
Press Release

Regulated Information – Third quarter 2011 trading update
Under embargo until Thursday 20 October 2011 at 7:30 a.m. CET

Sales Q3 2011 decrease 8.2% due to weakening economic environment and unfavourable currencies

Deceuninck expects a net profit for FY 2011, due to a strengthening competitive position and sustained cost control.

Sales third quarter 2011

- Consolidated sales decrease 8.2% to €139.9 million (Q3 2010: €152.4 million)
- Sales volume: -11.2%; exchange rates: -5.6%
- Price and mix effects: +8.6%, due to charge through of PVC and additive cost increases and a more favourable geographic mix.
- Sales volume developed favourably in Germany and Turkey, but contrasted with weak demand in the US, Central and Eastern Europe. Sales were stable in France and showed a slight decline in the Benelux.

Sales year-to-date September 2011

- Consolidated sales decrease 2.1% to €408.8 million (YTD September 2010: €417.7 million)
- Sales volume: -5.7%; exchange rates: -3.6%
- Price and mix effects: +7.2%, due to charge through of PVC and additive cost increases and a more favourable geographic mix.

Outlook 2011

- Full year 2011 sales expected to show a decline between 3% and 4%
- Within the current economic environment, expectation to maintain net profit for FY2011

Tom Debusschere, Deceuninck CEO:

"Sales have continued the downward trend since June. During the third quarter, Deceuninck's customers observed a slowdown in demand. The worldwide economic environment impacted consumer confidence and reduced the willingness to invest in insulation improvements in their homes. Unfavourable currencies, especially the Turkish lira and Russian ruble, further impacted the top line.

From June onwards, the upward pressure of PVC resin prices eased off. Prices remained at historically high levels throughout the quarter. Titanium dioxide and other additive costs further increased. The 8.6% mix increase (country, price and product) is mainly driven by higher sales prices, which confirms that Deceuninck is gradually succeeding in a delayed pass-through of the record-high raw material cost increases. Due to stronger demand in countries selling higher added value, a more favourable geographic mix contributed to the increase.



innovation



ecology



design



Outlook 2011

Continuing weak economic indicators result in a more cautious outlook for full year 2011. Taking into account the slow-down of demand and continuing unfavourable currencies, we expect 2011 full year sales to show a decline between 3% and 4%.

Raw material prices are now stable and we continue our rigorous control of operational expenses. Our competitive position is strengthening in most markets. All of our production units show improved productivity. Working capital and fixed costs are being managed strictly and our balance sheet has been strengthened. Under these conditions, Deceuninck expects to show a positive net result for full year 2011.

Outlook long term

*"At Deceuninck, we believe in '**building a sustainable home**'. 40% of non-renewable fossil fuels is used for heating and cooling buildings. Plastics use 4% and PVC uses less than 1%. Plastic building products are light-weight, long lasting and provide superior insulation. PVC and Twinson wood composite are low maintenance materials, which save energy throughout a 50+ year life cycle, and will be recycled at end of life. To reach its sustainability goals, Deceuninck continues to invest in innovative building products, eco-efficient manufacturing and recycling.*

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'. Deceuninck brings this message to the market through 'Building a sustainable home'. For more details, see www.deceuninck.com"

Regional sales evolution

In €million	Q1 2011	Q1 YoY	Q2 2011	Q2 YoY	Q3 2011	Q3 YoY	YTD 2011	YTD YoY	Var.YTD loc.curr.
Western Europe	54.3	+10.3%	62.9	+4.0%	47.5	-3.5%	164.7	+3.6%	
Central & Eastern Europe	27.8	+6.6%	44.0	-3.8%	51.2	-10.1%	123.0	-4.5%	
Turkey	22.4	+5.8%	30.2	-1.1%	26.4	-4.1%	79.0	-0.3%	+12.5%
United States	12.0	-5.3%	15.2	-21.5%	14.8	-20.9%	42.1	-17.2%	-8.8%
Total	116.6	+6.8%	152.3	-2.4%	139.9	-8.2%	408.8	-2.1%	

Sales year-to-date September 2011 per region

Sales for the nine months 2011 were €408.8 million, a year-on-year decrease of 2.1% (YTD September 2010: €417.7 million). Mix effects (country, price and product) had a favourable impact of 7.2%. Volume decreased by 5.7%; exchange rates negatively impacted sales by 3.6%.

Third quarter 2011 sales per region

Sales for the third quarter 2011 were €139.9 million, a year-on-year decrease of 8.2% (Q3 2010: €152.4 million). Mix effects (country, price and product) had a favourable impact of 8.6%, volume decreased by 11.2%. Exchange rates, especially the Turkish lira and Russian ruble, had a negative impact on sales of 5.6% in the quarter.

Western Europe

Third quarter sales in Western Europe were €47.5 million, a year-on-year decrease of 3.5%. The impact of a weakening economic environment was noticed in nearly all countries of the region. Sales were stable in France and showed a slight decline in the Benelux. In Italy sales benefitted from increasing market share of highly energy efficient PVC windows. Demand in UK and Spain remained weak.

Year-to-date September sales in Western Europe were €164.7 million, a year-on-year increase of 3.6%.

Central & Eastern Europe (incl. Germany)

Third quarter sales in Central and Eastern Europe were €51.2 million, a year-on-year decrease of 10.1%. Further weakening of sales combined with year-on-year unfavourable evolution of currencies was seen in nearly all countries of the region. Sales growth on the German market slowed down to a low single digit due to deteriorating business climate.

Year-to-date September sales were €123.0 million, a year-on-year decrease by 4.5%.



Turkey

Third quarter sales in Turkey decreased by 4.1% to € 26.4 million. Sales were impacted by further weakening of the Turkish lira. At constant exchange rates sales increased by 15.2%. Exports from Turkey to Northern Africa continued to be negatively impacted by the political instability in the region. Domestic demand remained solid throughout the quarter.

Year-to-date September sales were stable at € 79.0 million (YTD September 2010: € 79.2 million). At constant exchange rate sales increased 12.5%.

United States

Third quarter sales at Deceuninck North America decreased by 20.9% to € 14.8 million. Sales were impacted by a year-on-year weaker US dollar. At constant exchange rates sales decreased by 7.8%. Residential renovation activity continued to be affected by falling housing prices, relatively high unemployment and tight credit markets.

Year-to-date September sales decreased by 17.2% to € 42.1 million. At constant exchange rates sales fell by 8.8%.

Financial calendar 2012

26	January	2012	Q4 2011 trading update
23	February	2012	2011 annual results
8	May	2012	Q1 2012 trading update
8	May	2012	Annual Shareholders meeting at 11 am
12	July	2012	Q2 2012 trading update
28	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 3000 people in 25 countries, of which 700 in Belgium. In 2010 Deceuninck attained a net result of € 8.5 million from a turnover of € 558 million.

Contact Deceuninck: Ludo Debever • T +32 51 239 248 • M +32 473 552 335 • ludo.debever@deceuninck.com