

TRADING UPDATE FOR 1st QUARTER 2016

- Combined sales growth of +0.6%, despite an exchange rate impact of -0.8%
- Positive evolution of the profitability
- Combined net financial debt¹: from EUR 189.5 million (31 March 2015) to EUR 115.4 million (31 March 2016) (31 December 2015: EUR 123.0 million)

¹ Excluding the drawn amounts under non-recourse factoring/forfeiting programs (EUR 69.2 million per 31 March 2016, EUR 78.2 million per 31 March 2015, and EUR 60.4 million per 31 December 2015).

OUTLOOK

For the full year 2016, the Group expects its combined sales turnover to increase. The combined REBITDA is expected to improve by about 10% thanks to a combination of volume growth, improved mix and efficiency gains.

1. COMBINED DATA

Combined sales increased from EUR 343.4 million in 1Q2015 to **EUR 345.5 million in 1Q2016** (+0.6%), including a -0.8% impact from exchange rate differences (mainly GBP and PLN). The main growth drivers were (i) successful growth initiatives and commercial performance in Insulation, and (ii) supportive Automotive markets complemented by the contribution of new Interiors' programs.

Breakdown of sales by segment (unaudited)

<i>in million EUR</i>	1Q2015	1Q2016	Δ
Flexible Foams	158,5	156,1	-1,5%
Bedding	79,1	79,0	-0,1%
Insulation	54,0	55,5	2,8%
Automotive	72,7	73,9	1,6%
Eliminations	(20,9)	(18,9)	-9,6%
TOTAL COMBINED	343,4	345,5	0,6%
Adjustment for joint ventures by application of IFRS 11	(75,0)	(75,9)	1,2%
TOTAL CONSOLIDATED	268,4	269,6	0,4%

A. Flexible Foams

Combined sales slightly decreased from EUR 158.5 million in 1Q2015 to **EUR 156.1 million in 1Q2016** (-1.5%), including a -1.1% impact from exchange rate differences. Excluding intersegment sales, **combined external sales**, were stable at **EUR 142.3 million**.

In February 2016, Recticel SAS announced the intention to close its plant in Noyen-sur-Sarthe (France). 25 employees at the site are under risk of redundancy. Discussions with the works council have been initiated in order to identify the most appropriate social support measures.

The related closure costs will be charged to the results of 1H2016.

B. Bedding

Combined sales were flat, from EUR 79.1 million in 1Q2015 to **EUR 79.0 million in 1Q2016**, including a -0.4% impact from exchange rate differences. Excluding intersegment sales, **combined external sales were flat at EUR 74.0 million in 1Q2016**.

The sub-segment **Branded Products** remained stable during 1Q2016, while the product-mix improved as the GELTEX® inside products continued to grow.

The **Non-Branded/Private Label** sub-segment decreased by -0.9% in 1Q2016.

In its core bedding markets, Recticel's sales developed very differently from one country to another. Sales have increased in Benelux, Scandinavia and Poland, have remained stable in Germany, but have declined in Austria and Switzerland.

C. Insulation

Combined sales (ie. Building Insulation) increased by +2.8% from EUR 54.0 million in 1Q2015 to EUR 55.5 million in 1Q2016, including a -1.2% impact from exchange rate differences. Volumes have grown in all countries where Recticel is present, with the exception of France. These increasing volumes have not fully translated into a higher sales turnover due to price decreases linked to receding raw material prices and increased competition.

D. Automotive

Combined sales increased from EUR 72.7 million in 1Q2015 to **EUR 73.9 million in 1Q2016** (+1.6%), including a -0.1% impact from exchange rate differences. Sales of the Automotive segment increased, benefitting from positive market dynamics and new program start-ups. Both sub-segments reported higher sales.

Sales in **Interiors** (incorporating as from 2016 also the former sub-segment Exteriors) increased by +2.1% from EUR 34.8 million to **EUR 35.6 million**. This positive evolution is due to the gradual start-up of new programs, to increased revenue recognition on moulds for the recently acquired programs, and to positive currency exchange differences (+0.5%, primarily CZK).

Sales in **Seating** (i.e. Proseat, the 51/49 joint venture between Recticel and Woodbridge) increased by +1.1% from EUR 37.9 million to **EUR 38.3 million**, including a -0.7% impact from exchange rate differences.

2. CONSOLIDATED DATA

- 1Q sales increased by +0.4% from EUR 268.4 million to EUR 269.6 million.
- Net financial debt¹ amounted to EUR 93.7 million, compared to EUR 168.9 million per 31 March 2015 and to EUR 98.5 million per 31 December 2015.

¹ Excluding the drawn amounts under non-recourse factoring/forfeiting programs (EUR 61.6 million per 31 March 2016, EUR 69.8 million per 31 March 2015 and EUR 53.7 million per 31 December 2015).

3. FINANCIAL POSITION

On a **combined** basis, **net financial debt** amounted to **EUR 115.4 million** on 31 March 2016 (31 March 2015: EUR 189.5 million; 31 December 2015: EUR 123.0 million), excluding the drawn amounts under the off-balance non-recourse factoring/forfeiting programs of EUR 69.2 million (31 March 2015: EUR 78.2 million; 31 December 2015: EUR 60.4 million)

On 31 March 2016, the Group **net consolidated financial debt** amounted to **EUR 93.7 million** (31 March 2015: EUR 168.9 million; 31 December 2015: EUR 98.5 million), excluding the drawn amounts under off-balance non-recourse factoring/forfeiting programs of EUR 61.6 million (31 March 2015: EUR 69.8 million; 31 December 2015: EUR 53.7 million).

The decrease of net financial debt compared to end-March 2015 follows the repayment of debt with the net proceeds of the rights' issue of May 2015. (See press release of 11 May 2015)

Extension of the credit facility

On 25 February 2016, Recticel extended its EUR 175 million secured multi-currency credit facility for 5 years.

The extension of the credit facility, concluded with six European banks, allows Recticel to further secure liquidity and to extend its debt maturity profile.

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Glossary

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.
EBITDA	: = EBIT + depreciation, amortisation and impairment on assets.
Net financial debt	: Interest bearing financial debts at more than one year + interest bearing financial debts within maximum one year – cash and cash equivalents + Net marked-to-market value position of hedging derivative instruments. The interest-bearing borrowings do not include the drawn amounts under non-recourse factoring/forfeiting programs
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.
REBITDA	: = EBITDA before non-recurring elements; REBIT = EBIT before non-recurring elements.

Uncertainty risks concerning the forecasts made

This press report contains forecasts which entail risks and uncertainties, including with regard to statements concerning plans, objectives, expectations and/or intentions of the Recticel Group and its subsidiaries. Readers are informed that such forecasts entail known and unknown risks and/or may be subject to considerable business, macroeconomic and competition uncertainties and unforeseen circumstances which largely lie outside the control of the Recticel Group. Should one or more of these risks, uncertainties or unforeseen or unexpected circumstances arise or if the underlying assumptions were to prove to be incorrect, the final financial results of the Group may possibly differ significantly from the assumed, expected, estimated or extrapolated results. Consequently, neither Recticel nor any other person assumes any responsibility for the accuracy of these forecasts.

Financial calendar

First quarter 2016 trading update	06.05.2016 (before opening of the stock exchange)
Annual General Meeting	31.05.2016 (at 10:00 AM CET)
Ex-coupon date	01.06.2016
Record date	02.06.2016
Dividend payment date	03.06.2016
First half-year 2016 results	26.08.2016 (before opening of the stock exchange)
Third quarter 2016 trading update	31.10.2016 (before opening of the stock exchange)

For additional information

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Recticel in a nutshell

Recticel is a Belgian Group with a strong European dimension, but it also operates in the rest of the world. Recticel employs 7,598 people in 98 establishments in 27 countries.

Recticel contributes to daily comfort with foam filling for seats, mattresses and slat bases of top brands, insulation material, interior comfort for cars and an extensive range of other industrial and domestic applications.

Recticel is the Group behind well-known bedding brands (Beka®, Lattoflex®, Literie Bultex®, Schlaraffia®, Sembella®, Swissflex®, Superba®, Ubica®, etc.) and GELTEX® inside. Within the Insulation sub-segment high-quality thermal insulation products are marketed under the well-known brands Eurowall®, Powerroof®, Powerdeck® and Powerwall®. Technological progress and innovation have led to breakthrough at the biggest names in the Automotive industry thanks to Colofast®, Colosense® and Colosense Lite®.

In 2015 Recticel achieved combined sales of EUR 1.3 billion (IFRS 11 consolidated sales: EUR 1.0 billion).

Recticel (Euronext: REC – Reuters: RECTt.BR – Bloomberg: REC:BB) is listed on Euronext in Brussels.

The press release is available in English, Dutch and French on the website www.recticel.com