



Press release

Regulated information – Q3 2016 trading update
Under embargo until Friday 21 October 2016 at 7:00 a.m. CET

Deceuninck Q3 2016 sales grow 0.9% to € 168.5 million.

Year-to-date September 2016 sales grow 4.1% to € 498.7 million.

- Q3 2016 sales increased 0.9% primarily driven by strong business development which is partially compensated by the impact of Britain's choice to leave the European Union, the contraction of the Russian market, and the decision to phase out certain low margin products.
- Performance in Turkey remains strong.
- Strategic projects in US and Turkey are on track.
- Mr. Paul Thiers* succeeds Mr. Pierre Alain Baron De Smedt as Chairman of the Board.

Francis Van Eeckhout, CEO, comments:

"We are pleased with our Q3 sales performance which continues to be in line with expectations despite the adverse effect of the Brexit and the further contraction of the Russian market. Strategic projects in Turkey (new Menemen factory) and US (new West Coast factory) remain on track. Tomorrow, 22 October, we welcome Customers and Partners for the official opening of our new West Coast factory.

I would like to pay special tribute to Pierre Alain and the significant contribution he has made to our Company. Under his Chairmanship Deceuninck has undergone a successful transformation and he leaves a business which is well placed for future profitable growth. We wish him all the best.

I much look forward to working with Paul. He is a successful entrepreneur with a fantastic track record in highly complex environments. I have no doubt that Deceuninck will benefit from his experience and passion for our industry".

Paul Thiers new Chairman of the Board

The Board of Directors unanimously decided to appoint Paul Thiers, representative of Pentacon BVBA, as the new independent Chairman of the Board.

As announced during the Annual Shareholder's Meeting of 2016 Pierre Alain Baron De Smedt resigns as Chairman of the Board. He has been an independent director for 12 years. He remains director of the Board until the next general meeting.

*Paul Thiers, permanent representative of Pentacon BVBA



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Q3 2016 sales performance

% of sales	Total Q3	Western Europe	Central & Eastern Europe	Turkey & Emerging Markets	North America
Sales (in € million) 2015	167.1	40.2	49.5	46.9	30.5
Volume	(0.8%)	0.8%	(6.0%)	0.8%	3.0%
Exchange rate	(2.3%)	(3.1%)	(1.9%)	(3.1%)	(0.4%)
Other (price & mix)	3.9%	1.4%	1.8%	11.1%	(0.3%)
Total	0.9%	(0.9%)	(6.1%)	8.8%	2.3%
Sales (in € million) 2016	168.5	39.8	46.5	51.0	31.2

9M 2016 sales performance

% of sales	Total 9M	Western Europe	Central & Eastern Europe	Turkey & Emerging Markets	North America
Sales (in € million) 2015	479.2	128.4	127.9	140.3	82.7
Volume	3.6%	1.5%	(3.8%)	9.4%	8.5%
Exchange rate	(4.5%)	(1.7%)	(2.9%)	(11.0%)	(0.1%)
Other (price & mix)	4.9%	4.9%	2.8%	11.5%	(3.0%)
Total	4.1%	4.8%	(4.0%)	9.9%	5.4%
Sales (in € million) 2016	498.7	134.5	122.8	154.2	87.1

Q3 2016 sales in **Western Europe** decreased 0.9% to € 39.8 million (Q3 2015: € 40.2 million). As a result 9M sales increased 4.8% to € 134.5 million.

Year-on-year volume growth was limited due to exceptionally strong volumes in Q3 2015 (explained by customers anticipating price increases) and lower consumer confidence in the region following Great Britain's decision to leave the EU. The latter also had an adverse FX impact. Price increases compensate for higher raw material cost and FX.

Q3 2016 sales in **Central & Eastern Europe** decreased 6.1% to € 46.5 million (Q3 2015: € 49.5 million). At constant exchange rates sales decreased 4.2%. 9M 2016 sales decreased 4.0% to € 122.8 million (9M 2015: € 127.9 million).

The positive effect of new business development and the launch of new products have been offset by the decision to phase out a low margin product range, the further contraction of the Russian market and the fact that Q3 2015 volumes were exceptionally strong (similar as in Western Europe; customers anticipated price increases and accelerated orders). Price increases compensate for the depreciation of the Russian ruble.

The region **Turkey & Emerging Markets** predominantly serves the domestic market in Turkey, which represents 90% of total sales of the region. Q3 2016 sales expressed in euro increased by 8.8% to € 51.0 million (Q3 2015: € 46.9 million). 9M 2016 sales increased by 9.9% to € 154.2 million. At constant exchange rates sales in Q3 increased by 11.9% and by 20.9% during 9M 2016.

The volume increase was driven by exceptionally strong business development despite the continuing contraction of the Turkish window market. The financial impact of the failed military coup remains limited. Management, however, closely monitors the situation and takes a possible slowdown during Q4 into account. Price increases were implemented to offset the depreciation of the Turkish lira and the resulting increase of USD denominated raw material costs.

Sales in Emerging Markets, mainly South America, remain strong.

Press release

Q3 2016 sales in **North America** expressed in euro increased by 2.3% to € 31.2 million from € 30.5 million in Q3 2015. 9M 2016 sales increased 5.4% to € 87.1 million. FX impact is limited.

Business development remained at a high level, but market growth slowed down as compared to the first half of 2016. The divestment of the decking business in January 2016 further impacted volume growth.

Outlook 2016

Assuming no material macro-economic disturbance in our key regions, growth is expected to continue throughout 2016 on the back of innovative product launches and superior quality and service.

Financial calendar 2017

27 February 2017: 2016 annual results
24 August 2017: H1 2017 results

End of press release

About Deceuninck

Founded in 1937, Deceuninck is a top 3 independent manufacturer of PVC and composite profiles for windows and doors, outdoor living, roofline & cladding and interior applications.

Headquartered in Hooglede-Gits (BE), Deceuninck is organised in 4 geographical segments: Western Europe, Central & Eastern Europe, North America and Turkey & Emerging Markets.

Deceuninck operates 14 vertically integrated manufacturing facilities, which together with 22 warehousing and distribution facilities guarantee the necessary service and response time to Customers. Deceuninck strongly focuses on innovation, ecology, design.

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Sales 2015
€ 644.5 million

People
3,600

Customers
>4,000

Countries
91

Logistic centres
22

Press release

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