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Regulated information*

Press release

QUARTERLY REPORT – 30 JUNE 2010

Tessenderlo Group half year 2010 results: solid gains in revenue and REBIT

- **Revenue** for the second quarter (Q2) was 21.7% higher while half year (HY) revenue grew 12.7%
- **REBIT** rose to 28.4 million EUR in Q210 (Q209: -13.5 million EUR), while HY10 was 32.6 million EUR (HY09: -19.9 million EUR)
- **Profit for the period** was 27.6 million EUR in Q210 (Q209: -101.4 million EUR), and 22.5 million EUR for HY10 (HY09: -107.6 million EUR)
- **Net financial debt** at June 30 2010 totaled 168.1 million EUR¹, resulting in a gearing of 19.0%

GROUP KEY FIGURES - unaudited						
2Q10	2Q09	% change	Million EUR	HY10	HY09	% change
646.4	531.2	21.7%	Revenue	1,213.7	1,076.5	12.7%
56.9	14.2	300.7%	REBITDA	89.4	33.9	163.7%
28.4	-13.5	-	REBIT	32.6	-19.9	-
27.6	-101.4	-	Profit (+) / loss (-) for the period	22.5	-107.6	-
104.0	62.6	66.1%	Cash flow from operating activities	86.9	89.4	-2.8%
-	-	-	Net financial debt	168.1 ¹	368.4	-

Building on the first quarter, which indicated the first signs of recovery, **Tessenderlo Group's second quarter results provided further evidence of improved group performance.** Revenue grew by more than 21% in Q210 to 646.4 million EUR, and almost 13% in HY10 to 1.2 billion EUR. All reported operating segments posted higher revenue than one year ago in the quarter and the half year. The Q210 and HY10 REBIT of 28.4 million EUR and 32.6 million EUR respectively, compared to REBIT losses last year, were due to the pick-up in business activity, as well as fixed cost savings implemented since the start of 2009. This broad-based improvement in operating performance is in line with expectations announced at the beginning of the year, in which 2010 is a partial recovery from the extremely low results of 2009.

On July 20th, Tessenderlo Group announced that it had reached a settlement with the European Commission related to the animal feed phosphates cartel dating from several years ago. The settlement resulted in an amount of 83.8 million EUR. As the provision amounted to 97.0 million EUR at the end of December 2009, a non-recurring gain of 12.7 million EUR was recorded.

The improved operating performance described above led to Tessenderlo Group's first quarterly profit for the period since Q308, and a profit for the half year 2010 of 22.5 million EUR.

Tessenderlo Group's financial situation remains firmly under control. Due to a continued focus on managing cash, working capital and capital expenditures, net financial debt stood at 168.1 million EUR¹.

*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.
¹ including impact of 148.6 million EUR non-recourse factoring

► Group Performance Review

Note to the reader:

- All quarterly information included in the press release is unaudited.
- Figures may not add up due to rounding.
- The operating segment "Gelatin and Natural Derivatives" is now referred to as "Gelatin and Akiolis".
- **REBITDA**: recurring earnings before interest, taxes, depreciation, amortization and provisions. (Profit (+))/(loss) from recurring operations plus depreciation, amortization and provisions).
- **REBIT**: recurring earnings before interest and taxes. (Profit from operations before non-recurring items).
- Other Businesses: Pharmaceutical Intermediates, Organic Chlorine Derivatives and Compounds.

GROUP KEY FIGURES - unaudited

2Q10	2Q09	Million EUR	HY10	HY09
646.4	531.2	Revenue	1,213.7	1,076.5
56.9	14.2	REBITDA	89.4	33.9
28.4	-13.5	REBIT	32.6	-19.9
13.0	-83.0	Non-recurring items	14.9	-82.1
41.4	-96.5	EBIT	47.5	-102.0
27.6	-101.4	Profit (+)/loss (-) for the period	22.5	-107.6
0.96	-3.55	Basic earnings per share (EUR)	0.78	-3.77
0.96	-3.55	Diluted earnings per share (EUR)	0.78	-3.77

OPERATING SEGMENT KEY FIGURES : REVENUE - unaudited

2Q10	2Q09	Million EUR	HY10	HY09
646.4	531.2	Tessenderlo Group	1,213.7	1,076.5
109.7	54.7	Inorganics	198.7	141.2
120.1	103.3	PVC/Chlor-Alkali	238.3	229.0
102.8	85.5	Gelatin and Akiolis	198.1	173.9
74.1	71.8	Tessenderlo Kerley	128.6	110.8
154.8	145.7	Plastic Pipe Systems and Profiles	281.7	274.4
85.0	70.1	Other Businesses	168.3	147.2
-	-	Non-allocated	-	-

OPERATING SEGMENT KEY FIGURES : REBITDA - unaudited

2Q10	2Q09	Million EUR	HY10	HY09
56.9	14.2	Tessenderlo Group	89.4	33.9
7.7	-26.5	Inorganics	7.5	-33.4
2.0	-1.1	PVC/Chlor-Alkali	7.1	6.4
14.5	14.3	Gelatin and Akiolis	29.7	32.1
16.7	19.8	Tessenderlo Kerley	28.3	25.7
16.9	17.4	Plastic Pipe Systems and Profiles	24.7	23.5
3.6	-1.7	Other Businesses	1.8	-5.2
-4.7	-8.0	Non-allocated	-9.8	-15.3

1. Revenue

Group revenue for the second quarter 2010 amounted to 646.4 million EUR, 21.7 % higher than the same period last year, with all reporting segments posting higher revenue. 17.0 million EUR of this growth is attributable to the acquisitions of Linuron by Tessenderlo Kerley, and FISO by Akiolis, which took place in June 2009. The largest contribution to this growth was the Inorganics segment, where revenue was 100.4% above the very low level of Q209. Reported operating segments PVC/Chlor-Alkali, Gelatin and Akiolis, and Other Businesses each recorded double digit gains year on year, up 16.3%, 20.2% and 21.3%, respectively. Plastic Pipe Systems and Profiles rose 6.2% and Tessenderlo Kerley was 3.2% above a year ago.

First half 2010 group revenue was 12.7% up on a year ago, totaling 1.2 billion EUR, with most of the increase in Q2. Incremental sales due to the acquisitions of Linuron and FISO amounted to 32.4 million EUR. In line with the second quarter, the revenue improvement was broad-based, with all reported operating segments posting gains in HY10. Growth was led by Inorganics, where a strong volume recovery contributed to a 40.7% rise in revenue. Tessenderlo Kerley had a record first half, rising 16.1% while Gelatin and Akiolis was 13.9% ahead and Other Businesses grew 14.3%. Higher revenue in the second quarter led to a half year increase for PVC/Chlor-Alkali at 4.1%, as well as Plastic Pipe Systems and Profiles, 2.7% above a year ago despite the very slow start of the year.

2. REBITDA

REBITDA increased nearly fourfold in Q210 to 56.9 million EUR. The additions of Linuron and FISO contributed 5.3 million EUR for the quarter. Inorganics represented more than 80% of the increase, moving from a significant loss last year which included a write-down of inventory for 15.3 million EUR, to a positive REBITDA. Similarly, the segments Other Businesses and PVC/Chlor-Alkali improved from losses last year to gains at REBITDA level, and were the next most important contributors, although both segments continue to face challenging market conditions. In addition, cost savings were made in the non-allocated segment. Tessenderlo Kerley reported a lower REBITDA as most of the half year increase took place in the record Q110. Gelatin and Akiolis was slightly higher, while Plastic Pipe Systems and Profiles REBITDA was marginally below last year due to some margin pressures, partly compensated for by lower fixed cost base.

Over the **first six months**, REBITDA rose to 89.4 million EUR, an important increase compared to the weak results in the first half of last year. HY10 REBITDA was positively impacted by 9.5 million EUR due to the inclusion of Linuron and FISO. Nearly all businesses contributed positively to this result, with the large increase in REBITDA in Inorganics, especially in the second quarter, the major driver of the improvement at group level. The reported segment Other Businesses was the second most important contributor, moving back into positive REBITDA, while cost savings in the non-allocated segment also supported group profitability. Tessenderlo Kerley, Plastic Pipe Systems and Profiles, and PVC/Chlor-



Alkali all delivered increases in REBITDA, while Gelatin and Akiolis was marginally below the record REBITDA achieved in HY09.

3. Cash flow from operating activities

Cash flow from operating activities was 104.0 million EUR for the second quarter of 2010, and 86.9 million EUR for HY10, versus 62.6 million EUR in Q209 and 89.4 million EUR in HY09. Cash flow continued to benefit from a strict management of working capital, along with the ongoing use of a non-recourse factoring program.

4. Net financial debt

Net financial debt amounted to 168.1 million EUR at the end of June 2010, down from 209.0 million EUR at the end of December 2009, and below the 368.4 million EUR at the end of June 2009. The decrease versus December 2009 is attributable to the positive impact of cash flow from operating activities, and an ongoing strict control of investing activities.

The resultant **gearing** at the end of June 2010 was 19.0% (30.6% excluding non-recourse factoring), compared to 22.9% at the end of December 2009 (32.0% excluding non-recourse factoring). Net financial debt/last twelve months REBITDA stood at 1.4 at the end of June 2010 versus 3.3 at the end of December 2009.

Compared to 2009, when a dividend of 37.0 million EUR was paid in June and impacted the net financial debt recorded at the end of June, this year payment was made in July, with impact on the group's net financial debt at the end of September. This timing difference is due to the successful implementation of an optional dividend, in which 61% of coupons were tendered for new shares. This resulted in a payment of 20.2 million EUR, a cash savings of 16.9 million EUR, as well as the issuance of 844 258 new ordinary shares.

► **Operating segments performance review**

INORGANICS - unaudited						
2Q10	2Q09	% change	Million EUR	HY10	HY09	% change
109.7	54.7	100.4%	Revenue	198.7	141.2	40.7%
7.7	-26.5	-	REBITDA	7.5	-33.4	-
6.4	-28.1	-	REBIT	4.3	-36.8	-

Revenue for **Inorganics** in the **second quarter** of 2010 was 109.7 million EUR, an increase of 100.4% versus the exceptionally low level recorded in Q209. **Potassium sulfate fertiliser** volumes continued to show a solid increase, confirming the recovery seen since the start of the year, with volumes running at 70-75% of a normal year. As in the first quarter 2010, the higher revenue was due exclusively to volume growth, which more than offset an important decline in the average sales price versus the high average price in 2009. Margins benefited from the increased proportion of specialty fertilisers, such as SoluPotasse®, increasing as a proportion of total volumes. However, high-cost inventory held following the unprecedented fall in demand in 2009 still put pressure on gross margins. Due to the volume recovery, this will no longer be the case in the second half of 2010. In total, much higher volumes more than offset the lower gross margins to result in higher gross profit.

Animal feed phosphates volumes rose during the second quarter, continuing the trend of increased activity seen since Q409. Pricing has steadily risen from the low level at the end of 2009. However, the average for Q210 was still lower than Q209. Despite the lower sales price, feed phosphates revenue ended up marginally higher due to volume growth. Gross margins increased in spite of lower sales prices, thanks to an improvement in cost of goods sold, driven by better production economics using phosphate rock (a benefit of higher SOP volumes). Together with the volume increase, this led to higher gross profit.

For **Inorganics** as a whole, higher gross profits in both businesses, driven primarily by exceptionally strong volume growth in sulfates, led to a return to positive REBITDA – as well as REBIT - for the first time since 2008. As well, the business continues to carefully manage its overhead costs and is benefiting from cost reduction measures implemented during the course of 2009.

For the **first six months** of 2010, **Inorganics** revenue grew 40.7% to 198.7 million EUR, mainly due to the significant increase in the second quarter versus the extremely low level in Q209. The main driver of revenue growth during the first half has been a recovery of volumes in both sulfates and phosphates after the dramatic fall in 2009, partly offset by much lower average prices in both activities. REBITDA for the segment improved as a consequence of higher gross profits – driven principally by the volume recovery – as well as lower overhead costs.

PVC/CHLOR-ALKALI - unaudited						
2Q10	2Q09	% change	Million EUR	HY10	HY09	% change
120.1	103.3	16.3%	Revenue	238.3	229.0	4.1%
2.0	-1.1	-	REBITDA	7.1	6.4	10.9%
-5.4	-6.8	-	REBIT	-7.2	-5.7	-

PVC and Chlor-Alkali volumes came in solidly ahead of last year, and slightly higher than in the first quarter. **PVC/Chlor-Alkali second quarter revenue** was 120.1 million EUR, 16.3 % above Q209 and similar to the first quarter of 2010. **PVC** pricing rose during the quarter, mainly recovering higher raw material costs, with the average selling price for the quarter above the very low prices recorded in Q209 and marginally ahead of Q110. Consequently, revenue for Q210 was higher than last year and

the first quarter of this year. Gross profit was broadly stable versus both the second quarter last year as well as Q110. **Chlor-Alkali** sales prices remained at a disappointingly low level, unchanged compared to Q110 and materially below the second quarter of last year. Lower year-on-year revenue for Chlor-Alkali products was the result of the much lower prices, which could not be compensated by higher sales volumes. As in PVC, gross profits for Chlor-Alkali in Q210 were on a similar level as Q209 and the previous quarter.

Segment REBITDA moved from a loss last year into small profit this year, mainly due to cost reduction measures implemented during 2009 and ongoing cost control.

First half 2010 revenue in PVC/Chlor-Alkali was 238.3 million EUR, 4.1% higher than HY09 due to the increased revenue in the second quarter. Revenue growth was recorded in PVC due to both higher volumes and pricing, while Chlor-Alkali revenue declined, as lower pricing could not be offset by higher volumes for all main products. REBITDA for the segment was slightly above a year ago, mainly as a result of savings in overhead costs.

GELATIN AND AKIOLIS - unaudited						
2Q10	2Q09	% change	Million EUR	HY10	HY09	% change
102.8	85.5	20.2%	Revenue	198.1	173.9	13.9%
14.5	14.3	1.4%	REBITDA	29.7	32.1	-7.5%
7.1	9.6	-26.0%	REBIT	14.8	22.1	-33.0%

Gelatin and Akiolis delivered a **solid quarter**, with revenue increasing to 102.8 million EUR, or 20.2% above last year, and slight REBITDA growth. The main driver of higher revenue was the full consolidation of the FISO business (acquired in June 2009). Underlying volumes were stable to growing across different end markets and geographies, while segment pricing was more mixed. REBITDA for this segment moved marginally higher, benefiting from the inclusion of FISO, while on a like-for-like basis REBITDA was somewhat below the previous year, largely due to a very challenging comparable basis last year.

Over **the first six months**, Gelatin and Akiolis revenue rose 13.9% to 198.1 million EUR, with growth in both quarters. For the period, the addition of FISO has been the most important driver. REBITDA has remained solid at 29.7 million EUR, but was below the record result in HY09.

TESSENDERLO KERLEY - unaudited						
2Q10	2Q09	% change	Million EUR	HY10	HY09	% change
74.1	71.8	3.2%	Revenue	128.6	110.8	16.1%
16.7	19.8	-15.7%	REBITDA	28.3	25.7	10.1%
14.5	18.6	-22.0%	REBIT	24.0	22.9	4.8%

The **second quarter** of 2010 for **Tessenderlo Kerley** featured revenue growth of 3.2% to 74.1 million EUR, primarily due to the addition of Linuron as from June 2009. Liquid sulphur fertiliser volumes remained solid in the quarter, and were at nearly the same level as Q209, following a very strong first quarter. Fertiliser prices were below last year, but have increased since March 2010, as sulphur prices moved higher during the second quarter. NovaSource®, which focuses on crop protection products, posted revenue growth as a consequence of incremental sales of Linuron.

On a reported basis, Tessenderlo Kerley's second quarter 2010 REBITDA could not match the very high level recorded last year.

On a **half year basis**, Tessenderlo Kerley revenue grew 16.1% to 128.6 million EUR with the majority of the increase taking place in the first quarter. Growth has been broad-based across both fertilizers

and crop protection products, enhanced by the addition of Linuron to the crop protection product line. REBITDA increased largely as a result of solid volume growth.

PLASTIC PIPE SYSTEMS AND PROFILES - unaudited						
2Q10	2Q09	% change	Million EUR	HY10	HY09	% change
154.8	145.7	6.2%	Revenue	281.7	274.4	2.7%
16.9	17.4	-2.9%	REBITDA	24.7	23.5	5.1%
10.0	9.8	2.0%	REBIT	10.8	8.9	21.3%

Plastic Pipe Systems and Profiles Q210 revenue rose 6.2% to 154.8 million EUR, with most of the increase attributable to Profiles, while Plastic Pipe Systems was marginally above the level of last year. In **Plastic Pipe Systems**, the recovery in demand was a mixed picture, with lower activity and revenue in the Benelux compensated by higher revenue mainly in France and the UK. **Profiles** revenue for the second quarter was above last year, with the UK being the primary contributor, due to an ongoing increase in the number of distribution branches, as well as incremental sales in the roofline market segment, mainly thanks to an acquisition in October 2009. Sales in the US climbed higher, driven in part by continued good demand in the remodelling business, as well as management's successful introduction of new products. Segment REBITDA of 16.9 million EUR was a decline of 2.9% versus last year, primarily as a result of pressures on margins due to rising raw material costs, compensated by cost savings implemented since 2009.

On a **half year** basis, increased revenue for Plastic Pipe Systems and Profiles in the second quarter more than offset the marginal decrease recorded in Q110, resulting in a 2.7% growth year on year to 281.7 million EUR. The main drivers of this evolution were higher sales in Profiles in the UK and US, and lower revenue in Plastic Pipe Systems in the Benelux, which was especially impacted by the harsh winter conditions in January and February. REBITDA for the segment over the first six months rose to 24.7 million EUR, an increase of 5.1%, as higher raw material costs were more than offset by a structural reduction of fixed costs initiated during 2009, which has yielded more than 6 million EUR lower costs year to date.

OTHER BUSINESSES - unaudited						
2Q10	2Q09	% change	Million EUR	HY10	HY09	% change
85.0	70.1	21.3%	Revenue	168.3	147.2	14.3%
3.6	-1.7	-	REBITDA	1.8	-5.2	-
0.7	-5.2	-	REBIT	-3.8	-12.7	-

Other Businesses, which comprises the organic chlorine derivatives, pharmaceutical intermediates and compounds segments, had a 21.3% increase in revenue **in the second quarter** to 85.0 million EUR. Both organic chlorine derivatives and compounds delivered much higher revenue, while pharmaceutical intermediates revenue came in lower than a year ago. REBITDA for the segment moved into positive territory, with each of the businesses contributing improved profitability.

For the **first six months**, revenue for Other Businesses increased 14.3% to 168.3 million EUR. This revenue growth results from important increases in organic chlorine derivatives and compounds, while pharmaceutical intermediates has seen a revenue decline. Profitability has improved in each segment versus the weak results last year, with the most important driver the reduction of fixed costs in compounds due to the closure of a French site in the middle of 2009.

► Financial information

1. Non-recurring items

Following the decision rendered by the European Commission on the cartel investigation on animal feed phosphates, the fine imposed amounts to 83.8 million EUR. The recorded provision as per December 2009 amounted to 97.0 million EUR. After deducting any expected remaining legal fees and expenses, a non-recurring gain of 12.7 million EUR was recognized.

The restructuring expenses recorded in the second quarter mainly relate to the further optimization of operations within the operating segment Plastic Pipe Systems and Profiles and Non-allocated.

NON-RECURRING ITEMS		
Million EUR	Q210	Q209
Gain on disposals	0.8	-
Restructuring	-1.1	-20.5
Impairment losses	-	-3.7
Provisions	13.3	-60.0
Other income and expenses	-	1.2
Total	13.0	-83.0

2. Net finance costs

The net finance costs increased from -2.3 million EUR in Q209 to -7.0 million EUR in Q210. The higher net costs are primarily explained by the impact of the syndicated credit facility put in place at the end of February 2010, as well as charges related to the non-recourse factoring programme, which more than offset the impact of lower net financial debt.

3. Income tax expenses

Q210 income tax expenses were 7.9 million EUR, versus 2.5 million EUR a year ago. The income tax expenses are mainly due to profits generated in the US and France. No deferred tax assets were recognised for the Q210 losses incurred by different subsidiaries within the group.

4. Profit / loss for the period

Profit for the second quarter was 27.6 million EUR, compared to -101.4 million EUR in Q209. For the first six months of 2010 group profit amounted to 22.5 million EUR against a loss of -107.6 million EUR a year ago. The positive results in the quarter and half year are mainly due to a return to positive REBIT in both periods, as well as a non-recurring income of 13.0 million EUR recorded in Q210. This non-recurring income arises mainly from the difference (12.7 million EUR) between a provision related to the investigation by the European Commission into a cartel in animal feed phosphates, and the amount reached in the settlement, announced in July 2010.

5. Capital expenditures

Capital expenditures for the second quarter were 28.4 million EUR and 42.7 million EUR for the half year.



6. Balance Sheet

Please refer to our Half Year report, available at www.tessenderlogroup.com/investors.

► Outlook

Following the improvement in performance seen in the first half year, this trend, compared with the very weak results in 2009, should continue in the second half. However, construction-related activities present a mixed picture in terms of sales and margins, while Tessenderlo Kerley, Gelatin and Akiolis are anticipated to continue performing well. Finally, it should be remembered that the group performance is traditionally stronger in the first half of the year.

► **Unaudited condensed consolidated interim financial statements 30 June 2010** (limited review by KPMG Bedrijfsrevisoren/Réviseurs d'Entreprises only on the half year figures)

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT - unaudited - IFRS				
Million EUR	30.06.2010	30.06.2009	Q2-2010	Q2-2009
Revenue	1,213.7	1,076.5	646.4	531.2
Cost of sales	-1,004.5	-918.3	-525.8	-451.6
Gross profit	209.2	158.2	120.6	79.6
Distribution expenses	-69.2	-56.8	-35.5	-26.4
Sales and marketing expenses	-32.4	-30.7	-16.3	-16.0
Administrative expenses	-71.3	-77.5	-36.3	-39.5
Other operating income and expenses	-3.7	-13.1	-4.1	-11.2
Profit from operations before non-recurring items (REBIT)	32.6	-19.9	28.4	-13.5
Gain on disposals	2.9	-	0.8	-
Restructuring	-1.3	-21.3	-1.1	-20.5
Impairment losses	-	-3.7	-	-3.7
Provisions	13.3	-60.0	13.3	-60.0
Other	-	2.9	-	1.2
Profit (+)/Loss (-) from operations (EBIT)	47.5	-102.0	41.4	-96.5
Finance costs	-30.4	-10.2	-21.9	-4.4
Finance income	18.7	4.7	14.9	2.1
Finance costs - net	-11.7	-5.5	-7.0	-2.3
Share of result of equity accounted investees, net of income tax	1.8	0.4	1.1	-0.1
Result before tax	37.6	-107.1	35.5	-98.9
Income tax expense	-15.1	-0.5	-7.9	-2.5
Profit (+) / Loss (-) for the period	22.5	-107.6	27.6	-101.4
Attributable to:				
- Equity holders of the group	22.4	-107.7	27.5	-101.5
- Non-controlling interest	0.1	0.1	0.1	0.1
Basic earnings per share (EUR)	0.78	-3.77		
Diluted earnings per share (EUR)	0.78	-3.77		

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME - unaudited - IFRS				
Million EUR	30.06.2010	30.06.2009	Q2-2010	Q2-2009
Profit (+) / loss (-) for the period	22.5	-107.6	27.6	-101.4
Translation differences	30.9	1.1	18.5	-6.5
Derivative financial instruments	-8.0	-1.3	-4.5	2.0
Revaluation reserves	-	5.0	-	5.0
Income tax on other comprehensive income	2.7	-1.2	1.5	-2.3
Other comprehensive income for the period, net of income tax	25.6	3.6	15.5	-1.8
Total comprehensive income (+) and expense (-) for the period	48.1	-104.0	43.1	-103.2
Attributable to:				
- Equity holders of the group	48.0	-104.1	43.0	-103.3
- Non-controlling interest	0.1	0.1	0.1	0.1
Total comprehensive income (+) and expense (-) for the period	48.1	-104.0	43.1	-103.2

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION - unaudited - IFRS

Million EUR	30.06.2010	31.12.2009
ASSETS		
Total non-current assets	906.7	884.0
Property, plant and equipment	705.8	694.7
Goodwill	57.6	53.6
Intangible assets	69.2	67.4
Investments accounted for using the equity method	25.7	21.3
Other investments	8.0	6.5
Deferred tax assets	16.8	17.8
Trade and other receivables	23.6	22.7
Total current assets	819.4	692.3
Inventories	320.6	361.1
Trade and other receivables	349.8	286.8
Derivative financial instruments	0.4	0.1
Cash and cash equivalents	148.6	44.3
Non-current assets classified as held for sale	0.4	0.3
Total assets	1,726.5	1,576.6
EQUITY & LIABILITIES		
Total equity	719.8	707.5
Equity attributable to equity holders of the group	717.0	705.2
Issued capital	139.0	139.0
Share premium	43.9	43.9
Reserves	399.6	373.1
Retained earnings	134.5	149.2
Non-controlling interest	2.8	2.3
Total liabilities	1,006.7	869.1
Total non-current liabilities	447.4	250.9
Financial liabilities	234.3	11.6
Employee benefits	39.2	39.7
Provisions	62.0	167.5
Trade and other payables	58.4	0.2
Derivative financial instruments	16.1	-
Deferred tax liabilities	37.4	31.9
Total current liabilities	559.3	618.2
Financial liabilities	82.4	241.7
Trade and other payables	465.5	363.1
Derivative financial instruments	0.1	0.4
Current tax liabilities	4.7	0.7
Provisions	6.6	12.3
Total Equity and Liabilities	1,726.5	1,576.6

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY - unaudited - IFRS

	Issued capital	Share premium	Other reserves	Translation reserves	Revaluation reserves	Hedging reserves	Retained earnings	Equity attributable to equity holders of the group	Non-controlling interest	Total equity
Million EUR										
Balance at 1 January 2009	138.0	43.3	340.2	-26.8	-	-	405.3	900.0	2.0	902.0
Profit (+) / loss (-) for the period	-	-	-	-	-	-	-107.7	-107.7	0.1	-107.6
Other comprehensive income for the period										
- Translation differences	-	-	-	1.1	-	-	-	1.1	0.1	1.2
- Derivative financial instruments, net of tax	-	-	-	-	-	-0.8	-	-0.8	-	-0.8
- Revaluation reserves, net of tax	-	-	-	-	3.3	-	-	3.3	-	3.3
Total comprehensive income for the period, net of income tax	-	-	-	1.1	3.3	-0.8	-107.7	-104.1	0.2	-103.9
Transactions with owners, recorded directly in equity										
- Dividends paid to shareholders	-	-	-	-	-	-	-37.0	-37.0	-	-37.0
- Options and capital increase	-	-	0.4	-	-	-	-	0.4	-	0.4
Total contributions by and distributions to owners	-	-	0.4	-	-	-	-37.0	-36.6	-	-36.6
Balance at 30 June 2009	138.0	43.3	340.6	-25.7	3.3	-0.8	260.6	759.3	2.2	761.5

	Issued capital	Share premium	Other reserves	Translation reserves	Revaluation reserves	Hedging reserves	Retained earnings	Equity attributable to equity holders of the group	Non-controlling interest	Total equity
Million EUR										
Balance at 1 January 2010	139.0	43.9	394.0	-30.0	10.7	-1.6	149.2	705.2	2.3	707.5
Profit (+) / loss (-) for the period	-	-	-	-	-	-	22.4	22.4	0.1	22.5
Other comprehensive income for the period										
- Translation differences	-	-	-	30.9	-	-	-	30.9	0.4	31.3
- Derivative financial instruments, net of tax	-	-	-	-	-	-5.3	-	-5.3	-	-5.3
Total comprehensive income for the period, net of income tax	-	-	-	30.9	-	-5.3	22.4	48.0	0.5	48.5
Transactions with owners, recorded directly in equity										
- Dividends paid to shareholders	-	-	-	-	-	-	-37.1	-37.1	-	-37.1
- Options and capital increase	-	-	0.9	-	-	-	-	0.9	-	0.9
Total contributions by and distributions to owners	-	-	0.9	-	-	-	-37.1	-36.2	-	-36.2
Balance at 30 June 2010	139.0	43.9	394.9	0.9	10.7	-6.9	134.5	717.0	2.8	719.8

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS -
unaudited - IFRS**

Million EUR	30.06.2010	30.06.2009
OPERATING ACTIVITIES		
Profit (+)/Loss (-) for the period	22.5	-107.6
Depreciation, amortisation and impairment	56.4	56.6
Changes in provisions	-22.0	80.8
Finance costs	30.4	10.2
Finance income	-18.7	-4.7
Loss / (profit) on sale of non-current assets	-3.1	-0.1
Share of result of equity accounted investees, net of income tax	-1.8	-0.4
Income tax expense	15.1	0.5
Non cash items	-2.2	-5.5
Changes in inventories	53.8	64.5
Changes in trade and other receivables	-53.7	56.1
Changes in trade and other payables	22.7	-54.4
<i>Cash generated from operating activities</i>	<i>99.4</i>	<i>96.0</i>
Interest paid	-3.4	-6.0
Interest received	0.4	1.0
Other finance income (costs)	-3.8	-0.8
Income tax (paid) / received	-6.7	-4.3
Dividends received from investments accounted for using the equity method	1.0	3.5
Cash flow from operating activities	86.9	89.4
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	-42.7	-52.2
Acquisition of intangible assets	-1.5	-1.4
Acquisition of investments accounted for using the equity method	-5.2	-
Acquisition of businesses, net of cash acquired	-	-57.8
Acquisition of investments	-1.6	-0.1
Proceeds from sale of property, plant and equipment	4.9	0.4
Cash flow from investing activities	-46.1	-111.1
FINANCING ACTIVITIES		
Increase / (decrease) of financial liabilities	68.7	74.6
Payment of transaction costs related to financial liabilities	-8.3	-
(Increase) / decrease of long term receivables	-0.2	-1.5
Dividends paid to shareholders	-	-37.0
Cash flow from financing activities	60.2	36.1
Net increase / (decrease) in cash and cash equivalents	101.0	14.4
Effect of exchange rate differences	3.3	-0.3
Cash and cash equivalents at the beginning of the year	44.3	53.5
Cash and cash equivalents at the end of this period	148.6	67.6

► Notes to the unaudited condensed consolidated interim financial statements

1. Basis of preparation

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2010 have been prepared in accordance with International Financial Reporting Standards (IFRS).

2. Significant accounting policies

The accounting policies used by the group in the present condensed consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements as at and for the year ended 31 December 2009.

3. Segment reporting

Please see annexes 1 and 2.

4. Business combinations

Acquisitions and divestments – subsidiaries and activities
None to report in the second quarter 2010.

5. Subsequent event

The European Commission has rendered a decision on the cartel investigations by the European Commission on feed phosphates, which were started in 2004 and completed by a EU Commission decision on July 20th 2010. In accordance with IAS 10, this decision was treated as an adjusting subsequent event.



► Financial calendar

- 3rd quarter 2010 results 5 November 2010

Tessenderlo Group is an international chemicals company with more than 100 branches in 20 countries. More than 8,000 people work for the group. The group is a world and European leader in most of its product areas with a consolidated revenue totalling 2.1 billion EUR in 2009.

Tessenderlo Chemie NV is listed on Eurolist at Euronext Brussels (TESB) and is part of Next 150 and BEL Mid. News wires: Bloomberg: TESB BB – Reuters: TesBt.BR – Datastream: B:Tes

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This **press release** and the **Half-Year Report 2010** are available in Dutch, English and French on the corporate web site www.tessenderlogroup.com - under 'News & Media'.

ANNEX 1

SEGMENT REPORTING SECOND QUARTER		
Million EUR	Q210	Q209
Tessenderlo Group		
Revenue	646.4	531.2
REBITDA	56.9	14.2
REBIT	28.4	-13.5
Inorganics		
Revenue	109.7	54.7
REBITDA	7.7	-26.5
REBIT	6.4	-28.1
PVC/Chlor-Alkali		
Revenue	120.1	103.3
REBITDA	2.0	-1.1
REBIT	-5.4	-6.8
Gelatin and Akiolis		
Revenue	102.8	85.5
REBITDA	14.5	14.3
REBIT	7.1	9.6
Tessenderlo Kerley		
Revenue	74.1	71.8
REBITDA	16.7	19.8
REBIT	14.5	18.6
Plastic Pipe Systems and Profiles		
Revenue	154.8	145.7
REBITDA	16.9	17.4
REBIT	10.0	9.8
Other Businesses		
Revenue	85.0	70.1
REBITDA	3.6	-1.7
REBIT	0.7	-5.2
Non-allocated		
Revenue	-	-
REBITDA	-4.7	-8.0
REBIT	-5.0	-11.3

ANNEX 2

SEGMENT REPORTING HALF YEAR		
Million EUR	HY10	HY09
Tessenderlo Group		
Revenue	1,213.7	1,076.5
REBITDA	89.4	33.9
REBIT	32.6	-19.9
Inorganics		
Revenue	198.7	141.2
REBITDA	7.5	-33.4
REBIT	4.3	-36.8
PVC/Chlor-Alkali		
Revenue	238.3	229.0
REBITDA	7.1	6.4
REBIT	-7.2	-5.7
Gelatin and Akiolis		
Revenue	198.1	173.9
REBITDA	29.7	32.1
REBIT	14.8	22.1
Tessenderlo Kerley		
Revenue	128.6	110.8
REBITDA	28.3	25.7
REBIT	24.0	22.9
Plastic Pipe Systems and Profiles		
Revenue	281.7	274.4
REBITDA	24.7	23.5
REBIT	10.8	8.9
Other Businesses		
Revenue	168.3	147.2
REBITDA	1.8	-5.2
REBIT	-3.8	-12.7
Non-allocated		
Revenue	-	-
REBITDA	-9.8	-15.3
REBIT	-10.4	-18.4