



## Year results 2016

Our auditor, Deloitte Bedrijfsrevisoren, represented by Kathleen de Brabander, has confirmed that the audit procedures of the consolidated financial statements are substantially completed and that these procedures have not revealed any material modification that would have to be made to the accounting information, derived from the consolidated financial statements and included in this communiqué.

### Consolidated income statement for the year on 31 December 2016

'000 EUR	Year ended 31/12/2016	Year ended 31/12/2015
Revenue	170.855	164.054
Other operating income	1.988	1.066
Raw materials and consumables used	- 138.363	- 138.589
Employee benefits expense	- 12.230	- 11.158
Depreciation and amortisation expense	- 2.771	- 2.921
Changes in restoration cost	555	-
Other operating expenses	- 18.403	- 9.974
- Other operating expenses	- 10.245	- 9.974
- Fine European Commission (*)	- 8.158	-
<b>Operating result (EBIT)</b>	<b>1.631</b>	<b>2.478</b>
<b>Operating result (EBIT) excl. EC fine (*)</b>	<b>9.789</b>	<b>2.478</b>
Investment revenues	-	-
Hedging results	- 2.708	- 714
- closed hedges	- 3.744	268
- change in open position	1.036	982
Finance costs	- 544	- 501
<b>Net financial result</b>	<b>- 3.252</b>	<b>- 1.215</b>
<b>Result before tax (EBT)</b>	<b>- 1.621</b>	<b>1.263</b>
<b>Result before tax (EBT) excl. EC fine (*)</b>	<b>6.537</b>	<b>1.263</b>
Income tax expense	- 2.189	- 308
<b>Result for the year (EAT)</b>	<b>- 3.810</b>	<b>955</b>
<b>Result for the year (EAT) excl. EC fine (*)</b>	<b>4.348</b>	<b>955</b>
<i>Attributable to:</i>		
Non-controlling interest	-	-
<b>Equity holders of the parent</b>	<b>- 3.810</b>	<b>955</b>
<b>RESULT PER SHARE (in EUR)</b>		
Number of shares	1.500.000	1.500.000
Result for the year (basic & diluted)	- 2,54	0,64
<b>Result for the year (basic &amp; diluted) excl. EC fine (*)</b>	<b>2,90</b>	<b>0,64</b>

\* Fine imposed by the European Commission. To ensure comparability with last year, the figures of 2016 are provided both inclusive and exclusive the fine imposed by the European Commission.

### Fine imposed by the European Commission

Campine – amongst other players in the lead recycling market – has received on 8 February 2017 the decision of the European Commission regarding an investigation into alleged infringement of competition rules in the purchasing market of lead recycling.

Though Campine is convinced to have always acted in line with the European Commission's law and regulations implementing the circular economy strategy, the Commission issued a fine of € 8.158.315 to Campine.

Campine is in complete disagreement with the decision and investigates on all possible action against this decision including an appeal in front of the General Court of Luxembourg.

Campine is of the opinion that the fine imposed has no impact on the ability to operate under going concern. The fine is integrated in the results of the financial year 2016 as a short term liability. No provision was set up in the past - as communicated in the interim financial report of 30 June 2016.

### Financing

Due to the fine imposed by the European Commission, Campine is – per 31/12/16 – in breach with its bank covenants relating to minimum equity and solvency ratio.

The banks confirmed to provide a waiver of these bank covenants until 31/05/17 without requesting any change in the covenants or imposing other conditions. As such, all credit facilities remain available to Campine. In view of the forecasted results of the first quarter 2017, Campine anticipates that it will comply again with all covenants as of 31/03/2017.

The fine is to be paid by 13 May 2017. Campine will finance this payment through new short term bank financing to be obtained, for which negotiations with the banks are currently ongoing and which are expected to be finalized by 31/03/17. This short term financing will be repaid through our operational cash flow of 2017.

### Overview of the total result on 31 December 2016

'000 EUR	Year ended 31/12/2016	Year ended 31/12/2015
<b>Result for the year</b>	<b>- 3.810</b>	<b>955</b>
<i>Other comprehensive income:</i>		
Comprehensive income to be reclassified to the profit or loss statement in the future	-	-
Comprehensive income not to be reclassified to the profit or loss statement in the future (*)	- 199	- 75
<i>(*) actuarial results of retirement benefit obligations</i>		
<b>Total result for the year</b>	<b>- 4.009</b>	<b>880</b>
<i>Attributable to:</i>		
Non-controlling interest	-	-
<b>Equity holders of the parent</b>	<b>- 4.009</b>	<b>880</b>

In 2016, the Campine Group achieved a € 170.86 million turnover, compared with € 164.05 million in 2015 (+4%). We realised higher volumes than in 2015 in all BU's.

The EBIT (excluding the impact of the EC fine) almost quadrupled compared to 2015 and reached € 9.79 million (2015: € 2.48 million in 2015 (+295%).

The financial result is mainly driven by the hedging results. The purpose of the hedging is to smoothen the fluctuations of Campine's result due to the impact of changing lead prices. Whereas we see that the operating results in the BU Lead are positively impacted by the increased LME price, this positive impact is indeed offset through our hedging policy. The actual result of closed hedge transactions amounted to a loss of € -3.74 million (2015: € 0.27 million) and offset thus the positive operating result. The change in the fair value on the open position of the lead hedging at year-end (required by IFRS standards) had a positive impact of € 1.04 million (2015: € -0.99 million).

The total impact of the lead hedging resulted in a loss of € -2.71 million (2015: € -0.71 million).

The remaining part of the net financial result remained stable with a loss of € -0.54 million compared to a loss of € -0.50 million in 2015.

The EBT (excluding the impact of the EC fine) amounted to € 6.54 million. The annual result for the year (excluding the impact of the EC fine) reached € 4.35 million, compared with a profit of € 0.96 million in 2015 (+355%).

Due to the fine imposed by the European Commission the result for the year 2016 became negative. Hence the Board of Directors proposes that the company pays no dividend on the basis of the 2016 result. A dividend of € 0.225 million (€ 0.15 gross per share) was paid on the basis of the 2015 result.

#### **Results per Business Unit** *(Sales & volume figures are before some eliminations of intersegment sales.)*

- **Lead:** The Lead Business Unit realised a turnover of € 108.20 million (€ 92.20 million in 2015) (+17%) with a sales volume of 57,194 mT (52,566 mT in 2015) (+9%).  
The LME lead price, the predominant basis of our sales prices, had an increasing trend during the year. Starting at € 1,617/mT on 2 January and climbing until the end of March, to remain stable during the second quarter. As of the 3<sup>rd</sup> quarter, the prices went up steadily until € 1,883/mT on 31 December 2016.
- **Antimony:** The volume rose significantly to 11,592 mT (9,420 mT in 2015) (+23%), while the turnover decreased by 3% to € 51.84 million (€ 53.29 million in 2015) due to the decreasing antimony prices.  
The average antimony prices were lower in 2016 (€ 5,903/mT) than in 2015 (€ 6,347/mT). They gradually increased during the entire year from a very low level of € 4,680/mT on 2 January to € 6,973 mT on 31 December 2016.
- **Plastics:** The turnover reduced slightly to € 23.30 million (€ 24.13 million in 2015) (-3%), while the volume increased to 5,980 mT (2015: 5,665 mT) (+6%). Sales margins generally improved slightly.

#### **Perspectives for 2017**

2017 has started well in all BU's and perspectives look positive.

Thanks to good volumes in all BU's and increasing metal prices, we anticipate to achieve a good first semester result 2017.

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