 2017. At year-end 2016, inventory levels were built up within Agro in order to be able to serve customers during the upcoming planting season. In addition, trade receivables and payables are generally lower at year-end due to the lower activity level.
The decrease of working capital from 313.9 million EUR as per June 30, 2016 to 296.0 million EUR as per June 30, 2017 can be mainly explained by higher sales in HY17 compared to the same period one year earlier.

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to 211.8 million EUR as per June 30, 2017 (compared to 119.2 million EUR as per December 31, 2016) and include 124.7 million USD (or 109.3 million EUR) (compared to 77.3 million USD (or 73.3 million EUR) as per year-end 2016).

14. EARNINGS PER SHARE

Basic earnings per share

The calculation of the basic earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the six month period ended June 30, adjusted for stock dividends.

The weighted average number of ordinary shares and the earnings per share are calculated as follows:

BASIC EARNINGS PER SHARE		
	30.06.2017	**30.06.2016**
Adjusted weighted average number of ordinary shares at June 30[1]	**43,068,884**	**42,902,722**
Profit (+) / loss (-) attributable to equity holders of the company (million EUR)	17.6	40.7
Basic earnings per share (in EUR)	**0.41**	**0.95**

[1] Takes into account the effect of shares issued, which is based on the weighted average number of issued shares during the accounting period. There were no shares issued in HY17 and HY16.

Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders and the diluted weighted average number of ordinary shares outstanding during the first half year.

Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share.

DILUTED EARNINGS PER SHARE		
	30.06.2017	**30.06.2016**
Adjusted weighted average number of ordinary shares at June 30	43,068,884	42,902,722
Effect of warrants issued[1]	12,259	67,902
Adjusted diluted weighted average number of ordinary shares at June 30	**43,081,143**	**42,970,624**
Profit (+) / loss (-) attributable to equity holders of the company (million EUR)	17.6	40.7
Diluted earnings per share (in EUR)	**0.41**	**0.95**

[1]The average share price used in the calculation of the earnings per share is based on the daily average closing share price of Tessenderlo Group quoted on the stock market.

As per June 30, 2017, 117,345 warrants are outstanding that were granted to senior management, of which 41,520 were dilutive and were included in the calculation of diluted earnings per share (the effect of the warrants issued amounted to 12,259). The HY17 calculation of diluted earnings per share does not include the remaining 75,825 warrants because they were antidilutive.

15. LOANS AND BORROWINGS

LOANS AND BORROWINGS		
Million EUR	**30.06.2017**	**31.12.2016**
Non-current loans and borrowings	225.1	226.9
Current loans and borrowings	27.5	28.9
Total loans and borrowings	**252.5**	**255.8**
Cash and cash equivalents	-211.8	-119.2
Bank overdrafts	0.1	0.0
Net loans and borrowings	**40.8**	**136.6**

As per June 30, 2017 the group net financial debt stood at 40.8 million EUR, implying a leverage of 0.2x. The net debt at year-end 2016 amounted to 136.6 million EUR.

The non-current loans and borrowings include two series of bonds, issued in July 2015, with a maturity of 7 years (the “2022 bonds”) and 10 years (the “2025 bonds”), both with a fixed rate of 2.875% and 3.375% respectively.

The group has access to a Belgian commercial paper program of 200.0 million EUR of which 25.0 million EUR was used at the end of June 2017 and is included in current loans and borrowings (December 31, 2016: 28.0 million EUR). These are issued by Tessenderlo Group nv, the parent company.

There has been no drawdown as per June 30, 2017 on the 5 year committed bi-lateral credit lines. The amount of the committed credit lines amounts to 142.5 million EUR (of which part can be drawn in USD).

As per June 2017, there are no significant pledges securing the loans and borrowings, nor any covenants significantly different from those disclosed in the 2015 bond documentation.

16. EMPLOYEE BENEFITS

The application of IAS 19 *Employee benefits* as per June 30, 2017 led to an increase of equity, before tax, of 6.0 million EUR. The higher than estimated return on the UK and Belgian plan assets, but also a slight increase of the rate used to discount the obligations (weighted average discount rate of 1.8% as per June 30, 2017 compared to 1.7% at year-end 2016), were the main drivers leading to a lower net defined benefit obligation.

17. FINANCIAL INSTRUMENTS

The derivative financial instruments as per June 30, 2017 mainly relate to an electricity forward contract. The fair value of the contract is calculated as per June 30, 2017 based on a valuation model, leading to a net fair value of -18.0 million EUR compared to a net fair value of -18.3 million EUR as per December 31, 2016.

Because of significant unobservable inputs, a level 3 fair value measurement is applied for the fair value measurement of the electricity purchase agreement ('PPA' - Purchase Power Agreement), for which the own-use exemption under IAS 39 is not applicable anymore. The value of the contract is depending on the future difference between market electricity prices and the generation cost based on market gas prices (the "spark spread"), and on the effect of the hourly pricing optimization as foreseen in the contract. We refer to the 2016 financial report for more information on the fair value calculation of the electricity forward contract.

18. CONTINGENCIES

The group is confronted with a number of claims or potential claims and disputes, which are a consequence of the daily operational activities. To the extent such claims and disputes are such that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation, suitable provisions have been made.

It is the group's policy to recognize environmental provisions in the balance sheet, when the group has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

These provisions are reviewed periodically and adjusted, if necessary, as assessments and work proceeds and additional information becomes available. Environmental liabilities can change substantially due to the emergence of additional information on the nature or extent of the contamination, a change in legislation or other factors of a similar nature.

While it is not feasible to predict the outcome of all pending environmental exposures, it cannot be excluded that there will be a need for future provisions for environmental costs which, in management's opinion, based on information currently available, would not have a material effect on the group's financial position, but could be material to the group's results in any one accounting period.

Acquisition, investment and joint-venture agreements as well as divestments may contain habitual provisions leading to price adjustments. In addition, for divestments, proper consideration has been given to provisions for possible indemnifications payable to the acquirer, if any, including matters in the area of health, environment, tax, product liability, restructuring, competition, pensions and share incentives.

The group has been allocated emission allowances for the period 2013-2020, that are yearly granted free of charge to cover operational emissions for products exposed to carbon leakage. Additional emission allowances will be purchased in case of any deficit. The cost of additional emission allowances purchased during 2017 was insignificant. The surplus or deficit of emission allowances over the next years may vary, depending of several factors such as future production volumes, process optimization and energy efficiency improvements, however management expects that the impact of any surplus or deficit of emission allowances over the next years will not significantly impact the group's consolidated financial statements.

In the third quarter of 2014 the group was informed by the local Chinese authorities of their intention to expropriate the gelatin plant in the Zhejiang Province in order to build a new public infrastructure. The group started negotiations with the government for obtaining compensation for such expropriation. Management estimates to recover the carrying amount of the assets involved and therefore no impairment loss has been recognized as per June 30, 2017.

19. RELATED PARTIES

The company has a related party relationship with its subsidiaries, associates, joint-ventures and with its main shareholder, directors and its Executive Committee. The Belgian pension fund "OFP Pensioenfonds", which covers the post-employment benefit obligation of the employees of some Belgian subsidiaries, is also considered to be a related party.

As per June 30, 2017, Verbrugge nv, controlled by Picanol nv, is holding 15,841,547 shares (36.8% of the company). Its affiliated company Symphony Mills nv holds 1,694,774 shares (3.9%). Picanol Group is a listed Belgian industrial company and a worldwide supplier of total solutions for the textile industry and other industries. Picanol Group is represented in the Board of Directors through two members: Mr. Stefaan Haspeslagh (Chairman Picanol Group) and Mr. Luc Tack (Managing Director Picanol Group).

The group purchased and sold goods and services to various related parties in which the group holds a 50% or less equity interest (investment in associates and joint-ventures). Such transactions were conducted at arm's length with terms comparable to transactions with third parties.

Premiums for an amount of 0.5 million EUR were paid to the Belgian pension fund, "OFP Pensioenfonds". Liabilities related to employee benefits schemes as per June 30, 2017 include 11.6 million EUR related to the "OFP Pensioenfonds" (December 31, 2016: 13.5 million EUR).

TRANSACTIONS WITH JOINT-VENTURES (FOR THE SIX MONTH PERIOD ENDED JUNE 30, EXCEPT FOR BALANCE SHEET COMPARATIVES AT DECEMBER 31)

Million EUR	2017	2016
Transactions with joint-ventures - sales	33.9	23.4
Transactions with joint-ventures - purchases	10.3	11.7
Current assets	11.1	7.1
Current liabilities	1.5	1.1

There have been no significant transactions with associates.

Dividends were received from joint-ventures and associates for an amount of 1.0 million EUR (June 30, 2016: 0.3 million EUR), while dividends received from other investments amounted to 0.1 million EUR (June 30, 2016: 0.1 million EUR).

Tessenderlo Group
EVERY MOLECULE COUNTS

TRANSACTIONS WITH THE MEMBERS OF THE EXECUTIVE COMMITTEE		
Million EUR	**30.06.2017**	**30.06.2016**
Short-term employee benefits	1.1	0.6
Post-employee benefits	0.0	0.0
Total	**1.1**	**0.6**

Short-term employee benefits include salaries and bonuses estimated for the period (both including social security contributions), car leases and other allowances where applicable.

There was no new emission of warrants in HY17 and no warrants were exercised by members of the current Executive Committee.

The Executive Committee is composed by the CEO, Luc Tack, the Executive Directors (currently Findar BVBA, represented by Stefaan Haspeslagh) as well as any other member appointed by the Board of Directors (no one at this stage).

20. SUBSEQUENT EVENTS

On July 19, 2017, 7,340 ordinary shares were included for trading on Eurolist on Euronext Brussels following the conversion of warrants. The transaction led to an increase of issued capital and share premium by 0.2 million EUR. Following this capital increase, the number of warrants outstanding reduced to 110,005 warrants, which were all exercisable as per June 30, 2017.

4. INDEPENDENT AUDITORS' REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION AS PER JUNE 30, 2017

pwc

To the Board of Directors of
TESSENDERLO GROUP NV

Statutory auditor's report on review of condensed consolidated financial information for the period ended 30 June 2017

Introduction

We have reviewed the accompanying condensed consolidated financial information, consisting of the consolidated statement of financial position of Tessenderlo Group NV and its subsidiaries (the "Group") as of 30 June 2017 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended, as well as the notes to the consolidated financial information. The board of directors is responsible for the preparation and presentation of this condensed consolidated financial information in accordance with IAS 34 as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union.

Antwerp, 22 August 2017

The statutory auditor
PwC Bedrijfsrevisoren bcvba
Represented by

Peter Van den Eynde
Partner

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