

Press Release

The enclosed information constitutes regulated information as defined in the Royal Decree of 14 November 2007 regarding the duties of issuers of financial instruments which have been admitted for trading on a regulated market.

Deceuninck confirms positive trend with net group profit of 5.5 million euros

- **Increase of recurrent turnover by 0.4% to 656.6 million Euros (2006: 653.9 million Euros)**
- **EBITDA: 60.0 million Euros (2006: 53.5 million Euros)**
- **EBITA: 18.3 million Euros (2006: -1.7 million Euros)**
- **REBITA: 13.8 million Euros (2006: -1.7 million Euros)**
- **Net consolidated result: 5.5 million Euros (2006: -34.8 million Euros)**
- **Reduction of net financial debt to 178.3 million Euros (2006: 184.6 million Euros)**

Hooglede-Gits, 13 March 2008. – Today, Deceuninck Group, worldwide leading producer of PVC window systems and building profiles, publishes the financial results of the fiscal year ended on 31 December 2007. After the difficult transitional year of 2006, Deceuninck can present positive results for 2007. The recurrent operational result (REBITA) amounts to 13.8 million Euros, whereas the consolidated net group profit is at 5.5 million Euros. 2008 has started well in Europe, especially in Germany, Eastern Europe and Turkey. Compared to the strong first quarter of 2008 growth is expected once again to be in Europe and Turkey. In the United States a change of situation in the housing market does not appear to be near. Despite persistent difficult market circumstances in the United States, Deceuninck expects a turnover increase for the full year of 2008, as well as a further substantial improvement of the recurrent operational results.

Turnover

The recurrent turnover, including the wood composite activities in the United States that were discontinued in 2007, increased by 0.4% to 656.6 million Euros. Without the wood composites in the US, the turnover increased by 2%. In Europe and Turkey combined, the turnover increased by 7.5%. Difficult market conditions in Germany, the United Kingdom and Poland contrasted with a double-digit growth in Belgium and France, as well as in almost all Eastern European regions and Turkey. These different growth dynamics have resulted in a clear change of the geographical distribution.

In 2007, the share of Eastern Europe in the turnover amounted to 29% (2006: 25%); the share of Turkey also increased from 14% in 2006 to 16% in 2007. The sales in Turkey and Eastern Europe mainly consist of white window systems. These are quality high grade products where the added value is lower than the more advanced and often coloured window systems sold in the mature markets of Western Europe.

Operational profits

The **Earnings Before Interest, Taxes, Depreciation, Amortisation and Provisions (EBITDA)** amount to 60.0 million Euros, an increase of 12.3% compared to 2006.

To a large extent, in 2007 Deceuninck succeeded in recuperating the increased cost of raw materials from 2006 and 2007 by means of, on the one hand, successful product price increases, and, on the other by cost-saving measures.

The **Earnings Before Interest, Taxes, Amortisation of goodwill (EBITA)** amount to 18.3 million Euros, against a loss of 1.7 million Euros in 2006. The EBITA was influenced by two exceptional elements. There was a negative effect resulting from a one off provision of 5.5 million Euros for the restructuring of the German branch. There was a positive effect of 10 million Euros resulting from the changed method of depreciation for certain assets as a result of a reassessment of their economic life-span..

On a like for like basis the REBITA amounts to 13.8 million Euros, against -1.7 million Euros in 2006.

The **consolidated net group profit** amounts to 5.5 million Euros, compared to a loss of 34.8 million Euros in 2006.

Net financial debt

Targeted actions have resulted in a reduction of the working capital by 10.8 million Euros. As a result of this, the net financial debt could be reduced to 178.3 million Euros (2006: 184.6 million Euros).

Investments

In 2007, the investments amounted to 63.5 million Euros. The proceeds from disinvestments, mainly building and machines in Coslada (Spain) and a number of plots in Calne (UK) amounted to 10.3 million Euros. The most important investment projects consisted of the construction of two state of the art extrusion factories, one in Protvino, south of Moscow, and the other in Sari Mese, near Istanbul. In Spain, the construction of the new office building with distribution centre in Toledo was completed. Apart from that, investments were made in Gits for the expansion of capacity for Twinson.

Dividend

On 13 May 2008, at the General Assembly of Shareholders, the Board of Directors will propose to retain the gross dividend for the fiscal year of 2007 at the same level as for the fiscal year of 2006 namely 0.245 Euros per share. This equates to a net dividend of 0.18375 Euros per share. The dividend is payable on 27th May 2008.

Preview 2008

Earlier in 2007, Deceuninck announced that especially because of the consequences of the housing crisis in the United States, achieving the annual turnover objective of 850 million Euros would be postponed from 2009 to 2010. "The years 2008 and 2009 will play a crucial role in that. For 2008 we again expect an increase of the turnover and an important improvement in the operational results. The evolution of the prices of raw materials will be monitored closely. The prices for PVC resins and additives remain high, and we are taking further price increases into account. At the operational level, in 2008 a number of projects that were started in 2007 will be progressed further. This mainly concerns the restructuring of the activities in Germany and Eastern Europe, as well as a further vertical integration of the operational activities in Russia," says Clement de Meersman, Managing Director of Deceuninck. "Furthermore, it remains to be seen how the market in the United States will develop. As far as turnover is concerned, at Deceuninck North America we again plan for a double-digit decrease. The first additional cost-saving measures have been implemented. During the coming months, we will see whether or not they suffice in relation to the market evolution. However, we expect that the loss in turnover in the United States will be fully compensated by, on the one hand, a further substantial increase of turnover in the growth regions of Central and Eastern Europe and, on the other, because of the turnover from innovative products in the mature markets of Western Europe. It is already encouraging to be able to report that, compared to a strong first quarter in 2007, the sales volume in Europe and Turkey combined during the first two months of 2008 has increased by almost 5%," concludes De Meersman.

Change to the calendar of the shareholders:

Tuesday 15 April 2008: 1st quarter 2008 trading update (instead of Thursday 17 April 2008).

Thursday 17 July 2008: no 2nd quarter trading update. The data will be included in the press release with the halfyear results on Thursday 31 July 2008.

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 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 2.940 personnel, 680 of them in Belgium. In 2007 the Deceuninck Group achieved consolidated sales of 657 million euros.

(End of Press Release)

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Facts and figures of the Deceuninck Group

The results stated below (both for 2006 and 2007) are reported in accordance with IFRS (International Financial Reporting Standards) standards.

The auditor has confirmed that his audit of the consolidated annual account has been completed properly, and that there are no material corrections that should be included in the accounting data, included in the press release.

Amounts in millions of Euros	31.12.06	31.12.07	Change
Turnover	662,695	656,569	-0.9%
EBITDA (1)	53,453	60,044	12.3 %
EBITDA margin	8.1	9.1	
EBITA	-1,709	18,310	
EBITA margin	-0.3	2.8	
EBIT (operational result) (3)	-21,466	18,310	
EBIT margin	-3.2	2.8	
Financial result	-12,122	-11,252	-7.2%
EBT (4)	-33,588	7,058	
% of turnover	-5.1	1.1	
Net result for before goodwill (5)	-15,212	5,294	
% of turnover	-2.3	0.8	
Taxes	-1,224	-1,518	
Consolidated result	-34,812	5,540	
% of turnover	-5.3	0.8	
Group result	-34,969	5,294	
% of turnover	-5.3	0.8	
EPS (non diluted) (6)	-1.64	0.25	
EPS before goodwill	-0.1	0.25	
Equity capital (7)	190,583	193,741	
Total assets	558,164	579,042	
Own capital in % of balance total	34.1%	33.5%	
Net debt (8)	-184,638	-178,306	
Working capital (9)	142,145	131,346	

- (1) EBITDA = Earnings Before Interest, Taxes, Depreciation, Amortisation and Provisions
- (2) EBITA = Earnings Before Interest, Taxes, Amortisation of goodwill
- (3) EBIT = Earnings Before Interest and Taxes = operational result
- (4) EBT = Earnings Before Taxes
- (5) Net result before goodwill = Current net profit
- (6) EPS (non diluted) = Earnings per share
- (7) Equity capital = Equity capital including minority stake
- (8) Net financial debt = cash and cash equivalents – financial debts
- (9) Working capital = clients + stock – suppliers