deceuninck®

Press Release

Under embargo until Thursday 20 August 2009 at 7:30 a.m.

The information contained in this press release is regulated information as defined in the Royal Decree of 14 November 2007 in respect of the obligations of issuers of financial instruments that are authorised to trade on a regulated market.

Deceuninck: 2009 half-year results

Positive results in the 2nd quarter, after extensive restructuring in the first half of the year
Capital increase to follow in the short term, after finalisation debt restructuring

Amounts in millions of Euros	2009	2008	Change	2009	2008	Change	2009	2008	Change
	1st half			1st quarter			2nd quarter		
Sales	239,3	311,3	-23.1%	102,3	136,7	-25.1%	137,0	174,6	-21.5%
EBITDA	8,9	18,3	-51.4%	-5,8	0,5		14,7	17,8	-17.4%
Restructuring costs	11,2	1,2		4,8	0		6,4	1,2	
REBITDA	20,1	19,5	3.1%	-0,9	0,5		21,0	19,0	10.5%
Consolidated result	-8,9	-5,9	-50.9%	-13,3	-11,7	-13.7%	4,4	5,8	-24.1%
Net financial debt	-189,3	-183,1		-202,5	-160		-189,3	-183,1	
Working capital	99,1	115,8		102,9	98,2		99,1	115,8	

Hooglede-Gits, 20 August 2009 – Deceuninck achieves sales of 239.3 million euros during the first half-year, or - 23% year on year. Net profit amounts to - 8.9 million euros (- 5.9 million euros in 2008). An extensive restructuring programme was completed during the first half-year, which resulted in one off costs of 11.2 million euros. The second quarter shows positive consolidated result of 4.4 million euros (second quarter of 2008: 5.8 million euros). During the first half-year, the company generated an operational cash flow from normal activities (REBITDA) of 20.1 million euros (19.5 million euros in 2008).
A capital increase will be launched in the upcoming weeks, with the objective of strengthening equity capital and decreasing debts.

Sales

Consolidated sales during the first half of 2009 amounted to 239.3 million euros, as compared to 311.3 million euros in 2008. This decrease consists of declines in sales volume of -20.2%, losses on currencies of -3.2%, and a plus on the price and product mix of +0.3%. The sales volume decline was less strong in all regions during the second quarter (-17%) than during the first quarter (-24%).

Western Europe shows a sales decline of 15%. The sales decline in the Benelux and France has remained limited, while weaker construction activities in the United Kingdom and Spain have had a substantial impact on sales volume. Eastern Europe was hit the hardest by the economic crisis and by the consequences of weak currencies, leading to a sales decline of 39%.

The decline for Turkey amounts to 22%, which is primarily due to a reduced demand from the Middle East and Northern Africa, as well as a weak Turkish lira. Sales in the local Turkish market are remaining stable. The sales decline in the United States was limited to 12%, in part due to a strengthened dollar.

Operational restructuring

From October 2008 until the end of June 2009 Deceuninck reduced employment in all regions and divisions by 449 full-time equivalents (FTEs), including temporary labour.
The costs of direct personnel were reduced by the introduction of temporary unemployment, the discontinuation of interim work and by temporary closures of factories. Production facilities were optimised through the closure of factories and the sales of assets. This concerns Little Rock in the USA, Wroclaw in Poland and Dottignies (Belgium). Production activities in Calne (UK) were cut back by half. The cost for operational restructuring amounts to 5.1 million euros for the first half of the year.

Financial restructuring

Deceuninck is about to finalise the agreement on the overall restructuring of its loans with the group of bilateral bankers and noteholders.The restructuring of the loans will be a "secured club deal" for a period of partly 4 years and partly 5 years. The cost for financial restructuring amounts to 6.1 million euros, during the first half of the year.

Operational results

Amounts in millions of Euros	2009	2008	Change	2009	2008	Change	2009	2008	Change
	1st half			1st quarter			2nd quarter		
Sales	239,3	311,3	-23.1%	102,3	136,7	-25.1%	137,0	174,6	-21,5%
EBITDA	8,9	18,3	-51.4%	-5,8	0,5		14,7	17,8	-17.4%
Restructuring costs	11,2	1,2		4,8	0		6,4	1,2	
REBITDA	20,1	19,5	3.1%	-0,9	0,5		21,0	19,0	10.5%
Consolidated result	-8,9	-5,9	-50.9%	-13,3	-11,7	-13.7%	4,4	5,8	-24.1%

The **operational cash-flow (EBITDA)** amounts to 8.9 million euros, as compared to 18.3 million euros at the end of June 2008. This amount includes 11.2 million euros of costs for financial and operational restructuring.

The **operational cash-flow from normal business activities (REBITDA)** amounts to 20.1 million euros, as compared to 19.5 million euros at the end of June 2008. This led to an increase of the REBITDA margin to 8.4%, as compared to 6.3% at the end of June 2008. The decline in the operational cash-flow, which is due to the lower sales volume (-63 million euros), is compensated through lower raw material costs, reduced transport and handling costs, and reduced expenses for communications and administration.

The **consolidated net group loss** amounts to 8.9 million euros, as compared to a loss of 5.9 million euros in 2008.

Investment expenditures were reduced to 8.4 million euros. Current expenditures include innovation, tools and maintenance of the infrastructure.

Tom Debusschere, CEO:
"During this economic recession, we are focussed on assuring the future of our company. This includes an optimisation of the financial structure, increases in efficiency and measures for generating cash. Within just a few months, Deceuninck has carried out far-reaching restructuring measures, designed to protect us against a continuing crisis, in line with the strong sales decline of the fourth quarter of 2008 and the first quarter of 2009.
We have merged production sites and decreased personnel on a worldwide basis. The restructuring measures that we executed since the start of the crisis in October 2008 reduces our worldwide staff with 449 employees (including temporary labour) as of June 2009. We have optimised the cost structure at all levels, especially for marketing/communications, administration, investments, manufacturing, procurement and travelling. Furthermore, at Group level cash management and management of working capital have been substantially improved. The results of these measures are clearly visible in the second quarter. Deceuninck is turning a profit again during the last few months, and this at a monthly sales volume of 20% below last year's level. We notice the first signs of a bottoming out in the United States and the United Kingdom.
Nevertheless, we remain very careful. We see that raw material prices have been rising again since May of this year. Furthermore, even after a stabilisation of sales volume, the timing of an economic recovery remains unsure. This is why Deceuninck will continue the implementation of its restructuring plan: Cash-flow generation and debt reduction remain the priority objectives for the coming years. In the meantime, we are continuing to invest in our future: We are making investments in product innovation, productivity improvements and service to our customer. The ongoing confidence of our customers, and the fighting spirit of our employees during these difficult crisis months, supports our fundamental belief that Deceuninck will emerge stronger from this recession."

The interim financial report for the first half-year 2009 will be posted on the website (www.deceuninck.com) on Monday 31 August 2009 in the section investor relations – financials.

About Deceuninck
Deceuninck is a leading international designer and manufacturer of high quality PVC systems for windows and doors, cladding & roofline, interior and garden applications. The basic technology used by the company is extrusion of PVC and patented Twinson composite material. The highly integrated state of the art production process includes compounding, tool manufacturing, extrusion of gaskets and profiles, printing, PVC lamination and the patented Decoroc coating technology.
The Deceuninck Group is active in more than 75 countries, has 35 subsidiaries (production and/or sales) spread across Europe, North America and Asia, and employs 2,955 FTE (including temporary labour), 720 of them in Belgium. In 2008 the Deceuninck Group achieved consolidated sales of 630 million euros.

.

(End of press release)

* * *

To Editors: for more information, please contact:
DECEUNINCK, Ludo Debever, Investor Relations Manager, tel. 051/23 92 48 or 0473/55 23 35, e-mail: ludo.debever@deceuninck.com. www.deceuninck.com

DECB LISTED NYSE EURONEXT

Summary of the half-year figures for the Deceuninck Group (June 2009)

The results shown below (both 2008 and 2009) are reported in accordance with International Financial Reporting Standards.
The results presented as at 30 June 2009 have been subjected to limited external review.

Amounts in millions of Euros	**30.06.09**	**30.06.08**	**Change**	**31.12.08**
	Limited review			Audited
Sales	239,3	311,3	-23.1	629,9
EBITDA (1)	8,9	18,3	-51.3	30,4
EBITDA margin	3.7%	5.9%		4.8%
Restructuring costs	11,2	1,2		3,9
REBITDA	20,1	19,5	+ 3.1	32,9
REBITDA margin	8.4%	6.3%		5.2%
EBIT (2)	-7,0	1,8		-23,2
EBIT margin	-2.9%	0.6%		-3.7%
Financial result	-4,3	-7,6	93,2	-16,7
EBT (3)	-11,3	-5,8		-39,9
% of sales	-4.7%	-1.8%		-6.3%
Taxes	2,4	-0,1		2,5
Consolidated Group result	-8,9	-5,9		-37,4
% of sales	-3.7%	-1.9%		-5.9%

EPS (non diluted) (4)	-0,41	-0,27		-1,73

Equity (5)	123,8	177,0		137,1
Total assets	496,5	578,8		519,6
% Equity	24.9%	30.6%		26.4%
Net financial debt (6)	-189,5	-183,1		-163,3
Working capital (7)	99,1	115,8		78,1

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