

Press Release

Regulated Information – Fourth quarter 2010 trading update

Under embargo until Thursday 27 January 2011 at 7:30 a.m. CET

2010 sales increase 10.1% to € 557.8 million

Sales Q4 exceeds expectations with a YoY 9.3% increase to € 140 million

Q4 2010:

- Sales increase 9.3 % to € 140 million (Q4 2009: € 128.1 million)
- Substantial effect of favourable exchange rates.
- Sales volume: +4.7% ; exchange rates: +4.7% ; mix effects: -0.1%

FY 2010:

- Sales increase 10.1% to € 557.8 million (FY 2009: € 506.4 million)
- Sales volume: +6.4% ; exchange rates: +4.2%; mix effects: -0.4%

Outlook results 2010:

- PVC and additive cost increased to an all time record level. Average PVC resin cost in Europe in 2010 was 20% higher as compared to 2009. (USA: +29%)
- Impact of announced finished product price increases mainly expected as of Q1 2011
- Deceuninck confirms return to profitability as planned supported by the positive impact of operational measures

Tom Debusschere, Deceuninck CEO: *"During the fourth quarter of 2010, overall demand further improved, despite a more difficult comparison base. Sales were particular strong in Turkey and in the United States. The increase in Central & Eastern Europe was driven by strong development in Germany and Russia. The decline in Western Europe was due to weak demand in UK and Spain, as well as an early winter for the region. Sales in France were stable. Demand continued to develop favourably in Belgium and Italy.*

The full year volume increase of 6.4% exceeded our expectations. Underlying demand remained strong. Additionally, the termination of several government incentives aiming at reducing energy waste & CO² emission generated some pull forward in sales.

More detailed information on financial results will be published on 23 February 2011. We confirm our return to profitability for the full year 2010.

For 2011 sales we continue to be cautious. In Germany, the United States and the United Kingdom most of the economic stimulus packages have expired. It remains unclear if public budget cuts in other countries will impact the residential renovation market.

Long term, energy-efficient construction and renovation will continue to grow as an engine of our industry. PVC windows remain the 'best value' solution for energy savings. Deceuninck continues to invest in product innovation, with a focus on insulation values, productivity improvement and service to our Customer.

Fourth quarter and full year 2010 sales per region

Deceuninck's consolidated sales for the fourth quarter 2010 were € 140 million, a year-on-year increase of 10.1% (Q4 2009: € 128.1 million). Volume increased by 4.7%; exchange rates had a favourable impact of 4.7%. Mix effects (country, price and product) remained unchanged (–0.1%)

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

In € million	Q4 2009	Q4 2010	var.	FY 2009	FY 2010	var.
Western Europe	52.1	48.6	–6.7%	208.4	207.5	–0.5%
Central & Eastern Europe (incl. Germany)	40.7	43.4	+6.5%	161.5	172.1	+6.6%
Turkey	20.9	28.8	+37.6%	80.6	108.0	+34.0%
United States	14.3	19.3	+34.5%	55.9	70.2	+25.6%
Total	128.1	140.0	+9.3%	506.4	557.8	+10.1%

Western Europe: Fourth quarter sales in Western Europe were € 48.6 million, a year-on-year decrease of 6.7%. Demand continued to develop favourably in Belgium and Italy. France was stable. Market conditions were weak in UK, Spain and Holland. Sales in nearly all countries were negatively impacted by an early winter offensive.

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, Holland and the United Kingdom.

Central & Eastern Europe (incl. Germany): Sales in the fourth quarter increased year-on-year by 6.5% to € 43.4 million. Recovery continued to be 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.

Full year sales increased 6.6% to € 172.1 million. Besides increased demand, sales were favourably impacted by foreign exchange rates of the Polish Zloty, Czech Crown & Russian Rouble against the euro.

Turkey: Sales growth further intensified in Turkey in the fourth quarter. Sales increased by 37.6% to € 28.8 million (2009: € 20.9 million). At constant exchange rate sales grew 17%.

Full year sales were € 108 million, an increase by 34% (+21% at constant exchange rate)

Sales growth in euro continued to be 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.

United States: Fourth quarter sales were € 19.3 million compared to € 14.3 million a year ago, an increase of 34.5% (+17% at constant exchange rate). 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 quarter stimulated by the year end termination of the \$ 1500 tax credit for the replacement of old windows by the latest generation of highly energy efficient windows. Sales growth expressed in euro continued to be supported by a strong US dollar.

Financial calendar

23	February 2011	2010 annual results
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 EUR 558 million.

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