

RECTICEL
CONDENSED FINANCIAL STATEMENTS
PER 30 JUNE 2014

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I. FINANCIAL STATEMENTS

The condensed consolidated financial statements have been authorised for issue by the Board of Directors on 28 August 2014.

I.1. CONDENSED CONSOLIDATED INCOME STATEMENT

Group Recticel in thousand EUR	Notes *	1H2014	1H2013 (restated IFRS 11)
Sales	I.10.	494 008	494 747
Distribution costs		(26 846)	(26 646)
Cost of sales		(378 244)	(391 438)
Gross profit		88 918	76 663
General and administrative expenses		(35 579)	(32 253)
Sales and marketing expenses ¹		(36 465)	(33 413)
Research and development expenses		(6 860)	(5 395)
Impairments	I.10.	(96)	(1 200)
Other operating revenues ^(a)		3 784	4 115
Other operating expenses ^(b)		(14 991)	(13 336)
Total other operating revenues/(expenses) ^{(a)+(b)}	I.10.1.	(11 207)	(9 221)
Income from joint ventures & associates ²		7 185	2 229
Income from investments		2	0
EBIT	I.10.	5 898	(2 590)
Interest income		311	391
Interest expenses		(5 137)	(4 763)
Other financial income		3 673	4 851
Other financial expenses		(5 891)	(6 057)
Financial result	I.10.2.	(7 044)	(5 578)
Result of the period before taxes		(1 146)	(8 168)
Current income taxes		(1 124)	(1 502)
Deferred taxes		(2 709)	(460)
Income taxes		(3 833)	(1 963)
Result of the period after taxes		(4 979)	(10 131)
of which attributable to non-controlling interests		0	0
of which share of the Group		(4 979)	(10 131)

¹ The increase of the sales and marketing expenses are primarily explained by the commercial and marketing efforts (i.e. TV and radio commercials for GELTEX® inside, ...) in the Bedding segment.

² The improvement of the income from joint ventures & associates (EUR +5.0 million) is mainly explained by a higher contribution of the 50/50 joint venture Eurofoam (Flexible Foams) (EUR +2.2 million), the 51/49 joint venture Proseat (Automotive - Seating) (EUR +2,2 million) and the 50/50 joint venture KTII (Insulation) (EUR +0.4 million).

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

I.2. EARNINGS PER SHARE

Group Recticel in EUR	Notes *	1H2014	1H2013 (restated for IFRS 11)
Basic earnings per share		(0,174)	(0,351)
Diluted earnings per share		(0,174)	(0,351)

I.3. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Group Recticel in thousand EUR	Notes *	1H2014	1H2013 (restated for IFRS 11)
Result for the period after taxes		(4 979)	(10 131)
Other comprehensive income			
<i>Items that will not subsequently be recycled to profit and loss</i>			
Revaluation		0	(100)
Actuarial gains and losses recognized in equity		(4 248)	(2 894)
Deferred taxes on actuarial gains and losses on employee benefits		42	125
Total		(4 206)	(2 869)
<i>Items that subsequently may be recycled to profit and loss</i>			
Hedging interest reserves		(905)	2 058
Hedging currency reserves		0	0
Hedging net investment reserves		0	142
Hedging reserves		(905)	2 200
Net (loss)/gain on financial assets available for sale		16	0
Currency translation differences		9	(3 481)
Deferred taxes on hedging interest reserves		286	(700)
Total		(594)	(1 981)
Other comprehensive income net of tax		(4 800)	(4 850)
Total comprehensive income for the period		(9 779)	(14 981)
Total comprehensive income for the period		(9 779)	(14 981)
of which attributable to non-controlling interests		0	0
of which attributable to the owners of the parent		(9 779)	(14 981)

I.4. CONDENSED CONSOLIDATED BALANCE SHEET

Group Recticel in thousand EUR	Notes *	30 Jun 2014	31 Dec 2013
Intangible assets		12 080	11 954
Goodwill		24 865	24 610
Property, plant & equipment	I.11.1.	199 689	204 614
Investment property		3 331	3 330
Investments in joint ventures and associates	I.11.2.	79 433	72 507
Other financial investments		173	161
Available for sale investments		111	275
Non-current receivables		12 125	10 973
Deferred tax		47 275	48 929
Non-current assets		379 082	377 353
Inventories and contracts in progress		100 478	94 027
Trade receivables		84 062	64 516
Other receivables		41 052	46 358
Income tax receivables		3 322	3 851
Available for sale investments		60	60
Cash and cash equivalents		26 989	26 237
Current assets		255 963	235 049
TOTAL ASSETS		635 045	612 402
Capital		73 826	72 368
Share premium		108 294	107 042
Share capital		182 120	179 410
Treasury shares		(1 735)	(1 735)
Other reserves		(10 997)	(6 740)
Retained earnings		23 401	34 104
Hedging and translation reserves		(18 736)	(18 279)
Equity (share of the Group)		174 053	186 760
Equity attributable to non-controlling interests		0	0
Total equity		174 053	186 760
Pensions and similar obligations	I.11.3.	48 285	44 557
Provisions	I.11.3.	7 603	8 149
Deferred tax		8 897	8 203
Financial leases		16 577	18 113
Bank loans		109 044	78 850
Other loans		1 789	1 871
Interest-bearing borrowings	I.11.4.	127 410	98 834
Other amounts payable ¹		7 006	444
Non-current liabilities		199 201	160 187
Pensions and similar obligations	I.11.3.	1 428	1 809
Provisions	I.11.3.	12 341	6 732
Interest-bearing borrowings	I.11.4.	61 170	66 181
Trade payables		83 946	81 720
Income tax payables		2 679	3 086
Other amounts payable ¹		100 227	105 927
Current liabilities		261 791	265 455
TOTAL LIABILITIES AND EQUITY		635 045	612 402

¹ Non-current other amounts payable increased per 30 June 2014 by EUR 6.5 million; which is the amount of the EC fine which has to be paid in April 2016. Per 31 December 2013, the total amount of the EC fine was still booked under the current other amounts payable. Per 30 June 2014, a tranche of the EC fine which is to be paid in April 2015 is still booked under the other amounts payable within one year.

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

I.5. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Group Recticel in thousand EUR	Notes *	1H2014	1H2013 (restated)
EARNINGS BEFORE INTEREST AND TAXES (EBIT)		5 898	(2 590)
Amortisation of intangible assets		1 346	1 365
Depreciation of tangible assets	I.11.1.	12 238	13 831
Amortisation of deferred long term and upfront payment		592	620
Impairment losses on intangible assets		1	0
Impairment losses on tangible assets	I.11.1.	95	1 200
Write-offs on assets		369	796
Changes in provisions		3 691	3 256
(Gains) / Losses on disposals of assets		(246)	(2 060)
Income from joint ventures and associates		(7 185)	(2 229)
GROSS OPERATING CASH FLOW BEFORE WORKING CAPITAL MOVEMENTS		16 799	14 189
<i>Inventories</i>		(6 379)	(7 281)
<i>Trade receivables</i>		(12 023)	707
<i>Other receivables</i>		(6 013)	(4 034)
<i>Trade payables</i>		10 323	15 544
<i>Other payables</i> ¹		(12 991)	8 752
Changes in working capital		(27 082)	13 688
Trade & Other long term debts maturing within 1 year ¹		13 888	(338)
GROSS OPERATING CASH FLOW AFTER WORKING CAPITAL MOVEMENTS		3 605	27 539
Income taxes paid		(1 010)	(1 474)
NET CASH FLOW FROM OPERATING ACTIVITIES (a)		2 594	26 065
Interests received		290	316
Dividends received		65	6 300
New investments and subscriptions to capital increases		0	(678)
(Increase) / Decrease of loans and receivables		1 940	(1 008)
Investments in intangible assets		(1 732)	(2 253)
Investments in property, plant and equipment		(16 216)	(7 594)
Disposals of intangible assets		451	228
Disposals of property, plant and equipment		434	1 050
NET CASH FLOW FROM INVESTMENT ACTIVITIES (b)		(14 768)	(3 639)
Interests paid (1)		(4 207)	(2 663)
Dividends paid (2)		(5 820)	(5 899)
Increase (Decrease) of capital (3)		2 710	55
Increase of financial debt (4)		20 140	4 470
(Decrease) of financial debt (5)		0	0
NET CASH FLOW FROM FINANCING ACTIVITIES (c)=(1)+(2)+(3)+(4)+(5)		12 823	(4 037)
Effect of exchange rate changes (d)		103	(735)
Effect of changes in scope of consolidation and of foreign currency translation reserves recycled (e)		0	0
CHANGES IN CASH AND CASH EQUIVALENTS (a)+(b)+(c)+(d)+(e)		752	17 654
Net cash position opening balance		26 237	18 533
Net cash position closing balance		26 989	36 187
CHANGES IN CASH AND CASH EQUIVALENTS		752	17 654
NET FREE CASH FLOW (a)+(b)+(1)		(16 381)	19 763

¹ Compared to 31 December 2013, part of the EC fine (i.e. EUR 13 million) which was previously booked under the heading 'Other payables' has been reclassified on 30 June 2014 following the conditions of the fine payment schedule. Per 30 June 2014, EUR 6.5 million of the EC fine is booked under the heading 'Other long term debts maturing within 1 year' and EUR 6.5 million has been booked under 'Non-current Other Payables'.

I.6. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the half-year ending 30 June 2014

in million EUR	Capital	Share premium	Treasury shares	Investment revaluation reserve	Actuarial gains and losses (IAS 19R)	IFRS 2 Other capital reserves	Retained earnings	Translation differences reserves	Hedging reserves	Total shareholders' equity	Non-controlling interests	Total equity, non-controlling interests included
At the end of the preceding period (31 December 2013)	72 368	107 042	(1 735)	(16)	(9 535)	2 811	34 104	(12 079)	(6 199)	186 760	0	186 760
Dividends	0	0	0	0	0	0	(5 724)	0	0	(5 724)	0	(5 724)
Changes in subscribed capital	1 458	1 253	0	0	0	0	0	0	0	2 711	0	2 711
Stock options (IFRS 2)	0	0	0	0	0	85	0	0	0	85	0	85
Shareholders' movements	1 458	1 253	0	0	0	85	(5 724)	0	0	(2 929)	0	(2 929)
Profit or loss of the period (1)	0	0	0	0	0	0	(4 979)	0	0	(4 979)	0	(4 979)
Components of other comprehensive income that will not be recycled to profit or loss, net of tax												
Available for sale	0	0	0	0	0	0	0	0	0	0	0	0
Actuarial gains & losses recognized in equity	0	0	0	0	(4 248)	0	0	0	0	(4 248)	0	(4 248)
Deferred tax	0	0	0	0	0	0	0	0	0	0	0	0
Total other comprehensive income that will not be recycled to profit or loss, net of tax (a)	0	0	0	0	(4 248)	0	0	0	0	(4 248)	0	(4 248)
Components of other comprehensive income that will be recycled to profit or loss, net of tax												
Gains (losses) on cash flow hedge	0	0	0	16	0	0	0	0	(841)	(825)	0	(825)
Deferred taxes	0	0	0	0	42	0	0	0	286	328	0	328
Translation differences	0	0	0	0	(153)	0	0	162	(64)	(55)	0	(55)
Total other comprehensive income that will be recycled to profit or loss, net of tax (b)	0	0	0	16	(111)	0	0	162	(619)	(552)	0	(552)
Comprehensive income' (1)+(a)+(b)	0	0	0	16	(4 359)	0	(4 979)	162	(619)	(9 779)	0	(9 779)
Reclassification	0	0	0	0	0	0	1	0	0	1	0	1
At the end of the period (30 June 2014)	73 826	108 294	(1 735)	0	(13 894)	2 896	23 402	(11 917)	(6 818)	174 054	0	174 054

For the half-year ending 30 June 2013

in million EUR	Capital	Share premium	Investment revaluation reserve	Actuarial gains and losses (IAS 19R)	IFRS 2 Other capital reserves	Retained earnings	Translation differences reserves	Hedging reserves	Total shareholders' equity	Non-controlling interests	Total equity, non-controlling interests included
At the end of the preceding period (31 December 2012 - as published)	72 329	107 013	0	0	2 562	92 447	(5 964)	(7 763)	260 624	0	260 624
Changes in accounting policies	0	0	0	(5 597)	0	(13 849)	(89)	0	(19 535)	0	(19 535)
At the end of the preceding period (31 December 2012 - restated for IAS 19R)	72 329	107 013	0	(5 597)	2 562	78 598	(6 053)	(7 763)	241 089	0	241 089
Dividends	0	0	0	0	0	(8 357)	0	0	(8 357)	0	(8 357)
Changes in subscribed capital	32	23	0	0	0	0	0	0	55	0	55
Stock options (IFRS 2)	0	0	0	0	124	(678)	0	0	(554)	0	(554)
Shareholders' movements	32	23	0	0	124	(9 035)	0	0	(8 856)	0	(8 856)
Profit or loss of the period (1)	0	0	0	0	0	(10 131)	0	0	(10 131)	0	(10 131)
Components of other comprehensive income that will not be recycled to profit or loss, net of tax											
Available for sale	0	0	(100)	0	0	0	0	0	(100)	0	(100)
Actuarial gains & losses recognized in equity	0	0	0	(2 894)	0	0	0	0	(2 894)	0	(2 894)
Deferred tax	0	0	0	125	0	0	0	0	125	0	125
Total other comprehensive income that will not be recycled to profit or loss, net of tax (a)	0	0	(100)	(2 769)	0	0	0	0	(2 869)	0	(2 869)
Components of other comprehensive income that will be recycled to profit or loss, net of tax											
Gains (losses) on cash flow hedge	0	0	0	0	0	0	0	2 058	2 058	0	2 058
Deferred taxes	0	0	0	0	0	0	0	(700)	(700)	0	(700)
Translation differences	0	0	0	55	0	0	(3 536)	142	(3 339)	0	(3 339)
Total other comprehensive income that will be recycled to profit or loss, net of tax (b)	0	0	0	55	0	0	(3 536)	1 500	(1 981)	0	(1 981)
Comprehensive income' (1)+(a)+(b)	0	0	(100)	(2 714)	0	(10 131)	(3 536)	1 500	(14 981)	0	(14 981)
Reclassification	0	0	0	(3)	0	3	0	0	0	0	0
At the end of the period (30 June 2013)	72 361	107 036	(100)	(8 314)	2 686	59 435	(9 589)	(6 263)	217 252	0	217 252

1.7. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDING 30 JUNE 2014

1.7.1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.7.1.1. STATEMENT OF COMPLIANCE - BASIS OF PREPARATION

These condensed consolidated financial statements for the six months ended 30 June 2014 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 2013.

These condensed consolidated interim financial statements have been authorised for issue by the Board of Directors on 28 August 2014.

1.7.1.2. GENERAL PRINCIPLES – SIGNIFICANT ACCOUNTING POLICIES

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2014:

- IFRS 15 *Revenue from Contracts with Customers* (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)
- Amendments to IAS 16 and IAS 38 *Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- Amendments to IFRS 11 *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)

1.7.2. CRITICAL ACCOUNTING ASSESSMENTS AND PRINCIPAL SOURCES OF UNCERTAINTY

Drawing up the annual accounts in accordance with IFRS requires management to make the necessary estimates and assessments. The management bases its estimates on past experience and other reasonable assessment criteria. These are reviewed periodically and the effects of such reviews are taken into account in the annual accounts of the period concerned. Future events which may have a financial impact on the Group are also included in this.

The estimated results of such possible future events may consequently diverge from the actual impact on results. Assessments and estimates were made, inter alia, regarding:

- additional impairments in respect of fixed assets, including Goodwill;
- determination of provisions for restructuring, contingent liabilities and other exposures;
- determination of provisions for irrecoverable receivables;
- determination of write-downs on inventories;
- valuation of post-employment defined benefit obligations, other long term employee benefits and termination benefits;
- the recoverability of deferred tax assets.

It is not excluded that future revisions of such estimates and assessments could trigger an adjustment in the value of the assets and liabilities in future financial years.

German Federal Cartel Office

Based on the indications given by the German Federal Cartel Office, Recticel's current assessment of the potential risk for the Group leads to the recognition of a provision of EUR 8.2 million.

1.7.3. CHANGES IN SCOPE OF CONSOLIDATION

There are no changes in the scope of consolidation in 1H2014.

1.7.4. OPERATING SEGMENTS

The principal categories of market for these goods are the four operating segments: Flexible Foams, Bedding, Insulation, Automotive, and Corporate. For more details on these segments, reference is made to the press release of 30 August 2014 (1H2014 Result). Information regarding the Group's reportable segments is presented below. Inter-segment sales are made at prevailing market conditions.

Segment information about these businesses is presented below.

Seasonality or cyclicity of the interim operations:

It should be reminded that at mid-year the net working capital need is traditionally influenced by the normal seasonal build-up of working capital in the Bedding and Insulation activities.

Segment information for the first half-year 2014

Group Recticel in thousand EUR	FLEXIBLE FOAMS	BEDDING	AUTOMOTIVE	INSULATION	ELIMINATIONS	COMBINED TOTAL (A)	CONTRIBUTION JOINT VENTURES PROPORTIONALLY CONSOLIDATED IN SEGMENT REPORTING (B)	CONSOLIDATED TOTAL (A)+(B)
SALES								
External sales	269 367	124 882	140 254	110 736	0	645 239		
Inter-segment sales	30 712	10 529	319	24	(41 584)	0		
Total sales	300 079	135 411	140 573	110 760	(41 584)	645 239	(151 231)	494 008
EARNINGS BEFORE INTEREST AND TAXES (EBIT)								
Segment result	10 490	(1 834)	6 866	10 319	0	25 841	(2 156)	23 685
Unallocated corporate expenses						(17 787)		(17 787)
EBIT	10 490	(1 834)	6 866	10 319	0	8 054	(2 156)	5 898
Financial result						(7 635)	591	(7 044)
Result for the period before taxes						419	(1 565)	(1 146)
Income taxes						(5 398)	1 565	(3 833)
Result for the period after taxes						(4 979)	0	(4 979)
Attributable to non-controlling interests						0		0
Share of the Group						(4 979)		(4 979)

Segment information for the first half-year 2013

Group Recticel in thousand EUR	FLEXIBLE FOAMS	BEDDING	AUTOMOTIVE	INSULATION	ELIMINATIONS	COMBINED TOTAL (A)	CONTRIBUTION JOINT VENTURES PROPORTIONALLY CONSOLIDATED IN SEGMENT REPORTING (B)	CONSOLIDATED TOTAL (A)+(B)
SALES								
External sales	266 013	127 715	129 413	109 506	0	632 647	(137 900)	494 747
Inter-segment sales	31 267	12 317	262	18	(43 864)	0		
Total sales	297 280	140 032	129 675	109 524	(43 864)	632 647	(137 900)	494 747
EARNINGS BEFORE INTEREST AND TAXES (EBIT)								
Segment result	6 440	496	(7 976)	9 786	0	8 746	(1 745)	7 001
Unallocated corporate expenses						(9 592)	0	(9 592)
EBIT	6 440	496	(7 976)	9 786	0	(845)	(1 745)	(2 590)
Financial result						(6 458)	880	(5 578)
Result for the period before taxes						(7 303)	(865)	(8 168)
Income taxes						(2 828)	0	(2 828)
Result for the period after taxes						(10 131)	(865)	(10 996)
Attributable to non-controlling interests						0		0
Share of the Group						(10 131)		(10 131)

Other segment information first half-year 2014

Group Recticel in thousand EUR	FLEXIBLE FOAMS	BEDDING	AUTOMOTIVE	INSULATION	CORPORATE	COMBINED TOTAL (A)	CONTRIBUTION JOINT VENTURES PROPORTIONALLY CONSOLIDATED IN SEGMENT REPORTING (B)	CONSOLIDATED TOTAL (A)+(B)
Depreciation and amortisation	5 634	3 344	5 509	2 940	626	18 053	(3 876)	14 177
Impairment losses recognised in profit and loss	35	59	2	0	0	96	0	96
EBITDA ¹	16 160	(6 631)	12 376	13 259	(8 965)	26 199	(6 032)	20 168
Capital additions	2 861	1 356	2 645	2 719	1 592	11 173	(2 537)	8 636

¹ EBITDA for Bedding (from EUR 3.6 million to EUR -6.6 million) was negatively impacted by the provision of EUR -8,2 million for German Federal Cartel Office investigation. The improvement of EBITDA for Automotive (from EUR 0.5 million to EUR 12.4 million) is explained by the fact that 1H2013 EBITDA was materially impacted by impairment (EUR -1.2 million) and restructuring charges (EUR -7,9 million) at the Interiors Rheinbreitbach (Germany) plant.

Other segment information first half-year 2013

Group Recticel in thousand EUR	FLEXIBLE FOAMS	BEDDING	AUTOMOTIVE	INSULATION	CORPORATE	COMBINED TOTAL (A)	CONTRIBUTION JOINT VENTURES PROPORTIONALLY CONSOLIDATED IN SEGMENT REPORTING (B)	CONSOLIDATED TOTAL (A)+(B)
Depreciation and amortisation	6 149	3 091	7 301	2 788	545	19 874	(4 059)	15 815
Impairment losses recognised in profit and loss ¹	5	0	1 200	0	0	1 205	(5)	1 200
EBITDA	12 594	3 587	525	12 574	(9 046)	20 234	(5 809)	14 425
Capital additions	4 020	549	3 261	2 000	2 184	12 014	(2 308)	9 706

¹ Impairment losses recognized in profit and loss are related to the Rheinbreitbach plant (Germany - Automotive Interiors). It is the result from a value-in-use impairment test with a weighted average cost of capital of 8%.

Balance sheet information per segment at 30 June 2014

Group Recticel in thousand EUR	FLEXIBLE FOAMS	BEDDING	AUTOMOTIVE	INSULATION	ELIMINATIONS	COMBINED TOTAL (A)	CONTRIBUTION JOINT VENTURES PROPORTIONALLY CONSOLIDATED IN SEGMENT REPORTING (B)	CONSOLIDATED TOTAL (A)+(B)
ASSETS								
Segment assets	267 862	118 161	146 619	143 993	(111 586)	565 049	(84 800)	480 249
Investment in associates	12 886					12 886	66 547	79 433
Unallocated corporate assets						133 716	(58 353)	75 363
Total consolidated assets						711 651	(76 606)	635 045
LIABILITIES								
Segment liabilities	128 180	54 982	63 609	67 024	(111 586)	202 209	(41 865)	160 344
Unallocated corporate liabilities						335 389	(34 741)	300 648
Total consolidated liabilities (excluding equity)						537 598	(76 606)	460 992

The unallocated assets, which amount to EUR 133.7 million, include mainly the following items:

- Financial receivables for EUR 14.7 million
- Current tax receivables for EUR 3.7 million
- Other receivables for EUR 18.4 million
- Deferred tax assets for EUR 47.5 million
- Cash & cash equivalent for EUR 42.5 million.

The unallocated liabilities, which amount to EUR 328.4 million (equity excluded), includes mainly the following items:

- Provisions for EUR 89.0 million
- Deferred tax liabilities for EUR 10.3 million
- Interest-bearing borrowings for EUR 219.0 million

Balance sheet information per segment at 30 June 2013

Group Recticel in thousand EUR	FLEXIBLE FOAMS	BEDDING	AUTOMOTIVE	INSULATION	ELIMINATIONS	COMBINED TOTAL (A)	CONTRIBUTION JOINT VENTURES PROPORTIONALLY CONSOLIDATED IN SEGMENT REPORTING (B)	CONSOLIDATED TOTAL (A)+(B)
ASSETS								
Segment assets	260 376	116 982	145 146	141 227	(136 036)	527 695	(166 233)	361 462
Investment in associates	13 274	0	0	0	0	13 274	49 372	62 646
Unallocated corporate assets						177 672	46 970	224 642
Total consolidated assets						718 641	(69 891)	648 750
LIABILITIES								
Segment liabilities	136 507	54 357	66 366	83 356	(136 036)	204 551	(41 529)	163 022
Unallocated corporate liabilities						296 838	(28 362)	268 476
Total consolidated liabilities (excluding equity)						501 389	(69 891)	431 498

The unallocated assets, which amount to EUR 177.7 million, include mainly the following items:

- Financial receivables for EUR 18.8 million
- Current tax receivables for EUR 5.4 million
- Other receivables for EUR 24.2 million
- Deferred tax assets for EUR 49.9 million
- Cash & cash equivalent for EUR 43.6 million.

The unallocated liabilities, which amount to EUR 320.5 million (equity excluded), includes mainly the following items:

- Provisions for EUR 71.2 million
- Deferred tax liabilities for EUR 9.5 million
- Financial liabilities for EUR 204.0 million

Non-recurring elements in the operating result per segment

Group Recticel in thousand EUR	FLEXIBLE FOAMS	BEDDING	AUTOMOTIVE	INSULATION	NOT ALLOCATED	TOTAL COMBINED
First half-year 2014						
Impairment	(35)	(59)	(2)	0	0	(96)
Restructuring charges	(1 326)	(1 924)	(375)	0	(566)	(4 191)
Provision fine German Federal Cartel Office	0	(8 200)	0	0	0	(8 200)
Other	202	15	(4)	0	(450)	(237)
TOTAL	(1 159)	(10 168)	(381)	0	(1 016)	(12 724)

- Restructuring charges are mainly related to Flexible Foams in The Netherlands (Wijchen site) and in the United Kingdom, Sweden, Spain and Turkey. In the Bedding segment restructuring charges have been incurred with respect to the transfer of production activities from Büron (Switzerland) to Flüh (Switzerland), Hulshout (Belgium) and Lodz (Poland), leading to the closing of the Büron plant .

- Other non-recurring elements relate mainly to additional legal fees in relation with the EU investigation and German Federal Cartel Office.

First half-year 2013						
Impairment	(5)	0	(1 200)	0	0	(1 205)
Restructuring charges	(1 579)	(789)	(7 948)	(83)	(249)	(10 648)
Other	(828)	(335)	0	0	(1 260)	(2 423)
TOTAL	(2 412)	(1 124)	(9 148)	(83)	(1 509)	(14 276)

- Impairment charges relate to the Automotive-Interiors activities in Rheinbreitbach (Germany).

- Restructuring charges are mainly related to Automotive-Interiors in Germany (Rheinbreitbach site). New provisions were also booked for the Flexible Foams activities in the UK (closure of Pendle site). In Bedding restructuring charges were booked in Germany.

- Other non-recurring elements relate mainly to (i) additional legal fees in relation with the EU investigation (Flexible Foams) (EUR -1.0 million) and (ii) after a complete investigation, the impact of the regularisation of past irregularities in Spain (see post-balance sheet date events in Annual Report 2012) (EUR -1.5 million).

1.7.5. INCOME STATEMENT

1.7.5.1. OTHER OPERATING REVENUES AND EXPENSES

Group Recticel in thousand EUR	1H2014	1H2013 (restated for IFRS 11)
Other operating revenues	3 784	4 115
Other operating expenses	(14 991)	(13 336)
TOTAL	(11 207)	(9 221)

Group Recticel in thousand EUR	1H2014	1H2013 (restated for IFRS 11)
Provision for fine German Federal Cartel Office	(8 200)	0
Restructuring costs (including site closure, onerous contracts and clean-up costs)	(4 191)	(10 978)
Gain (Loss) on disposal of intangible and tangible assets	280	1 342
Gain (Loss) on disposal of business assets and of associates	0	(2)
Gain (Loss) on realization of receivables/payables	0	(178)
Other revenues	3 211	2 594
Other expenses	(2 307)	(1 999)
TOTAL	(11 207)	(9 221)

COMMENTS ON FIRST HALF-YEAR RESULTS 2014

Restructuring

Restructuring charges are mainly related to the Bedding segment where restructuring charges have been incurred with respect to the transfer of production activities from Büron (Switzerland) to Flüh (Switzerland), Hulshout (Belgium) and Lodz (Poland), leading to the closing of the Büron plant. Restructuring charges in Flexible Foams concern The Netherlands (Wijchen site) and the United Kingdom, Sweden, Spain and Turkey.

Gain (Loss) on disposal of intangible and tangible assets

In 1H2014 this item relates to one transaction in Flexible Foams, i.e.: gain on disposal of equipment in Spain.

Other operating revenues and expenses

Other operating revenues and expenses during the first half-year of 2014 comprised, a.o.

- (i) the impact of pension liabilities (EUR -1.6 million)
- (ii) additional legal fees in relation with the EU investigation (Flexible Foams) and German Federal Cartel Office (EUR -0.4 million)
- (iii) net revenues from insurance premiums (EUR +1.4 million)
- (iv) re-invoicing of services and goods, rentals (EUR 1.7 million).

COMMENTS ON FIRST HALF-YEAR RESULTS 2013

Restructuring

Restructuring charges are mainly related to Automotive-Interiors in Germany (Rheinbreitbach site). New provisions were also booked for the Flexible Foams activities in the UK (closure of Pendle site). In Bedding restructuring charges were booked in Germany.

Gain (Loss) on disposal of intangible and tangible assets

In 1H2013 this item relates to two transactions in Flexible Foams, i.e.: (i) an asset deal (equipment and clientele) in Norway (EUR 0.7 million) and (ii) the sale of land in Turkey (EUR +0.6 million).

Gain (Loss) on realization of receivables/payables

This item relates to (i) the write-off of a receivable on the Italian affiliate ARTE srl (Flexible Foams) (EUR -0.3 million) and (ii) a reversal of a write-off of a receivable on Teknofoam Hellas (in liquidation) (Flexible Foams) (EUR +0.1 million).

Other operating revenues and expenses

Other operating revenues and expenses during the first half-year of 2013 comprised, a.o.

- (v) the impact of pension liabilities (EUR +0.7 million)
- (vi) additional legal fees in relation with the EU investigation (Flexible Foams) (EUR -0.7 million)
- (vii) the reversal of provisions for financial risks on the investment in the affiliate ARTE srl (EUR +0.3 million) and in Plasteurop sa (in liquidation) (EUR +0.5 million)
- (viii) net revenues from insurance premiums (EUR +1.4 million)
- (ix) strategic consultancy fees (EUR -0.3 million).
- (x) following the on-going investigation, the estimated impact of the regularisation of past irregularities in one of the subsidiaries of the Group (see post-balance sheet date events in Annual Report 2013) (EUR -1.5 million).

I.7.5.2. FINANCIAL RESULT

Group Recticel in thousand EUR	1H2014	1H2013 (restated for IFRS 11)
Interest charges on bonds & notes	(691)	(691)
Interest on financial lease	(349)	(405)
Interest on long-term bank loans	(1 993)	(1 461)
Interest on short-term bank loans & overdraft	(747)	(717)
Interest on other long-term loans	(56)	(56)
Interest on other short-term loans	0	0
Net interest charges on Interest Rate Swaps	(945)	(1 096)
Net interest charges on foreign currency swaps	(87)	(136)
Capitalized intercalary interest	0	48
Total borrowing cost	(4 868)	(4 514)
Interest income from bank deposits	44	19
Interest income from financial receivables	267	372
Interest income from financial receivables and cash	311	391
Interest charges on other debts	(284)	(267)
Interest income from other financial receivables	14	18
Total other interest	(270)	(249)
Interest income and expenses	(4 827)	(4 372)
Exchange rate differences ⁽¹⁾	(620)	(330)
Premium on CAP/Floor contracts	0	(9)
Result on derivative instruments	0	(9)
Interest actualisation and expected return on provisions for employee benefits	0	0
Interest actualisation for other provisions	(6)	(21)
Net interest cost IAS 19	(769)	(805)
Interest on provisions for employee benefits and other debt	(774)	(826)
Other financial result ¹	(823)	(41)
FINANCIAL RESULT	(7 044)	(5 578)

¹ 1H2014 Other financial result comprises a financial cost of EUR 0.8 million related to the EC fine payment terms.

I.7.5.3. DIVIDENDS

The Board of Directors' proposal to distribute a gross dividend of EUR 0.20 per share or EUR 5.8 million for the year 2013 was approved by the shareholders at the Annual General Meeting of 27 May 2014. The payment of this dividend took place on 03 June 2014, and is thus reflected in the financial statements for the first half of 2014.

1.7.6. BALANCE SHEET

1.7.6.1. PROPERTY, PLANT & EQUIPMENT

For the half-year ending 30 June 2014:

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	186 154	489 636	23 251	35 324	5 169	8 237	747 771
Accumulated depreciation	(112 243)	(381 512)	(18 981)	(10 939)	(1 299)	0	(524 974)
Accumulated impairments	(765)	(16 261)	(65)	(197)	(484)	(411)	(18 183)
Net book value at opening	73 146	91 863	4 205	24 188	3 386	7 826	204 614
Movements during the period							
Acquisitions, including own production	39	465	465	0	28	6 192	7 189 ⁽¹⁾
Impairments	0	(94)	(1)	0	0	0	(95)
Expensed depreciation	(2 025)	(8 543)	(822)	(811)	(38)	0	(12 239)
Sales and scrapped	0	(51)	(7)	0	0	0	(58) ⁽²⁾
Transfers from one heading to another	717	3 234	495	(7)	(11)	(4 471)	(43)
Exchange rate differences	85	146	9	1	1	79	321
At the end of the period	71 962	87 020	4 344	23 371	3 366	9 626	199 689
Gross value	187 006	490 449	24 130	35 306	5 185	10 037	752 113
Accumulated depreciation	(114 296)	(390 204)	(19 738)	(11 768)	(1 335)	0	(537 341)
Accumulated impairments	(748)	(13 225)	(48)	(167)	(484)	(411)	(15 083)
Net book value at the end of the period	71 962	87 020	4 344	23 371	3 366	9 626	199 689
Acquisitions							
Cash-out on acquisitions tangible assets	(16 216)						
Acquisitions shown in working capital	9 027						
Total acquisitions tangible assets ⁽¹⁾	(7 189)						
Disposals							
Cash-in from disposals tangible assets							434
Disposals shown in working capital							(376)
Total disposals tangible assets ⁽²⁾							58

Total acquisitions of tangible assets amount to EUR 7.2 million in the first half of 2014.

In December 2011, Recticel SA/NV and Recticel International Services SA/NV concluded a new joint credit facility agreement ('club deal') amounting to EUR 175 million. Under this club deal, Recticel SA/NV and/or its affiliates have pledged their production sites in Belgium, Germany, France, the Netherlands and Sweden in favour of the banks up to a maximum amount of EUR 175 million plus interest and related costs.

At 30 June 2014, the Group has entered into contractual commitments for the acquisition of property, plant & equipment amounting to EUR 8.7million.

At 31 December 2013, the Group had entered into contractual commitments for the acquisition of property, plant & equipment amounting to EUR 7.0 million.

I.7.6.2. INTERESTS IN JOINT VENTURES AND ASSOCIATES

At the end of the preceding period	72 507	69 123
Movements during the year		
Changes in the scope of consolidation	0	0
Actuarial gains/(losses) recognized in equity	(621)	52
Acquisitions	(13)	0
Income tax relating to components of other comprehensive income	0	(47)
Transfer from one heading to another	0	0
Exchange rate differences	265	(940)
Group's share in the result of the period ¹	7 185	439
Dividends distributed	(117)	(6 300)
Result transfer	227	(1 144)
Capital increase	0	11 324
At the end of the period	79 433	72 507

¹ The positive evolution of the Group's share in the result of the period is explained by the higher contribution of the 50/50 joint venture Eurofoam. In 2013 the result of Eurofoam was impacted by its portion of the EC fine (EUR -7.4 million).

I.7.6.3. PROVISIONS

For the half-year ending 30 June 2014:

Group Recticel in thousand EUR	EMPLOYEE BENEFITS	REORGANISATION	PROVISIONS FOR ONEROUS CONTRACTS	OTHER RISKS	TOTAL
At the end of the preceding year	46 366	7 908	164	6 809	61 247
Movements during the year					
Actuarial gains (losses) recognized in equity	3 605	0	0	0	3 605
Actualisation	769	0	6	0	775
Increases ^{1/2}	2 395	1 420	1 286	8 334	13 435
Utilisations	(3 031)	(5 301)	(170)	(392)	(8 894)
Write-backs	(794)	0	0	(142)	(936)
Transfers from one heading to another	0	0	0	0	0
Exchange rate differences	403	14	4	3	424
					0
At year-end	49 713	4 041	1 290	14 612	69 656
Non-current provisions (more than one year)	48 285	644	895	6 064	55 889
Current provisions (less than one year)	1 428	3 397	395	8 547	13 767
Total	49 713	4 041	1 290	14 612	69 656

¹ The increase of the provisions for onerous contracts is mainly linked to (i) a guarantee (EUR 0.5 million) on the residual value of the building (Mallersdorf (Germany); Automotive Interiors) at maturity date of the lease agreement and (ii) onerous contracts (EUR 0.8 million) resulting from the restructuring and closure of the plant in Büron (Switzerland; Bedding).

² The increase of the provisions for other risks relates mainly to fine (EUR 8.2 million) imposed by the German Federal Cartel Office ("Bundeskartellamt") (see press release dd. 22 August 2014).

I.7.6.4. INTEREST-BEARING BORROWINGS

I.7.6.4.1. FINANCIAL LIABILITIES CARRIED AT AMORTISED COST

Group Recticel in thousand EUR	Non-current liabilities <u>used</u>		Current liabilities <u>used</u>	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
Secured				
Financial leases	16 577	18 113	3 032	2 975
Bank loans	109 044	78 850	0	0
Bank loans - factoring with recourse	0	0	0	574
Total secured	125 621	96 963	3 032	3 549
Unsecured				
Bonds & notes	0	0	25 812	25 536
Other loans	1 789	1 871	234	234
Current bank loans	0	0	16 210	22 812
Bank loans - forfeiting	0	0	3 176	2 643
Bank overdraft	0	0	1 832	2 400
Other financial debts	0	0	10 874	9 007
Total unsecured	1 789	1 871	58 138	62 632
Total liabilities carried at amortised cost	127 410	98 834	61 170	66 181

As of June 30, 2014, the gross interest bearing borrowings of the group amounted to EUR 188.6 million compared to EUR 165.0 million at the end of December 2013; or EUR +23.6 million.

The average outstanding debt was at a slightly higher level throughout the first half of 2014 compared to the same period in 2013.

As of 30 June 2014, the weighted lifetime of the debt payables after one year was at 3.02 years, compared at 2.5 at the end of December 2013.

Besides the drawn amounts under the 'club deal' facility (EUR 109.0 million), other long term loan commitments are available for EUR 73.8 million of which EUR 3.5 million are maturing within one year. On top of this, the Group also has access to EUR 69.0 million undrawn short term credit lines.

A convertible bond was issued in July 2007 for a nominal amount of EUR 57.5 million, of which the Group bought back EUR 11.2 million in 2008, EUR 17.3 million in 2009 and EUR 1.4 million in 2011. Out of the remaining balance of EUR 27.7 million, EUR 25.8 million is recorded under financial debt and the remaining balance is entered in a specific capital account. The bond has a 10 year term. The coupon amounts to 5% and is payable annually. The bond is convertible in shares from September 3, 2007 until July 16, 2017 into ordinary shares at the then prevailing conversion price. As of June 30, 2014 the conversion price is EUR 11.81. The bond had also a put option for investors, expiring in July 2014. EUR 50,000 were exercised at that maturity.

Unless the loan is converted or cancelled earlier, the bonds will be redeemed in cash on July 23, 2017 at par, together with the interest due and not yet paid.

Pursuant to the existing put option at 23 July 2014, this convertible bond was temporarily (on 31 December 2013 and on 30 June 2014) booked under the current interest-bearing borrowings.

Following the extinction of this put option in July 2014, the not reimbursed outstanding amount of this convertible bond will again be classified under the long-term interest-bearing borrowings as per 31 December 2014.

This compares to the situation as of December 31, 2013, where the drawn amounts under the 'club deal' facility amounted to EUR 78.9 million. Besides the Group also had access to EUR 60.7 million long term loan commitments of which EUR 2.6 million are maturing within one year. The undrawn short term commitments amounted to EUR 75.8 million.

The bonds and financial leases are at fixed rates.

Other interest bearing borrowings payable after one year are mostly at floating interest rate. Their fair value therefore approximates to the nominal value. The interest cost for these Group borrowings ranges from 0.83% to 2.45% in EUR.

As of June 30, 2014, the total outstanding borrowings were directly or synthetically (through currency swaps) denominated for 67.4% in EUR, 6.1% in GBP, 7.0% in CZK, 4.8% in CHF, 5.6% in SEK, 2.6% in PLN, 2.4% in USD and 4.10% in various other currencies.

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 borrowings under the 'club deal' are subject to bank covenants based on an adjusted leverage ratio, an adjusted interest cover and a minimum equity requirement. At 30 June 2014, Recticel complied with all its bank covenants.

As stated in the club deal, the maximum dividend authorised for distribution amounts to the highest of (i) 50% of the consolidated net income of the Group for the previous financial year and (ii) EUR 8.0 million.

In April 2014, Recticel has obtained confirmation by the European Commission's Directorate General for Budget allowing it to pay its fine (excluding the fine to be paid by the joint venture Eurofoam) in three annual installments on 30 April 2014, 2015 and 2016. On 30 April 2014, the Group has paid EUR 6.5 million (excluding its portion in the Eurofoam fine). The balance of the EC fine will be paid on 30 April 2015 (EUR 6.5 million) and on 30 April 2016 (EUR 6.5 million, excluding interest charges).

1.7.6.4.2. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Categories of financial instruments

Group Recticel in thousand EUR	NOTES	30 JUN 2014	31 DEC 2013
Financial assets			
Fair value through profit or loss account ("FVTPL")			
Hedging contract		0	155
Trading/Economic hedge (FX forward)		288	360
Financial assets at fair value through profit & loss account (b)		288	515
Non-current trade receivables (a)		0	0
Current trade receivables		84 061	64 516
Trade receivables (A)		84 061	64 516
Other non-current receivables (a)		3 570	3 278
Cash advances & deposits (a)		1 520	2 084
Other receivables (b)		22 354	17 009
Other receivables (B)		27 444	22 371
Loans to affiliates		5 250	3 826
Other loans		1 785	1 785
Non current loans (a)		7 035	5 611
Financial receivables (b)		18 410	28 834
Loans (C)		25 445	34 445
Cash and cash equivalents (D)		26 989	26 237
Total loans & receivables (A+B+C+D)		163 939	147 569
Other investments (available for sale investments)		171	395
Non-current receivables (sum of (a))		12 125	10 973
Other receivables (sum of (b))		41 052	46 358
Financial liabilities			
Interest rate swaps designed as cash flow hedge relationship		7 344	6 486
Subtotal interest rate swaps designed as cash flow hedge relationship (E)		7 344	6 486
Interest charges on foreign currency swaps		7	26
Trading/Economic hedge (FX forward)		946	611
Financial liability at fair value through profit & loss account (F)		953	637
Non current financial liabilities at amortised cost		127 410	98 834
Current financial liabilities at amortised cost (G)		52 873	59 058
Current financial liabilities (E+F+G)		61 170	66 181

The carrying amount of the convertible bond amounts EUR 25.8 million (31 December 2013: EUR 25.5 million). Fair value price per 30 June 2014 stood at EUR 26.5 million.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 : techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period ending 30 June 2014, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Fair value measurements recognized in the consolidated balance sheet per **30 June 2014**:

Group Recticel in thousand EUR	DESIGNATED IN HEDGE RELATIONSHIP	AT FAIR VALUE THROUGH PROFIT OR LOSS - HELD FOR TRADING	AVAILABLE FOR SALE	LOANS & RECEIVABLES AT AMORTISED COST	FAIR VALUE	FAIR VALUE LEVEL
Financial assets						
Fair value through profit or loss account ("FVTPL")						
Hedging contract	0	0	0	0	0	2
Trading/Economic hedge (FX forward)	0	288	0	0	288	2
Financial assets at fair value through profit & loss account (b)	0	288	0	0	288	2
Non-current trade receivables (a)	0	0	0	0	0	2
Current trade receivables	0	0	0	84 061	84 061	2
Trade receivables (A)	0	0	0	84 061	84 061	2
Other non-current receivables (a)	0	0	0	3 570	3 570	2
Cash advances & deposits (a)	0	0	0	1 520	1 520	2
Other receivables (b)	0	0	0	22 354	22 354	2
Other receivables (B)	0	0	0	27 444	27 444	2
Loans to affiliates	0	0	0	5 250	5 250	2
Other loans	0	0	0	1 785	1 785	2
Non current loans (a)	0	0	0	7 035	7 035	2
Financial receivables (b)	0	0	0	18 411	18 411	2
Loans (C)	0	0	0	25 446	25 446	2
Cash and cash equivalents (D)	0	0	0	26 989	26 989	2
Total loans & receivables (A+B+C+D)	0	0	0	163 940	163 940	
Other investments (available for sale investments)	0	0	171	0	171	2
Non-current receivables (sum of (a))	0	0	0	12 125	12 125	
Other receivables (sum of (b))	0	288	0	40 765	41 053	
Financial liabilities						
Interest rate swaps designed as cash flow hedge relationship	7 344	0	0	0	7 344	2
Subtotal interest rate swaps designed as cash flow hedge relationship (E)	7 344	0	0	0	7 344	2
Interest charges on foreign currency swaps	0	7	0	0	7	2
Trading/Economic hedge (FX forward)	0	946	0	0	946	2
Financial liability at fair value through profit & loss account (F)	0	953	0	0	953	2
Non current financial liabilities at amortised cost *	0	0	0	110 833	110 833	2
Current financial liabilities at amortised cost * (G)	0	0	0	22 731	22 731	2
Current financial liabilities (E+F+G)	7 344	953	0	22 731	31 028	

* excluding financial leases and convertible bonds.

Fair value measurements recognized in the consolidated balance sheet per **31 December 2013**:

Group Recticel in thousand EUR	DESIGNATED IN HEDGE RELATIONSHIP	AT FAIR VALUE THROUGH PROFIT OR LOSS - HELD FOR TRADING	AVAILABLE FOR SALE	LOANS & RECEIVABLES AT AMORTISED COST	FAIR VALUE	FAIR VALUE LEVEL
Financial assets						
Fair value through profit or loss account ("FVTPL")						
Hedging contract	0	155	0	0	155	2
Trading/Economic hedge (FX forward)	0	360	0	0	360	2
Financial assets at fair value through profit & loss account (b)	0	515	0	0	515	2
Non-current trade receivables (a)	0	0	0	0	0	2
Current trade receivables	0	0	0	64 516	64 516	2
Trade receivables (A)	0	0	0	64 516	64 516	2
Other non-current receivables (a)	0	0	0	3 278	3 278	2
Cash advances & deposits (a)	0	0	0	2 084	2 084	2
Other receivables (b)	0	0	0	17 009	17 009	2
Other receivables (B)	0	0	0	22 371	22 371	2
Loans to affiliates	0	0	0	3 826	3 826	2
Other loans	0	0	0	1 785	1 785	2
Non current loans (a)	0	0	0	5 611	5 611	2
Financial receivables (b)	0	0	0	28 834	28 834	2
Loans (C)	0	0	0	34 445	34 445	2
Cash and cash equivalents (D)	0	0	0	26 237	26 237	2
Total loans & receivables (A+B+C+D)	0	0	0	147 569	147 569	
Other investments (available for sale investments)	0	0	395	0	395	2
Non-current receivables (sum of (a))	0	0	0	10 973	10 973	
Other receivables (sum of (b))	0	515	0	45 843	46 358	
Financial liabilities						
Interest rate swaps designed as cash flow hedge relationship	6 486	0	0	0	6 486	2
Subtotal interest rate swaps designed as cash flow hedge relationship (E)	6 486	0	0	0	6 486	2
Interest charges on foreign currency swaps	0	26	0	0	26	2
Trading/Economic hedge (FX forward)	0	611	0	0	611	2
Financial liability at fair value through profit & loss account (F)	0	637	0	0	637	2
Non current financial liabilities at amortised cost *	0	0	0	80 721	80 721	2
Current financial liabilities at amortised cost * (G)	0	0	0	29 940	29 940	2
Current financial liabilities (E+F+G)	6 486	637	0	29 940	37 063	

* excluding financial leases and convertible bonds.

For first half-year 2014

1. Hedge accounting

Group Recticel in thousand EUR	NOMINAL VALUE	MARKET VALUE AT 30 JUN 2014	RECOGNISED IN EQUITY OF 2014	RECOGNISED IN THE EQUITY OF 30 JUNE 2013
Overview of IRS contracts				
Interest Rate Swaps (IRS) in EUR	77 000	(7 343)	(841)	2 058
Forward-starting IRS in EUR	0	0	0	0
Total IRS contracts	77 000	(7 343)	(841)	2 058

I.7.7. WORKING CAPITAL NEED

Compared to the same period last year, the net working capital need deteriorated mainly as a result of higher trade receivables and inventories. The utilization of the factoring/forfeiting programs per 30 June 2014 amounted to EUR 67.3 million, compared to EUR 67.8 million per 30 June 2013 and EUR 53.4 million per 31 December 2013.

At mid-year the net working capital need is traditionally influenced by the normal seasonal build-up of working capital in the Bedding and Insulation activities.

I.7.8. MISCELLANEOUS

I.7.8.1. EVENTS AFTER THE BALANCE SHEET DATE

On 22 August 2014, Recticel announced that its German bedding affiliate, Recticel Schlafkomfort GmbH, has reached a settlement with the German Federal Cartel Office ("FCO") in the framework of an investigation the FCO launched into the German bedding market.

Under the settlement decision, Recticel Schlafkomfort GmbH's fine amounts to EUR 8.2 million. The fine is payable 14 days after the FCO's decision.

The amount of the fine has been provisioned in the 2014 half year accounts.

Recticel confirms that this fine will have no impact on the existing financial arrangements with its banks.

I.7.8.2. RELATED PARTY TRANSACTIONS

Compared to December 2013 there are no significant changes in the related party transactions.

I.7.8.3. CONTINGENT ASSETS AND LIABILITIES

The contingent assets and liabilities as communicated in the annual report 2013 (section III.6.11.) encountered the following developments:

I. TERTRE

1. Carbochim, which was progressively integrated into Recticel in the 1980's and early 1990's, owned the Tertre industrial site, where various carbochemical activities in particular had been carried on since 1928. These activities were gradually spun off and are now carried on by different companies, including Yara and Erachem (Eramet group). Finapal, a Recticel subsidiary, retained ownership of some plots on the site, chiefly old dumping sites and settling ponds that have been drained.

In 1986, Recticel sold its 'fertiliser' division, which included the Tertre site activities, to Kemira, since taken over by Yara. As part of the deal, Recticel contracted to put an old settling pond (the "Valcke pond") into compliance with environmental regulations. It has not yet been possible to fulfil this obligation because of the inseparable link with the environmental situation of the whole Tertre site, and so a provision has been created to cover the containment costs. In order to protect its rights, Yara issued a writ of summons against Recticel pursuant to this obligation in July 2003. A settlement agreement was negotiated and executed by the parties in the course of 2011, putting a final end to the litigation.

Under the settlement agreement, Yara and Recticel commit to jointly work out a remediation plan covering four polluted spots on the Tertre site, among which the Valcke pond and a dumping site belonging to Finapal, and to share all the costs related thereto.

The parties submitted the plan to the Walloon Authorities for approval in July 2012; it was further revised and resubmitted in December 2012.

On 23 December 2013 the plan has been approved by Ministerial Decree.

The parties are currently working on the preparation of the remediation works, which are intended to start by end-2014.

A provision has been set up for these remediation works, but will need to be evaluated upon receiving the tender bidding offers from the clean-up contractors.

2. As a result of the sale of Sadacem to the French Comilog group, now part of the Eramet group, Recticel undertook to share the costs of cleaning up an old industrial waste dump on the Erachem site. The execution of this clean-up has been studied with Erachem and a provision has been created in the Recticel Group accounts. The proposed plan, covering both the Erachem waste dump and a Finapal settling pond, was submitted to the "Office Wallon des Déchets" in April 2009 and has been approved by the Administration.

The execution of the plan started in 2013 and progresses as planned. The clean-up works are expected to be finalised by the end of 2014, subject to the weather conditions.

The remediation works are being performed under a fixed-price agreement and have been fully provisioned in the accounts.

II. INSPECTION BY THE DIRECTORATE GENERAL FOR COMPETITION OF THE EUROPEAN COMMISSION

On 29 January 2014 Recticel announced it has reached a settlement with the European Commission in the polyurethane foam investigation, which brought the matter to a close.

Under the settlement decision, Recticel's effective total fine, including Recticel's 50% share of the fine relating to Eurofoam's conduct, is EUR 26,976,500.

The fine became payable 90 days after the Commission's decision. Recticel introduced a request to the Commission to be allowed to spread the payment of the fine over several years, which was granted in April 2014. Two payment instalments remain to be paid, EUR 6.5 million on 30 April 2015 and EUR 6.9 million on 30 April 2016.

However, the full impact of the fine has been reflected in the accounts of 2013.

Despite the fine, the existing financial agreements with the banks remain in place. In this context Recticel signed together with the banks an addendum to the Facility Agreement of 2011, in which a.o. the definitions of the covenants were adjusted for the remaining period of the agreement.

At national level. On 6 March 2013 the CNC, the Spanish National Competition Commission, announced that it has imposed fines on ten companies in the Spanish market, including Recticel Iberica SL, and the national sector association for forming a cartel on the market for the manufacture of flexible polyurethane foam for the comfort industry. Recticel Iberica SL has been exempted from payment under the CNC's leniency program. In the meantime certain companies launched appeals against the decision of the CNC. The appeal procedures are still ongoing.

III. INSPECTION BY THE FEDERAL CARTEL OFFICE (Germany)

On 22 August 2014, Recticel announced that its German bedding affiliate, Recticel Schlafkomfort GmbH, reached a settlement with the German Federal Cartel Office ("FCO") in the framework of an investigation the FCO launched into the German bedding market for vertical retail price maintenance. This settlement will bring this matter to a close for Recticel.

Under the settlement decision, Recticel Schlafkomfort GmbH's fine amounts to EUR 8,200,000. The fine is payable 14 days after the FCO's decision.

The amount of the fine has been provisioned in the 2014 half year accounts.

The fine will have no impact on the existing financial arrangements with Recticel's banks.

II. DECLARATION BY THE RESPONSIBLE PERSONS

Mr Etienne Davignon (Chairman of the Board of Directors), Mr Olivier Chapelle (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:

- 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
- the intermediate report contains a faithful presentation of significant events occurring over the first six months of 2014, and their impact on the summary financial information

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III. STATUTORY AUDITOR'S REPORT ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDING 30 JUNE 2014

RECTICEL NV

Report on review of the consolidated interim financial information for the six-month period ended 30 June 2014

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed balance sheet as at 30 June 2014, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the period of six months then ended, as well as selective notes I.7.1 to I.7.8.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Recticel NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

The consolidated condensed balance sheet shows total assets of 635.045 (000) EUR and the consolidated condensed income statement shows a consolidated loss (group share) for the period then ended of 4.979 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Recticel NV has not been prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Diegem, 28 August 2014

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by William Blomme

IV. LEXICON

Appropriated capital	Net intangible fixed assets + goodwill + tangible fixed assets + working capital. Average = [Appropriated capital at the end of last year + Appropriated capital at the end of the last period] / 2.
Appropriated capital, Average	Half yearly: average appropriated capital at the beginning and at the end of the period. Average = [Appropriated capital at the end of last year + Appropriated capital at the end of the last period] / 2. For the full year: average of the half yearly averages.
Associated companies	Entities in which Recticel has a significant influence and that are processed using the equity-method.
CGU	Is short for Cash Generating Unit or cash flow generating unit.
Combined figures	Figures including Recticel's pro rata share in the joint ventures, after elimination of intercompany transactions, in accordance with the proportional consolidation method.
Consolidated figures	Figures following the application of IFRS 11, whereby Recticel's joint ventures are integrated on the basis of the equity method.
Earnings per share, base	Net result for the period (Group share) / Average outstanding shares over the period.
Earnings per share, diluted	Net result for the period (Group share) / [Average number of outstanding shares over the period – own shares + (number of possible new shares that have to be issued within the framework of the existing outstanding stock option plans x dilution effect of the stock option plans)].
EBIT	Operating results + profit or loss from equities.
EBITDA	EBIT + depreciation and additional impairments/increases on assets.
Equity capital	Total equity, including minority interests.
Gearing ratio	Net financial debt / Total equity (including shares of external parties).
Investments	Capitalized investments in tangible and intangible assets.
Joint ventures	Entities that are controlled jointly and that are consolidated proportionately. Following the early adaption of IFRS 11 since 2013, these participations are consolidated following the equity method.
Market capitalization	Closing price x total number of outstanding shares.
Net financial debt	Interest bearing financial debts at more than one year + interest bearing financial debts within maximum one year – cash and cash equivalents - Available for sale investments + Net marked-to-market value position of hedging derivative instruments.
Non-recurring elements	Non-recurring elements include operating revenues, expenses and provisions that pertain to restructuring programmes (redundancy payments, closure & clean-up costs, relocation costs,...), reorganisation charges and onerous contracts, impairments on assets ((in)tangible assets and goodwill), revaluation gains or losses on investment property, gains or losses on divestments of non-operational investment property, and on the liquidation of investments in affiliated companies, gains or losses on discontinued operations, revenues or charges due to important (inter)national legal issues.
Recurring EBIT(DA) or REBIT(DA)	EBIT(DA) before non-recurring elements.
Return on Capital Employed	EBIT / average appropriated capital.
Return on Equity (ROE)	Net result for the period (share of the Group) / Average total equity over the period (the Group's share).
ROCE	Represents Return on Capital Employed.
Subsidiaries	Fully consolidated entities under Recticel control.
Working capital	Inventories + trade receivables + other receivables + recoverable taxes - trade payables - payable taxes - other commitments.