FIRST HALF-YEAR 2017 RESULTS

- **Combined[a] sales growth of +5.9%, despite negative currency effects (-1.0%)**
- **Combined REBITDA of EUR 50.1 million (-8.6%)**
- **Result of the period (share of the Group): from EUR 15.5 million to EUR 14.3 million**
- **Combined net financial debt: EUR 151.4 million**

Olivier Chapelle (CEO): "*Sales growth has accelerated to +6.2% in the second quarter, leading to a solid +5.9% top line growth over the first half.*

During the first half of 2017, the Group has faced very challenging raw material supply conditions: several forces majeures at suppliers, unprecedented raw material price increases and MDI supply shortages have constituted very serious headwinds for the business. This was complemented by the further weakening of the Pound Sterling and the overall appreciation of the Euro.

In these conditions, we are satisfied with the resilience of our REBITDA and the reactivity of the commercial teams who have taken swift re-pricing measures. Volume growth, pricing actions and cost efficiencies have indeed almost fully compensated the above-mentioned negative raw materials and currency impacts. We remain focused on our growth agenda, and are on track with the continuous improvement of our operational efficiency.

The consequences of the fire incident in our Automotive Interiors factory in Most (Czech Republic) are in the process of being gradually solved. Reconstruction of the Most facility is ongoing and the plant will be fully operational again by mid-October 2017, hence the supply situation will be entirely normalised by then.

OUTLOOK

The Group reiterates its guidance for the full year 2017: Recticel expects continued growth of its full year 2017 combined sales and an increase of its full year 2017 REBITDA.

All comparisons are made with the comparable period of 2016, unless mentioned otherwise. The figures mentioned have been subject to an auditor's review.

[a] For the definition of other used terminology, see glossary at the end of this press release.

1. KEY FIGURES

1.1. CONSOLIDATED DATA

- **Sales: from EUR 534.5 million to EUR 566.0 million (+5.9%), including currency effects (-1.4%)**
- **EBITDA: from EUR 41.0 million to EUR 35.4 million (-13.6%)**
- **EBIT: from EUR 24.6 million to EUR 20.6 million (-16.4%)**
- **Result of the period (share of the Group): from EUR 15.5 million to EUR 14.3 million (-7.7%)**
- **Net financial debt[1]: EUR 117.5 million per 30 June 2017 (30 June 2016: EUR 109.5 million; 31 December 2016: EUR 108.4 million)**

in million EUR	1H2016 (a)	1H2017 (b)	Δ (b)/(a)-1
Sales	**534,5**	**566,0**	***5,9%***
Gross profit	108,8	91,0	*-16,4%*
as % of sales	*20,4%*	*16,1%*	
EBITDA	**41,0**	**35,4**	***-13,6%***
as % of sales	*7,7%*	*6,3%*	
EBIT	**24,6**	**20,6**	***-16,4%***
as % of sales	*4,6%*	*3,6%*	
Result of the period (share of the Group)	**15,5**	**14,3**	***-7,7%***
Result of the period (share of the Group) - base (per share, in EUR)	0,29	0,27	*-8,6%*

	31 Dec 16	30 Jun 17	
Total Equity	**251,2**	**257,1**	***2,3%***
Net financial debt [1]	108,4	117,5	*8,4%*
Gearing ratio	**43,1%**	**45,7%**	

[1] Excluding the drawn amounts under off-balance non-recourse factoring/forfeiting programs: EUR 70.8 million per 30 June 2017 versus EUR 65.4 million per 30 June 2016 and EUR 51.7 million per 31 December 2016.

1.2. COMBINED DATA

- **Sales: from EUR 686.0 million to EUR 726.8 million (+5.9%), including currency effects (-1.0%)**
- **REBITDA: from EUR 54.8 million to EUR 50.1 million (-8.6%)**
- **EBIT: from EUR 27.6 million to EUR 22.2 million (-19.6%)**
- **Result of the period (share of the Group): from EUR 15.5 million to EUR 14.3 million (-7.7%)**
- **Net financial debt[1]: EUR 151.4 million per 30 June 2017 (30 June 2016: EUR 132.9 million; 31 December 2016: EUR 126.0 million)**

in million EUR	1H2016 (a)	1H2017 (b)	Δ (b)/(a)-1
Sales	**686,0**	**726,8**	***5,9%***
Gross profit	133,4	100,2	*-24,9%*
as % of sales	*19,4%*	*13,8%*	
REBITDA	**54,8**	**50,1**	***-8,6%***
as % of sales	*8,0%*	*6,9%*	
EBITDA	**47,9**	**41,0**	***-14,3%***
as % of sales	*7,0%*	*5,6%*	
REBIT	**35,6**	**31,3**	***-11,9%***
as % of sales	*5,2%*	*4,3%*	
EBIT	**27,6**	**22,2**	***-19,6%***
as % of sales	*4,0%*	*3,1%*	

	31 Dec 16	30 Jun 17	
Total Equity	**251,2**	**257,1**	***2,3%***
Net financial debt [1]	126,0	151,4	*20,2%*
Gearing ratio	**50,1%**	**58,9%**	

[1] Excluding the drawn amounts under off-balance non-recourse factoring/forfeiting programs: EUR 70.8 million per 30 June 2017 versus EUR 71.4 million per 30 June 2016 and EUR 52.2 million per 31 December 2016.

2. COMMENTS ON THE GROUP RESULTS

Detailed comments on sales and results of the different segments are given in chapter 5 on the basis of the combined figures (joint ventures integrated following the proportionate consolidation method).

There were no changes in the scope of consolidation in 1H2017.

Combined Sales: from EUR 686.0 million to **EUR 726.8 million**.

On a half-year basis, combined sales increased by +5.9%, including a negative currency impact of EUR -7.5 million (-1.0%). All segments reported higher sales, except Bedding which contracted by -6.6%. The overall increase is due to (i) strong volume growth in Automotive and smaller volume growth in Insulation (impacted by MDI shortage during the 2nd quarter), (ii) increased average sales prices following the steep increase of raw material costs (i.e. isocyanates) and (iii) the start-up of scheduled new programs in Automotive Interiors.

After a healthy +5.7% growth in 1Q2017 (including a negative currency effect of -1.2%; mainly GBP), growth further accelerated during the second quarter to +6.2% (including a negative currency effect of -0.8%). The growth pattern of the individual business segments observed during 1Q2017 was extended in 2Q2017, mainly in Automotive (+21.7%) and Insulation (+8.4%).

Breakdown of the **combined** sales by segment

in million EUR	1Q2016	2Q2016	1H2016	1Q2017	2Q2017	1H2017	Δ 1Q	Δ 2Q	Δ 1H
Flexible Foams	*156,1*	*154,2*	310,3	*160,6*	*157,0*	317,5	*2,9%*	*1,8%*	*2,3%*
Bedding	*79,0*	*69,1*	148,1	*75,0*	*63,3*	138,3	*-5,0%*	*-8,4%*	*-6,6%*
Insulation	*55,5*	*62,7*	118,1	*61,3*	*67,9*	129,2	*10,5%*	*8,4%*	*9,4%*
Automotive	*73,9*	*73,0*	146,9	*84,6*	*88,8*	173,5	*14,5%*	*21,7%*	*18,1%*
Eliminations	*(18,9)*	*(18,4)*	(37,3)	*(16,3)*	*(15,4)*	(31,7)	*-14,0%*	*-16,0%*	*-15,0%*
TOTAL COMBINED SALES	***345,5***	***340,5***	**686,0**	***365,3***	***361,5***	**726,8**	***5,7%***	***6,2%***	***5,9%***
Adjustment for joint ventures by application of IFRS 11	(75,9)	(75,6)	(151,5)	(83,4)	(77,4)	(160,8)	*9,9%*	*2,3%*	*6,1%*
TOTAL CONSOLIDATED SALES	***269,6***	***264,9***	**534,5**	***281,9***	***284,1***	**566,0**	***4,6%***	***7,3%***	***5,9%***

Combined gross profit: from EUR 133.4 million to **EUR 100.2 million**.

Gross margin decreased from 19.4% to 13.8%.

The lower gross profit is to a large extent explained by (i) additional costs (EUR -17.0 million) due to alternative production solutions and operational inefficiencies linked to the fire incident in Automotive Interiors in Most (Czech Republic), and (ii) the temporary impact linked to the lead-time necessary to pass through the raw material price increases to the customers.

Combined REBITDA: from EUR 54.8 million to **EUR 50.1 million** (-8.6%)

REBITDA margin decreased from 8.0% to 6.9%.

Despite higher volumes, operational efficiency and product-mix improvements, and strict control on fixed costs, recurrent profitability slightly decreased due to the time lag in passing through the raw material price increases to the market. Furthermore the Insulation segment is affected by the on-going shortage of some chemical raw materials (i.e. MDI).

Automotive Interiors, on the back of higher volumes, and to a lesser extent Bedding, as a result of cost saving measures, improved the REBITDA margin on sales.

Breakdown of the **combined** REBITDA by segment

in million EUR	1H2016	1H2017	Δ
Flexible Foams	28,2	23,3	*-17,2%*
Bedding	7,9	7,7	*-2,0%*
Insulation	17,8	14,2	*-20,2%*
Automotive	10,5	13,5	*27,9%*
Corporate	(9,6)	(8,6)	*-9,9%*
TOTAL COMBINED REBITDA	**54,8**	**50,1**	***-8,6%***

- Flexible Foams continued to improve its operational efficiency and mix, but could not prevent the temporary adverse impact of increasing raw material costs on the profitability.
- In Bedding the impact of lower sales was to a large extent compensated by focusing on the higher margin business and significant cost reduction measures, while fixing the supply chain issues which impacted the 2H2016 and 1Q2017 results.
- Profitability in Insulation decreased temporarily as a result of the time lag needed to pass on the higher raw material prices to the market and the impact of the shortage in MDI supply in 2Q2017 on the volumes sold.
- Automotive benefited from the higher volumes in the sub-segment Interiors, induced by the addition of the new Interiors programs and solid market demand.

Combined REBIT: from EUR 35.6 million to **EUR 31.3 million** (-11.9%)

Breakdown of the **combined** REBIT by segment

in million EUR	1H2016	1H2017	Δ
Flexible Foams	22,0	17,1	*-22,0%*
Bedding	5,1	5,4	*5,3%*
Insulation	14,7	11,0	*-25,6%*
Automotive	3,9	7,0	*80,5%*
Corporate	(10,1)	(9,1)	*-10,0%*
TOTAL COMBINED REBIT	**35,6**	**31,3**	***-11,9%***

Non-recurring elements: (on combined basis, including pro rata share in joint ventures)

EBIT includes non-recurring elements for a total net amount of EUR -9.1 million (1H2016: EUR -7.9 million).

in million EUR	1H2016	1H2017
Net impact fire incident Automotive Interiors	0,0	(4,9)
Restructuring charges and provisions	(4,7)	0,4
Other	(2,3)	(4,5)
Total impact on EBITDA	**(7,0)**	**(9,1)**
Impairments	(1,0)	0,0
Total impact on EBIT	**(7,9)**	**(9,1)**

The major non-recurring element in 1H2017 relates to the fire incident in the Automotive Interiors plant in Most (Czech Republic) on 22 January 2017. The net impact in 1H2017, including the reinsurance costs, amounts to EUR -4.9 million. Additional non-recurring costs and insurance income, induced by the fire incident, are still expected during 2H2017.

Restructuring provisions were positively influenced by a reduction in onerous contract charges. The ‘other’ non-recurring elements relate to incurred costs and provisions for legal fees.

Combined EBITDA: from EUR 47.9 million to **EUR 41.0 million** (-14.3%)

Breakdown of EBITDA by segment

in million EUR	1H2016	1H2017	Δ
Flexible Foams	23,6	18,7	*-21,0%*
Bedding	6,6	7,6	*15,0%*
Insulation	17,8	14,2	*-20,0%*
Automotive	9,5	9,1	*-4,4%*
Corporate	(9,7)	(8,6)	*-10,9%*
TOTAL COMBINED EBITDA	**47,9**	**41,0**	***-14,3%***
Adjustment for joint ventures by application of IFRS 11	(6,9)	(5,6)	*-19,1%*
TOTAL CONSOLIDATED EBITDA	**41,0**	**35,4**	***-13,5%***

Combined EBIT: from EUR 27.6 million to **EUR 22.2 million** (-19.6%)

Breakdown of EBIT by segment

in million EUR	1H2016	1H2017	Δ
Flexible Foams	17,2	12,5	*-27,3%*
Bedding	3,1	5,3	*67,3%*
Insulation	14,7	11,0	*-25,3%*
Automotive	2,9	2,6	*-8,6%*
Corporate	(10,2)	(9,1)	*-11,0%*
TOTAL COMBINED EBIT	**27,6**	**22,2**	***-19,6%***
Adjustment for joint ventures by application of IFRS 11	(3,0)	(1,6)	*-45,6%*
TOTAL CONSOLIDATED EBIT	**24,6**	**20,6**	***-16,4%***

Consolidated financial result: from EUR -5.0 million to **EUR -2.1 million** (-57.8%)

Net interest charges decreased from EUR -3.9 million to EUR -3.6 million as a result of a lower cost of debt.

'Other net financial income and expenses' totalled EUR +1.5 million, compared to EUR -1.1 million in 1H2016, and comprise mainly interest capitalisation costs under provisions for pension liabilities (EUR -0.5 million versus EUR -0.6 million in 1H2016) and exchange rate differences (EUR +2.0 million versus EUR -0.5 million in 1H2016).

Consolidated income taxes and deferred taxes: remained stable at **EUR -4.2 million**:

- Current income tax charges: EUR -2.1 million (EUR -2.2 million in 1H2016);
- Deferred tax charges: EUR -2.1 million (EUR -2.0 million in 1H2016).

Consolidated result of the period (share of the Group): from EUR +15.5 million to **EUR +14.3 million (-7.7%).**

3. FINANCIAL POSITION

Total combined debt, including off-balance non-recourse factoring, increased to **EUR 222.2 million** (30 June 2016: 204.3 million; 31 December 2016: 178.2 million) and is linked to the seasonal working capital build-up in combination with the effect of higher raw material prices and consequently higher selling prices.

On 30 June 2017, the **combined net financial debt** amounted to **EUR 151.4 million** (30 June 2016: EUR 132.9 million; 31 December 2016: EUR 126.0 million) excluding the amounts drawn under the off-balance non-recourse factoring programs of EUR 70.8 million (30 June 2016: EUR 71.4 million; 31 December 2016: EUR 52.2 million).

The off-balance forfeiting programs have been discontinued as from 31 December 2016. Per 30 June 2017 the total amount drawn under the factoring programs was EUR 70.8 million (Recticel only; none at joint ventures).

Total consolidated debt, including off-balance non-recourse factoring, increased to **EUR 188.3 million** (30 June 2016: 174.9 million; 31 December 2016: 160.1 million) and is linked to the seasonal working capital build-up.

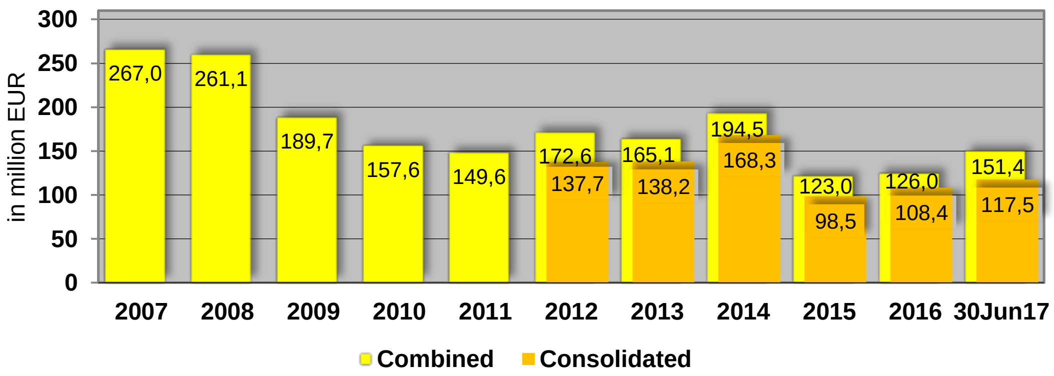
On 30 June 2017, the **consolidated net financial debt** amounted to **EUR 117.5 million** (30 June 2016: EUR 109.5 million; 31 December 2016: EUR 108.4 million) excluding the amounts drawn under off-balance non-recourse factoring programs of EUR 70.8 million (30 June 2016: EUR 65.4 million; 31 December 2016: EUR 51.7 million).

On 30 June 2017 **total equity** amounted to **EUR 257.1 million** compared to EUR 251.2 million on 31 December 2016.

Combined 'net debt to equity' ratio: 58.9% (30 June 2016: 54.1%; 31 December 2016: 50.1%).

Consolidated 'net debt to equity' ratio: 45.7**%** (30 June 2016: 44.6%; 31 December 2016: 43.1%).

Net Financial Debt



The Group confirms that all conditions under the financial arrangements with its banks are respected on 30 June 2017.

On 24 July 2017 the Group fully reimbursed the outstanding amounts (EUR 27.7 million) under the 5% convertible bonds 2007-2017.

4. AUTOMOTIVE INTERIORS – CZECH REPUBLIC

On 22 January 2017, a serious fire incident occurred in one of the production halls of the Automotive-Interiors site in Most (Czech Republic). As a result of this, RAI Most s.r.o., a 100% subsidiary of Recticel, had to declare *force majeure* to its customers.

Recticel and its customers, supported by the affected OEMs PSA Peugeot Citroën, Renault, Daimler, BMW and Volkswagen, have been cooperating actively to maximize the output of the solutions and alternative production plans decided together, in order to minimize the impact on the production programs at the customers' assembly plants.

Since 27 January 2017, intense engineering and contractor work is ongoing in Most and in other facilities of the division to which some production has been transferred. As a result, the supply situation to all customers is now almost normalized, and the totally rebuilt plant will be operational as from mid-October 2017.

RAI Most s.r.o. is insured according to industry standards.

To date, the net non-recurring financial impact is assessed at EUR -4.9 million, being the result of the very important additional operational costs, which were compensated to a large extent by insurance advances received to date. Given that the Most plant will not be fully operational before October 2017, additional non-recurring costs and income will be taken over the remainder of 2017.

The plant in Most produces - on the basis of the patented Colo-Fast® and Colo-Sense® Lite spray technologies - elastomer interior trim parts for cars, such as skins for dashboard and door panels, which are sold to various Tier-1 automotive suppliers. In 2016, RAI Most s.r.o. realised sales of CZK 547 million (EUR 20.3 million) and employed 390 people.

5. MARKET SEGMENTS

IFRS 8 requires operating segments to be identified on the basis of the internal reporting structure of the Group that allows a regular performance review by the chief operating decision maker and an adequate allocation of resources to each segment. Therefore, the Group will continue to comment on the development of the different segments on the basis of the **combined** figures, consistent with the managerial reporting and in line with IFRS 8.

5.1. FLEXIBLE FOAMS

in million EUR	1H2016	1H2017	Δ
Sales	**310,3**	**317,5**	**2,3%**
REBITDA	**28,2**	**23,3**	**-17,2%**
as % of sales	*9,1%*	*7,3%*	
EBITDA	**23,6**	**18,7**	**-21,0%**
as % of sales	*7,6%*	*5,9%*	
REBIT	**22,0**	**17,1**	**-22,0%**
as % of sales	*7,1%*	*5,4%*	
EBIT	**17,2**	**12,5**	**-27,3%**
as % of sales	*5,5%*	*3,9%*	

Sales

After a good 1Q2017 (+2.9%), **combined sales** further increased from EUR 154.2 million in 2Q2016 to **EUR 157.0 million in 2Q2017** (+1.8%), including a -0.9% impact from exchange rate differences. Excluding intersegment sales, **combined external sales** increased by +2.4% to **EUR 144.0 million**.

Over **1H2017**, **combined sales** increased from EUR 310.3 million in 1H2016 to **EUR 317.5 million** (+2.3%), including a -1.0% impact from exchange rate differences. Excluding intersegment sales, **combined external sales** increased by +3.0% to **EUR 291.4 million**.

Sales were flat in Comfort Foams. Lower volumes were compensated by increased selling prices following the pass-through of higher raw materials costs.

Sales in Technical Foams (+5.7%) continued to grow in the industrial and automotive markets within Europe, as well as in the USA, China, India and Turkey.

Profitability

REBITDA margin decreased from 9.1% to 7.3%.

Profitability margins decreased as a result of the time lag required in passing on the substantial raw material price increases in the selling prices. Likewise EBITDA decreased from EUR 23.6 million to EUR 18.7 million, including non-recurring elements for EUR -4.6 million (1H2016: EUR -4.5 million).

5.2. BEDDING

in million EUR	1H2016	1H2017	Δ
Sales	**148,1**	**138,3**	**-6,6%**
REBITDA	**7,9**	**7,7**	**-2,0%**
as % of sales	*5,3%*	*5,6%*	
EBITDA	**6,6**	**7,6**	**15,0%**
as % of sales	*4,5%*	*5,5%*	
REBIT	**5,1**	**5,4**	**5,3%**
as % of sales	*3,5%*	*3,9%*	
EBIT	**3,1**	**5,3**	**67,3%**
as % of sales	*2,1%*	*3,8%*	

Sales

After a weak 1Q2017 (-5.0%), **combined sales** decreased by -8.4% from EUR 69.1 million in 2Q2016 to **EUR 63.3 million in 2Q2017**, including a -0.1% impact from exchange rate differences. Excluding intersegment sales, **combined external sales** decreased by -4.8% to amount **EUR 61.2 million in 2Q2017**.

Over **1H2017**, **combined sales** decreased from EUR 148.1 million in 1H2016 to **EUR 138.3 million** (-6.6%), with no impact from exchange rate differences. Excluding intersegment sales, **combined external sales** decreased by -3.4% to **EUR 133.7 million**.

Sales of the sub-segment **Branded Products** remained stable in 1H2017; whereas the sub-segment **Non-Branded/Private Label** recorded lower sales (-8.1%) due to weaker market conditions and the consequences resulting from the past supply chain issues, which are now resolved.

Profitability

REBITDA margin improved from 5.3% to 5.6%.

Despite lower sales, profitability margins improved as a result of a better product-mix and the effect of various cost control initiatives. EBITDA increased from EUR 6.6 million to EUR 7.6 million.

5.3. INSULATION

in million EUR	1H2016	1H2017	Δ
Sales	**118,1**	**129,2**	**9,4%**
REBITDA	**17,8**	**14,2**	**-20,2%**
as % of sales	*15,1%*	*11,0%*	
EBITDA	**17,8**	**14,2**	**-20,0%**
as % of sales	*15,0%*	*11,0%*	
REBIT	**14,7**	**11,0**	**-25,6%**
as % of sales	*12,5%*	*8,5%*	
EBIT	**14,7**	**11,0**	**-25,3%**
as % of sales	*12,4%*	*8,5%*	

Sales

After a strong 1Q2017 (+10.5%), sales increased in 2Q2017 by +8.4% from EUR 62.7 million to **EUR 67.9 million in 2Q2017**. Lower volumes – not due to a lower demand, but as a consequence of the important supply shortages of MDI – and negative currency effects (-2.8%, i.e. GBP) were more than compensated by significant selling price increases (pass-through of raw material price increases).

Over **1H2017**, sales increased by +9.4% from EUR 118.1 million to **EUR 129.2 million**, including negative currency effects (-3.3%).

As announced in the press release of 21 June 2017, Recticel will establish a new manufacturing unit in Finland in 2018, which will enable mid-term growth in Scandinavia, the Baltics and Russia.

Profitability

REBITDA margin decreased from 15.1% to 11.0%.

Profitability was negatively impacted by the limited availability of MDI volumes in the industry in the second quarter (cfr press release of 12 May 2017). The resulting lower production volumes, in combination with the higher raw material costs, explains the temporary drop in profitability. The Group believes that MDI supply will gradually normalise towards the end of 2017.

5.4. AUTOMOTIVE

in million EUR	1H2016	1H2017	Δ
Sales	**146,9**	**173,5**	**18,1%**
REBITDA	**10,5**	**13,5**	**27,9%**
as % of sales	*7,2%*	*7,8%*	
EBITDA	**9,5**	**9,1**	**-4,4%**
as % of sales	*6,5%*	*5,3%*	
REBIT	**3,9**	**7,0**	**80,5%**
as % of sales	*2,6%*	*4,0%*	
EBIT	**2,9**	**2,6**	**-8,6%**
as % of sales	*2,0%*	*1,5%*	

Sales

After a strong 1Q2017 (+14.5%), **2Q2017 combined sales** accelerated from EUR 73.0 million to **EUR 88.8 million** (+21.7%), including a positive currency impact of +0.5%. Sales of the Automotive segment particularly benefitted from positive market dynamics and new program start-ups. Both sub-segments reported higher sales.

The increase is primarily attributable to the sub-segment **Interiors**, which grew its sales by +38.1% despite the fire accident in Most (Czech Republic) (cfr press release 23 & 31 January 2017 and 27 February 2017). This growth was driven by the gradual start-up of scheduled new programs, and as well as higher than expected market demand for several car models.

The sub-segment **Seating** (i.e. Proseat, the 51/49 joint venture between Recticel and Woodbridge) reported +7.0% higher sales, also benefiting from high demand in the market.

Over **1H2017 combined sales** increased from EUR 146.9 million to **EUR 173.5 million** (+18.1%), with no material impact from exchange rate differences. The progress was more pronounced in Interiors (EUR 92.3 million, +31.9%) and to a lesser extent in Seating (EUR 81.1 million; +5.6%).

The positive underlying development in Interiors was impacted by the fire incident in the plant in Most (Czech Republic), following which Recticel had to declare force majeure to its customers.

Profitability

REBITDA margin increased from 7.2% to 7.8%.

Higher volumes - despite some temporary setback related to the fire incident in the Interiors plant in Most - explain the improvement; particularly in Interiors. Higher chemical raw material costs have generated a negative impact on the profit margins of the Seating sub-segment.

EBITDA includes non-recurring elements (EUR -4.4 million, compared to EUR -1.0 million in 1H2016) mainly relating to the net impact, including the reinsurance costs, of the fire accident.

ANNEXES

All figures and tables contained in these annexes have been compiled in accordance with the IFRS accounting and valuation principles, as adopted within the European Union. The applied valuation principles, as published in the latest available annual report at 31 December 2016, were consistently applied for the figures included in this press release.

The analysis of the risk management is described in the annual report which is/will be available from www.recticel.com.

1. Condensed consolidated income statement

in million EUR	1H2016 (a)	1H2017 (b)	Δ (b)/(a) - 1
Sales	**534,5**	**566,0**	**5,9%**
Distribution costs	(29,5)	(31,7)	7,6%
Cost of sales	(396,2)	(443,3)	11,9%
Gross profit	**108,8**	**91,0**	**-16,4%**
General and administrative expenses	(41,9)	(43,0)	2,4%
Sales and marketing expenses	(37,3)	(33,9)	-9,1%
Research and development expenses	(6,9)	(7,0)	2,8%
Impairments	(1,0)	0,0	-100,0%
Other operating revenues (1)	*2,7*	*25,2*	*820,9%*
Other operating expenses (2)	*(10,6)*	*(13,1)*	*24,1%*
Other operating result (1)+(2)	(7,9)	12,0	-253,0%
Income from joint ventures & associates	10,7	1,5	-86,0%
EBIT	**24,6**	**20,6**	**-16,4%**
Interest income	0,4	0,4	-7,2%
Interest expenses	(4,3)	(4,0)	-7,4%
Other financial income	5,4	8,7	60,7%
Other financial expenses	(6,5)	(7,2)	11,0%
Financial result	**(5,0)**	**(2,1)**	**-57,8%**
Result of the period before taxes	**19,7**	**18,5**	**-6,0%**
Income taxes	(4,2)	(4,2)	0,6%
Result of the period after taxes	**15,5**	**14,3**	**-7,7%**
of which attributable to the owners of the parent	15,5	14,3	-7,7%
of which attributable to non-controlling interests	0,0	0,0	-

2. Earnings per share

in EUR	1H2016 (b)	1H2017 (b)	Δ (b)/(a) -1
Number of shares outstanding (including treasury shares)	53 815 498	54 542 382	*1,4%*
Weighted average number of shares outstanding (before dilution effect)	53 415 088	53 918 269	*0,9%*
Weighted average number of shares outstanding (after dilution effect)	59 645 280	60 351 199	*1,2%*
EBITDA	0,77	0,66	*-14,3%*
EBIT	0,46	0,38	*-17,2%*
Result for the period before taxes	0,37	0,34	*-6,8%*
Result for the period after taxes	0,29	0,27	*-8,6%*
Result for the period (share of the Group) - basic	0,29	0,27	*-8,6%*
Result for the period (share of the Group) - diluted	0,27	0,25	*-8,4%*
Net book value	4,56	4,71	*3,3%*

3. Condensed consolidated statement of comprehensive income

in million EUR	1H2016	1H2017
Result for the period after taxes	**15,5**	**14,3**
Other comprehensive income		
Items that will not subsequently be recycled to profit and loss		
Actuarial gains (losses) on employee benefits recognized in equity	(10,1)	0,5
Deferred taxes on actuarial gains (losses) on employee benefits	2,2	(0,3)
Currency translation differences	0,7	0,1
Total	**(7,3)**	**0,4**
Items that subsequently may be recycled to profit and loss		
Hedging reserves	0,5	1,1
Currency translation differences	(4,7)	(2,9)
Deferred taxes on hedging interest reserves	(0,3)	(0,4)
Total	**(4,5)**	**(2,1)**
Other comprehensive income net of tax	**(11,8)**	**(1,7)**
Total comprehensive income for the period	**3,7**	**12,6**
Total comprehensive income for the period	**3,7**	**12,6**
of which attributable to the owners of the parent	3,7	12,6
of which attributable to non-controlling interests	0,0	0,0

4. Condensed consolidated balance sheet

in million EUR	31 DEC 16	30 JUN 17	Δ
Intangible assets	12,1	12,0	-1,0%
Goodwill	25,1	24,7	-1,4%
Property, plant & equipment	216,2	217,6	0,6%
Investment property	3,3	3,3	0,0%
Interest in joint ventures & associates	82,4	75,5	-8,3%
Other financial investments and available for sale investments	0,5	0,7	41,2%
Non-current receivables	13,9	13,8	-0,5%
Deferred tax	37,8	34,2	-9,6%
Non-current assets	**391,3**	**381,8**	***-2,4%***
Inventories and contracts in progress	91,9	111,0	20,8%
Trade receivables	101,5	134,9	32,9%
Other receivables	69,6	59,7	-14,2%
Income tax receivables	1,4	1,2	-15,4%
Other investments	0,1	0,1	0,0%
Cash and cash equivalents	37,2	48,5	30,5%
Current assets	**301,7**	**355,4**	***17,8%***
TOTAL ASSETS	**693,0**	**737,3**	***6,4%***

in million EUR	31 DEC 16	30 JUN 17	Δ
Equity (share of the Group)	251,2	257,1	2,3%
Non-controlling interests	0,0	0,0	-
Total equity	**251,2**	**257,1**	***2,3%***
Pensions and other provisions	64,2	60,0	-6,6%
Deferred tax	10,1	9,1	-9,7%
Interest-bearing borrowings	97,0	106,4	9,7%
Other amounts payable	0,2	0,2	8,7%
Non-current liabilities	**171,5**	**175,7**	***2,4%***
Pensions and other provisions	5,9	6,8	14,9%
Interest-bearing borrowings	50,1	60,4	20,5%
Trade payables	102,9	122,2	18,7%
Income tax payables	2,3	1,4	-38,6%
Other amounts payable	108,9	113,6	4,3%
Current liabilities	**270,2**	**304,5**	***12,7%***
TOTAL LIABILITIES	**693,0**	**737,3**	***6,4%***

in million EUR	31 DEC 16	30 JUN 17	Δ
Net financial debt	108,4	117,5	8,4%
Net financial debt / Equity (non-controlling interests included)	43%	46%	
Equity (non-controlling interests included) / Total assets	36%	35%	

5. Condensed consolidated statement of cash flow

in million EUR	1H2016 (a)	1H2017 (b)	Δ (b)/(a) -1
EBIT	**24,6**	**20,6**	***-16,4%***
Depreciation, amortisation and impairment losses on assets	16,4	14,8	*-9,7%*
Write-offs (-back) on assets	(0,4)	1,4	*nr*
Income from associates and joint ventures	(10,7)	(1,5)	*-86,0%*
Other non-cash elements	(2,6)	0,4	*nr*
Gross operating cash flow	**27,3**	**35,7**	***30,7%***
Changes in working capital	(10,3)	(24,1)	*135,3%*
Gross operating cash flow after changes in working capital	**17,1**	**11,6**	***-32,2%***
Income taxes paid	(1,6)	(2,8)	*75,3%*
Net cash flow from operating activities (a)	**15,5**	**8,8**	***-43,1%***
Net cash flow from investment activities (b)	**(13,5)**	**(8,9)**	***-33,6%***
Paid interest charges (1)	(3,2)	(3,4)	*7,2%*
Paid dividends (2)	(7,5)	(9,7)	*28,3%*
Increase (Decrease) of capital (3)	0,3	2,8	*787,7%*
Increase (Decrease) of financial liabilities (4)	(8,4)	21,4	*nr*
Other (5)	0,0	0,0	-
Net cash flow from financing activities (c)= (1)+(2)+(3)+(4)+(5)	**(18,8)**	**11,1**	***nr***
Effect of exchange rate changes (d)	(1,9)	0,3	*nr*
Effect of change in scope of consolidation (e)	0,0	0,0	-
Changes in cash and cash equivalents (a)+(b)+(c)+(d)+(e)	**(18,6)**	**11,3**	***nr***
FREE CASH FLOW (a)+(b)+(1)	**(1,1)**	**(3,5)**	***209,0%***

6. Condensed consolidated statement of changes in shareholders' equity

in million EUR	Capital	Share premium	Treasury shares	Investment revaluation reserve	Actuarial gains and losses	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 2016)	**135,2**	**126,1**	**(1,5)**	**(0,0)**	**(19,6)**	**2,2**	**24,9**	**(11,0)**	**(4,9)**	**251,2**	**0,0**	**251,2**
Dividends	0,0	0,0	0,0	0,0	0,0	0,0	(9,7)	0,0	0,0	(9,7)	0,0	(9,7)
Stock options (IFRS 2)	0,0	0,0	0,0	0,0	0,0	0,1	0,0	0,0	0,0	0,1	0,0	0,1
Capital movements	1,2	1,6	0,0	0,0	0,0	0,0	0,0	0,0	0,0	2,9		2,9
Shareholders' movements	**1,2**	**1,6**	**0,0**	**0,0**	**0,0**	**0,1**	**(9,6)**	**0,0**	**0,0**	**(6,7)**	**0,0**	**(6,7)**
Profit or loss of the period	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**14,3**	**0,0**	**0,0**	**14,3**	**0,0**	**14,3**
Comprehensive income'	**0,0**	**0,0**	**0,0**	**0,0**	**0,4**	**0,0**	**14,3**	**(2,9)**	**0,7**	**12,6**	**0,0**	**12,6**
Change in scope	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**
At the end of the period (30 June 2016)	**136,4**	**127,7**	**(1,5)**	**(0,0)**	**(19,2)**	**2,3**	**29,6**	**(13,9)**	**(4,2)**	**257,1**	**0,0**	**257,1**

7. Auditor's report [a]

To the Board of Directors

The auditor confirms that the review is substantially completed, and did not reveal any significant adjustments to the financial information included in the press release.

Ghent, 30 August 2017

The Statatory Auditor

DELOITTE Bedrijfsrevisoren
BV o.v.v.e. CVBA

Represented by Kurt Dehoorne

[a] For the full version of the review report we refer to the half-year consolidated financial statements on our website www.recticel.com under the chapter Investor Relations > Annual and half-year Reports > Condensed financial statements per 30 June 2017

Glossary

- **IFRS measures**

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

- **Alternative Performance Measures**

In addition, the Group uses alternative performance measures (Alternative Performance Measures or "APM") to express its underlying performance and to help the reader to better understand the results. APM are not defined performance indicators by IFRS. The Group does not present APM as an alternative to financial measures determined in accordance with IFRS and does not give more emphasis to APM than the defined IFRS financial measures.

Gearing	: Net financial debt / Total equity
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.
REBIT	: = EBIT before non-recurring elements.
REBITDA	: = EBITDA before non-recurring elements
Total net financial debt	: = Net financial debt + the drawn amounts under off-balance sheet non-recourse factoring/forfeiting programs

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 half-year 2017 results	31.08.2017 (before opening of the stock exchange)
Third quarter 2017 trading update	31.10.2017 (before opening of the stock exchange
Annual Results 2017	23.02.2018 (before opening of the stock exchange)
First quarter 2018 trading update	26.04.2018 (before opening of the stock exchange)
Annual General Meeting	29.05.2018 (at 10:00 AM CET)
First half-year 2018 results	29.08.2018 (before opening of the stock exchange)
Third quarter 2018 trading update	30.10.2018 (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 7,925 people in 98 establishments in 28 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®, Powerwall® and Xentro®. Technological progress and innovation have led to breakthrough at the biggest names in the automotive industry thanks to Colofast®, Colosense® and Colosense Lite®.

In 2016 Recticel achieved combined sales of EUR 1.35 billion (IFRS 11 consolidated sales: EUR 1.05 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