



Regulated information¹

Press release

Tessenderlo Group third quarter 2016 trading update

Key events

- In September 2016, Tessenderlo Group put a new tank barge into operation to facilitate the transport of ferric chloride from the French production site of Produits Chimiques de Loos to Paris. The new ship is being used by the Performance Chemicals business unit for its water treatment activity.
- Tessenderlo Group also held a ceremony in September to mark the construction work that is ongoing for its new liquid fertilizer plant at Borealis' Grand Quevilly site close to Rouen (France). Its business unit Tessenderlo Kerley International is constructing a Thio-Sul® (ammonium thiosulfate/ATS) manufacturing plant, which will be used as a fertilizer for broad-acre crops as well as arboricultural and vegetable crop cultivation.
Construction works on the new Thio-Sul® plant in East Dubuque (US) and the new electrolysis plant in Loos (France) are also on schedule. The completion date for the construction of the three plants is expected to be in the second half of 2017.
- With effect from the third quarter of 2016, Tessenderlo Group started with the supply of calcium chloride (CaCl₂) to the food industry from its Ham plant (Belgium). Following the closure of the phosphate department in late 2013, construction started in Ham on a new factory for the production of liquid calcium chloride, which is used for a variety of purposes. Tessenderlo Group has already been producing calcium chloride in Ham for technical applications since early 2016.

Improved 3Q16 REBITDA compared to prior year, thanks to the performance of the Bio-valorization operating segment

3Q16	3Q15	% Change	Million EUR	9M16	9M15	% Change
378.0	364.5	3.7%	Revenue Group	1,233.0	1,214.6	1.5%
-15.1	-4.9		- "Other" revenue included in revenue Group ²	-33.4	-8.8	
362.8	359.6	0.9%	Revenue	1,199.7	1,205.8	-0.5%
44.9	39.2	14.5%	REBITDA Group	165.3	142.0	16.4%
-1.4	0.4		- "Other" REBITDA included in REBITDA Group ²	-1.6	2.1	
43.5	39.6	9.7%	REBITDA	163.7	144.1	13.6%
			Net debt	112.7	90.6	

¹ The enclosed information constitutes regulated information as defined in the Royal Decree of 14 November 2007 regarding the duties of issuers of financial instruments which have been admitted for trading on a regulated market.

² The line "Other" refers to engineering and construction activities of the subsidiary Tessenderlo Kerley Services Inc., for the joint venture Jupiter Sulphur LLC, which were reported previously within the Agro segment. The line "Other" has been created for 2016 reporting as a material contract is under execution. The 3Q15 and 9M15 comparable figures for the similar activity are also provided.



Bringing Chemistry to Life

Revenue

3Q16 revenue increased by 0.9% compared to the same period last year (or by 3.2% when excluding the foreign exchange effect). Revenue excluding foreign exchange effect increased within Biovalorization (+7.0%) and Industrial Solutions (+2.5%), while revenue remained stable within Agro.

REBITDA

The 3Q16 REBITDA amounts to 43.5 million EUR, compared to 39.6 million EUR in the same period last year (an increase by 9.7% or by 12.0% when excluding the foreign exchange effect). The net inventory write-off was nihil in 3Q16 and amounted to -0.6 million EUR in 3Q15.

The REBITDA increase could be realized thanks to the performance of the operating segment Biovalorization, which improved compared to the same period last year. This increase was partially offset by a decrease of the REBITDA within Agro and Industrial Solutions.

Net financial debt

At the end of September 2016, group net financial debt amounted to 112.7 million EUR, resulting in a leverage of 0.6x. Net financial debt as per year-end 2015 amounted to 145.3 million EUR. The decrease of debt in the first three quarters of 2016 can be explained by the operational results, partially offset by the increase in working capital and capital expenditure. Capital expenditure amounted to 22.5 million EUR in 3Q16 (3Q15: 14.9 million EUR), bringing the year to date capital expenditure to 69.8 million EUR (9M15: 35.5 million EUR).

Outlook

Taking into consideration that the results of all operating segments (except for those of Biovalorization) are expected to moderate in the fourth quarter compared with earlier estimates, the group anticipates the 2016 REBITDA to grow by around 10% compared to the 2015 REBITDA of 180.4 million EUR. However the group wants to emphasize that it currently operates in a volatile economic and financial environment.

Financial calendar

Full year results 2016	March 1, 2017
First quarter 2017 trading update	April 27, 2017
Annual General Meeting of shareholders	June 6, 2017
Half year 2017 results	August 23, 2017
Third quarter 2017 trading update	October 26, 2017

Tessenderlo Group is a diversified industrial group that focuses on agriculture, valorizing bio-residuals and providing industrial solutions. The group employs about 4,900 people and is a leader in most of its markets, with a consolidated revenue of 1.6 billion EUR in 2015. Tessenderlo Chemie nv is listed on Euronext Brussels and is part of Next 150 and BEL Mid indices. Financial News wires: Bloomberg: TESB BB – Reuters: TesBt.BR – Datastream: B:Tes

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This **press release** is available in **Dutch and English** on the corporate website www.tessenderlo.com - under 'News & Media'.