Press release

Regulated information –2011 Results

Under embargo until Thursday 23 February at 7:30 a.m. CET

Deceuninck 2011 net profit: € 6.3 million (2010: € 8.5 million)

Highlights 2011

- Consolidated sales decrease 3.9% to € 536.1 million (2010: € 557.8 million)
  - Sales volume: -6.8%; exchange rates: -4.1%; price and mix effects: +7.0%
- Gross margin: 28.9% (2010: 29.3%)
  - € 15.5 million raw material cost increase mostly compensated by sales price increases and productivity improvements
- EBITDA: € 48.3 million or 9.0% (2010: € 57.3 million or 10.3%)
  - € 5.8 million lower operational expenses as a result of currency translations and cost management
- EBIT: € 22.3 million or 4.2% (2010: € 24.4 million or 4.4%)
- Net result: € 6.3 million (2010: € 8.5 million)
- Capex increased from € 15.6 to € 21.9 million, driven by new products
- Net debt: € 101.8 million (31 December 2010: € 100.7million)
  - Positive cash generation offset by higher capex spending and pull forward purchase of raw materials in Turkey anticipating price increases early 2012.

In € million	2010	2011	% var.	1H 2011	2H 2011
Net sales	557.8	536.1	-3.9%	268.9	267.2
Gross profit	163.7	155.0	-5.3%	78.2	76.8
Gross-margin (%)	*29.3%*	*28.9%*		*29.1%*	*28.7%*
REBITDA	57.7	49.4	-14.4%	25.1	24.3
REBITDA-margin (%)	*10.4%*	*9.2%*		*9.3%*	*9.1%*
EBITDA	57.3	48.3	-15.7%	24.6	23.7
EBITDA-margin (%)	*10.3%*	*9.0%*		*9.2%*	*8.9%*
REBIT	25.7	23.4	-8.9%	11.8	11.6
REBIT-margin (%)	*4.6%*	*4.4%*		*4.4%*	*4.3%*
EBIT	24.4	22.3	-8.6%	11.3	11.0
EBIT-margin (%)	*4.4%*	*4.2%*		*4.2%*	*4.1%*
Financial result	-15.0	-14.0		-4.8	-9.2
EBT	9.4	8.3	-11.7%	6.5	1.8
Taxes	-0.9	-2.0		-3.4	1.4
Net result	8.5	6.3	-25.8%	3.1	3.2
Net margin (%)	*1.5%*	*1.2%*		*1.1%*	*1.2%*

Tom Debusschere, Deceuninck CEO:

"Since the successful 2009 restructuring, Deceuninck focused on innovation, margin protection and a sound financial situation.

- ✓ *After a 10% growth in 2010, consumer confidence showed a fundamental trend change as of mid-2011, which resulted in the 2011 3.9 % sales decrease to € 536.1 milllion. Residential renovation drives 70% of sales. The global market trend was in part countered by the Deceuninck's improved competitive position and increased share in most markets.*
- ✓ *In 2011 Deceuninck increased its capex spending by 40% to € 21.9 million to deliver on the vision of "Building a Sustainable home". Newest generation window systems now replace badly insulating metal reinforcements with glassfibre, to achieve 30% better insulation values at up to 40% less weight.*
- ✓ *In 2011, raw material costs increased € 15.5 million, this on top of a € 20.4 million increase in 2010. Nevertheless, the company supported its margins through sustained efficiency improvements, rigorous cost control and price increases.*
- ✓ *The company returned to profit the year after the restructuring, and sustained this in 2011, with a 9% EBITDA-margin (€ 48.3 million), 4.2% EBIT-margin (€ 22.3 million) and a net profit of € 6.3 million.*
- ✓ *Deceuninck continued to amortize its long term debt with a € 5.6 million prepayment in January 2012. Since the capital increase of September 2009, the company has reduced long term debt by € 79.8 million.*

These results confirm that the company delivered on its commitments during the 2 years since the 2009 restructuring. I would like to extend a sincere word of thanks to all Deceuninck colleagues and Customers worldwide, who made this performance possible."

<u>Outlook 2012:</u>

The impact of government austerity measures in most markets and the general economic environment remain uncertain.

Sales at the beginning of the year are stable, supported by a mild winter in January. Visibility is limited, due to Deceuninck's typical short order book and the seasonally slower construction activity during the winter months.

The PVC cost trend was reversed upward in January 2012. The increase seems to be sustained by increasing ethylene costs and multiple "forces majeures" declared by PVC suppliers.   Additionally, titanium dioxide and other additive costs, continue to rise. If this trend continues, Deceuninck remains committed to pass on increased raw material cost to the market. Wage, energy and other increases are compensated by rigorous cost control and continued productivity improvement.

Therefore, the focus throughout 2012 continues to be on innovation, protecting margins and maintaining profitability.

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<u>*Outlook long term:*</u>

Long term, energy-efficient construction and renovation will continue to grow as an engine of the construction industry. PVC windows and Twinson wood composite products are sustainable, low maintenance applications with a timeless design, which save energy throughout a 50+ year life cycle, and will be recycled at end-of-life.

*Deceuninck believes in "Building a sustainable home": **Innovation, Ecology and Design**.*

***The greenest energy is the energy you do not consume**. Latest generation windows offer excellent insulation, helping families to save over 50,000 litres of heating fuel during a 50+ year lifetime.(°)*

In 2011 Deceuninck launched Zendow#neo using Linktrusion technology. Linktrusion links PVC with other composites to obtain the best insulation performance. The combination of glass fibre reinforced PVC profiles and thermal PVC reinforcements is a next step in bringing more energy efficient solutions to the market.

***The greenest raw material is the one that you do not consume.** Deceuninck's latest window designs provide an improved energy performance at an ever lower weight. They now meet passive house insulation requirements, at up to 40% less material consumption. This helps the users of Deceuninck's products to preserve natural resources.*

Deceuninck will further develop its recycling activities to guarantee a closed loop for all the materials and products the company puts on the market: PVC, Twinson wood composite, as well as the newly launched glass fibre reinforced PVC can and will be recycled."

For further information on our vision: http://www.deceuninck.com/en/about-us.aspx

(°) Source: Inoutic energy savings calculation: (see: http://inoutic.venus-werbung.de/en/navi_oben/tips-on-window-purchase/saving-energy/energy-saving-calculator/energiesparrechner.html)
Calculation base: replacement of 35m² single glazed windows. Results may vary in function of the region and PVC window system used to replace the single glazed window.

Markets and Sales

In € million	Q1 YoY	Q2 YoY	Q3 YoY	Q4 YoY	FY 2011	2011 YoY	2011 loc.curr.
Western Europe	*+10.3%*	*+4.0%*	*-3.5%*	*-3.3%*	211.6	*+2.0%*	
Central & Eastern Europe	*+6.6%*	*-3.8%*	*-10.1%*	*-10.2%*	161.9	*-5.9%*	
Turkey	*+5.8%*	*-1.1%*	*-4.1%*	*-6.3%*	106.0	*-1.9%*	*+13.7%*
United States	*-5.3%*	*-21.5%*	*-20.9%*	*-25.0%*	56.6	*-19.3%*	*-12.1%*
Total	***+6.8%***	***-2.4%***	***-8.2%***	***-9.1%***	**536.1**	***-3.9%***	

Deceuninck's 2011 consolidated sales were € 536.1 million, a year-on-year decrease by 3.9% (2010: € 557.8 million).
Sales volume: -6.8%; exchange rates: -4.1%; price and mix effects: +7.0%.

Western Europe

Full year 2011 sales in Western Europe increased by 2.0% to € 211.6 million (2010: € 207.5 million). Sales increased in the Benelux, France and Italy. In UK and Spain sales declined.

Central & Eastern Europe (incl. Germany)

Full year 2011 sales were € 161.9 million, a year-on-year decrease by 5.9% (2010: € 172.1 million). Sales were impacted by weak demand in some countries combined with year-on-year unfavourable evolution of currencies.

Turkey

Full year 2011 sales decreased by 1.9% to € 106.0 million (2010: € 108.0 million). At constant exchange rate sales increased 13.7%. Domestic demand continued to improve throughout the year. Exports from Turkey to Northern Africa were negatively impacted by the political instability in the region.

United States

Full year 2011 sales decreased by 19.3% to € 56.6 million. At constant exchange rates sales fell by 12.1%. Comparison base all through 2011 was difficult due to 2010 renovation activity supported by various housing tax credits which ran out. Residential renovation activity was additionally affected by falling housing prices, relatively high unemployment and tight credit markets.

2011 Annual Results

Gross margin

Gross margin was 28.9% (2010: 29.3%). € 15.5 million higher raw material costs, both PVC resin and additives, were mostly compensated by sales price increases and productivity improvements.

EBITDA

The **operating cash flow (EBITDA)** amounted to € 48.3 million against € 57.3 million in 2010, resulting in a 9.0% EBITDA margin (2010: 10.3%).
Operating expenses were € 5.8 million lower as a result of currency translations and cost management.
REBITDA (recurring operating cash flow) was € 49.4 million (2010: € 57.7 million).

EBIT

The **operating result (EBIT)** was € 22.3 million (2010: € 24.4 million) resulting in an EBIT margin of 4.2% compared to 4.4% in 2010.
Non cash costs are € 25.9 million against € 32.9 million in 2010. Depreciations and impairment decreased by € 4.3 million mainly due to lower capex level of the past years.
Bad debt was € 2.0 million lower as a result of strict credit management.

Financial result & Taxes

Financial result was € -14.0 million (2010: € -15.0 million), driven by € 1.7 million lower interest expenses as a result of a lower average net debt level during the year and the cash sweep early 2011. Unfavourable exchange rates had a negative impact of € 2.4 million on foreign currency denominated loans.
Income tax expense was € 2.0 million compared to a € 0.9 million income tax expense in 2010. Lower earnings before taxes were offset by an unfavourable legal entity mix.

Net result

The net result of 2011 is a profit of € 6.3 million resulting in a 1.2% net margin compared to a 1.5% net margin in 2010.

Working capital

Working capital increased from € 111.1 million on 31 December 2010 to € 119.2 million on 31 December 2011.

The operational working capital on 31 December 2011 was 18.2% of sales as compared to 16.6% on 31 December 2010.

Inventories were € 12.6 million higher as compared to 31 December 2010 due to higher valuation of raw materials and pull forward purchase of raw materials in Turkey anticipating price increases early 2012.

Accounts receivables developed favourably and in line with lower business volume at the end of 2011. This is the result of a continued rigorous control throughout the year.

Accounts payable were lower as a result of lower purchased volume in the second half of 2011.

Capex

Capital expenditures in 2011 increased by 40.4% to € 21.9 million as compared to € 15.6 million in 2010. This includes € 15.6 million operational capex and 6.3 million capex for new products.

Net financial debt

The net financial debt at 31 December 2011 amounted to € 101.8 million compared to € 100.7 million on 31 December 2010. A positive cash generation was offset by higher capex spending and pull forward purchase of raw materials in Turkey anticipating price increases at the start of 2012.

Shareholders' equity

Shareholders' equity decreases € 6.1 million to € 205.9 million mainly due to the negative impact of currency translation adjustments (CTAs), mainly on TRY and PLN.
Gearing was 49.4% as compared to 47.5% at 31 December 2010.

Headcount

On 31 December 2011 Deceuninck employed worldwide 2,735 full time equivalents (FTEs) (including temporary workers and outsourced FTEs) (31 December 2010: 2,821).

Financial calendar 2012

30	**March**	**2012**	**2011 annual report online www.deceuninck.com**
8	**May**	**2012**	**Q1 2012 trading update**
8	**May**	**2012**	**Annual Shareholders meeting at 11 am**
12	**July**	**2012**	**Q2 2012 trading update**
23	**August**	**2012**	**2012 half-year results**
18	**October**	**2012**	**Q3 2012 trading update**

End of press release

Building a sustainable home

At Deceuninck, our commitment towards innovation, ecology and design provides us with a clear focus: building a sustainable home. A home that is more energy-efficient to live in and more attractive to look at. Deceuninck works worldwide with state-of-the-art materials, resulting in low maintenance, top insulating and long lasting products that can be fully recycled at end of life. Moreover, our values of Candor, Top performance and Entrepreneurship help us build a better world for our Partners and end users. Deceuninck has strong ambitions. We want to build a work environment in which people are proud to contribute, and strengthen our position within the top three market players. Alongside our ecological sustainability, Deceuninck also pursues financial sustainability.
Deceuninck employs 2700 people in 25 countries, of which 700 in Belgium. Deceuninck sales in 2011 were € 536 million with a € 6.3 million net profit.

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Annexe 1: Deceuninck Consolidated Income Statement

In thousand €	2010	2011
Net sales	**557,758**	**536,129**
Cost of goods sold	-394,093	-381,102
Gross profit	**163,665**	**155,027**
Marketing, sales and distribution expenses	-92,545	-88,139
Research and development expenses	-5,177	-5,782
Administrative and general expenses	-40,852	-38,808
Other net operating result	-686	17
Operating result	**24,405**	**22,315**
Financial charges	-30,685	-27,795
Financial income	15,709	13,788
Profit (+) / loss (-) before taxes	**9,429**	**8,308**
Income taxes	-881	-1,960
Profit (+) / loss (-) for the period	**8,548**	**6,348**
The result for the financial year is attributable to:	8,378	6,210
Shareholders of the parent company	170	138
Non-controlling interests		
Earnings (+) /loss (-) per share distributable to the shareholders of the parent company (in €):	0.08	0.06
Normal earnings (+) / loss (-) per share	0.08	0.06
Diluted earnings (+) / loss (-) per share		

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Annexe 2: Deceuninck Consolidated Statement of Financial Position

In thousand €	2010	2011
ASSETS		
Intangible fixed assets	4,733	3,428
Goodwill	10,860	10,806
Tangible fixed assets	204,574	193,180
Financial fixed assets	1,310	1,433
Deferred tax assets	14,475	16,209
Long-term receivables	1,670	1,412
Non-current assets	**237,622**	**226,468**
Inventories	65,171	77,809
Trade receivables	107,619	99,227
Other receivables	8,433	7,548
Cash and cash equivalents	43,856	24,443
Fixed assets held for sale	8,693	8,239
Current assets	**233,772**	**217,266**
Total ASSETS	**471,394**	**443,734**
EQUITY and LIABILITIES		
Issued capital	42,495	42,495
Share premiums	46,355	46,355
Consolidated reserves	141,495	147,480
Treasury shares	-651	-261
Currency translation adjustments	-19,134	-31,520
Equity excluding non-controlling interest	**210,560**	**204,549**
Non-controlling interest	1,466	1,376
Equity including non-controlling interest	**212,026**	**205,925**
Interest-bearing loans	93,551	93,361
Long-term provisions	21,247	20,805
Deferred tax liabilities	5 ,063	3,890
Non-current liabilities	**119,861**	**118,056**
Interest-bearing loans	51,054	32,907
Trade debts	61,656	57,817
Tax liabilities	5,149	5,963
Employee related liabilities	12,130	13,357
Other liabilities	9,518	9,709
Current liabilities	**139,507**	**119,753**
Total EQUITY and LIABILITIES	**471,394**	**443,734**

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Annexe 3: Deceuninck Consolidated Statement of Cash Flows

In thousand €	2010	2011
OPERATING ACTIVITIES		
Profit (+) / loss (-) for the period	8,548	6,348
Depreciation (in)tangible fixed assets	28,174	24,872
Impairments of (in)tangible fixed assets	1,729	714
Provision for pensions, restructuring and other risks & charges	811	-688
Impairments on current assets	2,208	1,042
Net financial charges	14,976	14,006
Profit on sale of tangible fixed assets	-235	-174
Loss on sale of tangible fixed assets	127	267
Income taxes	881	1960
Share based payment transactions settled in equity	203	166
Cash flow from operating activities before movements in working capital and provisions	**57,422**	**48,513**
Decrease/(increase) in trade debtors and other receivables	-11,429	622
Decrease/(increase) in inventories	-4,875	-13,512
Increase/(decrease) in trade debts	4,689	-1,623
Decrease/(increase) in other non-current assets	376	259
Decrease/(increase) in other current assets	-1,878	-696
Increase/(decrease) in other non-current liabilities	349	-1,443
Increase/(decrease) in other current liabilities	414	570
Cash flow generated from operating activities	**45,068**	**32,690**
Interest received	1,862	1,209
Income tax paid	-4,579	-4,357
CASH FLOW FROM OPERATING ACTIVITIES	**42,351**	**29,542**

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In thousand €	2010	2011
INVESTING ACTIVITIES		
Cash receipts on sale of tangible fixed assets	3,749	705
Purchases of tangible fixed assets	-15,481	-21,783
Purchases of intangible fixed assets	-162	-99
Other transactions	-392	-123
CASH FLOW FROM INVESTING ACTIVITIES	**-12,286**	**-21,300**
FINANCING ACTIVITIES		
Repayments of long-term debts	-21,976	-23,955
Repayments (-) / New (+) short-term debts	-6,216	753
Interest paid	-7,629	-7,891
Other financial items	1,061	6,156
CASH FLOW FROM FINANCING ACTIVITIES	**-34,760**	**-24,937**
Net increase (+) / decrease (-) in cash and cash equivalents	**-4,695**	**-16,695**
Cash and cash equivalents as per 1 January	**50,902**	**43,856**
Impact of exchange rate fluctuations	-2,351	-2,718
Cash and cash equivalents as per 31 December	**43,856**	**24,443**