

Press release

Continuation of geographical expansion

Deceuninck now also manufacturing in Russia

Hooglede-Gits, 26 August 2005. – Group Deceuninck, a worldwide leading manufacturer of PVC window systems and profiles for the construction industry, reports that its Russian subsidiary Deceuninck Rus OOO is starting production of PVC window profiles for the Russian market. The new extrusion unit is located at Serpuchov, some 80 km south of Moscow.

Strategically, Russia - just like Turkey - is a highly important growth market for PVC windows for Deceuninck. The country offers huge renovation potential. Thanks to their unique properties (offering excellent insulation) and a favourable price/quality ratio, PVC windows have captured a market share of over 60% since the second half of the 1990s. An investment in PVC windows in Russia rapidly generates substantial energy savings.

The new extrusion plant has been established at Serpuchov, some 80 km south of Moscow. Serpuchov is centrally located in relation to the main economic regions and, thanks to the local infrastructure, has good access. The region also provides interesting prospects for the further expansion of Deceuninck's activities in Russia.

Both Deceuninck and its German subsidiary Thyssen Polymer have been operating in the Russian market for 10 years. The real breakthrough came in 2004. At the end of 2003 the Deceuninck group began investing heavily in the expansion of an extensive commercial network under the leadership of an expert, experienced management team, with new business headquarters and sales office in Moscow and sales offices in St. Petersburg, Rostov-on-Don, Samara, Ekaterinenburg and Novosibirsk. A sales office was also established in neighbouring Kazakhstan. The investments rapidly bore fruit. At the end of 2004 over 200 manufacturers had signed contracts for the processing of Thyssen Polymer and Deceuninck window systems. Thyssen Polymer's newly developed Favorit window system was particularly popular. The success of Thyssen Polymer windows may be explained by the fact that these window systems meet the requirements of the Russian market at a competitive price. The familiarity of the German Thyssen Polymer name in Russia has also been a factor.

Sales in Russia during the first half of this year have been according to plan. Thanks to the local production unit, the high transport costs are being radically reduced and the high import duties will be avoided, making it possible for Deceuninck to expand rapidly and become a leading player in this growth region.

The workforce for the extrusion plant in Serpuchov was locally recruited. The employees have already completed several weeks training at the production plants in Bogen (Germany) and Hooglede-Gits (Belgium). Deceuninck now employs 80 people in Russia. Today the annual production capacity is 7,000 tonnes.

"The production start-up in Serpuchov means that we have put in place one of the important forward-looking projects in our business plan," states Clement De Meersman, CEO of Deceuninck. "On top of that it is a fine example of the cooperation between Deceuninck and our German subsidiary Thyssen Polymer. This synergy project is wholly in line with our integration policy."

Deceuninck is an integrated group of world format, specialised in compounding, tool fabrication, design, development, extrusion, finishing, gaskets, recycling and injection moulding of PVC-U systems and profiles for the building industry. The company is active in more than 60 countries, has 31 subsidiaries (production and/or sales) and is supported by 3043 personnel, 670 of them in Belgium. In 2004 the Deceuninck Group achieved consolidated sales of 582.1 million euro.

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