



Interim financial report 30/06/2013

under IFRS

30-08-13 – 17:01

Obligation regarding periodical information as a consequence of the European transparency regulations.

Statement regarding the information given in this interim financial report over the period of 6 months ending on 30 June 2013.

The Board of Directors declares that to their knowledge

- The interim consolidated financial report for the period of 6 months ending on 30 June 2013, gives a true and fair view of the financial position, the financial results and cash flow of Campine nv, including its consolidated subsidiaries (hereinafter: "the Group").
- The interim financial report for the 6 months ending on 30 June 2013 gives a true and fair view of the legal and regulatory required information and corresponds with the condensed interim consolidated financial statements.

Condensed consolidated income statement

'000 EUR	Notes	30/06/2013	30/06/2012
Revenue		73.513	85.871
Other operating income		797	1.559
Changes in inventories of finished goods and work in progress	-	5.417	13.701
Raw materials and consumables used	-	57.517	60.944
Employee benefits expense	-	6.368	6.505
Depreciation and amortisation expense	-	1.713	1.611
Other operating expenses	4	3.917	4.861
Operating result	-	622	192
Investment revenues		1	-
Hedging results	11	1.023	745
Finance costs	-	477	490
Result before tax	-	75	63
Income tax expense	5	51	3
Result for the period	-	126	60
Result for the period	-	126	60
Attributable to:			
Equity holders of the parent	-	126	60
Minority interest	-	126	60
RESULT PER SHARE (in EUR)	-	0,08	0,04
Basic	-	0,08	0,04
Diluted	-	0,08	0,04

- During the first semester 2013 the Campine Group achieved a revenue of EUR 73.51 million compared with EUR 85.87 million in 2012 (-14 %).
- The operating result decreased to a loss of EUR -0.62 million compared to a loss of EUR -0.19 million in 2012.
- Finance costs were KEUR 477 (KEUR 490 in 2012). The lead hedging result amounts to KEUR 1,023 (KEUR 745 in 2012).
- Loss after taxes amounted to EUR -0.13 million, compared with a profit of EUR 0.06 million in 2012.

Results per Business Unit:

- **Lead:** Turnover reached EUR 28.65 million (EUR 32.71 million in 2012) (-12 %). Our volume decreased slightly to 22,053 mT (22,538 mT in 2012) (-2 %). In general, the LME lead prices, which are the basis of our sales prices decreased slightly throughout the first semester of 2013: from 1,798 EUR/mT in the beginning of January, to 1,635 EUR/mT at the end of March and 1,573 EUR/mT at the end of June. Margins remain under pressure.
- **Antimony:** Turnover decreased to EUR 32.23 million (EUR 41.71 million in 2012) (-23 %). Sales volume decreased to 4,410 mT (4,641 mT in 2012) (-5 %). The general economic situation in the antimony business remains weak and seriously weighs on the turnover. On top of this the antimony metal price downtrend puts additional pressure on the performance of the business.
Metal Bulletin prices were lower than last year, but remained stable in the first quarter of 2013 from 8,476 EUR/mT in the beginning of January, 8,524 EUR/mT at the end of March, slightly decreasing in Q2 to 7,664 EUR/mT at the end of June 2013.
- **Plastics:** Turnover reached EUR 12.51 million (EUR 11.54 million in 2012) (+8 %). The volume increased to 2,907 mT (2,603 mT in 2012) (+12 %). In Plastics both market demand and margins increased compared to last year.

Perspectives full year 2013

Referring to our press information of February, there are still no clear signs of economic recovery yet in Lead and Antimony. Circumstances remain as at the end of 2012. Fortunately, in Plastics the positive improvement continues.

The general economic situation in the antimony business remains weak and so reduces the turnover. The antimony metal price downtrend also puts additional pressure on the performance of the business.

The volume in Lead Recycling almost equals the previous year's first semester. For the second semester we expect a slightly higher turnover than the same period last year. Unfortunately, margins remain under pressure due to the tight raw material supply.

The revival in Plastics continues and we foresee higher sales volume and higher turnover compared to last year.

We expect a break-even result for the full year 2013 based on the situation as of today. However, we have to draw the attention to the fact that these expectations may be affected in case of unexpected changes in the underlying market factors in either direction.

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.

Chief Operating Decision Maker

Our Managing Director, Geert Krekel, is CODM (Chief Operating Decision Maker) of Campine.

Condensed consolidated overview of the total result for the period

'000 EUR	Notes	30/06/2013	30/06/2012
Profit for the period	-	126	60
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	126	60
Attributable to:			
Equity holders of the parent	-	126	60
Minority interest	-	-	-

Condensed consolidated balance sheet

'000 EUR	Notes	30/06/2013	31/12/2012
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	7	9.537	10.506
Intangible assets	8	755	865
Deferred tax assets	5	674	724
Cash restricted in its use		275	275
		11.241	12.370
<i>Current assets</i>			
Inventories	9	23.629	35.838
Trade and other receivables	10	25.319	20.701
Derivatives	11	99	59
Cash and cash equivalents		1.641	2.696
		50.688	59.294
TOTAL ASSETS		61.929	71.664
EQUITY AND LIABILITIES			
<i>Capital and reserves</i>			
Share capital		4.000	4.000
Translation reserves		-	-
Retained earnings*		18.785	18.911
Equity attributable to equity holders of the parent		22.785	22.911
Total equity		22.785	22.911
<i>Non-current liabilities</i>			
Retirement benefit obligation		533	463
Bank loans	12	2.625	3.375
Provisions	14	1.130	1.130
		4.288	4.968
<i>Current liabilities</i>			
Retirement benefit obligation		144	151
Trade and other payables	13	13.377	11.255
Derivatives	11	37	493
Current tax liabilities		-	2.059
Bank overdrafts and loans	12	21.298	29.827
		34.856	43.785
Total liabilities		39.144	48.753
TOTAL EQUITY AND LIABILITIES		61.929	71.664

* Retained earnings consist of legal reserves (965 KEUR) and other reserves and retained results (17,820 KEUR)

Condensed consolidated cash-flow statement

'000 EUR	Notes	30/06/2013	30/06/2012
OPERATING ACTIVITIES			
Result for the year		- 126	60
Adjustments for:			
Investment revenues		- 1	-
Other gains and losses (hedging results)	11	- 1.023	- 745
Finance costs		477	490
Income tax expense	5	51	3
Depreciation of property, plant and equipment		1.713	1.611
Gain on disposal of property, plant and equipment		-	-
Change in provisions (incl. retirement benefit)		63	- 90
Others		-	- 2
Operating cash flows before movements in working capital		1.154	1.327
Change in inventories		12.209	9.989
Change in receivables		- 4.618	- 6.069
Change in trade and other payables		2.122	- 4.285
Cash generated from operations		10.867	962
Hedging results		528	18
Interest paid		- 477	- 490
Income taxes paid		- 2.059	- 1.201
Net cash (used in) / from operating activities		8.859	- 711
INVESTING ACTIVITIES			
Interest received		1	-
Proceeds on disposal of property, plant and equipment		-	37
Purchases of property, plant and equipment	7	- 634	- 1.863
Purchases of intangible assets	8	-	- 153
Net cash (used in) / from investing activities		- 633	- 1.979
FINANCING ACTIVITIES			
Dividends and tantièmes paid	6	-	- 1.925
Repayments of borrowings	12	- 1.350	- 1.350
Change in bank overdrafts	12	- 7.929	6.425
Net cash (used in) / from financing activities		- 9.279	3.150
Net increase / (decrease) in cash and cash equivalents		- 1.055	460
Cash and cash equivalents at the beginning of the year		2.696	1.048
Effect of foreign exchange rate changes			
Cash and cash equivalents at the end of the period		1.641	1.508
Bank balances and cash		1.641	1.508

Condensed consolidated statement of changes in equity

'000 EUR	Share capital	Retained earnings	Attributable to equityholders of the parent	Total
Balance at 30 June 2012	4.000	21.436	25.436	25.436
Balance at 31 December 2012	4.000	18.911	22.911	22.911
Total result of the period		- 126	- 126	- 126
Dividends and tantièmes (see note 6)		-	-	-
Balance at 30 June 2013	4.000	18.785	22.785	22.785

Notes to the condensed consolidated financial statements

1. Basis of preparation

The condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the EU.

2. Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2012.

The impact on the condensed consolidated statements of the IFRS that became applicable on 1 January 2013, is not material for the Group. It mainly concerns the IFRS 13 *Fair Value Measurement* and IAS 19 (revised version 2011) *Employee Benefits*. The implementation of IFRS 13 as of 1 January 2013 results in a more extensive note on fair value measurement. The main impact for Campine of IAS 19 R concerns the immediate recognition of the actuarial profits and losses in the equity (other elements of the total result). These actuarial losses amounted to 252 KEUR on 31 December 2012 (12 KEUR actuarial profit on 31 December 2011). The impact of IAS 19 R will be integrated in the 31 December 2013 closure as the updated actuarial report will be available at that time.

3. Segment information

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 (Sb₂O₃) 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).

'000 EUR	Antimony 30/06/2013	Plastics 30/06/2013	Lead 30/06/2013	Eliminations / others 30/06/2013	Total 30/06/2013
REVENUE					
External sales	32.773	12.512	28.654	- 426	73.513
Total revenue	32.773	12.512	28.654	- 426	73.513
Inter-segment sales are charged at prevailing market prices					
RESULT					
Segment operating result	420	390	667	-	1.477
Unallocated expenses				-	2.099
Operating result				-	622
Investment revenues			-		1
Hedging results			1.023		1.023
Other gains and losses					-
Finance costs				-	477
Result before tax				-	75
Income tax expense				-	51
Result for the period				-	126
'000 EUR	Antimony 30/06/2013	Plastics 30/06/2013	Lead 30/06/2013	Eliminations / others 30/06/2013	Total 30/06/2013
OTHER INFORMATION					
Capital additions 2012	201	223	162	48	634
Depreciation and amortisation	388	103	860	362	1.713
BALANCE SHEET					
Assets					
Fixed assets	2.317	669	4.303	3.003	10.292
Deferred Tax	-	-	-	674	674
Cash restricted in its use	-	-	275	-	275
Stocks	9.044	3.139	10.442	1.004	23.629
Trade and other receivables	12.059	4.311	7.392	1.557	25.319
Derivatives	-	-	99	-	99
Cash and cash equivalent	-	-	-	1.641	1.641
Total assets	23.420	8.119	22.511	7.879	61.929

The unallocated expenses concern mainly remuneration for general services, insurances, IT, costs for safety, health and environment, maintenance and depreciation of general intangible assets.

'000 EUR	Antimony 30/06/2012	Plastics 30/06/2012	Lead 30/06/2012	Eliminations / others 30/06/2012	Total 30/06/2012
REVENUE					
External sales	41.710	11.544	32.708	- 91	85.871
Total revenue	41.710	11.544	32.708	- 91	85.871
Inter-segment sales are charged at prevailing market prices					
RESULT					
Segment operating result	1.711	504	241	-	2.456
Unallocated expenses				-	2.648
Operating result				-	192
Investment revenues			-		-
Hedging results			745		745
Other gains and losses					-
Finance costs				-	490
Result before tax					63
Income tax expense				-	3
Result for the period					60
'000 EUR	Antimony 31/12/2012	Plastics 31/12/2012	Lead 31/12/2012	Eliminations / others 31/12/2012	Total 31/12/2012
OTHER INFORMATION					
Capital additions 2012	1.529	216	825	1.088	3.658
Depreciation and amortisation	697	154	1.729	675	3.255
BALANCE SHEET					
Assets					
Fixed assets	2.504	549	5.001	3.317	11.371
Deferred Tax	-	-	-	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

4. Other operating expense

'000 EUR	30/06/2013	30/06/2012
Office expenses & IT	329	432
Fees	219	439
Insurances	202	204
Interim personnel	39	461
Carry-off of waste	809	693
Travel expenses	104	119
Transportation costs	860	762
Other sales expenses	212	336
Expenses on operational hedges	14	186
Operational exchange rates	201	307
Renting	111	104
Subscriptions	114	132
Other taxes (unrelated to the result)	103	112
Financial costs	108	141
Others	492	433
	3.917	4.861

5. Income tax (charge) credit

'000 EUR	Period	
	30/06/2013	30/06/2012
Current tax	-	100
Deferred tax	- 51	- 97
Income tax expense for the year	- 51	3

The deferred tax assets regarding the retained losses of previous financial year remained unchanged and still amount to 750 KEUR (see Annual Report 31/12/2012, note 5.7.): for the losses suffered during the first semester 2013 no additional deferred tax asset has been set up out of prudence. On the other hand Campine is confident that the deferred tax asset of 750 KEUR will be used in the foreseeable future.

The income tax expense borrowings increased with 51 KEUR and amount to 76 KEUR. This sets the net deferred tax position at 674 KEUR.

6. Dividends paid during the period

No dividend was paid in 2013.

7. Significant movements in property, plant and equipment

'000 EUR	Land and buildings	Properties under construction	Fixtures and equipment	Total
COST OR VALUATION				
At 31 December 2012	13.107	91	49.339	62.537
Additions	-		725	725
Transfers		- 91		- 91
Disposals	-	-	-	-
At 30 June 2013	13.107	-	50.064	63.171
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At 31 December 2012	10.380	-	41.651	52.031
Depreciation charge for the year	282	-	1.321	1.603
Eliminated on disposals				
At 30 June 2013	10.662	-	42.972	53.634
CARRYING AMOUNT				
At 30 June 2013	2.445	-	7.092	9.537
At 31 December 2012	2.727	91	7.688	10.506

8. Significant movements in other assets

'000 EUR	Licences, patents and trademarks
COST	
At 31 December 2012	1.422
Additions	-
At 30 June 2013	1.422
CUMULATED DEPRECIATION AND AMORTISATION	
At 31 December 2012	557
Charge for the year	110
At 30 June 2013	667
CARRYING AMOUNT	
At 30 June 2013	755
At 31 December 2012	865

9. Inventories

'000 EUR	30/06/2013	31/12/2012
Raw materials	4.600	11.392
Work-in-progress	7.540	12.591
Finished goods	11.489	11.855
	23.629	35.838

The inventory per 30 June 2013 includes a value reduction of 729 KEUR (31/12/2012: 793 KEUR) to value inventory at the lower of cost and net realisable value.

10. Trade and other receivables

'000 EUR	30/06/2013	31/12/2012
Amounts receivable from the sale of goods	21.557	18.503
Other receivables	3.762	2.198
	25.319	20.701

An allowance has been recorded for estimated irrecoverable amounts from the sale of goods of 659 KEUR (31/12/2012: 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.

11. Derivatives

The table below summarizes the net change in fair value – realised and unrealised – of the position taken in LME lead futures where Campine sells forward lead via future contracts - of 1,023 KEUR included in the income statement during the first semester ended 30 June 2013 (31 December 2012: -879 KEUR).

'000 EUR	Fair value of current instruments	Underlying open positions (tons)	Change in fair value in income statement
At 30 June 2012	403	4.200	745
At 31 December 2012	- 433	5.925	- 879
At 30 June 2013	61	4.350	1.023

The fair value of the derivatives are included in the balance sheet as current assets – derivatives for 99 KEUR and current liabilities – derivatives for 37 KEUR.

The amount of 37 KEUR is related to the open position of the fixed price contracts on 30 June 2013. On the financial side this open position represents a loss of 37 KEUR on 30 June 2013 whereas on the operational side the transaction represents a profit of 37 KEUR on 30 June 2013.

The classification of the fair value of the hedge instruments is level 1 (unadjusted quoted prices in an active market for identical assets or liabilities) in the “fair value hierarchy” of IFRS 13.

12. Bank borrowings (finance lease obligations not included)

'000 EUR	30/06/2013	31/12/2012
Bank loans	4.125	5.475
Bank overdrafts	19.798	27.727
	23.923	33.202

The borrowings are repayable as follows:

'000 EUR	30/06/2013	31/12/2012
Bank loans after more than one year	2.625	3.375
Bank loans within one year	1.500	2.100
Bank overdrafts on demand	19.798	27.727
	23.923	33.202

The average interest rates paid were as follows:

	30/06/2013	31/12/2012
Bank overdrafts	2,15%	2,25%
Bank loans	4,65%	4,77%

Bank loans are arranged at fixed interest rates. Other borrowings (bank overdrafts for an amount of 19,798 KEUR (31/12/2012: 27,727 KEUR)) are arranged at floating rates, thus exposing the Group to an interest rate risk.

At 30 June 2013, the Group had available 6,594 KEUR (31/12/2012: 4,969 KEUR) of undrawn committed borrowing facilities.

The credit agreements with our bankers contain a number of covenants. On 30 June 2013 the Group complied with the covenants or waivers have been granted. The present credit agreements have been confirmed by the bankers.

13. Trade and other payables

'000 EUR	30/06/2013	31/12/2012
Trade creditors and accruals	11.479	8.893
Other payables and accruals	1.898	2.362
	13.377	11.255

Trade creditors and accruals principally comprises amounts outstanding for trade purchases and on-going costs. The Board of Directors consider that the carrying amount of trade payables approximates their fair value as those balances are short-term.

All trade creditors are paid within 60 days (with exception of contested items), hence a time analysis is not relevant.

14. Provisions

The provisions remained almost equal in the first semester of 2013. These mainly relate to the soil sanitation obligation on and around the site of the Group and were determined in compliance with the requirements of OVAM – by an independent study bureau.

15. Related party transactions

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 2.548 KEUR.

All related party transactions are conducted on a business base and in accordance with all legal requirements and the Corporate Governance Charter.

Other transactions

- Camhold performed certain administrative/management services for the Campine Group, for which a management fee of 9 KEUR (30/06/2012: 9 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 20 KEUR (30/06/2012: 20 KEUR) was charged and paid, being an appropriate allocation of costs incurred by relevant administrative departments.

16. Significant events after balance sheet date

Between 30 June 2013 and the date these interim financial statements were authorised for issue, no important events occurred.

17. Approval of interim financial statements

The interim financial statements were approved and authorised for issue by the Board of Directors of 30 August 2013.

This information is also available in Dutch. Only the Dutch version is the official version. The English version is a translation of the original Dutch version.

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Limited review report on the consolidated interim financial information for the six-month period ended 30 June 2013

To the Board of Directors

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated cash flow statement, condensed consolidated statement of changes in equity and selective notes 1 to 17 (jointly the “interim financial information”) of Campine NV (“the company”) and its subsidiaries (jointly “the group”) for the six-month period ended 30 June 2013. The Board of Directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with international financial reporting standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Our limited review of the interim financial information was conducted in accordance with international standard ISRE 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on the interim financial information.

Based on our limited review, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2012 is not prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Antwerp, 30 August 2013

The statutory auditor

DELOITTE Bedrijfsrevisoren
BV o.v.v.e. CVBA
Represented by Kathleen De Brabander