

**RECTICEL**  
**CONDENSED FINANCIAL STATEMENTS**  
**PER 30 JUNE 2015**

**TABLE OF CONTENTS**

**I. FINANCIAL STATEMENTS**

*I.1. CONDENSED CONSOLIDATED INCOME STATEMENT*

*I.2. EARNINGS PER SHARE*

*I.3. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*

*I.4. CONDENSED CONSOLIDATED BALANCE SHEET*

*I.5. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW*

*I.6. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*

*I.7. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF- YEAR ENDING 30 JUNE 2015*

*I.7.1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

*I.7.2. CRITICAL ACCOUNTING ASSESSMENTS AND PRINCIPAL SOURCES OF UNCERTAINTY*

*I.7.3. CHANGES IN SCOPE OF CONSOLIDATION*

*I.7.4. OPERATING SEGMENTS*

*I.7.5. INCOME STATEMENT*

*I.7.6. BALANCE SHEET*

*I.7.7. WORKING CAPITAL NEEDS*

*I.7.8. MISCELLANEOUS*

**II. DECLARATION BY THE RESPONSIBLE PERSONS**

**III. AUDITORS' REPORT ON THE CONDENSED CONSOLIDATED STATEMENTS FOR THE HALF- YEAR ENDING 30 JUNE 2015**

**IV. LEXICON**

## I. FINANCIAL STATEMENTS

The condensed consolidated financial statements have been authorised for issue by the Board of Directors on 27 August 2015.

### I.1. CONDENSED CONSOLIDATED INCOME STATEMENT

Group Recticel in thousand EUR	Notes *	1H2015	1H2014 (restated for IFRIC 21) <sup>2</sup>
<b>Sales</b>	<b>I.10.</b>	<b>519 091</b>	<b>494 008</b>
<b>Distribution costs</b>		<b>( 28 277)</b>	<b>( 26 860)</b>
<b>Cost of sales</b>		<b>( 390 786)</b>	<b>( 378 826)</b>
<b>Gross profit</b>		<b>100 028</b>	<b>88 322</b>
General and administrative expenses <sup>3</sup>		( 39 600)	( 36 042)
Sales and marketing expenses		( 37 448)	( 36 538)
Research and development expenses		( 6 462)	( 6 927)
Impairments	I.10.	( 744)	( 96)
Other operating revenues <sup>(a)</sup>		5 445	3 784
Other operating expenses <sup>(b)</sup>		( 6 309)	( 14 991)
Total other operating revenues/(expenses) <sup>(a)+(b)</sup>	I.10.1.	( 864)	( 11 207)
Income from joint ventures & associates <sup>1</sup>		2 032	7 185
Income from investments		0	2
<b>EBIT</b>	<b>I.10.</b>	<b>16 942</b>	<b>4 699</b>
Interest income		378	311
Interest expenses		( 5 522)	( 5 137)
Other financial income		5 400	3 673
Other financial expenses		( 7 785)	( 5 891)
<b>Financial result</b>	<b>I.10.2.</b>	<b>( 7 529)</b>	<b>( 7 044)</b>
<b>Result of the period before taxes</b>		<b>9 413</b>	<b>( 2 345)</b>
Current income taxes		( 691)	( 1 124)
Deferred taxes		( 3 707)	( 2 709)
<b>Result of the period after taxes</b>		<b>5 015</b>	<b>( 6 178)</b>
of which attributable to non-controlling interests		0	0
<b>of which share of the Group</b>		<b>5 015</b>	<b>( 6 178)</b>

<sup>1</sup> The lower income from joint ventures & associates is mainly explained by a lower contribution of the 51/49 joint venture Proseat (Automotive - Seating), which result was impacted by non-recurring restructuring charges of EUR - 3.9 million and by a lower contribution of Orsafoam, due to its settlement with the Italian Competition Authority (EUR - 0.6 million).

<sup>2</sup> The application of IFRIC 21 had an impact on the income statement of the first half-year 2015 for EUR -1,26 million, compared to EUR -1,2 million for the first half-year of 2014. The main impact of IFRIC 21 has been on the items Cost of Sales (1H2015: EUR -0,59 million; 1H2014: EUR -0,58 million) General and Administrative expenses (1H2015: EUR -0,53 million; 1H2014: EUR -0,46 million).

<sup>3</sup> The increase in "General and administrative expenses" results from currency exchange effects, salary inflation and structural adaptation to growth.

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

## I.2. EARNINGS PER SHARE

Group Recticel in EUR	Notes *	1H2015	1H2014 (restated for IFRIC 21)
Basic earnings per share		0,141	(0,216)
Diluted earnings per share		0,136	(0,216)

## I.3. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Group Recticel in thousand EUR	Notes *	1H2015	1H2014 (restated for IFRIC 21)
<b>Result for the period after taxes</b>		<b>5 015</b>	<b>( 6 178)</b>
<b>Other comprehensive income</b>			
<i>Items that will not subsequently be recycled to profit and loss</i>			
Actuarial gains and losses recognized in equity		6 087	( 4 248)
Deferred taxes on actuarial gains and losses on employee benefits		( 1 090)	42
<b>Total</b>		<b>4 997</b>	<b>( 4 206)</b>
<i>Items that subsequently may be recycled to profit and loss</i>			
Hedging reserves		( 295)	( 905)
Net (loss)/gain on financial assets available for sale		0	16
Currency translation differences		5 459	7
Deferred taxes on hedging interest reserves		( 226)	286
<b>Total</b>		<b>4 938</b>	<b>( 596)</b>
<b>Other comprehensive income net of tax</b>		<b>9 935</b>	<b>( 4 802)</b>
<b>Total comprehensive income for the period</b>		<b>14 950</b>	<b>( 10 980)</b>
<b>Total comprehensive income for the period</b>		<b>14 950</b>	<b>( 10 980)</b>
of which attributable to non-controlling interests		0	0
of which attributable to the owners of the parent		14 950	( 10 980)

#### I.4. CONDENSED CONSOLIDATED BALANCE SHEET

Group Recticel in thousand EUR	Notes *	30 Jun 2015	31 Dec 2014
Intangible assets		12 260	12 384
Goodwill		26 520	24 949
Property, plant & equipment	I.11.1.	207 218	202 733
Investment property		3 331	3 306
Investments in joint ventures and associates	I.11.2.	71 365	73 644
Other financial investments		33	160
Available for sale investments		913	771
Non-current receivables		13 269	13 373
Deferred tax		43 289	46 834
<b>Non-current assets</b>		<b>378 198</b>	<b>378 154</b>
Inventories and contracts in progress		97 818	96 634
Trade receivables		110 404	78 109
Other receivables		50 245	49 597
Income tax receivables		1 883	504
Available for sale investments		75	75
Cash and cash equivalents		51 433	26 163
Disposal group held for sale		1 569	8 569
<b>Current assets</b>		<b>313 427</b>	<b>259 651</b>
<b>TOTAL ASSETS</b>		<b>691 625</b>	<b>637 805</b>
Capital		133 503	74 161
Share premium		125 186	108 568
<b>Share capital</b>		<b>258 689</b>	<b>182 729</b>
Treasury shares		( 1 450)	( 1 735)
Retained earnings		3 258	1 768
Hedging and translation reserves		( 11 042)	( 16 599)
<b>Equity (share of the Group)</b>		<b>249 455</b>	<b>166 163</b>
Equity attributable to non-controlling interests		0	0
<b>Total equity</b>		<b>249 455</b>	<b>166 163</b>
Pensions and similar obligations	I.11.3.	51 054	54 548
Provisions	I.11.3.	7 905	7 301
Deferred tax		9 221	8 907
<i>Bonds &amp; Notes</i>		<i>26 334</i>	<i>26 037</i>
<i>Financial leases</i>		<i>14 053</i>	<i>15 057</i>
<i>Bank loans</i>		<i>89 434</i>	<i>99 240</i>
<i>Other loans</i>		<i>1 667</i>	<i>1 801</i>
Interest-bearing borrowings	I.11.4.	131 488	142 135
Other amounts payable <sup>1</sup>		225	6 810
<b>Non-current liabilities</b>		<b>199 893</b>	<b>219 701</b>
Pensions and similar obligations	I.11.3.	2 215	2 205
Provisions	I.11.3.	3 354	4 687
Interest-bearing borrowings	I.11.4.	33 548	52 798
Trade payables		94 387	96 373
Income tax payables		1 323	414
Other amounts payable <sup>1</sup>		107 450	95 464
<b>Current liabilities</b>		<b>242 277</b>	<b>251 941</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>691 625</b>	<b>637 805</b>

<sup>1</sup> Non-current other amounts payable decreased per 30 June 2015 by EUR 6.5 million through the transfer to current other amounts payable. This amount corresponds to the last tranche of the EC fine which has to be paid in April 2016.

\* 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 *	1H2015	1H2014 (restated for IFRIC 21)
<b>EARNINGS BEFORE INTEREST AND TAXES (EBIT)</b>		<b>16 942</b>	<b>4 699</b>
Amortisation of intangible assets		1 344	1 346
Depreciation of tangible assets	I.11.1.	12 111	12 238
Amortisation of deferred long term and upfront payment		580	592
Impairment losses on intangible assets		53	1
Impairment losses on tangible assets	I.11.1.	691	95
Write-offs on assets		411	369
Changes in provisions		( 556)	3 691
(Gains) / Losses on disposals of assets		( 1 885)	( 246)
Income from joint ventures and associates		( 2 032)	( 7 185)
<b>GROSS OPERATING CASH FLOW BEFORE WORKING CAPITAL MOVEMENTS</b>		<b>27 659</b>	<b>15 600</b>
<i>Inventories</i>		1 310	( 6 379)
<i>Trade receivables</i>		( 16 008)	( 12 023)
<i>Other receivables</i>		( 9 234)	( 6 013)
<i>Trade payables</i>		( 7 008)	10 323
<i>Other (current) payables</i> <sup>1</sup>		10 863	( 11 792)
<b>Changes in working capital</b>		<b>( 20 077)</b>	<b>( 25 883)</b>
Trade & Other long term debts maturing within 1 year <sup>1</sup>		( 6 555)	13 888
<b>GROSS OPERATING CASH FLOW AFTER WORKING CAPITAL MOVEMENTS</b>		<b>1 027</b>	<b>3 604</b>
Income taxes paid		( 1 147)	( 1 010)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (a)</b>		<b>( 120)</b>	<b>2 594</b>
Interests received		324	290
Dividends received		5 750	65
(Increase) / Decrease of loans and receivables		( 4 908)	1 940
Investments in intangible assets		( 2 236)	( 1 732)
Investments in property, plant and equipment		( 13 367)	( 16 216)
Disposals of intangible assets		34	451
Disposals of property, plant and equipment		2 623	434
Disposals of investments held for sale		8 904	0
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES (b)</b>		<b>( 2 875)</b>	<b>( 14 768)</b>
Interests paid (1)		( 4 257)	( 4 207)
Dividends paid (2)		( 5 887)	( 5 820)
Increase (Decrease) of capital (3)		73 157	2 710
Increase of financial debt (4)		0	20 140
(Decrease) of financial debt (5)		( 34 659)	0
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (c)=(1)+(2)+(3)+(4)+(5)</b>		<b>28 354</b>	<b>12 823</b>
Effect of exchange rate changes (d)		( 89)	103
Effect of changes in scope of consolidation and of foreign currency translation reserves recycled (e)		0	0
<b>CHANGES IN CASH AND CASH EQUIVALENTS (a)+(b)+(c)+(d)+(e)</b>		<b>25 270</b>	<b>752</b>
Net cash position opening balance		26 163	26 237
Net cash position closing balance		51 433	26 989
<b>CHANGES IN CASH AND CASH EQUIVALENTS</b>		<b>25 270</b>	<b>752</b>
<b>NET FREE CASH FLOW (a)+(b)+(1)</b>		<b>( 7 252)</b>	<b>( 16 381)</b>

<sup>1</sup> Other (current) payables had a positive variance per 30 June 2015 due to the the transfer from Trade & Other long term debts maturing within one year. This variance corresponds mainly to the last tranche (EUR 6,5 million) of the EC fine which has to be paid in April 2016.

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

For the half-year ending 30 June 2015

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 2014)	74 161	108 568	( 1 735)	( 48)	( 19 797)	2 982	18 631	( 10 044)	( 6 555)	166 163	0	166 163
Dividends	0	0	0	0	0	0	( 5 928)	0	0	( 5 928)	0	( 5 928)
Stock options (IFRS 2)	0	0	0	0	0	64	0	0	0	64	0	64
Capital movements	59 342	16 618	285	0	0	0	( 3 088)	0	0	73 157	0	73 157
Income tax component relating to components of shareholders' movements	0	0	0	0	0	0	1 049	0	0	1 049	0	1 049
Shareholders' movements	59 342	16 618	285	0	0	64	( 7 967)	0	0	68 342	0	68 342
Profit or loss of the period	0	0	0	0	0	0	5 015	0	0	5 015	0	5 015
Comprehensive income'	0	0	0	0	4 378	0	5 015	6 078	( 521)	14 950	0	14 950
Change in scope	0	0	0	0	77	( 77)	0	0	0	0	0	0
At the end of the period (30 June 2015)	133 503	125 186	( 1 450)	( 48)	( 15 342)	3 046	15 602	( 3 966)	( 7 076)	249 455	0	249 455

For the half-year ending 30 June 2014 (as published, restated for IFRIC 21)

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	( 6 178)	0	0	( 6 178)	0	( 6 178)
Comprehensive income'	0	0	0	16	( 4 361)	0	( 6 178)	162	( 619)	( 10 980)	0	( 10 980)
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	( 13 896)	2 896	22 203	( 11 917)	( 6 818)	172 853	0	172 853

## **1.7. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDING 30 JUNE 2015**

### **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 2015 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 2014.

These condensed consolidated interim financial statements have been authorised for issue by the Board of Directors on 27 August 2015.

#### **1.7.1.2. GENERAL PRINCIPLES – SIGNIFICANT ACCOUNTING POLICIES**

IFRIC 21 is an IFRS interpretation that became effective as from 01 January 2015 is IFRIC 21. This interpretation has an impact of EUR -1.26 million on the Group's first half-year 2015 accounts and of EUR -1.2 million on the Group's first half-year 2014 accounts.

### **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.

### **1.7.3. CHANGES IN SCOPE OF CONSOLIDATION**

In February 2015 Recticel divested its 50% participation in the joint venture Kingspan Tarec Industrial Insulation (KTII) (Belgium and UK; Insulation). KTII has been sold for a consideration of EUR 8.7 million, resulting in a capital gain of EUR 1.6 million.

#### 1.7.4. OPERATING SEGMENTS

The principal market segments for Recticel's goods and services 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 28 August 2015 (First half-year 2015 Results). Information regarding the Group's reportable segments is presented below. Inter-segment sales are made at prevailing market conditions.

##### Seasonality or cyclicity of the interim operations:

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

##### Segment information for the first half-year 2015

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)
<b>SALES</b>								
External sales	277 200	134 458	142 564	113 257	0	667 480		
Inter-segment sales	28 704	8 995	304	0	( 38 003)	0		
<b>Total sales</b>	<b>305 904</b>	<b>143 453</b>	<b>142 868</b>	<b>113 257</b>	<b>( 38 003)</b>	<b>667 480</b>	<b>( 148 389)</b>	<b>519 091</b>
<b>EARNINGS BEFORE INTEREST AND TAXES (EBIT)</b>								
Segment result	13 255	1 931	( 120)	14 874	0	29 940	( 3 019)	26 921
Unallocated corporate expenses						( 9 979)	0	( 9 979)
<b>EBIT</b>	<b>13 255</b>	<b>1 931</b>	<b>( 120)</b>	<b>14 874</b>	<b>0</b>	<b>19 961</b>	<b>( 3 019)</b>	<b>16 942</b>
Financial result						( 8 704)	1 176	( 7 528)
<b>Result for the period before taxes</b>						<b>11 257</b>	<b>( 1 843)</b>	<b>9 414</b>
Income taxes						( 6 242)	1 843	( 4 399)
<b>Result for the period after taxes</b>						<b>5 015</b>	<b>0</b>	<b>5 015</b>
Attributable to non-controlling interests						0		0
<b>Share of the Group</b>						<b>5 015</b>		<b>5 015</b>

##### Segment information for the first half-year 2014 (restated for IFRIC 21)

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)
<b>SALES</b>								
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		
<b>Total sales</b>	<b>300 079</b>	<b>135 411</b>	<b>140 573</b>	<b>110 760</b>	<b>( 41 584)</b>	<b>645 239</b>	<b>( 151 231)</b>	<b>494 008</b>
<b>EARNINGS BEFORE INTEREST AND TAXES (EBIT)</b>								
Segment result	9 805	( 10 192)	6 866	10 058	0	16 537	( 2 514)	14 023
Unallocated corporate expenses						( 9 682)	358	( 9 324)
<b>EBIT</b>	<b>9 805</b>	<b>( 10 192)</b>	<b>6 866</b>	<b>10 058</b>	<b>0</b>	<b>6 855</b>	<b>( 2 156)</b>	<b>4 699</b>
Financial result						( 7 635)	591	( 7 044)
<b>Result for the period before taxes</b>						<b>( 780)</b>	<b>( 1 565)</b>	<b>( 2 345)</b>
Income taxes						( 5 398)	1 565	( 3 833)
<b>Result for the period after taxes</b>						<b>( 6 178)</b>	<b>0</b>	<b>( 6 178)</b>
Attributable to non-controlling interests						0		0
<b>Share of the Group</b>						<b>( 6 178)</b>		<b>( 6 178)</b>



## Other segment information first half-year 2015

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	5 859	3 159	5 770	2 825	484	18 097	( 4 062)	14 035
Impairment losses recognised in profit and loss	744	0	0	0		744	0	744
EBITDA <sup>1</sup>	19 858	5 089	5 650	17 698	( 9 495)	38 801	( 7 081)	31 720
Capital additions	4 258	958	9 512	3 642	869	19 238	( 3 016)	16 222

## Other segment information first half-year 2014 (restated for IFRIC 21)

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	2 741	626	17 854	( 3 582)	14 272
Impairment losses recognised in profit and loss	35	59	2	0	0	96	0	96
EBITDA <sup>1</sup>	15 474	( 6 789)	12 376	12 998	( 9 059)	25 000	( 6 029)	18 971
Capital additions	2 861	1 356	2 645	2 719	1 592	11 173	( 2 537)	8 636

<sup>1</sup> EBITDA for Bedding improved substantially from EUR -6,8 million to EUR +5,1 million. The figures of 1H2014 were negatively impacted by the provision of EUR -8,2 million for German Federal Cartel Office investigation. The deterioration of EBITDA for Automotive (from EUR 12,4 million to EUR 5,7 million) is explained by the fact that in 2014 various programs came to end of life. In 1H2015 EBITDA declined, as expected, as a direct consequence of start-up costs for the numerous new programs, mainly in the Interiors segment. 1H2015 was also impacted by restructuring charges related to the announced closure of the Automotive-Seating plant in Rüsselsheim (Germany).

## Balance sheet information per segment at 30 June 2015

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)
<b>ASSETS</b>								
Segment assets	273 666	123 577	199 529	131 828	( 131 169)	597 432	( 143 675)	453 757
Investment in associates	13 047					13 047	58 318	71 365
Unallocated corporate assets						151 287	15 216	166 503
<b>Total consolidated assets</b>						<b>761 766</b>	<b>( 70 141)</b>	<b>691 625</b>
<b>LIABILITIES</b>								
Segment liabilities	132 906	59 815	86 740	72 915	( 131 169)	221 207	( 49 015)	172 192
Unallocated corporate liabilities						291 104	( 21 126)	269 978
<b>Total consolidated liabilities (excluding equity)</b>						<b>512 311</b>	<b>( 70 141)</b>	<b>442 170</b>

The unallocated assets, which amount to EUR 151.3 million, include mainly the following items:

- Financial receivables for EUR 16.8 million
- Current tax receivables for EUR 2.4 million
- Deferred tax assets for EUR 43.7 million
- Cash & cash equivalent for EUR 58.7 million.

The unallocated liabilities, which amount to EUR 291.1 million (equity excluded), includes mainly the following items:

- Provisions for EUR 77.3 million
- Deferred tax liabilities for EUR 10.3 million
- Interest-bearing borrowings long-term for EUR 137.5 million
- Interest-bearing borrowings short-term for EUR 38.5 million

## 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)
<b>ASSETS</b>								
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
<b>Total consolidated assets</b>						<b>711 651</b>	<b>( 76 606)</b>	<b>635 045</b>
<b>LIABILITIES</b>								
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
<b>Total consolidated liabilities (excluding equity)</b>						<b>537 598</b>	<b>( 76 606)</b>	<b>460 992</b>

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 335.4 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

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

Group Recticel in thousand EUR	FLEXIBLE FOAMS	BEDDING	AUTOMOTIVE	INSULATION	NOT ALLOCATED	TOTAL COMBINED
<b>First half-year 2015</b>						
Impairment	( 744)	0	0	0	0	( 744)
Restructuring charges	( 441)	( 889)	( 3 872)	0	( 63)	( 5 265)
Capital gain in divestment	0	0	0	1 623	( 28)	1 595
Other	( 137)	4	0	0	( 264)	( 397)
<b>TOTAL</b>	<b>( 1 322)</b>	<b>( 885)</b>	<b>( 3 872)</b>	<b>1 623</b>	<b>( 355)</b>	<b>( 4 811)</b>

- Impairment charges have been booked in Flexible Foams in the Netherlands.

- Restructuring charges are mainly related to Flexible Foams in Spain and Sweden, to Bedding in Germany and The Netherlands and to Automotive-Seating in Germany.

- A capital gain has been realised on the divestment of the 50% participation in Kingspan Tarec Industrial Insulation (KTII)

- Other non-recurring elements relate mainly to additional legal fees and settlement for damage claims (EC fine).

<b>First half-year 2014</b>						
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)
<b>TOTAL</b>	<b>( 1 159)</b>	<b>( 10 168)</b>	<b>( 381)</b>	<b>0</b>	<b>( 1 016)</b>	<b>( 12 724)</b>

- 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 .

## 1.7.5. INCOME STATEMENT

### 1.7.5.1. OTHER OPERATING REVENUES AND EXPENSES

Group Recticel in thousand EUR	1H2015	1H2014
Other operating revenues	5 445	3 784
Other operating expenses	( 6 309)	( 14 991)
<b>TOTAL</b>	<b>( 864)</b>	<b>( 11 207)</b>

Group Recticel in thousand EUR	1H2015	1H2014
Provision for fine German Federal Cartel Office	0	( 8 200)
Restructuring costs (including site closure, onerous contracts and clean-up costs)	( 1 393)	( 4 191)
Gain (Loss) on disposal of intangible and tangible assets	333	280
Gain (Loss) on disposal of joint ventures	1 595	0
Other revenues	2 924	3 211
Other expenses	( 4 323)	( 2 307)
<b>TOTAL</b>	<b>( 864)</b>	<b>( 11 207)</b>

## **COMMENTS ON FIRST HALF-YEAR RESULTS 2015**

### **Restructuring**

Restructuring charges are mainly related to Flexible Foams in Spain and Sweden and to Bedding in Germany and The Netherlands.

### **Gain (Loss) on disposal of intangible and tangible assets**

In the first half-year of 2015, this item relates mainly to a gain on disposal of equipment in Flexible Foams in Spain.

### **Gain (Loss) on disposal of joint ventures**

This item relates to the realised capital gain on the divestment of the 50% participation in Kingspan Tarec Industrial Insulation.

### **Other operating revenues and expenses**

Other operating revenues and expenses during the first half-year of 2015 comprised, a.o.

- (i) The net impact of pension liabilities (EUR -1.4 million), including additional service costs, other social costs and currency effects on pension plans
- (ii) additional legal fees and a settlement in relation with the EC investigation (Flexible Foams) (EUR -0.3 million)
- (iii) a reimbursement of indemnity with respect to quality claim settlement in Bedding (EUR -0.3 million) (EUR -0.3 million)
- (iv) net revenues from insurance premiums (EUR +1.4 million)
- (v) re-invoicing of services and goods, rentals (EUR +0.4 million)
- (vi) an additional provision for environmental risks in Tertre (Belgium) (EUR -1.0 million).

## **COMMENTS ON FIRST HALF-YEAR RESULTS 2014**

### **Provision for fine German Federal Cartel Office**

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 launched by the FCO into the German bedding market.

Under the settlement decision, Recticel Schlafkomfort GmbH's fine amounts to EUR 8.2 million. The fine was payable 14 days after the FCO's decision. The amount of the fine, which had been provisioned in the accounts per 30 June 2014, has been paid in September 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).

### I.7.5.2. FINANCIAL RESULT

Group Recticel in thousand EUR	1H2015	1H2014
Interest charges on bonds & notes	( 686)	( 691)
Interest on financial lease	( 269)	( 349)
Interest on long-term bank loans	( 2 330)	( 1 993)
Interest on short-term bank loans & overdraft	( 756)	( 747)
Interest on other long-term loans	( 1)	( 56)
Net interest charges on Interest Rate Swaps	( 1 059)	( 945)
Net interest charges on foreign currency swaps	( 125)	( 87)
<b>Total borrowing cost</b>	<b>( 5 226)</b>	<b>( 4 868)</b>
Interest income from bank deposits	26	44
Interest income from financial receivables	352	267
<b>Interest income from financial receivables and cash</b>	<b>378</b>	<b>311</b>
Interest charges on other debts	( 304)	( 284)
Interest income from other financial receivables	10	14
<b>Total other interest</b>	<b>( 294)</b>	<b>( 270)</b>
<b>Interest income and expenses</b>	<b>( 5 142)</b>	<b>( 4 827)</b>
<b>Exchange rate differences</b>	<b>( 1 827)</b>	<b>( 620)</b>
Premium on CAP/Floor contracts	0	0
<b>Result on derivative instruments</b>	<b>0</b>	<b>0</b>
Interest actualisation and expected return on provisions for employee benefits	0	0
Interest actualisation for other provisions	0	( 6)
Net interest cost IAS 19	( 538)	( 769)
<b>Interest on provisions for employee benefits and other debt</b>	<b>( 538)</b>	<b>( 774)</b>
Other financial result <sup>1</sup>	( 22)	( 823)
<b>FINANCIAL RESULT</b>	<b>( 7 529)</b>	<b>( 7 044)</b>

<sup>1</sup> 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 2014 was approved by the shareholders at the Annual General Meeting of 26 May 2015. The payment of this dividend took place on 02 June 2015, and is thus reflected in the financial statements for the first half of 2015.

## I.7.6. BALANCE SHEET

### I.7.6.1. PROPERTY, PLANT & EQUIPMENT

For the half-year ending 30 June 2015:

Group Recticel in thousand EUR	Land and buildings	Plant, machinery & equipment	Furniture and vehicles	Leases and similar rights	Other tangible assets	Assets under construction and advance payments	TOTAL
<b>At the end of the preceding period</b>							
Gross value	185 006	502 387	24 723	35 315	5 135	15 602	768 168
Accumulated depreciation	( 115 329)	( 401 671)	( 20 379)	( 12 605)	( 1 320)	( 36)	( 551 340)
Accumulated impairments	( 808)	( 11 759)	( 31)	( 139)	( 984)	( 374)	( 14 095)
<b>Net book value at opening</b>	<b>68 869</b>	<b>88 957</b>	<b>4 313</b>	<b>22 571</b>	<b>2 831</b>	<b>15 192</b>	<b>202 733</b>
<b>Movements during the period</b>							
Acquisitions, including own production	4	5 123	190	22	35	9 617	14 991 <sup>(1)</sup>
Impairments	0	( 691)	0	0	0	0	( 691)
Expensed depreciation	( 2 045)	( 8 381)	( 849)	( 795)	( 41)	0	( 12 111)
Sales and scrapped	( 598)	( 10)	( 8)	0	0	0	( 616) <sup>(2)</sup>
Transfers from one heading to another	514	560	441	4	( 26)	( 1 508)	( 15)
Exchange rate differences	339	1 931	128	0	0	529	2 927
<b>At the end of the period</b>	<b>67 083</b>	<b>87 489</b>	<b>4 215</b>	<b>21 802</b>	<b>2 799</b>	<b>23 830</b>	<b>207 218</b>
Gross value	186 663	513 528	25 764	35 335	5 163	24 229	790 682
Accumulated depreciation	( 118 866)	( 415 121)	( 21 532)	( 13 419)	( 1 380)	( 36)	( 570 354)
Accumulated impairments	( 714)	( 10 918)	( 17)	( 114)	( 984)	( 363)	( 13 110)
<b>Net book value at the end of the period</b>	<b>67 083</b>	<b>87 489</b>	<b>4 215</b>	<b>21 802</b>	<b>2 799</b>	<b>23 830</b>	<b>207 218</b>
<b>Acquisitions</b>				<b>Disposals</b>			
Cash-out on acquisitions tangible assets	( 13 367)			Cash-in from disposals tangible assets			2 623
Acquisitions shown in working capital	( 1 624)			Disposals shown in working capital			( 2 007)
Total acquisitions tangible assets <sup>(1)</sup>	( 14 991)			Total disposals tangible assets <sup>(2)</sup>			616

Total acquisitions of tangible assets amount to EUR 15.0 million in the first half of 2015.

At 30 June 2015, the Group has entered into contractual commitments for the acquisition of property, plant & equipment amounting to EUR 4.2 million.

At 31 December 2014, the Group had entered into contractual commitments for the acquisition of property, plant & equipment amounting to EUR 5.3 million.

### I.7.6.2. INTERESTS IN JOINT VENTURES AND ASSOCIATES

Group Recticel in thousand EUR	30 JUN 2015	31 DEC 2014
<b>At the end of the preceding period</b>	<b>73 644</b>	<b>72 507</b>
<b>Movements during the year</b>		
Actuarial gains/(losses) recognized in equity	601	( 1 331)
Acquisitions	0	0
Income tax relating to components of other comprehensive income	( 137)	361
Exchange rate differences	910	( 84)
Group's share in the result of the period <sup>1</sup>	2 032	8 964
Dividends distributed	( 5 663)	( 119)
Result transfer	( 22)	227
Capital increase	0	255
Reclassification to held for sale	0	( 7 136)
<b>At the end of the period</b>	<b>71 365</b>	<b>73 644</b>

<sup>1</sup> The lower income from joint ventures & associates (EUR 2.0 million in 1H2015 compared to EUR 7.2 million in 1H2014) is mainly explained by a lower contribution of the 51/49 joint venture Proseat (Automotive - Seating), which result was impacted by non-recurring restructuring charges of EUR -3.9 million and by a lower contribution of Orsafoam, due to its settlement with the Italian Competition Authority (EUR -0.6 million).

### I.7.6.3. PROVISIONS

For the half-year ending 30 June 2015:

Group Recticel in thousand EUR	EMPLOYEE BENEFITS	REORGANISATION <sup>1</sup>	PROVISIONS FOR ONEROUS CONTRACTS <sup>2</sup>	OTHER RISKS <sup>3</sup>	TOTAL
<b>At the end of the preceding period (31 Dec 2014)</b>	<b>56 753</b>	<b>4 627</b>	<b>892</b>	<b>6 469</b>	<b>68 741</b>
<b>Movements during the year</b>					
Actuarial gains (losses) recognized in equity	( 5 487)	0	0	0	( 5 487)
Actualisation	538	0	0	0	538
Increases	1 743	457	0	1 401	3 601
Utilisations	( 1 124)	( 1 575)	( 395)	( 520)	( 3 614)
Write-backs	( 420)	( 8)	0	( 181)	( 609)
Transfers from one heading to another	0	0	0	0	0
Exchange rate differences	1 266	2	50	40	1 358
<b>At the end of the period (31 Jun 2015)</b>	<b>53 269</b>	<b>3 503</b>	<b>547</b>	<b>7 209</b>	<b>64 528</b>
Non-current provisions (more than one year)	51 054	516	527	6 862	58 959
Current provisions (less than one year)	2 215	2 987	20	347	5 569
<b>Total</b>	<b>53 269</b>	<b>3 503</b>	<b>547</b>	<b>7 209</b>	<b>64 528</b>

<sup>1</sup> The decrease of the provisions for reorganisation is mainly linked to the utilisation of these provisions for the restructuring of the Automotive-Interiors plant in Rheinbreitbach (Germany).

<sup>2</sup> The decrease of the provisions for onerous contracts is mainly linked to closure of the plant in Büron (Switzerland; Bedding).

<sup>3</sup> The increase of the provisions for other risks relates mainly to environmental risks related to the Tertre (Belgium) site.

#### 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 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
<b>Secured</b>				
Financial leases	14 053	15 057	2 563	3 052
Bank loans	89 434	99 240	0	0
Bank loans - factoring with recourse	0	0	390	442
<b>Total secured</b>	<b>103 487</b>	<b>114 297</b>	<b>2 953</b>	<b>3 494</b>
<b>Unsecured</b>				
Bonds & notes	26 334	26 037	0	0
Other loans	1 667	1 801	270	270
Current bank loans	0	0	14 296	27 635
Bank loans - forfeiting	0	0	1 976	1 598
Bank overdraft	0	0	1 227	10 019
Other financial liabilities	0	0	12 826	9 782
<b>Total unsecured</b>	<b>28 001</b>	<b>27 838</b>	<b>30 595</b>	<b>49 304</b>
<b>Total liabilities carried at amortised cost</b>	<b>131 488</b>	<b>142 135</b>	<b>33 548</b>	<b>52 798</b>

in thousand EUR

Group Recticel	NON-CURRENT LIABILITIES <u>UNUSED</u>		CURRENT LIABILITIES <u>UNUSED</u>	
	30 JUN	31 DEC	30 JUN	31 DEC
	2015	2014	2015	2014
<b>Secured</b>				
Bank loans	10 485	61 609	0	0
Bank loans - factoring with recourse	0	0	0	0
Discounted bills of exchange	0	0	0	0
<b>Total secured</b>	<b>10 485</b>	<b>61 609</b>	<b>0</b>	<b>0</b>
<b>Unsecured</b>				
Bank loans	0	0	14 100	11 030
<b>Total unsecured</b>	<b>0</b>	<b>0</b>	<b>14 100</b>	<b>11 030</b>
<b>Total liabilities carried at amortised cost</b>	<b>10 485</b>	<b>61 609</b>	<b>14 100</b>	<b>11 030</b>

As of June 30, 2015, the combined net financial debt of the Group amounted to EUR 137.5 million compared to EUR 194.5 million at the end of December 2014; or a decrease of EUR 57.0 million.

The EUR 57 million decrease of the net combined financial debt is predominantly the consequence of the partial repayment of debt following the capital increase of May 2015. During 1H2015 the Group also paid the second tranche (EUR 6.5 million) of the EC fine, a gross dividend (EUR 5.9 million), various cash-outlays for previously announced restructurings, planned capital expenditures and a traditionally higher seasonal working capital need (including the pre-financing of moulds for Automotive Interiors).



The non-recourse factoring/forfeiting programs amounted (combined) to EUR 78.3 million per 30 June 2015, compared to EUR 62.7 million on 31 December 2014, and EUR 74.8 million per 30 June 2014.

As of 30 June 2015, the weighted lifetime of the financial debt after one year was 2.02 years, compared to 2.5 at the end of December 2014.

Besides the drawn amounts under the 'club deal' facility (EUR 90.0 million), the Group also has access to EUR 45.3 million long term loan commitments, of which EUR 3.2 million are maturing within one year. Furthermore the Group also has access to undrawn short term commitments amounting to EUR 59 million.

This compares to the situation as of December 31, 2014, where the drawn amounts under the 'club deal' facility amounted to EUR 99.1 million. Besides the Group also had access to EUR 46.7 million long term loan commitments of which EUR 3.3 million are maturing within one year. The undrawn short term commitments amounted to EUR 11.0 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 0.55% to 3.31% p.a. in EUR.

As of June 30, 2015, the total outstanding borrowings were directly or synthetically (through currency swaps) denominated for 69.75% in EUR, 5.09% in GBP, 9.93% in CZK, 2.46% in CHF, 2.19% in SEK, 7.92% in PLN, 1.74% in USD and 0.94% in various other currencies.

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 2015, Recticel complied with all its bank covenants.

#### I.7.6.4.2. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Categories of financial instruments

in thousand EUR

Group Recticel	30 JUN 2015	31 DEC 2014
<b>Financial assets</b>		
Interest rate swaps designated as cash flow hedge relationship	2	6
<b>Subtotal interest rate swaps designated as cash flow hedge relationship (b)</b>	<b>2</b>	<b>6</b>
<b>Fair value through profit or loss account ("FVTPL")</b>		
Hedging contract	0	0
Trading/Economic hedge (FX forward)	1 352	432
<b>Financial assets at fair value through profit &amp; loss account (b)</b>	<b>1 352</b>	<b>432</b>
Non-current trade receivables (a)	0	0
Current trade receivables	110 403	78 109
<b>Trade receivables (A)</b>	<b>110 403</b>	<b>78 109</b>
Other non-current receivables (a)	6 040	5 746
Cash advances & deposits (a)	691	646
Other receivables (b)	25 190	19 508
<b>Other receivables (B)</b>	<b>31 921</b>	<b>25 900</b>
Loans to affiliates	4 589	5 032
Other loans	1 948	1 948
<b>Non current loans (a)</b>	<b>6 537</b>	<b>6 980</b>
Financial receivables (b)	23 701	29 650
<b>Loans (C)</b>	<b>30 238</b>	<b>36 630</b>
<b>Cash and cash equivalents (D)</b>	<b>51 433</b>	<b>26 163</b>
<b>Total loans &amp; receivables (A+B+C+D)</b>	<b>223 995</b>	<b>166 802</b>
Other investments (available for sale investments)	988	847
<b>Non-current receivables (sum of (a))</b>	<b>13 268</b>	<b>13 372</b>
<b>Other receivables (sum of (b))</b>	<b>50 245</b>	<b>49 596</b>
<b>Financial liabilities</b>		
Interest rate swaps designated as cash flow hedge relationship	6 319	7 035
<b>Subtotal interest rate swaps designated as cash flow hedge relationship (E)</b>	<b>6 319</b>	<b>7 035</b>
Interest charges on foreign currency swaps	49	35
Trading/Economic hedge (FX forward)	3 818	963
<b>Financial liability at fair value through profit &amp; loss account (F)</b>	<b>3 867</b>	<b>998</b>
<b>Non current financial liabilities at amortised cost</b>	<b>131 488</b>	<b>142 135</b>
<b>Current financial liabilities at amortised cost (G)</b>	<b>23 362</b>	<b>44 765</b>
<b>Current financial liabilities (E+F+G)</b>	<b>33 548</b>	<b>52 798</b>

The carrying amount of the convertible bond amounts EUR 26.3 million (31 December 2014: EUR 26.0 million). Indicative fair value price per 30 June 2015 stood at EUR 27.1 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 2015, 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 2015**:

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
<b>Financial assets</b>						
Interest rate swaps designated as cash flow hedge relationship	2	0	0	0	2	2
<b>Subtotal interest rate swaps designated as cash flow hedge relationship (b)</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>
Trading/Economic hedge (FX forward)	0	1 352	0	0	1 352	2
<b>Financial assets at fair value through profit &amp; loss account (b)</b>	<b>0</b>	<b>1 352</b>	<b>0</b>	<b>0</b>	<b>1 352</b>	<b>2</b>
Non-current trade receivables (a)	0	0	0	0	0	2
Current trade receivables	0	0	0	110 403	110 403	2
<b>Trade receivables (A)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>110 403</b>	<b>110 403</b>	<b>2</b>
Other non-current receivables (a)	0	0	0	6 040	6 040	2
Cash advances & deposits (a)	0	0	0	691	691	2
Other receivables (b)	0	0	0	25 190	25 190	2
<b>Other receivables (B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31 921</b>	<b>31 921</b>	<b>2</b>
Loans to affiliates	0	0	0	4 589	4 589	2
Other loans	0	0	0	1 948	1 948	2
<b>Non current loans (a)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6 537</b>	<b>6 537</b>	<b>2</b>
Financial receivables (b)	0	0	0	23 701	23 701	2
<b>Loans (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30 238</b>	<b>30 238</b>	<b>2</b>
<b>Cash and cash equivalents (D)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>51 433</b>	<b>51 433</b>	<b>2</b>
<b>Total loans &amp; receivables (A+B+C+D)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>223 995</b>	<b>223 995</b>	
Other investments (available for sale investments)	0	0	988	0	988	2
<b>Non-current receivables (sum of (a))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13 268</b>	<b>13 268</b>	
<b>Other receivables (sum of (b))</b>	<b>2</b>	<b>1 352</b>	<b>0</b>	<b>48 891</b>	<b>50 245</b>	
<b>Financial liabilities</b>						
Interest rate swaps designated as cash flow hedge relationship	6 319	0	0	0	6 319	2
<b>Subtotal interest rate swaps designated as cash flow hedge relationship (E)</b>	<b>6 319</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6 319</b>	<b>2</b>
Interest charges on foreign currency swaps	0	49	0	0	49	2
Trading/Economic hedge (FX forward)	0	3 818	0	0	3 818	2
<b>Financial liability at fair value through profit &amp; loss account (F)</b>	<b>0</b>	<b>3 867</b>	<b>0</b>	<b>0</b>	<b>3 867</b>	<b>2</b>
<b>Non current financial liabilities at amortised cost *</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>131 488</b>	<b>131 488</b>	<b>2</b>
<b>Current financial liabilities at amortised cost * (G)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23 362</b>	<b>23 362</b>	<b>2</b>
<b>Current financial liabilities (E+F+G)</b>	<b>6 319</b>	<b>3 867</b>	<b>0</b>	<b>23 362</b>	<b>33 548</b>	

\*excluding financial leases and convertible bonds.

Fair value measurements recognized in the consolidated balance sheet per **31 December 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
<b>Financial assets</b>						
Interest rate swaps designated as cash flow hedge relationship	6	0	0	0	6	2
<b>Subtotal interest rate swaps designated as cash flow hedge relationship (b)</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>2</b>
Trading/Economic hedge (FX forward)	0	432	0	0	432	2
<b>Financial assets at fair value through profit &amp; loss account (b)</b>	<b>0</b>	<b>432</b>	<b>0</b>	<b>0</b>	<b>432</b>	<b>2</b>
Non-current trade receivables (a)	0	0	0	0	0	2
Current trade receivables	0	0	0	78 109	78 109	2
<b>Trade receivables (A)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>78 109</b>	<b>78 109</b>	<b>2</b>
Other non-current receivables (a)	0	0	0	5 746	5 746	2
Cash advances & deposits (a)	0	0	0	646	646	2
Other receivables (b)	0	0	0	19 508	19 508	2
<b>Other receivables (B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25 900</b>	<b>25 900</b>	<b>2</b>
Loans to affiliates	0	0	0	5 032	5 032	2
Other loans	0	0	0	1 948	1 948	2
<b>Non current loans (a)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6 980</b>	<b>6 980</b>	<b>2</b>
Financial receivables (b)	0	0	0	29 650	29 650	2
<b>Loans (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36 630</b>	<b>36 630</b>	<b>2</b>
<b>Cash and cash equivalents (D)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26 163</b>	<b>26 163</b>	<b>2</b>
<b>Total loans &amp; receivables (A+B+C+D)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>166 802</b>	<b>166 802</b>	
Other investments (available for sale investments)	0	0	847	0	847	2
<b>Non-current receivables (sum of (a))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13 372</b>	<b>13 372</b>	
<b>Other receivables (sum of (b))</b>	<b>6</b>	<b>432</b>	<b>0</b>	<b>49 158</b>	<b>49 596</b>	
<b>Financial liabilities</b>						
Interest rate swaps designated as cash flow hedge relationship	7 035	0	0	0	7 035	2
<b>Subtotal interest rate swaps designated as cash flow hedge relationship (E)</b>	<b>7 035</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7 035</b>	<b>2</b>
Interest charges on foreign currency swaps	0	35	0	0	35	2
Trading/Economic hedge (FX forward)	0	963	0	0	963	2
<b>Financial liability at fair value through profit &amp; loss account (F)</b>	<b>0</b>	<b>998</b>	<b>0</b>	<b>0</b>	<b>998</b>	<b>2</b>
<b>Non current financial liabilities at amortised cost *</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>142 135</b>	<b>142 135</b>	<b>2</b>
<b>Current financial liabilities at amortised cost * (G)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44 765</b>	<b>44 765</b>	<b>2</b>
<b>Current financial liabilities (E+F+G)</b>	<b>7 035</b>	<b>998</b>	<b>0</b>	<b>44 765</b>	<b>52 798</b>	

\* excluding financial leases and convertible bonds.

## For first half-year 2015

### 1. Hedge accounting

Group Recticel in thousand EUR	At the end of the preceding period	Payment of interests	Fair value recognized in equity	Interest recognized in income statement	Transfer	At the end of the current period
Interest Rate Swaps (IRS) assets	6	15	0	( 15)	( 4)	2
Interest Rate Swaps (IRS) liabilities	( 7 035)	1 021	734	( 1 044)	4	( 6 320)
<b>Net position</b>	<b>( 7 029)</b>	<b>1 036</b>	<b>734</b>	<b>( 1 059)</b>	<b>0</b>	<b>( 6 318)</b>

## For first half-year 2014

### 1. Hedge accounting

Group Recticel in thousand EUR	At the end of the preceding period	Payment of interests	Fair value recognized in equity	Interest recognized in income statement	Transfer	At the end of the current period
Interest Rate Swaps (IRS) assets	0	0	0	0	0	0
Interest Rate Swaps (IRS) liabilities	( 6 486)	929	( 841)	( 945)	0	( 7 343)
<b>Net position</b>	<b>( 6 486)</b>	<b>929</b>	<b>( 841)</b>	<b>( 945)</b>	<b>0</b>	<b>( 7 343)</b>

## I.7.7. WORKING CAPITAL NEED

Compared to the same period last year, the net working capital need increased mainly as a result of higher trade receivables. The utilization of the factoring/forfeiting programs per 30 June 2015 amounted to EUR 70.4 million, compared to EUR 67.3 million per 30 June 2014 and EUR 55.1 million per 31 December 2014.

At mid-year the net working capital need is 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

There are no material events to report which occurred after the balance sheet date, except:

Capital increase through the exercise of warrants: On 11 August 2015 Recticel increased its share capital following the exercise of 19,690 warrants of the warrant plan issued on 22 December 2009 and 23,866 warrants of the warrant plan issued on 22 December 2011. This resulted in the issuance of 43,556 new ordinary shares, which were admitted for trading on Euronext Brussels as of 13 August 2015.

### I.7.8.2. RELATED PARTY TRANSACTIONS

Compared to December 2014 there are no significant changes in the related party transactions.

### **1.7.8.3. CONTINGENT ASSETS AND LIABILITIES**

The contingent assets and liabilities as communicated in the annual report 2014 (section III.6.10.) encountered the following developments:

#### **1.7.8.3.1. Information on Investigations**

##### **European level**

In 2010, officials from the European Commission and various national antitrust authorities conducted unannounced inspections at Recticel's offices in Brussels, Wetteren, and Alfreton (United Kingdom), as well as the office of Eurofoam in Kremsmünster (Austria). The purpose of these inspections was to collect information relating to allegedly unlawful conduct believed to have taken place in the European polyurethane foam sector.

In January 2014, the European Commission adopted a decision in which it found that Recticel and some of its subsidiaries participated in an infringement of article 101 TFEU from 26 October 2005 until 27 July 2010 in Germany, Austria, Hungary and Poland, France, Belgium, The Netherlands, the United Kingdom, from 1 January 2007 to 27 July 2010 in Romania and from 9 July 2007 to 27 July 2010 in Estonia. 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. Recticel's liability amounted to EUR 39,068,000 and consists of three components:

- EUR 14,819,000 for which Recticel, Eurofoam, and Eurofoam's other 50% shareholder Greiner are jointly and severally liable, which will be borne by Eurofoam (and therefore indirectly for 50% by Recticel);
- EUR 9,364,000 for which Recticel and Greiner are jointly and severally liable, which will be shared equally between Recticel and Greiner; and
- EUR 14,885,000 for which Recticel is solely liable.

This lead to an effective total amount payable for Recticel of EUR 26,976,500.

The total amount of the fine to be paid was provisioned (for the total amount of the fine) in the accounts of 2013.

In April 2014, Recticel 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 which had paid its fine in full when it became due) in three annual instalments on 30 April 2014, 2015 and 2016. On 30 April 2014, the Group paid EUR 13.9 million (including its portion in the Eurofoam fine). Of the fine, EUR 6.9 million remains to be paid on 30 April 2016, covered by a bank guarantee and booked in the balance sheet under the header Other Debt.

##### **Spain**

On 6 March 2013, the Spanish Competition Authority adopted a decision in which it imposed a fine of EUR 9,358,000 upon Recticel's Spanish subsidiary, Recticel Ibérica S.L.U., for the infringement of article 1 of the Spanish Competition Act and article 101 TFEU for the period between January 1992 until 9 August 2010 and jointly with Recticel for the period between 1999 until 9 August 2010. The Spanish Competition Authority exempted Recticel Ibérica S.L.U. and Recticel from the payment of the fine because Recticel fulfilled, as an immunity applicant, the requirements for exemption set forth by the applicable legislation. All companies which had been fined have appealed the decision. It is expected that Recticel's exemption of the payment of the fine will not be affected by the outcome of these appeals. For the appeals which have been decided up to date, Recticel's position has not been affected.

## **Germany**

In 2011, the German Federal Cartel Office started an investigation covering the sector of mattress and slat base manufacturers in Germany. Recticel's German bedding affiliate, Recticel Schlafkomfort GmbH, in Bochum was included in the investigation.

On 28 August 2014, the German Competition Authority adopted a decision in which it imposed upon Recticel Schlafkomfort GmbH a fine of EUR 8,208,169.35 (including costs) for the infringement of the relevant competition laws from July 2005 until December 2009. Recticel Schlafkomfort GmbH did not appeal the decision, which has therefore become final. A provision for the total amount of this fine was booked in the accounts per 30 June 2014. The fine was fully paid in September 2014.

## **Investigation into irregularities**

In 2013, the Company identified certain irregularities that took place in one of its subsidiaries over the period 2001 through 2010. The Company investigated these irregularities, proceeded with a regularisation and included a provision of EUR 1.2 million in its financial statements for the financial year ended on 31 December 2012. The Company does not expect these irregularities to further materially affect the Group.

### **1.7.8.3.2. Legal and arbitration proceedings**

The Group has been the subject of antitrust investigations at European and national level (see above - European level - and - Germany - and is currently involved in various appeals procedures in Spain which have been started by competitors after a decision rendered by the Spanish competition authority in 2013. It cannot be excluded that claims (including class actions claims) based on the same facts, may arise.

In 2014, the Italian antitrust authority initiated a procedure in which Orsafoam s.p.a. (in which the Group holds a 33% minority stake) is involved. In March 2015, a statement of objections identifying alleged infringements of competition law was sent by the Italian antitrust authority to Orsafoam s.p.a. and to Orsa, the majority shareholder, who was identified as sole controlling shareholder. Recticel is only a non-controlling minority shareholder and is as such not involved in this procedure. In June 2015, the Italian antitrust authority imposed a fine on Orsafoam of € 1.57 million, taking into account a 75% reduction. Orsafoam s.p.a. is investigating this decision and has the option to appeal it. The fine amount has been provisioned in Orsafoam's 30 June 2015 accounts.

A claim has been issued by a group of customers in the United Kingdom, including Hilding Anders International AB, Euro Comfort Holding GmbH, GNG Group Yorkshire PLC, Airsprung Group PLC and Hypnos Limited, in which these persons allege harm with regard to the European Commission's cartel decision (see also above - European level -). An informed judgment about the merits of this claim or the amount of potential loss for the Company, if any, cannot be made at this stage. Therefore, no provisions have been made in connection thereto.

Recticel is involved in several litigation proceedings with a German distributor who claims that the Group has unjustifiably ceased its supply to it. So far, Recticel has received favourable judgments in the various court cases. Management feels confident that it can successfully defend the claims in the appeal proceedings initiated by the German distributor.

Recticel has initiated opposition proceedings against the patent application of a Swiss competitor which had been developed by and has been since many years used by the Group. If such patent would be granted and the Swiss competitor would choose to enforce its patent towards the Group, Recticel is of the opinion that it would have good arguments to be entitled to continue to use the patented technology without material limitations.

The Group is also subject to various tax inspections which may entail litigation or other legal proceedings and is involved in various litigations related to intellectual property (other than set out above), where Recticel has a policy of actively enforcing its patent and trademark portfolio (such as e.g. its gelfoam patent).

As of 30 June 2015, total litigation provisions amounted to EUR 32,161 in the combined financial statements.

#### **1.7.8.3.3. Tertre**

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 sold 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. As part of the deal, Recticel contracted to undertake certain environmental clean-up work. With Erachem, these clean-up activities have now almost been finalised and all clean-up costs are fully provisioned, except the post clean-up treatment and monitoring costs, which are not expected to be material. After a legal dispute with Yara, both parties concluded a settlement agreement in 2011, and agreed to cooperate on the clean-up work. A provision had long been created to cover the costs associated with this clean-up work. Following the first indications of the clean-up cost, the company has now increased this provision with an amount of € 1 million per 30 June 2015, to a total of € 1.7 million.

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

Mr Johnny Thijs (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 2015, and their impact on the summary financial information

\* \* \*



### III. STATUTORY AUDITOR'S REPORT ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDING 30 JUNE 2015

#### RECTICEL NV Report on review of the consolidated interim financial information for the six-month period ended 30 June 2015

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 2015, 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 691.625 (000) EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 5.015 (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, 27 August 2015

The statutory auditor

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

Represented by

Kurt Dehoorne

Joël Brehmen

## IV. LEXICON

<b>Appropriated capital</b>	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.
<b>Appropriated capital, Average</b>	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.
<b>Associated companies</b>	Entities in which Recticel has a significant influence and that are processed using the equity-method.
<b>CGU</b>	Is short for Cash Generating Unit or cash flow generating unit.
<b>Combined figures</b>	Figures including Recticel's pro rata share in the joint ventures, after elimination of intercompany transactions, in accordance with the proportional consolidation method.
<b>Consolidated figures</b>	Figures following the application of IFRS 11, whereby Recticel's joint ventures are integrated on the basis of the equity method.
<b>Earnings per share, base</b>	Net result for the period (Group share) / Average outstanding shares over the period.
<b>Earnings per share, diluted</b>	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)].
<b>EBIT</b>	Operating results + profit or loss from equities.
<b>EBITDA</b>	EBIT + depreciation and additional impairments/increases on assets.
<b>Equity capital</b>	Total equity, including minority interests.
<b>Gearing ratio</b>	Net financial debt / Total equity (including shares of external parties).
<b>Investments</b>	Capitalized investments in tangible and intangible assets.
<b>Joint ventures</b>	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.
<b>Market capitalization</b>	Closing price x total number of outstanding shares.
<b>Net financial debt</b>	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.
<b>Non-recurring elements</b>	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.
<b>Recurring EBIT(DA) or REBIT(DA)</b>	EBIT(DA) before non-recurring elements.
<b>Return on Capital Employed</b>	EBIT / average appropriated capital.
<b>Return on Equity (ROE)</b>	Net result for the period (share of the Group) / Average total equity over the period (the Group's share).
<b>ROCE</b>	Represents Return on Capital Employed.
<b>Subsidiaries</b>	Fully consolidated entities under Recticel control.
<b>Working capital</b>	Inventories + trade receivables + other receivables + recoverable taxes - trade payables - payable taxes - other commitments.