Press Release

Regulated Information – 2010 Annual Results

Under embargo until Wednesday 23 February 2011 at 7:30 a.m.

Deceuninck returns to profit (net € 8.5m)

1. Highlights 2010

- **Sales increase 10.1% to € 557.8m; REBITDA increases 28.2% to € 57.7m or 10.4%**
- **Sales: volume: +6.4%; currencies: +4.2%; mix: -0.4%**
- **Gross margin: 29.3% (2009: 30.5%) € 20.4m higher raw material expenses increase largely offset by improved productivity and sales price increases**
- **EBITDA increases to € 57.3m or 10.3% (2009: € 20.9m or 4.1%) driven by the efficiencies after the 2009 restructuring**
- **EBIT: increases to € 24.4m or 4.4% (2009: € -11.3m or -2.2%)**
- **Net result: € 8.5m (2009: € -16.9m)**
- **Shareholders' equity increased to € 212m from € 197.4m in 2009**
- **Net debt reduction to € 100.7m from € 112.5m at the end of 2009**
- **Long term debt repayment of € 76.1m since Sep 2009 through Jan 2011**

In € million	2009	2010	% variance	H1 2010	H2 2010
Net sales	506.4	557.8	10.1%	265.3	292.5
Gross Profit	154.6	163.7	5.9%	83.3	80.4
Gross Margin	*30.5%*	*29.3%*		*31.4%*	*27.5%*
REBITDA	45.0	57.7	28.2%	29.0	28.7
EBITDA	20.9	57.3	174.2%	28.6	28.7
EBITDA-Margin	*4.1%*	*10.3%*		*10.8%*	*9.8%*
REBIT	8.7	25.7	195.4%	14.0	11.7
EBIT	-11.3	24.4		12.7	11.7
EBIT-Margin	*-2.2%*	*4.4%*		*4.8%*	*4.0%*
Net result	-16.9	8.5		3.8	4.7
Net margin	*-3.3%*	*1.5%*		*1.4%*	*1.6%*
Shareholders' equity	197.4	212.0			
Net Debt	112.5	100.7			
Gearing	57%	47.5%			

Tom Debusschere, Deceuninck CEO:

"Since the 2009 restructuring, Deceuninck focused on debt repayment, sales growth and bringing the company back to profit in 2010.

The financial results of the first full year since the 2009 restructuring confirm that we delivered on our commitment.

- *Deceuninck's sales increased 10% to € 557,8m. This includes a 6.4% volume growth which exceeded our expectations.*
- *Deceuninck returned to profit in 2010, with a 10.3% EBITDA margin (€ 57.3m), 4.4% EBIT margin (€ 24.4m) and a net profit of € 8.5million. The combined effect of efficiency improvements, rigorous cost control and price increases supported gross margins at 29.3%, despite € 20.4m higher expenses from raw material price increases.*
- *Deceuninck reimbursed € 76.1 million long term debt to its lenders between September 2009 and end of January 2011*

<u>Outlook 2011:</u>

"2011 will be a year of stabilisation. Debt reduction, sales growth and margin improvement remain our top priority. In the mean time, Deceuninck is announcing further price increases in order to protect 2011 margins. Raw material costs continue to rise at the beginning of 2011 within very competitive market conditions. Recent geo-political developments and the resulting oil and pvc forecasts are being monitored closely. Order intake during the first weeks of the year is in line with our expectations, and reflects a phase out of government insulation incentives."

" The mixed signs of construction recovery and the continued rising raw material costs remain cause for caution. However, within the current environment, we expect to continue sales and profit growth into 2011."

<u>Outlook long term:</u>

"At Deceuninck, we believe in ***'building a sustainable home'.*** *Plastics only use 4% of non-renewable oil and gas based fossil fuels. PVC uses less than 1%. 40% is used for heating buildings. Plastics building products are light-weight, maintenance free and provide superior insulation. PVC and Twinson wood composite are maintenance free materials, which save energy throughout a 50+ year life cycle, and will be recycled at end-of-life. Last year, the industry-wide "Vinyl2010" initiative collected and recycled 250.000 tonnes of postconsumer PVC from long lasting PVC building applications. Deceuninck continues to invest its R&D efforts into sustainable building products, which are easy to install, light-weight and have superior insulation values. In line with its business plan, Deceuninck will double its capital expenditures to reach its sustainability goals in manufacturing energy savings, PVC recycling and new product development.*

Long term, energy-efficient construction and renovation will continue to grow as an engine of the construction industry. For energy savings, PVC windows remain the 'best value for money' "

2. Markets & Sales

In € million	2009	2010	% var.
Western Europe	208.4	207.5	-0.5%
Central & Eastern Europe	161.5	172.1	+6.6%
Turkey	80.6	108.0	+34.0%
United States	55.9	70.2	+25.6%
Total	**506.4**	**557.8**	**+10.1%**

Full year 2010 sales increased 10.1% to € 557.8 million (2009: € 506.4). Impact of volume totals +6.4%; currency effects: +4.2% and mix effects:-0.4%.

Western Europe: Full year 2010 sales decreased by 0.5% to € 207.5 million (2009: € 208.4 million). Sales growth in Belgium, France and Italy contrasted with a sales decline in Spain, the Netherlands and the United Kingdom. Sales in Belgium and France exceeded pre-crisis levels with all time high records in both countries. UK sales decline was also influenced by the discontinuation of a product line.

Central & Eastern Europe (incl. Germany): Full year sales increased 6.6% to € 172.1 million.
Recovery was strong in Russia and Germany and some smaller markets in the region. Sales growth in Germany was fuelled by the termination of economic stimulus packages at the end of 2010. Besides increased demand, sales were favourably impacted by foreign exchange rates of the Polish zloty, Czech crown & Russian rouble against the euro.

Turkey: Full year sales were € 108 million, an increase by 34% (+21% at constant exchange rate)
Sales growth in euro was favourably supported by a strong Turkish lira against a weak euro. Both domestic demand and demand from Turkey's export markets remained strong.
Deceuninck continued to strengthen its market position by means of an extensive focus on Customer intimacy and branding to the end consumer.

US: Full year 2010 sales increased by 25.6% to € 70.2 million (+15% at constant exchange rate).
Demand from the residential renovation segment remained strong throughout the year stimulated by termination of energy conservation incentives from the American Recovery and Reinvestment Act (ARRA). In April 2010 the qualified first time home buyer tax credit ended and at year end the $ 1500 tax credit for the replacement of old windows by the latest generation of highly energy efficient windows was stopped. Sales growth expressed in euro was supported by a strong US dollar.

3. Results 2010

Gross margin

Gross margin was 29.3% (2009: 30.5%). Higher raw material costs, both PVC resin and additives, were largely offset by improved productivity and sales price increases.

REBITDA

The recurring operating cash flow (REBITDA) amounted to € 57.7 million (2009: € 45 million) resulting in a REBITDA margin of 10.4% (2009: 8.9%). Decrease of gross margin was partly compensated by lower operational costs.

EBITDA was € 57.3 million (2009: € 20.9 million). EBITDA in 2009 was impacted by € 24.1 million non recurring expenses related to financial and operational restructuring costs.

REBIT

The recurring operating result (REBIT) was € 25.7 million (2009: € 8.7 million) resulting in a REBIT margin of 4.6% (2009: 1.7%). Non cash costs were € 32.9 million (2009: € 32.2 million). Depreciations decreased by € 3 million due to lower capex level of the past two years. Bad debt provision increased due to sustained tight credit situation.

Financial result & Taxes

The financial result was € -15.0 million (2009: € -14.2 million). Interest expenses decreased from € 14.3 million to € 12.4 million due to the debt reduction. Exchange rate expense on financial debt strongly impacted the financial result due to a stronger US dollar against the euro.
Deceuninck has hedged the foreign exchange risk on its dollar denominated loans at 1.25.
2009 financial result was impacted by financial restructuring charges.
The return to profit resulted in € 0.9 million tax expenses.

Net result

Deceuninck completed its turnaround. 2010 net result is € 8.5 million
(2009: net loss of € 16.9 million).

Capex

Capital expenditure in 2010 was € 15.6 million (2009: € 16 million). Capex relates to tools, productivity improvements and maintenance.
Historical capital expenditure for state of the art manufacturing capacity and new product platforms allowed for a continued low capex level.

Working capital

Working capital on 31 December 2010 was 19.9% of sales (2009: 19.6% of sales)
Rigorous credit control was continued. Factoring amount could be limited to € 5.8 million due to better cash and credit management.
On payables, cash discount opportunities were actively used.
Inventory increased 9.2% due to higher sales volume and higher inventory valuation as a result of increased raw material cost.

Cash flow statement

Net cash from operating activities in 2010 increased to € 42.4 million due to higher EBITDA and stringent monitoring of working capital.
Cash from normalised investment activities were at the same level of 2009. Proceeds from non-strategic asset disposals were lower.
Cash from financing activities were impacted by € 28.1 million debt reimbursements.

Net debt

Net debt decreased to € 100.7 million (2009: € 112.5 million) as a result of free cash flow generation.

Shareholders' equity

Shareholders' equity increased by € 14.6 million to € 212 million, equalling 45% of total balance sheet. Gearing improved to 47.5% in 2010 (2009: 57 %).

Dividend

At the general shareholders meeting scheduled on 10th May 2011, the Board of Directors will recommend not paying a dividend for the financial year 2010.

Headcount

At the end of 2010 the Deceuninck Group employed 2821 FTEs (including temporary workers and outsourced FTEs) as compared to 2816 (including temporary workers) at the end of 2009.

4. Changes to the Board of Directors

At the Annual General Meeting of Shareholders on 10 May 2011 the re-election for a period of 4 years of Willy Deceuninck will be submitted for approval.
Additionally, the status of independent Director for a period of 3 years for Marcel Klepfisch will be submitted for approval. The Board announces that the Herwig Bamelis, Clement De Meersman and Ger Rooze are not standing for re-election.
Pierre Alain De Smedt, Chairman: "We thank the resigning Directors for the many years of efforts and commitment to the Company."
The remuneration and nomination committee will advise the Board of Directors to appoint Paul Thiers as an independent Director at the Annual General Assembly of 2011.
Paul Thiers (1957) graduated as a Master in Law (1980) and in Public Notary Law (1981) at Catholic University of Leuven. He is an alumnus (PUB) of Vlerick Management School. From 1982 until 2005 he was a Co-CEO and Board Member at Unilin Group. He currently serves on the Board of Directors of Pentahold NV, Origis NV, Altior CVBA, Accent NV, Vergokan NV, Grada NV and Museum Dhondt-Dhaenens.
Pierre Alain De Smedt, Chairman: "We are delighted that Paul Thiers has accepted to become a Member of the Board. Paul is a well respected and highly experienced business leader who will provide our Board with new insight and international management experience."

5. Statement from the responsible persons

The undersigned declare that:

- The annual financial statements have been prepared in conformity with the applicable standards for financial statements, and that they give a true picture of equity, the financial condition and of the results of the reporting corporation, including those companies that have been included in the consolidated figures.
- That the Annual Report on the annual financial statements gives a true overview of the developments and results of the reporting corporation, and of companies that have been included in the consolidated figures, also providing a true description of the most important risks and insecurities with which it is confronted.

On behalf of the Board of Directors

Tom Debusschere	Pierre Alain De Smedt
CEO	Chairman of the Board of Directors

6. Statutory Auditors

The statutory auditor has confirmed that his audit procedures on the consolidated financial statements have been substantially completed and have revealed no material adjustments that would have to be made to the accounting information included in this press release.

Financial calendar

4	**April 2011**	Annual report online
10	**May 2011**	Q1 trading update
10	**May 2011**	Annual Shareholders meeting at 11 am
14	**July 2011**	Q2 trading update
26	**August 2011**	2011 half year results
20	**October 2011**	Q3 trading update

About Deceuninck

Deceuninck is a leading international designer and manufacturer of high quality PVC systems for windows and doors, cladding and roofline, interior and garden applications. The basic technology used by the company is extrusion of patented PVC and 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 Group is active in over 75 countries, has 35 subsidiaries (production and/or sales) across Europe, North America and Asia, and employs 2,821 FTE (including temporary employees), of which 670 in Belgium. In 2010 the Deceuninck Group achieved consolidated sales of € 558 million.

(End of press release)

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Annexe 1: Deceuninck Consolidated Income Statement
Annexe 2: Deceuninck Consolidated Statement of Financial Position
Annexe 3: Deceuninck consolidated Statement of Cash Flows

Annexe 1: Deceuninck Consolidated Income Statement

In thousand €	2009	2010
Net sales	**506,377**	**557,758**
Cost of goods sold	-351,804	-394,093
Gross profit	**154,573**	**163,665**
Marketing, sales and distribution expenses	-92,748	-92,545
Research and development expenses	-4,663	-5,177
Administrative and general expenses	-43,043	-40,852
Other net operating expenses	-25,442	-686
Operating result	**-11,323**	**24,405**
Financial charges	-48,118	-30,685
Financial income	33,924	15,709
Profit (+) / loss (-) before taxes	**-25,517**	**9,429**
Income taxes	8,568	-881
Profit (+) / loss (-) for the financial year	**-16,949**	**8,548**

The result for the financial year is attributable to:		
Shareholders of the parent company	-17,090	8,378
Non-controlling interests	141	170

Earnings (+) /loss (-) per share distributable to the shareholders of the parent company (in €):		
Normal earnings (+) / loss (-) per share	-0.16	0.08
Diluted earnings (+) / loss (-) per share	-0.16	0.08

Annexe 2: Deceuninck Consolidated Statement of Financial Position

In thousand €	2009	2010
ASSETS		
Intangible fixed assets	5,442	4,733
Goodwill	10,843	10,860
Tangible fixed assets	219,569	204,574
Financial fixed assets	1,274	1,310
Deferred tax assets	9,459	14,475
Long-term receivables	2,047	1,670
Non-current assets	**248,634**	**237,622**
Inventories	59,732	65,171
Trade receivables	96,720	107,619
Other receivables	9,705	8,433
Cash and cash equivalents	50,902	43,856
Fixed assets held for sale	4,143	8,693
Current assets	**221,202**	**233,772**
Total ASSETS	**469,836**	**471,394**
EQUITY and LIABILITIES		
Issued capital	42,495	42,495
Share premiums	46,355	46,355
Consolidated reserves	131,512	141,495
Treasury shares	-651	-651
Currency translation adjustments	-23,497	-19,134
Equity excluding non-controlling interest	**196,214**	**210,560**
Non-controlling interest	1,221	1,466
Equity including non-controlling interest	**197,435**	**212,026**
Interest-bearing loans	129,883	93,551
Long-term provisions	18,716	21,247
Deferred tax liabilities	4,980	5 ,063
Non-current liabilities	**153,579**	**119,861**
Interest-bearing loans	33,549	51,054
Trade debts	56,967	61,656
Tax liabilities	6,034	5,149
Employee related liabilities	10,646	12,130
Other liabilities	11,626	9,518
Current liabilities	**118,822**	**139,507**
Total EQUITY and LIABILITIES	**469,836**	**471,394**

Annexe 3: Deceuninck Consolidated Statement of Cash Flows

In thousand €	2009	2010
OPERATING ACTIVITIES		
Profit (+) / loss (-) for the financial year	-16,949	8,548
Depreciation (in)tangible fixed assets	31,263	28,174
Impairments of (in)tangible fixed assets	2,547	1,729
Provision for pensions, restructuring and other risks & charges	-1,760	811
Impairments on current assets	250	2,208
Net financial charges	14,194	14,976
Profit on sale of tangible fixed assets	-1,596	-235
Loss on sale of tangible fixed assets	883	127
Income taxes	-8,568	881
Share based payment transactions settled in equity	104	203
Cash flow from operating activities before movements in working capital and provisions	**20,368**	**57,422**
Decrease/(increase) in trade debtors and other receivables	7,646	-11,429
Decrease/(increase) in inventories	20,547	-4,875
Increase/(decrease) in trade debts	-53,093	4,689
Decrease/(increase) in other non-current assets	-126	376
Decrease/(increase) in other current assets	4,452	-1,878
Increase/(decrease) in other non-current liabilities	-1,484	349
Increase/(decrease) in other current liabilities	-4,064	414
Cash flow generated from operating activities	**-5,754**	**45,068**
Interest received	3,011	1,862
Income tax paid	-3,464	-4,579
CASH FLOW FROM OPERATING ACTIVITIES	**-6,207**	**42,351**

INVESTING ACTIVITIES		
Cash receipts on sale of tangible fixed assets	9,161	3,749
Purchases of tangible fixed assets	-14,822	-15,481
Purchases of intangible fixed assets	-847	-162
Other transactions	-44	-392
CASH FLOW FROM INVESTING ACTIVITIES	**-6,552**	**-12,286**

FINANCING ACTIVITIES		
Capital increase	80,351	0
Repayments of long-term debts	-39,182	-21,976
Repayments of short-term debts	-7,463	-6,216
Interest paid	-13,459	-7,629
Net financial charges, excluding interests	-3,599	1,061
CASH FLOW FROM FINANCING ACTIVITIES	**16,648**	**-34,760**
Net increase (+) / decrease (-) in cash and cash equivalents	**3,889**	**-4,695**
Cash and cash equivalents as per 1 January	**46,819**	**50,902**
Impact of exchange rate fluctuations	194	-2,351
Cash and cash equivalents as per 31 December	**50,902**	**43,856**