
ANNUAL GENERAL MEETING

Tessenderlo Chemie NV

Brussels, June 7, 2016



EVERY
MOLECULE
COUNTS

About Tessenderlo Group



+100

locations across 21
countries



+4,700

employees



+1.6

billion EUR
revenues in 2015



About Tessenderlo Group

3 operating segments



Agro



Bio-Valorization



Industrial Solutions



Segment Agro

AGRICULTURE

1
PRODUCTION
PLANT
Belgium



SOP PLANT NUTRITION

High quality soluble fertilizers to increase efficiency, yield and quality of specialty crops, such as flowers, fruits, vegetables



13 PRODUCTION PLANTS
in USA (10), Belgium (1),
Turkey (1), France (1)

2 plants under construction:
East Dubuque (USA), Rouen (France)

CROP VITALITY / TESSENDERLO KERLEY INTERNATIONAL

Leading producer of sulfur based liquid fertilizers for broad acre crops, fruit and vegetable crop cultivation

NOVASOURCE

Speciality crop protection solutions



Segment Agro

2015 key events

- **SOP Plant Nutrition**

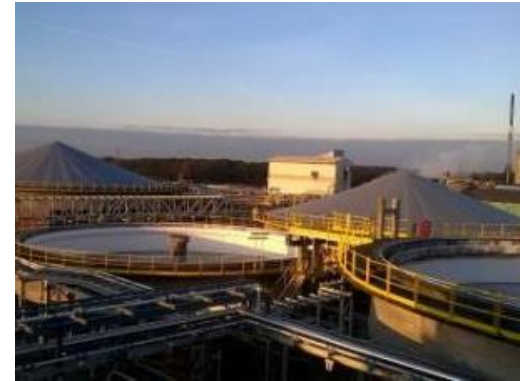
In 2015, the BU Inorganics changed its name to SOP Plant Nutrition, the world's preferred partner in SOP.

- **New Calcium Chloride plant in Ham**

In the last quarter of 2015, Tessenderlo Group started to produce Calcium Chloride in the new plant in Ham, Belgium. The plant strengthens our position as a global leader in potassium sulfate.

- **Announcement of new plant at Rouen**

In April 2015, Tessenderlo announced its intention to build a new factory for the production of ammonium thiosulfate at Rouen. The commissioning of the plant is foreseen in 2017 and it will provide work to 20-25 people. The investment is driven by the increased demand for liquid fertilizers on the European Agro market.



Segment Agro

2015 key events

- **New Tessengerlo Kerley Inc. plant**

In 2015, Crop Vitality celebrated the completion of its newest liquid plant nutrient manufacturing facility in Hanford (US). An environmentally safe liquid plant nutrient known as KTS[®] (potassium thiosulfate) is produced at the facility. KTS[®] is a specialty crop fertilizer, it can be used on crops such as fruit, nuts, vegetables & broad acre crops

- **Novasource[®] portfolio expansion**

NovaSource[®] acquired two product lines in 2015, expanding its portfolio of specialty crop protection products. The first was the herbicide Norflurazon which is used to control weeds that sap the vigor of many crops. The product is primarily used on citrus, tree fruit and alfalfa. The second was the herbicide Hexazinone, which is used for season long control of difficult weeds in alfalfa, sugar cane and many other specialty crops.



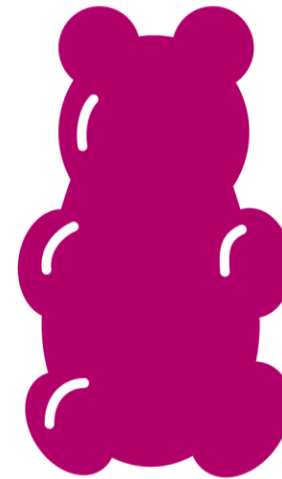
Segment Bio-Valorization

AKIOLIS

Processing of bio-residuals into ingredients for use in various applications from bio-fuels and pet food to fertilizers

11
PRODUCTION PLANTS
France

39
COLLECTION CENTERS
France



8

PRODUCTION PLANTS

Argentina (1), Belgium (1)
Brazil (1), Germany (1), UK (1),
USA (1) and China (2)

GELATIN

Valorization of by-products from the meat industry into high value gelatin, used in food, pharma and other applications



Segment Bio-Valorization

2015 key events

- **Operational excellence in the BU Gelatins**
In order to cope with the challenging gelatin market conditions, the BU Gelatins implemented a set of operational and commercial improvement programs and cost reduction measures.
- **Akiolis**
For Atemax, Akiolis has renewed the contract for the collection and securing of the animals found dead. The contract has a duration of 3 years.



Segment Industrial Solutions

PERFORMANCE CHEMICALS

- Recuperation of by-products from the steel industry to produce coagulants for water treatment
- Nr 3 European supplier of coagulants



2
PLANTS
Belgium (1),
France (1)

MINING AND WATER TREATMENT SERVICES

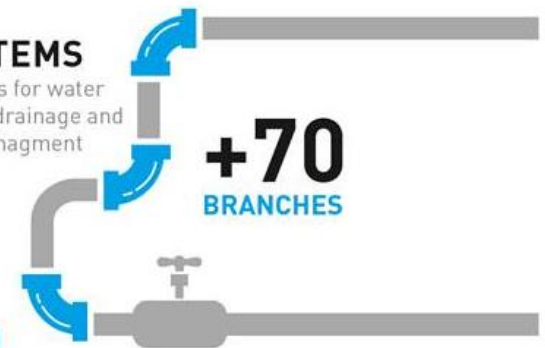
3
PLANTS
US

PLASTIC PIPE SYSTEMS

Pipes and fittings for water supplies, water drainage and storm water management

7
PRODUCTION PLANTS

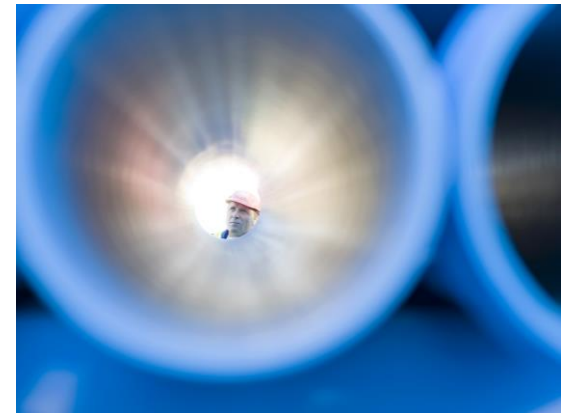
The Netherlands (2),
Germany (1), Belgium (1),
France (1), Poland (1) and Hungary (1)



Segment Industrial Solutions

2015 key events

- **A New Electrolysis plant in Loos**
In March 2015, the Board of Directors approved a 50 million EUR investment at the site in Loos. A new membrane electrolysis plant will be built, for start-up mid-2017 to replace the current technology.
- **Re-entry of potassium hydroxide market**
In August, Tessenderlo re-entered the potassium hydroxide market and delivered a first truck of KOH.
- **PPS Organization**
PPS changed its BU structure into a dedicated UK and a dedicated Continental Europe part.



2015 key events: corporate

- Tessengerlo Group issued two series of bonds with maturity periods of 7 years and 10 years for a total amount of 250 million EUR.

The transaction was closed following the second day of the subscription period as the maximum amount of subscriptions had been reached. The bonds were mainly used to refinance the 150 million EUR bond that matured in October 2015 and to increase the group's production capacity to meet expected future demand.



Proposal

Picanol Tessenderlo Group



- On December 16, 2015, Tessenderlo Group and Picanol Group (Picanol NV, Euronext: PIC) announced their proposal to combine the industrial activities of both companies into one larger industrial group, Picanol Tessenderlo Group NV.
- On March 7, 2016, the boards of directors of both companies have each decided to terminate their negotiations and to withdraw the proposal to combine.
- Tessenderlo Group has the means and will continue to focus on an enhanced value creation in each of its businesses.



Agenda

1. Examination of the statutory annual accounts and the consolidated annual accounts for the financial year closed on December 31, 2015, of the annual report of the board of directors and of the report of the statutory auditor with respect to said annual accounts
2. Approval of the statutory annual accounts for the financial year closed on December 31, 2015, and allocation of the result
3. Corporate governance – approval of the remuneration report
4. Discharge to the members of the board of directors and the statutory auditor
5. Remuneration of the directors
6. Approval in accordance with article 556 of the Belgian company code of the change of control provisions in (i) the documentation in relation to the private placement of 192,000,000 EUR 2.875 per cent bonds due 2022 and 58,000,000 EUR 3.375 per cent bonds due 2025 and (ii) the facility agreements with KBC Bank, ING Bank, Belfius Bank and BNP Paribas Fortis
7. Appointment of statutory auditor

1. Examination of the statutory annual accounts and the consolidated annual accounts for the financial year closed on December 31, 2015, of the annual report of the board of directors and of the report of the statutory auditor with respect to said annual accounts



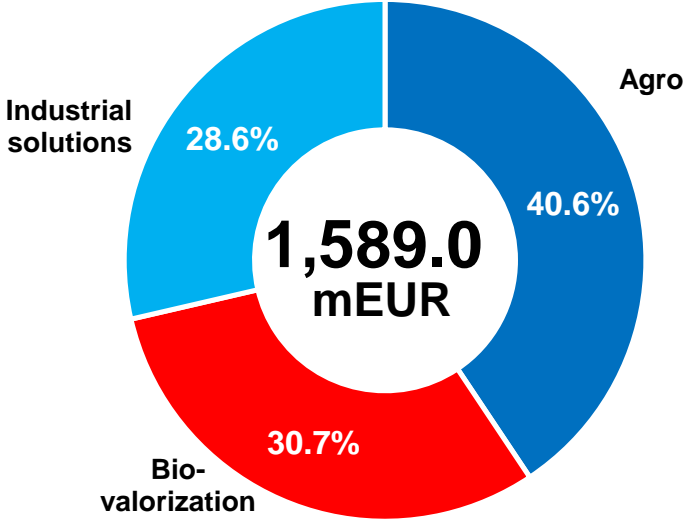
Operational key figures

Million EUR	12M15	12M14	%Change
Revenue Group	1,589.0	1,434.2	10.8%
- Revenue Other segment	-	-34.7	
Revenue at comparable scope	1,589.0	1,399.5	13.5%
Rebitda Group	180.4	135.6	33.1%
- Rebitda Other segment	-	-1.1	
Rebitda at comparable scope	180.4	134.4	34.2%
Rebit Group	104.4	66.9	56.0%
- Rebit Other segment	-	-1.1	
Rebit at comparable scope	104.4	65.8	58.6%
Profit (+) / loss (-) for the period	81.9	52.8	55.2%
Total comprehensive income for the period	69.5	23.7	193.4%
Cash flow from operating activities minus capital expenditure	77.3	16.3	374.1%
Net debt	145.3	57.1	
Notional net debt	145.3	155.3	

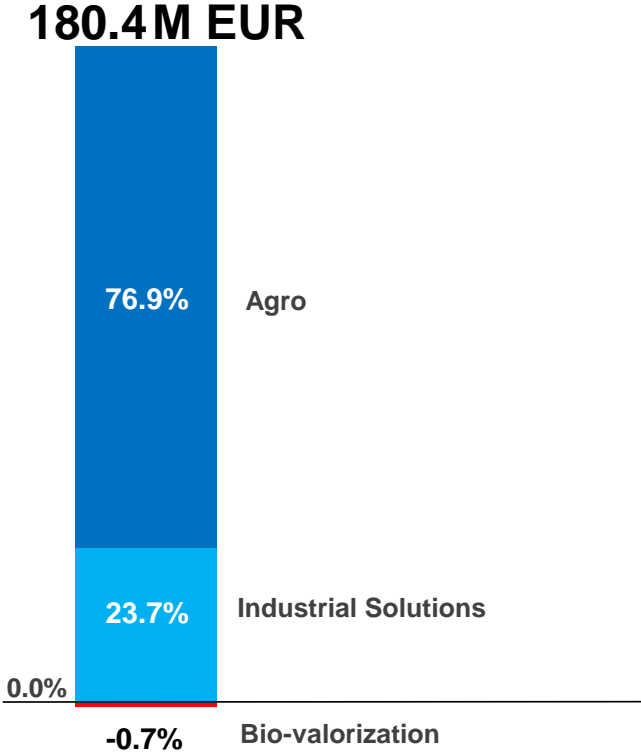


2015 group revenue and REBITDA per segment

Revenue (% of total)



REBITDA (% of total)



Segment Agro

AGRO			
Million EUR	12M15	12M14	% change
Revenue	645.6	524.0	23.2%
REBITDA	138.9	99.3	39.7%
REBITDA margin	21.5%	19.0%	-
REBIT	115.6	80.6	43.5%
REBIT margin	17.9%	15.4%	-

- The 2015 revenue increased by 23.2% or by 11.0% when excluding the foreign exchange effect.
- All businesses contributed to the REBITDA growth of the segment (+39.7% or +23.8% when excluding the foreign exchange effect), while the REBITDA of TKI Core slightly decreased when excluding the foreign exchange effect.



Segment Bio-Valorization

BIO-VALORIZATION			
Million EUR	12M15	12M14	% change
Revenue	488.5	476.0	2.6%
REBITDA	-1.2	6.3	nm
REBITDA margin	-0.2%	1.3%	-
REBIT	-29.9	-22.7	nm
REBIT margin	-6.1%	-4.8%	-

- Revenue increased by 2.6% in 2015 or decreased by -2.1% when excluding the foreign exchange effect.
- Inventory write-offs, which are a consequence of changed accounting estimates concerning inventory obsolescence, and maintenance projects in many production sites are the main reasons for the lower segment profitability in 2015 compared to 2014.



Segment Industrial Solutions

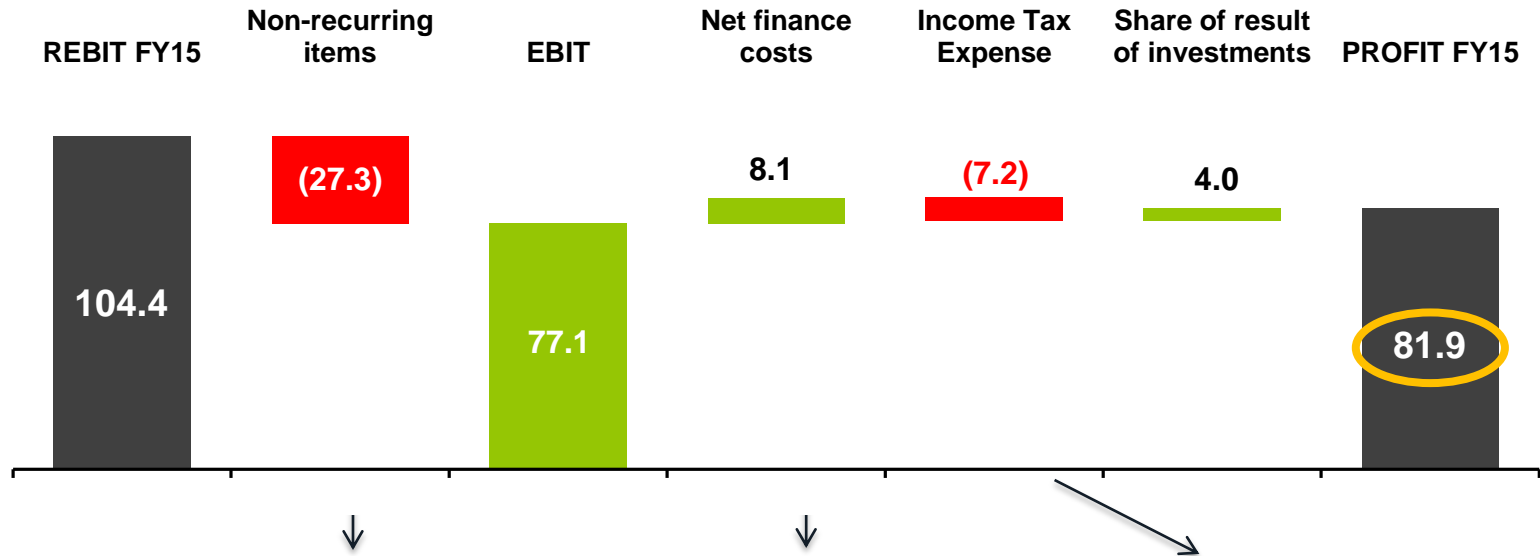
INDUSTRIAL SOLUTIONS			
Million EUR	12M15	12M14	% change
Revenue	454.8	399.5	13.8%
REBITDA	42.8	28.8	48.7%
REBITDA margin	9.4%	7.2%	-
REBIT	18.7	7.9	134.9%
REBIT margin	4.1%	2.0%	-

- The 2015 revenue of the segment Industrial solutions increased by 13.8% (or 9.5% when excluding the foreign exchange rate effect). The REBITDA increased by 48.7% or by 37.0% when excluding the foreign exchange rate effect. These evolutions were mainly supported by the activities Plastic Pipe Systems and Mining & Industrial.



2015 REBIT to profit details

Million EUR



The non-recurring items mainly include impairment losses (-23.6 million EUR) on assets which are no longer considered to have an economic value as they are no longer in use or for which the carrying amount of the assets exceeded the recoverable amount. Furthermore write-offs on spare parts were recognized following changed accounting estimates concerning inventory obsolescence.

The net foreign exchange gains and losses (including revaluation to fair value of derivative financial instruments) amount to 25.1 million EUR, which can be mainly explained by the unrealized exchange gains on USD intercompany loans which are not hedged.

Tax expenses amount to -7.2 million EUR in 2015, versus a tax income of 1.6 million EUR last year. The income tax expenses mainly relate to the operations in the United States within the operating segment "Agro".
The 2015 effective tax rate amounts to 8.5%, compared to a theoretical tax rate of 38.0%. The variance can be explained by the recognition of additional deferred tax assets on fiscal losses carried forward and the use of previously non-recognized tax credits in 2015.

Balance sheet – assets

Million EUR	31.12.2015	31.12.2014
ASSETS		
Total non-current assets	628.9	596.3
Property, plant and equipment	462.3	462.6
Goodwill	35.3	38.8
Other intangible assets	59.3	45.2
Investments accounted for using the equity method	25.1	18.6
Other investments	2.0	2.5
Deferred tax assets	30.0	18.6
Trade and other receivables	14.9	9.2
Derivative financial instruments	-	0.8
Total current assets	673.3	586.9
Inventories	288.9	248.2
Trade and other receivables	253.2	180.2
Derivative financial instruments	1.0	1.5
Cash and cash equivalents	130.2	157.0
Non-current assets classified as held for sale	1.4	2.3
Total assets	1,303.6	1,185.4



Balance Sheet – equity and liabilities

Million EUR	31.12.2015	31.12.2014
EQUITY AND LIABILITIES		
Total equity	518.2	436.9
Equity attributable to equity holders of the company	516.8	433.5
Issued capital	215.0	212.4
Share premium	232.9	224.2
Reserves and retained earnings	69.0	-3.1
Non-controlling interest	1.5	3.4
Total liabilities	785.4	748.5
Total non-current liabilities	468.2	260.8
Loans and borrowings	226.7	3.9
Employee benefits	48.3	53.3
Provisions	135.0	149.8
Trade and other payables	4.3	4.1
Derivative financial instruments	11.1	11.9
Deferred tax liabilities	42.7	37.8
Total current liabilities	317.2	487.7
Bank overdrafts	0.5	0.6
Loans and borrowings	48.3	209.7
Trade and other payables	243.4	230.1
Derivative financial instruments	6.3	27.1
Current tax liabilities	0.7	1.3
Employee benefits	1.7	1.5
Provisions	16.3	17.5
Total equity and liabilities	1,303.6	1,185.4



Cash flow statement

CONSOLIDATED STATEMENT OF CASHFLOWS

Million EUR	31.12.2015	31.12.2014
Cash flow from operating activities	138.4	84.3
Cash flow from investing activities	-74.7	-47.9
Cash flow from financing activities	-89.0	74.0
Net increase / (decrease) in cash and cash equivalents	-25.3	110.4
Effect of exchange rate differences	-1.5	1.3
Cash and cash eq. less bank overdrafts at the beginning of the period	156.5	44.8
Cash and cash eq. less bank overdrafts at the end of the period	129.7	156.5



Outlook

Although the 1Q16 results were lower than expected, Tessenderlo Group reconfirms that the 2016 REBITDA, compared to the 2015 REBITDA, may grow between 15% and 20%. However the group wants to emphasize that it currently operates in volatile economical and financial circumstances.



Statutory annual accounts

The result of the year amounted to -20,526,584.75 EUR in 2015 compared to 48,819,107.46 EUR in 2014.

Proposal for the allocation of the result

The board proposes to appropriate:

▪ The result of 2015, being	-20,526,584.75 EUR
▪ Increased by the result brought forward from previous year	271,402,049.85 EUR
Total to be carried forward	250,875,465.10 EUR



2. Approval of the statutory annual accounts for the financial year closed on December 31, 2015, and allocation of the result



PROPOSED RESOLUTION

The shareholders' meeting approves the statutory annual accounts for the financial year closed on December 31, 2015, as well as the allocation of the result, as proposed by the board of directors.

The shareholders' meeting approves the proposal of the board of directors not to distribute any dividends over the year 2015.

3. Corporate governance – approval of the remuneration report



Information remuneration report

Executive Committee, (“EXCOM”):

- **Changes as of 14/01/2015:**

New Executive Committee (Excom) replacing ‘GMC’ with following members:

CEO(s)-CFO (Luc Tack – Mel De Vogue)

Findar BVBA (Executive Director Business Transformation represented by S. Haspeslagh)

Each other member appointed by the Board of Directors can become a member of the newly created Excom.

- **As of 01/5/2015:**

Voluntary departure Mel De Vogue – function CFO taken over by Findar BVBA – resulting in following Excom members: CEO (Luc Tack)/CFO (Findar BVBA).

- **Changes after finalization remuneration report 2015:**

Appointment Findar BVBA acting through Stefaan Haspeslagh as Chief Operating Officer of Tessenderlo Group (Decision Board of 25 April 2016), next to his role of CFO.



Information remuneration report

Remuneration policy Excom:

- **Base salary:**

No adjustment in 2015 based on market practice.

- **Variable remuneration:**

- **Short term incentive**

- CEO's/Excom: 0-70% of the base salary;

- Group financial objectives: Total Comprehensive income, EBIT;

- Personal modifier per member of the Excom linked directly to the progress in strategy execution and business transformation of the Group.

- **Long term incentive**

- No additional plan in 2015;

- Long term performance cash bonus (13-15), with deferred payment in 2016, no longer has any Excom participants;

- New Long Term performance cash plan (16-18) developed with deferred payment in 2019.

- **Other allowances:**

No changes in 2015.



Information remuneration report

Early termination:

- The management agreement with each member of the Excom contains a protection against early termination equal to a fee of 8 months in case the management agreement is stopped by Tessengerlo Group.
- For the current CEO (Luc Tack) and the previous co-CEO (Mel De Vogue) this management agreement contains(ed) a clause which brings (brought) the protection to a fee of 12 months as of 2021.



PROPOSED RESOLUTION

The shareholders' meeting approves the remuneration report of the Company regarding the financial year 2015.

4. Discharge to the members of the board of directors and the statutory auditor



PROPOSED RESOLUTION

- a) By separate vote and in accordance with article 554 of the Belgian company code, the shareholders' meeting gives discharge to the members of the board of directors for the execution of their mandate during the financial year ended on December 31, 2015.

- b) By separate vote and in accordance with article 554 of the Belgian company code, the shareholders' meeting gives discharge to the statutory auditor for the execution of his mandate during the financial year ended on December 31, 2015.

5. Remuneration of the directors



Board of directors

Composition

The composition of the Board of Directors of Tessenderlo Chemie NV is as follows:

Function	Name	End of term
Chairman	Stefaan Haspeslagh	June 2018
Executive Director	Luc Tack	June 2019
Non-executive Director	Karel Vinck	June 2019
Independent non-executive Directors	Véronique Bolland	June 2017
	Philium BVBA represented by its permanent representative Philippe Coens	June 2019
	Dominique Zakovitch-Damon	June 2019

PROPOSED RESOLUTION

Upon advice of the nomination and remuneration committee, the shareholders' meeting resolves that each director will receive a fixed annual fee of 25,000 EUR on the understanding that this remuneration covers the activities as member of the board of directors, the audit committee and the nomination and remuneration committee. Moreover, the following additional fees will be granted :

- a) a variable fee of 1,000 EUR per half day attendance;
- b) an additional annual fee of 30,000 EUR for the chairman of the board of directors
- c) an additional annual fee of 3,000 EUR for the chairman of the audit committee.

The above rules will be applicable to remunerations granted as from 1 January 2016.

6. Approval in accordance with article 556 of the Belgian company code of the change of control provisions in (i) the documentation in relation to the private placement of 192,000,000 EUR 2.875 per cent bonds due 2022 and 58,000,000 EUR 3.375 per cent bonds due 2025 and (ii) the facility agreements with KBC Bank, ING Bank, Belfius Bank and BNP Paribas Fortis



PROPOSED RESOLUTION (1/2)

In accordance with article 556 of the Belgian Company Code, the general shareholders' meeting approves (i) Condition 6.4 ("Redemption at the option of Bondholders upon a Change of Control") of the Conditions of the prospectus dated 15 July 2015 of the Company relating to the private placement of 192.000.000 EUR 2.875 per cent bonds due 2022 and 58.000.000 EUR 3.375 per cent bonds due 2025, (the "**Conditions**", the "**Bonds**"), (ii) each other clause relating to the Bonds conferring rights to third parties which can have an influence on the capital of the Company, or can create a debt or obligation for it, when the exercise of these rights is dependent on the launching of a public takeover bid on the shares of the Company or on a change of control over the Company as well as (iii) each operation done in execution of such Condition. Condition 6.4 grants, in essence, the right to any bondholder to require the Company to redeem all or any part of their Bonds on the put settlement date at the put redemption amount, in the event of a Change of Control, whereby "Change of Control" shall occur if a third party being a person or a group of persons acting in concert (other than Verbrugge NV or any person acting in concert therewith) obtains 30% or more of the voting rights of the Company, either directly or through the obtaining of voting rights in a holding company, but in each case unless Verbrugge NV (or any person acting in concert therewith) directly or indirectly holds more voting rights of the Company than the third party.

PROPOSED RESOLUTION (2/2)

If this Condition 6.4 is not approved by a resolution of the shareholders of the Company or if the relevant resolutions are not filed with the clerk of the competent commercial court in accordance with Article 556 of the Company Code, then the amount of interest payable on the Bonds will be increased by 0.50 per cent per annum, in execution of such Condition.

In addition, the general shareholders' meeting also approves each clause of any of the bilateral facility agreements entered into between the Company as borrower and each of KBC Bank NV, ING Bank NV, Belfius Bank NV and BNP Paribas Fortis NV respectively as lender that could confer rights to those banks which can have an influence on the capital of the Company, or can create a debt or obligation for it, when the exercise of these rights is dependent on the launching of a public takeover bid on the shares of the Company or on a change of control over the Company, including but not limited to clause 'general undertakings' (juncto clause 7.3 of the general terms and conditions) of the bilateral facility agreement between the Company and KBC Bank NV, clause 'engagements & covenants' of the bilateral facility agreement between the Company and ING Bank NV, clause 'general undertakings' of the bilateral facility agreement between the Company and Belfius Bank NV and clause 'general undertakings' (juncto clause 20 of the general terms and conditions) of the bilateral facility agreement between the Company and BNP Paribas Fortis NV.

7. Appointment of statutory auditor



PROPOSED RESOLUTION

The general shareholders' meeting appoints BCVBA PwC Bedrijfsrevisoren, with registered office at 1932 Sint-Stevens-Woluwe, Woluwedal 18, as statutory auditor for a period of three years. BCVBA PwC Bedrijfsrevisoren has appointed Mr. Peter Van den Eynde, auditor, as its mandated representative and who is entrusted with the execution of the mandate in the name and for the account of the BCVBA. The mandate will expire after the general shareholders' meeting deciding upon the financial statements as per 31 December, 2018.

The annual remuneration for this mandate amounts to 215,000 EUR (VAT excluded and expenses and IBR contribution included), subject to annual adjustments according to changes in the consumer price index or as agreed upon between parties.

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- Alle documenten inzake de algemene vergadering kunnen worden geraadpleegd op onze website
 - All documents related to the general meeting of today are available on the group website
 - Tous les documents relatifs à l'assemblée générale d'aujourd'hui sont disponibles sur notre site internet

www.tessengerlo.com/investors



Questions?



GENERAL MEETING

Tessenderlo Chemie NV



EVERY
MOLECULE
COUNTS