

STRENGTHENING COMMERCIAL SYNERGIES WITH BOREALIS
2017 HALF-YEAR RESULTS

Strengthening commercial synergies with Borealis
Amendments to the 2015 agreements

As a reminder, on 23 July 2015, the Board of Directors of Rosier approved several agreements with Borealis L.A.T GmbH, a wholly-owned subsidiary of the Borealis Group, by which Rosier appointed Borealis L.A.T as exclusive distributor of Rosier products for European markets other than its domestic market (Belgium, the Netherlands, Northern Europe).

These agreements were concluded for ten years, i.e. until 2025.

On 12 July 2017, Rosier's Board of Directors amended the financial terms of these agreements and nominated Borealis L.A.T GmbH as exclusive distributor of Rosier products on its domestic market, and hence for the whole of the European market.

At the same time, Borealis L.A.T acquired Rosier's customer base in these countries, generating revenue that has been included in the results of the first half of the year. Rosier also undertook to provide Borealis L.A.T with the additional support services (administrative, commercial and logistical) required for this new organisational structure; these contractual services are invoiced with a mark-up.

The financial terms and the transfer of all commercial distribution in Europe should have a positive long-term impact on Rosier's sales volumes and results on this market.

On the other hand, Rosier still remains Borealis L.A.T's exclusive commercial agent for its own products in other countries outside Europe.

Rosier will continue to sell its products directly on its market outside Europe.

These amendments to the 2015 agreements allow further strengthening of commercial synergies with the Borealis Group (its majority shareholder) aiming at improving Rosier's competitiveness and its growth in terms of activities and results.

The combined new commercial strategies, both in Europe and the export market, across all products, should help Rosier to achieve positive results in the coming years.

Given these transactions are considered related party transactions, Rosier's Board of Directors has, in accordance with Article 524 of the Companies Code, submitted drafts of the new agreements for review to the Committee of Independent Directors, assisted by an independent expert (AVISOR), and took its decision after considering the Committee's report.

The agreements came into force with effect from 1 June 2017.

HALF-YEAR RESULTS

Turnover: € 99.8 million (€ 83.9 million in 1st half of 2016)

Operating result (EBIT): € 0.7 million (€ -6.8 million in 1st half of 2016)

Result for the period: € 0 million (€ -5.1 million in 1st half of 2016)

General context

The trends we forecasted at the beginning of the year have been confirmed:

- Demand for granular fertilizers in Europe rose in the first quarter compared to its level at the end of 2016, and our production units operated at full capacity.
Export deliveries outside Europe were also at a very high level during this period.
- In the second quarter, the stock replenishment demand that usually occurs during this period was very low in Europe.
Despite this, the new commercial policy for export-countries, introduced at the end of last year, made it possible to record significant sales volumes.
- After a slow start at the beginning of the year, sales of specialty fertilizers picked-up towards growth.

These combined factors had a significant impact on our activities and results during the first half of 2017:

- Turnover in the first half of 2017 was € 99.8 million, up 19% from 2016 (€ 83.9 million).
The increase in volumes relates to all our granulates in all our markets.
Specialty fertilizer activity continued at the same pace as last year.
- Other operating revenues totaled € 2.9 million (€ 1.1 million in 2016): it included the sale of Rosier's domestic customer base to Borealis L.A.T GmbH, various support services and the application of penalty terms of the commercial agreements.
- The implementation of a major program to reduce operating costs at the beginning of the second quarter of 2016 resulted in a significant reduction in these costs, with a saving of € 1 million compared to the same period in 2016.
- After deducting operating expenses, including depreciations and impairments of € 1.7 million (€ 3.3 million in 2016), the operating result (EBIT) was a profit of € 0.7 million; the operating result for the first half of 2016 was a loss of € 6.8 million.
- After financial expenses and income taxes, the net result for the period finished at break-even (€ 0.10 per share), compared with a loss of € 5.1 million (€ -20.13 per share) in the first half of 2016.

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Apart from the amendments to the commercial agreements with Borealis L.A.T GmbH, no events likely to significantly affect the situation of the Rosier Group as of 30 June 2017 has occurred since the end of the period.

The comparative half-year results and consolidated statements of the Group's financial position are as follows:

a) Half-year results

| € K | 1 st half of 2017 | 1 st half of 2016 |
|---------------------------------|------------------------------|------------------------------|
| Operating revenues | 102,709 | 85,030 |
| <i>Of which: Turnover</i> | 99,780 | 83,914 |
| <i>Other operating revenues</i> | 2,928 | 1,116 |
| Operating expenses | -102,042 | -91,812 |
| Operating result | 666 | -6,782 |
| Financial result | -403 | -255 |
| Result before taxes | 263 | -7,037 |
| Income taxes | -237 | 1,904 |
| Result of the period | 26 | -5,133 |

| € per share | 1 st half of 2017 | 1 st half of 2016 |
|----------------------|------------------------------|------------------------------|
| EBITDA | 9.30 | -13.83 |
| EBIT | 2.61 | -26.60 |
| Result of the period | 0.10 | -20.13 |

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b) Consolidated statement of financial position:

| € K | 30/06/2017 | 31/12/2016 |
|---------------------------------------|----------------|---------------|
| ASSETS | | |
| Net non-current assets | 32,800 | 33,589 |
| Deferred tax assets | 5,251 | 5,487 |
| Other non-current assets | 1 | 1 |
| Total non-current assets | 38,052 | 39,077 |
| Inventories | 36,747 | 32,820 |
| Current tax assets | 326 | 552 |
| Trade receivables | 28,988 | 25,980 |
| Other receivables | 1,545 | 682 |
| Cash and cash equivalents | 449 | 99 |
| Total current assets | 68,056 | 60,133 |
| TOTAL ASSETS | 106,108 | 99,210 |
| EQUITY | | |
| Share capital | 2,748 | 2,748 |
| Reserves and retained earnings | 42,798 | 42,772 |
| Total shareholders' equity | 45,546 | 45,520 |
| LIABILITIES | | |
| Employee benefits | 1,631 | 2,448 |
| Interest-bearing loans and borrowings | 25,000 | - |
| Total non-current liabilities | 26,631 | 2,448 |
| Current tax liability | - | - |
| Interest-bearing loans and borrowings | 5,309 | 22,374 |
| Trade payables | 24,149 | 25,417 |
| Other liabilities | 4,473 | 3,451 |
| Provisions | - | - |
| Total current liabilities | 33,931 | 51,242 |
| Total liabilities | 60,562 | 53,690 |
| TOTAL EQUITY AND LIABILITIES | 106,108 | 99,210 |

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Outlook

The second half of the year should see sustained activity:

- The extension of the commercial contracts with Borealis L.A.T should guarantee us significant sales volumes.
- Commercial policies introduced at worldwide level in both granular and specialty fertilizers should generate good sales results.
- The operating cost reduction program will be maintained.
- In view of the foregoing, we can cautiously expect that the operating result for 2017 should be positive.
- The combined effects of the measures taken in 2017 are expected to yield more significant results from 2018 onwards.

Half-year financial report

In accordance with the Royal Decree of 14/11/2007, the Group publishes a half-year financial report. This will be available by 18 August on the Rosier website (www.rosier.eu) under the heading 'Financial information'.

This document can also be obtained on request by phoning + 32 69 87 15 31.

Financial calendar

- Publication of annual results 2017: 23 February 2018
- Release of annual report 2017: 30 April 2018
- General meeting 2018: 21 June, 10.30 am

Statement from PwC, statutory auditor of the Company

The statutory auditor, PwC Réviseurs d'Entreprises, has confirmed that the procedures related to its limited review in accordance with ISRE2410 on the draft interim financial information as of June 30th, 2017 have been substantially completed. The accounting data reported in the press release is consistent, in all material respects, with the draft interim financial information from which it has been derived.

Willy Raymaekers

Chairman and CEO of the Rosier Group

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