Press release

Regulated information –1H 2012 results

Under embargo until Thursday 23 August 2012 at 7:30 a.m. CET

Deceuninck maintains profitability in a challenging economic environment

- Gross profit, EBITDA and operating profit remain stable
- Net profit decreases € 1.9 million, mainly due to one-off currency effect on USD loan

Highlights 1H 2012

- Consolidated sales increase 2.0 % to € 274.3 million (1H 2011: € 268.9 million)
- Gross margin remains stable at 29.7%
- EBITDA remains stable at € 24.4 million or 8.9%
- EBIT remains stable at € 11.2 million
- Net profit: € 1.2 million (1H 2011: € 3.1 million)
  - € 1.9 million YoY impact of USD denominated loans, which disappear as of mid-August 2012
- Capex increases from € 8.3 to € 13.7 million (product innovations & strategic investments)
- Net debt improves to € 117.6 million (30 June 2011: € 122.7 million)

In € million	30 June 2011 Unaudited	30 June 2012 Unaudited	% var.
Sales	268.9	274.3	+2.0%
Gross profit	78.2	81.4	+4.1%
Gross-margin (%)	*29.1%*	*29.7%*	
EBITDA	24.6	24.4	-0.8%
EBITDA-margin (%)	*9.2%*	*8.9%*	
EBIT	11.3	11.2	-0.9%
EBIT-margin (%)	*4.2%*	*4.1%*	
Financial result	-4.8	-7.5	
EBT	6.5	3.7	
Taxes	-3.4	-2.5	
Net Profit	3.1	1.2	
Net margin (%)	*1.1%*	*0.5%*	

Tom Debusschere, Deceuninck CEO:

"In the first half of 2012, Deceuninck's operating results remained stable; while maintaining profitability, despite record-breaking raw materials costs and despite challenging market conditions in Europe.

After the 2009 turnaround, Deceuninck started on a path of disciplined pricing, continuous operational improvements in its 10 manufacturing sites and strict control of fixed costs at all locations world wide. The sustained operating results and the cash flow since early 2010 have shown our Company's ability in keeping its commitment.

All this time, we have also continued to build for our future. Throughout this period, Deceuninck invested € 67 million into the 3 axis of our long term strategy **"Building a sustainable home"**

Innovation – PVC remains the most economical solution for insulation values. For the region Western Europe, we launched Zendow#neo with Linktrusion technology: Deceuninck now offers a window system that substitutes traditional badly insulating metal reinforcement profiles with glass fibre and steel wire reinforcement already built in. In the USA, our Customers can now improve insulation values by substituting aluminium reinforce0ments with Innergy, a polyurethane pultruded profile system.

Ecology – PVC continues to improve its ecological footprint. On October 17, Deceuninck opens a new post-consumer PVC recycling factory, which is fully integrated in our raw materials factory in Diksmuide, Belgium. For the region Central and Eastern Europe, Deceuninck launched "Eforte", a top insulating window system (passive house rated) with the lowest material content in the industry. In Turkey, we launched Flora, a coextruded system which allows better reuse of recycled material.

Design – PVC windows now also become a true architectural solution for beautiful aesthetics in the home, school or office building. Ever more intricate wood surface decors and coated colours become available to the market. Deceuninck now invests in a new coating factory in Gits, Belgium, which will be operational by year end.

The renewed ability to sustain profits in challenging conditions, while continuing to make targeted investments, effectively strengthened confidence of our stakeholders.

Five leading European financial institutions entered into a € 140 million syndicated long term refinancing, effective as of 16 August 2012. The new facility now provides more headroom and flexibility to execute our long term strategy.

<u>Outlook full year 2012:</u>

The public debt crisis continues to weigh on consumer confidence in Europe, while reports on an emerging recession provide for uncertain conditions in important markets. On the other hand, we are pleased with the evolution in Turkey, USA and Russia.
This mixed picture, combined with a short order book, typical to the industry, does not allow Deceuninck to give a quantified guidance for full year 2012.
Within this environment however, we remain committed to innovative products, protecting margins and continued profitability.

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Markets and Sales

In € million	1H 2011	1H 2012	Var. 1H 2011/12	Var.1H loc.curr.
Western Europe	117.2	106.9	*-8.8%*	
Central & Eastern Europe	71.8	76.4	*+6.4%*	
Turkey	52.6	57.6	*+9.6%*	*+17.1%*
United States	27.3	33.4	*+22.6%*	*+ 13.2%*
Total	**268.9**	**274.3**	***+2.0%***	

Deceuninck's half year 2012 consolidated sales were € 274.3 million, a year-on-year increase by 2.0% (1H 2011: € 268.9 million).
Sales volume: -0.5%; exchange rates: -0.5%; mix effects: +3.0%.

Western Europe

Half year 2012 sales in Western Europe decreased by 8.8% to € 106.9 million (1H 2011: € 117.2 million). Sales were stable in Belgium but declined in nearly all other countries.

Central & Eastern Europe (incl. Germany)

Half year 2012 sales increased 6.4% to € 76.4 million (1H 2011: € 71.8 million). Sales increased in Russia, were stable in Germany and declined in nearly all other countries. Sales were negatively impacted by currencies such as Polish złoty (PLN).

Turkey

Half year 2012 sales increased 9.6% to € 57.6 million (at constant exchange rates: + 17.1%)
Sales were impacted by a continued weak Turkish lira. Demand in both domestic and export markets was strong.

United States

Half year 2012 sales increased 22.6% to € 33.4 million (at constant exchange rates: + 13.2%)
Activity in residential new construction continued to hover at historic lows. Demand from the renovation market segment was solid throughout the half year. Sales growth was supported by product innovations, new Customers and external raw material sales.

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1H 2012 results

Gross margin

Gross margin was 29.7% (1H 2011: 29.1%). 0.6% gross margin increase was supported by a successful sales price management and continued productivity improvement.

EBITDA

The **operating cash flow (EBITDA)** amounted to € 24.4 million against € 24.6 million in 1H 2011, resulting in an 8.9% EBITDA margin (1H 2011: 9.2%).
Improved gross margin offset by higher marketing and sales expenses and a € 1.2 million unfavourable impact of foreign currencies.

EBIT

The **operating result (EBIT)** was stable at € 11.2 million (1H 2011: € 11.3 million) resulting in an EBIT margin of 4.1% compared to 4.2% in half year 2011.
Non cash costs amount to € 13.1 million against € 13.4 million in 1H 2011. Depreciations and amortizations decreased by € 0.6 million as a result of lower capex level in preceding years. Bad debt is € 1.2 million higher as a result of Customers operating in a more challenging economic environment.

Financial result & Taxes

Financial result was € -7.5 million (1H 2011: € -4.8 million)
Financial result is impacted by a € 1.9 million unfavourable year-on-year impact of foreign currency denominated loans.
Income tax expense was € 2.5 million against € 3.4 million income tax expense in first half year 2011.

Net profit

The net profit of 1H 2012 amounts to € 1.2 million or 0.5% on sales versus 1.1% net margin in 1H 2011.

Working capital

Working capital decreased from € 142.3 million on 30 June 2011 to € 138.9 million on 30 June 2012. (31 December 2011: € 119.2 million)

Inventories were € 6.8 million lower at normalised levels as compared to 30 June 2011 as a result of inventory management anticipating subdued demand particularly in Europe.

Accounts receivables increased € 4.8 million as compared to 30 June 2011 reflecting a year-on-year higher sales at 30 June 2012.

The operational working capital on 30 June 2012 was 21.0% of annualised sales as compared to 21.7% on 30 June 2011 and to 18.2% on 31 December 2011. The operational working capital is higher mid-year as compared to year-end due to the seasonal character of the business.

Capex

Capital expenditures in first half 2012 increased by € 5.4 million to € 13.7 million as compared to first half 2011, mainly driven by innovations and investments towards the long term strategy "Building a sustainable home".
€ 9.3 million relates to operational capex, € 4 million was spent on new tools and there was € 0.4 million exceptional capex.
A larger part of the total amount of capital spending relates to the start-up of a postconsumer rigid PVC recycling line, which will come into operation in the second half of 2012.

Net financial debt

The net financial debt at 30 June 2012 amounted to € 117.6 million compared to € 101.8 million on 31 December 2011. Despite a seasonal working capital peak at the end of June 2012, net financial debt was lower as compared to 30 June 2011 (€ 122.7 million) as a result of debt reimbursement and lower working capital requirement.

Shareholders' equity

Shareholders' equity increases with € 6.3 million to € 212.2 million from € 205.9 million on 31 December 2011 mainly due to a positive net result and a positive impact of CTAs (Currency Translation Adjustments), mainly on TRY (Turkish lira) and Polish złoty (PLN).

The gearing was 55.5% against 49.4% at 31 December 2011 due to business seasonality (30 June 2011: 59.1%)

Headcount

On 30 June 2012 Deceuninck employed worldwide 2,805 full time equivalents (FTEs) (including temporary workers and outsourced FTEs) (30 June 2011: 2,868).

Financial calendar 2012

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 about 2800 people in 25 countries, of which 700 in Belgium. Deceuninck sales in 2011 were € 536,1 million with a net positive result of € 6.3 million.

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Annexe 1: Deceuninck Consolidated Income Statement

For the six month period ended 30 June In thousand €	2011 Unaudited	2012 Unaudited
Sales	**268,866**	**274,347**
Cost of goods sold	-190,623	-192,982
Gross profit	**78,243**	**81,365**
Marketing, sales and distribution expenses	-45,504	-47,362
Research and development expenses	-2,792	-2,894
Administrative and general expenses	-19,349	-19,341
Other net operating result	677	-521
Operating profit	**11,275**	**11,247**
Financial charges	-14,103	-19,961
Financial income	9,330	12,426
Profit before taxes	**6,502**	**3,712**
Income taxes	-3,414	-2,473
Net profit	**3,088**	**1,239**
The net profit is attributable to:		
Shareholders of the parent company	3,039	1,159
Non-controlling interests	49	80
Earnings per share distributable to the shareholders of the parent company (in €):		
Normal earnings per share	0.03	0.01
Diluted earnings per share	0.03	0.01

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Annexe 2: Deceuninck Consolidated Statement of Financial Position

In thousand €	31 December 2011 Audited	30 June 2012 Unaudited
ASSETS		
Intangible fixed assets	3,428	3,279
Goodwill	10,806	10,827
Tangible fixed assets	193,180	199,290
Financial fixed assets	1,433	1,522
Deferred tax assets	16,209	15,350
Long-term receivables	1,412	1,466
Non-current assets	**226,468**	**231,734**
Inventories	77,809	83,316
Trade receivables	99,227	114,239
Other receivables	7,548	7,503
Cash and cash equivalents	24,443	23,035
Fixed assets held for sale	8,239	8,807
Current assets	**217,266**	**236,900**
Total ASSETS	**443,734**	**468,634**
EQUITY and LIABILITIES		
Issued capital	42,495	42,495
Share premiums	46,355	46,355
Consolidated reserves	147,480	148,725
Treasury shares	-261	-261
Currency translation adjustments	-31,520	-26,705
Equity excluding non-controlling interest	**204,549**	**210,609**
Non-controlling interest	1,376	1,555
Equity including non-controlling interest	**205,925**	**212,164**
Interest-bearing loans	93,361	88,479
Long-term provisions	20,805	20,731
Deferred tax liabilities	3,890	3,833
Non-current liabilities	**118,056**	**113,043**
Interest-bearing loans	32,907	52,205
Trade debts	57,817	58,604
Tax liabilities	5,963	9,437
Employee related liabilities	13,357	13,331
Other liabilities	9,709	9,850
Current liabilities	**119,753**	**143,427**
Total EQUITY and LIABILITIES	**443,734**	**468,634**

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Annexe 3: Deceuninck Consolidated Statement of Cash Flows

For the six month period ended 30 June In thousand €	2011 Unaudited	2012 Unaudited
OPERATING ACTIVITIES		
Net profit	3,088	1,239
Depreciations (in)tangible fixed assets	12,727	11,995
Impairments on (in)tangible fixed assets	216	310
Provisions for pensions, restructuring and other risks & charges	218	-152
Impairments on current assets	189	993
Net financial charges	4,773	7,535
Profit on sale of tangible fixed assets	-50	-41
Loss on sale of tangible fixed assets	170	61
Income taxes	3,414	2,473
Share based payment transactions settled in equity	150	150
Cash flow from operating activities before movements in working capital and provisions	**24,895**	**24,563**
Decrease/(increase) in trade and other receivables	-3,691	-12,064
Decrease/(increase) in inventories	-24,768	-3,195
Increase/(decrease) in trade debts	-4,463	-524
Decrease/(increase) in other non-current assets	-521	-125
Decrease/(increase) in other current assets	-397	-166
Increase/(decrease) in other non-current liabilities	-3,668	-3,185
Increase/(decrease) in other current liabilities	4,158	2,152
Cash flow generated from operating activities	**-8,455**	**7,456**
Interest received	636	533
Income tax paid	-2,717	-339
CASH FLOW FROM OPERATING ACTIVITIES	**-10,536**	**7,650**

For the six month period ended 30 June In thousand €	2011 Unaudited	2012 Unaudited
INVESTING ACTIVITIES		
Cash receipts on sale of tangible fixed assets	456	149
Purchases of (in)tangible fixed assets	-8,281	-13,729
CASH FLOW FROM INVESTING ACTIVITIES	**-7,825**	**-13,580**
FINANCING ACTIVITIES		
Repayments of long-term debts	-24,051	-5,570
New short-term debts	19,467	15,548
Interest paid	-4,004	-4,181
Other financial items	-3,931	-2,128
CASH FLOW FROM FINANCING ACTIVITIES	**-12,519**	**3,669**
Net increase (+) / decrease (-) in cash and cash equivalents	**-30,880**	**-2,261**
Cash and cash equivalents as per 1 January	**43,856**	**24,443**
Impact of exchange rate fluctuations	1,782	853
Cash and cash equivalents as per 30 June	**14,758**	**23,035**