

Press Release**Deceuninck sales rise by 11% to
644 million euros in 2005**

Fourth quarter sales grow by over 19%
Last quarter: double-digit growth in all regions

Hooglede-Gits, 12 January 2006 – Group Deceuninck, one of the world's leading manufacturers of PVC window systems and profiles for the construction industry, recorded sales of 169 million euros in the fourth quarter of 2005. This represents an increase of 19% compared with the same period in 2004 and means total sales for 2005 amounted to 643,8 million euros, an increase of 10.6%. The exchange rate and turnover from divested activities together had a positive impact of 2.1% on an annual basis. The annual volume sold rose by 2.7%.

"The strong sales in the fourth quarter are a boost", says Clement De Meersman, Deceuninck's CEO. "This is the gilt on the gingerbread after a year's hard work. Right from the end of the second quarter we were saying that we were heading for a healthy annual figure. The fact that the fourth quarter has been so good exceeds our wildest expectations. It's gratifying to note that the strong growth in the fourth quarter comes from both the growth regions and the traditional mature markets such as Benelux and France. The successful switch to **Zendow®** and our revamped Deuctone® colour strategy have definitely ensured that we have gained market share in these countries", continues De Meersman.

Regional trends

- **Europe**

Annual sales in Europe rose by 3%. This rather modest growth is attributable to the slack markets in the United Kingdom and Germany. Excluding these two markets, sales in Europe rose by 10%, during the fourth quarter even by 20%.

In Eastern Europe annual sales increased by over 17%. In the last quarter they actually grew by more than 30%. For the full year 2005 growth of over 25% was recorded in all important Eastern European markets other than Poland. Russia remained on track and achieved the forecast sales.

- **United States**

Deceuninck North America saw its sales rise by more than 12% in dollar terms. This is mainly attributable to a very strong performance in the second half resulting from a vigorous market in new construction and renovation.

As already reported in the press release of 13 October last, sales of wood composite decking have not yet met expectations. Sales have been held back by adaptations to the colour range that were essential in the second half. In the meantime the range has been expanded with a number of new



colours. On the basis of the initial reactions of the market, the prospects for wood composite sales in 2006 remain favourable.

- **Turkey**

With an increase of well over 65%, Turkey is the most rapidly growing region. Approximately two thirds of this increase is attributable to the contribution from WINSA, which, for the first time, was included in the consolidation for a full year. However, WINSA's contribution does not in any way detract from the vigorous internal growth of Deceuninck-EGE. As a result, Turkey's share of the Deceuninck Group's total sales rose from 9% in 2004 to 13% in 2005.

Consumer confidence also remains high in Turkey. Abundant building activity driven by residential new construction will continue unabated in 2006. For the first time in history falling interest rates are now also making it possible to obtain affordable mortgages on residential property.

Raw materials prices

In Europe, the prices of PVC resin in the fourth quarter ended up at the same high level as in the same period of 2004. In the United States, however, the biggest producers invoked force majeure after the technical problems caused by hurricanes Katrina and, particularly, Rita. As a result ethylene prices rose steeply. The hurricanes were the direct reason for an average increase in PVC resin prices during the fourth quarter of 30%.

Detajoint

In 2003 Deceuninck acquired a 75% holding in Detajoint. The company is located in Dottenijs and specialises in tri-extrusion of high-tech TPE seals (thermoplastic elastomer seals) for the building and automotive industries. Since then, Deceuninck has acquired an additional holding in Detajoint as a result of which it has become the 100% owner.

Financial results 2005

The 2005 financial results will be released to the market on Thursday 16 March next.

Deceuninck is an integrated group of world format, specialised in compounding, tool fabrication, design, development, extrusion, finishing, recycling and injection moulding of PVC-U window systems and profiles and gaskets for the building industry. The company is active in more than 60 countries, has 31 subsidiaries (production and/or sales) and is supported by 3 000 personnel, 670 of them in Belgium. In 2005 the Deceuninck Group achieved consolidated sales of 644 million euros.

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