



Half Year Results June 2010 Taminco Group NV

Strong growth of Taminco continues

Highlights

Record EBITDA in first half of 2010

- **Revenue: € 360 million** (up almost 20% versus first half 2009; volumes up 12%)
- **EBITDA: € 82.5 million** (up € 7.5 million or 10% compared with first half 2009)
- **Strong EBITDA margin of 23%**, in line with full year 2009
- Resilient business model and strong market position ensure **further sales and EBITDA growth** in Functional Chemicals and Agro Sciences division
- **Major investments** in new amine derivative capacity in US and Belgium – more to come

Volumes recovered strongly in the first half of 2010 compared with the first half of last year in both divisions and are back to pre-crisis levels in most business units. **Taminco revenue increased 20% to € 360 million.** Consequently, **EBITDA in the first six months rose to a record high € 82.5 million**, up 10% from the same period last year, and confirming a sustainable EBITDA margin of 23%. This **performance has been driven by strong demand in all of our applications and the successful growth of some recent new product launches** such as Taminizer[®] C in Feed Additives, Banguard[®] in Crop Protection and Vantex[®]-T in Performance Products.

During the first half we have completed a **major investment in new amine derivative production capacity at our St Gabriel (Louisiana) site in the US**, allowing us to fully integrate the business from our former Riverview (Michigan) site, which we closed at the end of last year. Thanks to this, we have achieved **significant cost savings and we will further optimize and grow our position in the water treatment, surfactants, oil & gas, coatings and metal working fluid markets** in the second half of 2010 and in the years to come. **In our main Gent (Belgium) site, we have completed an important investment in a new unit for green solvents**, which will open another avenue for growth in the second half of the year. We have also **opened an office in Perth (Australia)** as part of our globalization program and in order to be even closer to our customers in the growing Asia-Pacific region. Total investments in these expansion projects exceeded EUR 50 million.

Meanwhile, our **balance sheet position remains strong and our leverage ratio (net debt/EBITDA) remained stable**, despite the significant investments in the expansion of our production sites and the strengthening of the US dollar.

Key Figures

For the 6 months ended June 30,

	Functional Chemicals		Agro Sciences		Total	
	06/2009	06/2010	06/2009	06/2010	06/2009	06/2010
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Revenue	191,491	234,147	111,659	126,140	303,150	360,287
EBITDA	50,826	54,198	24,187	28,344	75,013	82,542
Depreciations, amortisation and w/o (before PPA)	(15,781)	(13,381)	(4,217)	(5,885)	(19,998)	(19,266)
Adjusted operating profit	35,045	40,817	19,970	22,459	55,015	63,276
PPA Depreciations and amortisations (*)	(6,866)	(6,957)	(2,536)	(2,445)	(9,402)	(9,402)
Operating Profit	28,179	33,860	17,434	20,014	45,613	53,874

(*) The Depreciations and amortisations associated with fair value adjustments in connection with the purchase price allocation ('PPA') following the acquisition of Taminco NV in 2007.

Divisional Highlights

Division Functional Chemicals

There are three business units in the Functional Chemicals division: Amines & Solvents, Specialty Derivatives and Performance Products. On the back of a 22% increase in revenue to €234 million, divisional EBITDA improved by 7% to € 54 million.

Amines & Solvents volumes recovered strongly on the back of global healthy demand, while margins stood firm at levels similar to the second half of 2009.

Sales of **Specialty Derivatives** into the water treatment, oil & gas, surfactants and pharma precursors markets showed volume growth higher than anticipated on a global basis. In Gent, a new production unit for green solvents has been completed, which will ensure further growth in the second half of the year.



Performance Products serving a.o. coatings and metal working fluids applications continued its steady growth track, posting a growth rate of 20% and more versus last year.

Division AgroSciences

There are three business units in the Agro Sciences division: Herbicide Systems, Crop Protection and Feed Additives. On the back of a 6% increase in revenue to € 126 million, divisional EBITDA improved by 16% to € 28 million.

Following a weak year 2009, **Herbicide Systems** recovered partly in the first half of 2010, although the herbicide market remains tough with historically low prices of glyphosate.



Crop Protection continued to grow nicely, boosted by strong demand in foliar fungicides, soil fumigation, growth regulators and seed treatment. We obtained new registrations in growth regions such as Latin-America and South-East Asia and continued to grow our presence in the banana plantations through our Banguard[®] product.

Feed Additives volumes were steady and sales of our new solid choline chloride formulation Taminizer[®] C increased nicely, confirming strong market interest. We also started the selective introduction of our Taminizer[®] D, another new feed additive that improves feed conversion and a first result of an intensive collaboration with leading universities to discover new amine-based feed additives.

The rubber application business, acquired from Flexsys late 2009 performed well above plan and will be fully integrated in the Gent (Belgium) site in the second half of 2010.

Outlook

- **Volume recovery to continue**
- **Further EBITDA growth**
- **Several growth projects under development**

Our strong performance in the first half of the year provides a solid basis for an excellent 2010. We believe that volume, revenue and EBITDA growth will continue in the second half. We also expect to benefit fully now from our new production capacity in St Gabriel (Louisiana) and Gent (Belgium), allowing us to serve our customers more effectively and to absorb further growth in amine derivatives and from new developments.

Commenting on these results, Laurent Lenoir, Chief Executive Officer said:

“These impressive first half results further demonstrated the quality of Taminco’s business model, maintaining solid margin levels while grasping growth opportunities. The completion of our expansion project at St Gabriel is a new step in the continuous globalization of our activities which is expected to be followed by some additional moves during the second half of the year.”

Note: all figures included in this press release refer to the consolidated financial statements of Taminco Group NV, prepared in accordance with IFRS. Full Year 2009 results are audited; Half Year results 06/2010 and 06/2009 are unaudited.

Consolidated income statement

For the period ended,

	30/06/2009 € 000	FY 2009 € 000	30/06/2010 € 000
Revenue from sale of goods	303,150	586,519	360,287
Revenue	303,150	586,519	360,287
Raw materials and consumables	(148,492)	(285,496)	(193,343)
Services and other goods	(51,677)	(105,854)	(61,086)
Employee benefits expense	(28,374)	(55,406)	(27,163)
Other operating expenses	(612)	(6,673)	(350)
Other operating income	1,018	5,865	4,197
Depreciations, amortizations and write-offs	(29,400)	(59,908)	(28,668)
Operating profit	45,613	79,047	53,874
Finance costs	(21,250)	(41,087)	(19,912)
Finance income	1,523	109	49
Profit before tax	25,886	38,069	34,011
Income tax expense	(11,418)	(14,279)	(12,410)
Profit for the period	14,468	23,790	21,601

Consolidated statement of financial position

As at

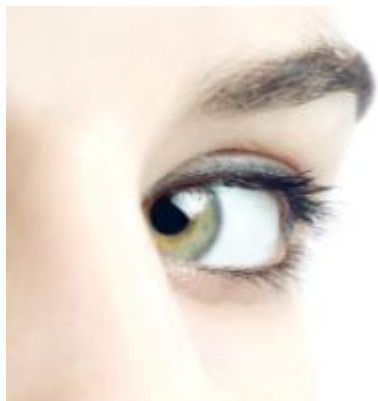
	30/06/2009 € 000	31/12/2009 € 000	30/06/2010 € 000
Assets			
Goodwill	421,091	421,091	421,091
Intangible assets	173,894	169,454	161,301
Property, plant and equipment	166,258	165,458	190,184
Other non-current assets	2,868	717	761
Deferred tax asset	12,071	5,349	6,868
Total non-current assets	776,182	762,069	780,205
Inventories	47,374	48,361	65,405
Trade and other receivables	83,358	58,036	75,371
Cash and cash equivalents	31,285	62,722	54,483
Total current assets	162,017	169,119	195,259
Total assets	938,199	931,188	975,464
Equity and liabilities			
Issued capital	187,242	187,242	187,242
Retained earnings	8,413	17,687	39,232
Cash flow hedge reserve	(13,980)	(11,496)	(12,157)
Foreign Currency Translation Reserve	(11,863)	(7,459)	(24,263)
Equity attributable to equity holders of the parent	169,812	185,974	190,054
Non controlling interests	938	971	-
Total equity	170,750	186,945	190,054
Interest-bearing loans and borrowings	456,122	444,847	477,051
Provisions	4,425	3,047	2,087
Employee benefit liability	6,439	7,015	7,009
Deferred tax liability	72,056	68,409	66,146
Other non-current liabilities	19,378	17,144	18,570
Total non-current liabilities	558,420	540,462	570,863
Interest-bearing loans and borrowings	121,762	135,459	131,540
Trade and other payables	72,373	66,324	74,786
Income tax payable	14,894	1,998	8,221
Total current-liabilities	209,029	203,781	214,547
Total liabilities	767,449	744,243	785,410
Total equity and liabilities	938,199	931,188	975,464

Consolidated statement of cash flows

For the period ended,

	FY 2009 € 000	06/2010 € 000
Operating activities		
Profit after tax	23,790	21,601
Taxes	14,279	12,410
Profit before tax	38,069	34,011
Non-cash adjustment to reconcile profit before tax to net cash flows	62,138	27,648
Finance cost	36,993	19,277
Working capital adjustments	7,808	(20,069)
Income tax paid	(25,216)	(8,521)
Net cash flows generated by operating activities	119,792	52,346
Investing activities		
Purchase of property, plant and equipment	(29,943)	(33,007)
Purchase of intangible assets	(6,787)	(2,689)
Cash outflow on acquisitions	(2,700)	(1,072)
Other investing activities		(26)
Net cash flow used in investing activities	(39,430)	(36,794)
Financing activities		
Proceeds from borrowings	11,822	1,680
Repayment of borrowings	(4,406)	(16,794)
Interest paid	(35,034)	(16,660)
Net cash flows used in financing activities	(27,618)	(31,774)
Net increase/(decrease) in cash and cash equivalents	52,744	(16,222)
Net foreign exchange difference	(486)	7,983
Cash and cash equivalents at 1 January	10,464	62,722
Cash and cash equivalents at December 31	62,722	54,483

Profile



Taminco, The Amine Company, is the world's only global integrated specialist alkylamine producer. Taminco produces alkylamines and their derivatives which are key elements in a broad array of chemical products that have a wide range of applications in, amongst others, crop protection, water treatment, surfactants, animal feed additives and pharma applications. From its headquarters in Ghent, Belgium, Taminco operates seven manufacturing facilities located in Belgium, Germany, the United States, Brazil and China and 18 sales offices globally with approximately 800 employees in 16 countries.

Taminco is organized into two divisions, reflecting the end-user segments to which the company markets and sells its products.

The Functional Chemicals division produces specialty chemical

intermediates that are used in the manufacture of specialty products and active ingredients – properties that are integral to the functions those products serve. The Agro Sciences unit produces alkylamines and derivatives for use in crop protection, herbicides and feed additives.

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This press release is available in English and Dutch on our corporate website www.taminco.com – under News>Press releases. The pictures can be downloaded from www.taminco.com – under Publications, for editorial purposes only.

Forward-looking statements

This release contains forward-looking statements based on current experience, estimates and projections of Taminco management and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict and are based upon assumptions as to future events that may not prove to be accurate. Many factors could cause the actual results, performance or achievements of Taminco to be materially different from those that may be expressed or implied by such statements. None of the future projections, expectations, estimates or prospects in this presentation should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive. Taminco does not assume any obligation to update or revise the forward-looking statements contained in this release, whether as a result of new information, future events or otherwise.