

Trading update for Q1/2011

- Sales increased by 7.4% from EUR 334.7 million to EUR 359.6 million
- Strong sales increase in Insulation (+22.9%) and Automotive (+12.9%)
- Profitability slightly lower as a result of further raw material price increases in Q1/2011, as anticipated
- Net financial debt of EUR 215.2 million, impacted by higher seasonal working capital needs

Note: All comparisons are made with the first quarter of 2010, unless mentioned otherwise.

TRADING REPORT

Total consolidated sales increased from EUR 334.7 million to **EUR 359.6 million** (+7.4%).

During the first quarter 2011, trading conditions were positive in all business lines, with the exception of Bedding. As expected, the polyurethane market has been subject to further significant raw material price increases. The profitability has been slightly impacted by the necessary lead time to pass the increases on to customers in most business lines.

Breakdown of sales by business line (unaudited)

<i>in million EUR</i>	1Qtr/2010	1Qtr/2011	Δ
Flexible Foams	151,8	159,8	5,3%
Bedding	80,8	78,9	-2,3%
Insulation	39,4	48,4	22,9%
Automotive	78,0	88,1	12,9%
Eliminations	(15,3)	(15,6)	2,1%
TOTAL	334,7	359,6	7,4%

• **Flexible Foams**

Flexible Foams' sales increased by 5.3% to **EUR 159.8 million**. This was attributable to higher volumes in the division 'Technical Foams' which continues to benefit from the activity increase in all industrial markets.

• **Bedding**

Bedding sales decreased by 2.3% to **EUR 78.9 million**. Both the 'Brand' and the 'Non-brand' segment recorded slightly lower figures. The Group's business performance was particularly under pressure in Austria and Switzerland.

- **Insulation**

Insulation sales increased by 22.9 % to **EUR 48.4 million** and continued to benefit from the increased demand for high performing building insulation products, as well as the increased market penetration of polyurethane solutions.

After the traditionally weaker construction activity during the winter months, sales increased strongly as from February. Structural demand is expected to remain high as a result of stricter insulation standards, higher energy prices and ever growing awareness of the need for more and better insulation.

The Industrial Insulation division recorded better sales as well.

- **Automotive**

Automotive sales increased by 12.9% to **EUR 88.1 million**. Volumes improved in **Interiors** by +17.6% and in **Proseat** (the 51/49 joint venture between Recticel and Canadian group Woodbridge) by +12.2%. Interiors mainly supplies the premium car segment, which remained strong (both in Europe and the USA), and was further pulled by the demand in emerging economies.

FINANCIAL SITUATION

On 31 March 2011, net financial debt (excluding non-recourse factoring/forfeiting programs) amounted to EUR 215.2 million (compared to EUR 158.7 million at 31 December 2010). The net financial debt has been mainly influenced by a seasonal working capital build-up. In addition the inventory build-up to cover a seasonal lack of capacity in Insulation and the impact of the raw material price cycle on receivables and inventories explain this increase.

OUTLOOK

Recticel confirms the guidance, given in March, for the current financial year. The Group expects its overall sales to further increase in 2011, and intends to compensate additional raw material price increases in 2011 through a combination of improved activity levels, adequate pricing policies and cost reduction measures.

UNCERTAINTY RISKS CONCERNING THE FORECASTS MADE

This press report contains forecasts that 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 that 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

Annual General Meeting 2011	10.05.2011
Share lists ex-coupon	26.05.2011
Payment of dividend (coupon nr. 17)	31.05.2011
Announcement of the first half year results 2011 (before stock exchange opening)	30.08.2011
Third quarter trading update 2011 (before stock exchange opening)	10.11.2011

FOR ADDITIONAL INFORMATION

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RECTICEL IN A NUTSHELL

Recticel is a Belgian Group with a strong European dimension, but also operates in the rest of the world. Recticel has 110 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.). Within the Insulation division high-quality thermal insulation products are marketed under the well-known brands Eurowall®, Powerroof®, Powerdeck® and Powerwall®.

Recticel is driven by technological progress and innovation, which has led to a revolutionary breakthrough at the biggest names in the car industry.

Recticel achieved sales of EUR 1.35 billion in 2010.

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



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