



TESSENDERLO CHEMIE NV

**Independent Auditor's Assurance Report on the
compilation of Pro Forma Financial Information**

15 December 2015



Independent Auditor's Assurance Report on the compilation of Pro Forma Financial Information

In accordance with the terms of our engagement contract dated 14 December 2015 (the "Contract"), we have completed our assurance engagement to report on the compilation of pro forma financial information of Picanol Tessenderlo Group NV (the "Company") as compiled by the Company's Directors.

We report on the pro forma condensed combined financial information (the "Pro Forma Financial Information") that consists of the unaudited pro forma consolidated statement of financial position as at June 30, 2015, the unaudited pro forma consolidated income statement for both the 12 months period ended December 31, 2014 and the 6 months period ended June 30, 2015, the unaudited pro forma consolidated statement of comprehensive income for both the 12 months period ended December 31, 2014 and the 6 months period ended June 30, 2015 and the related notes as approved by the Board of Directors on December 15, 2015, to be included in the information memorandum that will be issued by the Company (hereafter the "Information Memorandum"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information (the "Criteria") are specified in Annex 2 of the EC Regulation N° 809/2004 of 29 April 2004.

The Pro Forma Financial Information has been compiled by the Company's Directors to illustrate the impact of the transaction set out on page 1 of the Pro Forma Financial Information on the Company's financial position as at June 30, 2015 as if the transaction had taken place at June 30, 2015 and its financial performance for the period ended December 31, 2014 and June 30, 2015, as if the abovementioned transaction had occurred as per January 1, 2014; in a manner consistent with the accounting policies adopted by Tessenderlo Group in its last consolidated financial statements, being International Financial Reporting Standard as adopted by the EU. As part of this process, information about the Company's financial position and financial performance has been extracted by the Directors from the financial statements of Tessenderlo Chemie NV and Picanol NV for the year ended December 31, 2014 and the six months ended June 30, 2015, on which respectively audit and review reports were published.

The Directors' Responsibility

The Company's Directors are responsible for compiling the Pro Forma Financial Information on the basis of the Criteria.

Auditor's Responsibility

Our responsibility is to express an opinion, as required by EC Regulation N° 809/2004 of 29 April 2004, about whether the Pro Forma Financial Information has been compiled, in all material respects, by the Company's Directors on the basis of the Criteria, and whether that basis is consistent with the Company's accounting policies.



We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires that the auditor complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Financial Information on the basis of the Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of pro forma financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at June 30, 2015 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the Criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the Company, the event or transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Company's Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion:

- The Pro Forma Financial Information has been properly compiled, in all material respects, on the basis stated;
- That basis is consistent with the Company's accounting policies.

Other matter - Restriction on Use and Distribution of our Report

The accompanying Pro Forma Financial Information has only been prepared for illustrative purposes in the framework of the Information Memorandum that will be issued by the Company and may not be suitable for another purpose.

This report is intended for use outside the United States of America in connection with the Pro Forma Financial information. It is not to be used in the United States of America.

Antwerp, 15 December 2015

PwC Bedrijfsrevisoren bcvba
Represented by



Peter Van den Eynde*
Partner

*Peter Van den Eynde BVBA
Board Member, represented by its fixed representative,
Peter Van den Eynde

Pro-forma financial information: Picanol Tessenderlo Group

This information has only been prepared for illustrative purposes. Due to its nature, this information illustrates a hypothetical situation and does not represent the actual financial position and financial performance of the Picanol Tessenderlo Group.

The Transactions can be summarised as follows:

- Picanol and Tessenderlo envisage a transaction to the effect that Picanol and Verbrugge will (indirectly) contribute the Loom Business Branch shareholding into Tessenderlo against the issuance of shares in Tessenderlo.
- Picanol and Verbrugge will first contribute the Picanol Loom Business Branch and the Verbrugge Loom Business Branch (carved out for Picanol's shareholding in Tessenderlo and cash for an amount of € 49,8 million), respectively, to Picanol Group NV's share capital through a so-called contribution of a business branch, against the issuance of the new Picanol Group NV Shares by Picanol Group NV to, respectively, Picanol and Verbrugge;
- subsequently, Picanol and Verbrugge will contribute its shareholding in Picanol Group NV, to the share capital of Tessenderlo through a so-called contribution in kind, against the issuance of New Tessenderlo Shares by Tessenderlo to, respectively, Picanol and Verbrugge.

Upon successful completion of the transaction, Tessenderlo Chemie NV (the legal acquirer) will become the parent company of the newly formed group and will own 100% of the shares of Picanol Group NV (the legal acquiree). In return, 25.765.286 new shares of Tessenderlo Chemie NV will be issued to the shareholders of Picanol Group NV. The total number of Shares after the transaction will amount to 68.624.442.

The transaction qualifies as a reverse acquisition under IFRS (IFRS3.B19). As a result, under IFRS, the legal acquirer (Tessenderlo Chemie NV) should be considered as the accounting acquiree and the legal acquiree (Picanol Group NV) should be considered the accounting acquirer. Therefore, the consolidated financial statements will represent the continuation of the financial statements of the legal acquiree and, except for its capital structure, the consolidated financial statements will reflect:

- The assets and liabilities of the legal subsidiary (the accounting acquirer Picanol Group NV) recognised and measured at their pre-combination carrying amounts.
- The assets and liabilities of the legal parent (the accounting acquiree Tessenderlo Chemie NV) recognised and measured at fair value.
- The retained earnings and other equity balances of the legal subsidiary (accounting acquirer Picanol Group NV) before the business combination.
- Issued equity instruments in the consolidated financial statements determined by adding the issued equity instruments of the legal subsidiary (the accounting acquirer Picanol Group NV) outstanding immediately before the business combination to the fair value of the legal parent (the accounting acquiree Tessenderlo Chemie NV).

Considering the fact that the transaction implies a significant gross change (impact on revenue and net profit above 25%) pro-forma financial information has been prepared based on the European Commission Regulation N° 809/2004 consisting of a consolidated statement of financial position and an income statement for the six months ended 30 June 2015 and a consolidated income statement for the year ended 31 December 2014.

The pro-forma financial income statements have been prepared as if the abovementioned transactions had occurred as per 1 January 2014; the pro-forma statement of financial position as if the abovementioned

transaction had occurred as per 30 June 2015 and in a manner consistent with the accounting policies adopted by Tessenderlo Group in its last consolidated financial statements, being IFRS.

The historical unadjusted information consists of:

- Picanol Group: audited consolidated financial statements for the year ended 31 December 2014 and unaudited consolidated interim financial statements for the six months ended 30 June 2015;
- Tessenderlo Group: audited consolidated financial statements for the year ended 31 December 2014 and unaudited interim financial statements for the six months ended 30 June 2015.

The pro forma financial information has not been adjusted for possible effects of fair value adjustments resulting from applying IFRS 3 "Business combinations". These potential adjustments will be reflected, once all information is available, over the measurement period that cannot exceed the one year term as of acquisition date. The potential fair value adjustments will affect the amount of goodwill recognised in the transaction and post combination results in the income statement and statement of comprehensive income.

Potential fair value adjustments are expected in the areas of Property, Plant and Equipment, Intangible Assets and Inventory.

The discussion and analysis below should be read in conjunction with (i) the section titled pro forma financial information of the Combined Picanol Tessenderlo Group and (ii) the audited consolidated financial statements and notes, included in the Information Document, which will be published in the near future.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE COMBINED PICANOL TESSENDERLO GROUP PER 30 JUNE 2015

Million EUR	Adjustments for Accounting Policy						Consolidated Pro Forma Statement of Financial Position 30 June 2015
	Historical Picanol Group, As Reported	Adjustment for Carve-Out Note (A)	Historical Picanol Adjusted for Carve-Out	Historical Tessenderlo Group, As Reported	Alignment and Transaction Costs Note (B)	Adjustment for Tessenderlo Acquisition Note (C)	
ASSETS							
Total non-current assets	357,7	-294,5	63,2	601,1	0,0	657,7	1322,0
Property, plant and equipment	60,0	0,0	60,0	460,6	0,0	0,0	520,6
Goodwill (and fair value adjustments)	0,0	0,0	0,0	36,9	0,0	-36,9	694,6
Other intangible assets	2,1	0,0	2,1	44,8	0,0	0,0	46,9
Investments accounted for using the equity method	294,5	-294,5	0,0	23,0	0,0	0,0	23,0
Other investments	0,1	0,0	0,1	2,0	0,0	0,0	2,1
Deferred tax assets	0,7	0,0	0,7	20,5	0,0	0,0	21,2
Trade and other receivables	0,4	0,0	0,4	13,2	0,0	0,0	13,5
Derivative financial instruments	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total current assets	166,2	-20,5	144,7	627,1	0,0	0,0	771,8
Inventories	60,6	0,0	60,6	206,7	0,0	0,0	267,4
Trade and other receivables	84,1	0,0	84,1	275,7	0,0	0,0	350,8
Derivative financial instruments	0,0	0,0	0,0	1,4	0,0	0,0	1,4
Cash and cash equivalents	20,5	-20,5	0,0	142,3	0,0	0,0	142,3
Non-current assets classified as held for sale	0,0	0,0	0,0	6,7	0,0	0,0	6,7
Total assets	522,9	-315,0	207,9	1234,8	0,0	657,7	2100,5
EQUITY AND LIABILITIES							
Total equity	380,1	-344,3	35,8	477,3	-2,5	657,7	1166,3
Equity attributable to equity holders of the company	380,1	-344,3	35,8	474,2	-2,5	657,7	1166,2
Issued capital	21,7	0,0	21,7	212,4	-0,5	-212,4	1153,1
Share premium	1,5	0,0	1,5	224,2	0,0	-224,2	1,5
Reserves and retained earnings	356,9	-344,3	12,5	37,6	-2,0	-37,6	10,5
Non-controlling interest	0,0	0,0	0,0	3,1	0,0	0,0	3,1
Total liabilities	142,8	29,3	172,2	757,5	2,5	0,0	932,2
Total non-current liabilities	17,5	0,0	17,5	245,1	0,0	0,0	262,6
Loans and borrowings	0,0	0,0	0,0	3,4	0,0	0,0	3,4
Employee benefits	7,2	0,0	7,2	49,7	0,0	0,0	56,9
Provisions	1,5	0,0	1,5	141,1	0,0	0,0	142,6
Trade and other payables	0,0	0,0	0,0	4,0	0,0	0,0	4,0
Derivative financial instruments	0,0	0,0	0,0	10,8	0,0	0,0	10,8
Deferred tax liabilities	8,8	0,0	8,8	36,1	0,0	0,0	44,9
Total current liabilities	125,3	29,3	154,7	512,4	2,5	0,0	669,5
Bank overdrafts	0,0	29,3	29,3	0,5	0,0	0,0	29,9
Loans and borrowings	10,2	0,0	10,2	203,6	0,0	0,0	213,8
Trade and other payables	100,7	0,0	100,7	252,9	2,5	0,0	356,1
Derivative financial instruments	0,0	0,0	0,0	22,1	0,0	0,0	22,1
Current tax liabilities	6,0	0,0	6,0	4,2	0,0	0,0	10,2
Employee benefits	1,4	0,0	1,4	0,9	0,0	0,0	2,3
Provisions	7,0	0,0	7,0	28,1	0,0	0,0	35,1
Liabilities associated with assets classified as held for sale	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total equity and liabilities	522,9	-315,0	207,9	1234,8	0,0	657,7	2100,5

Note A: Adjustment for Carve-Out

Concerns the carve-out of (i) the shareholding of 31,5% (€ 294,5 million) in Tessenderlo Group as per 30 June 2015 and (ii) cash (€ 49,8 million, of which € 20,5 million is deducted from Cash and cash equivalents and € 29,3 million is added to Bank overdrafts).

Note B: Adjustments for Accounting Policy Alignment and Transaction Costs

- Accounting Policy Alignment

No accounting policy alignment adjustments have been recorded, as no significant accounting policy differences have been identified.

- Transaction costs

As a result of the transaction the direct transaction costs related to the capital increase are estimated at € 0,5 million and are (i) recorded under Trade and other payables and (ii) deducted from the share capital in accordance with IFRS.

The direct transaction costs related to the contribution in kind are estimated at € 2 million and are recorded under (i) Trade and other payables and (ii) Reserves and retained earnings.

Note C: Adjustment for Tessenderlo Acquisition

In accordance with IFRS 3 § 37 the consideration (in this transaction the fair value of Tessenderlo Group) transferred in a business combination shall be measured at fair value at the acquisition date. The acquisition date is expected to be in February 2016, being the date of the general shareholders' meeting approving the contribution in kind. The fair value of Tessenderlo Group will therefore be based on the share price at that date. In order to prepare the pro-forma financial information and determine the pro-forma goodwill, the Company has used the share price of Tessenderlo Chemie NV as per 11 December 2015, being € 26,41, which results in a fair value of the consideration transferred of € 1.131,9 million. Considering that the Company did not include any possible effect of fair value adjustments resulting from applying IFRS 3, in the pro forma financial information, the share price directly impacts the goodwill calculation.

The goodwill arising as a result of the transaction has been calculated as follows:

• Number of shares Tessenderlo Chemie NV (11 December 2015):	42.859.156 shares
• Share price Tessenderlo Chemie NV (11 December 2015):	€ 26,410 per share
• Consideration paid (Fair Value Tessenderlo Chemie NV):	€ 1.131,9 million
• <u>Equity attributable to owners of Tessenderlo Chemie NV:</u>	<u>(€ 437,3 million)</u>
• Pro forma goodwill:	€ 694,6 million

Net assets Tessenderlo Chemie NV as of 30 June 2015, has been calculated as follows:

• Total equity:	€ 474,2 million
• <u>Previously recognised Goodwill:</u>	<u>(€ 36,9 million)</u>
• Net assets Tessenderlo Chemie NV:	€ 437,3 million

The final goodwill will be calculated based on the share price of Tessenderlo Chemie NV at the moment of the transaction. Assuming a Tessenderlo Chemie NV share price of € 26,41 (i.e. the Tessenderlo Chemie NV share price of 11 December 2015), an increase of € 5,09 in the Tessenderlo Chemie NV share price (based on the Tessenderlo Chemie NV share price of € 31,5 used in the valuation of Tessenderlo Chemie NV to determine the exchange ratio) results in a positive goodwill adjustment amounting to € 218,2 million.

As the transaction qualifies as a reverse acquisition under IFRS, the pro forma statement of financial position should reflect:

- The retained earnings and other equity balances of the legal subsidiary (accounting acquirer Picanol Group NV) before the business combination; and
- Issued equity instruments in the consolidated financial statements determined by adding the issued equity instruments of the legal subsidiary (the accounting acquirer Picanol Group NV) outstanding immediately before the business combination to the fair value of the legal parent (the accounting acquiree Tessenderlo Chemie NV).

The table below lays out the movements in equity:

	€ million
• Historical Equity Picanol, Adjusted for Carve-Out:	35,8
• Historical Equity Tessenderlo Group, As Reported:	477,3
• Elimination issued capital Tessenderlo Group:	(212,4)
• Elimination Share premium Tessenderlo Group:	(224,2)
• Elimination Reserves and Retained Earnings Tessenderlo Group:	(37,6)
• <u>Adding fair value Tessenderlo Chemie NV:</u>	<u>1.131,9</u>
• Pro forma equity (excluding estimated impact transaction costs of € 2,5 million):	1.170,8

UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT OF THE COMBINED PICANOL TESSENDERLO GROUP FOR THE SIX MONTHS ENDED 30 JUNE 2015

Million EUR	Historical Picanol Group, As Reported	Adjustment for Carve-Out Note (A)	Historical Picanol, Adjusted for Carve-Out	Historical Tessenderlo Group, As Reported	Adjustments for Accounting Policy Alignment and Transaction Costs Note (B)	Adjustment for Tessenderlo Acquisition	Consolidated Pro Forma Income Statement 30 June 2015
Revenue	259,8	0,0	259,8	850,1	0,0	0,0	1 109,9
Cost of sales	-202,1	0,0	-202,1	-640,0	9,3	0,0	-832,8
Gross profit	57,7	0,0	57,7	210,1	9,3	0,0	277,1
Distribution expenses	0,0	0,0	0,0	-49,6	2,9	0,0	-52,6
Sales and marketing expenses	-8,9	0,0	-8,9	-26,6	0,0	0,0	-35,5
Administrative expenses	-8,4	0,0	-8,4	-57,9	0,0	0,0	-66,3
Other operating income and expenses	-0,1	0,0	-0,1	-9,4	-6,4	0,0	-15,9
Profit (+) / loss (-) from operations before non-recurring items (REBIT)	40,2	0,0	40,2	66,6	0,0	0,0	106,8
Gains and losses on disposals	0,0	0,0	0,0	6,1	0,0	0,0	6,1
Restructuring	0,0	0,0	0,0	-2,8	0,0	0,0	-2,8
Losses on disposal groups	0,0	0,0	0,0	0,5	0,0	0,0	0,5
Impairment losses	0,0	0,0	0,0	-13,3	0,0	0,0	-13,3
Provisions and claims	0,0	0,0	0,0	-7,7	0,0	0,0	-7,7
Other income and expenses	0,0	0,0	0,0	-3,0	0,0	0,0	-3,0
Profit (+) / loss (-) from operations (EBIT)	40,2	0,0	40,2	48,6	0,0	0,0	86,8
Finance costs	-1,1	0,0	-1,1	-50,2	0,0	0,0	-51,3
Finance income	1,8	0,0	1,8	56,2	0,0	0,0	57,8
Finance costs - net	0,5	0,0	0,5	8,0	0,0	0,0	6,6
Share of result of equity accounted investees, net of income tax	11,7	-11,7	0,0	2,3	0,0	0,0	2,3
Profit (+) / loss (-) before tax	52,5	-11,7	40,8	54,9	0,0	0,0	95,6
Income tax expense	-10,4	0,0	-10,4	-14,5	0,0	0,0	-24,9
Profit (+) / loss (-) for the period	42,0	-11,7	30,3	40,4	0,0	0,0	70,7
Attributable to							
- Equity holders of the company	42,0	-11,7	30,3	41,5	0,0	0,0	71,8
- Non-controlling interest	0,0	0,0	0,0	-1,1	0,0	0,0	-1,1

Note A: Adjustment for Carve-Out

As Picanol Group's shareholding in Tessenderlo Group of 31,5% as per 30 June 2015 will be carved out in the transaction, Picanol Group's share in the result of Tessenderlo Group is eliminated.

Note B: Adjustments for Accounting Policy Alignment and Transaction costs

Distribution expenses (€ 2.9 million) and Research & Development expenses (€ 6.4 million), were reclassified from Cost of sales to respectively Distribution expenses and Other income and expenses to align their presentation between Picanol Group and Tessenderlo Group.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE COMBINED PICANOL TESSENDERLO GROUP FOR THE SIX MONTHS ENDED 30 JUNE 2015

Million EUR	Historical Picanol Group, As Reported	Adjustment for Carve-Out Note (A)	Historical Picanol, Adjusted for Carve-Out and Reclassifications	Historical Tessenderlo Group, As Reported	Adjustments for Accounting Policy Alignment and Transaction Costs	Adjustment for Tessenderlo Acquisition	Consolidated Pro Forma Statement of Comprehensive Income 30 June 2015
Profit (+) / loss (-) for the period	42,0	-11,7	30,3	40,4	0,0	0,0	70,7
Translation differences	3,5	0,0	3,5	-10,4	0,0	0,0	-6,9
Translation differences at associated companies	-2,9	2,9	0,0	0,0	0,0	0,0	0,0
Net change in fair value of derivative financial instruments, before tax	0,0	0,0	0,0	0,1	0,0	0,0	0,1
Share of other comprehensive income of associated companies	0,3	-0,3	0,0	0,0	0,0	0,0	0,0
Other movements	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Income tax on other comprehensive income	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other comprehensive income to be reclassified to profit or loss in subsequent periods	0,8	2,8	3,4	-10,4	0,0	0,0	-7,0
Remeasurements of the net defined benefit liability, before tax	0,0	0,0	0,0	10,9	0,0	0,0	10,9
Remeasurements of the net defined benefit liability, before tax, at associated companies	2,7	-2,7	0,0	0,0	0,0	0,0	0,0
Change in consolidation scope, before tax	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Income tax on other comprehensive income	0,0	0,0	0,0	-1,1	0,0	0,0	-1,1
Other comprehensive income not being reclassified to profit or loss in subsequent periods	2,7	-2,7	0,0	9,8	0,0	0,0	9,8
Other comprehensive income for the period, net of income tax	3,5	-0,1	3,4	-0,6	0,0	0,0	2,8
Total comprehensive income for the period	45,5	-11,8	33,7	39,8	0,0	0,0	73,5
Attributable to							
- Equity holders of the company	45,5	-11,8	33,7	40,7	0,0	0,0	74,4
- Non-controlling interest	0,0	0,0	0,0	-0,9	0,0	0,0	-0,9
Total comprehensive income for the period	45,5	-11,8	33,7	39,8	0,0	0,0	73,5

Note A: Adjustment for Carve-Out

As Picanol Group's shareholding in Tessenderlo Group of 31,5% as per 30 June 2015 will be carved out in the transaction, Picanol Group's share in: (i) translation differences (- € 2,9 million), (ii) other comprehensive income (€ 0,3 million), and (iii) remeasurements of the net defined benefit liability (€ 2,7 million) of Tessenderlo Group is eliminated.

UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT OF THE COMBINED PICANOL TESSENDERLO GROUP FOR THE YEAR ENDED 31 DECEMBER 2014

Million EUR	Historical Picanol Group, As Reported	Adjustment for Carve-Out Note (A)	Historical Picanol, Adjusted for Carve-Out and Reclassifications	Historical Tessenderlo Group, As Reported	Adjustments for Accounting Policy Alignment and Transaction Costs Note (B)	Adjustment for Tessenderlo Acquisition	Consolidated Pro Forma Income Statement 31 December 2014
Revenue	418,2	0,0	418,2	1 434,2	0,0	0,0	1 852,3
Cost of sales	-331,8	0,0	-331,8	1 108,2	14,4	0,0	790,8
Gross profit	86,4	0,0	86,4	326,0	14,4	0,0	426,8
Distribution expenses	0,0	0,0	0,0	-84,0	-3,7	0,0	87,8
Sales and marketing expenses	-16,3	0,0	-16,3	-48,3	0,0	0,0	64,6
Administrative expenses	-16,2	0,0	-16,2	-109,6	0,0	0,0	-125,8
Other operating income and expenses	0,3	0,0	0,3	-17,1	-10,7	0,0	-27,5
Profit (+) / loss (-) from operations before non-recurring items (REBIT)	54,2	0,0	54,2	66,9	0,0	0,0	121,1
Gains and losses on disposals	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Restructuring	0,0	0,0	0,0	3,7	0,0	0,0	3,7
Losses on disposal groups	0,0	0,0	0,0	0,6	0,0	0,0	0,6
Impairment losses	0,0	0,0	0,0	-1,6	0,0	0,0	-1,6
Provisions and claims	0,0	0,0	0,0	-12,7	0,0	0,0	-12,7
Other income and expenses	0,0	0,0	0,0	-5,8	0,0	0,0	-5,8
Profit (+) / loss (-) from operations (EBIT)	54,2	0,0	54,2	51,2	0,0	0,0	105,4
Finance costs	-1,9	0,0	-1,9	-75,9	0,0	0,0	-77,8
Finance income	3,4	0,0	3,4	72,9	0,0	0,0	76,4
Finance costs - net	1,6	0,0	1,6	-3,0	0,0	0,0	-1,4
Share of result of equity accounted investees, net of income tax	11,7	-11,7	0,0	3,0	0,0	0,0	3,0
Profit (+) / loss (-) before tax	67,5	-11,7	55,8	51,2	0,0	0,0	107,0
Income tax expense	-15,1	0,0	-15,1	1,6	0,0	0,0	-13,5
Profit (+) / loss (-) for the period	52,4	-11,7	40,7	52,8	0,0	0,0	93,5
Attributable to:							
- Equity holders of the company	52,4	-11,7	40,7	53,7	0,0	0,0	94,4
- Non-controlling interest	0,0	0,0	0,0	-0,9	0,0	0,0	-0,9

Note A: Adjustment for Carve-Out

As Picanol Group's shareholding in Tessenderlo Group of 31,5% as per 30 June 2015 will be carved out in the transaction, Picanol Group's share in the result of Tessenderlo Group is eliminated.

Note B: Adjustments for Accounting Policy Alignment and Transaction Costs

Distribution expenses (€ 3.7 million) and Research & Development expenses (€ 10.7 million), were reclassified from Cost of sales to respectively Distribution expenses and Other income and expenses to align their presentation between Tessenderlo Group and Picanol Group.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE COMBINED PICANOLTESSENDERLO GROUP FOR THE YEAR ENDED 31 DECEMBER 2014

Million EUR	Historical Picanol Group, As Reported	Adjustment for Carve-Out Note (A)	Historical Picanol, Adjusted for Carve-Out and Reclassifications	Historical Tesserderlo Group, As Reported	Adjustments for Accounting Policy Alignment and Transaction Costs	Adjustment for Tesserderlo Acquisition	Consolidated Pro Forma Income Statement 31 December 2014
Profit (+) / loss (-) for the period	52,4	-11,7	40,7	52,8	0,0	0,0	93,5
Translation differences	4,4	0,0	-4,4	-13,5	0,0	0,0	-9,1
Translation differences at associated companies	-3,8	3,8	0,0	0,0	0,0	0,0	0,0
Net change in fair value of derivative financial instruments, before tax	0,0	0,0	0,0	-3,7	0,0	0,0	-3,7
Share of other comprehensive income of associated companies	-1,4	1,4	0,0	0,0	0,0	0,0	0,0
Other movements	0,0	0,0	0,0	-0,1	0,0	0,0	-0,1
Income tax on other comprehensive income	0,0	0,0	0,0	1,3	0,0	0,0	1,3
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-0,9	5,2	4,4	-16,0	0,0	0,0	-11,6
Remeasurements of the net defined benefit liability, before tax	-0,0	0,0	-0,0	-14,6	0,0	0,0	-14,6
Remeasurements of the net defined benefit liability, before tax, at associated companies	-3,6	3,6	0,0	0,0	0,0	0,0	0,0
Change in consolidation scope, before tax	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Income tax on other comprehensive income	0,0	0,0	0,0	1,5	0,0	0,0	1,5
Other comprehensive income not being reclassified to profit or loss in subsequent periods	-3,6	3,6	-0,0	-13,1	0,0	0,0	-13,1
Other comprehensive income for the period, net of income tax	-4,6	8,9	4,4	-29,1	0,0	0,0	-24,7
Total comprehensive income for the period	47,9	-2,8	45,1	23,7	0,0	0,0	68,8
Attributable to							
- Equity holders of the company	47,9	-2,8	-45,1	24,4	0,0	0,0	69,5
- Non-controlling interest	0,0	0,0	0,0	-0,7	0,0	0,0	-0,7
Total comprehensive income for the period	47,9	-2,8	45,1	23,7	0,0	0,0	68,8

Note A: Adjustment for Carve-Out

As Picanol Group's shareholding in Tesserderlo Group of 31,5% as per 30 June 2015 will be carved out in the transaction, Picanol Group's share in: (i) translation differences (- € 3,8 million), (ii) other comprehensive income (- € 1,4 million), and (iii) remeasurements of the net defined benefit liability (- € 3,6 million) of Tesserderlo Group is eliminated.

EARNINGS PER SHARE

Earnings (loss) per Share (in EUR per Share)	Consolidated Pro	Consolidated Pro	Consolidated Pro	Consolidated Pro
	Forma Income	Forma Income	Forma Income	Forma Income
	Statement 30 June	Statement 30 June	Statement 31	Statement 31
	2015	2015	December 2014	December 2014
	Basic	Diluted	Basic	Diluted
Weighted average number of ordinary shares (in numbers)*	68,624,442	68,624,442	68,624,442	68,624,442
Effect of warrants issued**	-	407,480	-	407,480
Diluted weighted average number of ordinary shares (in numbers)	-	69,031,922	-	69,031,922
Profit (+) / loss (-) attributable to equity holders of the company (million EUR)	71.8	71.8	94.4	94.4
Earnings per share (in EUR)	1.06	1.04	1.38	1.37

*: Weighted average number of ordinary shares considers total issued shares after the transaction over the period of the Consolidated Pro Forma Income Statement. The total number of shares after the transaction has been determined by adding (1) the number of shares of Tessenderlo Chemie NV outstanding prior to the transaction (i.e. 42.859.156 shares) and (2) the number of shares of Tessenderlo Chemie NV issued following the transaction (i.e. 25.765.286) based on an exchange ratio of 0,60.

** : Includes all outstanding warrants, including those that are currently not yet exercisable.