
Press Release

Regulated Information – Second quarter 2011 trading update
Under embargo until Thursday 14 July 2011 at 7:30 a.m. CET

Deceuninck H1 2011 sales increase 1.3% to € 268.9 million Sales Q2 2011 decrease 2.4%

Half-year 2011

- Consolidated sales increase 1.3% to € 268.9 million (H1 2010: € 265.3 million)
- Sales volume: -2.6%; exchange rates: -2.5%
- Price and mix effects: +6.4%, due to charge through of PVC and additive cost increases and a more favourable geographic mix.
- Overall sales grew 1.3% supported by solid demand in Benelux, France and Germany

Second quarter 2011

- Consolidated sales decrease 2.4% to € 152.3 million (Q2 2010: € 156.1 million)
- Sales volume: -6.1%; exchange rates: -4.1%
- Sales volume developed favourably in Benelux, France, Germany and Turkey, but contrasted with weak demand in the US, Central and Eastern Europe.
- Price and mix effects: +7.7%, due to charge through of PVC and additive cost increases and a more favourable geographic mix.

Outlook 2011

- 2011 top and bottom line expected to be similar to the levels of 2010.

Tom Debusschere, Deceuninck CEO

“Second quarter sales confirmed the brittle recovery of the worldwide economy and regional changes in demand. Whereas the quarter started rather promising and in line with the first quarter, sales volume weakened in the United States, Central Europe and unexpectedly in Russia as the quarter progressed. Demand continued to be favourable in the Benelux, France and Germany. In Turkey sales volume improved further in comparison with the first quarter.

Raw material cost continued its upward trend until May, resulting in a year-on-year average price index increase of 19%. From June onwards upward pressure of raw material prices eased off. At the end of June 2011, PVC resin price index was 9% higher as compared to the end of 2010.

The 6.4% mix increase (country, price and product) is mainly related to price, which confirms that Deceuninck succeeds in passing on the increased costs in the sales prices. As demand was particularly strong in countries selling high added value, a more favourable geographic mix contributed to the increase.



innovation



ecology



design



In the regions where demand was weaker than expected, cost saving measures were introduced in order to protect our full year margins.

Outlook 2011

Taking into account continuing PVC and additive cost increases, the US volume decline and unfavourable exchange rates, Deceuninck expects a 2011 top and bottom line, similar to the levels of 2010.

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 only 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. Deceuninck continues to invest its R&D efforts into sustainable building products to reach its sustainability goals in manufacturing, 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'. Deceuninck brings this message to the market through 'Building a sustainable home'. For more details on the Deceuninck story, see the redesigned www.deceuninck.com"

Regional sales evolution

In € million	Q1 2011	Var.Q1 2010/11	Q2 2011	Var. Q2 2010/11	H1 2011	Var. H1 2010/11	Var.H1 loc.curr.
Western Europe	54.3	+10.3%	62.9	+4.0%	117.2	+6.8%	
Central & Eastern Europe	27.8	+6.6%	44.0	-3.8%	71.8	0.0%	
Turkey	22.4	+5.8%	30.2	-1.1%	52.6	+1.7%	+10.9%
United States	12.0	-5.3%	15.2	-21.5%	27.3	-15.1%	-9.4%
Total	116.6	+6.8%	152.3	-2.4%	268.9	+1.3%	

First half-year 2011 sales per region

Deceuninck's consolidated sales for the first half-year 2011 were € 268.9 million, a year-on-year increase of 1.3% (H1 2010: € 265.3 million). Mix effects (country, price and product) had a favourable impact of 6.4%. Volume decreased by 2.6%; exchange rates negatively impacted sales by 2.5%.

Second quarter 2011 sales per region

Deceuninck's consolidated sales for the second quarter 2011 were € 152.3 million, a year-on-year decrease of 2.4% (Q2 2010: € 156.1 million). Mix effects (country, price and product) had a favourable impact of 7.7%, whereas volume decreased by 6.1%. Exchange rates, especially the Turkish lira, US dollar and British pound had a negative impact on sales of 4.1% in the quarter.

Western Europe

Half-year sales in Western Europe were € 117.2 million, a year-on-year increase of 6.8%. The growth for the region was driven by strong sales in Benelux, France and Italy. Market conditions continued to be weak in Spain, whereas initial signs of stabilisation of demand in UK were not confirmed in the second quarter.

Central & Eastern Europe (incl. Germany)

Half-year sales were stable at € 71.8 million. The increasing sales trend witnessed in the first four months of the year was not confirmed in the traditionally stronger sales months of May and June. Sluggish demand in Russia and Central Europe contrasted with continued double digit sales growth in Germany.



Turkey

Half-year sales increased by 1.7% to € 52.6 million (H1 2010: € 51.7 million). Sales were impacted by the depreciation of the Turkish lira. At constant exchange rate sales grew 12.7% and 10.9% for the second quarter and for the half-year respectively. Exports from Turkey to Northern Africa continued to be negatively impacted by the political instability in the region. Domestic demand improved further throughout the half-year.

United States

Half-year sales fell by 15.1% to € 27.3 million. At constant exchange rates sales fell by 9.4%. Demand was particular weak in the second quarter with a decrease of 12.7% at constant exchange rates and 21.5% expressed in euros. Comparison base with first half-year 2010 was difficult due to 2010 renovation activity supported by various housing tax credits which ran out in April 2010 and December 2010 respectively. Residential renovation activity was additionally affected by falling housing prices, relatively high unemployment and tight credit markets.

Financial calendar

26	August	2011	2011 half-year results
20	October	2011	Q3 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