Bringing Chemistry to Life

Brussels, February 24th, 2011

Regulated information* Press release

QUARTERLY REPORT – 31 DECEMBER 2010

2010 full year results: Tessenderlo Group delivers significantly improved revenue and REBIT

- **2010 full year (FY10) revenue** of 2.4 billion EUR was 15.9% above last year, while revenue in the fourth quarter (4Q10) increased 18.9% to 610.4 million EUR
- **REBIT for 2010** ended up at 58.9 million EUR, an improvement of more than 110 million EUR compared to 2009. 4Q10 REBIT of 8.3 million EUR also showed a solid gain compared to the negative REBIT recorded a year ago
- **Profit for FY10 recovered strongly** to 20.3 million EUR, driven by the strong recovery of revenue and REBIT. The 4Q10 result was a loss of 7.8 million EUR due mainly to non-recurring expenses
- **Group net financial debt decreased** to 162.0[1] million EUR at December 31 2010 versus 209.0[1] million EUR at December 31 2009
- Taking into account non-recourse factoring, the **notional net debt** would amount to 283.2 million EUR at 31 December 2010, compared to 332.4 million EUR at 31 December 2009
- **Dividend** related to 2010 results proposed to be maintained at 1.00 euro net per share

GROUP KEY FIGURES

4Q10	4Q09	% change	Million EUR	FY10	FY09	% change
610.4	513.3	18.9%	**Revenue**	2,427.3	2,093.8	15.9%
40.5	11.6	250.8%	**REBITDA**	175.6	63.4	177.1%
8.3	-18.2	-	**REBIT**	58.9	-51.4	-
-7.8	-39.3	-	**Profit (+) / loss (-) for the period**	20.3	-166.7	-
15.2	123.1	-87.6%	**Cash flow from operating activities**	159.5	315.3	-49.4%
-	-	-	**Net financial debt**	162.0[1]	209.0[1]	-22.5%

2010 marked an important year of progress for Tessenderlo Group. In spite of a cautious start to the year, in part due to the global economy emerging from the worst economic environment in recent memory, the group managed to deliver a strong rise in revenue, REBIT and REBITDA. The increase in full year **revenue** of 15.9% for the group confirmed the broad-based nature of the recovery, as each operating segment recorded revenue higher than 2009. Cost control remained in place during the year, and combined with the revenue gains, contributed to material improvements in group REBITDA and REBIT. Profit for the full year of 20.3 million EUR reflected the better operating results, and was a significant turnaround compared to the exceptional loss seen in 2009.

Tessenderlo Group made important progress in executing its funding strategy in 2010. Net financial debt ended the year at 162.0 million EUR[1], a considerable decline versus one year ago. This performance was made possible by a strong rebound in REBITDA, improving working capital and disciplined cash allocation management. The group also received strong support for its first ever syndicated credit facility, signed at the end of February 2010, and for its 5 year bonds via a European private placement issued in October 2010.

The group continued to implement its strategy during the year. Important targeted investments were made in selected businesses to improve the group's performance, and to increase the proportion of specialty products and services in the group's portfolio. Highlights included progress on construction of the group's first gelatin plant in Brazil (its second in Latin America); an important increase of supply capacity at Tessenderlo Kerley; entering into the group's second joint venture for gelatin in China; and an investment to produce specialty compounds for the automotive industry in China. At the same time, more than 40 million EUR was generated through sales of non-core businesses and non-strategic assets, fully in line with the group's strategy.

[1] including impact of 121.2 million EUR (Dec 2010) and 123.4 million EUR (Dec 2009) non-recourse factoring

*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.

Bringing Chemistry to Life

Group Performance Review

Notes to the reader:

- All quarterly information included in the press release is unaudited, as well as non-IFRS accounting information (REBITDA).
- Figures may not add up due to rounding.
- **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

4Q10	4Q09	Million EUR	FY10	FY09
610.4	513.3	Revenue	2,427.3	2,093.8
40.5	11.6	REBITDA	175.6	63.4
8.3	-18.2	REBIT	58.9	-51.4
-13.9	-18.9	Non-recurring items	-1.6	-99.8
-5.8	-37.1	EBIT	57.4	-151.2
-7.8	-39.3	Profit (+)/loss (-) for the period	20.3	-166.7
-	-	Basic earnings per share (EUR)	0.72	-5.84
-	-	Diluted earnings per share (EUR)	0.72	-5.84

OPERATING SEGMENT KEY FIGURES: REVENUE

4Q10	4Q09	Million EUR	FY10	FY09
610.4	513.3	Tessenderlo Group	2,427.3	2,093.8
105.4	79.7	Inorganics	398.1	283.6
134.4	101.7	PVC/Chlor-Alkali	495.8	443.1
109.1	94.0	Gelatin and Akiolis	410.8	358.5
48.8	33.5	Tessenderlo Kerley	231.4	180.0
133.0	134.1	Plastic Pipe Systems and Profiles	562.1	545.9
79.6	70.3	Other Businesses	329.2	282.7
-	-	Non-allocated	-	-

OPERATING SEGMENT KEY FIGURES: REBITDA

4Q10	4Q09	Million EUR	FY10	FY09
40.5	11.6	**Tessenderlo Group**	175.6	63.4
5.0	-7.1	**Inorganics**	20.7	-49.7
12.8	-5.6	**PVC/Chlor-Alkali**	21.3	-1.5
15.9	14.3	**Gelatin and Akiolis**	61.2	61.9
7.3	5.6	**Tessenderlo Kerley**	47.6	38.0
6.8	12.3	**Plastic Pipe Systems and Profiles**	44.8	50.5
0.5	-3.8	**Other Businesses**	4.4	-11.7
-7.8	-4.1	**Non-allocated**	-24.4	-24.1

1. Revenue

Group revenue rose 18.9% in the **fourth quarter of 2010** to 610.4 million EUR as 5 of the 6 reported operating segments were above the same period a year ago. This gain was well balanced: PVC/Chlor-Alkali and Inorganics were both up 32.1%, Tessenderlo Kerley increased 45.9% and Gelatin and Akiolis grew 16.1%. Other Businesses had 13.3% more revenue, while Plastic Pipe Systems and Profiles was marginally lower in the quarter by -0.8%.

Full year revenue totaled 2.4 billion EUR, a 15.9% increase and the second highest revenue in the group's history. Following a slow start to the year, the second, third and fourth quarters each had double digit revenue growth, and each reported segment showed revenue gains. Inorganics, with 40.4% more revenue had the biggest increase, and Tessenderlo Kerley was 28.5% ahead. Gelatin and Akiolis grew 14.6%, Other Businesses was up 16.4% and PVC/Chlor-Alkali rose 11.9%. Soft construction activity and unusually cold winter conditions at the start and end of the year limited revenue growth of Plastic Pipe Systems and Profiles to 3.0%.

2. REBITDA

4Q10 REBITDA for the group was strongly ahead to 40.5 million EUR, with the majority of reported segments making positive contributions. PVC/Chlor-Alkali provided the largest part of the group's year on year increase, as it registered a fourth consecutive quarter of positive REBITDA after the negative REBITDA in 4Q09. Similarly, Inorganics and Other Businesses both had positive REBITDA compared to negative REBITDA one year ago. Tessenderlo Kerley, as well as Gelatin and Akiolis generated higher REBITDA year on year, while Plastic Pipe Systems and Profiles had lower REBITDA. Non-allocated costs rose in the quarter, which had a negative impact on group REBITDA.

REBITDA at group level for the **full year 2010** came in at 175.6 million EUR, nearly three times the low amount of 2009. As has been the case throughout the year, the recovery of profitability in Inorganics provided the largest part of this increase. The recovery of general economic activity was also evidenced by the improvements in REBITDA for PVC/Chlor-Alkali and Other Businesses; together with Inorganics these reported segments turned from negative to positive REBITDA. Tessenderlo Kerley recorded higher REBITDA, while Gelatin and Akiolis nearly matched the historically high REBITDA of 2009. The weak fourth quarter in Plastic Pipe Systems and Profiles explains nearly all of the fall for the full year for this segment.

3. Cash flow from operating activities

Full year 2010 cash flow from operating activities amounted to 159.5 million EUR. During the year, a strong increase in REBITDA, and a consistent focus on freeing up cash from working capital were the two most important drivers of this outcome.

4. Net financial debt

At the end of December 2010, net financial debt was 162.0 million EUR, confirming the group's success in maintaining a low level of net debt seen during the whole of 2010. Solid cash flow from operating activities, tight management of capital expenditure and acquisitions, and a reduction in cash payout for the dividend following the successful implementation of an optional dividend helped drive down net debt from 209.0 million EUR at the end of December 2009.

Bringing Chemistry to Life

▶ Operating segments performance review

INORGANICS

4Q10	4Q09	% change	Million EUR	FY10	FY09	% change
105.4	79.7	32.1%	**Revenue**	398.1	283.6	40.4%
5.0	-7.1	-	**REBITDA**	20.7	-49.7	-
3.4	-8.8	-	**REBIT**	14.3	-56.5	-

For the fourth quarter of 2010, the **Inorganics** operating segment posted revenue of 105.4 million EUR, a gain of 32.1% versus a year ago, as demand for the group's products remained solid. Revenue of **potassium sulfate fertilizers** continued the upward trend seen in the previous three quarters, with 4Q10 volumes some 40% above 4Q09. This growth was due to increased demand in Europe as well as Latin America. Prices meanwhile were below last year, as has been the case during the whole of 2010. However, the year on year gap narrowed further during the quarter. Demand for higher grade granular and soluble products outpaced standard volumes, in line with previous quarters of 2010. Gross profits for sulfates rose as a result of better gross margins and volumes.

Inorganic feed phosphates finished the year strong, recording its highest revenue for 2010 in the fourth quarter. Volumes were up 15%, with solid growth registered in Latin America and sub-Saharan Africa, and revenue was also supported by average prices above last year. 4Q10 gross profits were above last year, largely due to better gross margins.

Inorganics REBITDA in the fourth quarter of 5.0 million EUR was well ahead of the REBITDA loss recorded last year. The main drivers of this result were a return to more normalized gross margins in both sulfates and phosphates and lower overhead costs, partly offset by an increase of fixed costs linked to higher production volumes.

Full year 2010 revenue for **Inorganics** amounted to 398.1 million EUR, representing an increase of 40.4% versus the very low results of 2009. This growth was entirely driven by higher volumes, primarily of potassium sulfate fertilizers, but also by inorganic feed phosphates, in each quarter of the year. This effect was in part offset by lower prices compared to the high prices of 2009, especially for potash fertilizers where prices remained below 2009 throughout the year. Feed phosphate prices were also down for the full year, due to much lower prices in the first half, while second half 2010 prices were above the same period of 2009. REBITDA for the full year of 20.7 million EUR was a significant improvement, due to higher gross profits and lower overhead costs, while fixed production costs increased as capacity was brought back on line to meet the recovering demand.

PVC/CHLOR-ALKALI

4Q10	4Q09	% change	Million EUR	FY10	FY09	% change
134.4	101.7	32.1%	**Revenue**	495.8	443.1	11.9%
12.8	-5.6	-	**REBITDA**	21.3	-1.5	-
5.6	-12.7	-	**REBIT**	-7.1	-28.0	-

PVC/Chlor-Alkali revenue in 4Q10 rose to 134.4 million EUR, 32.1% more than last year with increases in both PVC and Chlor-Alkali, while this also represented a growth of more than 9% above the 3Q10, driven by higher Chlor-Alkali revenue. **PVC** revenue growth year on year was primarly as a result of additional volumes, with a further contribution from modestly higher pricing. Gross profits of PVC were lower year on year, due to increased input costs which were not fully compensated by higher selling prices, as well as scheduled higher maintenance costs. Versus 3Q10, PVC revenue was marginally lower, and gross profits improved due to a limited increase in gross margins and lower fixed costs. For **Chlor-Alkali**, 4Q10 revenue was higher than 4Q09, mainly as a result of increased selling prices for caustic soda and higher volumes of caustic potash, especially in December 2010. Improving gross margins for most Chlor-Alkali products translated into higher gross profits compared to a year ago. Sequentially, Chlor-Alkali also recorded more revenue supported by caustic soda pricing and seasonally higher caustic potash volumes, while gross profits moved up due to better margins.

PVC/Chlor-Alkali REBITDA in the fourth quarter totaled 12.8 million EUR, after several quarters of poor results due to the impacts of weak economic conditions, and especially the ongoing low level of construction activity. The main driver was better gross profits of Chlor-Alkali products, while overhead costs remained under control.

On a **full year 2010** basis, PVC/Chlor-Alkali revenue of 495.8 million EUR was 11.9% up on 2009, as PVC revenue grew throughout the year, mainly due to a partial recovery of volumes, and higher prices in the first half than the extreme lows of 1H09. The increase for PVC was partially offset by a decline in Chlor-Alkali revenue due to much lower selling prices in the first half of the year. REBITDA totaled 21.3 million EUR, which is a solid gain versus the record low of 2009 but remains well below trend. Improved margins for Chlor-Alkali products was the main driver of the increase, combined with lower overhead costs, partly offset by an increase in maintenance costs to ensure that the group maintains its position as a reliable partner for its customers.

GELATIN AND AKIOLIS

4Q10	4Q09	% change	Million EUR	FY10	FY09	% change
109.1	94.0	16.1%	**Revenue**	410.8	358.5	14.6%
15.9	14.3	11.2%	**REBITDA**	61.2	61.9	-1.2%
8.5	5.9	43.4%	**REBIT**	31.8	35.6	-10.4%

Revenue for Gelatin and Akiolis in 4Q10 climbed 16.1% to 109.1 million EUR. Demand continued to be solid in all main markets, including food, health and nutrition, and pharmaceutical applications. Pricing in the quarter was broadly stable in the food and pharmaceutical segments, while it rose in most other market segments. Overhead costs were well controlled, leading to a solid increase in segment REBITDA to 15.9 million EUR. Furthermore, projects to add gelatin capacity in Brazil and China, both scheduled to start delivering to customers in the second half of 2011, are on track.

Full year 2010 segment revenue ended up at 410.8 million EUR or 14.6% more than 2009, and all quarters of 2010 had higher revenue than equivalent prior year period. This was in part due to the full consolidation of the FISO group, which generated important incremental revenue in the first half of 2010, following Tessenderlo's acquisition of the remaining 50% in June 2009. In addition, underlying revenue also increased during the year, thanks to volume growth and firmer prices. REBITDA of 61.2 million EUR nearly equaled the record performance in 2009. This was the result of a full year of REBITDA generated by the FISO group, and a modest decrease in underlying REBITDA, solely related to lower first half year REBITDA versus the historically high comparable period in the first half of 2009.

TESSENDERLO KERLEY

4Q10	4Q09	% change	Million EUR	FY10	FY09	% change
48.8	33.5	45.9%	**Revenue**	231.4	180.0	28.5%
7.3	5.6	30.5%	**REBITDA**	47.6	38.0	25.2%
3.8	3.4	11.5%	**REBIT**	37.4	31.1	20.2%

Tessenderlo Kerley (TKI) turned in a solid **fourth quarter 2010**, as revenue climbed 45.9% to 48.8 million EUR. Revenue from liquid sulphur fertilizers was a major contributor, as market demand for most products, especially ATS, was robust. Crop protection volumes were marginally higher than the solid level in 4Q09. Fertilizer prices were higher than last year, reflecting the rise in raw material sulphur prices. REBITDA rose based mainly on continued volume growth.

For the **full year 2010**, Tessenderlo Kerley had a strong performance. Revenue moved 28.5% higher to 231.4 million EUR, with volume growth underpinned by more optimism in the agricultural community and further supported by favorable weather conditions in the US. REBITDA of 47.6 million EUR, a 25.2% gain versus 2009, was mainly the result of higher revenue and cost management. The Linuron product line, which was added to the crop protection business in June 2009, provided significant incremental revenue and REBITDA to TKI's first half 2010 results.

PLASTIC PIPE SYSTEMS AND PROFILES

4Q10	4Q09	% change	Million EUR	FY10	FY09	% change
133.0	134.1	-0.8%	**Revenue**	562.1	545.9	3.0%
6.8	12.3	-44.5%	**REBITDA**	44.8	50.5	-11.4%
-1.2	5.3	-	**REBIT**	15.7	21.5	-27.1%

Fourth quarter revenue for the **Plastic Pipe Systems and Profiles** operating segment of 133.0 million EUR was in line with the same period a year ago, as increased Profiles revenue essentially offset a decline in Plastic Pipe Systems.

Plastic Pipe Systems (PPS) had a challenging quarter, with lower revenue in the Benelux and France which was not compensated by other markets. Market conditions in Belgium and the Netherlands were weak, while unusually strong winter conditions from late November until the end of the year, which impacted construction activity, was a further negative factor. The Profiles business by contrast had revenue growth in the quarter, mainly thanks to increases in the UK and US, while revenue was stable in continental Europe.

4Q10 REBITDA for the segment of 6.8 million EUR was down 44.5% year on year, mainly due to margin pressures from higher raw material costs and increased operating expenses related to the launch of an ERP project, which should bring efficiency gains once completed.

Segment revenue for **FY10** rose 3.0% to 562.1 million EUR. This result is primarily attributable to a solid gain in Profiles, thanks to increases in the UK and US while continental Europe matched last year's level, partly offset by a drop in revenue for Plastic Pipe Systems. This decline can be explained by lower revenue in the Benelux which was not compensated for by growth in the UK and central Europe. 44.8 million EUR of REBITDA for the segment was 11.4% below last year, as significantly higher raw material costs reduced margins.

OTHER BUSINESSES

4Q10	4Q09	% change	Million EUR	FY10	FY09	% change
79.6	70.3	13.3%	**Revenue**	329.2	282.7	16.4%
0.5	-3.8	-	**REBITDA**	4.4	-11.7	-
-3.0	-6.9	-	**REBIT**	-7.3	-26.5	-

Revenue reached 79.6 million EUR in **4Q10** for **Other Businesses** (Organic Chlorine Derivatives, Pharmaceutical Intermediates and Compounds operating segments), or 13.3% above last year. Organic Chlorine Derivatives generated nearly all of the increase, Compounds also rose and Pharmaceutical Intermediates was lower. REBITDA was slightly positive, as Organic Chlorine Derivatives moved from a negative to a positive REBITDA for the quarter.

For the **full year**, Other Businesses had revenue growth of 16.4% to 329.2 million EUR. Revenue was much higher for Organic Chlorine Derivatives and Compounds, while Pharmaceutical Intermediates declined. REBITDA showed an improvement for the full year as each segment had a better performance.

Financial information

1. Non-recurring items

NON-RECURRING ITEMS

Million EUR	4Q10	4Q09	FY10	FY09
Gain on disposals	22.6	2.0	25.6	2.8
Provisions and claims	-0.9	-	12.4	-60.0
Restructuring	-9.1	-7.7	-11.5	-30.5
Impairment losses	-14.4	-15.2	-14.8	-18.9
Environmental provisions	-9.5	-1.0	-9.5	-1.0
Other income and expenses	-2.6	3.0	-3.7	7.8
Total	**-13.9**	**-18.9**	**-1.6**	**-99.8**

Fourth Quarter 2010

For the fourth quarter of 2010, the group recorded an amount of -13.9 million EUR as non-recurring items, compared to -18.9 million EUR for the comparable quarter last year.

Gain on disposals
In November 2010, Tessenderlo Group sold its stake in Ekol NV, located in Houthalen-Helchteren, Belgium. This transaction generated a non-recurring gain of 3.3 million EUR.

Also in November 2010, the group sold its subsidiary Immo Watro NV, a real estate company owning the group's administrative building in Brussels. This transaction resulted in a non-recurring gain of 12.6 million EUR.

During the fourth quarter of 2010, Tessenderlo Chemie NV further sold a number of non-strategic assets, mainly land located in Tessenderlo, Belgium, which gave rise to a non-recurring gain of 6.3 million EUR.

Restructuring
The restructuring expenses mainly relate to a reorganization of activities at the group's site in Calais, France, which is part of the operating segment Pharmaceutical Intermediates. The reorganization was initiated in order for the site to recover in the short term, with the intention of developing new markets and maintaining its position on the pharmaceutical market. Restructuring expenses and provisions were recognized for an amount of 5.5 million EUR in 4Q10 to cover the costs associated with the reorganization, including mainly employee termination benefits.

Also during the fourth quarter, the group announced its intention to close a subsidiary located in Avion, France, which was part of the operating segment Plastic Pipe Systems and Profiles. Restructuring expenses and provisions for an amount of 1.6 million EUR were recognized to cover the costs associated with the closure, including mainly employee termination benefits.

Impairment losses
Impairment losses in the fourth quarter amounted to 14.4 million EUR, and mainly include the impairment charges which have been recognized on property, plant and equipment within the operating segments Organic Chlorine Derivatives (10.4 million EUR) and Plastic Pipe Systems and Profiles (2.6 million EUR). The impairment for Organic Chlorine Derivatives relates to a production site in Italy, while the impairments for Plastic Pipe Systems and Profiles relate to an overseas subsidiary, as well as to the closure of a subsidiary in Avion, France disclosed under the restructuring section above.

Environmental provisions
The non-recurring impact of environmental provisions in 4Q10 totalled 9.5 million EUR. This charge is primarily due to new provisions recorded for 5.1 million EUR within the operating segments Inorganics and PVC/Chlor-Alkali following the present obligation of the Group to remediate soil contamination at the Belgian entities Limburgse Vinyl Maatschappij NV and Tessenderlo Chemie NV. The residual amount mainly consists of a provision for the decommissioning of a mercury chlor-alkali plant, which is foreseen for 2016 (operating segment PVC/Chlor-Alkali).

Full Year 2010 (in addition to 4Q10 details provided above)

Gain on disposals
During 1Q10, the group sold its zinc chloride activity generating a non-recurring gain of 1.6 million EUR. The remaining results on disposals in 2010 related to several smaller transactions, mainly related to sales of land and customer lists.

Provisions and claims
Following the decision rendered by the European Commission in July 2010 on a cartel investigation on animal feed phosphates, the fine was set at 83.8 million EUR. The provisions recorded as per December 2009 amounted to 97.0 million EUR. At year-end December 2010, the non-recurring gain recorded was 13.2 million EUR.

Restructuring
Restructuring expenses for a total of 2.4 million EUR were recorded in the first nine months of 2010, mainly within the operating segment Plastic Pipe Systems and Profiles and Non-allocated. These expenses are related to further operational efficiency improvements.

2. Net finance costs

In 4Q10, net finance costs amounted to 11.4 million EUR (4Q09: 2.6 million EUR). The higher net costs are mainly attributable to costs arising from the syndicated credit facility announced on March 1st 2010, and the private placement of senior unsecured bonds announced on October 19th 2010. The higher average interest rates payable more than offset the impact of the lower net financial debt. Furthermore additional charges of 2.6 million EUR were incurred in 4Q10 due to the sale of cross currency interest rate swaps, which were acquired in 1Q10 to fix the floating interest rate of the syndicated credit facility.

For the full year, net finance costs were 28.6 million EUR (FY09: 11.2 million EUR). The main explanations for this evolution are the same as in the fourth quarter: higher average interest rates which more than offset the lower level of net financial debt, as well as costs related to the syndicated credit facility and private placement of bonds.

3. Income tax expense

In 4Q10, a tax income of 10.5 million EUR was recognized, versus 0.4 million EUR in the same period last year. The tax income is mainly a consequence of the recognition of deferred tax assets on temporary differences and fiscal losses carried forward. The latter is mainly the consequence of the restructuring of activities within the group.

The tax expense for the full year 2010 was 10.1 million EUR (2009: 5.3 million EUR). The effective tax rate is 35.1%. These tax expenses are related mainly to operations in the United States.

4. Profit/loss for the period

Despite the continued improvement of operational results, the group recorded a loss for the fourth quarter of -7.8 million EUR, compared to -39.3 million EUR in the fourth quarter of 2009. The positive results at REBIT level (8.3 million EUR in 4Q10 against -18.2 million EUR in the same period last year) and a tax income were more than offset by non-recurring expenses and finance costs.

For the full year 2010, group profit was 20.3 million EUR (2009: loss of -166.7 million EUR), thanks to an EBIT of 57.4 million EUR (2009: -151.2 million EUR), partially offset by the net finance costs.

5. Capital expenditures

Capital expenditures for the fourth quarter 2010 were 48.4 million EUR (4Q09: 30.8 million EUR) and 120.8 million EUR for the year-end 2010 (FY09: 116.2 million EUR).

▶ Outlook

Tessenderlo Group enters 2011 confident that it will be a year of further progress. Operationally, revenue and profitability are expected to increase. Demand from agricultural markets – encompassing the Tessenderlo Kerley and Inorganic segments - remains firm and is underpinned by ongoing requirements of global food production. The group's leading positions in Gelatin and Akiolis enjoy underlying demand which continues to be solid. Construction activity is expected to stabilize and remain subdued. Operations which serve a broad range of general industries, such as PVC/Chlor-Alkali, should benefit from further economic recovery. The group will continue to manage costs strongly and pursue cost reduction opportunities.

Enabled by a solid balance sheet, 2011 will also be an important year of growth. 3 key projects previously announced will be completed in the second half of the year, which will boost the group's presence in faster growing economies. The gelatin business will open its first site in Brazil, while its recently formed joint venture will start up the group's second gelatin site in China. The compounds business will bring its first site in China into production to serve its customers in the automotive industry. For their respective segments, these additions are not foreseen to generate a material financial benefit in 2011 given their limited period of contribution, but they should start to support segment results in 2012. Alongside these projects, Tessenderlo Group intends to step up its investment plans, particularly in the USA, which should lead to higher capital expenditures in 2011.

Bringing Chemistry to Life

Consolidated financial statements 31 December

CONSOLIDATED INCOME STATEMENT

Million EUR	FY10	FY09	4Q10	4Q09
Revenue	**2,427.3**	**2,093.8**	**610.4**	**513.3**
Cost of sales	-2,010.1	-1,813.0	-504.7	-459.3
Gross profit	**417.2**	**280.8**	**105.6**	**54.0**
Distribution expenses	-136.5	-112.6	-34.3	-28.7
Sales and marketing expenses	-68.8	-57.8	-19.5	-13.3
Administrative expenses	-141.2	-152.9	-37.1	-30.6
Other operating income and expenses	-11.9	-8.9	-6.6	0.4
Profit from operations before non-recurring items (REBIT)	**58.9**	**-51.4**	**8.3**	**-18.2**
Gain on disposals	25.6	2.8	22.6	2.0
Provisions and claims	12.4	-60.0	-0.9	-
Restructuring	-11.5	-30.5	-9.1	-7.7
Impairment losses	-14.8	-18.9	-14.4	-15.2
Environmental provisions	-9.5	-1.0	-9.5	-1.0
Other income and expenses	-3.7	7.8	-2.6	3.0
Profit (+)/Loss (-) from operations (EBIT)	**57.4**	**-151.2**	**-5.8**	**-37.1**
Finance costs	-40.2	-18.5	-13.5	-4.3
Finance income	11.6	7.3	2.1	1.7
Finance costs - net	**-28.6**	**-11.2**	**-11.4**	**-2.6**
Share of result of equity accounted investees, net of income tax	1.6	1.0	-1.2	0.0
Result before tax	**30.4**	**-161.4**	**-18.3**	**-39.7**
Income tax expense	-10.1	-5.3	10.5	0.4
Profit (+) / Loss (-) for the period	**20.3**	**-166.7**	**-7.8**	**-39.3**
Attributable to:				
- **Equity holders of the group**	**20.7**	**-167.0**	**-7.3**	**-39.3**
- **Non-controlling interest**	**-0.4**	**0.3**	**-0.5**	**0.0**
Basic earnings per share (EUR)	0.72	-5.84		
Diluted earnings per share (EUR)	0.72	-5.84		

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Million EUR	**FY10**	**FY09**	**4Q10**	**4Q09**
Profit (+) / loss (-) for the period	**20.3**	**-166.7**	**-7.8**	**-39.3**
Translation differences	15.7	-3.2	3.7	5.2
Derivative financial instruments	-1.4	-2.5	11.8	0.7
Revaluation reserves	-	16.1	-	11.1
Income tax on other comprehensive income	0.5	-4.5	-4.0	-3.9
Other comprehensive income for the period, net of income tax	**14.8**	**5.9**	**11.5**	**13.1**
Total comprehensive income (+) and expense (-) for the period	**35.1**	**-160.8**	**3.7**	**-26.2**
Attributable to:				
- **Equity holders of the group**	**35.5**	**-161.1**	**4.2**	**-26.2**
- **Non-controlling interest**	**-0.4**	**0.3**	**-0.5**	**-**
Total comprehensive income (+) and expense (-) for the period	**35.1**	**-160.8**	**3.7**	**-26.2**

Bringing Chemistry to Life

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Million EUR	31.12.2010	31.12.2009
ASSETS		
Total non-current assets	**877.9**	**884.0**
Property, plant and equipment	682.2	694.7
Goodwill	53.4	53.6
Other intangible assets	61.2	67.4
Investments accounted for using the equity method	27.7	21.3
Other investments	6.7	6.5
Deferred tax assets	23.7	17.8
Trade and other receivables	22.9	22.7
Total current assets	**800.4**	**692.3**
Inventories	349.7	361.1
Trade and other receivables	299.5	286.8
Derivative financial instruments	0.7	0.1
Cash and cash equivalents	150.5	44.3
Assets classified as held for sale	**18.1**	**0.3**
Total assets	**1,696.5**	**1,576.6**
EQUITY & LIABILITIES		
Total equity	**728.6**	**707.5**
Equity attributable to equity holders of the group	**724.8**	**705.2**
Issued capital	143.7	139.0
Share premium	57.5	43.9
Reserves	393.6	373.1
Retained earnings	132.8	149.2
Amounts recognised in other comprehensive income and accumulated in equity relating to non-current assets held for sale	-2.8	-
Non-controlling interest	**3.7**	**2.3**
Total liabilities	**961.4**	**869.1**
Total non-current liabilities	**362.2**	**250.9**
Financial liabilities	195.4	11.6
Employee benefits	38.2	39.7
Provisions	65.9	167.5
Trade and other payables	30.2	0.2
Derivative financial instruments	0.8	-
Deferred tax liabilities	31.6	31.9
Total current liabilities	**599.2**	**618.2**
Financial liabilities	117.1	241.7
Trade and other payables	469.6	363.1
Derivative financial instruments	0.2	0.4
Current tax liabilities	0.4	0.7
Provisions	11.9	12.3
Liabilities associated with assets classified as held for sale	**6.5**	**-**
Total Equity and Liabilities	**1,696.5**	**1,576.6**

Bringing Chemistry to Life

CONSOLIDATED STATEMENT OF CASH FLOWS

Million EUR	**FY10**	**FY09**
OPERATING ACTIVITIES		
Profit (+)/Loss (-) for the period	**20.3**	**-166.7**
Depreciation, amortisation and impairment on tangible assets, goodwill and other intangibles assets	130.2	136.5
Impairment losses on other investments	1.1	-
Changes in provisions	-46.3	76.1
Finance costs	40.2	18.5
Finance income	-11.6	-7.3
Profit on sale of non-current assets	-24.9	-1.5
Share of result of equity accounted investees, net of income tax	-1.6	-1.0
Income tax expense	10.1	5.3
Other non-cash items	-0.5	6.0
Changes in inventories	13.9	119.7
Changes in trade and other receivables	-17.1	187.6
Changes in trade and other payables	79.3	-38.5
Cash generated from operations	*193.1*	*334.7*
Interest paid	-11.9	-8.9
Interest received	1.4	0.2
Other finance costs paid	-9.5	-1.7
Income tax paid	-18.6	-15.3
Dividends received from investments accounted for using the equity method	5.0	6.3
Cash flow from operating activities	**159.5**	**315.3**
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	-117.1	-112.4
Acquisition of other intangible assets	-3.7	-3.8
Acquisition of investments accounted for using the equity method	-9.3	-7.3
Acquisition of businesses, net of cash acquired	-	-58.8
Acquisition of investments	-1.6	-0.1
Proceeds from sale of property, plant and equipment	11.0	4.0
Proceeds from sale of intangible assets	2.2	0.1
Proceeds from sale of subsidiaries, net of cash disposed of	24.2	-
Proceeds from sale of other investments	3.6	-
Cash flow from investing activities	**-90.7**	**-178.3**
FINANCING ACTIVITIES		
Increase of issued capital	1.3	1.6
Increase / (decrease) of financial liabilities	64.9	-104.2
Payment of transaction costs related to financial liabilities	-11.1	-
(Increase) / decrease of long term receivables	1.2	-6.4
Dividends paid to shareholders	-20.2	-37.0
Cash flow from financing activities	**36.1**	**-146.0**
Net increase / (decrease) in cash and cash equivalents	**104.9**	**-9.0**
Effect of exchange rate differences	1.3	-0.2
Cash and cash equivalents at the beginning of the year	44.3	53.5
Cash and cash equivalents at the end of the year	150.5	44.3

▶ Supplementary financial information

1. Basis of preparation

The consolidated financial statements in this press release have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use by the European Union. This press release does not include all of the information required for publication and should be read in conjunction with the consolidated financial statements of the group as at and for the year ended 31 December 2010. The management of the group has prepared this report to its best capacity and current knowledge concerning the standards and interpretations, facts and circumstances. The IFRS-standards and the IFRIC-interpretations are still being reviewed and new amendments and recommendations are possible.

These consolidated financial statements were approved by the Board of Directors on February 23rd, 2011.

2. Significant accounting policies

The accounting policies used by the group in the present 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

Refer to annexes 1 and 2.

4. Equity

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP

Million EUR	2010	2009
Balance at 01.01	**705.2**	**900.0**
Profit (+)/loss (-) for the period attributable to equity holders of the group	20.7	-167.0
Other comprehensive income for the period, net of income tax	14.8	5.9
Warrants and capital increase	3.0	1.7
Issued capital	18.2	1.6
Dividends paid to shareholders	-37.1	-37.0
Balance at 31.12	**724.8**	**705.2**

Equity attributable to equity holders of the group amounted to 724.8 million EUR at the end of December 2010, a net increase of 19.6 million EUR since the end of December 2009.

This is a consequence of the positive result of the year (20.7 million EUR), the capital increase in favor of the employees (1.3 million EUR) and the increase of capital following the stock option dividend (16.9 million EUR), partly offset by the dividend for the financial year 2009 distributed in 2010 (-37.1 million

EUR). The costs of issuing warrants and the capital increase in favor of the employees was 3.0 million EUR.

The other comprehensive income for the period, net of income tax, includes translation differences for 15.7 million EUR and derivative financial instruments, net of income tax, for -0.9 million EUR.

5. Business combinations

Divestments – subsidiaries and activities

In 4Q10, the group sold Immo Watro NV/SA, the real estate company owning the group's administrative building in Brussels, to the German institutional fund manager GLL Real Estate Partners GmbH.

6. Non-current assets classified as held for sale

In 2010, exclusive negotiations were started with Tennants Consolidated Ltd. in order to sell the subsidiary Tessenderlo Fine Chemicals Ltd., located in Leek Staffordshire, UK (operating segment "Organic Chlorine Derivatives"). On January 31st 2011, the group completed its sale. In accordance with IFRS 5, the assets and liabilities of this disposal group have been presented as assets and liabilities held for sale at year-end. The non-current assets have been recognized at the lower of their carrying amount and their fair value. No impairment was deemed necessary as the fair value was higher than the related carrying amount. This reclassification did not have any impact on the consolidated income statement nor on the consolidated statement of comprehensive income.

7. Subsequent events

On February 1st 2011, Tessenderlo Group announced the sale of its subsidiary Tessenderlo Fine Chemicals Limited (operating segment "Organic Chlorine Derivatives") to Tennants Consolidated Ltd., a leading UK privately held chemical manufacturing and distribution group. The transaction amounted to 17.0 million pounds (GBP) on a cash-free, debt-free basis, of which 1.0 million GBP is deferred based upon agreed profitability ratios as per December 31st, 2011.

▶ Statement on the true and fair view of the consolidated financial statements and the fair overview of the management report

Frank Coenen (CEO) and Mel de Vogue (CFO) certify, on behalf and for the account of the company, that, to their knowledge,

a) the consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the entities included in the consolidation as a whole,

b) the consolidated management report includes a fair overview of the development and performance of the business and the position of the company, and the entities included in the consolidation, together with a description of the principal risks and uncertainties which they are exposed to.

▶ Statutory Auditors

The statutory auditor, KPMG Bedrijfsrevisoren – Réviseurs d'Entreprises, represented by Ludo Ruysen, has issued an unqualified audit opinion on the consolidated financial statements and has confirmed that the accounting data included in this annual announcement does not include any apparent inconsistencies with the consolidated financial statements.

▶ Financial calendar

First quarter 2011 results	May 5th, 2011
Annual General Meeting	June 7th, 2011
Second quarter and half year 2011 results	August 25th, 2011
Third quarter 2011 results	October 27th, 2011

***Tessenderlo Group** is an international chemicals company with over 100 locations worldwide. 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 totaling 2.4 billion EUR in 2010. Tessenderlo Chemie NV is listed on Eurolist by Euronext Brussels and is part of Next 150 and BEL Mid indices. Financial News wires: Bloomberg: TESB BB – Reuters: TesBt.BR – Datastream: B:Tes*

Media Relations
Mrs. Geert DUSAR
Group Communication
☎ +32 (0) 474 99 38 19

Investor Relations
Mr. Philip LUDWIG
Head of Investor Relations
☎ +32 2 639 16 58

Web site: www.tessenderlogroup.com

This press release is available in Dutch, English and French on the corporate web site www.tessenderlogroup.com - under 'News & Media'.

ANNEX 1

SEGMENT REPORTING FOURTH QUARTER		
Million EUR	**4Q10**	**4Q09**
Tessenderlo Group		
Revenue	610.4	513.3
REBITDA	40.5	11.6
REBIT	8.3	-18.2
Inorganics		
Revenue	105.4	79.7
REBITDA	5.0	-7.1
REBIT	3.4	-8.8
PVC/Chlor-Alkali		
Revenue	134.4	101.7
REBITDA	12.8	-5.6
REBIT	5.6	-12.7
Gelatin and Akiolis		
Revenue	109.1	94.0
REBITDA	15.9	14.3
REBIT	8.5	5.9
Tessenderlo Kerley		
Revenue	48.8	33.5
REBITDA	7.3	5.6
REBIT	3.8	3.4
Plastic Pipe Systems and Profiles		
Revenue	133.0	134.1
REBITDA	6.8	12.3
REBIT	-1.2	5.3
Other Businesses		
Revenue	79.6	70.3
REBITDA	0.5	-3.8
REBIT	-3.0	-6.9
Non-allocated		
Revenue	-	-
REBITDA	-7.8	-4.1
REBIT	-8.7	-4.4

Bringing Chemistry to Life

ANNEX 2

SEGMENT REPORTING 12 MONTHS

Million EUR	FY10	FY09
Tessenderlo Group		
Revenue	2,427.3	2,093.8
REBITDA	175.6	63.4
REBIT	58.9	-51.4
Inorganics		
Revenue	398.1	283.6
REBITDA	20.7	-49.7
REBIT	14.3	-56.5
PVC/Chlor-Alkali		
Revenue	495.8	443.1
REBITDA	21.3	-1.5
REBIT	-7.1	-28.0
Gelatin and Akiolis		
Revenue	410.8	358.5
REBITDA	61.2	61.9
REBIT	31.8	35.6
Tessenderlo Kerley		
Revenue	231.4	180.0
REBITDA	47.6	38.0
REBIT	37.4	31.1
Plastic Pipe Systems and Profiles		
Revenue	562.1	545.9
REBITDA	44.8	50.5
REBIT	15.7	21.5
Other Businesses		
Revenue	329.2	282.7
REBITDA	4.4	-11.7
REBIT	-7.3	-26.5
Non-allocated		
Revenue	-	-
REBITDA	-24.4	-24.1
REBIT	-25.9	-28.6