

# **CONDENSED FINANCIAL STATEMENTS PER 30 JUNE 2008**

## **TABLE OF CONTENTS**

- I. DEFINITIONS
- II. CONDENSED FINANCIAL STATEMENTS
  - II.1. CONDENSED CONSOLIDATED INCOME STATEMENT
  - II.2. CONDENSED CONSOLIDATED BALANCE SHEET
  - II.3. CONDENSED CONSOLIDATED CASH FLOW STATEMENT
  - II.4. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
- III. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDING 30 JUNE 2008
  - III.1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
  - III.2. CHANGES IN SCOPE OF CONSOLIDATION
  - III.3. BUSINESS AND GEOGRAPHICAL SEGMENTS
  - III.4. INCOME STATEMENT
  - III.5. BALANCE SHEET
  - III.6. MISCELLANEOUS
- IV. AUDITORS' REPORT ON THE CONSOLIDATED STATEMENTS FOR THE HALF YEAR ENDING 30 JUNE 2008
- V. DECLARATION BY THE RESPONSIBLE PERSONS

## **I. DEFINITIONS**

<b>Associates</b>	Companies in which Recticel has a significant influence and which are accounted for under the equity method
<b>EBIT</b>	Operating result + income from investments
<b>EBITDA</b>	EBIT + depreciation, amortisation and impairment on assets
<b>Equity</b>	Equity, including minority interests
<b>Joint ventures</b>	Companies under joint control which are accounted for under the proportionate method of consolidation
<b>Subsidiaries</b>	Controlled companies that are fully consolidated by Recticel
<b>Working capital</b>	Inventories + trade receivables + other receivables + income tax receivables - trade payables - income tax payables - other amounts payable

## II. FINANCIAL STATEMENTS

The consolidated financial statements have been authorised for issue by the Board of Directors on 27 August 2008.

### II.1. CONSOLIDATED INCOME STATEMENT

Group Recticel in thousand EUR	Notes *	<u>1H/2008</u>	<u>1H/2007</u>
<b>Sales</b>	<b>III.3.</b>	<b>823 944</b>	<b>794 896</b>
<b>Distribution costs</b>		<b>( 37 689)</b>	<b>( 37 275)</b>
<b>Cost of sales</b>		<b>( 654 993)</b>	<b>( 632 281)</b>
<b>Gross profit</b>		<b>131 262</b>	<b>125 340</b>
<i>General and administrative expenses</i>		<i>( 44 730)</i>	<i>( 42 906)</i>
<i>Sales and marketing expenses</i>		<i>( 43 517)</i>	<i>( 44 280)</i>
<i>Research and development expenses</i>		<i>( 8 139)</i>	<i>( 8 930)</i>
<i>Impairments</i>	<i>III.4.1.</i>	<i>( 202)</i>	<i>( 86)</i>
<i>Other operating revenues</i>	<i>III.4.1.</i>	<i>4 095</i>	<i>9 033</i>
<i>Other operating expenses</i>	<i>III.4.1.</i>	<i>( 2 614)</i>	<i>( 6 572)</i>
<i>Income from associates</i>		<i>( 25)</i>	<i>( 125)</i>
<b>Operating result</b>		<b>36 130</b>	<b>31 474</b>
<i>Income from investments</i>		<i>207</i>	<i>2 140</i>
<b>EBIT</b>		<b>36 337</b>	<b>33 614</b>
<i>Interest income</i>		<i>2 338</i>	<i>1 426</i>
<i>Interest expenses</i>		<i>( 14 100)</i>	<i>( 12 736)</i>
<i>Other financial income and expenses</i>		<i>893</i>	<i>( 1 581)</i>
<b>Financial result</b>	<b>III.4.2.</b>	<b>( 10 869)</b>	<b>( 12 891)</b>
<b>Result of the period before taxes</b>		<b>25 468</b>	<b>20 723</b>
<i>Income taxes</i>		<i>( 8 032)</i>	<i>( 5 258)</i>
<b>Result of the period after taxes</b>		<b>17 436</b>	<b>15 465</b>
<i>Share of minority interests</i>		<i>353</i>	<i>285</i>
<b>Share of the Group</b>		<b>17 789</b>	<b>15 750</b>

\* The accompanying notes are an integral part of this income statement.

### Earnings (loss) per share

Group Recticel in EUR	Notes	<u>1H/2008</u>	<u>1H/2007</u>
Basic earnings per share		0,615	0,550
Diluted earnings per share		0,581	0,549

## II.2. CONSOLIDATED BALANCE SHEET

Group Recticel in thousand EUR	Notes *	<u>30 JUN 2008</u>	<u>31 DEC 2007</u>
<i>Intangible assets</i>		19 596	19 779
<i>Goodwill</i>	III.5.1.	38 304	37 555
<i>Property, plant &amp; equipment</i>	III.5.2.	355 357	349 381
<i>Investment property</i>		896	896
<i>Interests in associates</i>		12 357	11 078
<i>Other financial investments</i>		1 987	2 565
<i>Available for sale investments</i>		48	77
<i>Non-current receivables</i>		4 736	5 024
<i>Deferred tax</i>		53 090	56 367
<b>Non-current assets</b>		<b>486 371</b>	<b>482 722</b>
<i>Inventories and contracts in progress</i>		140 675	127 852
<i>Trade receivables</i>		225 019	175 496
<i>Other receivables</i>		61 734	61 825
<i>Income tax receivables</i>		1 680	1 315
<i>Available for sale investments</i>		421	411
<i>Cash and cash equivalents</i>		22 443	41 049
<b>Current assets</b>		<b>451 972</b>	<b>407 948</b>
<b>Total assets</b>		<b>938 343</b>	<b>890 670</b>

\* The accompanying notes are an integral part of this balance sheet.

<b>Group Recticel</b> in thousand EUR	<b>Notes *</b>	<b>30 JUN 2008</b>	<b>31 DEC 2007</b>
<i>Capital</i>		72 329	72 329
<i>Share premium</i>		107 013	107 013
<b>Share capital</b>		<b>179 342</b>	<b>179 342</b>
<i>Retained earnings</i>		58 022	47 453
<i>Hedging and translation reserves</i>		( 8 323)	( 10 964)
<b>Equity before minority interests</b>		<b>229 041</b>	<b>215 831</b>
<i>Minority interests</i>		31 681	32 491
<b>Equity after minority interests</b>		<b>260 722</b>	<b>248 322</b>
<i>Pensions and similar obligations</i>	III.5.3.	45 088	45 235
<i>Provisions</i>	III.5.4.	15 631	17 681
<i>Deferred tax</i>		10 616	9 549
<i>Subordinated loans</i>		97 927	97 495
<i>Bonds and notes</i>		14 977	15 040
<i>Financial leases</i>		20 371	21 214
<i>Bank loans</i>		117 751	22 085
<i>Other loans</i>		5 585	5 794
<i>Interest-bearing borrowings</i>	III.5.5.	256 611	161 628
<i>Other amounts payable</i>		2 076	462
<b>Non-current liabilities</b>		<b>330 022</b>	<b>234 555</b>
<i>Pensions and similar obligations</i>	III.5.3.	3 144	4 083
<i>Provisions</i>	III.5.4.	4 412	5 443
<i>Interest-bearing borrowings</i>	III.5.5.	86 664	150 765
<i>Trade payables</i>		152 335	160 443
<i>Income tax payables</i>		6 045	9 659
<i>Other amounts payable</i>		94 999	77 400
<b>Current liabilities</b>		<b>347 599</b>	<b>407 793</b>
<b>Total liabilities</b>		<b>938 343</b>	<b>890 670</b>

\* The accompanying notes are an integral part of this balance sheet.

## II.3. CONSOLIDATED CASH FLOW STATEMENT

Group Recticel	in	<u>1H/2008</u>	<u>1H/2007</u>
thousand EUR			
<b>Earnings before interest and taxes (EBIT)</b>		<b>36 337</b>	<b>33 614</b>
Depreciation and amortisation		26 533	28 069
Impairment losses on assets		202	86
Write-offs on assets		1 003	1 166
Changes in provisions		( 4 376)	( 1 816)
(Gains) / Losses on disposals of assets		198	( 6 572)
Income from associates		25	125
<b>GROSS OPERATING CASH FLOW</b>		<b>59 922</b>	<b>54 672</b>
Changes in working capital		( 53 217)	( 13 779)
Income taxes paid		( 8 619)	( 1 130)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>( 1 914)</b>	<b>39 763</b>
Interests received		722	936
Dividends received		747	68
New investments and subscriptions to capital increases		( 1 142)	( 9 099)
(Increase) / Decrease of loans and receivables		( 309)	( 4 057)
Investment in intangible assets		( 1 800)	( 1 458)
Investments in property, plant and equipment		( 23 794)	( 17 847)
Acquisition of subsidiaries		( 3 916)	0
Disposals of intangible assets		18	321
Disposals of property, plant and equipment		276	795
Disposals of financial investments		112	20 165
(Increase) / Decrease of investments available for sale		( 11)	( 45)
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		<b>( 29 097)</b>	<b>( 10 221)</b>
Interest paid		( 5 950)	( 7 040)
Dividends paid		( 7 246)	( 4 575)
Increase / (Decrease) of capital		( 729)	75
Increase / (Decrease) of financial debt		25 961	( 20 544)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>12 036</b>	<b>( 32 084)</b>
Effect of exchange rate changes		1 133	( 1 724)
Effect of changes in scope of consolidation		( 763)	( 584)
<b>CHANGES IN CASH AND CASH EQUIVALENTS</b>		<b>( 18 605)</b>	<b>( 4 850)</b>
Net cash position opening balance		41 048	24 722
Net cash position closing balance		22 443	19 872
		<b>( 18 605)</b>	<b>( 4 850)</b>

## II.4. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the half year ending 30 June 2008

Group Recticel in thousand EUR	Capital	Share premium	Retained earnings	Translation differences reserves	Hedging reserves	Total before minorities	Minority interests	Total minorities included
<b>At 31 December 2007</b>	<b>72 329</b>	<b>107 013</b>	<b>47 453</b>	<b>(12 122)</b>	<b>1 158</b>	<b>215 831</b>	<b>32 491</b>	<b>248 322</b>
Result for the period	0	0	17 789	0	0	17 789	( 353)	17 436
Gains (losses) on cash flow hedge	0	0	0	0	366	366	0	366
Changes in scope of consolidation	0	0	( 31)	0	0	( 31)	( 2)	( 33)
Currency translation differences	0	0	0	2 275	0	2 275	(1 076)	1 199
<b>Total recognised income and expenses</b>	<b>0</b>	<b>0</b>	<b>17 758</b>	<b>2 275</b>	<b>366</b>	<b>20 399</b>	<b>(1 431)</b>	<b>18 968</b>
Dividends	0	0	(7 342)	0	0	(7 342)	1 350	(5 992)
Changes in the subscribed capital	0	0	0	0	0	0	( 729)	( 729)
Other (IFRS 2 - Stock options)	0	0	153	0	0	153	0	153
<b>At 30 June 2008</b>	<b>72 329</b>	<b>107 013</b>	<b>58 022</b>	<b>(9 847)</b>	<b>1 524</b>	<b>229 041</b>	<b>31 681</b>	<b>260 722</b>

**For the half year ending 30 June 2007**

<b>Group Recticel</b> in thousand EUR	<b>Capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Translation differences reserves</b>	<b>Hedging reserves</b>	<b>Total before minorities</b>	<b>Minority interests</b>	<b>Total minorities included</b>
<b>At 31 December 2006</b>	<b>71 572</b>	<b>104 929</b>	<b>25 492</b>	<b>(12 560)</b>	<b>767</b>	<b>190 200</b>	<b>38 203</b>	<b>228 403</b>
Result for the period	0	0	15 750	0	0	15 750	( 285)	15 465
Gains (losses) on cash flow hedge	0	0	0	0	584	584	0	584
Changes in scope of consolidation	0	0	( 854)	( 63)	0	( 917)	13 182	12 265
Currency translation differences	0	0	0	50	0	50	303	353
<b>Total recognised income and expenses</b>	<b>0</b>	<b>0</b>	<b>14 896</b>	<b>( 13)</b>	<b>584</b>	<b>15 467</b>	<b>13 200</b>	<b>28 667</b>
Changes in the subscribed capital	22	53	0	0	0	75	0	75
Dividends	0	0	(4 867)	0	0	(4 867)	( 948)	(5 815)
Increase / Acquisitions	0	0	89	0	0	89	0	89
<b>At 30 June 2007</b>	<b>71 594</b>	<b>104 982</b>	<b>35 610</b>	<b>(12 573)</b>	<b>1 351</b>	<b>200 964</b>	<b>50 455</b>	<b>251 419</b>



### **III. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDING 30 JUNE 2008**

#### **III.1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **III.1.1. STATEMENT OF COMPLIANCE - BASIS OF PREPARATION**

These condensed consolidated financial statements for the six months ended 30 June 2008 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as endorsed by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2007.

These condensed consolidated interim financial statements have been authorised for issue by the Board of Directors on 27 August 2008.

##### **III.1.2. GENERAL PRINCIPLES – 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 2007. These accounting principles can be found in the 2007 Annual Report of the Group.

### **III.2. CHANGES IN SCOPE OF CONSOLIDATION**

In the first half of 2008 three major transactions took place regarding the scope of consolidation:

- On 31 December 2007, the Group transferred 1% of its shareholding in the French company COPIREL (Bedding) to its joint venture partner Pikolin. As a result, a change occurred in the scope of consolidation on that date in so far as COPIREL will henceforth be consolidated using the proportional instead of the full consolidation method. This change in the scope of consolidation had no impact on the 2007 income statement. Only from 2008 onwards this change in the scope of consolidation will have an impact on the income statement. This new situation was already taken into account in the balance sheet at 31 December 2007.
- Since 1 April 2008, the figures of the newly acquired company Gradient Ltd (Insulation) have been fully integrated. See also note III.5.1.
- The following subsidiaries have been consolidated for the first time in the Group results : Transfoam s.l. and Transformados Ebaki s.l. (both active in Flexible Foam in Spain), Teknofoam Hellas e.p.e. (Flexible Foam in Greece), Teknofoam Izolasyon Sanayi ve Ticaret a.s. and Recfoam Poliuretan sünger sanayi ve ticaret limited sirkatei (both Flexible Foam in Turkey), Recticel Bedding Romania s.r.l. (Bedding in Romania) and Ningbo RIS Automotive Interiors Solutions Co. Ltd (Automotive in China).

To be able to compare the 1H/2008 figures with those of 1H/2007, it is also necessary to take into account the following changes in 2007:

- From 1 March 2007, the seat cushion activities of Woodbridge in the United Kingdom have been integrated into the Proseat joint venture (Automotive).
- Since 1 July 2007, the acquired Finnish companies Espe OY and Ewona OY, which operate in the production and conversion of flexible foams, have been fully integrated into the Group figures.

With the same scope of consolidation, sales would have risen by EUR 22.9 million (+2.9%). The change in the scope of consolidation resulted in a net rise in sales of EUR 11.1 million (+1.4%). The balance of EUR -4.9 million (-0.6%) is the result of negative exchange differences.

### **III.3. BUSINESS AND GEOGRAPHICAL SEGMENTS**

#### **III.3.1. BUSINESS SEGMENTS**

The Group is currently organised into four operating divisions - Flexible foams, Bedding, Insulation, Automotive - and Corporate. These divisions form the basis on which the Group reports its primary segment information. Inter-segment sales are made at prevailing market conditions.

Segment information about these businesses is presented below.

## Income statement for the first half year 2008

Group Recticel in thousand EUR	FLEXIBLE FOAMS	BEDDING	AUTOMOTIVE	INSULATION	ELIMINATIONS	CONSOLIDATED
<b>SALES</b>						
External sales	308 759	168 315	267 685	79 185	0	823 944
Inter-segment sales	32 745	420	876	43	( 34 084)	0
<b>Total sales</b>	<b>341 504</b>	<b>168 735</b>	<b>268 561</b>	<b>79 228</b>	<b>( 34 084)</b>	<b>823 944</b>
<b>EARNINGS BEFORE INTEREST AND TAXES (EBIT)</b>						
Segment result	14 548	4 340	11 322	13 560		43 770
Unallocated corporate expenses						( 7 433)
<b>EBIT</b>						<b>36 337</b>
Financial result						( 10 869)
<b>Result for the period before taxes</b>						<b>25 468</b>
Income taxes						( 8 032)
<b>Result for the period after taxes</b>						<b>17 436</b>
Share of minority interests						353
<b>Share of the Group</b>						<b>17 789</b>

**Other information first half year 2008**

<b>Group Recticel</b> in thousand EUR	<b>FLEXIBLE FOAMS</b>	<b>BEDDING</b>	<b>AUTOMOTIVE</b>	<b>INSULATION</b>	<b>CORPORATE</b>	<b>CONSOLIDATED</b>
Depreciation and amortisation	8 031	3 471	13 612	1 171	248	<b>26 533</b>
Impairment losses recognised in profit and loss	0	0	201	0	0	<b>201</b>
EBITDA	22 579	7 811	25 135	14 731	( 7 186)	<b>63 070</b>
Capital additions	( 4 791)	( 2 167)	( 9 865)	( 7 620)	( 1 151)	<b>( 25 594)</b>

**Balance sheet at 30 June 2008**

<b>Group Recticel</b> in thousand EUR	<b>FLEXIBLE FOAMS</b>	<b>BEDDING</b>	<b>AUTOMOTIVE</b>	<b>INSULATION</b>	<b>ELIMINATIONS</b>	<b>CONSOLIDATED</b>
<b>ASSETS</b>						
Segment assets	416 971	146 564	307 587	73 048	( 154 075)	<b>790 095</b>
Investment in associates	11 581	0	1 254	0	0	<b>12 835</b>
Investments in associates - not allocated						<b>( 479)</b>
Unallocated corporate assets						<b>135 892</b>
<b>Total consolidated assets</b>						<b>938 343</b>
<b>LIABILITIES</b>						
Segment liabilities	151 411	55 585	144 384	34 681	( 154 075)	<b>231 986</b>
Unallocated corporate liabilities						<b>706 357</b>
<b>Total consolidated liabilities</b>						<b>938 343</b>

## Income statement for the first half year 2007

Group Recticel in thousand EUR	FLEXIBLE FOAMS	BEDDING	AUTOMOTIVE	INSULATION	ELIMINATIONS	CONSOLIDATED
<b>SALES</b>						
External sales	297 754	189 734	238 587	68 821	0	794 896
Inter-segment sales	37 746	165	247	10	( 38 168)	0
<b>Total sales</b>	<b>335 500</b>	<b>189 899</b>	<b>238 834</b>	<b>68 831</b>	<b>( 38 168)</b>	<b>794 896</b>
<b>EARNINGS BEFORE INTEREST AND TAXES (EBIT)</b>						
Segment result	16 254	7 812	3 133	10 868	0	38 066
Unallocated corporate expenses						( 4 452)
<b>EBIT</b>						<b>33 614</b>
Financial result						( 12 891)
<b>Result for the period before taxes</b>						<b>20 723</b>
Income taxes						( 5 258)
<b>Result for the period after taxes</b>						<b>15 465</b>
Share of minority interests						285
<b>Share of the Group</b>						<b>15 750</b>

**Other information first half year 2007**

<b>Group Recticel</b> in thousand EUR	<b>FLEXIBLE FOAMS</b>	<b>BEDDING</b>	<b>AUTOMOTIVE</b>	<b>INSULATION</b>	<b>CORPORATE</b>	<b>CONSOLIDATED</b>
Depreciation and amortisation	7 445	3 777	15 448	1 100	297	<b>28 067</b>
Impairment losses recognised in profit and loss	0	0	86	0	0	<b>86</b>
EBITDA	23 699	11 589	18 667	11 968	( 4 155)	<b>61 768</b>
Capital additions	8 341	1 964	4 595	3 382	1 023	<b>19 305</b>

**Balance sheet at 31 December 2007**

<b>Group Recticel</b> in thousand EUR	<b>FLEXIBLE FOAMS</b>	<b>BEDDING</b>	<b>AUTOMOTIVE</b>	<b>INSULATION</b>	<b>ELIMINATIONS</b>	<b>CONSOLIDATED</b>
<b>ASSETS</b>						
Segment assets	427 532	128 573	314 800	58 031	( 208 744)	<b>720 192</b>
Investment in associates	10 846	0	711	0	0	<b>11 557</b>
Investment in associates - not allocated						<b>( 479)</b>
Unallocated corporate assets						<b>159 400</b>
<b>Total consolidated assets</b>						<b>890 670</b>
<b>LIABILITIES</b>						
Segment liabilities	177 124	62 837	161 075	34 757	( 208 744)	<b>227 049</b>
Unallocated corporate liabilities						<b>663 621</b>
<b>Total consolidated liabilities</b>						<b>890 670</b>



**Non-recurring elements in the operating result per segment**

<b>Group Recticel</b> in thousand EUR	<b>FLEXIBLE FOAMS</b>	<b>BEDDING</b>	<b>AUTOMOTIVE</b>	<b>INSULATION</b>	<b>NOT ALLOCATED</b>	<b>CONSOLIDATED</b>
<b>First half year 2008</b>						
Impairment	0	0	( 201)	0	0	( 201)
Restructuring charges	( 666)	0	38	( 103)	( 57)	( 788)
Capital gains on disposal of financial assets	0	0	0	0	0	0
Other	( 122)	( 153)	7	0	0	( 268)
<b>TOTAL</b>	<b>( 788)</b>	<b>( 153)</b>	<b>( 156)</b>	<b>( 103)</b>	<b>( 57)</b>	<b>( 1 257)</b>

Restructuring charges are mainly related to the activities in Germany, Spain and the United Kingdom.

<b>First half year 2007</b>						
Impairment	0	0	( 86)	0	0	( 86)
Restructuring charges	( 902)	0	( 2 145)	0	0	( 3 047)
Capital gains on disposal of financial assets	239	0	4 061	0	0	4 300
Capital gains on disposal of non-operational assets	0	0	0	0	0	0
Other	80	37	0	0	0	117
<b>TOTAL</b>	<b>( 583)</b>	<b>37</b>	<b>1 830</b>	<b>0</b>	<b>0</b>	<b>1 284</b>

### III.3.2. GEOGRAPHICAL SEGMENTS

The Group's operations are mainly located in the European Union.

The following table provides an analysis of the Group's sales and fixed assets by geographical market.

#### SALES

<b>Group Recticel</b>	in	<b><u>1H/2008</u></b>	<b><u>1H/2007</u></b>
thousand EUR			
European Union		752 578	713 270
Other		71 366	81 626
<b>Total</b>		<b>823 944</b>	<b>794 896</b>

#### INTANGIBLE ASSETS – PROPERTY, PLANT & EQUIPMENT – INVESTMENT PROPERTY

<b>Group Recticel</b>			Acquisitions	
in thousand EUR				
	<b><u>30 JUN 2008</u></b>	<b><u>31 DEC 2007</u></b>	<b><u>1H/2008</u></b>	<b><u>1H/2007</u></b>
European Union	366 375	360 772	24 998	18 566
Other	9 473	9 284	596	739
<b>Total</b>	<b>375 848</b>	<b>370 056</b>	<b>25 594</b>	<b>19 305</b>

### III.4. INCOME STATEMENT

#### III.4.1. OTHER OPERATING REVENUES AND EXPENSES

<b>Group Recticel</b>	<b><u>1H/2008</u></b>	<b><u>1H/2007</u></b>
in thousand EUR		
(Impairment loss) / Reversal recognised in respect of assets	( 201)	( 86)
Restructuring costs	( 788)	( 3 047)
Gain (Loss) on disposal of intangible and tangible assets	( 200)	345
Gain (Loss) on disposal of financial assets	0	4 300
Other	2 468	863
<b>TOTAL</b>	<b>1 279</b>	<b>2 375</b>

#### Impairment

On the basis of the impairment assumptions (see section III.3.1. in 2007 Annual Report), the Board of Directors examined and evaluated the carrying values of (i) the intangible assets, (ii) the goodwill and (iii) the tangible assets, and concluded that, apart from the cases mentioned above, there was no need for additional impairments in the first half-year of 2008.

## Restructuring

In the course of the first half of 2008, restructuring was carried out in the business line Flexible Foams in Spain and in the business lines Flexible Foams and Insulation in the United Kingdom.

## Other operating revenues

Compared to the first half of 2007, "Other operating revenues" increased in the first half of 2008. This variance includes mainly the positive impact of the reversal of the accrued pension liabilities for EUR 1.4 million due to renegotiation of the pension plan in the Netherlands from a defined benefit plan into a collective defined contribution plan. This gain was recognised in the other operating income in the first half of 2008.

## III.4.2. FINANCIAL RESULT

<b>Group Recticel</b> in thousand EUR	<b>1H/2008</b>	<b>1H/2007</b>
Interest charges on subordinated loans	(3 938)	(2 503)
Interest charges on bonds & notes	( 337)	( 323)
Interest on financial lease	( 577)	( 742)
Interest on long term bank loans	(3 168)	(4 752)
Other financial interest expenses	(2 873)	(3 207)
Amortisation premiums & issues expenses	(1 242)	( 676)
<b>Total borrowing cost</b>	<b>(12 135)</b>	<b>(12 203)</b>
Interest income from bank deposits	169	181
Interest income from financial receivables	611	796
<b>Interest income from financial receivables and cash</b>	<b>780</b>	<b>977</b>
Interest charges on other debts	( 436)	( 96)
Interest income from other financial receivables	29	13
<b>Total other interest</b>	<b>( 407)</b>	<b>( 83)</b>
<b>Interest income and expenses</b>	<b>(11 762)</b>	<b>(11 309)</b>
Exchange differences	2 356	( 415)
Result on financial instruments	( 171)	120
Interest on provisions for employee benefits and other debt	(1 203)	(1 145)
Other financial result	( 89)	( 142)
<b>Financial result</b>	<b>(10 869)</b>	<b>(12 891)</b>

The net interest income and expenses increased slightly compared to the same period in 2007, due to the net impact of :

- a higher average outstanding debt
- the effect of higher base interest rates which were, however, compensated by lower margins on the new bank loan (see below) and also mitigated by interest rate hedges
- the conclusion of a new multi-currency loan of EUR 230 million in February 2008, which refinanced anticipatively the syndicated loan concluded in 2004, expiring in December 2008. The anticipated repayment of the syndicated loan lead to the accelerated amortisation of the non-amortised arrangement fees (EUR 0.8 million).
- amortisation cost (EUR 0.3 million) of the equity portion of the convertible bond placed in July 2007.

The positive exchange result (EUR 2.4 million) is mainly resulting from the economic hedge of Czech activities following the strong CZK appreciation against the EUR.

### III.4.3. DIVIDENDS

The Board of Directors' proposal to distribute a gross dividend of EUR 0.25 per share or EUR 7.23 million for the year 2007 was approved by the shareholders at the Annual General Meeting of 20 May 2008. The payment of this dividend took place on 30 May 2008, and is thus reflected in the financial statements for the first half of 2008.

## III.5. BALANCE SHEET

### III.5.1. GOODWILL

<b>Group Recticel</b> in thousand EUR	<b><u>30 JUN 08</u></b>	<b><u>31 DEC 07</u></b>
<b>At the end of the preceding period</b>		
Gross book value	54 713	61 134
Accumulated impairment	( 17 158)	( 17 518)
<b>Net book value</b>	<b>37 555</b>	<b>43 616</b>
<b>Movements during the period</b>		
Acquisitions or entering the consolidation scope	1 032	718
Disposals or leaving the consolidation scope	0	( 6 151)
Other changes in the scope of consolidation	0	( 12)
Exchange differences	( 283)	( 614)
<b>At the end of the period</b>	<b>38 304</b>	<b>37 557</b>
Gross book value	55 260	54 713
Accumulated impairment	( 16 956)	( 17 158)
<b>Net book value</b>	<b>38 304</b>	<b>37 555</b>

The item "Acquisitions or entering the consolidation scope" comprises the following:

The goodwill in this table was influenced by the integration of Gradient (Insulation) in 2008.

On 1 April 2008 the Group acquired 100% of the issued share capital of Gradient Insulation Ltd in the United Kingdom for a cash consideration of GBP 2.9 million. This transaction has been accounted for using the purchase method of accounting as presented by IFRS 3 *Business combinations* as issued in 2004.

The goodwill arising on the acquisition of Gradient Ltd is attributable to the anticipated profitability of the distribution of the Group's products in the new markets and the anticipated future operating synergies from the combination.

The results contributed by Gradient Ltd in the period between the date of acquisition and the balance sheet date is amounting to EUR 0.1 million.

The revenues contributed by Gradient Ltd in the period between the date of acquisition and the balance sheet date is amounting to EUR 1.9 million.

Group Recticel in thousand EUR	Acquiree's carrying amount before combination	Fair value adjustments	Fair value
Intangible assets	870	0	870
Property, plant and equipment	815	993	1 808
Inventories	513	0	513
Trade receivables	2 190	0	2 190
Other receivables	108	0	108
Cash	41	0	41
Deferred tax liabilities	( 274)	( 235)	( 509)
Finance lease	( 40)	0	( 40)
Trade payables	( 1 703)	0	( 1 703)
Other payables	( 353)	0	( 353)
<b>Net assets</b>	<b>2 167</b>	<b>758</b>	<b>2 925</b>
Goodwill arising on acquisition			1 032
<b>Cash consideration paid</b>			<b>( 3 957)</b>
Cash and cash equivalent acquired			41
			<b>( 3 916)</b>

### III.5.2. PROPERTY, PLANT & EQUIPMENT

**For the half year ending 30 June 2008:**

Group Recticel in thousand EUR	Land and buildings	Plant, machinery & equipment	Furniture and vehicles	Leases and similar rights	Other tangible assets	Assets under construction and advance payments	TOTAL
<b>At the end of the preceding period</b>							
Gross value	209 992	614 534	42 853	34 396	2 554	28 453	932 782
Accumulated depreciation	(100 121)	(398 191)	(36 922)	(10 378)	(2 134)	(3 104)	(550 850)
Accumulated impairment	(1 357)	(25 326)	( 269)	( 467)	0	(5 132)	(32 551)
<b>Net book value at opening</b>	<b>108 514</b>	<b>191 017</b>	<b>5 662</b>	<b>23 551</b>	<b>420</b>	<b>20 217</b>	<b>349 381</b>
<b>Movements during the period</b>							
Changes in scope of consolidation	1 542	634	89	98	0	0	2 363
Acquisitions	650	3 238	511	173	60	19 163	23 795
Impairments	0	( 196)	( 6)	0	0	0	( 202)
Expensed depreciation	(3 016)	(17 963)	( 922)	(1 018)	( 107)	0	(23 026)
Sales and scrapped	( 18)	( 504)	33	( 10)	0	0	( 499)
Transfers	570	11 436	223	44	0	(12 239)	34
Exchange differences	480	2 430	58	22	8	513	3 511
<b>At half year-end</b>	<b>108 722</b>	<b>190 092</b>	<b>5 648</b>	<b>22 860</b>	<b>381</b>	<b>27 654</b>	<b>355 357</b>
Gross value	213 694	627 251	42 232	34 615	2 663	36 829	957 284
Accumulated depreciation	(103 991)	(416 094)	(36 367)	(11 326)	(2 282)	(3 459)	(573 519)
Accumulated impairment	( 981)	(21 065)	( 217)	( 429)	0	(5 716)	(28 408)
<b>Net book value at half year-end</b>	<b>108 722</b>	<b>190 092</b>	<b>5 648</b>	<b>22 860</b>	<b>381</b>	<b>27 654</b>	<b>355 357</b>

The changes in the scope of consolidation are attributable to the integration of the British company Gradient Ltd (Insulation). Total acquisition of tangible assets amounts to EUR 23.8 million in the first half of 2008, compared to EUR 42.2 million during the full year 2007.

In February 2008, Recticel sa/nv and Recticel International Services sa/nv concluded a new joint credit facility agreement ('club deal') amounting to EUR 230 million. This loan has in the meantime been used to repay in full all outstanding amounts under the EUR 250 million syndicated loan. Under this club deal, Recticel sa/nv and/or its affiliates have renewed the existing mandates to mortgage on production sites in Belgium, Germany, France, the Netherlands and Sweden in favour of the banks up to a maximum amount of EUR 230 million plus interest and related costs.

At 30 June 2008, the Group has entered into contractual commitments for the acquisition of property, plant & equipment amounting to EUR 5.8 million.

**For the year ending 31 December 2007:**

<b>Group Recticel</b> in thousand EUR	<b>Land and buildings</b>	<b>Plant, machinery &amp; equipment</b>	<b>Furniture and vehicles</b>	<b>Leases and similar rights</b>	<b>Other tangible assets</b>	<b>Assets under construction and advance payments</b>	<b>TOTAL</b>
<b>At the end of the preceding year</b>							
Gross value	197 668	602 233	44 528	36 127	2 458	17 950	900 964
Accumulated depreciation	(93 109)	(372 153)	(37 957)	(9 601)	(1 897)	(1)	(514 718)
Accumulated impairment	(1 458)	(40 236)	(349)	(588)	0	(1 353)	(43 984)
<b>Net book value at opening</b>	<b>103 101</b>	<b>189 844</b>	<b>6 222</b>	<b>25 938</b>	<b>561</b>	<b>16 596</b>	<b>342 262</b>
<b>Movements during the year</b>							
Changes in scope of consolidation	4 307	8 687	41	9	0	388	13 432
Acquisitions	2 641	12 670	1 474	297	64	25 083	42 229
Impairments	(51)	(350)	0	0	0	1	(400)
Expensed depreciation	(6 230)	(36 077)	(2 329)	(2 467)	(210)	0	(47 313)
Sales and scrapped	728	(617)	(58)	(115)	(1)	(16)	(79)
Transfers	4 309	17 276	363	(135)	1	(21 866)	(52)
Exchange differences	(291)	(416)	(51)	24	5	31	(698)
<b>At year-end</b>	<b>108 514</b>	<b>191 017</b>	<b>5 662</b>	<b>23 551</b>	<b>420</b>	<b>20 217</b>	<b>349 381</b>
Gross value	209 992	614 534	42 853	34 396	2 554	28 453	932 782
Accumulated depreciation	(100 121)	(398 191)	(36 922)	(10 378)	(2 134)	(3 104)	(550 850)
Accumulated impairment	(1 357)	(25 326)	(269)	(467)	0	(5 132)	(32 551)
<b>Net book value at year-end</b>	<b>108 514</b>	<b>191 017</b>	<b>5 662</b>	<b>23 551</b>	<b>420</b>	<b>20 217</b>	<b>349 381</b>



### III.5.3. PENSIONS AND SIMILAR OBLIGATIONS

#### **Retirement benefit schemes**

Several Recticel companies operate defined benefit and/or defined contribution plans. The main defined benefit plans, which typically provide retirement benefits related to remuneration and period of service, are located in Belgium, France, Germany, the Netherlands and the UK.

The funded plans' assets are invested in mixed portfolios of shares and bonds or insurance contracts.

The plan assets do not include direct investments in Recticel shares or any property used by Recticel companies.

The defined benefit pension plan (*DB plan*) of Recticel Nederland has been transformed into a defined contribution plan (*DC plan*) according to the new financing arrangement which defines the contributions to be paid by Recticel Nederland to the pension fund as a fixed percentage of the pensionable pay-roll. As such, this new arrangement conducted to a reclassification of the pension plan as a DC plan and the recognition of a positive impact of EUR 1.4 million in the profit and loss account for the first half of 2008.

### III.5.4. PROVISIONS

**For the half year ending 30 June 2008:**

Group Recticel in thousand EUR	Tax litigation	Other litigation	Product liability	Environmental risks	Reorganisation	Other risks	TOTAL
<b>At 31 December 2007</b>	<b>1 329</b>	<b>601</b>	<b>5 517</b>	<b>7 398</b>	<b>7 133</b>	<b>1 146</b>	<b>23 124</b>
<b>Movements during the half year</b>							
Changes in the scope of consolidation	0	0	0	0	0	0	0
Actualisations	0	0	0	0	0	0	0
Increases	0	83	136	5	252	30	506
Utilisations	0	( 11)	( 369)	( 289)	( 486)	( 295)	( 1 450)
Write-backs	( 877)	( 61)	( 608)	0	( 105)	( 237)	( 1 888)
Transfers	0	( 2)	0	0	( 2 425)	2 406	( 21)
Exchange differences	0	0	43	0	( 221)	( 50)	( 228)
<b>At 30 June 2008</b>	<b>452</b>	<b>610</b>	<b>4 719</b>	<b>7 114</b>	<b>4 148</b>	<b>3 000</b>	<b>20 043</b>
Non-current provisions (more than one year)	0	148	4 228	6 488	1 813	2 954	15 631
Current provisions (less than one year)	452	462	491	626	2 335	46	4 412
<b>Total</b>	<b>452</b>	<b>610</b>	<b>4 719</b>	<b>7 114</b>	<b>4 148</b>	<b>3 000</b>	<b>20 043</b>

The provision for tax litigation recognised in 2002 decreased by EUR 0.88 million following a settlement with the German tax authorities.

The decrease of the provision for product liabilities for EUR 0.79 million is mainly due to the reduction of risk of quality claims in certain models of mattresses.

The reduction of the provision for reorganisations relates to the outstanding balance of expected expenses for restructuring plans in Germany and the United Kingdom.

**For the year ending 2007:**

<b>Group Recticel</b> in thousand EUR	<b>Tax litigation</b>	<b>Other litigation</b>	<b>Product liability</b>	<b>Environmental risks</b>	<b>Reorganisation</b>	<b>Other risks</b>	<b>TOTAL</b>
<b>At the end of the preceding year</b>	<b>1 254</b>	<b>616</b>	<b>4 914</b>	<b>7 157</b>	<b>11 869</b>	<b>1 349</b>	<b>27 159</b>
<b>Movements during the year</b>							
Changes in the scope of consolidation	0	( 47)	( 112)	290	0	0	<b>131</b>
Actualisations	75	0	0	0	0	0	<b>75</b>
Increases	0	84	1 889	360	5 866	1 143	<b>9 342</b>
Utilisations	0	( 1)	( 208)	( 74)	( 9 298)	( 97)	<b>( 9 678)</b>
Write-backs	0	( 51)	( 1 103)	( 335)	( 644)	( 1 250)	<b>( 3 383)</b>
Transfers	0	0	128	0	( 28)	1	<b>101</b>
Exchange differences	0	0	9	0	( 632)	0	<b>( 623)</b>
<b>At year-end</b>	<b>1 329</b>	<b>601</b>	<b>5 517</b>	<b>7 398</b>	<b>7 133</b>	<b>1 146</b>	<b>23 124</b>
Non-current provisions (more than one year)	0	162	5 080	6 737	4 602	1 100	<b>17 681</b>
Current provisions (less than one year)	1 329	439	437	661	2 531	46	<b>5 443</b>
<b>Total</b>	<b>1 329</b>	<b>601</b>	<b>5 517</b>	<b>7 398</b>	<b>7 133</b>	<b>1 146</b>	<b>23 124</b>

### III.5.5. INTEREST-BEARING BORROWINGS

#### III.5.5.1. FINANCIAL LIABILITIES CARRIED AT AMORTISED COST

Group Recticel in thousand EUR	Non-current liabilities		Current liabilities	
	30 JUN 2008	31 DEC 2007	30 JUN 2008	31 DEC 2007
Subordinated loans	97 927	97 495	0	0
Bonds & notes	14 977	15 040	63	369
Financial leases	20 371	21 214	2 153	2 230
Bank loans	117 751	22 085	1 591	105 335
Other loans	5 585	5 794	805	511
Bank loans	0	0	8 656	7 561
Bank loans - factoring without recourse not yet reimbursed	0	0	6 214	2 101
Bank loans - factoring with recourse	0	0	4 647	5 211
Discounted bills of exchange	0	0	6 974	7 105
Bank overdraft	0	0	36 517	7 452
Other financial debts	0	0	19 044	12 890
<b>Total liabilities carried at amortised cost</b>	<b>256 611</b>	<b>161 628</b>	<b>86 664</b>	<b>150 765</b>

Interest-bearing borrowings of the Group amount to EUR 343.3 million, compared to EUR 312.4 million at the end of December 2007. The average outstanding debt was at a higher level throughout the first half-year of 2008, compared to the same period in 2007.

Beyond the subordinated bonds and the syndicated loan, additional credit facilities are available to the Group for a maximum amount of EUR 103.8 million granted on a short-term basis.

On 30 June 2008, the weighted average lifetime of debts payable after one year was 5.0 years.

Other interest-bearing borrowings payable after one year are mostly at floating interest. Their fair market value therefore approximates to the nominal value. The interest cost for these Group borrowings ranges from 5.77% to 6.12% p.a. in EUR and from 4.12% to 4.62% p.a. in USD.

At balance sheet date, 85.5% of the total borrowings were denominated in EUR, 2.0% in USD, 4.0% in CHF, 4.2% in CZK, 2.3% in PLZ, 0.5% in HUF and 1.5% in RON.

The majority of the Group's financial debt is centrally contracted and managed through Recticel International Services, which acts as the Group's internal bank.

#### **(i) Bank loans**

In February 2008, Recticel concluded a club deal with 10 European banks for a new multi-currency loan of EUR 230 million with a floating interest rate (Libor + margin) and maturing on February 28 2013.. This new loan was used mainly to refinance the outstanding amounts under the existing syndicated loan of 2004, which would have expired at the end of 2008, and under the EUR 50 million subordinated loan at 10%, expiring in July 2009.

### III.5.5.2. FINANCIAL DEBT OVERVIEW TABEL BY MATURITY

For the half year ending 30 June 2008

Group Recticel in thousand EUR	Maturing within one year	Maturing between 1 and 5 years	Maturing after 5 years	TOTAL LONG- TERM	Future financial charges	Present value of the minimum payments
Subordinated bonds	6 372	66 500	69 000	<b>141 872</b>	(43 945)	97 927
Bonds and notes	722	16 903	0	<b>17 625</b>	(2 585)	15 040
Financial leases	3 263	14 137	13 151	<b>30 551</b>	(8 027)	22 524
Bank loans	2 517	119 286	0	<b>121 803</b>	(2 461)	119 342
Other loans	853	790	5 335	<b>6 978</b>	( 588)	6 390
<b>Total interest-bearing borrowings - long term</b>	<b>13 727</b>	<b>217 616</b>	<b>87 486</b>	<b>318 829</b>	<b>(57 606)</b>	<b>261 223</b>
Bank loans	8 656					
Bank loans - factoring without recourse	6 214					
Bank loans - factoring with recourse	4 647					
Discounted bills of exchange	6 974					
Bank overdraft	36 517					
Other financial debt	5 841					
Current accounts & cash pooling	4 254					
Accrued liabilities - financial long term	7 666					
Accrued liabilities - financial short term	51					
<b>Total interest-bearing borrowings - short term</b>	<b>80 820</b>					
Interest rate swaps	406					
Hedging contracts	270					
Trading/economic hedge	556					
<b>Derivative instruments at fair value</b>	<b>1 232</b>					
<b>Grand total financial debt due within one year</b>	<b>95 779</b>					

For the year ending 31 December 2007

Group Recticel in thousand EUR	Maturing within one year	Maturing between 1 and 5 years	Maturing after 5 years	TOTAL LONG- TERM	Future financial charges	Present value of the minimum payments
Subordinated bonds	8 010	60 878	70 599	<b>139 487</b>	(41 992)	97 495
Bonds and notes	1 045	17 602	0	<b>18 647</b>	(3 238)	15 409
Financial leases	3 426	14 289	13 754	<b>31 469</b>	(8 025)	23 444
Bank loans	107 478	23 501	0	<b>130 979</b>	(3 960)	127 019
Other loans	544	787	6 732	<b>8 063</b>	(1 756)	6 307
<b>Total interest-bearing borrowings - long term</b>	<b>120 503</b>	<b>117 057</b>	<b>91 085</b>	<b>328 645</b>	<b>(58 971)</b>	<b>269 674</b>
Bank loans	7 561					
Bank loans - factoring without recourse	2 101					
Bank loans - factoring with recourse	5 211					
Discounted bills of exchange	7 105					
Bank overdraft	7 452					
Other financial debt	4 819					
Current accounts & cash pooling	3 274					
Accrued liabilities - financial long term	4 008					
Accrued liabilities - financial short term	123					
<b>Total interest-bearing borrowings - short term</b>	<b>41 654</b>					
Interest rate swaps	356					
Hedging contracts	316					
Trading/economic hedge	34					
<b>Derivative instruments at fair value</b>	<b>706</b>					
<b>Grand total financial debt due within one year</b>	<b>162 863</b>					

### III.5.6. WORKING CAPITAL NEED

Net Working Capital investment increased by EUR 53.2 million over the first half of 2008.

Apart from the normal seasonal build-up of working capital in the Bedding and Insulation activities, estimated at circa EUR 30 million, the working capital level has been influenced by the growth of activities and the net changes in scope of consolidation, and by a lesser use of non-recourse Factoring programs in Belgium and Germany.

### III.6. MISCELLANEOUS

#### III.6.1. EVENTS AFTER THE BALANCE SHEET DATE

Proseat (joint venture between Recticel (51%) and Woodbridge (49%)) has signed an agreement for the takeover of the remaining 75% of the shares of Indepol, a Spanish moulded foam manufacturer located near Barcelona, for a total consideration of EUR 4.6 million. This transaction will be accounted for using the purchase method of accounting as presented by IFRS 3 *Business combination* as issued in 2004. The determination of the goodwill and the assets and liabilities' effect of the integration of the acquired entity will be fully recognised and disclosed at the end of 2008. As of 1 July 2008, Indepol's results will be 100% incorporated in Proseat's figures.

#### III.6.2. JOINT VENTURES

The share of joint venture companies in the consolidated financial statements is as follows:

	in thousand EUR	<u>30 JUN 2008</u>	<u>31 DEC 2007</u>
<b><u>ASSETS</u></b>			
Intangible assets		988	1 089
Goodwill		8 860	8 833
Plant, property & equipment		54 054	52 909
Other financial investments		483	1 163
Available for sale investments		10	10
Non-current receivables		1 141	1 312
Deferred tax		14 952	14 228
<b>Non-current assets</b>		<b>80 488</b>	<b>79 545</b>
Inventories and contracts in progress		28 928	25 748
Trade receivables		59 689	49 926
Other current receivables		5 420	4 494
Income tax receivables		102	220
Deferred tax		0	93
Available for sale investments		10	0
Cash and cash equivalents		4 496	5 624
<b>Current assets</b>		<b>98 645</b>	<b>86 106</b>
<b>Total assets</b>		<b>179 133</b>	<b>165 652</b>



in thousand EUR

**30 JUN 2008 31 DEC 2007**

**LIABILITIES**

Hedging and translation reserves	( 5 409)	( 6 210)
Consolidated reserves	75 307	78 465
<b>Equity, minority interests included</b>	<b>69 898</b>	<b>72 255</b>
Pensions and similar obligations	8 746	8 523
Provisions	961	1 035
Deferred tax	1 810	1 671
Interest-bearing borrowings	26 330	25 324
<b>Non-current liabilities</b>	<b>37 847</b>	<b>36 553</b>
Pensions and similar obligations	351	396
Provisions	1 328	1 353
Interest-bearing borrowings	20 485	12 453
Trade payables	22 127	25 058
Income tax payables	1 477	1 968
Other amounts payable	25 620	15 617
<b>Current liabilities</b>	<b>71 388</b>	<b>56 844</b>
<b>Total liabilities</b>	<b>179 133</b>	<b>165 652</b>

in thousand EUR

**1H/2008**

**1H/2007**

**INCOME STATEMENT**

<b>Sales</b>	<b>152 568</b>	<b>225 640</b>
Distribution costs	( 8 124)	( 11 598)
Cost of sales	( 105 773)	( 174 014)
<b>Gross profit</b>	<b>38 671</b>	<b>40 028</b>
General and administrative expenses	( 6 571)	( 9 948)
Sales and marketing expenses	( 8 286)	( 9 264)
Research and development expenses	( 269)	( 56)
Other operating revenues and expenses	( 13 618)	( 3 296)
<b>Operating result</b>	<b>9 927</b>	<b>17 466</b>
Income from investments	122	310
<b>EBIT</b>	<b>10 049</b>	<b>17 776</b>
Interest income and expenses (including interest subsidies)	( 1 369)	( 1 872)
Other financial income and expenses	478	425
<b>Financial result</b>	<b>( 891)</b>	<b>( 1 447)</b>
<b>Result of the period before taxes</b>	<b>9 158</b>	<b>16 329</b>
Income taxes	( 1 009)	( 6 727)
<b>Result of the period after taxes</b>	<b>8 149</b>	<b>9 602</b>

### III.6.3. EXCHANGE RATES

in EUR		Closing rate		Average rate	
		<u>30 JUN 08</u>	<u>31 DEC 07</u>	<u>1H/2008</u>	<u>1H/2007</u>
Bulgarian Lev	<b>BGN</b>	0,511300	0,511300	0,511300	0,511300
Swiss Franc	<b>CHF</b>	0,622820	0,604339	0,622480	0,612838
Yuan Renminbi	<b>CNY</b>	0,092549	0,093002	0,092602	0,097497
Czech Koruna	<b>CZK</b>	0,041853	0,037554	0,039696	0,035521
Estonian Crone	<b>EEK</b>	0,063912	0,063912	0,063912	0,063912
Pound Sterling	<b>GBP</b>	1,262280	1,363605	1,289980	1,482266
Hungarian Forint	<b>HUF</b>	0,004248	0,003941	0,003943	0,003994
Yen	<b>JPY</b>	0,006008	0,006063	0,006226	0,006265
Lithuanian Litas	<b>LTL</b>	0,289620	0,289620	0,289620	0,289620
Moldova Lei	<b>MDL</b>	0,064369	0,060003	0,061544	0,059835
Polish Zloty	<b>PLN</b>	0,298392	0,278280	0,286524	0,260139
Romanian Leu (new)	<b>RON</b>	0,274612	0,277185	0,272472	0,300223
Serbian Dinar	<b>RSD</b>	0,012707	0,012471	0,012225	0,012491
Swedish Krona	<b>SEK</b>	0,105593	0,105915	0,106663	0,108427
Slovak Koruna	<b>SKK</b>	0,033107	0,029777	0,031034	0,029366
Turkish Lira (new)	<b>TRY</b>	0,517518	0,582411	0,529382	0,547519
Ukrainian Hryvnia	<b>UAH</b>	0,139063	0,134501	0,132683	0,148722
US Dollar	<b>USD</b>	0,634357	0,679302	0,653415	0,752409

### III.6.4. CONTINGENT ASSETS AND LIABILITIES

The comments regarding the contingent assets and liabilities as communicated in the annual report 2007 (section III.6.11.) are unchanged and hence still valid.

## **IV. STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDING 30 JUNE 2008**

**RECTICEL NV**

### **LIMITED REVIEW REPORT ON THE CONSOLIDATED HALF-YEAR FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2008**

To the Board of Directors

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed cash flow statement, condensed statement of changes in equity and selective notes [X] to [Y] (jointly the "interim financial information") of RECTICEL NV ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2008. 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 der 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 der Bedrijfsrevisoren". Accordingly, we do not express an audit opinion. The interim financial information of several entities included in the scope of consolidation which represent total assets of EUR 158.135 (000) and a total loss of EUR 2.622 (000) have been subject to a limited review by other auditors. Our conclusion on the accompanying interim financial information, insofar as it relates to the amounts contributed by those entities; is based solely upon the reports of those other auditors.

Based on our limited review and based, to the extent necessary upon the reports of other auditors, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2008 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Diegem, 27 August 2008

#### **The Statutory Auditor**

**DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises  
SC s.f.d. SCRL  
Represented by**

**William Blomme**

**Kurt Dehoorne**

## **V. DECLARATION BY THE RESPONSIBLE PERSONS**

Mr Etienne Davignon (Chairman of the Board of Directors), Mr Luc Vansteenkiste (Chief Executive Officer) and Mr Jean-Pierre Mellen (Chief Financial Officer), certify in the name and on behalf of Recticel, that to the best of their knowledge:

- a) the summary financial information, prepared in conformity with applicable accounting standards, reflects the faithful image of the financial situation and results of the Recticel Group.
- b) the intermediate report contains a faithful presentation of significant events occurring over the first six months of 2008, and their impact on the summary financial information.

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