campine

1912 - 2012

Annual Financial Report 2012

Contents

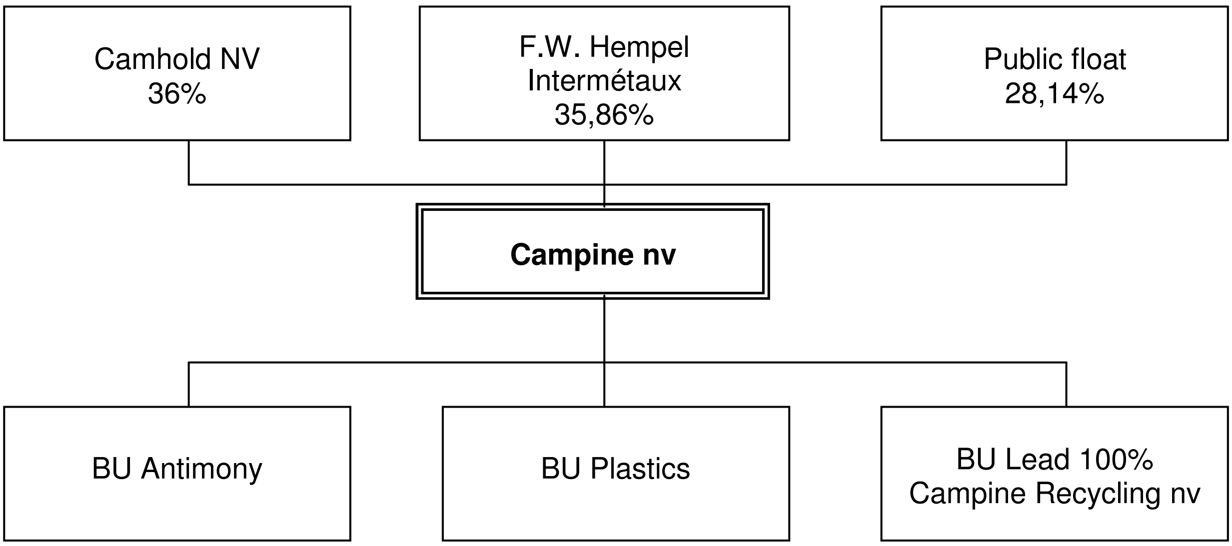
Financial highlights and business scope

Financial highlights *

	2012	2011
Revenue	149.925	181.720
Operating result	- 1.508	5.212
Net financial result	- 1.840	724
Result before tax	- 3.348	5.936
Income tax expense	882	- 1.884
Result after tax	- 2.466	4.052
Result per share after tax	- 1,64	2,70
Current assets	59.294	69.564
Total assets	71.664	80.832
Current liabilities	43.785	45.720
Total liabilities	48.753	53.530
Total equity	22.911	27.302

(*) Consolidated per year and as per 31 December in '000 EUR

Group structure



Core activities

Campine is a leading specialist in fire retardancy and concentrates, masterbatches for plastics, PET catalysts and lead recycling. The company was founded in 1912 and has been listed on the stock exchange since 1936.

In its production process, Campine processes primarily antimony and lead. Consistent application of its marketing strategy has enabled Campine to build up significant market positions in a number of specialist markets.

Antimony trioxide (Sb_2O_3) is used as a flame retardant in the textile, plastics and cable industries and is also used as a catalyst in PET production. It also has many and varied applications in the glass, pigments and varistor industries.

In its plastics division Campine produces ready-to-use masterbatches for the plastics industry. These masterbatches are delivered in granulated form to enable customers to dose them easily and dust-free.

In the lead recycling division, Campine Recycling converts lead from spent batteries and industrial waste into lead and lead alloys. These are sold to manufacturers of batteries and lead plates (e.g. for X-ray protection).

100 years of Campine

What a year we have passed! We celebrated successfully the 100th anniversary of the company. The guests as well as the staff enjoyed the festivities thoroughly.

What else happened? In the statement of last year it was mentioned that a prediction of any results would be very difficult. And it became reality. The first half was still quite good but then business slowed down. Antimony prices suffered during the year and consequently we lost money on our stock position.

Then on top came the reluctance of customers to buy any material anticipating further price-drops. Furthermore customers looked into possibilities to reduce the percentage of antimony in their production. Last but not least everybody tried to keep their stocks at the end of the year as low as possible.

In lead the price is still high but there the problem was mainly the unavailability of old batteries and if available they were at unreasonable prices in the market on which basis a company was unable to cover the costs.

All this led us to a loss for the whole of the year. Naturally we have seen such situation before. The problem in this world is not so much production and consumption but mainly the activity of hedge-funds and the ETF-funds. They buy material and push up prices which works for a time. Then the bubble bursts and prices start to fall, funds liquidate forcing prices down further causing more disruption.

Apart from what was said above one can add that the financial crisis is by no means over. Therefore speculation in raw materials as well as exchange funds continue in an uncontrolled way. No measures have been taken until now to control the situation which is in the end to the detriment of production, consumption and research.

Once again a prediction is more than difficult. There are signs that during the year things will improve and that the price front will calm down. So hopefully the company will be profitable again. Therefore the Board remains optimistic and hopeful and with a good management and the willingness of all the people working in the company things will get better and successful again.

F.-W. Hempel
President

A special year

2012 was a special year in more than one way. The happy news was that in 2012 Campine had its centenary year. This milestone was celebrated appropriately, with our employees, the Board as well as customers, suppliers, our contacts in government departments and other stakeholders.
2012 also brought less good news. As a result of the economic situation, demand for antimony fell and margins on lead scrap decreased. We closed 2012 with a loss.

Campine has therefore challenged all its processes to make ever better use of raw materials. “*Less is more”.* This means focusing strongly on innovation, technology and creativity. Fortunately, the company has the people who think in this perspective and possess the necessary flexibility, especially on productivity.

Campine is turning the Beerse site into an integrated site for the production of non ferrous products based on secondary raw material recycling. Apart from that an agreement has been signed with the adjacent company to expand a part of our site with a new road access.

Working leaner and more efficiently is the goal for us and our customers. We have streamlined our approach to a flatter structure. Unfortunately this meant to a small number of both blue collar and white collar employees that they had to leave the company.
Simultaneously, internal entrepreneurship has been stimulated and encouraged to the full. A company wins when its employees are ready to take the initiative and responsibility, driving us to our slogan of " Closer to the future ", mainly by productivity.

Campine operates in a complex world alongside major organisations, as do its customers, suppliers and competitors. As ever we strive to serve our customers while making a reasonable return to invest further in that future.

After a disappointing 2012, we believe that things will get better. Cycles pass and experience shows that even after a difficult year there is always a way towards recovery. As the CEO of Campine it is my duty to point to a cautious turnaround. 2013 already promises to be a better year, bringing us back into profit, with sales volumes rising once again. This is what we work for in a better looking and more modern environment. The conclusion can therefore be a message of hope that “the best is yet to come”.

Geert Krekel
Managing Director

Report of the Board of Directors to the Annual Meeting of Shareholders on Tuesday 14 May 2013, based on the consolidated annual financial statements

Campine Group

In 2012, the Campine Group realised a turnover of EUR 149.93 million, compared with EUR 181.72 million in 2011 (-17,5 %).

The pre-tax profit of the first semester was EUR 0.06 million. However, the second half year resulted in a loss before taxes of EUR 3.41 million - giving a pre-tax loss for the year of EUR 3.35 million. This compared with a pre-tax profit of EUR +5.94 million in 2011.

The operating profit amounted to EUR -1.51 million (2011: EUR 5.21 million). 2012 was characterized by low demand in BU antimony and BU plastics. In BU Lead demand remained stable but margins decreased.

Net financial result amounted to a loss of EUR 1.84 million compared with a profit of EUR +0.72 million in 2011.

The lead hedging resulted in a net loss of EUR 0.88 million (compared with a net profit of EUR +1.81 million in 2011). The objective of hedging is to limit the fluctuations of Campine's results due to the impact of changes in lead prices on the value of purchases and sales and of inventories. These amounts include the fair value of the LME lead hedge at December 31, which is included in the income statement in accordance with the specific IFRS standards.

Due to the losses of the year, no current tax provision was set up. The fiscal losses are estimated to an amount of EUR 3.00 million. For the IFRS accounts, a deferred tax asset was set up for EUR 0.75 million, including other timing differences the tax resulted to an amount of EUR 0.88 million.

Loss after taxes was EUR 2.47 million, compared with a EUR 4.05 million profit in 2011. The lower earnings figures were effected by the disappointing second semester with volatile raw material prices, the uncertain financial markets and the reduced economic activity.

The Board of Directors proposes that the company will not pay a dividend.
In 2012 a dividend of EUR 1.875 million (EUR 1.25 gross per share) was paid on the basis of the 2011 result.

<u>Added value</u>

In '000 EUR	2012	2011	Difference in EUR	in %
Added value (1)	14.140	20.493	-6.353	-31%
Relation towards turnover (%)	9%	11%		
Average number of employees	171	167		2%
Added value per employee	83	122	-39	-32%

(1) We define added value as the difference between turnover and the value of the purchased goods + services which can be related to production (stock adjustment included).

Working capital

In '000 EUR	2012	2011	Difference in EUR	in %
Stocks	35.838	42.524	-6.686	-16%
Trade debtors	18.503	22.961	-4.458	-19%
Other receivables	2.257	3.031	-774	-26%
Total	**56.598**	**68.516**	**-11.918**	**-17%**
Trade creditors	8.893	15.051	-6.158	-41%
Taxes	2.059	3.276	-1.217	-37%
Other short term payables	2.855	3.351	-496	-15%
Total	**13.807**	**21.678**	**-7.871**	**-36%**
Working capital employed	**42.791**	**46.838**	**-4.047**	**-9%**

Return on equity

In '000 EUR	2012	2011	Difference in EUR	in %
Result after taxes	-2.466	4.052	-6.518	-161%
Result after taxes per share in EUR	-1,64	2,701	-4,34	-161%
Gross dividend per share in EUR	0,00	1,250	-1,25	-100%
Net dividend per share in EUR	0,00	0,938	-0,94	-100%
Equity	22.911	27.302	-4.391	-16%
Return on equity	-11%	15%		-26%

Volume and turnover per business unit

	Antimony			Plastics			Lead			Total		
	2012	2011	%	2012	2011	%	2012	2011	%	2012	2011	%
Volume in mT	7.887	9.748	-19%	4.330	5.083	-15%	41.670	42.117	-1%	53.887	56.948	-5%
Turnover (1) in '000 EUR	71.330	94.671	-25%	20.604	24.127	-15%	58.405	61.356	-5%	150.339	180.154	-17%
Unit price per mT in EUR	9.044	9.712	-7%	4.758	4.747	0%	1.402	1.457	-4%			
Margin (2) in '000 EUR	2.962	9.160	-68%	2.000	2.692	-26%	3.454	5.219	-34%	8.416	17.071	-51%

(1) Turnover as in the segment information of the Group, see note 5.4.1.
(2) The margin is the difference between the turnover and the direct cost + sales cost of the goods sold. Direct costs include raw materials and direct salaries and wages as well as indirect production costs.

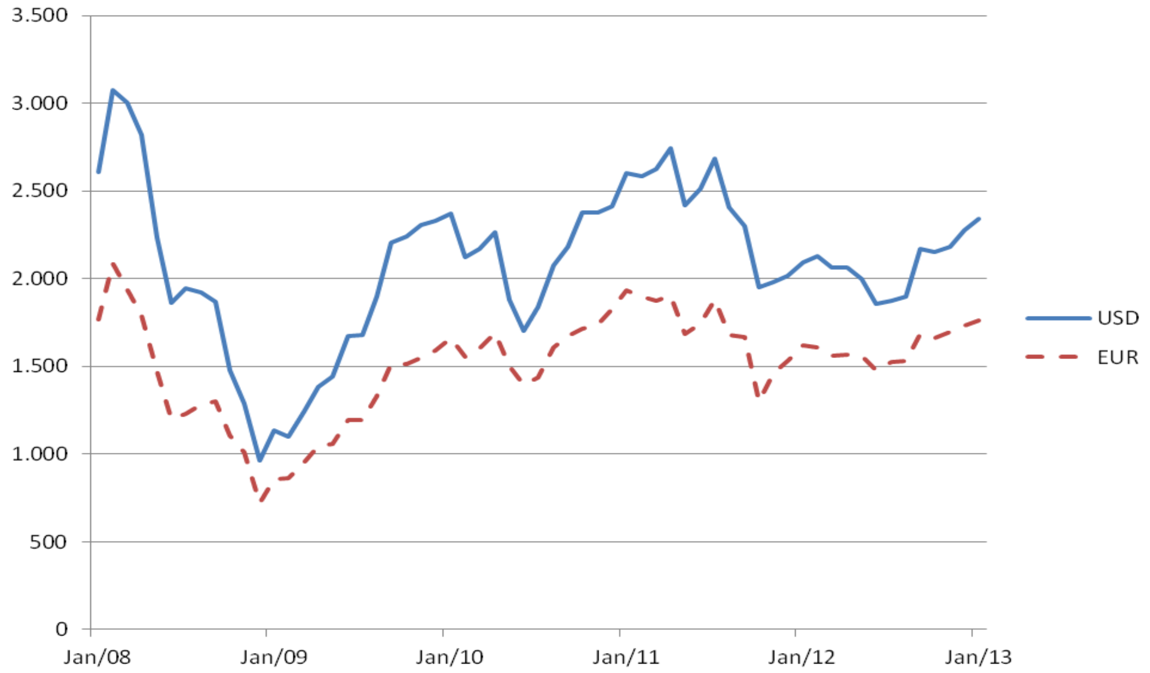
Lead

Campine Recycling processes spent lead batteries and lead-containing waste such as cable sheathing, roofing and old pipes. From this waste we produce a whole range of useful applications such as lead alloys and soft lead. In so doing we help to create a cleaner and safer environment.

In the lead market Campine Recycling is a significant recycler of secondary lead in Europe, in a market dominated by “majors” like battery manufacturers. End customers are primarily the automotive industry (for battery production), medicine (X-ray protection) and construction (roofing).

Results and volumes
Turnover decreased to EUR 58.41 million (EUR 61.36 million in 2011) (-5 %) on a slightly lower sales volume of 41,670 mT (42,117 mT in 2011) (-1 %).

Lead LME cash/mT in USD and in EUR



Market
The LME lead prices, which are at the basis of our sales price, started the year at EUR 1,622/mT and fluctuated during the year between EUR 1,450/mT and EUR 1,750/mT. They ended the year at EUR 1,734/mT.

2012 saw the continuation of a trend that has been visible for several years on the battery market: that of scarce supply with a few big companies seeking to dominate the market. Lead battery scrap, which is our main feed stock, rose in price relative to the LME, with availability under pressure and therefore reducing returns.

The European Commission is currently investigating purchasing prices paid for used batteries and lead scrap in the European recycling business. Campine Recycling – as a European lead recycler – was included in the preliminary inspection and cooperates with the European Commission.

Some companies have cut production capacity and introduced temporary shut-downs. Campine has been able to maintain volume by carefully diversifying its raw material requirements. The different processing technologies available at Campine will enable us to remain on this path. But the fact remains that Campine – with the entire sector - will continue to be affected by high prices for lead waste as a source of raw material, which are not justified in comparison to their actual value. In response, sales premiums for lead and lead alloys will have to be increased.

Our sales order portfolio, consisting of battery producers and lead products for construction and technical applications, is a good reflection of the lead market as a whole. Campine expects to be able to broaden in this mix into the future.

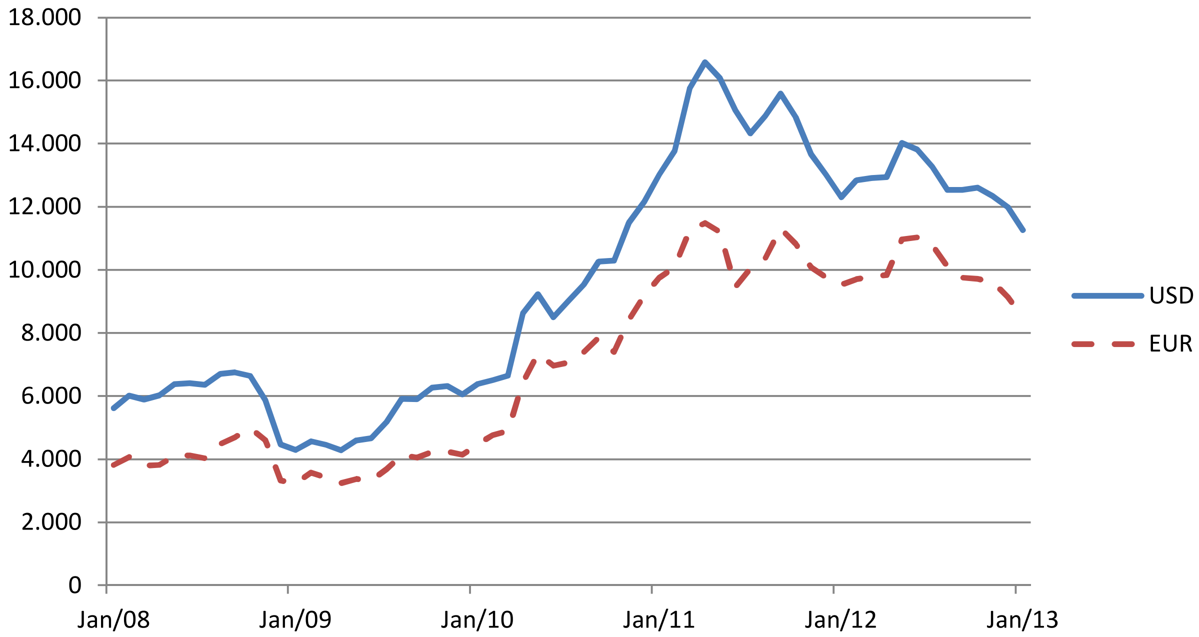
Production
Following the installation of the new control room and travelling crane in 2011, processing in the lead refinery was further modernised in 2012 with the installation of new energy efficient burners for the refinery pots and a new lay-out for the refinery platform.

Antimony

Campine's antimony business unit converts antimony metal (Sb) into antimony trioxide (Sb_2O_3). This is used in flame retardant applications and in the production of PET bottles, films and industrial fibres.

Results and volumes
Volume lowered to 7,887 mT (9,748 mT in 2011) (-19 %). Average sales prices were also lower. Consequently turnover fell to EUR 71.33 million (EUR 94.67 million in 2011) (-25 %).

Antimony free market 99.6% in USD/mT and in EUR/mT



Market
During the first 4 months antimony metal prices fluctuated around EUR 9,700/mT. They began to rise in May to a maximum of EUR 11,031/mT at the end of June to fall back again from September to EUR 9,135/mT at the end of December.

During the first semester, demand continued at reasonable levels, but from the summer onwards dropped owing to the economic slow-down and high prices, with sales volume ending lower than usual.

Although China remained dominant as a supplier of metal, the first signs of the predicted diversification of supply were visible, reducing antimony metal prices to a more realistic level. This is in the interest of the whole antimony industry, as it lowers the risk of substitution.

Production
The fully automated packaging-palletising machine installed in 2011 – which reduces costs and shortens delivery times – allows us to keep lower inventories.

The more diversified supply in the market has prompted us to take further steps to extract greater value from existing processes by reducing impurities.

Managing the price risk remains a point of attention: customers are looking for good service - requiring us to maintain appropriate inventory levels - while suppliers - because of high prices - are less willing to hold stocks available. Furthermore we have to avoid that our customers will reduce the percentage of metal in their applications.

Plastics

In its plastics business unit Campine produces ready-to-use flame retardant masterbatches and compounds for the plastics industry. These masterbatches are supplied in granular form for easy and dust-free dispensing at customer premises.

Along with Campine's 100th anniversary, the plastics business unit celebrated its quarter-centenary, demonstrating that the production of masterbatches is a long standing activity alongside the processing of antimony and lead.

<u>Results and volumes</u>
The plastics business unit realised a turnover of EUR 20.60 million (EUR 24.13 million in 2011) (-15 %). Volume decreased to 4,330 mT (2011: 5,083 mT) (-15 %).

<u>Market</u>
Sales were similar to 2011, with fairly constant demand in the first half of the year and a fall in the second half.

In addition to antimony trioxide masterbatches, our sales team sees considerable potential in other products in which we can use our skills (which include achieving a high filling and dispersion level). In Belgium and the surrounding countries we serve customers directly. Further afield we make successful use of distributors and see that, thanks to our product quality and know-how, our products are finding outlets in regions including the USA. We expect further growth here in the next few years.

Our challenge remains to respond to our customers' needs for stable supply and minimal price volatility, and to support them with products complying with complex safety, health and environmental legislation.

<u>Production</u>
Campine's processing installations are built up around solid and reliable extruders. In 2012 we continued our policy of further modernising the peripheral equipment. This gives us the opportunity to switch quickly to a new extruder technology when required.

Support services

<u>Production</u>
During the year the company successfully achieved on many levels an improvement of processing. The various business units are now managed much more efficiently and centralized.

We have invested in new facilities to handle the larger variety of raw materials.

<u>Safety, health and environment</u>
The appearance of the Campine site in Beerse is improving every year. Completing the extensive investment programme of the past 10 years, funds were also earmarked to improve the overall impression of the whole plant.

Other pro-environmental measures include new hoods in the lead refinery to reduce dust emission still further. Drainage on the site was improved in preparation for the long-term plans to rationalise access to the site and internal movement.

Environmental action includes energy-saving measures, reducing Campine’s energy consumption.

The Seveso audit - that maps major safety risks – was successfully concluded.

Safety remains an absolute priority for management. Preventive information is provided for all handling and processing activities. Every month a new safety issue is highlighted. Biomonitoring of employees is showing favorable results - well below the permitted standards.

The external audit firm SGS executed a new analysis based on ISO 14001 and 9001 - the standard for production quality - and issued the necessary certificates for the next three years.

Human Resources and IT
The economic situation required Campine to release a small number of employees. At the end of 2012 the company had 175 employees. Management is keen to maintain at all times a constructive and respectful dialogue with employees, in the interests of the company and the welfare of everyone in the organisation.

The celebration of its centenary was accompanied by a number of festive events, involving both employees and customers, suppliers, shareholders and all other stakeholders.

The integration of and transition to SAP (a world system for enterprise resources planning) was efficiently realised. The new system allows Campine to operate in a much more efficient and market-oriented way.

Perspectives for 2013

There are no clear signs of economic recovery yet. Hence the circumstances remain as in 2012; low margins on lead and similar turnover in antimony and plastics.

In antimony and plastics we will further focus on market: development and innovation to find new applications, customers and markets to increase the turnover and added value.

Results of the diversification of our raw material flow supply, both in antimony and lead, are in the pipeline and will return us to profit.

Furthermore our process know-how will enable us to realise a more diversified metallurgical recycling with a higher valorisation of all kind of materials.

Corporate matters

Fairness statement

The Board of Directors declares that to the best of their knowledge:

- The financial statements, prepared in accordance with the IFRS, give a true and fair view of the assets, liabilities, financial position and the results of the company, including its consolidated subsidiaries.
- The annual report gives a true and fair view of the development and results of the company, including its consolidated subsidiaries, together with a description of principal risks and uncertainties that they face.

Independence and competence criteria independent directors

The law of 17 December 2008 regarding the Audit committee in listed companies entered into force on 8 January 2009. The Group complies with the requirements of this law and confirms that the independent directors comply with the law as to independence and competence criteria in the field of accounting and audit.

Significant events after the close of the year

No important events occurred after the close of the financial year.

Use of financial instruments by the company, to the extent that these are significant in evaluating its assets, liabilities, financial situation and earnings

Since 2006, Campine takes positions in LME lead futures where it sells forward lead via future contracts. The objective of this activity is to reduce the fluctuations of Campine's net income due to changes in lead prices. Despite hedging a specific risk in an economic manner, these derivative financial instruments do not respect the strict criteria for the application of hedging accounting under IAS 39.

From the beginning of 2009 the company has also started to hedge fixed price-sell contracts with specific customers. Future purchase contracts (with the same expiry dates and the same amounts) are closed on the LME. The objective is to reduce fluctuations in the result because of movements in the lead price. These derivatives are defined as "fair value hedge of firm commitment" and fulfil the criteria of IAS39 (hedge accounting).

From the beginning of 2009 the company has also started to hedge fixed price-purchase contracts with specific suppliers. Future sell contracts (with the same expiry dates and the same amounts) are closed on the LME. The objective is to reduce fluctuations in the result because of movements in the lead price. These derivatives are defined as "fair value hedge of firm commitment" and fulfil the criteria of IAS39 (hedge accounting).

The value of these fixed price contracts and the future LME commitments are both shown in the balance sheet; changes in the values will be shown in the profit and loss account.

Circumstances which could significantly influence the development of the company

There were no changes in circumstances which could substantially influence the development of the company.

Research and development

Research and development is a constant theme in the improvement of the mastering of our production processes and the applicability of our products in specific markets. In each business unit research projects were started up in collaboration with customers to develop new innovative products.

Risks and uncertainties

Campine, together with all other companies, is confronted with a number of uncertainties as a consequence of worldwide developments. The management aims to tackle these in a constructive way.

Campine pays particular attention to the company risks related and inherent to the sector:

- Fluctuations of the prices of raw materials and metal. Prices fluctuated as a result of a changing supply and/or demand of raw materials and end products, but also because of pure speculation.
- Fluctuations of the energy prices, which represent an important part of our production cost.
- Changes in regulations (Flemish, Belgian, European and global) in the field of environment and safety/health including legislation related to sale (REACH) and storage (SEVESO) of chemical products.

Market risks: interest risk, foreign exchange risk and price risk. (see note 5.28.).

Information concerning the possible effects of a public take over bid

The company is represented by 1.500.000 shares. There are no different kinds of shares and every share represents one vote. There are no specific legal nor statutory limitations regarding the transfer of these shares, no specific control nor shareholders agreements.
For both, the appointment and substitution of Board members and the modification of the Articles of Association, ordinary legislation is valid. Neither the Board of Directors, nor its individual members have a special power and/or agreement exercisable in case of a public take over bid.

Dividend

The Board of Directors proposes that the company will not pay a dividend. In 2012 a dividend of EUR 1.875 million (EUR 1.25 gross per share) was paid on the basis of the 2011 result.

Statutory Auditor

In 2012 the statutory auditor fee for audit services reached 78.222 EUR for the Group.
The non-audit services in 2012 amounted to 22.091 EUR and were related to:

- Other attestation services (3.690 EUR)
- Tax advice (18.401 EUR)

Discharge to Directors and Statutory Auditor

The Board of Directors proposes granting discharge to all Directors and the Statutory Auditor in respect of the exercise of their mandates in 2012.

Statutory Appointments

On 23 August 2012 Martine Reynaers was appointed as independent Board member until the Annual Meeting in 2015.
There are no statutory appointments in 2013.

Corporate Governance Statement & Remuneration Report 2012

I. Introduction
As a company incorporated under the laws of Belgium and listed on Euronext Brussels, Campine nv adheres to the principles and provisions of the Belgian Corporate Governance Code 2009, taking into account Campine's characteristics such as its specific business environment and its relatively limited size.

The Corporate Governance Statement has been established in accordance with the "comply or –explain"-principle and mentions the parts of the Belgian Corporate Governance Code 2009 of which Campine differs and gives substantiated reasons. The recommendations 2.3, 5.5, 5.2./4. of the Corporate Governance Code 2009 are not or only partially followed. The explanation for these deviations is to be found further in this Corporate Governance Statement.

The existing Corporate Governance model of Campine structures the existing procedures and ensures the efficient and transparent operation of the Group in the interest of the Group and its stakeholders.

The Corporate Governance Charter of Campine has been adopted by the Board of Directors on 9 March 2006 and has been amended by a decision of the Board of Directors on 23 February 2012. It aims at providing a comprehensive and transparent disclosure of the rules and policies that together with applicable law constitute the governance framework within which the company operates.

This Corporate Governance Charter has been and will be further up-dated by the Board in case of further developments of, or changes to, the Belgian Corporate Governance Code 2009 or to Campine's Corporate Governance model. The Corporate Governance Charter is mentioned on the website (www.campine.be) at "investor's relations".

II. Corporate capital and shareholding
The corporate capital is set at four million euro (EUR 4,000,000.00), represented by one million and five hundred thousand (1,500,000) shares without nominal value. The capital is fully paid up. There are no statutory nor legal restrictions regarding the transfer of shares.

<u>Shareholding structure on balance sheet date</u>
No changes were made to the known shareholder structure of Campine in 2012 as the company received no notifications in 2012.

Name	**Number of shares**	**% of the share capital**
1. Camhold NV Nijverheidsstraat 2, 2340 Beerse	540.000	36,00%
2. F.W. Hempel Intermétaux SA Rue Vallin 2, 1201 Genève, Switzerland	537.900	35,86%

The remaining shares (28,14%) are, as far as the company knows, held by private investors. The company has until now not received any notices from other shareholders, who are compelled to disclose their shareholdings pursuant to Belgian law governing the notification of major shareholdings.

<u>Public takeover bid</u>
Proceedings in case of public takeover bid are mentioned in articles 7 and 12 of the Articles of Association.

Rules regarding the exercise of the voting rights

Rules regarding the exercise of the voting rights are mentioned in article 10 of the Articles of Association. No shareholder has any special rights. There are no statutory restrictions regarding the exercise of voting rights.

III. The Board of Directors

Composition

Rules for the appointment and replacement of the Directors are mentioned in articles 13 and 14 of the Articles of Association.

The Board should consist of a minimum of three and a maximum of nine members according to the Articles of Association.
Currently the Board is composed of six members, being one executive director and five non-executive directors, of whom are two independent directors:

Mr Friedrich-Wilhelm Hempel, Chairman of the Board

- Non-executive Board member (appointed for a period of 3 years on 8 May 2012)
- Shareholder and director of various private companies in Europe.

Mr André W. Hempel

- Non-executive Board member (appointed for a period of 3 years on 8 May 2012)
- Shareholder and director of various private companies in Europe.

DELOX NV

- Non-executive and independent Board member represented by its permanent representative Mr Patrick De Groote (appointed for a period of 3 years on 8 May 2012)
- Board member of various companies.

Mr Hans Orgs

- Non-executive Board member (appointed for a period of 3 years on 8 May 2012)
- Managing Director of the holding company F.W. Hempel & Co Erze & Metalle.

Mrs Martine Reynaers

- Non-executive and independent Board member (appointed on 23 August 2012 until the Annual Meeting in 2015)
- Managing Director of Reynaers Aluminium.

Mr Geert Krekel

- Managing Director (appointed for a period of 3 years on 8 May 2012)
- Chairman of the Board of Campine Recycling nv.

Mandates ending in 2012:

DW Services Comm. V.

- Non-executive and independent Board member represented by its permanent representative Mr Aimé De Witte (end of mandate on 23 August 2012).

Mr Richard P. Pearson

- Non-executive Board member (end of mandate on 8 May 2012)
- Chartered accountant.

From left to right: H. Orgs, P. de Groote, F.-W. Hempel, M. Reynaers, G. Krekel, A. Hempel

Campine applies to the independence criteria as mentioned in the Corporate Governance Charter. The independent directors declare that they comply with art. 526ter of the Company Code.

The Belgian Corporate Governance Code 2009 requires that the Board should comprise at least three independent directors (article 2.3), while the company currently only has two independent directors. This is explained by the fact that the number of the directors has to be seen in the perspective of the size of the company.

The Board is small enough for efficient decision-making and on the other side large enough for its members to contribute experience and knowledge from different fields and for changes to be managed without undue disruption.

Each director has a specific and complementary role to play on the Board.

<u>Functioning</u>
The Board determines the company's strategy and at the same time monitors and controls the risks attached to the company's activities. The Board determines the company's annual budgets as well as the risk positions in metal and decides on investments and divestments of the Group and the composition of the Executive Management Team.

The Board meets on average four times a year, in February, May, August and November. This frequency enables the Board to keep regular and continuous track of the consolidated and unconsolidated results, the general state of business and developments at both Campine and its subsidiary, Campine's investment programmes, acquisitions and divestments by the Group, development of the management, etc...

Nevertheless, the Board shall be called by the Chairman or the Managing Director whenever the company's corporate interest so requires. Upon request of at least two directors additional meetings are convened.

During the financial year which closed per 31 December 2012, the following Board meetings were held:

Date of the Board meeting	Presence
23 February 2012	F.-W. Hempel, A. Hempel, R. Pearson, G. Krekel, DW Services Comm. V., DELOX NV
9 May 2012	F.-W. Hempel, A. Hempel, G. Krekel, DELOX NV, H. Orgs, DW Services Comm. V., R. Pearson
23 August 2012	F.-W. Hempel, A. Hempel, G. Krekel, DELOX NV, H. Orgs, R. Pearson
20-21 November 2012	F.-W. Hempel, A. Hempel, G. Krekel, DELOX NV, H. Orgs, M. Reynaers, R. Pearson

<u>During the Board meetings, following subjects were - among others - discussed:</u>
- Results of Campine and its subsidiary Campine Recycling
- Evaluation of last and current year's budget
- Determination of next year's budget
- Approval of new investments
- Evaluation of running and completed investments
- Determination of the annual accounts for approval by the Annual Meeting of Shareholders
- Composition of the annual report to the Annual Meeting of Shareholders
- Approval of the invitation of the Annual Meeting of Shareholders
- Approval of press releases to be published
- Proposal of the nominations to the Annual Meeting of Shareholders
- Evaluation and determination of the risk position of lead and antimony, credit risk
- Credit loans and bank balances
- Status of the different departments (production, purchase, sales, personnel, …) of the different BU's
- Status: personnel and organisation
- Status: safety, health and environment

The Board of Directors intends to make official the main features of the procedure to evaluate the Board of Directors, its committees and its individual directors in working methods and procedures.

<u>Honorary director</u>

A director who has exercised his function within the company for at least 9 years, can be appointed "honorary director" by the Board when his mandate ends.

The title "honorary director" is merely ceremonial as a sign of recognition for the former director's commitment. Hence an honorary director has no tasks, nor access to the documents nor meetings of the Board of Directors nor meetings of the Board's Committees unless exceptionally if invited by the Board of Directors and in this case always without voting rights.

Were appointed honorary director:
- DW Services Comm. V., represented by its permanent representative Mr Aimé De Witte, for a period of 1 year
- Mr R.P. Pearson, for a period of 1 year

<u>Company secretary</u>

The Company secretary works in close cooperation with the Managing Director and has the following tasks:
- Support and advise the Chairman of the Board of Directors, the Chairmen of the Board Committees and all Board members in the execution of the general and specific tasks and obligations;
- Provide a good information flow within the Board of Directors and its committees and between the Executive Management Team and the non-executive directors;

- Report regularly to the Board – conducted by the Chairman – on the way procedures, regulations and rules of the Board of Directors and the Corporate Governance Charter are executed and complied with and possibly give suggestions regarding required adjustments of these procedures, rules and regulations of the Board of Directors and the Corporate Governance Charter;
- Act as a secretary of the Audit committee.

He has the authority and obligation to use suitable, necessary and proportional means to execute his tasks in an efficient way.

The function of Company secretary is executed by Mr R.P. Pearson.

IV. Executive Management Team

Composition

(From left to right)

- **Mr Geert Krekel**
  Managing Director
- **Mrs Hilde Goovaerts**
  Operations Manager
  as of 1 September 2012
- **Mr Ronny Van Britsom**
  Site Facility Manager
- **Mr Jan Keuppens**
  Finance and Administration Manager

- Mr Ralph Vluggen, General Manager Plastics until 29 February 2012
- Mr Daniel Chéret, General Manager Lead until 24 August 2012
- Mr Frank Torfs, General Manager Antimony as of 13 March 2012 until 13 September 2012

Functioning

The Managing Director's responsibilities include developing and monitoring of the business plans for each business unit, as approved by the Board, the implementation of the decisions of the Board and the setting up of the necessary investment programmes, which are then presented to the Board for approval. Furthermore the Managing Director ensures that valid legislation is respected and that the company works in compliance with all valid safety, health and environmental regulations.

The Managing Director is assisted by the Executive Management Team. The Executive Management Team reports to the Managing Director and enables the Managing Director to properly perform his duties of daily management.

V. Board committees

The Board has set up the following specialised committees:

1. The Nomination & Remuneration committee

The Nomination & Remuneration committee (that acts as a Remuneration committee within the meaning of article 526quater of the Company Code) assists the Board in all matters related to the appointment and remuneration of the directors and the Executive Management Team. The Nomination & Remuneration committee prepares the Remuneration report and clarifies it during the Annual Meeting of Shareholders.

The Managing Director will participate in the committee with an advisory vote, each time the Nomination & Remuneration committee is dealing with the remuneration of the members of the Executive Management Team.

The Nomination & Remuneration committee consists of the Chairman of the Board Mr F.-W. Hempel and the two independent directors Mrs M. Reynaers and DELOX NV., represented by its permanent representative Mr P. De Groote. Both Mrs M. Reynaers and Mr P. De Groote have the necessary expertise in the field of remuneration as a result of their year-long experience in the business environment and in business associations.

2. The Audit committee

Besides the legal tasks of the Board, the Audit committee has, at least, following tasks:

- Monitor the financial reporting process;
- Monitoring the effectiveness of the company’s internal control and risk management systems;
- If there is an internal audit, monitor the internal audit and its effectiveness;
- Monitoring the statutory audit of the annual and consolidated accounts, including any follow-up on any questions and recommendations made by the statutory auditor;
- Review and monitoring the independence of the statutory auditor, in particular regarding the provision of additional services to the company.

The Audit committee consists of Mr H. Orgs and the independent director Mrs M. Reynaers.

The law of 17 December 2008 regarding the Audit committee in listed companies entered into force on 8 January 2009. The Group complies with the requirements of this law and confirms that the independent directors comply with the law as to independence and competence criteria in the field of accounting and audit.

Pursuant to the Belgian Corporate Governance Code 2009 requires each committee should comprise at least three members (article 5.5). Currently the Audit committee only has two members. This is explained by the fact that the number of directors and hence the committee is to be seen in the perspective of the size of the company.

Pursuant to the Belgian Corporate Governance Code 2009 the majority of the members of the Audit committee should be independent (article 5.2./4). Currently only half of the Audit committee is independent. This is explained by the fact that the Audit committee – seeing the size of the Board – only has two members at this moment.

3. The Strategy committee

The Strategy committee assists the Board in all matters related to the general management of the company and its subsidiary.

It consists of the independent director DELOX NV, the Managing Director and Mr A. Hempel.

4. Functioning of the committees

During the financial year which closed per 31 December 2012 the following Board committees meetings were held:

Board committee	Date of the meeting	Members present
Nomination & Remuneration committee	28 June 2012	F.-W. Hempel, Delox NV
	20 November 2012	F.-W. Hempel, Delox NV
Audit committee	22 February 2012	R. Pearson, DW Services Comm. V.
	7 May 2012	R. Pearson, DW Services Comm. V.
	22 August 2012	H. Orgs, R.P. Pearson
	13 November 2012	H. Orgs, M. Reynaers, R.P. Pearson
Strategy committee	22 February 2012	A. Hempel, DELOX NV, G. Krekel
	22 August 2012	A. Hempel, DELOX NV, G. Krekel
	18 October 2012	A. Hempel, DELOX NV, G. Krekel

<u>During the Nomination & Remuneration committee meetings, following subjects – among others – were discussed:</u>
- Nomination of new Board members
- Remuneration 2012 of the Managing Director and of the key-personnel
- Remuneration policy: the attendance and working fees of non-executive Board members
- Preparation of the Remuneration report for the Board
- Confirmation of director's remuneration: tantièmes and director's remuneration
- Composition of the Executive Management Team
- Remuneration 2013 of the Managing Director and of the key-personnel
- Functioning of the Board committees

<u>During the Audit committee meetings, following subjects – among others – were discussed:</u>
- Preparation of the credit risk for the Board
- Preparation of the risk position of lead and antimony for the Board
- Internal control: payment procedures, inventories
- Preparation of next year's budget for the Board
- Evaluation of the current budget
- Press releases to be published: year results, half-year results, intermediate report
- SAP-implementation: quarterly evaluation

<u>During the Strategy committee meetings, following subjects – among others – were discussed:</u>
- Diversification of the supply of raw materials
- Management of impurities

The committee's regulations can be found in annex of the Corporate Governance Charter. The Board intends to further officialise the working of the committees in compliance with the Belgian Corporate Governance Code 2009 in the coming years.

VI. Main features of the internal control and risk management system

Campine organises the management of internal control and corporate risks by defining its control environment (general framework), identifying and classifying the main risks to which it is exposed, analysing its level of control of these risks and organising ‘control of control’. It also pays particular attention to the reliability of the financial reporting and communication process.

1. Control environment
   a. Company organisation:
      - the company is organised into a number of departments as set out in an organisation chart. Each person has a job description. There is a power of attorney procedure. The company’s representation in different areas like human resources, purchase, sales, … is integrated in the “internal powers” document. For fluctuating commitments due to price volatility of the product (energy, raw materials, foreign currency, …) specific procedures apply.
      - the support functions are being carried out by the departments of Accounting, IT, Logistics & Procurement, Human Resources, Safety, Health & Environment and Secretariat.
      - management control is the responsibility of the controllers. The Finance & Administration Manager is in charge of organising risk management.

   b. Organisation of internal control: The Audit committee has a specific duty in terms of internal control and corporate risk management. The role, composition and activities of the Audit committee are described above.

   c. Ethics: The Board of Directors has drafted and approved a Corporate Governance Charter and a Code of Conduct (appendix of Corporate Governance Charter). They can also be consulted on the website.
2. Risk analysis and control activities
   All processes – from administration to effective production – are managed in our management house – a documented management system which is based on the different risk analyses systems. The risks regarding safety, health, environment & quality are inventorised, evaluated, managed and controlled in a dynamic way based on ‘continuous improvement’. The Audit committee reviews the risk analysis twice a year. These risks are described in the note “market risk” in the annual report.

3. Financial information and communication
   The process of establishing financial information is organized as follows:
   A retro planning chart sets out the tasks to be completed for the monthly, half-yearly and annual closures of the company and its subsidiary, with deadlines. Campine has a check list of actions to be followed up by the financial department. The accounts team produces the accounting figures under the supervision of the chief accountant. The controllers check the validity of these figures and produce the reporting. The figures are checked using the following techniques:
   - coherence tests by comparison with historical or budget figures;
   - sample checks of transactions according to their materiality.

4. Players involved in the supervision and assessment of internal control
   The quality of internal control is assessed over the fiscal year:
   - by the Audit committee. Over the fiscal year, the Audit committee reviewed the half-yearly closures and the specific accounting methods. It also reviewed the disputes and main risks facing the company.
   - by the Auditor in the context of their review of the half-yearly and annual accounts. When appropriate, the Auditor makes recommendations in particular concerning the keeping of the financial statements.
   - by the Board of Directors in the context of the day-to-day management.

The Board of Directors supervises the performance of the duties of the Audit committee in that connection, notably through that committee’s reporting.

VII. Dealing code regarding to transactions of the company's shares

The dealing code – part of our Code Conduct – stipulates the rules regarding transactions of shares of the company. It sets limitations for key-persons regarding transactions in specific periods ("closed periods" and "prohibited periods") and imposes a disclosure obligation to the Compliance Officer in case of transactions outside these periods.

The Board of Directors has appointed Mr Geert Krekel as Compliance Officer who monitors the key-persons' compliance with the dealing code.

VIII. Comments on the application of the policy for transactions not covered by the legal provisions on conflicts of interest

All transactions with related parties are conducted at arm's length and in compliance with all legal requirements and the Corporate Governance Charter.

During 2012 no conflict of interest (Article 523-524 Company Code) occurred.

IX. Remuneration Report

1. Remuneration policy

The Board is composed in such a way that it represents shareholders on the one side and other stakeholders on the other side. The Board – who finally decides upon the remuneration of the Management – oversees that the performance of the Management is related to the continuity and long term results of the company and that their remuneration is in relation to their performance and in the interest of all stakeholders.

Non-executive Board members
The remuneration policy is set in the Articles of Association of the Company.

Managing Director
The Board of Directors decides upon the appointment, remuneration and removal of the Managing Director. The performance of the Managing Director is assessed by the Nomination & Remuneration committee. During a Board meeting – where the Managing Director is not present – the Chairman of the Nomination & Remuneration committee informs the members about this assessment which is consequently discussed.

Executive Management Team
The Nomination & Remuneration committee advises on the nomination, remuneration and removal of the members of the Executive Management Team.

2. Statement on the remuneration policy applied during 2012
Non-executive Board members

Non-executive directors do not receive a merit pay such as bonus (apart from tantièmes) or any advantage in kind nor advantage related to a pension plan. Board members who are member of a specialised committee do not receive additional remuneration for that.

The director's remuneration granted to the non-executive directors is set in the Articles of Association and specified under point 3 below. It is paid during the corresponding financial year.

Directors who have not exercised their mandate for the whole financial year, will be paid pro rata the full months of their mandate.

The tantième granted to the non-executive directors is set in the Articles of Association and specified under point 3 below. It is paid in May following the close of the financial year to which the tantièmes relate.

Managing Director

Fixed and variable

The Managing Director does not receive any compensation for his duty as mere director.

The Managing Director's remuneration for the execution of his function consisting of both a fixed and a variable compensation is based on market references, based on a comparison of companies of the same size whose remuneration is publicly available.

The variable part is result-related.

According to the Articles of Association of the company the obligation mentioned in article 520ter, second paragraph, and article 525, last paragraph of the Company Code does not apply to executive directors, the persons who, alone or together, are charged with the day-to-day management and other leaders mentioned in article 96, §3, last paragraph of the Company Code of the company.

The criteria for an additional bonus are fixed by the Nomination & Remuneration committee.
Article 23 of the Articles of Association of Campine provide for an exception on the application of article 520ter, second paragraph, and article 525, fourth paragraph of the Company Code.

The company and BU objectives can include profit to be realised, sales, purchase, environmental, health and safety targets as well as targets in the field of process control, innovation, maintenance and possibly other areas.

The objectives are set up annually and apply for the entire financial year and some possible over multiple financial years. The choice of objective areas can change every year depending on economic circumstances, regulations, organisation, strategy and other factors. The effective targets are not communicated in detail as this would reveal and make public confidential information on the strategy of the company.

Pensions

The Managing Director participates to a pension plan based on fixed contributions.

Other benefits

The Managing Director participates – as each employee of the company – to a group and hospitalisation insurance. Other benefits are representation allowance, company car, internet connection, company phone in compliance with local market practices.

Terms of hiring and termination arrangements

The contractual terms of hiring and termination arrangements of the members of the Managing Director do not provide any specific compensation commitments, other than standard notice periods as foreseen by the law, in the event of early termination. The term of notice is maximum 12 months, with a possible deviation until the Claeys formula in case of early termination.

The right to reclaim the variable remuneration in case of incorrect financial data

The company has no right to reclaim the variable remuneration when the variable remuneration was granted to the Managing Director based on incorrect financial data.

Executive Management Team

Fixed and variable

The remuneration of the members of the Executive Management Team, consisting of both fixed and variable compensation, is based on a market study, using reference functions, based on a comparison of companies of the same size whose remuneration is publicly available.
The variable part of the remuneration is partly result-related and partly linked to a system of company, BU and personal objectives.

According to the Articles of Association of the company the obligation mentioned in article 520ter, second paragraph, and article 525, last paragraph of the Company Code does not apply to executive directors, the persons who, alone or together, are charged with the day-to-day management and other leaders mentioned in article 96, §3, last paragraph of the Company Code of the company.

The criteria for an additional bonus are fixed by the Nomination & Remuneration committee.

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The company and BU objectives can include profit to be realised, sales, purchase, environmental, health and safety targets as well as targets in the field of process control, innovation, maintenance and possibly other areas.

The objectives are set up annually and apply for the entire financial year and some possible over multiple financial years.. The choice of objective areas can change every year depending on economic circumstances, regulations, organisation, strategy and other factors. The effective targets are not communicated in detail as this would reveal and make public confidential information on the strategy of the company.

Pensions

The members of the Executive Management Team participate to a pension plan based on fixed contributions.

Other benefits

The members of the Executive Management Team participate – as each employee of the company – to a group and hospitalisation insurance.
Other benefits are representation allowance, company car, internet connection, company phone in compliance with local market practices.

Terms of hiring and termination arrangements

The contractual terms of hiring and termination arrangements of the members of the Executive Management Team do not provide any specific compensation commitments, other than standard notice periods as foreseen by the law, in the event of early termination. The term of notice is maximum 12 months, with a possible deviation until the Claeys formula in case of early termination.

The right to reclaim the variable remuneration in case of incorrect financial data

There is no right to reclaim the variable remuneration in favour of the company when the variable remuneration was granted to the Executive Management Team based on incorrect financial data.

At remaining circumstances, this remuneration policy is also applicable for the next two financial years.

3. Remuneration 2012

Non-executive directors

- During the financial year closed per 31 December 2012, the non-executive directors (F.-W. Hempel, A. Hempel, DELOX NV) received each a gross compensation of 12.250 EUR for fulfilling their duties as directors.
- During the financial year closed per 31 December 2012, the non-executive directors DW Services Comm. V. and H. Orgs received each a gross compensation of 7.145,83 EUR for fulfilling their duties as directors. H. Orgs pro rata 7 full months (June – December) and DW Services Comm. V. pro rata 7 full months (January – July).
- During the financial year closed per 31 December 2012, the non-executive director M. Reynaers received a gross compensation of 4.083,33 EUR, pro rata 4 full months (September – December), for fulfilling her duty as director. M. Reynaers was appointed as independent director at the Extraordinary Meeting of Shareholders on 23 August 2012 until the Annual Meeting in 2015.
- During the financial year closed per 31 December 2012, the non-executive director R. P. Pearson received a gross compensation of 4.083,33 EUR, pro rata 4 full months (January – April), for fulfilling his duty as director. The mandate of R. P. Pearson ended at the Annual Meeting of Shareholders of 8 May 2012.
- Over the financial year closed per 31 December 2012, no tantièmes will be paid.
- During the financial year closed per 31 December 2012 none of the non–executive directors (F.-W. Hempel, A. Hempel, R.P. Pearson, DW Services Comm. V., DELOX NV, M Reynaers) received any shares, share options or other rights to acquire shares of the company or Group.

Managing Director

- Geert Krekel, Managing Director on an independent base, is in charge of the daily management and did not receive any compensation for his duty as mere director.
- As Managing Director, Geert Krekel received a gross pay, including benefits of all kinds, of 200.386 EUR over 2012. This amount was made up of a fixed component of 178.800 EUR, pension contributions and invalidity insurance of 13.200 EUR (on the basis of a “defined contribution” system) and benefits in kind (car, mobile phone, internet connection, representation costs) to the value of 8.386 EUR. (There is no variable component over 2012).
- During the financial year closed per 31 December 2012 Geert Krekel did not receive any shares, share options or other rights to acquire shares of the company or Group.

Executive Management Team

- The members of the Executive Management Team (see point IV Executive Management Team – composition) together received a total gross pay of 754.747 EUR over 2012. This amount was made up of a fixed component of 543.122 EUR, a variable component of 149.614 EUR, pension contributions and invalidity insurance of 38.995 EUR (on the basis of a “defined contribution” system) and benefits in kind (car, mobile phone, internet connection, representation costs) to the value of 23.015 EUR.
- During the financial year closed per 31 December 2012 none of the members of the Executive Management Team received any shares, share options or other rights to acquire shares of the company or Group.

The Board of Directors requests the Annual Meeting of Shareholders to consider the annual report of the Board including the corporate governance statement and to approve the remuneration report.

Consolidated financial statements 2012

1. Consolidated income statement for the year ended 31 December 2012

'000 EUR	Notes	Year ended 31/12/2012	Year ended 31/12/2011
Revenue	4	149.925	181.720
Other operating income		2.812	2.585
Changes in inventories of finished goods and work in progress		- 25.131	5.375
Raw materials and consumables used		- 105.591	- 157.297
Employee benefits expense	26	- 12.430	- 12.317
Depreciation and amortisation expense		- 3.218	- 2.964
Other operating expenses	5	- 7.875	- 11.890
Operating result		- 1.508	5.212
Investment revenues		2	4
Hedging results	14	- 879	1.808
Finance costs	6	- 963	- 1.088
Result before tax		- 3.348	5.936
Income tax expense	7	882	- 1.884
Result for the year		- 2.466	4.052
Result for the year		**- 2.466**	**4.052**
Attributable to:			
Equity holders of the parent		- 2.466	4.052
Minority interest		-	-
		- 2.466	4.052
RESULT PER SHARE (in EUR)	8		
Basic		- 1,64	2,70
Diluted		- 1,64	2,70

Condensed consolidated overview of the total result

'000 EUR	Notes	Year ended 31/12/2012	Year ended 31/12/2011
Result for the year		- 2.466	4.052
Other comprehensive income		-	-
Total result for the year		**- 2.466**	**4.052**
Attributable to:			
Equity holders of the parent		- 2.466	4.052
Minority interest		-	-

2. Consolidated balance sheet at 31 December 2012

'000 EUR	Notes	Year ended 31/12/2012	Year ended 31/12/2011
ASSETS			
Non-current assets			
Property, plant and equipment	9	10.506	10.182
Intangible assets	10	865	786
Deferred tax assets	17	724	-
Cash restricted in its use		275	300
		12.370	11.268
Current assets			
Inventories	12	35.838	42.524
Trade and other receivables	13	20.701	25.924
Derivatives	14	59	68
Cash and cash equivalents		2.696	1.048
		59.294	69.564
TOTAL ASSETS		**71.664**	**80.832**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	4.000	4.000
Translation reserves		-	-
Retained earnings*		18.911	23.302
Equity attributable to equity holders of the parent		22.911	27.302
Total equity		22.911	27.302
Non-current liabilities			
Retirement benefit obligation	27	463	578
Deferred tax liabilities	17	-	141
Bank loans	16	3.375	5.475
Provisions	20	1.130	1.616
		4.968	7.810
Current liabilities			
Retirement benefit obligation	27	151	188
Trade and other payables	18	11.255	18.009
Derivatives	14	493	393
Current tax liabilities		2.059	3.276
Bank overdrafts and loans	16	29.827	23.561
Provisions	20	-	293
		43.785	45.720
Total liabilities		48.753	53.530
TOTAL EQUITY AND LIABILITIES		**71.664**	**80.832**

* Retained earnings consist of legal reserves (965 KEUR) and other reserves and retained results (17.946 KEUR).

3. Consolidated statement of changes in equity for the year ended 31 December 2012

'000 EUR	Share capital	Retained earnings	Attributable to equity holders of the parent	Total
Balance at 31 December 2010	**4.000**	**21.550**	**25.550**	**25.550**
Total result of the year	-	4.052	4.052	4.052
Dividends and tantièmes	-	- 2.300	- 2.300	- 2.300
Balance at 31 December 2011	**4.000**	**23.302**	**27.302**	**27.302**
Total result of the year	-	- 2.466	- 2.466	- 2.466
Dividends and tantièmes	-	- 1.925	- 1.925	- 1.925
Balance at 31 December 2012	**4.000**	**18.911**	**22.911**	**22.911**

4. Consolidated cash flow statement for the year ended 31 December 2012

'000 EUR	Notes	Year ended 31/12/2012	Year ended 31/12/2011
OPERATING ACTIVITIES			
Result for the year		-2.466	4.052
Adjustments for:			
Other gains and losses (investment grants)		-	-
Investment revenues		-2	-4
Other gains and losses (hedging results)	14	879	-1.808
Finance costs	6	963	1.088
Income tax expense	7	-882	1.884
Depreciation of property, plant and equipment		3.218	2.964
Gain on disposal of property, plant and equipment		-487	-
Change in provisions (incl. retirement benefit)		-931	-729
Change in inventory value reduction	12	-2.444	2.555
Others		11	-7
Operating cash flows before movements in working capital		-2.141	9.995
Change in inventories	12	9.130	-8.082
Change in receivables	13	5.223	-2.453
Change in trade and other payables	20	-6.754	-4.244
Cash generated from operations		5.458	-4.784
Hedging results		-771	1.602
Interest paid	6	-963	-1.088
Income taxes paid		-1.201	-276
Net cash (used in) / from operating activities		***2.523***	***-4.546***
INVESTING ACTIVITIES			
Interest received		2	4
Proceeds on disposal of property, plant and equipment		539	-
Purchases of property, plant and equipment	9	-3.387	-3.923
Purchases of intangible assets	10	-270	-529
Net cash (used in) / from investing activities		***-3.116***	***-4.448***
FINANCING ACTIVITIES			
Dividends paid and tantièmes paid		-1.925	-2.300
Repayments of borrowings	16	-2.700	-2.791
New bank loans raised	16	-	7.500
Change in cash restricted in its use		-	-
Change in bank overdrafts	16	6.866	6.061
Net cash (used in) / from financing activities		***2.241***	***8.470***
Net change in cash and cash equivalents		***1.648***	***-524***
Cash and cash equivalents at the beginning of the year		1.048	1.572
Effect of foreign exchange rate changes		-	-
Cash and cash equivalents at the end of the year		***2.696***	***1.048***
Bank balances and cash		***2.696***	***1.048***

5. Notes to the consolidated financial statement for the year ended 31 December 2012

5.1. General information

Campine nv (the Company) is a limited liability company incorporated in Belgium. The addresses of its registered office and principal place of business are disclosed in the Corporate Data. The principal activities of the Company and its subsidiaries (the Group) are described in this annual report.

5.2. Significant accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.
The Group has adopted all new and revised standards and interpretations relevant for its activities and which became applicable for the financial year starting 1 January 2012.

Became applicable for 2012, but don't have a material impact on the presentation, notes or the financial statements of the Group:

- Amendments to IFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* (applicable for annual periods beginning on or after 1 July 2011).

Issued but not yet effective

- IFRS 9 *Financial Instruments* and subsequent amendments (normally applicable for annual periods beginning on or after 1 January 2015).
- IFRS 10 *Consolidated Financial Statements* (applicable for annual periods beginning on or after 1 January 2014).
- IFRS 11 *Joint Arrangements* (applicable for annual periods beginning on or after 1 January 2014).
- IFRS 12 *Disclosures of Interests in Other Entities* (applicable for annual periods beginning on or after 1 January 2014).
- IFRS 13 *Fair Value Measurement* (applicable for annual periods beginning on or after 1 January 2013).
- IAS 27 *Separate Financial Statements* (applicable for annual periods beginning on or after 1 January 2014).
- IAS 28 *Investments in Associates and Joint Ventures* (applicable for annual periods beginning on or after 1 January 2014).
- Improvements to IFRS (2009-2011) (normally applicable for annual periods beginning on or after 1 January 2013).
- Amendments to IFRS 1 *First Time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (applicable for annual periods beginning on or after 1 January 2013).
- Amendments to IFRS 1 *First Time Adoption of International Financial Reporting Standards – Government Loans* (normally applicable for annual periods beginning on or after 1 January 2013).
- Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable for annual periods beginning on or after 1 January 2013)
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance* (applicable for annual periods beginning on or after 1 January 2014).
- Amendments to IFRS 10, IFRS 12 and IAS 27 – *Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities* (applicable for annual periods beginning on or after 1 January 2014).
- Amendments to IAS 1 *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income* (applicable for annual periods beginning on or after 1 July 2012)
- Amendments to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* (applicable for annual periods beginning on or after 1 January 2013).
- Amendments to IAS 19 *Employee Benefits* (applicable for annual periods beginning on or after 1 January 2013).
- Amendments to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2014).
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (applicable for annual periods beginning on or after 1 January 2013).

At this stage, the Group does not expect first adoption of the amendments listed above to standards and new interpretations to have a material impact on the financial statements.

5.2.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

5.2.2. Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Acquisition-related costs are recognized in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognized.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

5.2.3. Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

5.2.4. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

5.2.5. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.
Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see further). Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

5.2.6. Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in EUR, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency remain at historical rate.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period (within other operating income/expenses).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in EUR using exchange rates prevailing on the balance sheet date.
Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the

exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

5.2.7. Financial instruments

Since 2006, Campine takes positions in LME lead futures where it sells forward lead via future contracts.

The objective of this activity is to reduce the fluctuations of Campine's net income due to changes in lead prices. Despite hedging a specific risk in an economic manner, these derivative financial instruments do not respect the strict criteria for the application of hedging accounting under IAS 39.

From the beginning of 2009 the company has also started to hedge fixed price-sell contracts with specific customers. Future purchase contracts (with the same expiry dates and the same amounts) are closed on the LME. The objective is to reduce fluctuations in the result because of movements in the lead price. These derivatives are defined as "fair value hedge of firm commitment" and fulfil the criteria of IAS39 (hedge accounting).

From the beginning of 2009 the company has also started to hedge fixed price-purchase contracts with specific suppliers. Future sell contracts (with the same expiry dates and the same amounts) are closed on the LME. The objective is to reduce fluctuations in the result because of movements in the lead price. These derivatives are defined as "fair value hedge of firm commitment" and fulfil the criteria of IAS39 (hedge accounting).

Therefore these instruments are recognised on the balance sheet at fair value, while variations in the fair value of such instruments are directly recognised in the income statement.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in the line of the income statement relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from that date.

5.2.8. Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred, unless they are directly attributable to qualifying assets, in which case they are capitalised.

5.2.9. Government grants

Government grants are recognised in profit or loss (in other operating income) over the periods necessary to match them with the related costs.

Government grants related to later periods are presented in the financial statements as deferred income.

5.2.10. Retirement benefit costs

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the Group's defined benefit obligation and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets.

5.2.11. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The

Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

5.2.12. Property, plant and equipment
Property, plant & equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.
The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

5.2.13. Internally-generated intangible assets – research and development expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Group's development is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits and;
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

5.2.14. Patents, trademarks and software purchased
Patents, trademarks and software purchased are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

5.2.15. Impairment of tangible and intangible assets excluding goodwill
At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

5.2.16. Inventories

Cost of the raw materials includes both the purchasing price (payed by the principle of First in First out ("FIFO")) and the direct purchasing costs, like import duties, transportation and completion costs. Cost of work in progress and finished products comprises all direct and indirect costs necessary that have been incurred in bringing the inventories to their present location condition on balance sheet date. Direct costs include, among others, the cost of the used raw materials and the direct labour costs. Indirect costs include a systematical impute of fixed and variable indirect production costs proceeded from the conversion of raw materials in end products. The impute of fixed indirect production costs is based on the normal capacity of the production facilities.

For the determination of the cost, the standard cost price method is used. The standard cost price takes into account the normal use of raw and auxiliary materials, labour, efficiency and capacity. The standard cost price is frequently being evaluated and, if necessary, revised in consideration with the present conditions. The standard cost price of the raw and auxiliary materials, as also the appreciation of it in work in progress and in raw materials, will be revised every month on the basis of the new determined FIFO value of these raw and auxiliary materials.

Net realisable represents the estimated selling price in normal conditions less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Value reductions are made for the old and slow moving inventories.

5.2.17. Trade receivables

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

5.2.18. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Cash and cash equivalents are included at fair value.

5.2.19. Bank borrowings

Interest-bearing bank loans and overdrafts are measured at fair value. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see above).

5.2.20. Trade payables

Trade payables are measured at fair value.

5.2.21. Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

5.3. Judgement and use of estimates

The preparation of financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, to assess the positive and negative consequences of unforeseen situations and events at the balance sheet date, and to form a judgment as to the revenues and expenses of the fiscal year.

Significant estimates made by the Group in the preparation of the financial statements relate mainly to the evaluation of the recoverable amount of stocks (see note 5.12.), the valuation of sanitation provisions (see note 5.20.), provisions for litigation, provisions for doubtful debtors (see note 5.13.1.) and for pension and related liabilities (see note 5.27.).

Due to the uncertainties inherent in all valuation processes, the Group revises its estimates on the basis of regularly updated information. Future results may differ from these estimates.

Other than the use of estimates, Group management also uses judgment in defining the accounting treatment for certain operations and transactions not addressed under the IFRS standards and interpretations currently in force.

Deferred tax assets are recognized for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credit scan be utilised. In making its judgement, management takes into account elements such as long-term business strategy.

5.4. Operating segments

5.4.1. Business segments

For management purposes, the Group is organised into three operating divisions Antimony, Plastics & Lead. These divisions are the basis on which the Group reports its primary segment information. Principal activities as follows:

- Antimony trioxide (Sb_2O_3) is used as a fire retardant in the textile, plastics, cable and pigment industries and is also applied as a high efficiency catalyst in PET-production.
- Our plastics activities enable us to offer predispersed and ready to use flame retardant masterbatches for processors and compounders to provide a dust-free handling and increase production efficiency.
- Our lead recycling business is based on converting lead from used car and truck batteries and industrial scrap into lead bullion and alloys that are marketed to battery and lead sheet producers (a.o. X-ray protection).

Actual information about the different divisions is mentioned in the report of the Board of Directors (page 5 until 10).

Geographical information of the Group is presented hereafter.

'000 EUR 2012	Antimony Year ended 31/12/2012	Plastics Year ended 31/12/2012	Lead Year ended 31/12/2012	Elimination / others Year ended 31/12/2012	Total Year ended 31/12/2012
REVENUE					
External sales	71.105	20.604	58.405	- 189	149.925
Inter-segment sales	9.501	-	-	- 9.501	-
Total revenue	80.606	20.604	58.405	- 9.690	149.925
Inter-segment sales are charged at prevailing market prices					
RESULT					
Segment operating result	1.013	642	1.392		3.047
Unallocated expenses					- 4.555
Operating result					- 1.508
Investment revenues					2
Hedging results			- 879		- 879
Other gains and losses					-
Finance costs					- 963
Result before tax					- 3.348
Income tax expense					882
Result for the year					**- 2.466**

2012	Antimony 31/12/2012	Plastics 31/12/2012	Lead 31/12/2012	Others 31/12/2012	Total 31/12/2012
OTHER INFORMATION					
Capital additions	1.529	216	825	1.088	3.658
Disposals	-	-	-	- 37	- 37
Depreciation and amortisation	697	154	1.729	638	3.218
BALANCE SHEET					
Assets					
Fixed assets	2.504	549	5.001	3.317	11.371
Deferred tax assets				724	724
Cash restricted in its use	-	-	275	-	275
Stocks	18.045	4.569	12.228	996	35.838
Trade and other receivables	8.366	1.760	8.267	2.308	20.701
Derivatives	-	-	59	-	59
Cash and cash equivalent	-	-	-	2.696	2.696
Total Assets	**28.915**	**6.878**	**25.830**	**10.041**	**71.664**
Liabilities					
Long term liabilities					
Retirement benefit obligation	-	-	-	463	463
Deferred tax liabilities	-	-	-	-	-
Bank loans	-	-	-	3.375	3.375
Obligations under finance leases	-	-	-	-	-
Provisions	-	-	1.130	-	1.130
Short term liabilities					
Retirement benefit obligation	-	-	-	151	151
Trade and other payables	2.000	750	5.203	3.302	11.255
Derivatives	-	-	493	-	493
Current tax liabilities	-	-	-	2.059	2.059
Obligations under finance leases	-	-	-	-	-
Bank overdrafts and loans	-	-	-	29.827	29.827
Provisions	-	-	-	-	-
Total liabilities	**2.000**	**750**	**6.826**	**39.177**	**48.753**

'000 EUR 2011	Antimony Year ended 31/12/2011	Plastics Year ended 31/12/2011	Lead Year ended 31/12/2011	Elimination / others Year ended 31/12/2011	Total Year ended 31/12/2011
REVENUE					
External sales	94.671	24.127	61.356	1.566	181.720
Inter-segment sales	11.495	-	-	- 11.495	-
Total revenue	106.166	24.127	61.356	- 9.929	181.720
Inter-segment sales are charged at prevailing market prices					
RESULT					
Segment operating result	6.447	1.677	2.931		11.055
Unallocated expenses					- 5.839
Operating result					5.216
Investment revenues					-
Hedging results			1.808		1.808
Other gains and losses					-
Finance costs					- 1.088
Result before tax					5.936
Income tax expense					- 1.884
Result for the year					**4.052**

2011	Antimony 31/12/2011	Plastics 31/12/2011	Lead 31/12/2011	Others 31/12/2011	Total 31/12/2011
OTHER INFORMATION					
Capital additions	1.308	258	1.596	1.290	4.452
Depreciation and amortisation	415	193	1.833	523	2.964
BALANCE SHEET					
Assets					
Fixed assets	1.672	487	5.905	2.904	10.968
Cash restricted in its use	-	-	300	-	300
Stocks	22.730	4.314	14.492	988	42.524
Trade and other receivables	12.557	2.163	8.241	2.963	25.924
Derivatives	-	-	68	-	68
Cash and cash equivalent	-	-	-	1.048	1.048
Total Assets	**36.959**	**6.964**	**29.006**	**7.903**	**80.832**
Liabilities					
Long term liabilities					
Retirement benefit obligation	-	-	-	578	578
Deferred tax liabilities	-	-	-	141	141
Bank loans	-	-	-	5.475	5.475
Obligations under finance leases	-	-	-	-	-
Provisions	-	-	1.616	-	1.616
Short term liabilities					
Retirement benefit obligation	-	-	-	188	188
Trade and other payables	9.233	194	5.624	2.958	18.009
Derivatives	-	-		393	393
Current tax liabilities	-	-	-	3.276	3.276
Obligations under finance leases	-	-	-	-	-
Bank overdrafts and loans	-	-	-	23.561	23.561
Provisions	-	-	293	-	293
Total liabilities	**9.233**	**194**	**7.533**	**36.570**	**53.530**

5.4.2. Geographical segments

The Group's manufacturing operations are located in Belgium.
The following table provides an analysis of the Group's sales by geographical market.

'000 EUR	Year ended 31/12/2012	%	Year ended 31/12/2011	%
Belgium	12.685	8,46%	13.720	7,55%
Germany	36.993	24,67%	51.599	28,39%
United Kingdom	4.195	2,80%	12.270	6,75%
France	11.409	7,61%	17.585	9,68%
Netherlands	12.817	8,55%	12.462	6,86%
Italy	16.426	10,96%	15.750	8,67%
Other Europe countries	32.393	21,61%	23.747	13,07%
Asia	2.064	1,38%	6.174	3,40%
North America	17.635	11,76%	26.249	14,44%
Others	3.308	2,21%	2.164	1,19%
	149.925	**100,00%**	**181.720**	**100,00%**

5.5. Other operating expense

'000 EUR	Year ended 31/12/2012	Year ended 31/12/2011
Office expenses & IT	564	706
Fees	992	947
Insurances	271	244
Interim personnel	646	949
Carry-off of waste	1.418	1.954
Travel expenses	281	231
Transportation costs	1.407	1.515
Other sales expenses	649	988
Expenses on operational hedges	320	1.555
Operational exchange rates	-	812
Renting	187	167
Subscriptions	270	184
Other Taxes (unrelated to the result)	210	168
Financial costs	268	195
Others	392	1.275
	7.875	**11.890**

5.6. Finance costs

'000 EUR	Year ended 31/12/2012	Year ended 31/12/2011
Interest on bank overdrafts and loans	963	1.088
Interest on obligations under finance leases	-	-
Total borrowing costs	963	1.088
Less amounts included in the cost qualifying assets	-	-

5.7. Income tax expense

'000 EUR	Year ended 31/12/2012	Year ended 31/12/2011
Current tax	- 16	2.069
Deferred tax	- 866	- 185
Income tax expense for the year	**- 882**	**1.884**

Domestic income tax is calculated at 33,99% (2011: 33,99%) of the estimated assessable result for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting result as follows:

'000 EUR	Year ended 31/12/2012	Year ended 31/12/2011
Result before tax	- 3.348	5.936
	- 3.348	**5.936**
Tax at the domestic income tax rate of 33,99% (2011: 33,99%)	- 1.138	2.018
Tax effect of expenses that are not deductible in determining taxable result	83	83
Tax effect of Notional Interest Deduction (NID)	-	- 263
Tax settlement previous years	- 16	1
Tax effect of utilisation of tax losses previously not recognised and timing differences	189	-
Tax penalty (unsufficient prepayments)	-	45
Effect of different tax rates of subsidiaries operating in other jurisdictions	-	-
Tax expense and effective tax rate for the year	**- 882**	**1.884**

Theoretically, a deferred tax asset of 1.055 KEUR can be set up. Campine has considered the estimated fiscal result of 2013 as representative period to account for deferred tax assets, based upon which an amount of 750 KEUR has been recognised.

5.8. Dividends and tantièmes

An amount of 50 KEUR was paid as tantièmes over the financial year 2011 to the non-executive Board members.

On 31 May 2012, a dividend of 1.25 EUR per share (total dividend 1.875 million EUR) based on the 2011 results was paid to shareholders.
The Board of Directors proposes that the company will not pay a dividend.

5.8.1. Result per share

As no potential shares – which could lead to dilution – were issued and no activities were ceased, the diluted result per share equals the basic result per share.

The calculation of the basic and diluted result per share attributable to the ordinary equity holders of the parent is based on the following data:

'000 EUR	Year ended 31/12/2012	Year ended 31/12/2011
RESULT		
Result for purposes of basic and diluted results per share (result for the year attributable to equity holders of the parent)	- 2.466	4.052
NUMBER OF SHARES		
Weighted average number of ordinary shares for the purposes of basic and diluted results per share	1.500.000	1.500.000

5.9. Property, plant and equipment

'000 EUR	Land and buildings	Properties under construction	Fixtures and equipment	Total
COST OR VALUATION				
At 31 December 2010	12.397	56	42.808	55.261
Additions	200	162	3.562	3.924
Transfers	12	- 56	44	-
Disposals	-	-	-	-
At 31 December 2011	12.609	162	46.414	59.185
Additions	535	91	2.925	3.551
Transfers	-	- 162	-	- 162
Disposals	- 37	-	-	- 37
At 31 December 2012	13.107	91	49.339	62.537
ACCUMULATED DEPRECIATION				
At 31 December 2010	9.397	-	36.730	46.127
Deprecation charge for the year	540	-	2.336	2.876
Eliminated on disposals	-	-	-	-
At 31 December 2011	9.937	-	39.066	49.003
Deprecation charge for the year	443	-	2.585	3.028
Eliminated on disposals	-	-	-	-
At 31 December 2012	10.380	-	41.651	52.031
CARRYING AMOUNT				
At 31 December 2012	**2.727**	**91**	**7.688**	10.506
At 31 December 2011	**2.672**	**162**	**7.348**	**10.182**

The following rates are used for the depreciation of property, plant and equipment:

Industrial, administrative, commercial buildings	5%
Furniture	20%
Vehicles	25%
Installations, machinery and equipment	min 10% – max 33% depending on the life time

There are no assets based on finance leases. The Group has not pledged land and buildings to secure banking facilities granted to the Group.

5.10. Intangible assets

'000 EUR	Patents, trademarks and software purchased
COST	
At 31 December 2010	624
Additions	528
At 31 December 2011	1.152
Additions	270
At 31 December 2012	1.422
CUMULATED DEPRECIATION AND AMORTISATION	
At 31 December 2010	278
Charge for the year	88
At 31 December 2011	366
Charge for the year	191
At 31 December 2012	557
CARRYING AMOUNT	
At 31 December 2012	**865**
At 31 December 2011	**786**

The intangible assets included in the table have finite useful lives, over which the assets are amortised.

Investments of 2012 existed of the finalisation of the transfer of our data system to SAP and the extension of our server network. On account of the 100th anniversary of Campine a company film has been made.

5.11. Subsidiaries

Details of the Group's subsidiaries at 31 December 2012 are as follows:

Name of subsidiary	Place of incorporation (or registration) and operation	Proportion of ownership interest	Proportion of voting power held	Principal activity
Campine Recycling nv VATno: 0474.955.451	Belgium	99,99%	100%	Lead recycling

5.12. Inventories

'000 EUR	31/12/2012	31/12/2011
Raw materials	11.392	19.701
Work-in-progress	12.591	6.923
Finished goods	11.855	15.900
	35.838	**42.524**

The inventory per year-end includes a value reduction of 793 KEUR (2011: 3.237 KEUR) to value inventory at the lower of cost and net realisable value.

5.13. Financial assets

5.13.1. Trade and other receivables

'000 EUR	31/12/2012	31/12/2011
Amounts receivable from the sale of goods	18.503	22.961
Other receivables	2.198	2.963
	20.701	**25.924**

An allowance has been recorded for estimated irrecoverable amounts from the sale of goods of 597 KEUR (2011: 597 KEUR). This allowance has been determined on a case-by-case basis. Balances are written-off when sufficiently certain that the receivable is definitely lost. The Board of Directors confirms that the carrying amount of trade and other receivables approximates their fair value as those balances are short-term.

5.13.2. Bank balances and cash

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

5.13.3. Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are after allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated. Due to this, the Board of Directors believes that there is no further credit risk provision required in excess of the allowance for bad and doubtful debts.

Roll-forward of the allowances for doubtful debtors:

'000 EUR	31/12/2012	31/12/2011
Opening Allowance doubtful debtors	597	598
Additions	-	2
Reversals	-	- 3
Write-offs	-	-
Closing allowance doubtful debtors	**597**	**597**

Included in the Group's trade receivable balance are debtors with a carrying amount of 782 KEUR (2011: 890 KEUR) which are past due at the reporting date but for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group has taken out a credit insurance for these amounts. The average age of these receivables is 33 days past due (2011: 35 days).

5.14. Other financial assets and liabilities

5.14.1. Derivatives

Since 2006, Campine takes positions in LME lead futures where it sells forward lead via future contracts. The objective of this activity is to reduce the fluctuations of Campine's net income due to changes in lead prices. Despite hedging a specific risk in an economic manner, these derivative financial instruments do not respect the strict criteria for the application of hedging accounting under IAS 39.

From the beginning of 2009 the company has also started to hedge fixed price-sell contracts with specific customers. Future purchase contracts (with the same expiry dates and the same amounts) are closed on the LME. The objective is to reduce fluctuations in the result because of movements in the lead price. These derivatives are defined as “fair value hedge of firm commitment” and fulfil the criteria of IAS39 (hedge accounting).

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The value of these fixed price contracts and the future LME commitments are both shown in the balance sheet; changes in the values will be shown in the profit and loss account.

The table below summarizes the net change in fair value – realised and unrealised – of -879 KEUR included in the income statement during the year ended 31 December 2012. (31 December 2011: +1.808 KEUR).

'000 EUR	Fair value of current instruments	Underlying open positions (tons)	Change in fair value in income statement
At 31 December 2011	- 325	4.875	1.808
At 31 December 2012	- 433	5.925	- 879

The fair value of the derivatives are included in the balance sheet as current assets – derivatives for 59 KEUR and current liabilities – derivatives for 493 KEUR. The amount of 59 KEUR is related to the open position of the fixed price contracts on 31 December 2012.

On the financial side this open position represents a loss of 59 KEUR whereas on the operational side the transaction represents a profit of 59 KEUR.

5.15. Share capital

'000 EUR	31/12/2012	31/12/2011
Authorised		
1.500.000 ordinary shares of par value 2,67 EUR each	4.000	4.000
Issued and fully paid	4.000	4.000

The Company has one class of ordinary shares which carry no right to fixed income.

5.16. Bank borrowings (finance lease obligations not included)

'000 EUR	31/12/2012	31/12/2011
Bank loans	5.475	8.175
Bank overdrafts	27.727	20.861
	33.202	**29.036**

The borrowings are repayable as follows:

'000 EUR	31/12/2012	31/12/2011
Bank loans after more than one year	3.375	5.475
Bank loans within one year	2.100	2.700
Bank overdrafts on demand	27.727	20.861
	33.202	**29.036**

The average interest rates paid were as follows:

	Year ended 31/12/2012	Year ended 31/12/2011
Bank overdrafts	2,25%	2,70%
Bank loans	4,77%	4,90%

Bank loans are arranged at fixed interest rates. Other borrowings (bank overdrafts: 22.727 KEUR per 31 December 2012 (per 31 December 2011: 20.861 KEUR)) are arranged at floating rates, thus exposing the Group to an interest rate risk (see note 5.19.). At 31 December 2012, the Group had available 4.969 KEUR (31 December 2011: 4.187 KEUR) of undrawn committed borrowing facilities.

The credit agreements with our bankers contain a number of covenants. On 31 December 2012 the Group complied with the covenants or waivers have been granted. The present credit agreements have been confirmed by the bankers.

5.17. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Group, and the movements thereon, during the current and prior reporting periods.

'000 EUR	Timing differences on fixed assets	Full costing inventories	Retirement benefit obligations	Fiscal losses	Others	Total
At 31 December 2010	**63**	**244**	**- 65**	**-**	**84**	**326**
Charge/(credit) to result for the year	- 38	- 147	-	-	-	- 185
At 31 December 2011	**25**	**97**	**- 65**	**-**	**84**	**141**
Charge/(credit) to result for the year	- 9	- 97	7	- 750	- 16	- 865
At 31 December 2012	**16**	**-**	**- 58**	**- 750**	**68**	**- 724**

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy.

5.18. Trade and other payables

'000 EUR	31/12/2012	31/12/2011
Trade creditors and accruals	8.893	15.051
Other payables and accruals	2.362	2.958
	11.255	**18.009**

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of trade payables approximates their fair value as those balances are short-term.

5.19. Liquidity risk

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.
The table includes both interest and principal cash flows.

'000 EUR	31/12/2012			31/12/2011		
	< 1 year	1-5 years	> 5 years	< 1 year	1-5 years	> 5 years
Trade and other liabilities	11.255	-	-	18.009	-	-
Bank overdrafts	27.727	-	-	20.861	-	-
Bank loans	2.308	3.574	-	2.975	5.890	-
Finance lease obligations	-	-	-	-	-	-

5.20. Provisions

'000 EUR	Soil sanitation cost	Concrete plan sanitation cost	Other	Total
At 31 December 2011	1.135	774	-	1.909
Additional provision in the year	-	- 624	-	- 624
Utilisation of provision	- 5	- 150	-	- 155
At 31 December 2012	**1.130**	**-**	**-**	**1.130**

'000 EUR	31/12/2012	31/12/2011
Analysed as:		
Current liabilities	-	293
Non-current liabilities	1.130	1.616
	1.130	**1.909**

Status provisions at 31 December 2012:

- The provision for the soil sanitation remained almost unchanged in 2012. During the second semester the "concrete plan" was executed to a temporary final stage. The remaining open provision was subsequently withdrawn.

5.21. Non-cash transactions

No additions to fixtures and equipment were financed by new finance leases during the year.

5.22. Contingent liabilities

The power to pledge the goodwill was granted to the banks for an amount of 11.000 KEUR.

5.23. Commitments

In the normal course of business the Group has commitments to buy and sell metals in the future.

5.24. Operating lease arrangements

The Group as lessee:

'000 EUR	31/12/2012	31/12/2011
Minimum lease payments under operating leases recognised as an expense in the year	133	107

At the balance sheet date, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

'000 EUR	31/12/2012	31/12/2011
Within one year	149	95
In the second year to fifth year inclusive	252	172
After five years	-	-
	401	**267**

Operating lease payments represent rentals payable by the Group for vehicles and equipment. Leases are negotiated for an average term of four years.

5.25. Share-based payments

During the financial year closed per 31 December 2012 none of the members of the Executive Management Team received any shares, share options or other rights to acquire shares of the company or Group.

5.26. Employee benefits expense

'000 EUR	31/12/2012	31/12/2011
Salaries	8.446	8.217
Contribution Social Security	2.757	3.018
Other employee benefits expense	1.227	1.082
	12.430	**12.317**
Average number of FTE's	171	167

5.27. Retirement benefit plans

5.27.1. Defined benefit plan

The Group operates a funded defined benefit plan for qualifying employees of Campine and its subsidiary in Belgium. The defined benefit plan foresees a retirement benefit based on the salary and seniority attained at the retirement age of 60. For the financed plans, plan assets consist of mixed port-folio's of shares, bonds or insurance contracts. The plan assets do not contain direct investments in Campine shares or in fixed assets or other assets used by the Group.

Major actuarial assumptions in use at balance sheet date:

	Valuation at	
	31/12/2012	31/12/2011
Discount rate	4,6%	4,5%
Expected return on plan assets	3,6%	3,6%
Expected rate of salary increases	3,0%	3,0%

The amount recognised in the balance sheet in respect of the Group's defined retirement benefit plan is as follows:

'000 EUR	31/12/2012	31/12/2011
Present value of funded obligations	2.142	1.685
Fair value of plan assets	- 1.717	- 1.506
Unrecognised actuarial results	- 252	12
Unrecognised past service cost	-	-
Net liability recognised in the balance sheet	**173**	**191**

Amounts recognised in profit or loss in respect of the defined benefit plan are as follows:

'000 EUR	31/12/2012	31/12/2011
Current service cost	119	113
Interest on obligation	77	70
Expected return on plan assets	- 57	- 51
Actuarial losses recognised in the year	-	-
Past service cost	-	-
Net periodical benefit cost	**139**	**132**

The charge for the year is included in the employee benefits expense in the income statement.
The actual return on plan assets was 3,75% (2011: 3,75%).

Changes in the present value of the defined benefit obligation are as follows:

'000 EUR	31/12/2012	31/12/2011
Opening defined benefit obligation	191	192
Current service cost	101	113
Interest on obligation	77	69
Calculated return on plan assets	- 57	- 51
Actuarial losses	-	-
Exchange differences	-	-
Past service cost	-	-
Benefits paid	- 139	- 132
Closing defined benefit obligation	**173**	**191**

The Group expects to contribute approx. 130 KEUR to its defined benefit plan in 2013.

5.27.2. Disclosure regarding early retirement provision

Early retirement provisions are set up based on agreements with those affected on amounts to be paid until the age of 65 year. The provision at 31 December 2012 amounts to 441 KEUR (at 31 December 2011 provision amounted to 575 KEUR).

5.28. Market risk

5.28.1. Interest risk

Funding of the company is done through bank loans and bank overdrafts. On 31 December 2012 bank loans amounted to 5.475 KEUR and bank overdrafts amounted to 27.727 KEUR. Bank loans are arranged at fixed rates.

5.28.2. Foreign Exchange risk

The Group is managing its foreign currency risk by matching foreign currency cash inflows with foreign cash outflows. USD is our main foreign currency.

An increase or decrease of the USD/EUR rate with 10% would have an impact on the income statement of +430 KEUR (in case of 10% increase) or -430 KEUR (in case of 10% decrease) based upon the assets and liabilities denominated in USD per 31 December 2012. The share capital will also be influenced.

5.28.3. Price risk

The value of these fixed price contracts and the future LME commitments are both shown in the balance sheet; changes in the values will be shown in the profit and loss account (see note 5.14.1. Derivatives).

There is no price risk on the fixed price contracts as the impact of price fluctuation on respective fixed purchase and sell contracts are compensated by the impact on the respective sell and purchase contracts on the LME.

A movement in 2013 of the LME lead futures price by 10% would have impacts on the income statement. The immediate effect based on the underlying open position at 31 December 2012 of a price fall of 10% would be +1.039 KEUR or of a price raise -1.039 KEUR.

5.29. Events after the balance sheet date

No important events occurred after the close of the financial year.

5.30. Related parties

The controlling party of the Group is Camhold NV (incorporated in Belgium). F.W. Hempel Intermétaux SA (incorporated in Switzerland) is the other major shareholder. 71,86% of the company's shares are held by two companies as follows:

Name	**Number of shares**	**% of the share capital**
1. Camhold NV Nijverheidsstraat 2, 2340 Beerse	540.000	36,00%
2. F.W. Hempel Intermétaux SA Rue Vallin 2, 1201 Geneva, Switzerland	537.900	35,86%

The remaining shares (28,14%) are, as far as the company knows, held by private investors. The company has until now not received any notices from other shareholders, who are compelled to disclose their shareholdings pursuant to Belgian law governing the notification of major shareholdings.

No changes were made to the known shareholder structure of Campine in 2012 as the company received no notifications in 2012.

Transactions between the company and its subsidiary, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and the management and key-management are disclosed in the remuneration report. Details of transactions between the Group and other related parties are disclosed below.

5.31. Related party transactions

5.31.1. Trading transactions

During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:
- Purchase of antimony metal from F.W. Hempel Intermétaux SA for an amount of 10.255 KEUR.
- Sales of antimony metal to F.W. Hempel Intermétaux SA for an amount of 233 KEUR.

5.31.2. Other transactions

Camhold performed certain administrative/management services for the Campine Group, for which a management fee of 18 KEUR (2011: 39 KEUR) was charged and paid, being an appropriate allocation of costs incurred by relevant administrative departments.

Hempel Wire Ltd performed certain administrative/management services for the Campine Group, for which a management fee of 40 KEUR (2011: 40 KEUR) was charged and paid, being an appropriate allocation of costs incurred by relevant administrative departments.

5.32. Rights and obligations not included in the balance sheet

Commercial commitments:
There are firm commitments to deliver or receive metals to customers or from suppliers at fixed prices.

'000 EUR	31/12/2012	31/12/2011
Commercial commitments for commodities purchased (to be received)	2.898	3.767
Commercial commitments for commodities sold (to be delivered)	4.791	9.327

5.33. Compensation of key management personnel

For the financial year 2012, the total remuneration of the Executive Management Team including the Board members amounts to 1.014 KEUR (2011: 1.121 KEUR). For further details, we refer to the remuneration report.

During the financial year closed per 31 December 2012 none of the above mentioned persons received any shares, share options or other rights to acquire shares of the company or Group. The remuneration of the members of the Executive Management Team is decided upon by the Nomination and Remuneration committee, based on market trends and individual performances.

5.34. Approval of financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 25 March 2013.

Auditor's report

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2012

To the shareholders

As required by law, we report to you on the performance of our mandate of statutory auditor. This report includes our report on the consolidated financial statements as defined below together with our report on other legal and regulatory requirements.

Report on the consolidated financial statements – Unqualified opinion

We have audited the accompanying consolidated financial statements of Campine NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2012, the consolidated income statement, the condensed consolidated overview of the total result, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 71.664 (000) EUR and the consolidated income statement shows a consolidated loss (group share) for the year then ended of 2.466 (000) EUR.

Responsibility of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

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

Unqualified opinion

In our opinion, the consolidated financial statements of Campine NV give a true and fair view of the group's net equity and financial position as of 31 December 2012, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

In the framework of our mandate, our responsibility is to verify, for all significant aspects, the compliance with some legal and regulatory requirements. On this basis, we provide the following additional comment which does not modify the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is, for all significant aspects, in agreement with the consolidated financial statements and is not in obvious contradiction with any information obtained in the performance of our mandate.

Antwerp, 26 March 2013

The Statutory Auditor
DELOITTE Bedrijfsrevisoren/Reviseurs d'Entreprises
BV o.v.v.e. CVBA
Represented by Kathleen De Brabander

Corporate Data

Company

Headquarters
Nijverheidsstraat 2
2340 Beerse
Belgium

VAT. BE0403.807.337
Tel: +32 14 60 15 11
Fax: +32 14 61 29 85
www.campine.be

Investor's relations
geert.krekel@campine.be

Media relations
karin.leysen@campine.be

Auditor

Deloitte Bedrijfsrevisoren:
Represented by Kathleen De Brabander

Financial calendar

14 May 2013	General Meeting of Shareholders
Not applicable in 2013	Payment of dividend *Record date* *Ex-date*
2nd half of April 2013	Announcement intermediate information 1st semester
Last week of August 2013	Announcement of half-year results
2nd half of November 2013	Announcement intermediate information 2nd semester
Last week of February 2014	Announcement of 2013 annual results