

## Press release

# Deceuninck turnover increases in 2004 by 24% to 582 million euros

Turnover fourth quarter amounts to 140.8 million euros  
Internal volume increases by 5.5% on an annual basis

**Hooglede-Gits, 13 January 2005. – Group Deceuninck, a worldwide leading manufacturer of PVC window systems and profiles for the construction industry, achieved a turnover of 582 million euros in 2004. This represents an increase of 24% compared to the previous financial year. The negative impact of the currency on the turnover amounts to 2.1% on an annual basis.**

### Turnover: trends continue to vary regionally

- Western Europe

Halfway through the fourth quarter Deceuninck recorded a glimmer of recovery in all regions in Western Europe. This proved to be of short duration however, and it faded towards the end of the year. On a yearly basis the turnover has grown, which was particularly due to good performances in Belgium, France and Spain. Despite the disappointing general economic situation, Thyssen Polymer managed to maintain the turnover at the same level as in 2003 on its German home market. Hereby the whole year 2003 is assumed (in which Thyssen was consolidated for six months).

- New member states of the EU

In the new European member states the trend of the third quarter continued, but at two different speeds. The impact of the rise of the VAT rate in Poland since its entry into the European Union on May 1st was also clearly noticeable during the last quarter. On a yearly basis local currency sales in Poland have stagnated. In other new member states however – especially in the Czech Republic, Hungary and Slovakia – a rise of more than 30% was recorded.

- United States

In the United States, the clearly visible recovery of the growth in November could not be confirmed in December. On a yearly basis there was a slight growth of the turnover in USD of Deceuninck North America. The negative impact of the dollar rate on the turnover in the United States resulted however in a decrease of 8% in euros.

- Turkey

The Deceuninck Ege Profil division in Izmir once again finished up with a substantial growth in the fourth quarter. The investment climate in Turkey continues to be positive now that Europe has given the go-ahead for entry discussions. On a yearly basis the turnover in Turkey increased by over 50% in euros.

At the end of November the take-over contract of Winsa was concluded. With this the turnover of Winsa was consolidated as from 1st December.

### Strategic projects

- New geographical areas: Russia

The aimed turnover of 15 million euros was realised which means that the 'Russia project' is still on course.



In November Deceuninck Russia was registered as a legal entity. At the end of 2004 more than 200 window manufacturers were registered clients. The sales organisation with its main office in Moscow and sales outlets in Sint-Petersburg, Ekaterinenburg, Novosibirsk, Rostov and Samara is finalised. The sales and support teams have been formed and are in full operation on the market. There are continuing plans to start up a new local production in Moscow.

- Zendow & Elite

The launching of the new Zendow window concept is progressing according to plan. The introduction was accomplished in France and the Czech Republic in 2004. As planned, the other countries were started up in 2004 so that the changeover programme could be accomplished early in 2006.

In 2005 Thyssen will start a similar platform project under the name Elite.

- Wood composite

In the United States the sale of wood composite decking has got off to a good start. In the meantime Deceuninck has successfully managed to radically adjust the market prices in line with the high increase in prices of raw materials. The strong growth in the demand on the market reinforces Deceuninck's plans to double its production capacity in Monroe (Ohio) this year.

- Thyssen Polymer

The integration and synergy projects such as the complexity reduction programme are on schedule.

### **Evolution of prices of raw materials in the fourth quarter**

During the fourth quarter the price index of raw materials (KI) rose by 7% compared to the previous quarter, so that the total rise on an annual basis amounts to nearly 30%. The prices of resin seem to have reached their peak now. No further rises are expected during the coming months, but the prices will probably stagnate on a high level.

### **Sales prices**

Meanwhile the second price increase is gradually introduced in the different regions with a view to concluding it around February. The introduction of the first price increase is progressing more slowly than expected, particularly in Poland. Here too a substantial increase in selling prices will be implemented as of January 1st.

"Despite the difficult market situation in 2004, Deceuninck continued without abatement its investments in the new strategic projects. We can already submit the initial results and the first signals for 2005 continue to be promising. In fact this year we are expecting another considerable increase in the turnover. A number of streamlining programmes are currently running in the United States, the United Kingdom and Poland. As we mentioned before, all these projects have an impact on the results for 2004. However, they should allow for a significant improvement of the result at the end of 2005," says Clement De Meersman, Deceuninck's CEO.

More details will be provided on publication of the financial results on 17 March 2005.

Deceuninck is an integrated group of world format, specialised in compounding, design, development, extrusion, finishing, recycling and injection moulding of PVC-U systems and profiles for the building industry. The company is active in more than 32 countries, has 22 subsidiaries (production and/or sales) and is supported by 2890 personnel, 670 of them in Belgium. In 2004 the Deceuninck Group achieved consolidated sales of 582 million euros.

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