[Unofficial Office Translation]

TESSENDERLO CHEMIE NV
Troonstraat 130
1050 Brussels
CR Brussels 0412.101.728

(the ***Company***)

Special report by the Board of Directors in accordance with Article 602 of the Belgian Companies Code

---

1 INTRODUCTION

This report is presented to the shareholders of the Company for purposes of the proposed contribution in kind of shares of Picanol Group NV and the issuance of new shares in exchange. The report is prepared by the board of directors of the Company (the ***Board of Directors***) in accordance with Article 602 of the Belgian Companies Code.

This report should be read in conjunction with the report of the auditor of the Company prepared in accordance with Article 602 of the Belgian Companies Code. The report of the auditor, PricewaterhouseCoopers Bedrijfsrevisoren CVBA, a civil cooperative limited company having its registered office at Woluwedal 18, 1932 Sint-Stevens-Woluwe, represented by Peter Van den Eynde BVBA, in turn represented by Peter Van den Eynde, auditor, is attached hereto as Annex 2. The report of the auditor includes, among other matters, the description of the contribution in kind and the valuation methods that were applied. The auditor's report indicates whether the valuations resulting from the valuation methods applied, correspond to at least the number and the formal par value (and failing formal par value, the fractional value) and, if applicable, to the premium of the shares to be issued for the contribution. The auditor's report includes the actual consideration provided in return for the contribution.

In preparing this report, the Board of Directors has requested KBC Securities NV to opine (without having proceeded to an independent in-depth analysis of the business plans as prepared by the senior management of the Company and Picanol (as defined hereafter)) on the fairness, from a financial point of view, to the Company of the consideration for the contemplated Contribution (as defined hereafter). The scope of work of KBC Securities NV is further defined in the formal Fairness Opinion delivered by KBC Securities which is available on the website of the Company on the following url: http://www.tessenderlo.com/investors/information_for_the_shareholder/general_meeting/.

Furthermore, the independent directors of the Company, advised by Ms. Hilde Laga as independent expert, have formed the independent committee for purposes of Article 524 of the Belgian Companies Code. The independent committee has advised the Board of Directors of the Company on the terms of the Contribution Agreement (as defined hereinafter) in accordance with article 524 of the Belgian Company Code, to the extent applicable, and has furthermore requested Degroof Petercam Corporate Finance to also issue a second opinion regarding the fairness, from a financial point of view, to the Company of the consideration for the proposed Contribution. Having verified the reasonableness of the business plan (including the assumptions used in the preparation thereof) of both companies that were used as a basis for the valuation exercise by KBC Securities, Degroof Petercam Corporate Finance has found the valuation exercise by KBC Securities and its use to determine the exchange ratio appropriate and the fairness opinion expressed by KBC Securities in respect of the exchange ratio reasonable. In proceeding with this second opinion (which is subject to the qualifications set out in the full report presented to the Committee of Independent Directors), Degroof Petercam Corporate Finance has not proceeded to an independent in-depth analysis of the business plans as prepared by senior management of the Company and Picanol (as defined hereafter).

The share capital of the Company at date hereof amounts to EUR 214,749,614.39, represented by 42,859,156 shares, without nominal value. The share capital is fully paid up.

In addition, the Company has issued warrants under several consecutive warrant plans. During the most recent exercise period, 43,566 warrants are exercised. The corresponding capital increase and issuance of new shares are to be determined. On the date of this report, 363,914 warrants are still outstanding under such plans. As a rule, every warrant entitles the holder to acquire one new share in the Company by the exercise of the warrant. The warrant holders will, in case the general shareholders' meeting of the Company approves the proposed Contribution, be entitled to exercise their warrants early during an exercise period that will start shortly after the date of the capital increase and that will be communicated to the warrant holders. This implies that the number of shares that represents the capital can be subject to modifications prior to the time of the general shareholders' meeting. The shareholders will be informed thereof prior to the date of the general shareholders' meeting.

2 THE TRANSACTION

It is proposed to the extraordinary general shareholders' meeting of the Company to approve a share capital increase through a contribution in kind of all shares that represent the share capital of Picanol Group NV, with registered office at Steverlyncklaan 15, 8900 Ypres, registered with the register of legal entities of Ghent, department Ypres under number 0643.795.829 (***Picanol Group***; this contribution will be named the ***Contribution*** hereafter).

The capital increase through contribution in kind of the Contribution will only take place in case it is approved by at least 75 % of the votes cast of the shareholders present at the meeting, whereby the first meeting can only validly decide if at least 50% of the shares is present or represented, in accordance with Article 558 of the Belgian Companies Code. On the basis of the available transparency declarations and notices of persons with a managerial responsibility, it appears that Verbrugge NV and Symphony Mills NV respectively hold approximately 31.5 % and 3 % of the shares in the Company.

Prior to this Contribution, the general shareholders' meeting of Picanol Group will have approved the following transactions, each time under the condition precedent of the approval of the Contribution by the extraordinary shareholders' meeting of the Company:

- the contribution of the branch of business (*inbreng van bedrijfstak*) described in Annex 1a in Picanol Group by Picanol NV, with registered office at Steverlyncklaan 15, 8900 Ypres, registered with the register of legal entities of Ghent, department Ypres under number 0405.502.362 (***Picanol***); and

- the contribution of the branch of business (*inbreng van bedrijfstak*) described in Annex 1b in Picanol Group by Verbrugge NV, with registered office at Steverlyncklaan 15, 8900 Ypres, registered with the register of legal entities of Ghent, department Ypres under number 0441.554.490 (***Verbrugge***).

These contributions of a branch of business (*inbrengen van bedrijfstak*) will be referred together as the ***Contributions of a Branch of Business*** hereafter. The Contributions of a Branch of Business and the Contribution will be referred together as the **Transaction** hereafter.

These Contributions of a Branch of Business are further extensively described in the following documents, which will be available on the website of Picanol NV and to which will be referred through a link on the website of the Company: url: http://www.tessenderlo.com/investors/information_for_the_shareholder/general_meeting/

- Regarding the Contribution of a Branch of Business by Picanol in Picanol Group:

    - Common proposal of contribution of a branch of business pursuant to Article 760 of the Belgian Companies Code, drafted by the boards of directors of Picanol and Picanol Group;

    - Special report of the board of directors of Picanol Group pursuant to Article 602 of the Belgian Companies Code;

    - Special report of the board of directors of Picanol Group pursuant to Article 582 of the

Belgian Companies Code;

- Regarding the Contribution of a Branch of Business by Verbrugge in Picanol Group:
  - Common proposal of contribution of a branch of business pursuant to Article 760 of the Belgian Companies Code, drafted by the boards of directors of Verbrugge and Picanol Group;
  - Special report of the board of directors of Picanol Group pursuant to Article 602 of the Belgian Companies Code;
  - Special report of the board of directors of Picanol Group pursuant to Article 582 of the Belgian Companies Code.

The proposals of contribution of a branch of business that were prepared in respect of these prior Contributions of a Branch of Business include a statement of assets and liabilities of each of the business branches as per October 31, 2015. Insofar as the Contributions of a Branch of Business are effected with retroactivity for accounting purposes until 1 January 2016, the assets and liabilities of the Branches of business will further evolve in the ordinary course of business until 31 December 2015. The board of directors of Picanol Group has in this respect undertaken to provide its shareholders, in order to inform them, in the course of January 2016 with an update of the statement of assets and liabilities as per 31 December 2015. The statements of assets and liabilities of each of the business branches as per 31 December 2015 will, once available, also be made available on the website of Picanol NV. On the website of the Company there will be a referral to these documents through a link: url http://www.tessenderlo.com/investors/information_for_the_shareholder/general_meeting/ .

These conditions of the Contributions of a Branch of Business and of the Contribution, as well as other representations, are further set forth in a "*Contribution Agreement*" that was entered into on 15 December 2015 between Picanol, Verbrugge, Picanol Group and the Company (this "*Contribution Agreement*" will be referred to as the ***Agreement*** hereafter).

3 DESCRIPTION OF THE CONTRIBUTION

The capital will be increased by the contribution in kind of all shares that represent the share capital of Picanol Group.

The contributing companies are Picanol and Verbrugge, which will hold all shares of Picanol Group on the date of Contribution.

The Contribution will only take place if certain conditions precedent, which are customary for such a Transaction such as the absence of a material adverse effect and the procurement by Picanol and Verbrugge of certain key transfer formalities and other preparatory measures including obtaining a tax ruling with respect to certain aspects of the Transaction, are satisfied prior to the Contribution as set forth in the Agreement.

For a further description of the Contribution, reference is made to the report of the auditor of the Company, prepared pursuant to Article 602 of the Belgian Companies Code, of which the conclusions are fully endorsed by the Board of Directors of the Company, and that is attached hereto as Annex 2.

4 VALUATION OF THE CONTRIBUTION

On the basis of the valuation methodology, as described in Annex 3 attached to this report, the value of the Contribution is determined at EUR 811,606,500.00 (eight hundred eleven million six hundred and six thousand five hundred euro).

This valuation assumes that the extraordinary general meeting of Picanol Group will have approved the Contributions of a Branch of Business prior to the Contribution.

The contribution value retained by the Board of Directors takes into account the scope of the branches of business described in Annex 1a and Annex 1b to this Report. Assets and liabilities which have been explicitly excluded from the contribution as further described in Annex 1a and Annex 1b to this Report were not taken into consideration in the valuation exercise and have no effect on the results of the valuation exercise which was undertaken.

Furthermore, the Agreement provides for an indemnification mechanism in case of breach of the limited representations and warranties. The representations and warranties provided by the Company to Picanol and Verbrugge are limited in scope and other than capacity and the accounts used as a basis for the valuation exercise, only relate to risk areas relating to compliance with specific laws (including competition) with an indemnification mechanism which is adapted to the listed nature of the companies involved. The representations and warranties provided by Picanol and Verbrugge to the Company mirror the representations and warranties provided by the Company while taking into account the nature of the activities of both companies and the manner in which the Transaction is structured. Picanol and Verbrugge have in addition thereto given the Company the benefit of a number of specific indemnities that relate to the transfer of key assets, contracts, permits and licenses.

The Agreement has for those parts that go beyond mere preparatory actions towards the decision to be taken by the shareholders meeting, been the subject matter of an advice to the Board of Directors of the

Company in accordance with article 524 of the Belgian Company Code rendered by the three independent directors of the Company assisted by Ms. Hilde Laga as external independent expert. The conclusions of this Article 524 Report are as follows:

> "*The Committee has finalized its advice on 15 December 2015 in view of the meeting of the Ad Hoc Committee and Board of Directors of 15 December 2015, on the basis of the information available at that time. The Committee reserves the right to amend its advice to the Board of Directors, in case any relevant information would be made available between 15 December 2015 and the date on which the Company's extraordinary general meeting of shareholders will decide on the Contribution, that is likely to change the content or conclusion of this advice.*
>
> *The Committee considers the items in the Contribution Agreement, exceeding mere preparatory actions, being (i) the transfer of Picanol's Chinese business license to Picanol Group, (ii) the application of the patent income tax deduction, (iii) the obtaining of the tax ruling, and (iv) the non-compete obligation of Picanol, Verbrugge and Mr Luc Tack, not of such nature as to cause the Company a disadvantage that, in view of the general policy of the Company, is manifestly abusive ("kennelijk onrechtmatig" / "manifestement abusifs").*
>
> *Taking into account the findings of the respective due diligence reports, the Committee considers that the customary ("gebruikelijke" / "habituel") and limited ("beperkte" / "limité") set of representations and warranties provided by all parties involved, as well as the indemnification mechanism (de minimis, basket, cap), are not of such nature as to cause the Company a disadvantage that, in view of the general policy of the Company, is manifestly abusive ("kennelijk onrechtmatig" / "manifestement abusifs").*"

The contribution value of the Contribution represents a value of EUR 45.85 per Picanol NV share, which implies a premium of 54.1% with respect to the implied stand-alone Picanol share price of EUR 29.76. The implied stand-alone Picanol share price is calculated based on the stock market price of EUR 52.69[1] reduced by the value of Picanol's stake in Tessenderlo[2] and the excess cash (see hereafter). If the contribution value of the Contribution is compared with the corrected valuation of Picanol on a stand-alone basis taking into account illiquidity and holding discounts (see hereafter), a net premium of 9.0% with respect to the price per share of Picanol on the stock market is paid. It should be noted in this respect that a premium was equally taken over the price per share of the Company in determining the exchange ratio (the new shares in the Company are issued at a price of EUR 31.5 whereas the shares in the Company traded at EUR 26.41 on 11 December 2015 which represents a premium of 19.3%.

---

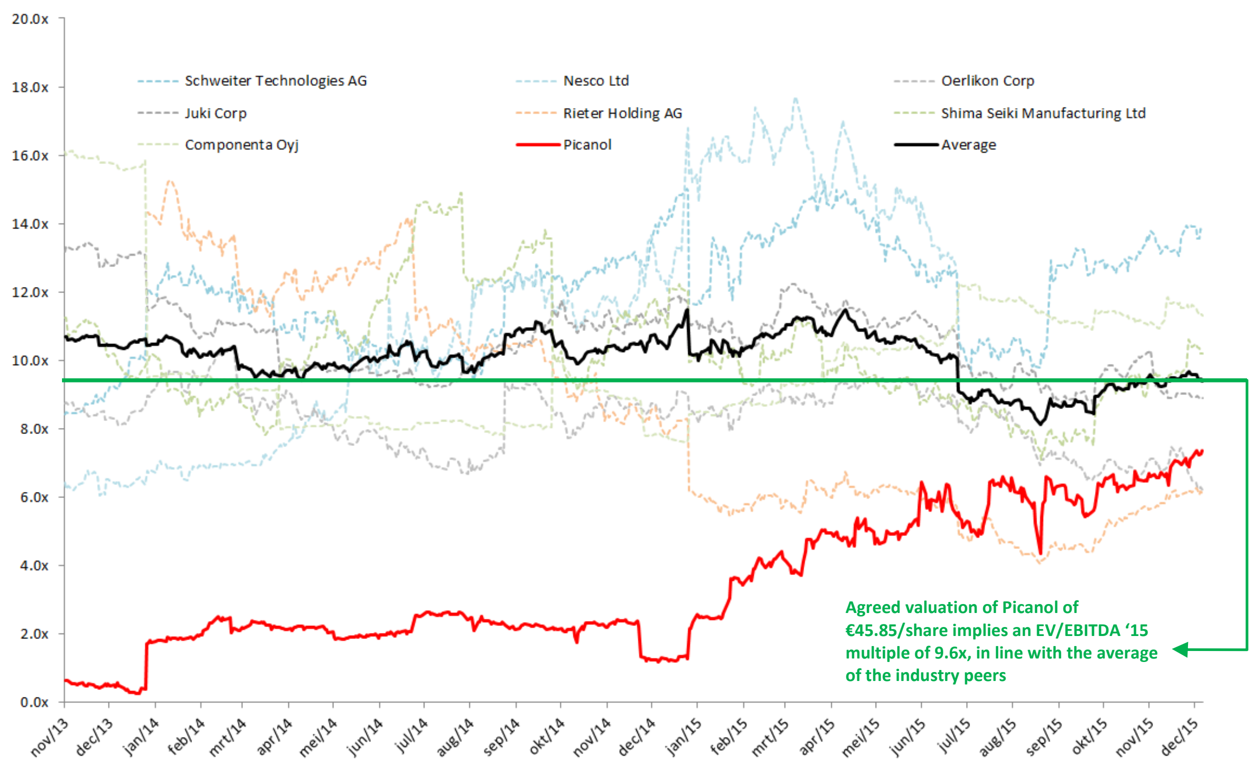
[1] Closing price on 11 December 2015, being the latest closing price before final agreement on terms & conditions of the proposed contribution.

[2] Closing price on 11 December 2015.

The Board of Directors is fully aware of the importance of the premium that is thus reflected against the stock market price of the Picanol share. The Board of Directors has closely examined the various valuation exercises and methods, and believes that it is important that the shareholders of the Company take the following into consideration.

The Board of Directors notes that the share Picanol is rather unknown on the market[3] and that, on the basis of available EV/EBITDA-multiples of comparable companies the share Picanol, can be considered to be undervalued.

Schedule 1: Last twelve months EV/EBITDA multiple of Picanol and industry peers

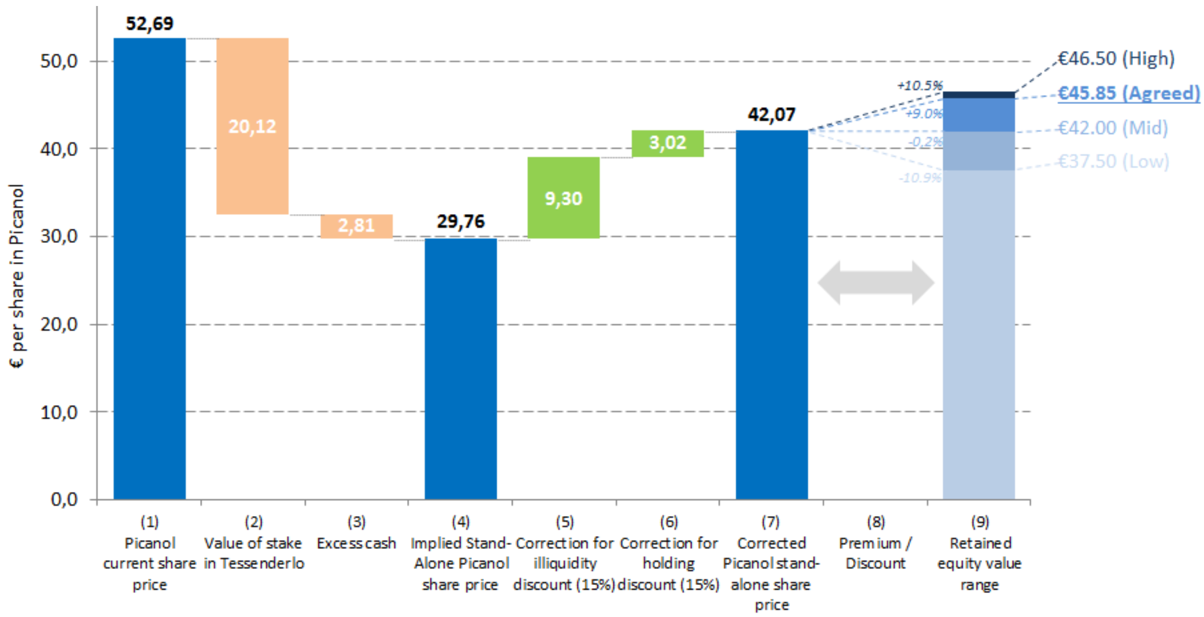


Source: Factset (11 December 2015); The enterprise value of Picanol is based on historical market cap excluding the market value of Tessenderlo stake and €49.8m excess cash

As can be observed on the basis of the graph, the EV/EBITDA multiple of Picanol has historically been significantly below its peers which may result from the limited trading activity in the stock (illiquidity discount) as well as a holding discount investors possibly apply on the Tessenderlo stake held by

[3] Which may be the consequence of the fact that the share is only followed by one analyst.

Picanol. Taking into account the current stock market prices of Picanol and Tessenderlo and applying the illiquidity and holding discounts on these market prices, the Board of directors notes that a reconciliation can be made between the current stock market price of Picanol and the agreed equity valuation of the Contribution per share, as shown in the graph below.



Notes:

(1) Based on closing price at 11 December 2015

(2) Value of 31.5% stake in Tessenderlo held by Picanol based on closing price at 11 December 2015, which presents EUR 20.12 in the Picanol share

(3) EUR 49.8 million excess cash excluded from the Contribution, which presents EUR 2.81 in the Picanol share

(4) Implied stand-alone Picanol share price after deduction of the value of stake in Tessenderlo and excess cash

(5) Correction for illiquidity discount of 15% applied on the current share price of Picanol (closing price at 11 December 2015), which presents EUR 9.30 in the Picanol share

(6) Correction for holding discount of 15% applied on the stake in Tessenderlo based on current share price (closing price at 11 December 2015), which presents EUR 3.02 in the Picanol share

(7) Picanol stand-alone share price corrected for illiquidity and holding discounts

(8) Premium / (discount) to the retained equity value per share range

(9) Retained equity value per share range based on valuation methodology described in Annex 3 attached to this report

The graph above shows above-mentioned adjustments to Picanol's current share price and the corrected stand-alone share price of Picanol resulting thereof compared to the retained equity value range per share (EUR 37.5 – EUR 46.5), which contains the agreed equity value per share of EUR 45.85. The low value, midpoint value, agreed value and high value of the retained equity value range presents a premium/(discount) to the corrected stand-alone share price EUR42.07 of (10.9%), (0.2%), 9.0% and 10.5%, respectively.

As further explained in detail in the valuation methodology as attached in Annex 3 to this report, the Board of Directors believes that the agreed contribution value is justified by the above-mentioned reasons, which are supported by the attachment.

The issue price of the new shares of the Company amounts to EUR 31.50 per share (of which EUR 5,011 (in round figures) will be booked as statutory capital and EUR 26,489 (in round figures) will be booked as *agio*), which implies a valuation of the Company (prior to the Contribution) of EUR 1,350.4 million as further clarified in Annex 3 attached to this Report. For the reasons explained in Annex 3, a price per share of the Company is applied which is higher than the share price of the Company share at the date hereof. The future evolution of the share price of the Company after the date of this Report is not taken into account in the light of the applied valuation methods.

5 CONSEQUENCES OF THE CONTRIBUTION

Consequently, an increase of the share capital of EUR 811,545,000.00 is proposed to the extraordinary general meeting of the Company by issuing 25,765,286 new shares of the same nature as the existing shares, granting the same rights and benefits (subject to what is determined hereafter with respect to the dividend entitlement). The to be assigned new shares will not grant any preferential rights with respect to the participation in the results nor any other special rights of any kind whatsoever.

After this increase of capital, the statutory capital of the Company will amount to EUR 343,848,872.27 (plus, as the case may be, the amount of capital increases that would have been determined due to the exercise of warrants under existing warrant plans issued by the Company) represented by 68,624,442 shares in total (plus, as the case may be, the number of shares that would have been issued through capital increases that would have been determined due to the exercise of warrants under existing warrant plans issued by the Company). The difference between the retained contribution value of EUR 31.50 per share and the existing par value of the share of the Company (EUR 5.011 in round figures) will be booked as share premium on an unavailable (reserve) account. No cash contribution will take place on the occasion of the Contribution, nor will any other financial compensation be provided.

After the implementation of the capital increase, the shareholdership of the Company will be composed as follows (subject to further evolution due to the exercise of warrants under existing warrant plans issued by the Company) :

Shareholder	**Number of shares**	**%**
Picanol/Verbrugge	39,248,098	57,2%
Symphony Mills	1,291,076	1,9%
Free float	28,085,268	40,9%

The Board of Directors points out to the shareholders that, despite the fact that the capital increase leads to the acquisition of the legal control over the company, it will not be followed by a public offer on all shares of the Company, since Picanol (through Verbrugge) at the moment already owns more than 30% of the shares in the company. Now that the proposed Transaction will lead to an anticipated higher liquidity of the shares of the Company, the shareholders that so desire can sell their shares on the regulated market.

The new shares will be fully allocated and paid up, with 24,495,445 new shares issued to Picanol NV and 1,269,841 new shares issued to Verbrugge NV after approval of the Contribution and the corresponding increase of capital by the extraordinary general meeting of the Company.

The newly issued shares of the Acquiring Company will not participate in the results of the Company for the financial year that will end on 31 December 2015 and will only participate in the results of the Company for the financial year that starts from 1 January 2016. The newly issued shares of the Acquiring Company will be issued with Coupons nr. 79 and following attached. Coupon nr. 78 represents then the possible dividend of the financial year that will end on 31 December 2015 in case the general meeting of the Company would decide this, acting on a proposal of the board of directors, at the moment of the approval of the annual accounts of the financial year that will end on 31 December 2015.

The shares of the Company, which will be issued in return for the Contribution, will be registered shares. Within the month after the publication in the Annexes to the Belgian Official Gazette of the approval of the Contribution by the general meeting of the Company, a director of the Company or its representative will complete the shareholders' register of the Company with the following mentions, and will sign the register as well:

- the identity of the contributors;
- the number of shares of the Company that was assigned to the contributors on the occasion of

the Contribution; and

- the date on which the general meeting of the Company has approved the Contribution.

A request to admission to the listing on Euronext Brussels of the newly issued shares will be submitted to the listing department of Euronext Brussels on the occasion of the Contribution. The newly issued shares are expected to list on Euronext Brussels the day on which the shares ex Coupon nr. 78 will be traded. Pursuant to Article 18, §2, d) of the law of 16 June 2006 on the public offering of investment instruments and on the admission of investment instruments to trading on regulated markets, information will therefore be made available to the public that is considered by the Financial Services and Markets Authority (FSMA) to be equivalent to the information that should be included in a prospectus. From the moment of listing, the shares can be converted on a securities account at a financial institution at the shareholder's choice. The newly issued shares of the Company will then be assigned the ISIN-code BE0003555639, which is the same code as the existing shares of the Company.

6 INTEREST OF THE COMPANY IN THE CONTRIBUTION AND IN THE INCREASE OF CAPITAL

Through the proposed contribution of the current industrial activities of the group Picanol inthe Company, an important industrial group Picanol Tessenderlo Group NV will be formed, with enlarged scale and effectiveness and worldwide activities.

A newly incorporated company Picanol Group will comprise the industrial activities of the group Picanol. The capital of Tessenderlo will be increased by the contribution of the shares of this new company.

Picanol Tessenderlo Group will consist of four operating segments: the Tessenderlo segments Agro, Bio-valorization and Industrial Solutions, and the segment Machines & Technologies of Picanol.

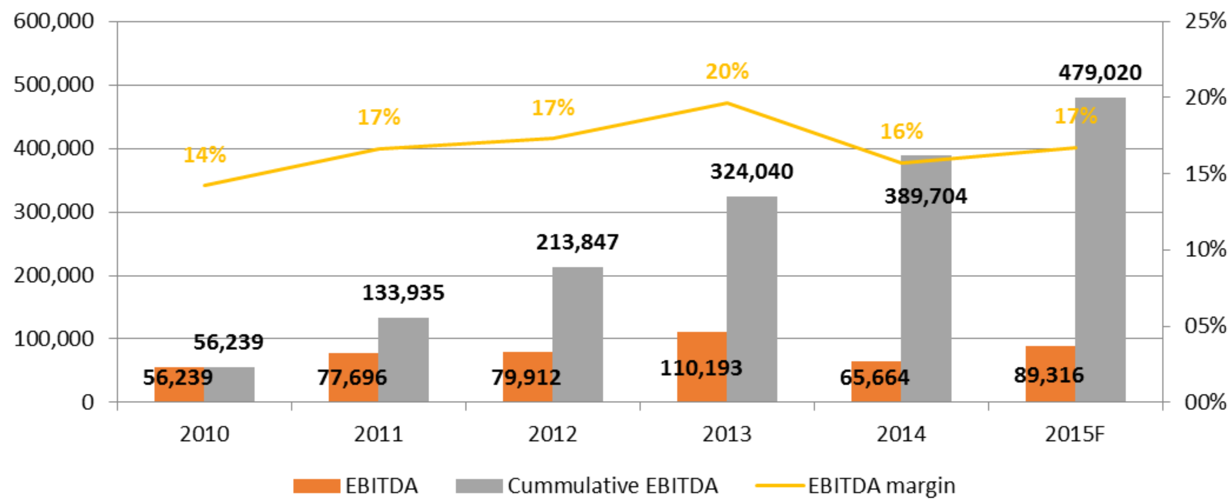
Picanol Tessenderlo Group will operate in more than 100 countries worldwide and realise a turnover of approximately 2 billion euro and a REBITDA of more than 200 million euro.

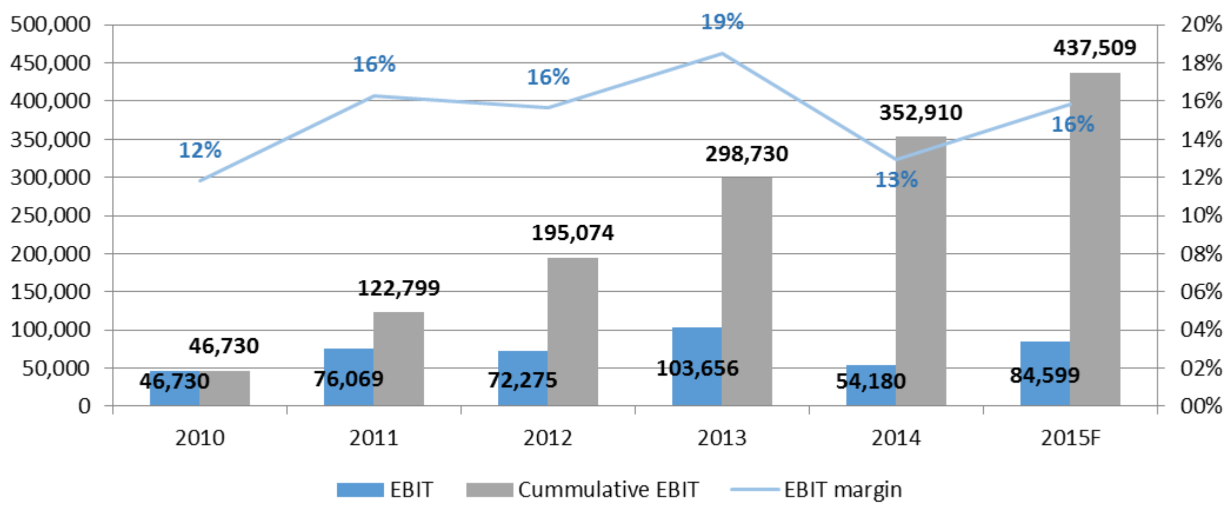
It is the ambition of Picanol Tessenderlo Group to confirm its prominent market position in each of the segments and to ensure a sustainable profitability. The original Tessenderlo segments will be able to apply the expertise and the presence of Picanol in emerging markets. Moreover, the commercial and operational experience in the different continents will be an important supportive factor for further growth.

Sustainable development will remain a comprehensive priority, like both Tessenderlo and Picanol have pursued in recent years, supporting on the successful identification of opportunities and the gradually improvement of the operational performance. The efficient R&D approach and innovation culture of Picanol and a shared sourcing policy can contribute significantly to the combined productivity of the new industrial group.

A comprehensive understanding and monitoring of the existing various segments will enable Picanol Tessenderlo Group to allocate its resources to the several activities in a more efficient way and to develop the present synergies. The free cash flow generated by Picanol Tessenderlo Group, being the combination of the resources generated in the current Tessenderlo Group and the current Picanol activity, will become more stable and increase over time so that the dependence on a volatile credit market will decrease. This will enable Picanol Tessenderlo Group to keep investing in talent, growth (M&A and organic) and innovation (R&D), even in difficult market circumstances.

It is indeed important to note in this respect that the current Picanol activity has over the past five years shown a strong EBIT(DA) performance driving consistent FCF generation, as is reflected in the below graphs.





Given the bigger total market capitalization and attractive liquidity of the shares in the market, Picanol Tessenderlo Group will obtain access to a wider range of financial investors. On the capital markets, Picanol Tessenderlo Group will be able to negotiate better terms when entering into new financing.

The expected productivity and future cash flow of the group will provide the opportunity to propose a dividend policy to the shareholders of Picanol Tessenderlo Group, which will take into account at the same time the sustainable growth that Picanol Tessenderlo Group pursues.

The new diversified group can count on more than 7,000 strong and dedicated employees who will be offered wider opportunities for their future throughout the several segments of the Picanol Tessenderlo Group. Moreover, Picanol Tessenderlo Group, with a larger scale and name, will be able in a better way to attract, develop and keep new talent. The proposed transaction will not impact the current employment. The management has a successful track record concerning transformation and development of companies in different industries, through the constantly promoting of the entrepreneurial mind-set.

A strong embedment in Belgium will benefit the creation of shareholders value through the realization of an industrial long-term strategy.

The proposed contribution in kind of the Contribution is the most appropriate method in order to accomplish above-mentioned economic and legal objectives.

The Contribution and the capital increase resulting therefrom are therefore justified in the light of the interests of the Company.

Drawn up and approved at Brussels, on 15 December 2015 in two (2) copies.

An original will be deposited in the company file of the Company, at the court registry of the court of commerce of Brussels. The Company grants a proxy to An Winters, Peter Vandendriessche as well as every associate of the office Van Halteren associated notaries BCVBA, as well as every lawyer of the office of Stibbe CVBA as well as their employees, appointees and agents, with right of sub-delegation, to execute individually this deposit. The other originals will be preserved at the registered office of the Company.

Tessenderlo Chemie NV

Members of the Board of Directors:

Ms. Véronique Bolland Director	Philium BVBA (with as permanent representative Mr. Dhr. Philippe Coens) Director
Mr. Karel Vinck Director	Ms. Dominique Zakovitch-Damon Director, for who Ms. Véronique Bolland Damon signs pursuant to proxy
Mr. Luc Tack Director	Mr. Stefaan Haspeslagh Director

ANNEX 1

DESCRIPTION CONTRIBUTIONS OF A BRANCH OF BUSINESS

1A BRANCH OF BUSINESS PICANOL

The branch of activities includes all elements of the assets and liabilities (tangible and intangible) of Picanol NV that are necessary for, or contribute or relate to (i) any activities on the development, production and sales of (high-tech) weaving machines, as well as any supplementary and supporting products and services, (ii) all (iron) foundry and machining activities (engineered casting solutions), as well as all supplementary and supporting products and services, (iii) any activities relating to the development, production and sale of automated control panels / control devices (custom made controllers), power electronics and electronically controlled engines, as well as any supplementary and supporting products and services, and (iv) any activities on the development, production and sales and 3D printing of parts and manufacturing high precision metal parts, mold making and revision of molds, as well as any supplementary and supporting products and services, as set out in paragraph 1.1 below in a non-exhaustive manner (the ***Branch of Activities***), but excluding the Excluded Assets and the Excluded Liabilities set out in paragraph 1.2 below in an exhaustive manner.

Following the transfer of the Branch of Activities, Picanol NV will have no assets and liabilities other than the Excluded Assets and the Excluded Liabilities set out in paragraph 1.2 below in an exhaustive manner.

The Branch of Activities will include, without limitation, more specifically:

1.1 Non-exhaustive list of the assets to be contributed

(a) Assets

Following assets will be contributed to Picanol Group NV (without this list being exhaustive and excluding the Excluded Assets):

- Immovable goods:
  - Developed parcels
    - Meenseweg 150, 8900 Ieper; land registry parcel: C/0108/E
    - Meenseweg 152, 8900 Ieper; land registry parcel: C/0109/H
    - Steverlyncklaan 13, 8900 Ieper; land registry parcel: C/0134/A4

- Undeveloped parcels
  - Steverlyncklaan, 8900 Ieper: land registry parcel: C/0134/H2
  - Kruiskalsyde 8900 Ieper: land registry parcel: C/0109/P
  - Meenseweg, 8900 Ieper: land registry parcel: C/0118/A
  - St-Jacobs, 8900 Ieper: land registry parcel: C/0068/N2
  - St-Jacobs bij Ieper, 8900 Ieper land registry parcel: C/0111/D
  - St-Jacobs bij Ieper, 8900 Ieper: land registry parcel: C/0119/E
  - St-Pieters, 8900 Ieper: land registry parcel: C/0122/H
  - Zillebekevijver Voetweg, 8900 Ieper: land registry parcel: C/0138/P
  - Vijverhoek, 8902 Zillebeke: land registry parcel: A/0299/B
- Buildings at Ieper (Picanol site)

Picanol NV does not dispose of any other rights on immovable goods than the one mentioned above, so that all rights on immovable goods are contributed into Picanol Group NV.

- The shares and participating interests in other companies (100%, directly or indirectly held), being:
  - Proferro NV (a public limited liability company under Belgian law, having its registered office at Steverlyncklaan 15, 8900 Ieper, Belgium and company number 0438.243.426)
  - PsiControl NV (a public limited liability company under Belgian law, having its registered office at Steverlyncklaan 15, 8900 Ieper, Belgium and company number 0437.446.145); this company holds a 100% participating interest in PsiControl Srl (a company under Rumanian law having its registered office at Campului Street 1A, 505400 Rasnov, Brasov County)
  - Melotte NV (a public limited liability company under Belgian law, having its registered office at Industrieweg 2019, 3520 Zonhoven, Belgium and company number 0407.155.421)
  - Picanol do Brasil (a company under Brazilian law, having its registered office at Rua Treze de Maio, 164, CEP 13471-030, Americana/ SP)

  - Etablissements Burcklé S.A.S. (a company under French law, having its registered office at Rue de Bourbach-le-Haut 9, 68290 Bourbach-le-Bas)

  - Picanol India Private Ltd (a company under Indian law, having its registered office at Janak Puri, Community center, Block - B1, Third Floor, Plot No. 23, New Delhi)

  - PT. Picanol Indonesia (a company under Indonesian law, having its registered office at Jl. Moh. Toha Km 5,3 no. 56, Bandung 40261, West Java Indonesia)

  - GTP Mexico (a company under Mexican law, having its registered office at Avena 475, Col. Granjas México, Iztacalco, 08400, Mexico D.F.)

  - Picanol Tekstil Makinalari (a company under Turkish law, having its registered office at Dunya Ticaret Merkezi, A2 blok kat:5 no:210, Ataturk Havalimani Karsisi, 34149 Yesilkoy/Istanbul)

  - Picanol of America Inc (a company under American law, having its registered office at Kitty Hawk Road 65 , Greenville SC 29605)

  - Picanol (Suzhou Industrial Park) Textile Machinery Co. Ltd. (a company under Chinese law, having its registered office at 2, Songzhuang Road, FengTing Avenue, Suzhou Industrial Park, Suzhou 215122)

  - Picanol (Suzhou) Trading Co., Ltd. (a company under Chinese law, having its registered office at 2, Songzhuang Road, FengTing Avenue, Suzhou Industrial Park, Suzhou 215122)

- All stocks of raw materials, parts, products, unfinished products, packaging, equipment and supplies produced, manufactured, bought or acquired for use in connection with the operation and exercise of the Branch of Activities;

- All the machinery, installations, equipment and other tangible property, including spare parts, office supplies, tools, furniture and vehicles owned or held by Picanol NV immediately prior to the Contribution of the Branch of Activities and used in the Branch of Activities;

- All intellectual property rights, inventions and know-how, as well as the ensuing rights;

- The rights of Picanol NV under all agreements which are not Excluded Agreements (the ***Agreements***), subject to approval of the relevant counterparty if necessary (without prejudice to the arrangements set forth in the Contribution Agreement);

- All receivables, trade receivables, claims on customers, debt instruments to be received and all other rights of Picanol NV to receive payments from anyone, which relate to the Branch of Activities, together with any unpaid interest that have accrued thereon, as well as the full right to all securities for such accounts or debts;

- Subject to applicable limitations necessary for compliance with the applicable regulations or agreements with third parties, originals or copies of all books, records, reports, correspondence in any form, films, microfilms, files, electronically stored data and documentation in possession or under the control of Picanol NV, used or held for use in relation to the contributed assets of the Branch of Activities, including customer lists, information, policies and procedures, manuals, tender documents used in relation to the contributed assets of the Branch of activities (the ***Business Information***);

- The environmental permits used in relation to the exercise of the Branch of Activities (if transferable);

- Any amount received by Picanol NV of an insurance company with the exception of amounts received under the Excluded Agreements; and

- All dividends paid to Picanol NV by the Branch of Activities since the date of the present draft terms.

(b) Liabilities

Following commitments, debts, obligations and liabilities will be contributed to Picanol Group (without this list being exhaustive and excluding the Excluded Liabilities):

- All commitments, debts, obligations and liabilities arising from the Agreements, which are contributed to Picanol Group NV;

- All commitments, debts, obligations and liabilities, both current and future (including contingent commitments, debts, obligations and liabilities) arising in tort or from any other legal provision relating to current and past activities of the Branch of Activities, included herein any form of product liability;

- All commitments, debts, obligations and liabilities (other than the Pension liabilities) arising from the agreement with, or otherwise involve the employees who now work or have worked for the Branch of Activities (the ***Employees***);

- All commitments, debts, obligations and liabilities for pension or other benefits at the time of retirement, with regard to the Employees (the ***Pension Liabilities***);

- All commitments, debts, obligations and liabilities in connection with an occupational disease suffered by an Employee as a result of facts or circumstances to which such Employee was exposed in connection with the operation of the Branch of Activities;

- All commitments, debts, obligations and liabilities relating to taxes related to the contributed assets or Employees to the extent such commitments, debts, obligations or liabilities are not Excluded Liabilities;

- All commitments, debts, obligations and liabilities relating to the environment (including *inter alia* natural resources and hazardous materials) relating to the Branch of Activities and the assets to be contributed;

- All commitments, debts, obligations and liabilities in connection with any current or future legal proceedings related to the Branch of Activities, the assets to be contributed or the Employees; and

- All debts, trade debts, debt instruments to be paid and any other amounts to be paid by Picanol NV to any person, which relate solely to the Branch of Activities, together with any unpaid interest which accrued thereon.

(c) Employees

- All employees of Picanol NV will be employed by Picanol Group NV after the Contribution of the Branch of Activities.

1.2 Excluded assets

(a) Assets

Following assets will not be contributed to Picanol Group NV (the ***Excluded Assets***):

- Cash, shares or other securities traded on a regulated market and cash equivalents for the amount of in aggregate EUR 49,800,000;

- The shares in Verbrugge NV;

- The shares in Günne Webmaschinenfabrik GmbH (and its subsidiary Günne Webmaschinenfabrik GmbH & Co., KG), which no longer performs any activities and which will be dissolved;

- All rights of Picanol NV (including any outstanding *letters of credit*, *performance bonds*, *bid bonds* and export financings) under the following agreements (the ***Excluded Agreements***):

    - The contribution agreement dated 15 December 2015 between Tessenderlo Chemie NV, Picanol NV, Verbrugge NV and Picanol Group NV (the ***Contribution Agreement***);

    - The intercompany loan dated 1 Januari 2015 between Verbrugge NV, as borrower, and Picanol NV, as lender, for an amount of EUR 194,496,000, increased on 27 October 2015 to EUR 215,500,000 (the ***Intercompany Loan***);

    - D&O Insurance entered into with HDI-Gerling;

- o All rights of Picanol NV issued or entered into prior to the Picanol Group Contribution under:

  - ▪ the EUR 20 million credit facility at Belfius Bank NV/SA in accordance with the letter of credit of 10 January 2012, as amended on 7 April 2015;

  - ▪ the EUR 9 million credit facility at BNP Paribas Fortis NV/SA in accordance with the letter of credit of 28 November 2011;

  - ▪ the EUR 13.5 million credit facility at ING Belgium NV/SA in accordance with the letter of credit of 16 December 2011; or

  - ▪ the EUR 25 million credit facility at KBC Bank NV in accordance with the letter of credit of 20 February 2012 (together, the ***Credit Facilities***),

and all rights under the Agreements which are not transferable pursuant to the procedure of a contribution of a branch of activities as set out in Article 759 to 767 of the Belgian Companies Code (without prejudice to the arrangements set forth in the Contribution Agreement);

- All books, records and files of Picanol NV with the exception of the Business Information; and

- All rights to the repayment of taxes, tax credits or similar benefits related to the contributed assets of the Branch of Activities and all rights to reimbursed taxes and social security contributions relating to the period prior to the Contribution of the Branch of Activities.

(b) Liabilities

Following commitments, debts, obligations and liabilities will not be contributed to Picanol Group NV (the ***Excluded Liabilities***):

- All commitments, debts, obligations and liabilities existing or arising from the contribution agreement dated 15 December 2015 between Tessenderlo Chemie NV, Picanol NV, Verbrugge NV and Picanol Group NV;

- All commitments, debts, obligations and liabilities existing or arising from the dissolution and liquidation of Günne Webmaschinenfabrik GmbH (and its subsidiary Günne Webmaschinenfabrik GmbH & Co., KG);

- All commitments, debts, obligations and liabilities existing or arising from possible infringements of the Belgian Act of 2 August 2002 in relation to which the FSMA has started an investigation (letters of 19 July 2012, 10 June 2013 and 2 April 2014);

- All commitments, debts, obligations and liabilities existing or arising from the Credit Facilities (including the obligations pursuant to any outstanding (i) letters of credit and (ii) warranties (including the so-called 'bid bonds' and 'performance bonds' and (iii) export financings), guaranties and other securities issued or entered into prior to the Picanol Group Contribution;

- All commitments, debts, obligations and liabilities concerning taxes relating to the contributed assets or the Branch of Activities and relating to the period prior to the Contribution of the Branch of Activities; and

- All commitments, debts, obligations and liabilities existing or arising from the Excluded Assets.

1B BRANCH OF BUSINESS VERBRUGGE

The branch of activities includes all elements of the assets and liabilities (tangible and intangible) of Verbrugge NV that are necessary for, or contribute or relate to the production of components of, and accessories for, weaving machines, as set out in paragraph 1.1 below in a non-exhaustive manner (the ***Branch of Activities***), but excluding the Excluded Assets and the Excluded Liabilities set out in paragraph 1.2 below in an exhaustive manner.

Following the transfer of the Branch of Activities, Verbrugge NV will have no assets and liabilities other than the Excluded Assets and the Excluded Liabilities set out in paragraph 1.2 below in an exhaustive manner.

More in particular the Branch of Activities includes, but is not limited to:

1.1 Non-exhaustive list of the assets to be contributed

(a) Assets

Following assets will be contributed to Picanol Group NV (without this list being exhaustive and excluding the Excluded Assets):

- All stocks of raw materials, parts, products, unfinished products, packaging, equipment and supplies produced, manufactured, bought or acquired for use in connection with the operation and exercise of the Branch of Activities;

- All the machinery, installations, equipment and other tangible property, including spare parts, office supplies, tools, furniture and vehicles owned or held by Verbrugge NV immediately prior to the Contribution of the Branch of Activities and used in the Branch of Activities;

- All intellectual property rights, inventions and know-how, as well as the ensuing rights;

- The rights of Verbrugge NV under all agreements which are not Excluded Agreements (the ***Agreements***), subject to approval of the relevant counterparty if necessary (without prejudice to the arrangements set forth in the Contribution Agreement). The contributed Agreements also include the right of the Branch of Activities to use certain space from Picanol NV for the performance of its activities;

- All receivables, trade receivables, claims on customers, debt instruments to be received and all other rights of Verbrugge NV to receive payments from anyone, which relate to the Branch of Activities, together with any unpaid interest that have accrued thereon, as well as the full right to all securities for such accounts or debts;

- Subject to applicable limitations necessary for compliance with the applicable regulations or agreements with third parties, originals or copies of all books, records, reports, correspondence in any form, films, microfilms, files, electronically stored data and documentation in possession or under the control of Verbrugge NV, used or held for use in relation to the contributed assets of the Branch of Activities, including customer lists, information, policies and procedures, manuals, tender documents used in relation to the contributed assets of the Branch of activities (the ***Business Information***);

- The environmental permits used in relation to the exercise of the Branch of Activities (if transferable);

- Any amount received by Verbrugge NV of an insurance company with the exception of amounts received under the Excluded Agreements; and

- All dividends paid to Verbrugge NV by the Branch of Activities since the date of the present draft terms.

(b) Liabilities

Following commitments, debts, obligations and liabilities will be contributed to Picanol Group NV (without this list being exhaustive and excluding the Excluded Liabilities):

- All commitments, debts, obligations and liabilities arising from the Agreements, which are contributed to Picanol Group NV;

- All commitments, debts, obligations and liabilities, both current and future (including contingent commitments, debts, obligations and liabilities) arising in tort or from any other legal provision relating to current and past activities of the Branch of Activities, included herein any form of product liability;

- All commitments, debts, obligations and liabilities (other than the Pension liabilities) arising from the agreement with, or otherwise involve the employees who now work or have worked for the Branch of Activities (the ***Employees***);

- All commitments, debts, obligations and liabilities for pension or other benefits at the time of retirement, with regard to the Employees (the ***Pension Liabilities***);

- All commitments, debts, obligations and liabilities in connection with an occupational disease suffered by an Employee as a result of facts or circumstances to which such Employee was exposed in connection with the operation of the Branch of Activities;

- All commitments, debts, obligations and liabilities relating to taxes related to the contributed assets or Employees to the extent such commitments, debts, obligations or liabilities are not Excluded Liabilities;

- All commitments, debts, obligations and liabilities relating to the environment (including *inter alia* natural resources and hazardous materials) relating to the Branch of Activities and the assets to be contributed;

- All commitments, debts, obligations and liabilities in connection with any current or future legal proceedings related to the Branch of Activities, the assets to be contributed or the Employees; and

- All debts, trade debts, debt instruments to be paid and any other amounts to be paid by Verbrugge NV to any person, which relate solely to the Branch of Activities, together with any unpaid interest which accrued thereon.

(c) Employees

- All employees of Verbrugge NV will be employed by Picanol Group NV after the Contribution of the Branch of Activities.

1.2 Excluded assets

(a) Assets

Following assets will not be contributed to Picanol Group NV (the ***Excluded Assets***):

- The 13,482,812 shares in Tessenderlo Chemie NV;

- The right of superficies established to the benefit of Verbrugge NV on the immovable goods situated at Rotsestraat 29, Roeselare on the parcels known in the land register as section A numbers 934/M, 943/N, 943/P and 944/P and the buildings and parkings built by Verbrugge NV thereon (the ***Superficies***) belonging to Verbrugge NV pursuant to a right of superficies. Through the exclusion of the Superficies, no rights *in rem* on immovable goods are contributed to Picanol Group Nv;

- All rights of Verbrugge NV under the following agreements (the ***Excluded Agreements***):

    - The contribution agreement dated 15 December 2015 between Tessenderlo Chemie NV, Picanol NV, Verbrugge NV and Picanol Group NV;

    - D&O Insurance entered into with HDI Gerling; and

    - The waiver by Immo Verbrugge NV dated 10 October 2015,

  and all rights under the Agreements which are not transferable pursuant to the procedure of a contribution of a branch of activities as set out in Article 759 to 767 of the Belgian Companies Code (without prejudice to the arrangements set forth in the Contribution Agreement);

- All books, records and files of Verbrugge NV with the exception of the Business Information;

- All rights to the repayment of taxes, tax credits or similar benefits related to the contributed assets of the Branch of Activities and all rights to reimbursed taxes and social security contributions relating to the period prior to the Contribution of the Branch of Activities; and

- All rights under the judgment of the Court of First Instance West Flanders, division Kortrijk of 11 December 2014 known under case number 13/1587.

(b) Liabilities

Following commitments, debts, obligations and liabilities will not be contributed to Picanol Group NV (the ***Excluded Liabilities***):

- The intercompany loan dated 1 Januari 2015 between Verbrugge NV, as borrower, and Picanol NV, as lender, for an amount of EUR 194,496,000, increased on 27 October 2015 to EUR 215,500,000 (the ***Intercompany Loan***);

- All commitments, debts, obligations and liabilities existing or arising from the contribution agreement dated 15 December 2015 between Tessenderlo Chemie NV, Picanol NV, Verbrugge NV and Picanol Group NV;

- All commitments, debts, obligations and liabilities existing or arising from the Intercompany Loan;

- All commitments, debts, obligations and liabilities existing or arising from the environmental contamination of the soil of the Superficies;

- All commitments, debts, obligations and liabilities concerning taxes relating to the contributed assets or the Branch of Activities and relating to the period prior to the Contribution of the Branch of Activities; and

- All commitments, debts, obligations and liabilities existing or arising from the Excluded Assets.

ANNEX 2

REPORT OF THE AUDITOR

ANNEX 3
VALUATION METHOD

1 SUMMARY OF THE CONSIDERATION

1.1 Agreed issue and price of Tessenderlo Chemie shares

Based on the number of existing shares of Tessenderlo Chemie NV ("**Tessenderlo**") of 43,188,561 (after the exercise of the 329,405 outstanding *in-the-money* warrants) the Board of Directors has decided to propose to the extraordinary general meeting of the Company to issue 25,765,286 new Tessenderlo shares for EUR 31.5 each (the "**Consideration**") to the shareholders of Picanol Group NV ("**Picanol Group**"), Verbrugge NV ("**Verbrugge**") and Picanol NV ("**Picanol**").

Concerning the equity value on a *stand-alone* basis, the Board of Directors has started from the following valuations:

- the Company: **EUR 1,360.4 million** (*on the basis of 43,188,561 shares*) which implies a value of EUR 31.5 per share ; and
- Picanol: **EUR 811.5 million** (excl. 13,482,812 Tessenderlo shares and EUR 49.8 million excess cash) which implies a value of EUR 45.85 per share (excluding share Tessenderlo).

1.2 Summary of the valuations

The results of the valuations on the basis of each valuation method together with the corresponding Consideration are summarized in Schedule X below:

Schedule 1: Tessenderlo – Picanol overview of valuation under various valuation methodologies and Consideration

		Tessenderlo			Picanol (3)		
Method	**Range (1)**	**Enterprise Value (m€)**	**EV/REBITDA 16E (2)**	**EV/REBIT 16E (2)**	**Enterprise Value (m€)**	**EV/EBITDA 16E**	**EV/EBIT 16E**
DCF	High	1,642	8.1x	13.4x	863	11.3x	12.6x
	Med	1,493	7.5x	12.3x	788	10.3x	11.5x
	Low	1,365	6.8x	11.2x	714	9.3x	10.4x
Trading	High	1,570	7.9x	12.9x	822	10.7x	12.0x
	Med	1,446	7.2x	11.9x	751	9.8x	11.0x
	Low	1,323	6.6x	10.9x	680	8.9x	9.9x
Transaction	High	1,784	8.9x	14.7x	856	11.2x	12.5x
	Med	1,641	8.2x	13.5x	782	10.2x	11.4x
	Low	1,498	7.5x	12.4x	708	9.2x	10.3x

(1) Valuation based on 10 % adjustment from mid-point valuation

(2) Based on adjusted normalised REBITDA and REBIT as per section 2.1 (vi)

(3) Without 13,482,812 Tessenderlo shares held by Picanol and EUR 49.8 million excess cash

		Tessenderlo		Picanol (2)	
Method	**Range (1)**	**Equity value (m€)**	**Value per share (€)**	**Equity value (m€)**	**Value per share(€)**
DCF	High	1,409	32,6	820	46,4
	Med	1,281	29,7	746	42,1
	Low	1,153	26,7	671	37,9
Trading	High	1,358	31,4	780	44,0
	Med	1,235	28,6	709	40,0
	Low	1,111	25,7	638	36,0
Transaction	High	1,572	36,4	814	46,0
	Med	1,429	33,1	740	41,8
	Low	1,286	29,8	666	37,6

(1) Valuation ranges based on 10 % adjustment from mid-point valuation
(2) Without 13,482,812 Tessenderlo shares held by Picanol and EUR 49.8 million excess cash

Based on the retained valuation methods and with an emphasis on the DCF valuation method, the following equity value range is retained for Tessenderlo and Picanol:

- Tessenderlo: EUR 1,144 – EUR 1,382 million; or EUR 26.5 to EUR 32.0 per share
- Picanol: EUR 664 – EUR 823 million; or EUR 37.5 to EUR 46.5 per share

This represents a Picanol shareholdership in the combined company with a range of 53.5% to 60.0%.

Table 2 : Retained valuation range for Tessenderlo and Picanol

		Tessenderlo		**Picanol** [(2), (3)]		
		Equity value (m€)	**Value per share(€)**	**Equity value m€)**	**Value per share (€)**	**Shareholder-ship post-transaction**
	High	1.382	32,0	823	46,5	56,90%
	Med	1.263	29,3	743	42,0	56,71%
	Low	1.144	26,5	664	37,5	56,47%
Consideration		**1.360**	**31,5**	**811**	**45,85**	**56,93%**

(1) Valuation ranges based on 10 % adjustment from mid-point valuation

(2) Shareholdership post transaction Picanol without taking into account the participation in Tessenderlo of Symphony Mills

(3) Without 13,482,812 Tessenderlo shares held by Picanol and EUR 49.8 million excess cash

In order to compare Picanol's current share price of EUR 52.69[4] with the retained equity value per share range, the following adjustments have been made in order to arrive to a corrected stand-alone Picanol share price:

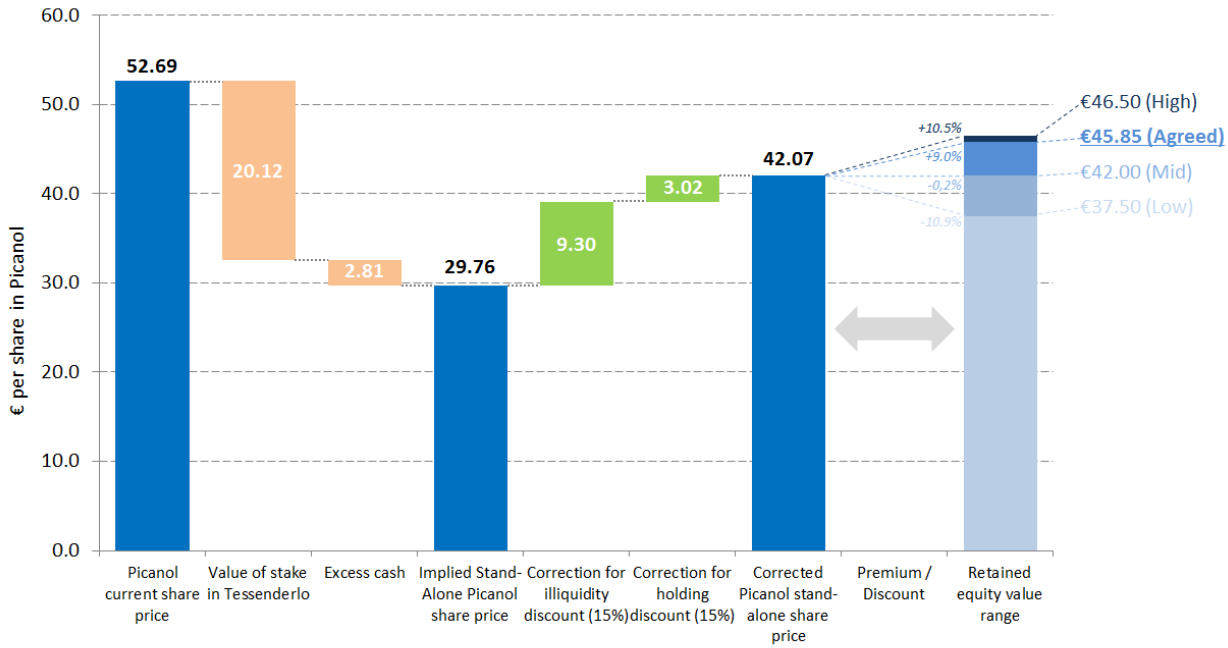
- Deduction of the market value of the stake (31.5%) owned by Picanol in Tessenderlo
- Deduction of the excess cash (EUR 49.8m) that is not part of the Transaction
- Upward correction for illiquidity discount of 15% observed in Picanol's share price due to the limited free float and trading activity.[5]
- Upward correction for holding discount of 15% applied to the market value of Picanol's stake in Tessenderlo. The holding discount is based on historical observed discounts for non-mono holdings[6] in the Benelux.

[4] Closing price as per 11 December 2015

[5] See a.o. research by Shannon P. Pratt

[6] Observed non-mono holdings include: Ackermans & van Haaren, Bois Sauvage, Brederode, GBL, Gimv, HAL Trust, Sofina and Quest for Growth

The graph below illustrates the above adjustments to Picanol's current share price and the resulting corrected valued stand-alone share price of Picanol compared to the retained equity value per share range (EUR 37.5 – EUR 46.5), which includes the agreed equity value per share of EUR 45.85. The low value, midpoint value, agreed value and high value of the retained equity value range presents a premium/(discount) to the corrected stand-alone share price EUR 42.07 of (10.9%), (0.2%), 9.0% and 10.5%, respectively.



The Board is aware that other approaches are possible with respect to the calculation of the premium paid over the shares of Picanol which result in other percentages and refers in that respect to the information contained in the report of the statutory auditor. Ultimately, the result of the bridge explaining the premium leads to the same net result and the board is of the opinion that the above bridge reflects the most appropriate approach.

1.3 Justification of the valuations

A justification of the valuations is presented hereafter.

2 VALUATION TESSENDERLO AND PICANOL

2.1 Valuation principles

a) Stand-Alone valuation

Although the board of directors anticipates synergies and cost savings to result from the business combination, the different entities are valued on a *stand-alone* basis.

In other words, the absolute equity value does not take into account the strategic value of the business combination, which could provide added value that should be added to the combined equity value.

b) Retained valuation methods

The following valuation methods were taken into account to value the equity value of the different entities in order to determine the Consideration:

Discounted Cash Flow ("DCF") valuation method:

- aims at determining the enterprise value of a company by discounting the future free cash flows at the weighted cost of capital ("**WACC**"). From the enterprise value, the net financial debt and debt-/ cash-like items are deducted to obtain the equity value.
- this valuation metric is strongly influenced by (i) the projections with regard to the expected performance of the companies, (ii) the WACC and (iii) the future growth rate used to compute the terminal value according to the *"Gordon and Shapiro*" method.

- **trading multiples of comparable listed companies:**
  - aims at determining the enterprise value by applying multiples of comparable listed companies on the key figures.
- **transaction multiples for comparable acquisitions:**
  - aims at determining the enterprise value by applying multiples of comparable acquisitions on the key figures.
  - the acquisitions executed in the period 2005-2015 were taken into account. However, for many comparable acquisitions it can be noted that there are no multiples available, since the acquisition value was not always publicly disclosed or the financial information of the target company was not publicly available.
  - in addition we note that (i) the acquisitions have occurred for several reasons, either strategic or financial reasons (eg. in case of acquisitions by private equity players); (ii) the for each acquisition paid price can also be dependent on other elements of the acquisition (eg. the structure of the acquisition, the representations and warranties in the purchase agreement, etc.); and (iii) when assessing the multiples of the prior acquisitions, the

prevailing market conditions at the moment of such acquisitions should be taken into account.

Given that the DCF valuation method produces the best approach of the complete intrinsic value, this method is considered to be the most relevant. In view of the shortcomings of the trading and transaction multiples valuation methods (e.g. differences in growth and profitability, timing of transactions, potential synergies, strategic value, etc.) these valuation methods have a medium to low relevance and are more a reference for the DCF valuation method (DCF supporting valuation method).

Two additional valuation methods are considered for information purposes for Tessenderlo and Picanol:

- the most recent target prices, as published by financial analysts; and
- the historical stock exchange rate.

Each of these valuation methods are described in more detail hereafter.

c) Valuation standards

The valuation is based on a combination of EV/EBITDA and EV/EBIT multiples.

d) Future results

The justification of the Consideration is based on the prognoses regarding the financial parameters of each company (in particular the turnover, EBITDA, EBIT, net working capital and investments). These prognoses were provided by senior management of the companies concerned and reviewed by the *financial advisors.*

These prognoses were obtained from the business plans of the companies concerned and the probability was assessed on the basis of discussions of the financial advisors with senior management.

e) Normalised REBITDA and REBIT for Tessenderlo and adapted Net Debt Tessenderlo and Picanol for valuation purposes

i. Normalised REBITDA and REBIT per segment for Tessenderlo

The REBITDA and REBIT 2015 and 2016 are (i) corrected per segment for the out of division (not assigned) costs, whereby the distribution code for this valuation exercise is on the basis of the turnover per business segment and (ii) for Agro normalised for the SOP (Sulfate of Potash) division. Today the SOP business finds itself in exceptional positive circumstances.

Schedule 3: Normalised REBITDA and REBIT 2015[7] for valuation purposes

	Agro	**Bio-valorization**	**Industrial Solutions**
in million EUR	**Year-end December 31 2015^E**	**Year-end December 31 2015E**	**Year-end December 31 2015E**
REBITDA (1)	**141,5**	**8,0**	**46,3**
OOD costs	(5,0)	(4,9)	(4,1)
SOP adaptation	(20,0)	-	-
Normalised REBITDA	**115,5**	**3,1**	**42,2**

	Agro	**Bio-valorization**	**Industrial Solutions**
in million EUR	**Year-end December 31 2015^E**	**Year-end December 31 2015E**	**Year-end December 31 2015E**
REBIT	**119,3**	**(35,8)**	**21,3**
OOD costs	(6,9)	(5,5)	(4,7)
SOP adaptation	(20,0)	-	-
Normalised REBIT	**92,4**	**(41,3)**	**16,6**

(1) adjusted for non-cash impact of the changes of accounting estimates in 2015 (estimated at EUR 18.6 million)

[7] REBITDA and REBIT of Tessenderlo excluding non-recurring items.

Schedule 4: Normalised REBITDA and REBIT 2016 for valuation purposes

in million EUR	**Agro** **Year-end December 31 2016E**	**Bio-valorization** **Year-end December 31 2016E**	**Industrial Solutions** **Year-end December 31 2016E**
REBITDA (1)	**141,4**	**34,8**	**48,3**
OOD costs	(6,0)	(4,5)	(4,5)
SOP adaptation	(10,0)	-	-
Normalised REBITDA	**125,4**	**30,3**	**43,8**

in million EUR	**Agro** **Year-end December 31 2016E**	**Bio-valorization** **Year-end December 31 2016E**	**Industrial Solutions** **Year-end December 31 2016E**
REBIT	**113,5**	**8,1**	**26,8**
OOD costs	(6,8)	(5,1)	(5,2)
SOP adaptation	(10,0)	-	-
Normalised REBIT	**96,7**	**3,0**	**21,6**

(1) adjusted for non-cash impact of the changes of accounting estimated in 2015 (estimated at EUR 18.6 million)

ii. *Modified net debt for Tessenderlo*

The net debt is based on the latest unaudited results and the knowledge available on 30 September 2015. The net debt is modified for the (i) EUR 13.5 million deferred tax liabilities of Terelux S.A. (Luxembourg), (ii) the EUR 7 million capital increase resulting from the exercise of "*in-the-money*" warrants and (iii) application of the 7.45% WACC (the weighted average of the WACC's of the three business segments on the basis of the forecasted turnover in 2024) on the loss carried forward.

Schedule 5: Modified net debt for valuation purposes.

Net Debt Items (€m)	**30 Sep '15**	
LT Debt	(226.8)	
ST Debt	(189.9)	
Provision Environmental	(113.5)	
Defined Benefit Liability	(39.7)	
Net Derivatives Position	(31.6)	
DTLs	**(23.9)**	**(i) above**
Demolition Provision	(19.4)	
Other Provisions[1]	(17.1)	
Personnel related liabilities[2]	(10.6)	
Restructuring Provision	(9.4)	
Loans Granted	0.3	
Other Investments	1.7	
Assets Held for Sale	2.1	
Factoring	3.6	
Assets on defined benefit pension plans	5.1	
Cash inflow from in-the-money warrants	**7.0**	**(ii) above**
Investments in Subsidiaries	10.0	
JV Jupiter Sulphur LLC (Philips 66)	39.2	
Tax Loss Carried Forward	**74.8**	**(iii) above**
Cash & Cash Equivalents	326.1	
Total Adjusted Net Debt	**(211.9)**	

[1] contains provisions for loss making lease contracts, provision for power purchase agreement, estimated future costs and guarantees regarding the sold subsidiaries and several individual less significant amounts

[2] mainly provisions for early retirement schemes

iii. Modified net debt for Picanol

The net debt is based on the latest unaudited results and the knowledge available on September 30 2015. The net debt is modified for the EUR 49.8 million excess cash.

Schedule 6: Adapted net debt for valuation purposes

Net Debt Items (€m)	**30 Sep '15**
Long-term debt (>1year)	**(15.9)**
Deferred tax liabilities	(8.9)
Pension & other liabilities	(6.9)
Provisions	(0.1)
Short-term debt (<1year)	**(9.1)**
Pension liabilities	(0.5)
Provisions	(6.7)
Export financing debt	(0.3)
Finance leases	(1.6)
Cash & cash equivalents	**(18.1)**
Cash on balance sheet (30 Sep '15)	31.7
Excess cash	**(49.8)**
Other financials assets	**0.1**
Deferred tax assets	**0.7**
Total Adjusted Net Debt	**(42.3)**

2.2 Valuation methods for Tessenderlo

a) Discounted Cash Flow method

Given that Tessenderlo Chemie NV is active in several segments with each a different dynamics, the Sum-of-the-Parts method is applied to calculate the enterprise values and finally the equity values. In this respect, the enterprise value of the three business-segments, i.e. Agro, Bio-valorization and Industrial Solutions, are determined individually in accordance with the Discounted Cash Flow method. Subsequently the aggregated net financial debt and debt-/cash-like items are deducted from the sum of these equity values.

The projection with regard to the expected performance of the three business-segments consists of (i) a projection for the period 2015-2019 provided by senior management and presented to the board of directors in June 2015 (and afterwards adjusted from time to time if the circumstances lead to a necessary adjustment of the projections) (ii) a projection for the period 2020-2024 based on extrapolations checked by senior management.

i. Agro-segment

In order to calculate free cash flows, we used the following parameters:

- the estimated annual growth of the turnover for the period 2015-2019 and 2020-2024 amounts to respectively 4.7% and 1.5% (3.1% for 2015-2024). Especially Kerley US and the starting international activities, where expansion investments are provided, contribute to this growth;
- for the period 2015-2019 and 2020-2024 an average REBITDA-margin of respectively 20.1% and 18.9% is expected, slightly lower than the 2014 realised margins of 20.7%;
- for the period 2015-2019 a yearly investment budget of 7.4% on average of the turnover is assumed, slightly higher than the historical average investment policy (2012-2014: 6.7%). For the period 2020-2024 an investment policy of 4.7% on average of the turnover is provided;
- the projections of the net working capital are based on assessments by senior management of the rotation of the supplies and the payment terms with the customers and the suppliers. The net working capital is expected to increase slightly (22.5 % on average in 2012-2014) for the period 2015-2019 and 2020-2024 with respectively 23.9 % and 25.1 % on average of the turnover to improve the customer service and to further support the growth of Agro.

Future free cash flows are discounted at a weighted cost of capital of 7.24 %. The most important parameters thereof are presented below:

- a risk-free interest rate of 1.67%, based on the average long-term yield (10 year) of German government bonds during the last 5 years;
- a credit spread of 1.57%, based on the average nominal yield of EUR denominated bonds issued by industrial companies with a rating of BBB+, BBB and BBB-;
- a marginal tax rate of 35% (weighed average of the business divisions);
- the cost of the equity capital, calculated according to the Capital Asset Pricing Model on the basis of an *"unlevered beta"* of 0.86, based on the *Specialty Chemicals* industry beta according to Damodaran, and an equity risk premium of 6.75% (based on the risk premium of a mature market and an additional country premium according to Damodaran); and
- the current gearing ratio (debt / market value of the equity capital) of 17.6%.

On the basis of a capital cost of 7.24% and the diversified long-term growth ("**LTG**") of 0.5% / 2.5% the DCF-valuation results in an enterprise value between the EUR 926 million and EUR 1,207 million with a midpoint of EUR 1,042 million on September 30, 2015.

In the middle of the range (LTG: 1.5%, WACC: 7.24%) the terminal value represents 71% of the enterprise value.

Schedule 7: Sensitivity on the DCF valuation method (in million euro)

	Enteprise value (€m)					**Terminal value (€m)**					**Terminal value as % of the enterprise value**				
	Terminal growth rate (%)					Terminal growth rate (%)					Terminal growth rate (%)				
WACC	0.5%	1.0%	**1.5%**	2.0%	2.5%	0.5%	1.0%	**1.5%**	2.0%	2.5%	0.5%	1.0%	**1.5%**	2.0%	2.5%
6.2%	1.120	1.200	1.297	1.418	1.570	797	878	975	1.096	1.248	71%	73%	75%	77%	79%
6.7%	1.015	1.080	1.157	1.251	1.367	702	767	845	938	1.054	69%	71%	73%	75%	77%
7.2%	926	979	1.042	1.116	1.207	623	676	738	813	903	67%	69%	71%	73%	75%
7.7%	850	894	945	1.005	1.077	555	599	651	711	782	65%	67%	69%	71%	73%
8.2%	784	821	863	912	970	498	535	577	626	684	64%	65%	67%	69%	71%

ii. Bio-valorization segment

In order to calculate free cash flows, we used the following parameters:

- the estimated annual growth of the turnover for the period 2015-2019 and 2020-2024 amounts to respectively 2.5 % and 0.0% (1.1% for 2015-2024). The growth potential is deemed to be very low because of circumstances;
- for the period 2015-2019 and 2020-2024 an average REBITDA-margin of respectively 7.5 % and 8.3 % is expected, significantly higher than the 2014 margin of 1.8%. The implementation of operational improvement programs and the stabilizing raw materials prices are the main underlying causes of this expected increase;
- for the period 2015-2019 and 2020-2024 a yearly investment budget of respectively 4.5% and 4.7% on average of the turnover is assumed, in line with the historical average (4.2% for 2012-2014); and
- the projections of the net working capital are based on assessments by senior management of the rotation of the supplies and the payment terms with the customers and the suppliers. This results in a net working capital that will remain stable as percentage of the expected turnover for the period (22.1 % on average for 2015-2019 and 21.9 % on average for 2020-2024 in comparison with an average of 22.3% for 2012-2014).

Future free cash flows are discounted at a weighted cost of capital of 7.94 %. The most important parameters thereof are presented below:

- a risk-free interest rate of 1.67%, based on the average long-term yield (10 year) of German government bonds during the last 5 years;
- a credit spread of 1.57%, based on the average nominal yield of EUR denominated bonds issued by industrial companies with a rating of BBB+, BBB and BBB-;

- a marginal tax rate of 35%;
- the cost of the equity capital, calculated according to the Capital Asset Pricing Model on the basis of an *"unlevered beta"* of 0.97, based on the average of the *Diversified & Specialty Chemicals* industry betas according to Damodaran, and an equity risk premium of 6.75% (based on the risk premium of a mature market and an additional country premium according to Damodaran); and
- the current gearing ratio (debt / market value of the equity capital) of 17.6%.

On the basis of a capital cost of 7.94% and the diversified long-term growth ("**LTG**") of 0.1% / 1.5% the DCF-valuation results in an enterprise value between the EUR 149 million and EUR 173 million with a midpoint of EUR 155 million on September 30, 2015.

In the middle of the range (LTG: 0.5%, WACC: 7.94%) the terminal value represents 69% of the enterprise value.

Schedule 8: Sensitivity on the DCF valuation method (in million euro)

Enterprise Value (€m)

WACC	Terminal growth rate (%)				
	0,1%	0,3%	**0,5%**	1,0%	1,5%
6,9%	178	181	186	198	213
7,4%	163	165	169	179	191
7,9%	149	151	155	163	173
8,4%	138	139	142	149	157
8,9%	127	129	131	137	144

Terminal value (€m)

WACC	Terminal growth rate (%)				
	0,1%	0,3%	**0,5%**	1,0%	1,5%
6,9%	127	130	135	147	161
7,4%	113	115	120	130	141
7,9%	102	103	107	115	125
8,4%	92	93	96	103	111
8,9%	83	84	87	93	99

Terminal value as % of the enterprise value

WACC	Terminal growth rate (%)				
	0,1%	0,3%	**0,5%**	1,0%	1,5%
6,9%	71%	72%	72%	74%	76%
7,4%	70%	70%	71%	72%	74%
7,9%	68%	68%	69%	71%	72%
8,4%	66%	67%	68%	69%	71%
8,9%	65%	65%	66%	68%	69%

iii. Industrial Solutions segment

In order to calculate free cash flows, we used the following parameters:

- the estimated annual growth of the turnover for the period 2015-2019 and 2020-2024 amounts to respectively 7.0 % and 2.0%, among others caused by the start-up of the Barrick Goldstrike in Q4 2014 and a recovery of the PPS market 4.5% for 2015-2024);

- for the period 2015-2019 and 2020-2024 an average stable REBITDA-margin of respectively 10.5 % and 11.0 % is expected, higher than the historical realised margin (7.6 % in 2012-2014). This among others caused by the start of the contribution of the *gold leaching* project;

- for the period 2015-2019 a yearly investment budget of 6.0% on average of the turnover is assumed, in line with the historical average (6.4% in 2012-2014). For the period 2020-2024 an investment policy of 2.7% on average of the turnover is provided; and

- the projections of the net working capital are based on assessments by senior management of the rotation of the supplies and the payment terms with the customers and the suppliers. This results in a net working capital that will remain stable as percentage of the expected turnover for the period (17.7 % on average for 2015-2019 and 17.0 % on average for 2020-2024 in comparison with an average of 17.3% for 2012-2014).

Future free cash flows are discounted at a weighted cost of capital of 7.30 %, the most important parameters thereof are presented below:

- a risk-free interest rate of 1.67%, based on the average long-term yield (10 year) of German government bonds during the last 5 years;
- a credit spread of 1.57%, based on the average nominal yield of EUR denominated bonds issued by industrial companies with a rating of BBB+, BBB and BBB-;
- a marginal tax rate of 35%;
- the cost of the equity capital, calculated according to the Capital Asset Pricing Model on the basis of an *"unlevered beta"* of 0.87, based on the median of the most important listed peers, and a market risk premium of 6.75% (based on the risk premium of a mature market and an additional country premium according to Damodaran); and
- the current gearing ratio (debt / market value of the equity capital) of 17.6%.

On the basis of a capital cost of 7.30% and the diversified long-term growth ("**LTG**") of 0.5% / 2.5% the DCF-valuation results in an enterprise value between the EUR 399 million and EUR 517 million with a midpoint of EUR 448 million on September 30, 2015.

In the middle of the range (LTG: 1.5%, WACC: 7.30%) the terminal value represents 70% of the enterprise value.

Schedule 9: Sensitivity on DCF valuation method (in mio euro)

Enterprise value (€m) — Long Term Growth rate (%)

WACC	0,5%	1,0%	**1,5%**	2,0%	2,5%
6,3%	481	515	556	607	671
6,8%	437	464	497	536	585
7,3%	399	421	448	479	517
7,8%	366	385	407	432	462
8,3%	338	354	372	392	417

Terminal value (€m) — Long Term Growth rate (%)

WACC	0,5%	1,0%	**1,5%**	2,0%	2,5%
6,3%	341	375	416	466	530
6,8%	300	328	361	400	449
7,3%	267	289	316	347	385
7,8%	238	257	278	304	334
8,3%	213	229	247	268	293

Terminal value as % of enterprise value — Long Term Growth rate (%)

WACC	0,5%	1,0%	**1,5%**	2,0%	2,5%
6,3%	71%	73%	75%	77%	79%
6,8%	69%	71%	73%	75%	77%
7,3%	67%	69%	70%	72%	74%
7,8%	65%	67%	68%	70%	72%
8,3%	63%	65%	66%	68%	70%

iv. OOD (Out of Division)

Future free cash flow (yearly EUR -11 million) is discounted against a weighted average of capital of 7,45%. This was calculated by the weighted average WACC of the previous 3 business segments, using the ’24 revenues as weights.

The DCF-valuation, based on a cost of capital of 7,45% and a varying long term growth of 0,5%/2,5%, results in a company value between EUR -140 million and EUR -169 million with a midpoint of EUR-152 million on 30 September 2015.

In the middle of the fork (LTG: 1,0%, WACC: 7,45%), represents the terminal value 58% of the enterprise value.

Schedule 10: DCF-Valuation method sensitivity analysis (in million euros)

Enterprise value (€m) — Terminal growth rate (%)

WACC	0,0%	0,5%	**1,0%**	1,5%	2,0%
6,5%	(152)	(172)	(181)	(193)	(207)
7,0%	(151)	(158)	(166)	(175)	(186)
7,5%	(140)	(146)	(152)	(160)	(169)
8,0%	(131)	(136)	(141)	(147)	(154)
8,5%	(123)	(127)	(131)	(136)	(142)

Terminal Value (€m) — Terminal growth rate(%)

WACC	0,0%	0,5%	**1,0%**	1,5%	2,0%
6,5%	(97)	(105)	(115)	(126)	(141)
7,0%	(86)	(93)	(101)	(110)	(121)
7,5%	(77)	(82)	(89)	(96)	(105)
8,0%	(69)	(74)	(79)	(85)	(92)
8,5%	(62)	(66)	(71)	(76)	(82)

Terminal value as % of EV — Terminal growth rate (%)

WACC	0,0%	0,5%	**1,0%**	1,5%	2,0%
6,5%	59%	61%	63%	65%	68%
7,0%	57%	59%	61%	63%	65%
7,5%	55%	56%	58%	60%	62%
8,0%	53%	54%	56%	58%	60%
8,5%	51%	52%	54%	56%	58%

v. Sum-of-the-Parts

The DCF-valuation, based on a variation in long term growth of -0,5% / 1,0%, results in an equity value between EUR 1.191 million and EUR 1.516 million with a midpoint of EUR 1.280 million on 30 September 2015.

In the middle of the range (ΔLTG : 0%, ΔWACC : 0%), represents the terminal value 72% of the enterprise value.

Schedule 11: DCF-Valuation method sensitivity analysis (in million euros)

	Enterprise value (€m)				
	Δ Terminal growth rate (%)				
ΔWACC	-0,5%	-0,3%	**0,0%**	0,5%	1,0%
-2,0%	2.186	2.296	2.420	2.725	3.139
-1,0%	1.719	1.786	1.859	2.030	2.246
0,0%	1.403	1.446	1.492	1.599	1.728
1,0%	1.174	1.203	1.235	1.306	1.389
2,0%	1.001	1.022	1.044	1.094	1.151

	Equity Value(€m)				
	Δ Terminal growth rate (%)				
ΔWACC	-0,5%	-0,3%	**0,0%**	0,5%	1,0%
-2,0%	1.974	2.084	2.208	2.513	2.927
-1,0%	1.508	1.574	1.647	1.818	2.034
0,0%	1.191	1.234	1.280	1.387	1.516
1,0%	962	991	1.023	1.094	1.177
2,0%	789	810	832	882	939

	Share Value (€) (Fully diluted)				
	Δ Terminal growth rate (%)				
ΔWACC	-0,5%	-0,3%	**0,0%**	0,5%	1,0%
-2,0%	45,7	48,3	51,1	58,2	67,8
-1,0%	34,9	36,4	38,1	42,1	47,1
0,0%	27,6	28,6	29,7	32,1	35,1
1,0%	22,3	23,0	23,7	25,3	27,3
2,0%	18,3	18,8	19,3	20,4	21,7

1 ΔLTG: 0% (i.e. no change in LTG for Agro, Bio-valorization, Industrial Solutions of respectively 1.5%, 0.5% and 1.5%)

b) Trading multiples and comparable listed companies

Trading multiples of comparable companies were taken from Factset. Each of the ratio's mentioned below in this section are based on financial estimates, dated 10 November 2015, by financial analysts following such comparable companies.

The multiples mentioned in this section are calculated on the basis of the stock price as well as the outstanding number of shares of comparable companies as per 10 November 2015.

i. Agro-division

The Agro division of Tessenderlo is active in the production and marketing of crop nutrients and crop protection products.

Based on a description of the activities, the following listed enterprises were withheld in the analysis of Tessenderlo-Agro peer group:

- Compass Minerals International, Inc. is engaged in the business of producing and marketing minerals, including salt, sulphate of potash specialty fertilizer and magnesium chloride. It provides highway de-icing salt to customers in North America and the United Kingdom and specialty fertilizer to growers and fertilizer distributors worldwide. The company also produces and markets consumer de-icing and water conditioning products, ingredients used in consumer and commercial food preparation and other mineral based products for consumer, agriculture and industrial applications. It operates through two segments: Salt and Plant nutrition

- K+S AG (main SOP competitor) operates as a holding company, which is engaged in the production and distribution of standard and specialty fertilizers. It operates through the following segments: Potash and Magnesium, Salt, and Complementary Activities. The Potash and Magnesium segment manufactures and trades potash fertilizers and magnesium compounds. The Salt segment produces and markets food grade, industrial and de-icing salt, salt for chemical use, and sodium chloride brine. The Complementary Activities segment includes recycling, waste disposal, and reutilization operations in potash and rock salt mines.
- American Vanguard Corp. is a holding company which through its subsidiaries engages in manufacturing of agricultural chemicals. The company develops and markets products for crop protection and management, turf and ornamentals management and public and animal health. Its subsidiary, AMVAC Chemical Corp. manufactures and formulates chemicals for crops, human and animal health protection. Its products are marketed in liquid, powder, and granular forms.
- Agrium, Inc. (main ATS & KTS competitor) is a Canadian retail supplier of agricultural products and services in North America, South America and Australia and a global wholesale producer and marketer of all three major agricultural nutrients and the premier supplier of specialty fertilizers in North America. The company operates two core strategic business units: Retail and Wholesale
- CF Industries Holdings, Inc. (main ATS & KTS competitor) engages in the manufacture and distribution of nitrogen fertilizer products. It owns and operates nitrogen plants and serves agricultural and industrial customers through its distribution system. The company operates through five segments: Ammonia, Granular Urea, UAN, Other and Phosphate.
- Martin Midstream Partners LP is an American limited partnership with a diverse set of operations focused primarily in the United States Gulf Coast region. The company's four primary business lines include Terminalling & Storage, Natural Gas Services, Sulfur Services and Marine Transportation.
- Monsanto Co. provides agricultural products (seeds, biotechnology trait products, and herbicides) for farmers. Monsanto operates its business through the following business segments: Seeds & Genomics and Agricultural Productivity.
- Yara International ASA is an investment holding company that engages in the production, distribution, and sale of nitrogen chemicals.
- The Mosaic Co. engages in the production and marketing of concentrated phosphate and potash

crop nutrients for the global agriculture industry.

- Sesoda Corp. engages in the manufacture and sale of potassium sulphate (SOP). It offers standard, soluble, low chloride, granular, and industrial grade SOP products. The enterprise is situated in Taiwan.
- Sociedad Quimica y Minera de Chile SA engages in the production and distribution of fertilizers, potassium nitrate, iodine and lithium chemicals. Its products include specialty plant nutrients, iodine, lithium, potassium chloride and potassium sulphate, industrial chemicals and other commodity fertilizers. The company operates through six segments: Specialty Plant Nutrients, Industrial Chemicals, Iodine and Derivatives, Lithium and Derivatives, Potassium, and Other Products and Services.

Table 12 hereafter gives a summary of the most important valuation and financial criteria of the selected comparable enterprises for 2015E and 2016E.

Schedule 12: Summary of the valuation criteria of the selected peer group (in million euros, unless stated otherwise).

					EV/EBITDA		EBITDA CAGR	EV/EBIT		EBIT CAGR
Enterprise	**Market Cap(m€)**	**Enterprise Value (m€)**	**Revenue (m€)**	**EBITDA (m€)**	**2015E**	**2016E**	**2014A-2016E**	**2015E**	**2016E**	**2014A-2016E**
Main competitors										
Compass Minerals	2.604	3.056	1.132	320	9,4x	9,3x	14,2%	12,3x	12,1x	6,9%
K+S AG	4.671	5.589	4.326	1.104	5,8x	6,7x	6,7%	7,8x	9,8x	4,2%
American Vanguard Corp.	417	497	270	31	16,3x	10,8x	45,1%	48,6x	19,9x	120,5%
Agrium	12.448	17.685	14.228	1.951	8,6x	8,0x	20,5%	11,3x	10,5x	28,5%
CF Industries	10.093	14.595	4.015	1.879	7,8x	6,6x	19,9%	10,2x	8,7x	14,6%
Average	**6.046**	**8.284**	**4.794**	**1.057**	**9,6x**	**8,3x**	**21,3%**	**18,0x**	**12,2x**	**35,0%**
Median	**4.671**	**5.589**	**4.015**	**1.104**	**8,6x**	**8,0x**	**19,9%**	**11,3x**	**10,5x**	**14,6%**
Other competitors										
Martin	914	1.707	1.065	175	9,8x	9,3x	24,6%	19,5x	18,6x	12,0%
Monsanto	38.282	46.639	13.965	4.382	9,8x	11,0x	2,1%	11,6x	13,3x	0,7%
Yara	11.579	12.527	12.163	2.291	5,4x	5,9x	7,8%	7,2x	8,2x	10,7%
Mosaic	10.666	13.034	8.297	1.973	6,5x	6,3x	5,9%	10,0x	9,7x	7,2%
Sekoda	177	230	135	n.a.	n.a.	n.a.	0,0%	7,9x	7,8x	18,5%
SQM	5.863	5.247	1.789	711	8,8x	8,3x	10,2%	13,9x	12,7x	9,5%
Average	**11.247**	**13.231**	**6.236**	**1.906**	**8,1x**	**8,2x**	**8,4%**	**11,7x**	**11,7x**	**9,8%**
Median	**8.264**	**8.887**	**5.043**	**1.973**	**8,8x**	**8,3x**	**6,8%**	**10,8x**	**11,2x**	**10,1%**
Agro	n.a.	n.a.	648	141	n.a.	n.a.	10,7%	n.a.	n.a.	7,4%

Source: Factset and company information

The multiples in Table 13 hereafter are calculated based on the weigthed average of the median of the main competitors (70%) and other competitors (30%). The withheld midpoint valuation is summerised hereafter in Table 13.

Schedule 13: withheld midpoint valuation of Agro segment based on the trading multiple method

	EV/REBITDA 15E	**EV/REBIT 15E**	**EV/REBITDA 16E**	**EV/REBIT 16E**	**withheld average**
Multiple (median)	8,7x	11,2x	8,1x	10,7x	
Metric (m€)	115,5	92,4	125,4	96,7	
Enterprise value (m€)	**1.004,0**	**1.032,4**	**1.013,1**	**1.037,6**	**1.021,8**

ii. Bio-valorization segment

The Bio-Valorization segment of Tessenderlo combines the Group's activities in animal by-product processing, comprised of Akiolis (rendering, production and sales of proteins & fats) and PB Gelatins (production and sales of gelatins).

Based on a description of the activities, the following listed enterprises were withheld in the analysis of Tessenderlo Bio-valorization peer group:

- Darling Ingredients, Inc. is global developer and producer of sustainable natural ingredients from edible and inedible bio-nutrients, creating a wide range of ingredients and customized specialty solutions for customers in the pharmaceutical, food, pet food, feed, technical, fuel, bioenergy and fertilizer industries. The company operates its business through three segments: Feed Ingredients, Food Ingredients and Fuel Ingredients.
- Nitta Gelatin, Inc. engages in the sale of gelatin and collagen-related products. The Japanese enterprise operates through the Collagen Material and Formula Solution segments.

Table X hereafter gives a summary of the most important valuation and financial criteria of the related comparable enterprises for 2015E and 2016E.

Schedule 14: Summary of the valuation criteria for the selected peer group (in million euros, unless stated otherwise).

					EV/EBITDA		**EBITDA CAGR**	**EV/EBIT**		**EBIT CAGR**
Enterprise	**Market Cap (m€)**	**Enterprise Value (m€)**	**Revenue (m€)**	**EBITDA (m€)**	**2015E**	**2016E**	**2014A-2016E**	**2015E**	**2016E**	**2014A-2016E**
Darling Ingredients Inc.	1.600	3.415	3.198	399	8,4x	7,1x	3,1%	24,4x	16,3x	0,0%
Nitta Gelatin	109	183	279	23	7,9x	6,7x	61,8%	16,6x	13,2x	124,4%
Average	**854**	**1.799**	**1.739**	**211**	**8,1x**	**6,9x**	**32,5%**	**20,5x**	**14,7x**	**62,2%**
Median	**854**	**1.799**	**1.739**	**211**	**8,1x**	**6,9x**	**32,5%**	**20,5x**	**14,7x**	**62,2%**
Bio-valoarization	n.a.	n.a.	524	8	n.a.	n.a.	228,8%	n.a.	n.a.	n.m.

Source: Factset and company information

The witheld midpoint valuation is summerised hereafter in Table X

Schedule 15: Withheld midpoint valuation of Bio-valorization segment based on the trading multiple method

	EV/REBITDA 16E	**EV/REBIT 16E**	**Witheld Average**
Multiple	6,9x	14,7x	
Metric	30,3	3,0	
Enterprise Value (m€)	**209,7**	**43,7**	**126,7**

iii. Industrial Solutions segment

The Industrial Solutions segment of Tessenderlo is comprised of activities offering products and solutions to industrial end-markets. It includes in essence the production and sales of plastic pipes systems (PPS), water treatment chemicals and other industrial activities, such as production and sales of mining & industrial chemicals, and the delivery of services for the treatment and disposal of fracking water (ECS) and services that provide onsite optimization of environmental control systems (MPR).

Based on a description of the activities, the following listed enterprises were withheld in the analysis of Tessenderlo Industrial Solutions peer group:

- Mexichem SAB de CV (main competitor) engages in the production and sale of chemicals and petrochemical products. The company operates through three segments: Chlorine-Vinyl, Fluorine and Integral Solutions. The Integral Solutions segment includes the production of pipes and fittings of PVC, polyethylene, polypropylene, geo synthetic tubes and connectors, which are used to handle and transport fluids.
- Wienerberger AG (main competitor) engages in the provision of building materials solutions. Its activities include manufacturing and sale of clay bricks as well as pipes and pavers. It offers products ranging from wall, facade and roof clay blocks, to plastic and ceramic pipes. It operates through the following segments: Clay Building Materials Eastern Europe, Clay Building Materials Western Europe, Pipes & Pavers Eastern Europe, Pipes & Pavers Western Europe, North America and Holding & Others
- Uponor Oyj (main competitor) engages in manufacturing plumbing and indoor climate systems for residential and commercial building markets. It operates through the following segments: Building Solutions-Europe, Building Solutions-North America and Uponor Infra.
- Kemira Oyj is a global water chemistry company serving customers in water-intensive industries. The company offers water quality and quantity management solutions, which improves energy, water, and raw material efficiency. It operates through the following segments: Paper Municipal and Industrial, Oil and Mining and ChemSolutions.
- Georg Fischer AG is engaged in the production and sale of automotive products and piping

systems. It operates through the following segments: GF Piping Systems, GF Automotive, and GF Machining Solutions.

- Geberit AG develops, manufactures, and distributes sanitary products and systems for the residential and industrial construction industry.
- Polypipe Group Plc is a holding company which engages in the manufacture and trade of plastic pipe systems. It operates through the Residential Piping Systems, Commercial Piping Systems, Civil and Infrastructure Piping Systems, Carbon Efficient Solutions and Carbon Efficient Solutions business divisions.

Table 16 hereafter gives a summary of the most important valuation and financial criteria of the related comparable enterprises for 2015E and 2016E.

Schedule 16: Summary of the valuation criteria fort he selected peer group (in million euros, unless stated otherwise).

					EV/EBITDA		**EBITDA CAGR**	**EV/EBIT**		**EBIT CAGR**
Company	**Market Cap (m€)**	**Enterprise Value (m€)**	**Revenue (m€)**	**EBITDA (m€)**	**2015E**	**2016E**	**2014A-2016E**	**2015E**	**2016E**	**2014A-2016E**
Main competitors										
Mexichem	4.934	7.062	5.351	842	8,0x	7,0x	19,4%	14,1x	11,9x	30,2%
Wienerberg	1.933	3.216	3.017	371	6,9x	6,2x	12,5%	17,2x	13,6x	35,0%
Uponor	909	1.046	1.044	101	9,8x	7,6x	12,1%	15,3x	10,9x	16,3%
Average	**2.592**	**2.396**	**3.137**	**438**	**8,3x**	**6,9x**	**14,6%**	**15,5x**	**12,1x**	**27,2%**
Median	**1.933**	**3.216**	**3.017**	**371**	**8,0x**	**7,0x**	**12,5%**	**15,3x**	**11,9x**	**30,2%**
Other competitors										
Kemira	1.727	2.396	2.388	290	8,3x	7,5x	13,1%	14,0k	12,2k	12,2%
GF	2.405	2.865	3.358	363	7,3x	6,6x	8,2%	10,7x	9,5x	9,0%
Geberit	11.444	12.141	2.396	618	19,6x	17,2x	13,0%	23,4x	20,1x	11,6%
Polypipe	855	973	509	97	11,6x	9,2x	23,0%	15,1x	11,3x	27,6%
Gemiddelde	**4.108**	**4.594**	**2.163**	**342**	**11.7x**	**10.1x**	**14.3%**	**15.8x**	**13.3x**	**15.1%**
Mediaan	**2.066**	**2.631**	**2.392**	**327**	**10.0x**	**8.3x**	**13.1%**	**14.5x**	**11.7x**	**11.9%**
Industrial Solutions	n.a.	n.a.	447	46	n.a.	n.a.	23,1%	n.a.	n.a.	63,3%

Source: factset and company info

The multiples in Schedule 17 hereafter are calculated based on the weigthed average of the median of the main competitors (70%) and other competitors (30%). The withheld midpoint valuation is summerised hereafter in Schedule 17

Schedule 17: Withheld midpoint valuation of Industrial solutions segment based on the trading multiple method

	EV/REBITDA 15E	EV/REBIT 15E	EV/REBITDA 16E	EV/REBIT 16E	Witheld Average
Multiple (median)	8,6x	15,0x	7,4x	11,8x	
Metric (m€)	42,2	16,6	43,8	21,6	
Enterprise value (m€)	**362,9**	**249,2**	**322,8**	**256,3**	**297,8**

iv. Sum-of-the-Parts

The enterprise value is calculated based on the sum of the enterprise valuation of the three underlying business segments. The withheld midpoint valuation is hereafter summarised in Schedule 18.

Schedule 18: Withheld midpoint valuation of Tessenderlo based on the trading multiple method

Item	**Agro**	**Bio-valorization**	**Industrial Solutions**	**Total**
Enterprise value (sum of the averages)	**1.021,8**	**126,7**	**297,8**	**1.446,3**
Equity value (m€)				**1.234,4**
# shares (m)				43,2
value per share(€)				**28,6**

c) Multiples in comparable acquisitions

This method implies an evaluation of the equity value based on acquisitions, which are comparable concerning the activities.

i. Agro-division

The withheld acquisitions are the following :

- Great Lakes Chemical Corporation, an American manufacturer of specialised chemicals used for water treatment, household producs and products aiming at fire safety, was acquired by Chemtura Corporation in July 2005.
- Royster Clark, Inc. was acquired by Agrium Inc. in February 2006. The activities were aimed at fertilisers, seeds and all kind of products for crops.
- Yara International ASA has partially acquired the Brazilian company, Fertibras SA, specialised in fertilisers, in January 2007. One month later the other part was acquired by Richardson International Limited.
- Kemira GrowHow Oyj, a Finnish company specialised in fertilisers, was acquired by Viterra Inc. in September 2007.

- Since February 2008, Cheminova Deutschland GmbH & Co is a subsidiary of Cheminova A/S. The company engages in the production of materials to protect crops. It is also an important supplier of different herbicides, insecticides and acaricides.
- Uralchem OJSC, one of the largest manufactures of (phosphate) fertilisers in Russia has acquired the majority of Voskresensk in May 2008. Voskresensk OJSC is also one of the important manufacturers of fertilisers based on phosphate and apatite.
- In July 2008 an agreement was concluded between Yara International and SaskFerco to acquire SaskFerco. SaskFerco Products, Inc. was an important manufacturer of fertilisers based on nitrogen.
- In April 2010, a strong alliance was created between Nufarm Limited and Sumitomo Chemical Co Ltd. Nufarm Limited was an Australian manufacturer of chemicals for crops protection.
- Uralkali OJSC and JCS Silvinit met in summer 2010. Both companies have a Russian origin and are important players in the market of fertilisers based on potash. Thereafter, JSC International Potash Company, also originating from Russia, was acquired by abovementioned companies. This company was also focused on potash and manufactured fertilisers and table salt. In 2013 Uralkali OJSC was partially acquired by Chengdon Investment Corporation, Uralchem OJSC and The Onexim Group.
- The Mosaic Company is focused on the production and marketing of concentrated phosphate and potash. The company was derived from a division of Cargill Inc, which was specialised in the manufacturing of crops. In January 2014, the company has acquired a part of 10 percent.
- Azoty – Adipol SA acts as a subsidiary of Zaklady Azotowe Pulawy since January 2012. The Polish group manufactures and trades chemicals based on potash, nitrate and phosphate for fertilisers and food chemistry. Zaklady Azotowe Pulawy SA is itself acquired by Synthos SA in 2012.
- In July 2012, SD Agchem BV is acquired by UPL Ltd. The Dutch company was a manufacturer of chemicals for crops protection.
- In October 2014, Yara International closed the acquisition of OFD Holding Inc. Hereafter it started the integration process of the OFD activities, primarily comprising the manufacturing and commercialisation of (mineral) fertilisers for agricultural purposes.
- At the same time, a (partial) acquisition of Albaugh LLC by Nutrichem Co Ltd. Took place. The American company manufactures and forms chemicals intended for crops protection.
- One month later, the acquisition of Chemtura Agrosolutions by Platform Specialty Products Corporation was closed. Chemtura Agrosolutions is also an American supplier of chemicals for agricultural purposes.

- In April 2015 the Danish company Cheminova A/S was acquired. This company focused on the development, production and marketing of crops protection and fine chemicals. The counterparty was FMC Corporation.
- The last example is the acquisition of GrowHow Uk Limited by CF Industries, a British company, specialised in fertilisers and adjacent processes within the sector of chemicals.

Schedule 19: multiples in comparable acquisitions for Agro-segment

Date completion	**Target Company**	**Acquiring Company**	**EV/EBITDA**	**EV/EBIT**
Jul – 05	Great Lakes Chemical Corporation	Chemtura Corporation	12,0x	34,1x
Feb – 06	Royster-Clark, Inc.	Agrium Inc.	8,0x	15,0x
Jan – 07	Fertibras SA (48.09% Stake)	Yara International ASA	8,5x	11,5x
Feb – 07	Agricore United	Richardson International Limited	8,7x	14,9x
Jun – 07	Agricore United	Viterra Inc.	9,3x	16,0x
Sep – 07	Kemira GrowHow Oyj	Yara International ASA	15,8x	n.a.
Feb – 08	Cheminova Deutschland GmbH & Co. KG (50% Stake)	Cheminova A/S	22,1x	30,7x
Mei – 08	Voskresensk Mineral Fertilizers OJSC (71.72% Stake)	Uralchem OJSC	9,2x	10,3x
Okt – 08	Saskferco Products Inc	Yara International ASA	7,8x	n.a.
Apr – 10	Nufarm Limited (20% Stake)	Sumitomo Chemical Co Ltd	15,6x	22,4x
Jun – 10	Uralkali OJSC (53.2% Stake)	Kaliha Finance Limited; Aerellia Investments Limited ; Becounioco Holdings Limited	18,5x	23,0x
Aug – 10	JSC Silvinit (44% Stake)	Fenguard Limited/Forman Commercial Ltd	6,5x	7,2x
Mei – 10	The Mosaic Company (40% Stake)	Cargill Inc (Shareholders)	20,2x	27,3x
Jun – 11	JSC International Potash Company (33.01% Stake)	Uralkali OJSC - IBH Beteiligungs und Handelsges.m.b.H; Galua Management Limited	9,7x	11,0x
Jan – 12	Azoty-Adipol SA (85% Stake)	Zaklady Azotowe Pulawy SA	9,5x	14,4x
Jun – 12	Zaklady Azotowe Pulawy SA	Synthos SA	3,6x	4,5x
Jul – 12	SD Agchem (Netherlands) B.V.	UPL Ltd	6,0x	11,8x
Sep – 13	Uralkali OJSC (54,25% Stake)	Chengdong Investment Corporation/Uralchem OJSC/The ONEXIM Group)	8,0x	9,9x
Jan – 14	The Mosaic Company (10.16% Stake)	The Mosaic Company	6,3x	8,0x
Okt – 14	Agriphar S.A.	Platform Specialty Products Corporation	11,8x	n.a.
Okt – 14	OFD Holding Inc	Yara International ASA	10,8x	n.a.
Okt – 14	Albaugh, LLC (20% Stake)	Nutrichem Co., Ltd.	n.a.	19,9x
Nov – 14	Chemtura AgroSolutions	Platform Specialty Products Corporation	10,0x	11,4x
Apr – 15	Cheminova A/S	FMC Corporation	13,0x	16,7x
Jul – 15	GrowHow UK Limited (50% Stake)	CF Industries Holdings, Inc.	7,8x	11,7x
Gemiddelde			**10,8x**	**15,8x**
Mediaan			**9,4x**	**14,4x**

Source: MergerMarket

The witheld midpoint valuation is summarised hereafter in Schedule 20:

Schedule 20: withheld midpoint valuation of the Agro-segment based on comparable acquisitions multiple method

	EV/REBITDA 14A	**EV/REBIT 14A**	**EV/REBITDA 15E**	**EV/REBIT 15E**	**EV/REBITDA 16E**	**EV/REBIT 16E**	**Withheld average**
Multiple (median)	9,4x	14,4x	9,4x	14,4x	9,4x	14,4x	
Metric (m€)	102,4	83,9	115,5	92,4	125,4	96,7	
Enterprise Value (m€)	**963,2**	**1.210,6**	**1.086,5**	**1.334,2**	**1.179,9**	**1.396,0**	**1.195,1**

ii. Bio-valorization division

The withheld acquisitions are the following:

Two acquisitions are selected, namely Rothsay Ltd and VION Ingredients Nederland (Holding) BV. Both are acquired by Darling Ingredients, Inc. Rothsay Ltd is a Canadian company specialised in the consolidation, processing, and recycling of animal by-products. VION on the other hand, is a Dutch company that produces and distributes proteins, fats, plasma and gelatines.

Schedule 21: multiples in comparable acquisitions for Bio-valorization segment

Date completion	**Target Company**	**Acquiring Company**	**EV/EBITDA**	**EV/EBIT**
Okt - 13	Rothsay Ltd.	Darling Ingredients, Inc.	7,2	n.a.
Jan - 14	VION Ingredients Nederland (Holding) B.V.	Darling Ingredients, Inc.	10,9	16,7x
Average			**9,1x**	**16,7x**
Median			**9,1x**	**16,7x**

Source: MergerMarket

The witheld midpoint valuation is summarised hereafter in Schedule 22.

Schedule 22: *mid-point* valuation of the Bio-valorization segment selected based on comparable acquisitions multiple method

	EV/REBITDA 16E	**EV/REBIT 16E**	**Selected average**
Multiple (median)	9.1x	16.7x	
Metric (m€)	30.3	3.0	
Enterprise value (m€)	**274.4**	**49.5**	**161.9**

iii. Industrial solutions division

The following acquisitions have been selected:

- Wavin NV is a European market leader in the business of plastic pipes. In 2005, part of the company was sold to CBC Capital Partners and Alpinvest Partners BV. Later, in 2007, Ageas NV and ABN Amro Rothschild took over the remaining shares. In 2012, the Mexican chemical company Mexichem launched a bid on all shares of Wavin.
- In August 2008, Polypipe Group, a British producer of plastic pipe systems and other services for the construction sector, signed a final agreement, leading to its takeover by the London based Caird Capital.
- In 2007, a part of Kemira Oyj was taken over by a combination of private investors and an insurance company. Kemiry Oyj was focusing on the production of chemicals for water – intensive industries.
- Pipelife International GmbH was taken over for 50% by Wienerberger AG in May 2012. The company manufactured and distributed pipes.

Schedule 23: multiples in takeovers comparable to Industrial Solutions segment

Date Completion	Target company	**Bidding company**	**EV/EBITDA**	**EV/EBIT**
Aug – 05	Wavin NV (46% Stake)	CVC Capital Partners Limited; AlpInvest Partners B.V.	6.3	9.6
Apr - 07	Wavin NV (45.65% Stake)	Ageas NV; ABN Amro Rothschild	8.8	12.7
Aug - 07	Polypipe Group plc	Caird Capital LLP	14.2	20.8
Aug - 07	Kemira Oyj (32.1% Stake)	Ilmarinen Mutual Pension Insurance Company; Suomi Mutual Life Assurance Company; Varma Mutual Pension Insurance Company; Mandatum Life Insurance Company Limited; Oras Invest Oy; Jari, Jukka and Pekka Paasikivi (private investors)	9.6	15.4
May - 12	Wavin NV (98% Stake)	Mexichem S.A.B.de C.V.	10.3	28.4
May - 12	Pipelife International GmbH (50% Stake)	Wienerberger AG	5.3	8.9
Mean			**9.1x**	**16.0x**
Median			**9.2x**	**14.0x**

Source: MergerMarket

De selected *mid-point* valuation is reflected in the below Schedule 24.

Schedule 24: *mid-point* valuation of the Industrial Solutions segment selected based on comparable acquisitions multiple method

	EV/REBITDA 14A	**EV/REBIT 14A**	**EV/REBITDA 15E**	**EV/REBIT 15E**	**EV/REBITDA 16E**	**EV/REBIT 16E**	**Selected average**
Multiple (median)	9,2x	14.0x	9.2x	14.0x	9.2x	14.0x	
Metric (m€)	28.9	8.1	42.2	16.6	43.8	21.6	
Enterprise value (m€)	**265.1**	**113.9**	**386.6**	**232.7**	**401.2**	**303.9**	**283.9**

iv. Sum-of-the-Parts

The enterprise value is calculated based on the sum of the enterprise values of the three underlying business segments. De selected *mid-point* valuation is reflected in the below Schedule 25.

Schedule 25: *mid-point* valuation of Tessenderlo Chemie NV selected based on comparable acquisitions multiple method

Item	Agro	Bio-valorization	Industrial Solutions	Total
Enterprise value (sum of the averages)	**1,195.1**	**161.9**	**283.9**	**1,640.9**
Equity value (m€)				**1,429.54**
# shares (m)				43.2
Value per share (€)				**33.1**

d) Stock Price Target of Financial Analysts

Five analysts (i.e. ABN Amro, Degroof Petercam Corporate Finance, ING, KBC Securities and Rabobank) follow Tessenderlo Chemie NV and issue periodic reports on the company (including a stock price target, and a recommendation to buy, hold, or sell shares of the company).

In the below table, the average stock price target is equal to EUR 35 and the median is equal to EUR 34.

Schedule 26: Overview of the recommendations and stock price targets of financial analysts

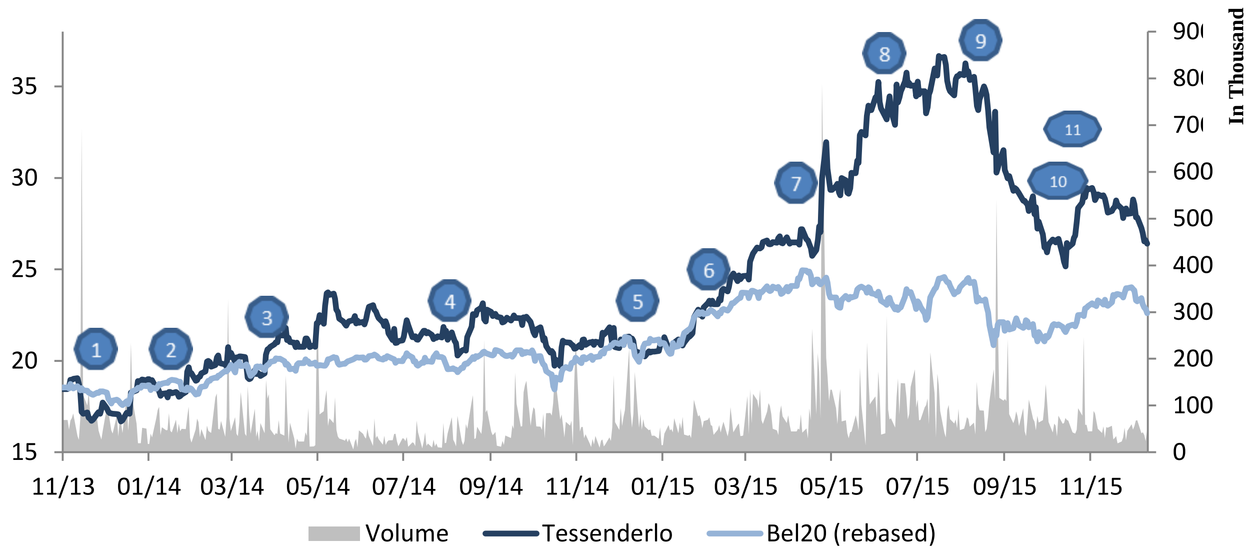
Analyst	Date	Recommendation	Price target
ABN Amro	28 Nov '15	Buy	39 (1)
Degroof Petercam Corporate Finance	27 Oct '15	Buy	38 (1)
ING	04 Nov '15	Hold	32
KBC Securities	28 Oct '15	Hold	32
Rabobank	27 Aug '15	Hold	34
Average			**35**
Median			**34**

Source: Analysts' reports, Bloomberg

(1) ABN Amro's target price of €39 is based on a valuation of the Bio-valorization segment of EUR 422m, while the EUR 38 target price of Degroof Petercam Corporate Finance is based on a multiple of Syngenta.

e) Historic stock price evolution

The below graph shows the stock price evolution during the past 2 years, since the entry of Picanol into Tessenderlo's capital, as well as the important events in this period



1	20 Nov 13	Sale of aliphos feed phosphate business to EcoPhos SA
2	26 Feb 14	Results release: 2013 loss of €65m
3	30 Apr 14	Strong 1Q results
4	29 Aug 14	Strong 1H results outperformed forecasts
5	16 Dec 14	Successful rights offering of €175m to finance growth
6	11 Feb 15	Acquisition of Herbicide assets of norflurazon from Syngenta
7	24 Apr 15	Outlook 2015 raised; Thio-Sul production plant in Rouen
8	19 Jun 15	max EUR250m two-part 7Y, 10Y Bonds
9	26 Aug 15	Reporting revenue increase but warning of economic and financial volatility
10	2 Oct 15	Acquisition of Global Hexazinone solo product & Hexazinone/ Diuron-only mixture from DuPont
11	28 Oct 15	3Q REBITDA up 23.5%, primarily driven by Industrial Solutions

Source: FactSet (11 December 2015) & Corporate information

Up until Q1 2015, the stock price has performed in line with the market. As from May 2015, Tessenderlo outperforms the market, thanks to better forecasts and growth-investments. In Q4 2015 share price has come under pressure. During the period covered, the stock price has increased by 43.1% (based on a closing price of EUR 18.46 and EUR 26.40 on 1 November 2013 and 11 December 2015 respectively), and, as a consequence, has beaten the BEL 20-index, which reaching a total return of 22.5% over the same period.

Schedule 27: Historical performance of Tessenderlo Chemie NV

In EUR	**Low**	**High**	**VWAP** [(1)]
1 month	25.16	29.45	27.95
3 months	25.16	29.45	27.82
6 months	25.16	36.68	30.92
12 months	20.25	36.68	28.38

Source: FactSet (11 December 2015) (1) Volume Weighted Average Price

2.3 Valuation methods for Picanol

a) Discounted Cash Flow method

The estimate of the expected performance of the business segments consists of (i) an estimate for the period 2015-2020 provided by senior management and presented to the board of directors on June 11, 2015 and (ii) an estimate for the period 2021-2024 based on extrapolations which have been reviewed by senior management.

The following parameters have been used determine the future free cash flows:

- the estimated yearly growth of turnover for the period 2015-2020 and 2021-2024 amounts to 2.8% and 3.3% respectively (2.1% for 2015-2024). Such expected growth is mainly attributable to the Industries activities;
- for the period 2015-2020 and 2021-2024, an EBITDA-range of respectively 17.2% and 17.5% is expected, which is slightly lower than the 18% average in 2012-2014.
- for the period 2015-2020 and 2021-2024, a yearly investment budget for machines of respectively and on average 1.7% and 1.5% of turnover is assumed.
- the estimates of net working capital are based on estimates by senior management of stock rotation and payment terms for clients and towards suppliers. This results in a net working capital which will remain stable if expressed as a percentage of the expected turnover for the period (7.6% on average for 2015-2024);

Future free cash flows are discounted against a weighted cost of capital of 8.80%, which actually reflects the equity costs, as Picanol NV has no debts. The main parameters hereof are indicated hereunder:

- risk-free rate of 1.67% based on last 5 years average yield of German 10-year Bond;
- an average tax rate of 26%;

- the cost of capital, calculated in accordance with the Capital Asset Pricing Model based on an unlevered beta of 1.05, based on the *Machinery*-industry beta according to Damodaran and a market risk premium of 6.75% (based on a risk premium of a mature market and the additional country premium according to Damodaran); and
- the current gearing ratio (debt / market value of equity) of 0.0%.

Based on a cost of capital of 8.80% and the variable terminal growth rate ("**LTG**") of 0.5% / 2.5%, the DCF-valuation results in an equity value between EUR 698 million and EUR 809 million, with a midpoint of EUR 746 million on 30 September 2015.

In the center of the range (LTG : 1.5%, WACC : 8.80%), the rest value represents 50% of the enterprise value.

Schedule 28: Sensitivity on the DCF-valuation method (in millions of EUR)

Enterprise value (€m) (1)

WACC	Terminal Growth rate (%)				
	0.5%	1.0%	**1.5%**	2.0%	2.5%
7.8%	842	873	910	953	1004
8.3%	788	814	845	880	921
8.8%	741	763	**788**	817	851
9.3%	699	717	739	763	791
9.8%	661	677	695	716	739

Equity value (€m) (1)

WACC	Terminal Growth rate (%)				
	0.5%	1.0%	**1.5%**	2.0%	2.5%
7.8%	799	831	868	911	962
8.3%	746	772	782	837	879
8.8%	698	721	**746**	775	809
9.3%	656	675	696	721	749
9.8%	619	635	653	673	697

Value per share (€) (1)

WACC	Terminal Growth rate (%)				
	0.5%	1.0%	**1.5%**	2.0%	2.5%
7.8%	45.2	46.9	49.0	51.5	54.3
8.3%	42.1	43.6	45.3	47.3	49.6
8.8%	39.4	40.7	**42.1**	43.8	45.7
9.3%	37.1	38.1	39.3	40.7	42.3
9.8%	35.0	35.9	36.9	38.0	39.4

(1) less Tessenderlo shares held by Picanol and EUR 49.8 m excess cash.

b) Trading multiples and comparable listed companies

The trading multiples of comparable companies were derived from FactSet. Each of the ratios contained in this section are based on the financial forecasts, dated 10 November 2015, of the financial analysts following similar companies.

The multiples contained in this section, are calculated based on both the share price on the stock market as the number of outstanding shares of similar companies on 10 November 2015.

Based on a description of activities, the following listed companies were selected for the analysis of the Picanol peer group:

- Schweiter Technologies AG specializes in the development, manufacturing and distribution of sophisticated machinery and composite materials. The company operates through two business segments: Composites & SSM Textile Machinery
- Lakshmi Machine Works Ltd. is engaged in the manufacturing and selling of textile spinning machinery, CNC (Computer Numerical Control) machine tools and components for aero space

industry. The company operates through three business segments: Textile Machinery, Machine Tool, and Foundry.

- Nesco Ltd. manufactures designs and processes engineering products. It engages in the manufacture of different components and tools for the textile industry and sucker rod pumps for on-shore oil recovery.
- OC Oerlikon Corp. AG engages in the provision of technology solutions. It operates through the following segments: Surface Solutions, Manmade Fibers, Drive Systems & Vacuum. The Manmade Fibers Segment develops and manufactures textile machinery.
- Rieter Holding AG engages in the provision of textile machinery and components used in short staple fiber spinning. It operates through the following segments: Spun Yarn Systems and Premium Textile Components. The Spun Yarn Systems segment develops and manufactures machinery and systems for processing natural and man-made fibers and their blends into yarns.
- Shima Seiki Manufacturing, Ltd. engages in the development, manufacture, sale, and service of computerized flat knitting machines. Its operations are carried out through the following segments: Flat Knitting Machine, Design System-related, Glove and Sock Knitting Machine, and Others.
- Zhejiang Jinggong Science & Technology Co., Ltd. is engaged in the development, manufacture and sale of electrical and mechanical integration products, environmental protection equipment, engineering equipment, bridge cranes, auto parts and textile machineries.
- Componenta Oyj engages in the provision of casting solutions. It operates through the following segments: Foundry, Machine Shop, Aluminum and Other Business.
- Juki Corp. engages in the manufacture and sale of sewing machinery and industrial equipment. It operates through the following segments: Sewing Machinery, Electronic Assembly Systems, and Others. The Sewing Machinery segment produces and sells industrial and household sewing machines.
- Ningbo Cixing Co., Ltd. is engaged in the research, development, production and distribution of computer knitting machines.
- Zhejiang RIFA Precision Machinery Co., Ltd. engages in the manufacture of computer numerical control machine (CNC) tools and lathe products. Its products are categorized into the following divisions: CNC Vertical Lathe, CNC Horizontal Lathe, CNC Vertical Machining Center, CNC Horizontal Machining Center, CNC Gantry Machining Center, Floor Type Boring Machine, Automatic Bearing System, Automatic Bearing System, and Specialized Grinding Machine.

Schedule 29 below provides an overview of the main valuation and financial benchmarks of the selected comparable companies for 2015E and 2016E.

Schedule 29: Overview valuation benchmarks for selected peer group

					EV/EBITDA		EBITDA CAGR	EV/EBIT		EBIT CAGR
Company	**Market Cap (m€)**	**Enterprise Value m€)**	**Turnover (m€)**	**EBITDA (m€)**	**2015E**	**2016E**	**2014A-2016E**	**2015E**	**2016E**	**2014A-2016E**
Schweiter Technologies	1,092	985	845	88	10.8x	9.6x	20.30%	15.2x	13.6x	20.50%
Lakshmi M.W.	566	421	349	43	9.8x	8.3x	16.20%	12.4x	10.2x	28.50%
Nesco Ltd.	319	261	33	24	10.8x	9.0x	27.10%	10.6x	8.7x	19.80%
OC Oerlikon Corp.	3,179	3,173	2,867	469	6.6x	6.0x	6.50%	9.9x	8.9x	5.60%
Rieter Holding AG	702	555	924	95	5.6x	5.8x	-8.20%	8.7x	9.3x	-11.80%
Shima Seiki M. Ltd.	501	476	317	43	9.4x	6.9x	10.60%	13.3x	9.5x	7.00%
Componenta Oyj	68	303	507	38	8.2x	5.5x	18.50%	16.4x	8.7x	31.80%
Zhejiang Jinggong S&T. Corp	770	793	59	4	(1)180.4x	(1)49.2x	-5.30%	(1)1,804x	(1)59.5x	40.10%
Juki Corp.	357	809	877	n.a.	n.a.	n.a.	n.a.	11.1x	9.6x	21.70%
Ningbo Cixing Co	1,735	1.5	126	n.a.	n.a.	n.a.	n.a.	(1)426.6x	(1)44.3	n.a.
Zhejiang RIFA P.M.	1,213	1,245	118	22	(1)56.0x	(1)34.3x	64.60%	(1)9.,4x	(1)44.6	95.20%
Mean	**955**	**957**	**638**	**92**	**8.7x**	**11.4x**	**16.70%**	**12.2x**	**9.8x**	**25.80%**
Median	**702**	**793**	**349**	**43**	**9.4x**	**6.9x**	**16.20%**	**11.8x**	**9.4x**	**21.10%**
Picanol	915	905	516	99	9,2x	9,0x	26.60%	10.1x	11.8x	15.70%

Source: FactSet & Company information

(1) Multiples excluded from the mean and median for valuation consistency purposes.

The selected *mid-point* valuation is reflected in the below Schedule 30.

Schedule 30: Withheld *mid-point* valuation of Picanol based on the trading multiples method.

	EV/EBITDA 15E	**EV/EBIT 15E**	**EV/EBITDA 16E**	**EV/EBIT 16E**	**Withheld average**
Multiple (median)	9,4x	11,8x	6,9x	9,4x	
Metric (m€)	89,3	84,6	76,7	68,5	
Enterprise value (m€)	**835,7**	**995,8**	**530,1**	**642,1**	**750,9**
# shares (m)	17,7	17,7	17,7	17,7	17,7
Equity value (m€)	**793,4**	**953,5**	**487,8**	**599,8**	**708,6**
Value per share (€)	44,8	53,9	27,6	33,9	40,0

c) Multiples in comparable transactions

This method implies the assessment of the equity value on the basis of acquisitions that are comparable as regards to the activities.

The transactions withheld for Picanol are the following:

- In December 2006, OC Oerlikon Corporation AG, the technology group based in Switzerland, acquired a 75,9% stake in Saurer AG, the in Switzerland based manufacturer and seller of machinery and transmission systems.
- In September 2007, Metall Zug AG, the Swiss industrial holding, and Huwa Finanz- und Beteiligungs AG, the Swiss investment holding, acquired a 36,2% stake in Schlatter Holding AG, the in Switzerland based manufacturer of welding and weaving machinery.
- In April 2008, Renova Group, the Russian conglomerate with commercial activities in aluminum, oil, energy and telecommunication, acquired a 42,6% stake in OC Oerlikon, the technology group based in Switzerland.
- In June 2011, China Hi-Tech Group Corp, the in China based manufacturer of (textile)machinery and commercial vehicles, merged with CHTC Fong's Industries Co., the Chinese manufacturer and seller of textile machinery.
- In June 2011, Alpha Group, the European Private Equity group, acquired a 100% stake in Savio Macchine Tessili S.p.a., the Italian manufacturer and seller of textile machinery.
- In April 2012, Toyota Industries Corp., the Japanese manufacturer of industrial equipment, acquired a 49,66% stake in Uster Technologies AG, the in Switzerland based manufacturer of analytical tools and monitoring systems for the textile industry.

Schedule 31: Multiples in comparable transactions for Picanol

Completed date	**Target company**	**Bidder company**	**EV/EBITDA**	**EV/EBIT**
Dec-06	Saurer AG (75,9% stake)	OC Oerlikon Corporation AG	9,2x	15,8x
Sep-07	Schlatter Holding AG (36,2% stake)	Metall Zug AG; Huwa Finanz- und Beteiligungs AG	8,3x	11,9x
Apr-08	OC Oerlikon Corporation AG (42,6% stake)	Renova Group	9,3x	13,6x
Jun-11	CHTC Fong's Industries Co	China Hi-Tech Group Corp	7,3x	8,7x
Jun-11	Savio Macchine Tessili S.p.A.	Alpha Group	11,7x	13,7x
Apr-12	Uster Technologies AG (49,66% stake)	Toyota Industries Corporation	7,4x	10,3x
Average			**8,9x**	**12,3x**
Median			**8,7x**	**12,7x**

Source: MergerMarket & Bedrijfsinformatie

The withheld *mid-point* valuation is hereinafter summarized in Schedule 32.

Schedule 32: Withheld *mid-point* valuation based on the comparable transactions method

	EV/EBITDA 14A	EV/EBIT 14A	EV/EBITDA 15E	EV/EBIT 15E	EV/EBITDA 16E	EV/EBIT 16E	Withheld average
Multiple (median)	8,7x	12,7x	8,7x	12,7x	8,7x	12,7x	
Metric (m€)[8]	66,8	56,3	89,3	84,6	76,7	68,5	
Enterprise value (m€)	**581,6**	**717,1**	**777,8**	**1.077,6**	**667,6**	**872,3**	**782,4**
# shares (m)	17,7	17,7	17,7	17,7	17,7	17,7	17,7
Equity value (m€)	**539,3**	**674,8**	**735,5**	**1.035,3**	**625,3**	**830,0**	**740,1**
Value per share (€)	**30,47**	**38,12**	**41,55**	**58,49**	**35,33**	**46,89**	**41,81**

d) Target price of financial analyst

One independent analyst (i.e. KBC Securities) monitors Picanol NV. He periodically reports on the company (incl. the target price of the shares, and a recommendation on whether to buy, keep or sell the shares of the company).

Schedule 33: Overview of the recommendations and target prices of the financial analyst

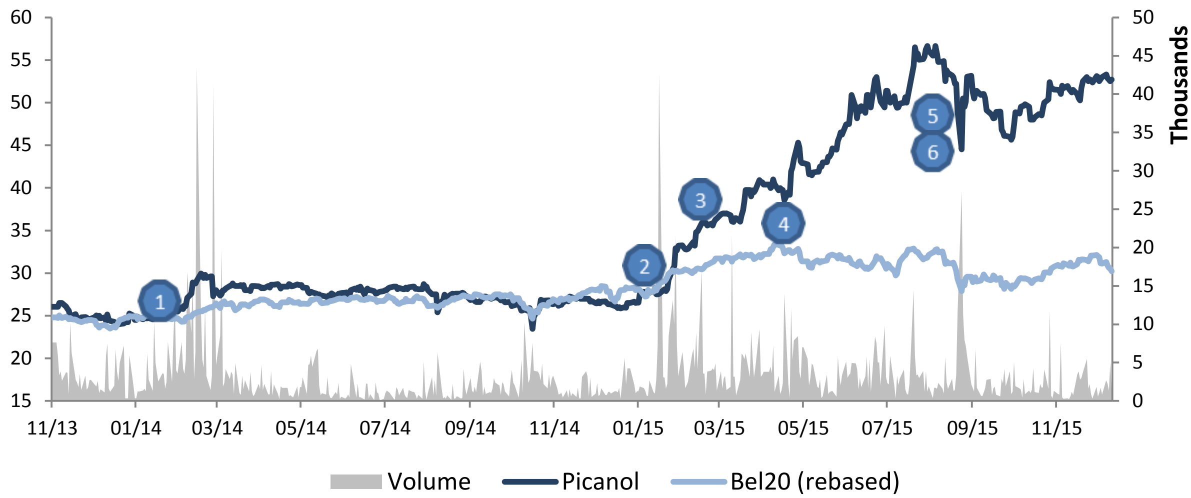
Broker	Date	Recommendation	Target price
KBC Securities	28 Oct '15	Keep	60 (1)

Source: analyst reports, Bloomberg
(1) EUR 37.07 without Tessenderlo shares held by Picanol and EUR 49.8 million excess cash.

[8] Picanol did not report any non-recurring items that need adjustment in the EBITDA or EBIT for 2014-2016.

e) Historical price evolution of the shares

The following graph reflects the development of the share price during the past two years, and the most important occurrences during that period.



1	26 Feb 14	Expected turnover decrease in 1H14 after disappointing 4th quarter
2	22 Jan 15	Luc Tack buys 26,599 Picanol shares
3	11 Mar 15	First dividend since 2008
4	22 Apr 15	KBCS increases target price to €46
5	26 Aug 15	KBCS increases target price to €60
6	26 Aug 15	Reported turnover for 1H15 of €259.9m, but warning regarding the eminent economic and financial volatility

Source: FactSet (11 December 2015) & bedrijfsinformatie

Until the beginning of 2015, the share price performed in line with the market. From 2015 onwards, the share performs better due to a strong order book and the return to dividend payments since 2008. During the past two years, the share price increased with 113.6% (based on a closing price of EUR 26.03 and EUR 52.69 on 1 November 2013 and 11 December 2015 respectively) and outperformed the BEL 20-index that only achieved a total return of 22.5% during the same period. Notwithstanding its strong evolution, the share has a limited liquidity due to the limited free float.

Schedule 34: Historical performance of Picanol share[1]

In EUR	**Low**	**High**	**VGGP[2]**
1 month	50.25	53.32	52.26
3 months	45.65	53.32	50.23
6 months	44.50	56.65	51.07
12 months	25.85	56.65	43.83

Source: FactSet (11 December 2015) & bedrijfsinformatie

(1) Between EUR 2.92 and EUR 33.72 without the Tessenderlo shares held by Picanol and EUR 49.8m excess cash

(2) Volume Weighted Average Price