



Interim financial report 30/06/2011

under IFRS

26-08-11

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 2011.

The Board of Directors declares that to their knowledge

- The interim consolidated financial report for the period of 6 months ending on 30 June 2011, 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 2011 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	30/06/2011	30/06/2010
Revenue		106.515	67.791
Other operating income		495	541
Changes in inventories of finished goods and work in progress		3.062	3.716
Raw materials and consumables used		- 88.676	- 57.134
Employee benefits expense		- 6.273	- 5.448
Depreciation and amortisation expense		- 1.382	- 1.482
Changes in restoration provision		-	-
Other operating expenses	4	- 5.518	- 3.811
Operating result		8.223	4.173
Investment revenues		3	-
Hedging results	9	- 177	1.247
Other gains and losses		-	-
Finance costs		- 546	- 267
Result before tax		7.503	5.153
Income tax expense	5	- 2.467	- 1.170
Result for the period		5.036	3.983
Result for the period		5.036	3.983
Attributable to:			
Equity holders of the parent		5.036	3.983
Minority interest		-	-
		5.036	3.983
RESULT PER SHARE (in EUR)		3,36	2,66
Basic		3,36	2,66
Diluted		3,36	2,66

- During the first semester 2011 the Campine Group achieved a revenue of EUR 106.52 million compared with EUR 67.79 million in 2010 (+57 %). The main reason for the increase in revenue is increase of antimony metal prices in the period.
- The operating result almost doubled to EUR 8.22 million compared to a profit of EUR 4.17 million in 2010 (+97 %).
- Finance costs were 546 KEUR (267 KEUR in 2010). Lead hedging cost 177 KEUR (+1,247 KEUR profit in 2010).
- Profit after taxes amounted to EUR 5.04 million, compared with a profit of EUR 3.98 million in 2010.

Results per Business Unit:

- **Lead:** Turnover reached EUR 34.49 million (EUR 28.52 million in 2010) (+21%). Our volume decreased slightly to 22,733 mT (23,443 mT in 2010) (-3 %).
In the first five months LME-lead prices in EUR reduced from 1,932 EUR/mT at the end of 2010 to 1,761 EUR/mT at the end of May recovering in June to 1,814 EUR/mT by 30 June 2011.
- **Antimony:** Turnover was EUR 56.03 million (EUR 28.22 million in 2010) (+ 98%). Sales volume reached 5,874 mT (5,419 mT in 2010) (+ 8%). Worldwide antimony metal prices rose from 9,479 EUR/mT at the end of 2010 to 11,923 EUR/mT by 30 March, falling slightly in May to 11,000 EUR/mT and then sharply in June to 9,445 EUR/mT by 30 June 2011. Customer offtake was high during the first months of the year but high prices then reduced demand.
- **Plastics:** Turnover went up to EUR 14.90 million (EUR 10.47 million in 2010) (+42 %). The volume increased to 3,010 mT (2,886 mT in 2010) (+4 %).
There was a steady increased demand for products of the BU Plastics. In spite of the increased raw material prices, we improved our margin.

Perspectives full year 2011

The result is always strongly affected by the evolution of the metal prices and the economic circumstances.

The high demand of 2010 continued in the first semester 2011. There are signs of reduction since June due to uncertainties in the markets.

The second semester traditionally has a number of less active periods because of summer and Christmas holiday periods. This will result in lower volumes compared to the first semester.

If metal prices remain in the present range with demand reasonable we anticipate a positive second semester 2011 for all BU's.

Our Masterplan for site development will require investment in the next periods.

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:

- Fluctuations on the commodity markets such as energy and metals;
- Major developments in the field of environment and health / safety including legislation regarding sales (REACH) and stocking (SEVESO) of chemical substances.

Condensed consolidated overview of other comprehensive income for the period

'000 EUR	Notes	30/06/2011	30/06/2010
Profit for the period		5.036	3.983
Other comprehensive income		-	-
Total comprehensive income for the period		5.036	3.983
Attributable to:			
Equity holders of the parent		5.036	3.983
Minority interest		-	-

Condensed consolidated balance sheet

'000 EUR	Notes	30/06/2011	31/12/2010
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	7	8.987	9.134
Intangible assets	8	493	346
Cash restricted in its use		300	300
		9.780	9.780
<i>Current assets</i>			
Inventories		41.343	36.997
Trade and other receivables		38.711	23.471
Derivatives	9	204	68
Cash and cash equivalents		591	1.572
		80.849	62.108
TOTAL ASSETS		90.629	71.888
EQUITY AND LIABILITIES			
<i>Capital and reserves</i>			
Share capital		4.000	4.000
Translation reserves		-	-
Retained earnings		24.285	21.550
Equity attributable to equity holders of the parent		28.285	25.550
Total equity		28.285	25.550
<i>Non-current liabilities</i>			
Retirement benefit obligation		673	766
Deferred tax liabilities		297	326
Bank loans	10	6.825	1.800
Provisions		2.016	2.216
		9.811	5.108
<i>Current liabilities</i>			
Retirement benefit obligation		194	201
Trade and other payables		18.897	22.253
Derivatives	9	743	599
Current tax liabilities		3.710	1.490
Bank overdrafts and loans	10	28.568	16.466
Provisions		421	221
		52.533	41.230
Total liabilities		62.344	46.338
TOTAL EQUITY AND LIABILITIES		90.629	71.888

Condensed consolidated cash-flow statement

'000 EUR	Notes	30/06/2011	30/06/2010
OPERATING ACTIVITIES			
Result for the year		5.036	3.983
Adjustments for:			
Other gains and losses (investment grants)	-	2	- 7
Investment revenues	-	3	-
Other gains and losses (hedging results)	9	177	- 1.247
Finance costs		546	267
Income tax expense	5	2.467	1.170
Depreciation cost		1.382	1.482
Gain on disposal of property, plant and equipment		-	-
Change in provisions (incl. retirement benefit)	-	100	- 466
Change in inventory value reduction		-	-
Others		2	7
Operating cash flows before movements in working capital		9.505	5.189
Change in inventories	-	4.346	- 5.971
Change in receivables	-	15.240	- 8.024
Change in trade and other payables	-	3.356	2.158
Cash generated from operations		- 13.437	- 6.648
Hedging results	-	169	724
Interest paid	-	546	- 267
Income taxes paid	-	276	- 75
Net cash (used in) / from operating activities		- 14.428	- 6.266
INVESTING ACTIVITIES			
Interest received		3	-
Proceeds on disposal of property, plant and equipment		-	-
Purchases of property, plant and equipment	7	- 1.192	- 721
Purchases of intangible assets		- 190	-
Net cash (used in) / from investing activities		- 1.379	- 721
FINANCING ACTIVITIES			
Dividends and tantièmes paid	-	2.300	-
Repayments of borrowings	10	- 1.442	- 1.058
New bank loans raised		7.500	-
Increase / (decrease) in bank overdrafts	10	11.068	8.130
Net cash (used in) / from financing activities		14.826	7.072
Net increase / (decrease) in cash and cash equivalents		- 981	85
Cash and cash equivalents at the beginning of the year		1.572	1.395
Effect of foreign exchange rate changes		-	-
Cash and cash equivalents at the end of the period		591	1.480
Bank balances and cash		591	1.480

Condensed consolidated statement of changes in equity

'000 EUR	Share capital	Retained earnings	Attributable to equityholders of the parent	Total
Balance at 30 June 2010	4.000	19.781	23.781	23.781
Balance at 31 December 2010	4.000	21.550	25.550	25.550
Results of the period		5.036	5.036	5.036
Dividends and tantièmes (see note 6)		- 2.300	- 2.300	- 2.300
Balance at 30 June 2011	4.000	24.286	28.286	28.286

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 2010.

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).

Segment information about the Group's continuing operations is presented hereafter.

'000 EUR	Antimony 30/06/2011	Plastics 30/06/2011	Lead 30/06/2011	Eliminations / others 30/06/2011	Total 30/06/2011
REVENUE					
External sales	56.026	14.898	34.493	1.099	106.516
Inter-segment sales	8.278			- 8.278	-
Total revenue	64.304	14.898	34.493	- 7.179	106.516
Inter-segment sales are charged at prevailing market prices					
RESULT					
Segment operating result	5.588	1.423	3.093	-	10.104
Unallocated expenses					- 1.882
Operating profit					8.222
Investment revenues					3
Hedging results			- 177		- 177
Other gains and losses					-
Finance costs					- 546
Result before tax					7.502
Income tax expense					- 2.467
Result for the period					5.035
'000 EUR	Antimony	Plastics	Lead	Others	Total
OTHER INFORMATION					
Capital additions 2011	473	90	270	549	1.382
Depreciation and amortisation	183	89	858	252	1.382
BALANCE SHEET					
Assets					
Total assets	42.773	11.226	32.100	4.530	90.629

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 30/06/2010	Plastics 30/06/2010	Lead 30/06/2010	Eliminations / others 30/06/2010	Total 30/06/2010
REVENUE					
External sales	28.221	10.466	28.519	585	67.791
Inter-segment sales	4.469			- 4.469	-
Total revenue	32.690	10.466	28.519	- 3.884	67.791
Inter-segment sales are charged at prevailing market prices					
RESULT					
Segment operating result	2.671	703	2.673	-	6.047
Unallocated expenses					- 1.874
Operating result					4.173
Investment revenues					-
Hedging results			1.247		1.247
Other gains and losses					-
Finance costs					- 267
Result before tax					5.153
Income tax expense					- 1.170
Result for the period					3.983
'000 EUR	Antimony	Plastics	Lead	Others	Total
OTHER INFORMATION					
Capital additions 2010	91	49	508	73	721
Depreciation and amortisation	220	144	868	250	1.482
BALANCE SHEET					
Assets					
Total assets	29.269	5.599	20.226	4.734	59.828

4. Other operating expense

'000 EUR	30/06/2011	30/06/2010
Office expenses	367	389
Fees	382	290
Insurances	121	116
Transportation costs	838	487
Interim personnel	535	527
Waste disposal	1.023	696
Travel expenses	104	68
Other sales expenses	562	427
Expenses on operational hedges	157	56
Operational exchange rates	815	117
Others	614	638
	5.518	3.811

5. Income tax (charge) credit

'000 EUR	Period	
	30/06/2011	30/06/2010
Current tax	2.496	925
Deferred tax	- 29	245
Income tax expense for the year	2.467	1.170

The total tax expenses of the Group over the first semester 2011 amounts to 32.9 %, compared to 22.7 % for the first semester ending on 30 June 2010.

6. Dividends and tantièmes paid during the period

On 31 May 2011, a dividend of 1.50 EUR per share (total dividend EUR 2.25 million) was paid to shareholders.

No dividend was paid to shareholders in 2010.

An amount of 50 KEUR was paid as tantièmes to the Board members.

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 2010	12.397	56	42.808	55.261
Additions	63		1.128	1.191
Transfers	-	- 56	56	-
Disposals	-	-	-	-
At 30 June 2011	12.460	-	43.992	56.452
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At 31 December 2010	9.397	-	36.730	46.127
Deprecation charge for the year	268	-	1.071	1.339
Eliminated on disposals	-	-	-	-
At 30 June 2011	9.665	-	37.801	47.466
CARRYING AMOUNT				
At 30 June 2011	2.795	-	6.191	8.986
At 31 December 2010	3.000	56	6.078	9.134

The new investment amount includes adjustments in the production process related to the lead refinery and lead blast furnace as well as some improvements in the production process of the Antimony and Plastics units.

8. Significant movements in other assets

'000 EUR	Licences, patents and trademarks
COST	
At 31 December 2010	624
Additions	190
At 30 June 2011	814
AMORTISATION	
At 31 December 2010	278
Charge for the year	43
At 30 June 2011	321
CARRYING AMOUNT	
At 30 June 2011	493
At 31 December 2010	346

9. Inventories

'000 EUR	30/06/2011	31/12/2010
Raw materials	20.833	19.549
Work-in-progress	2.535	3.248
Finished goods	17.975	14.200
	41.343	36.997

The inventory per 30 June includes a value reduction of 1,622 KEUR (2010: 682 KEUR) to value inventory at the lower of cost and net realisable value.

10. Derivatives

The table below summarizes the net change in fair value – realised and unrealised – of -177 KEUR included in the income statement during the first semester ended 30 June 2011. (31 December 2010: -435 KEUR).

'000 EUR	Fair value of current instruments	Underlying open positions (tons)	Change in fair value in income statement
At 31 December 2010	- 531	3.650	- 435
At 30 June 2011	- 539	5.350	- 177

The open position of the financial hedge had a fair value of 539 KEUR per 30 June 2011. The fair value of the derivatives are included in the balance sheet as current assets – derivatives for 204 KEUR and current liabilities – derivatives for 743 KEUR. The amount of 204 KEUR is related to the open position of the fixed price contracts on 30 June 2011.

11. Bank borrowings (finance lease obligations not included)

'000 EUR	30/06/2011	31/12/2010
Bank loans	9.525	3.466
Bank overdrafts	25.868	14.800
	35.393	18.266

The borrowings are repayable as follows:

'000 EUR	30/06/2011	31/12/2010
Bank loans after more than one year	6.825	1.800
Bank loans within one year	2.700	1.666
Bank overdrafts on demand	25.868	14.800
	35.393	18.266

The average interest rates paid were as follows:

	30/06/2011	31/12/2010
Bank overdrafts	3,00%	2,90%
Bank loans	4,93%	5,50%

To fulfil the potential increased need of working capital, the credit facilities amounting to EUR 15 million were increased again to EUR 24 million, with a temporary increase to EUR 27 million. In February 2011 an additional long term investment credit (5 years) amounting to 7,500 KEUR was obtained.

Bank loans are arranged at fixed interest rates. Other borrowings [bank overdrafts for an amount of 25,868 KEUR (31/12/2010: 14,800 KEUR)] are arranged at floating rates, thus exposing the Group to an interest rate risk.

At 30 June 2011, the Group had available 1,723 KEUR (31/12/2010: 1,772 KEUR) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

12. Provisions

The provision for both the soil sanitation and the “concrete plan” remained unchanged during the first semester 2011.

At the beginning of the second semester, we started with the next phase of the soil sanitation plan. During the 2nd semester the “concrete plan” will be executed following the foreseen planning.

13. 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 11,842 KEUR.
Sales of antimony metal to F.W. Hempel Intermétaux SA for an amount of 412 KEUR.

Other transactions

- Camhold performed certain administrative/management services for the Campine Group, for which a management fee of 30 KEUR (2010: 30 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 (2010: 20 KEUR) was charged and paid, being an appropriate allocation of costs incurred by relevant administrative departments.

14. Significant events after balance sheet date

Between 30 June 2011 and the date these interim financial statements were authorised for issue, no important events occurred.

15. Approval of interim financial statements

The interim financial statements were approved and authorised for issue by the Board of Directors of 24 August 2011.

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 HALF-YEAR FINANCIAL
INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2011**

To the Board of Directors

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed statement of comprehensive income, condensed cash flow statement, condensed statement of changes in equity and selective notes (jointly the "interim financial information") of CAMPINE NV ("the company") and its subsidiaries (jointly "the group") for the six months period ended 30 June 2011. 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 IAS 34, "Interim Financial Reporting" as adopted by the EU.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". 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 auditing standards on consolidated annual accounts as issued by the "Institut des Reviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

Based on our limited review nothing has come to our attention that causes us to believe that the interim financial information for the six months period ended 30 June 2011 is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU.

Antwerpen, 25 August 2011

The statutory auditor, DELOITTE Bedrijfsrevisoren, BV o.v.v.e. CVBA,
Represented by Kathleen De Brabander