

Press release

Deceuninck plans restructuring of operational capacity and strengthens marketing activities in Germany

Hooglede-Gits, 18 October 2007. – The Belgian Deceuninck Group, leading worldwide producer of PVC window systems and building profiles, and its German subsidiary Inoutic/Deceuninck GmbH, based in Bogen, are today announcing their plans to restructure the operational activities. The Group will also be strengthening the commercial activities of its Bogen site. The German subsidiary will focus on innovation and design in window- and building profiles and concentrate its resources on German speaking and Southeastern Europe. Production volumes for Russia and Poland are to be transferred to the production facilities in those countries.

Changed market conditions in Eastern Europe and Germany are behind the new approach. The new approach makes it possible to serve the markets based on their changed conditions. An additional benefit is the reduction in transport and customs costs.

Inoutic/Deceuninck is one of the largest production facilities within the Deceuninck Group. The Group intends to redistribute production over the three existing production facilities in Bogen (Germany), Poznan (Poland), and Protvino (Russia).

In addition, the sales and marketing activities are being expanded by two additional business units. The *Non-fenestration* business unit will be responsible for the sales in Germany, Austria, Switzerland and the Balkan countries of innovative products from the Deceuninck Group's existing Non-fenestration line. That includes the Twinson wood-composite applications.

Innovative and design-oriented products, as well as renewed marketing and sales concepts are the central concepts for the *Innovation & Architecture* business unit.

The *Fenestration* business unit will be responsible for ensuring that both existing and new clients continue to receive the best service possible.

This new business-unit structure follows successful marketing concepts already in operation within the Deceuninck Group, which allows local accents to be applied in different markets.

The matrix/moulds and product development departments at Inoutic/Deceuninck and the Group Deceuninck will be placed under joint management/supervision. In this manner Inoutic/Deceuninck's years of experience is being fully integrated into Group Deceuninck's activities. For example, it's another step in the platform strategy, by which the Deceuninck Group's different window systems are being made as compatible with one another as possible. The resulting synergies will increase Deceuninck Group's market clout.

To respond to any changes to the production capacity in Bogen that result, local management and the works council will jointly devise a socially responsible solution. The planned restructuring could have some influence on employment for approximately one-third of the 617 Inoutic/Deceuninck personnel. The costs of the planned restructuring will be included in the reserves for 2007.

"The changed marketing conditions for the Deceuninck Group as well as the strong increase in demand for our products in Eastern Europe require a strategic change with far-reaching consequences. We are, of course, doing everything possible to keep the reduction of the number of positions at our Bogen facility to a minimum. At the same time, this measure ensures that Deceuninck will continue to be successful in Germany over the long term," according to Clement De Meersman, Managing Director of the Deceuninck Group.

About Deceuninck

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 and wood composite applications for the building industry. The company is active in more than 75 countries, has 35 subsidiaries (production and/or sales) and is supported by 2.900 personnel, 710 of them in Belgium. In 2006 the Deceuninck Group achieved consolidated sales of 663 million euros.

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