

RECTICEL CONDENSED FINANCIAL STATEMENTS PER 30 JUNE 2009

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I. DEFINITIONS

Associates	Companies in which Recticel has a significant influence and which are accounted for under the equity method
EBIT	Operating result + income from investments
EBITDA	EBIT + depreciation, amortisation and impairment on assets
Equity	Equity, including non-controlling interests
Joint ventures	Companies under joint control which are accounted for under the proportionate method of consolidation
Subsidiaries	Controlled companies that are fully consolidated by Recticel
Working capital	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 2009.

II.1. CONDENSED CONSOLIDATED INCOME STATEMENT

Group Recticel in thousand EUR	Notes *	1H/2009	1H/2008
Sales	III.3.	632 595	823 944
Distribution costs		(31 018)	(37 689)
Cost of sales		(488 920)	(654 993)
Gross profit		112 657	131 262
<i>General and administrative expenses</i>		<i>(41 692)</i>	<i>(44 730)</i>
<i>Sales and marketing expenses</i>		<i>(42 647)</i>	<i>(43 517)</i>
<i>Research and development expenses</i>		<i>(6 691)</i>	<i>(8 139)</i>
<i>Impairments</i>	III.4.1.	<i>(3 162)</i>	<i>(202)</i>
<i>Other operating revenues</i>	III.4.1.	<i>10 709</i>	<i>4 095</i>
<i>Other operating expenses</i>	III.4.1.	<i>(8 433)</i>	<i>(2 614)</i>
<i>Income from associates</i>		<i>349</i>	<i>(25)</i>
Operating result		21 090	36 130
<i>Income from investments</i>		<i>0</i>	<i>207</i>
EBIT		21 090	36 337
<i>Interest income</i>		<i>460</i>	<i>2 338</i>
<i>Interest expenses</i>		<i>(11 017)</i>	<i>(14 100)</i>
<i>Other financial income and expenses</i>		<i>3 837</i>	<i>893</i>
Financial result	III.4.2.	(6 720)	(10 869)
Result of the period before taxes		14 370	25 468
<i>Income taxes</i>		<i>(6 488)</i>	<i>(8 032)</i>
Result of the period after taxes		7 882	17 436
<i>Attributable to non-controlling interests</i>		<i>483</i>	<i>353</i>
Attributable to the owners of the parent		8 365	17 789

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

Earnings (loss) per share

Group Recticel in EUR	Notes	1H/2009	1H/2008
Basic earnings per share		0,289	0,615
Diluted earnings per share		0,287	0,581

Group Recticel in thousand EUR	Notes	1H/2009	1H/2008
Result of the period after taxes		7 882	17 436
Other comprehensive income			
<i>Change in scope</i>		0	88
<i>Cash flow hedge interest derivatives</i>		(1 078)	477
<i>Cash flow hedge currency derivatives</i>		(374)	50
<i>Currency translation difference</i>		(1 153)	1 080
<i>Deferred taxes on hedging</i>		368	(162)
Other comprehensive income net of tax		(2 237)	1 533
Total comprehensive income for the period		5 645	18 969
<i>of which attributable to the owners of the parent</i>		6 128	20 398
<i>of which attributable to non-controlling interests</i>		(483)	(1 429)
Non-controlling interest comprehensive income		(483)	(1 429)
<i>Result for the period</i>		(483)	(353)
<i>Currency translation difference & hedging</i>		0	(1 076)

II.2. CONDENSED CONSOLIDATED BALANCE SHEET

Group Recticel in thousand EUR	Notes *	30 Jun 2009	31 Dec 2008
<i>Intangible assets</i>		16 135	20 104
<i>Goodwill</i>	III.5.1.	36 323	39 164
<i>Property, plant & equipment</i>	III.5.2.	298 192	336 560
<i>Investment property</i>		896	896
<i>Investments in associates</i>		14 142	13 626
<i>Other financial investments</i>		2 028	11 446
<i>Available for sale investments</i>		118	197
<i>Non-current receivables</i>		4 428	5 005
<i>Deferred tax</i>		45 019	52 020
Non-current assets		417 281	479 018
<i>Inventories and contracts in progress</i>		99 707	120 035
<i>Trade receivables</i>		156 575	170 117
<i>Other receivables</i>		44 917	60 095
<i>Income tax receivables</i>		2 294	1 130
<i>Available for sale investments</i>		134	293
<i>Cash and cash equivalents</i>		73 974	68 151
<i>Disposal group held for sale</i>	III.5.7.	41 521	0
Current assets		419 122	419 821
Total assets		836 403	898 839

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

Group Recticel in thousand EUR		Notes *	30 Jun 2009	31 Dec 2008
<i>Capital</i>			72 329	72 329
<i>Share premium</i>			107 013	107 013
Share capital			179 342	179 342
<i>Retained earnings</i>			54 987	51 222
<i>Hedging and translation reserves</i>			(22 603)	(19 951)
Equity attributable to the owners of the parent			211 726	210 613
<i>Equity attributable to non-controlling interests</i>			1 413	23 090
Total equity			213 139	233 703
<i>Pensions and similar obligations</i>	III.5.3.		38 555	40 155
<i>Provisions</i>	III.5.4.		12 178	17 893
<i>Deferred tax</i>			8 043	9 429
<i>Subordinated loans</i>			81 801	89 014
<i>Bonds and notes</i>			14 500	14 500
<i>Financial leases</i>			17 330	19 346
<i>Bank loans</i>			177 480	140 161
<i>Other loans</i>			2 269	5 123
<i>Interest-bearing borrowings</i>	III.5.5.		293 380	268 144
<i>Other amounts payable</i>			1 926	1 782
Non-current liabilities			354 082	337 403
<i>Pensions and similar obligations</i>	III.5.3.		2 591	4 674
<i>Provisions</i>	III.5.4.		7 646	8 516
<i>Interest-bearing borrowings</i>	III.5.5.		42 420	68 872
<i>Trade payables</i>			101 189	146 993
<i>Income tax payables</i>			3 902	3 389
<i>Other amounts payable</i>			95 545	95 289
<i>Liabilities related to disposal group held for sale</i>	III.5.7.		15 889	0
Current liabilities			269 182	327 733
Total liabilities			836 403	898 839

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

II.3. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Group Recticel in thousand EUR	1H/2009	1H/2008
Earnings before interest and taxes (EBIT)	21 090	36 337
Depreciation and amortisation	22 716	26 533
Impairment losses on assets	3 162	202
Write-offs on assets	1 416	1 003
Changes in provisions	(6 509)	(4 376)
(Gains) / Losses on disposals of assets	(10)	198
Income from associates	(349)	25
GROSS OPERATING CASH FLOW	41 516	59 922
Changes in working capital	(19 574)	(53 217)
CASH FLOW GENERATED BY OPERATIONS	21 942	6 705
Income taxes paid	(4 764)	(8 619)
NET CASH FLOW FROM OPERATING ACTIVITIES	17 178	(1 914)
Interests received	313	722
Dividends received	81	747
New investments and subscriptions to capital increases	(855)	(1 142)
(Increase) / Decrease of loans and receivables	413	(309)
Investments in intangible assets	(1 000)	(1 800)
Investments in property, plant and equipment	(7 895)	(23 794)
Acquisition of subsidiaries	(1 437)	(3 916)
Disposals of intangible assets	88	18
Disposals of property, plant and equipment	1 191	276
Disposals of financial investments	1 891	112
(Increase) / Decrease of investments available for sale	(152)	(11)
NET CASH FLOW FROM INVESTMENT ACTIVITIES	(7 362)	(29 097)
Interest paid	(6 614)	(5 950)
Dividends paid	(4 414)	(7 246)
Increase / (Decrease) of capital	0	(729)
Increase of financial debt	50 875	84 009
Decrease of financial debt	(46 564)	(58 048)
CASH FLOW FROM FINANCING ACTIVITIES	(6 717)	12 036
Effect of exchange rate changes	5 929	1 133
Effect of changes in scope of consolidation	(2 877)	(763)
CHANGES IN CASH AND CASH EQUIVALENTS	6 151	(18 605)
Net cash position opening balance	68 151	41 048
Net cash position closing balance	74 302	22 443
	6 151	(18 605)

II.4. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ending 30 June 2009

Group Recticel in thousand EUR	Capital	Share premium	Statutory reserves	Untaxed reserves	Statutory accumulated result	Consolidated reserves	Result of the year	Foreign currency translation reserves	Hedging reserves - net invest-ments	Hedging reserves - currencies	Hedging reserves - interests	Equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
At 31 December 2008	72 329	107 013	9 122	16	28 810	1 726	11 548	(17 238)	0	(17)	(2 696)	210 613	23 090	233 703
Results transferred to reserves	0	0	0	0	5 354	6 194	(11 548)	0	0	0	0	0	0	0
Dividends	0	0	0	0	(4 992)	74	0	0	0	0	0	(4 918)	216	(4 702)
Other (IFRS 2 - Stock options)	0	0	0	0	0	317	0	0	0	0	0	317	0	317
Reclassification	0	0	0	0	0	0	0	923	(923)	0	0	0	0	0
Shareholders' movements	0	0	0	0	362	6 585	(11 548)	923	(923)	0	0	(4 601)	216	(4 385)
Result for the period	0	0	0	0	0	0	8 365	0	0	0	0	8 365	(483)	7 882
Fair value (IAS 39 & IAS 40)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gains (losses) on cash flow hedges	0	0	0	0	0	0	0	0	0	0	(1 078)	(1 078)	0	(1 078)
Deferred taxes	0	0	0	0	0	0	0	0	0	0	368	368	0	368
Translation differences	0	0	0	0	0	0	0	(1 153)	(132)	(242)	0	(1 527)	0	(1 527)
Subtotal - other comprehensive income	0	0	0	0	0	0	0	(1 153)	(132)	(242)	(710)	(2 237)	0	(2 237)
Comprehensive income	0	0	0	0	0	0	8 365	(1 153)	(132)	(242)	(710)	6 128	(483)	5 645
Changes in scope of consolidation ⁽¹⁾	0	0	0	0	0	0	0	(414)	0	0	0	(414)	(21 410)	(21 824)
At 30 June 2009	72 329	107 013	9 122	16	29 172	8 311	8 365	(17 882)	(1 055)	(259)	(3 406)	211 726	1 413	213 139

⁽¹⁾ The reduction of the equity attributable to non-controlling interests is explained by the change of consolidation method of the Proseat group (Automotive – seating) from full integration to proportional consolidation method.

For the half year ending 30 June 2008

Group Recticel in thousand EUR	Capital	Share premium	Statutory reserves	Untaxed reserves	Statutory accumulated result	Consolidated reserves	Result of the year	Foreign currency translation reserves	Hedging reserves - net invest-ments	Hedging reserves - currencies	Hedging reserves - interests	Shareholders' equity	Non- controlling interests	Total equity
At 31 December 2007	72 329	107 013	8 973	16	23 921	(6 996)	21 539	(12 122)	0	308	851	215 832	32 491	248 323
Results transferred to reserves	0	0	150	0	18 011	3 378	(21 539)	0	0	0	0	0	0	0
Dividends	0	0	0	0	(7 342)	0	0	0	0	0	0	(7 342)	1 350	(5 992)
Changes in subscribed capital	0	0	0	0	0	0	0	0	0	0	0	0	(729)	(729)
Increases / Acquisitions	0	0	0	0	0	154	0	0	0	0	0	154	0	154
Reclassification	0	0	0	0	(5 781)	5 781	0	0	0	0	0	0	0	0
Shareholders' movements	0	0	150	0	4 888	9 313	(21 539)	0	0	0	0	(7 188)	621	(6 567)
Result for the period	0	0	0	0	0	0	17 789	0	0	0	0	17 789	(353)	17 436
Gains (losses) on cash flow hedges	0	0	0	0	0	0	0	0	0	0	477	477	0	477
Deferred taxes	0	0	0	0	0	0	0	0	0	0	(162)	(162)	0	(162)
Translation differences	0	0	0	0	0	0	0	2 155	0	50	0	2 205	(1 076)	1 129
Subtotal - other comprehensive income	0	0	0	0	0	0	0	2 155	0	50	315	2 520	(1 076)	1 444
Comprehensive income	0	0	0	0	0	0	17 789	2 155	0	50	315	20 309	(1 429)	18 880
Changes in scope of consolidation	0	0	0	0	0	(32)	0	120	0	0	0	88	(2)	86
At 30 June 2008	72 329	107 013	9 123	16	28 809	2 285	17 789	(9 847)	0	358	1 166	229 041	31 681	260 722

III. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDING 30 JUNE 2009

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 2009 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 2008.

These condensed consolidated interim financial statements have been authorised for issue by the Board of Directors on 27 August 2009.

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 2008, except for the impact of the adoption of the Standards and Interpretations described below.

IFRS 8 Operating Segments (effective for annual periods beginning on or after 1 January 2009)

IFRS 8 is a disclosure Standards which has no impact on the reported results or financial position of the Group.

IAS 1 (revised 2007) Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009)

The revised Standard has introduced a number of terminology changes (including revised titles for the condensed financial statements) and has resulted in a number of changes in presentation and disclosure. However, the revised Standard has had no impact on the reported results or financial position of the Group.

IAS 23 (revised 2007) Borrowing Costs (effective for annual periods beginning on or after 1 January 2009)

As of 1 January 2009 the Group was obliged to capitalise borrowing costs on qualifying assets and that on a prospective basis. The impact on the financial position and on the reported results of 2009 was not material.

III.2. CHANGES IN SCOPE OF CONSOLIDATION

In the first half of 2009 four major transactions took place regarding the scope of consolidation:

- Since 01 January 2009, the decisive voting right held by the Group in the Proseat joint venture expired. As a result of this, contractually the control of Proseat is carried out jointly. Henceforth Proseat is consolidated using the proportional instead of the full consolidation method.
- End 2008 the Group took over the Norwegian group Brekke. These activities are integrated in the consolidated statements since 1 January 2009, using the full consolidation method.
- With effect as from 1 May 2009 the shareholder structure of the group Gestind (Automotive – seating) has been modified, whereby the Polish subsidiary has been fully taken over by the Proseat group and whereby the Italian subsidiary has been fully disposed of.
- On 30 June 2009 the Group increased its stake in the Estonian company Wenfoam from 25% to 51%. This stake will be integrated as from 1 July 2009 in the consolidated balance sheet using the proportional consolidation method.

To be able to compare the 1H/2009 figures with those of 1H/2008, it is also necessary to take into account the following change in 2008:

Since 1 April 2008, the figures of the newly acquired company Gradient Ltd (Insulation) have been fully integrated. In the meantime this company has been merged with Recticel Limited (UK)..

With the same scope of consolidation, sales would have decreased by EUR 156.6 million (-19.0%). Exchange differences had a negative impact of EUR 3.2 million (-0.38%) The change in the scope of consolidation resulted in a net drop in sales of EUR 31.5 million (-3.8%).

The change of the consolidation method for the Proseat group (Automotive – seating) results in the following impact on the balance sheet, as shown below:

Group Recticel in thousand EUR	
Non-current assets	(22 478)
Current assets	(30 998)
Total assets	(53 476)
Total equity	(21 673)
Non-current liabilities	(725)
Current liabilities	(31 078)
Total liabilities	(53 476)

III.3. BUSINESS AND GEOGRAPHICAL SEGMENTS

III.3.1. BUSINESS SEGMENTS

IFRS 8 replaces IAS 14, 'Segment reporting'. The application of IFRS 8 has no impact Recticel's segment presentation, nor on the 2008 comparative figures.

Operating segments are reported in a manner consistent with the internal reporting provided to the Board and the Executive Committee. The Executive Committee reviews the performance of the operating segments based on earnings before Interest and Tax (EBIT), Capital Employed and Return on Capital Employed. Financial and tax results are not allocated to the operating segments. The segment results, assets and liabilities include items directly attributable to the segment as well as those elements that can reasonably be allocated to a segment.

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.

Condensed segment information for the first half year 2009

Group Recticel in thousand EUR	FLEXIBLE FOAMS	BEDDING	AUTOMOTIVE	INSULATION	ELIMINATIONS	CONSOLIDATED
SALES						
External sales	244 936	169 732	138 047	79 881	0	632 596
Inter-segment sales	33 158	345	145	10	(33 658)	(0)
Total sales	278 094	170 077	138 192	79 891	(33 658)	632 596
EARNINGS BEFORE INTEREST AND TAXES (EBIT)						
Segment result	14 625	7 325	(11 358)	18 622		29 214
Unallocated corporate expenses						(8 123)
EBIT						21 090
Financial result						(6 720)
Result for the period before taxes						14 370
Income taxes						(6 488)
Result for the period after taxes						7 882
Attributable to non-controlling interests						483
Attributable to the owners of the parent						8 365

Other segment information first half year 2009

Group Recticel in thousand EUR	FLEXIBLE FOAMS	BEDDING	AUTOMOTIVE	INSULATION	CORPORATE	CONSOLIDATED
Depreciation and amortisation	7 843	3 588	9 440	1 600	245	22 716
Impairment losses recognised in profit and loss	(13)	404	2 771	0	0	3 162
EBITDA	22 455	11 317	853	20 222	(7 878)	46 969
Capital additions	2 122	1 673	3 272	1 187	641	8 895

Condensed balance sheet information per segment at 30 June 2009

Group Recticel in thousand EUR	FLEXIBLE FOAMS	BEDDING	AUTOMOTIVE	INSULATION	ELIMINATIONS	CONSOLIDATED
ASSETS						
Segment assets	350 159	124 028	237 138	66 362	(115 840)	661 847
Investment in associates	12 527	0	2 353	0	0	14 880
Investments in associates - not allocated						(738)
Unallocated corporate assets ⁽¹⁾						160 414
Total consolidated assets						836 403
LIABILITIES						
Segment liabilities	116 407	55 411	109 901	29 478	(115 840)	195 357
Unallocated corporate liabilities ⁽²⁾						641 046
Total consolidated liabilities						836 403

(1) Unallocated corporate assets include mainly deferred tax assets, financial assets and cash.

(2) Unallocated corporate liabilities include mainly total equity, total interest-bearing borrowings and provisions.

Condensed segment information for the first half year 2008

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

Other segment information first half year 2008

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

Condensed balance sheet information per segment at 30 June 2008

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

Non-recurring elements in the operating result per segment

Group Recticel in thousand EUR	FLEXIBLE FOAMS	BEDDING	AUTOMOTIVE	INSULATION	NOT ALLOCATED	CONSOLIDATED
First half year 2009						
Impairment	13	(404)	(2 771)	0	0	(3 162)
Restructuring charges	(119)	0	(4 544)	0	0	(4 663)
Other	(62)	0	921	0	0	859
TOTAL	(168)	(404)	(6 394)	0	0	(6 966)
Restructuring charges are mainly related to the activities in Germany						
First half year 2008						
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)
TOTAL	(788)	(153)	(156)	(103)	(57)	(1 257)

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

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

Group Recticel in thousand EUR	1H/2009	1H/2008
European Union	575 036	752 578
<i>of which Belgium</i>	57 630	73 729
<i>of which Germany</i>	163 373	218 291
<i>of which other European Union countries</i>	354 033	460 558
Other	57 559	71 366
Total	632 595	823 944

INTANGIBLE ASSETS – PROPERTY, PLANT & EQUIPMENT – INVESTMENT PROPERTY

Group Recticel in thousand EUR	Acquisitions, including own production			
	30 Jun 2009	30 Jun 2008	1H/2009	1H/2008
European Union	302 719	366 375	8 607	24 998
<i>of which Belgium</i>	61 218	70 550	2 236	6 490
<i>of which Germany</i>	66 166	93 347	2 241	4 385
<i>of which other European Union countries</i>	175 335	202 478	4 130	14 123
Other	12 504	9 473	288	596
Total	315 223	375 848	8 895	25 594

III.4. INCOME STATEMENT

III.4.1. OTHER OPERATING REVENUES, EXPENSES AND IMPAIRMENTS

Group Recticel in thousand EUR	1H/2009	1H/2008
(Impairment loss) / Reversal recognised in respect of assets	(3 162)	(201)
Restructuring costs	(4 663)	(788)
Gain (Loss) on disposal of intangible and tangible assets	186	(200)
Gain (Loss) on disposal of financial assets	83	0
Other	6 670	2 468
TOTAL	(886)	1 279

Impairment

On the basis of the impairment assumptions (see section III.1.5.1. in 2008 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 a need for additional impairments in the first half-year of 2009, mainly in the Automotive segment (CGU 'Interiors').

Restructuring

In the course of the first half of 2009, certain restructurings, which were announced during the previous year, were carried out (Flexible foams in Spain and United Kingdom; Bedding in Switzerland) and new provisions were recognised for the business line Automotive in Germany..

Other operating revenues and expenses

Other operating revenues during the first half year of 2009 comprised:

- (i) a reversal of a provision (EUR 2.5 million) in relation with the contractual sales' obligations towards BASF with respect to the sold customer portfolio (cfr 'Automotive – 'exteriors' sale by the end of 2008)
- (ii) reversal of a provision (EUR 0,8 million) for risk of claw back in the settlement with Foamex (see note III.6.11.3. of the annual report 2008), and
- (iii) an additional settlement in the Foamex claim during the first half year of 2009 (EUR 0.7 million), related to a renegotiation of the agreement in June 2009 after the filing of Foamex under Chapter 11
- (iv) reversal accrual provisions for rebates in bedding activity (EUR +0.8 million)
- (v) retribution of social insurance bonuses (EUR +0.6 million)
- (vi) re-invoicing of services and goods and rental income (EUR +2.4 million).

These other operating revenues where, however, compensated by the payment of an indemnity (net EUR 1.6 million, plus interests and costs) in the Nordwind claim (Automotive – 'interiors') (see note III.6.11.2. of the annual report 2008).

III.4.2. FINANCIAL RESULT

Group Recticel in thousand EUR	1H/2009	1H/2008
Interest charges on subordinated loans	(3 240)	(3 938)
Interest charges on bonds & notes	(620)	(337)
Interest on financial lease	(558)	(577)
Interest on bank loans	(5 604)	(5 292)
Other financial interest expenses	(412)	(749)
Amortisation premiums & issues expenses	(297)	(1 242)
Total borrowing cost	(10 731)	(12 135)
Interest income from bank deposits	103	169
Interest income from financial receivables	342	611
Interest income from financial receivables and cash	445	780
Interest charges on other debts	(299)	(436)
Interest income from other financial receivables	28	29
Total other interest	(271)	(407)
Interest income and expenses	(10 557)	(11 762)
Exchange differences	1 891	2 356
Result on financial instruments	(65)	(171)
Interest on provisions for employee benefits and other debt	(1 288)	(1 203)
Other financial result	3 299	(89)
Financial result	(6 720)	(10 869)

The net interest income and expenses improved compared to the same period in 2008, due to the net impact of :

- a lower average outstanding debt
- the effect of lower short term interest rates on unhedged financial debt mitigated by interest rate hedges
- impact of buy-back of the convertible bond reducing the nominal net outstanding amount and refinanced at a lower interest rate
- the anticipated repayment of the old syndicated loan early 2008 led to the accelerated amortisation of the non-amortised arrangement fees (EUR 0.8 million) in 1H/2008. This one-off transaction is not repeated in 1H/2009.
- amortisation cost (EUR 0.3 million) of the equity portion of the convertible bond placed in July 2007.

The positive exchange result (EUR 1.9 million) is mainly resulting from the economic hedge of various activities in CZK, HUF, USD, GBP and CHF. Other financial result is mainly impacted by the net gain (EUR 3.3 million) on the buy-back during 1H/2009 of a portion (EUR 8.95 million) of the convertible bonds issued in July 2007.

III.4.3. DIVIDENDS

The Board of Directors' proposal to distribute a gross dividend of EUR 0.17 per share or EUR 4.9 million for the year 2008 was approved by the shareholders at the Annual General Meeting of 12 May 2009. The payment of this dividend took place on 29 May 2009, and is thus reflected in the financial statements for the first half of 2009.

III.5.BALANCE SHEET

III.5.1. GOODWILL

Group Recticel in thousand EUR	30 Jun 09	31 Dec 08
At the end of the preceding period		
Gross book value	57 420	54 713
Accumulated impairment	(18 256)	(17 158)
Net book value	39 164	37 555
Movements during the period		
Acquisitions or entering the consolidation scope	4 547	3 384
Impairments	0	(922)
Disposals or leaving scope of consolidation	(258)	0
Other changes in the scope of consolidation	0	12
Reclassification to held for sale	(7 686)	0
Exchange differences	556	(865)
At the end of the period	36 323	39 164
Gross book value	49 530	57 420
Accumulated impairment	(13 207)	(18 256)
Net book value	36 323	39 164

The item "Acquisitions or entering the consolidation scope" was influenced by the integration since 1 January 2009 of the Norwegian group Brekke (share deal on companies Superlon OY (Finland) and Westnøfa Industrier AS (Norway), plus an asset deal in Estonia) (Flexible foams)., which was acquired in December 2008 for a total cash consideration of EUR 8.9 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 these Brekke activities is attributable to the anticipated profitability of the production and distribution of the Group's products in the Scandinavian markets and the anticipated future operating synergies from the combination.

The results contributed by these Brekke activities in the period between the date of acquisition and the balance sheet date is amounting to EUR +0.3 million.

The revenues contributed by these Brekke activities in the period between the date of acquisition and the balance sheet date is amounting to EUR 13.9 million.

The item "Reclassification to held for sale" is resulting from the application of IFRS 5 with regard to the divestment from the French Bedding activities through the COFEL joint venture. This transaction has been realised in the course of July 2009 (see note III.6.1. : Event after the balance sheet date).

III.5.2. PROPERTY, PLANT & EQUIPMENT

For the half year ending 30 June 2009:

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
At the end of the preceding period							
Gross value	211 885	647 110	38 306	35 080	5 334	33 147	970 862
Accumulated depreciation	(105 910)	(437 403)	(32 719)	(12 309)	(3 845)	(3 078)	(595 264)
Accumulated impairment	(1 001)	(32 309)	(211)	(398)	0	(5 119)	(39 038)
Net book value at opening	104 974	177 398	5 376	22 373	1 489	24 950	336 560
Movements during the period							
Changes in scope of consolidation	(508)	(13 383)	(372)	(1 631)	(417)	(309)	(16 620)
Acquisitions	56	2 465	400	22	7	4 945	7 895
Impairments	(415)	(2 757)	0	0	0	10	(3 162)
Expensed depreciation	(3 053)	(14 950)	(739)	(983)	(71)	0	(19 796)
Sales and scrapped	(1)	(904)	(113)	(2)	0	(42)	(1 062)
Reclassification to held for sale	(2 969)	(2 472)	(437)	0	0	(1 115)	(6 993)
Transfers	372	13 546	(569)	(98)	20	(13 820)	(549)
Exchange differences	40	1 781	7	(20)	(2)	113	1 919
At half year-end	98 496	160 724	3 553	19 661	1 026	14 732	298 192
Gross value	200 411	615 038	34 847	31 315	4 613	16 322	902 546
Accumulated depreciation	(101 340)	(419 167)	(31 128)	(11 198)	(3 586)	0	(566 419)
Accumulated impairment	(575)	(35 147)	(166)	(456)	0	(1 591)	(37 935)
Net book value at half year-end	98 496	160 724	3 553	19 661	1 027	14 731	298 192

The changes in the scope of consolidation are attributable to the integration of the activities of the former Brekke group (Flexible foams) and the change of consolidation method of the Proseat group (Automotive – seating), which are consolidated as from 1 January 2009 following the proportional consolidation method (before following the full consolidation method).

The item “Reclassification to held for sale” is resulting from the application of IFRS 5 with regard to the divestment from the French Bedding activities through the COFEL joint venture. This transaction has been realised in the course of July 2009 (see note III.6.1. : Event after the balance sheet date).

Total acquisitions of tangible assets amount to EUR 7.9 million in the first half of 2009, compared to EUR 45.2 million during the full year 2008.

In February 2009, Recticel sa/nv and Recticel International Services sa/nv concluded a new joint credit facility agreement (‘club deal’) amounting to EUR 230 million. 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 2009, the Group has entered into contractual commitments for the acquisition of property, plant & equipment amounting to EUR 8.9 million.

For the year ending 31 December 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
At the end of the preceding year							
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)
Net book value at opening	108 514	191 017	5 662	23 551	420	20 217	349 381
Movements during the year							
Changes in scope of consolidation	1 838	8 307	168	1 081	1 316	0	12 710
Acquisitions	1 796	15 835	1 308	230	121	25 913	45 203
Impairments	(30)	(11 951)	(11)	0	0	(37)	(12 029)
Expensed depreciation	(6 036)	(36 636)	(2 074)	(2 119)	(361)	(773)	(47 999)
Sales and scrapped	(23)	(716)	(39)	(697)	0	(3)	(1 478)
Transfers	1 318	17 294	327	407	8	(19 302)	52
Exchange differences	(2 403)	(5 752)	35	(80)	(15)	(1 065)	(9 280)
At year-end	104 974	177 398	5 376	22 373	1 489	24 950	336 560
Gross value	211 885	647 110	38 306	35 080	5 334	33 147	970 862
Accumulated depreciation	(105 910)	(437 402)	(32 719)	(12 309)	(3 845)	(3 078)	(595 263)
Accumulated impairment	(1 001)	(32 310)	(211)	(398)	0	(5 119)	(39 039)
Net book value at year-end	104 974	177 398	5 376	22 373	1 489	24 950	336 560

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 UK has been transformed into a defined contribution plan (*DC plan*) taking effect as from the 1 August 2009. The DB plan will however still be valid for the prior periods; hence the liabilities will accordingly remain in place. The impact of this curtailment has already been recognised in the closing of June 2009, resulting in a gain of EUR 0.3 million coming from the remeasurement of the obligation taking into account the change in assumptions. In France the Group obtained a clarification with respect to the consequences of the 11 January 2008 national inter-professional agreement regarding termination indemnities. As a result of this there will be no additional adjustments of the pension obligations.

III.5.4. PROVISIONS

For the half year ending 30 June 2009:

Group Recticel in thousand EUR	Tax litigation	Other litigation	Product liability	Environmental risks	Reorganisation	Other risks	TOTAL
At 31 December 2008	0	1 373	3 745	6 765	12 658	1 869	26 410
Movements during the half year							
Changes in the scope of consolidation	0	(39)	0	0	(528)	(546)	(1 113)
Increases	0	110	444	0	4 037	125	4 716
Utilisations	0	(546)	(275)	(105)	(4 582)	0	(5 508)
Reversals	0	(503)	(682)	(500)	(1 067)	(1 271)	(4 023)
Reclassification to held for sale	0	(118)	(260)	0	(77)	(91)	(546)
Transfers	0	0	0	0	(747)	710	(37)
Exchange differences	0	0	(23)	0	(42)	(8)	(73)
At 30 June 2009	0	277	2 949	6 160	9 652	788	19 826
Non-current provisions (more than one year)	0	105	2 729	5 710	2 938	698	12 180
Current provisions (less than one year)	0	172	220	450	6 714	90	7 646
Total	0	277	2 949	6 160	9 652	788	19 826

The changes in the scope of consolidation are attributable to the integration of the activities of the former Brekke group (Flexible foams) and the change of consolidation method of the Proseat group (Automotive – seating), which are consolidated as from 1 January 2009 following the proportional consolidation method (before following the full consolidation method).

The item "Reclassification to held for sale" is resulting from the application of IFRS 5 with regard to the divestment from the French Bedding activities through the COFEL joint venture. This transaction has been realised in the course of July 2009 (see note III.6.1.: Event after the balance sheet date).

The provision for other litigations decreased primarily as a result of the settlement of social and commercial claims in Germany.

The decrease of the provision for product liabilities for EUR 0.8 million is mainly due to the reduction of risk of quality claims in certain models of mattresses (Bedding).

The decrease of the provision for environmental liabilities for EUR 0.6 million is mainly due to the reduction of the risk in The Netherlands.

The reduction of the provision for reorganisations (EUR –3.0 million) relates to the net outstanding balance of expected expenses for restructuring plans in Germany, Spain, Switzerland and the United Kingdom.

The item 'other risks' dropped as a result of the reversal of a provision (EUR 0,8 million) for risk of claw back in the settlement with Foamex (see note III.6.11.3. of the annual report 2008),

For the year ending 2008:

Group Recticel in thousand EUR	Tax litigation	Other litigation	Product liability	Environmental risks	Reorganisation	Other risks	TOTAL
At the end of the preceding year	1 329	601	5 517	7 398	7 133	1 146	23 124
Movements during the year							
Changes in the scope of consolidation	0	0	0	0	0	167	167
Increases	0	449	550	5	9 002	1 388	11 394
Utilisations	(716)	(12)	(614)	(328)	(2 778)	(646)	(5 094)
Reversals	(613)	(246)	(1 713)	(310)	(190)	(322)	(3 394)
Transfers	0	581	0	0	(581)	0	0
Exchange differences	0	0	5	0	72	136	213
At year-end	0	1 373	3 745	6 765	12 658	1 869	26 410
Non-current provisions (more than one year)	0	227	3 457	6 170	6 284	1 755	17 893
Current provisions (less than one year)	0	1 146	288	595	6 374	114	8 517
Total	0	1 373	3 745	6 765	12 658	1 869	26 410

III.5.6. 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 2009	31 Dec 2008	30 Jun 2009	31 Dec 2008
Subordinated loans	81 801	89 014	67	0
Bonds & notes	14 500	14 500	477	540
Financial leases	17 330	19 346	2 016	2 483
Bank loans	177 480	140 161	1 666	2 319
Other loans	2 269	5 123	435	463
Bank loans	0	0	8 421	11 587
Bank loans - factoring without recourse not yet reimbursed	0	0	2 814	12 592
Bank loans - factoring with recourse	0	0	788	4 825
Discounted bills of exchange	0	0	2 031	5 767
Bank overdraft	0	0	4 639	5 779
Other financial debts	0	0	19 066	22 517
Total liabilities carried at amortised cost	293 380	268 144	42 420	68 872

Interest-bearing borrowings of the Group amount to EUR 335.8 million, compared to EUR 337.0 million at the end of December 2008. The average outstanding debt was at a lower level throughout the first half-year of 2009, compared to the same period in 2008.

Beyond the subordinated bonds and the syndicated loan, additional credit facilities are available to the Group for a maximum amount of EUR 65.7 million granted on a short-term basis.

On 30 June 2009, the weighted average lifetime of debts payable after one year was 4.0 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 2.16% to 5.00% p.a. in EUR and 2.26% p.a. in USD.

At balance sheet date, 86.3% of the total borrowings were denominated in EUR, 3.7% in USD, 4.0% in CHF, , 5.0% in PLZ and 1.0% in HUF.

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.

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

The bulk of the interest-bearing borrowings are subject to bank covenants based on the EBITDA, the net financial debt position and a minimum equity requirement. At end June 2009, Recticel complied with its bank covenants.

(i) Bank loans

In February 2009, 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 2009, 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 2009

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 ⁽¹⁾	3 090	64 375	45 306	112 771	(30 903)	81 868
Bonds and notes	1 134	15 768	0	16 902	(1 925)	14 977
Financial leases	3 015	12 694	8 637	24 346	(5 000)	19 346
Bank loans	2 106	180 040	0	182 146	(3 000)	179 146
Other loans	272	1 029	1 854	3 155	(451)	2 704
Total interest-bearing borrowings - long term	9 617	273 906	55 797	339 320	(41 279)	298 041
Bank loans	8 421					
Bank loans - factoring without recourse	2 814					
Bank loans - factoring with recourse	788					
Discounted bills of exchange	2 031					
Bank overdraft	4 639					
Other financial debt	905					
Current accounts & cash pooling	1 761					
Accrued liabilities - financial long term	254					
Accrued liabilities - financial short term	1					
Total interest-bearing borrowings - short term	21 614					
Interest rate swaps	6 275					
Hedging contracts	583					
Trading/economic hedge	2 175					
Currency options -seller	599					
Derivative instruments at fair value	9 632					
Grand total financial debt due within one year	40 863					

⁽¹⁾ this line includes the subordinated bonds issued by Recticel Holding Noord BV for an amount of EUR 50 million, maturing on 27 July 2009, and to be replaced by a tranche of the same amount under the EUR 230 million syndicated credit facility.

For the year ending 31 December 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	5 049	62 955	49 951	117 955	(28 941)	89 014
Bonds and notes	1 200	16 403	0	17 603	(2 563)	15 040
Financial leases	3 635	13 867	12 966	30 468	(8 639)	21 829
Bank loans	8 070	159 163	0	167 233	(24 753)	142 480
Other loans	546	1 293	5 578	7 417	(1 831)	5 586
Total interest-bearing borrowings - long term	18 500	253 681	68 495	340 676	(66 727)	273 949
Bank loans	11 587					
Bank loans - factoring without recourse	12 592					
Bank loans - factoring with recourse	4 825					
Discounted bills of exchange	5 767					
Bank overdraft	5 779					
Other financial debt	4 346					
Current accounts & cash pooling	4 503					
Accrued liabilities - financial long term	290					
Accrued liabilities - financial short term	1					
Total interest-bearing borrowings - short term	49 690					
Interest rate swaps	5 141					
Hedging contracts	518					
Trading/economic hedge	2 596					
Currency options - seller	1 288					
Derivative instruments at fair value	9 543					
Grand total financial debt due within one year	77 733					

III.5.6. BUSINESS COMBINATIONS

Group Recticel in thousand EUR	SUPERLON OY			WESTNOFA INDUSTRIER AS		
	Book Value	Adjustments fair value	Fair value at acquisition	Book Value	Adjustments fair value	Fair value at acquisition
Acquired capital		100%			100%	
Non current assets	524	412	936	1 362	819	2 181
Current assets	4 181	(100)	4 081	4 675	0	4 675
Total assets	4 706	312	5 017	6 037	819	6 856
Pensions and similar obligations	0	0	0	259	0	259
Deferred taxes	0	98	98	0	229	229
Current liabilities	2 687	0	2 687	4 072	0	4 072
Total liabilities	2 687	98	2 785	4 331	229	4 560
Net assets	2 019	214	2 232	1 706	590	2 296
Goodwill			2 711			1 686
Total cost			4 943			3 982
Minus cash and cash equivalents in acquired companies	(415)	0	(415)	(378)	0	(378)
Balance			4 528			3 604

Superlon OY (Finland) and Westnofa Industrier AS (Norway) are the acquired legal entities (Flexible foams) from the former Brekke Group.

III.5.7. ASSETS AND LIABILITIES HELD FOR SALE

According to IFRS 5 the contribution of the assets and liabilities of COFEL (Bedding – France) should be posted under one line in current assets and current liabilities. The below table shows the impact on each individual line of the balance sheet of the Group.

Group Recticel in thousand EUR			
Intangible assets	(344)	Pensions and similar obligations	(2 988)
Goodwill	(7 686)	Provisions	(370)
Property, plant and equipment	(6 993)	Interest-bearing borrowings	(279)
Non-current receivables	(331)		
Deferred tax	(4 261)		
Non-current assets	(19 615)	Non-current liabilities	(3 637)
Inventories and contract in progress	(6 824)	Provisions	(177)
Trade receivables	(13 697)	Interest-bearing borrowings	(2 373)
Other current receivables	(749)	Trade payables	(4 470)
Trading investments	(309)	Other amounts payable	(5 232)
Cash and cash equivalents	(327)		
Current assets	(21 906)	Current liabilities	(12 252)
Total assets	(41 521)	Total liabilities	(15 889)

III.5.8. WORKING CAPITAL NEED

Net Working Capital investment increased by EUR 19.6 million over the first half of 2009, mainly as a result of the normal seasonal build-up of working capital in the Bedding and Insulation activities, which were less affected by the current economic crisis.

III.6. MISCELLANEOUS

III.6.1. EVENTS AFTER THE BALANCE SHEET DATE

- In the course of July 2009, the Group has successfully completed the negotiations concerning the sale of its 50% stake in the French joint venture COFEL to Pikolin, the leading manufacturer of bedding in Spain. As a result, Pikolin assumes with effect as of 1 July 2009 full ownership of COFEL.

The full net proceeds from this divestment will be applied to debt reduction, which will lead to a further reduction of the financial debts of the Recticel Group for EUR 41 million.. Moreover this transaction will have a significant positive impact on the Group results in the second half of 2009.

- Subject to the provisions of the underlying agreement, the Group reimbursed on 27 July 2009, all the outstanding amounts under the EUR 50 million subordinated loan (with a coupon of 10% p.a.) of 2004.
- In the course of July 2009, the Group bought back in the market EUR 8.4 million of the nominal value of the convertible bonds it has issued in July 2007. These bonds were acquired at an average price (including costs) of 57.8% of their nominal value. As a result of this transaction, Recticel generates a financial gain, according to IFRS, after deduction of the transaction costs, of EUR 2.2 million.

III.6.2. JOINT VENTURES

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

	in thousand EUR	30 Jun 2009	31 Dec 2008
ASSETS			
Intangible assets		3 584	954
Goodwill		9 901	8 828
Plant, property & equipment		58 762	49 725
Other financial investments		419	434
Available for sale investments		10	10
Non-current receivables		920	1 208
Deferred tax		653	13 442
Non-current assets		74 249	74 601
Inventories and contracts in progress		19 876	23 301
Trade receivables		54 776	45 099
Other current receivables		7 507	3 975
Income tax receivables		569	144
Trading investments		2	0
Cash and cash equivalents		13 891	5 684
Assets classified as held for sale		41 521	0
Current assets		138 142	78 203
Total assets		212 391	152 804

	in thousand EUR	30 Jun 2009	31 Dec 2008
LIABILITIES			
Hedging and translation reserves		(10 041)	(8 746)
Consolidated reserves		102 835	79 712
Equity, minority interests included		92 794	70 966
Pensions and similar obligations		6 175	8 228
Provisions		285	1 147
Deferred tax		2 766	1 763
Interest-bearing borrowings		39 388	20 275
Non-current liabilities		48 614	31 413
Pensions and similar obligations		187	79
Provisions		1 490	206
Interest-bearing borrowings		16 035	16 354
Trade payables		20 944	19 312
Income tax payables		1 310	700
Other amounts payable		15 128	13 774
Liabilities classified as held for sale		15 889	0
Current liabilities		70 983	50 425
Total liabilities		212 391	152 804

	in thousand EUR	1H/2009	1H/2008
<u>INCOME STATEMENT</u>			
Sales		177 595	152 568
Distribution costs		(7 534)	(8 124)
Cost of sales		(120 265)	(105 773)
Gross profit		49 796	38 671
General and administrative expenses		(9 188)	(6 571)
Sales and marketing expenses		(9 652)	(8 286)
Research and development expenses		(978)	(269)
Other operating revenues and expenses		(19 003)	(13 618)
Operating result		10 975	9 927
Income from investments		0	122
EBIT		10 975	10 049
Interest income		99	75
Interest expenses		(1 472)	(1 444)
Other financial income and expenses		(1 507)	478
Financial result		(2 880)	(891)
Result of the period before taxes		8 095	9 158
Income taxes		(10 779)	(1 009)
Result of the period after taxes		(2 684)	8 149
Foreign currency translation reserves		(274)	652
Comprehensive income		(2 958)	8 801

III.6.3. EXCHANGE RATES

in EUR		Closing rate		Average rate	
		30 JUN 09	31 DEC 08	1H/2009	1H/2008
Bulgarian Lev	BGN	0,511300	0,511300	0,511300	0,511300
Swiss Franc	CHF	0,655093	0,673401	0,664154	0,622480
Yuan Renminbi	CNY	0,103579	0,105312	0,109805	0,092602
Czech Koruna	CZK	0,038637	0,037209	0,036841	0,039696
Estonian Crone	EEK	0,063912	0,063912	0,063912	0,063912
Pound Sterling	GBP	1,173571	1,049869	1,118665	1,289980
Hungarian Forint	HUF	0,003683	0,003750	0,003448	0,003943
Yen	JPY	0,007380	0,007928	0,007857	0,006226
Lithuanian Litas	LTL	0,289620	0,289620	0,289620	0,289620
Moldavian Lei	MDL	0,063010	0,069064	0,068034	0,061544
Norwegian Krone	NOK	0,110889	0,102564	0,112415	n.a.
Polish Zloty	PLN	0,224618	0,240761	0,223426	0,286524
Romanian Lei	RON	0,237688	0,248602	0,236266	0,272472
Serbian Dinar	RSD	0,010664	0,011136	0,010758	0,012225
Swedish Krona	SEK	0,092486	0,091996	0,092069	0,106663
Slovak Koruna	SKK	0,033194	0,033194	0,033194	0,031034
Turkish Lira	TRY	0,462663	0,465376	0,464615	0,529382
Ukrainian Hryvnia	UAH	0,091151	0,093315	0,094238	0,132683
US Dollar	USD	0,707514	0,718546	0,750310	0,653415

III.6.4. CONTINGENT ASSETS AND LIABILITIES

The contingent assets and liabilities as communicated in the annual report 2008 (section III.6.11.) encountered the following developments:

- Nordwind:

The agreements concerning the sale of the Interior Solutions division (Automotive), concluded with Nordwind Capital (Germany) on 25 September 2006 and later amended on 7 November 2006 and 1 February 2007, provided inter alia for the payment of transaction costs by Recticel to Nordwind Capital should the agreements not enter into effect for specific reasons attributable to Recticel.

After the negotiations were broken off, Nordwind Capital in this context claimed reimbursement of these transaction costs from Recticel.

Nordwind Capital embarked on an arbitration procedure in 2007 before the ICC (International Chamber of Commerce).

The Court of Arbitration has now handed down its decision. The decision awards compensation amounting to EUR 1.6 million, plus interest and costs, to Nordwind Capital.

- Foamex:

As of October 2008, the courts of Brussels had rendered a judgment in favour of Recticel, authorising Recticel to claim damages for the breach of contract by Foamex for a total amount of some EUR 3.8 million. In the meantime Foamex and Recticel agreed to a settlement under which

Foamex was willing to pay Recticel the said amount, plus an additional compensation via future trim foam sales.

However, as of 18 February 2009, Foamex filed for Chapter 11, and hence did not pay the amounts due. Under US law, any amount received 90 days prior to the filing of a Chapter 11 can be clawed back by the creditor's committee of the debtor (i.e. the company which has filled for Chapter 11).

Almost immediately after the filing, Foamex started negotiations with candidates to take over its business. In a public auction held at the end of May 2009, a financial investor acquired most of Foamex's assets and agreed to take over various contracts.

Foamex and Recticel had as from the filing of the Chapter 11 renegotiated the above agreement and signed new agreements as of 9 June 2009, which were taken over by the acquirer of Foamex's assets as of 15 June 2009. Recticel's management currently believes that the probability of any eventual claw back has disappeared.

IV. 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 2009, and their impact on the summary financial information
- c) there are no material related parties' transactions nor conflicts of interest to be disclosed, other than those reported in the 2008 Annual Report
- d) there have been no material changes to the risks and uncertainties for the Group as outlined in the 2008 Annual Report; these risks and uncertainties remain applicable for the remainder of 2009.

* * *

V. STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDING 30 JUNE 2009

RECTICEL NV/SA

LIMITED REVIEW REPORT ON THE CONSOLIDATED HALF-YEAR FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2009

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 statement of cash flow, condensed statement of changes in equity and selective notes (jointly the "interim financial information") of RECTICEL NV/SA ("the company") and its subsidiaries (jointly "the group") for the six-month period ended June 30, 2009. 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 Réviseurs 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 Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

The interim financial information of several entities included in the scope of consolidation 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 June 30, 2009 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Diegem, 27 August 2009

The statutory auditor

DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by

William Blomme

Kurt Dehoorne