
Press release

Regulated information – First quarter 2013 trading update
Under embargo until Tuesday 14 May 2013 at 7:30 a.m. CET

Weak winter sales in Europe partly offset by solid growth in Turkey and US

Deceuninck Q1 2013 sales -5.8% to €111.2 million

Sales breakdown Q1 2013

- Consolidated Q1 sales decrease 5.8% to €111.2 million (Q1 2012: €118.0 million).
- Volume: -2.0%, lower number of working days due to bad weather as compared to Q1 2012 combined with weak underlying economy in Europe. Volume growth in Turkey and in the US.
- Exchange rates: -0.3%
- Mix effects: -3.5% as a result of changed product and geographical mix.

Tom Debusschere, Deceuninck CEO:

“The start of the year 2013 was more challenging than expected. The harsh and long winter resulted in a lower number of working days in the building sector, compared to Q1 2012. Combined with the sluggish underlying demand in Europe this resulted in a 15% and a 9% decline for Western and Central & Eastern Europe respectively. Turkey and our emerging markets continued to develop favourably with a 14% increase. Sales in the US grew 1.9% in spite of bad winter weather in the Northern States.

In the mean time we roll out our latest innovations. In Belgium and France, our first Customers started assembling glass fibre reinforced Zendow#neo windows. During trade fairs in Belgium, Italy and the UK, we successfully launched our new Omniral windows. Omniral is our new proprietary coating technology with the look and feel of powder coat. Our new process provides a colour on all four sides of the PVC profile. As a result the end consumer receives a fully coated window. No more “white plastic”... Also when opening the window there are no longer PVC parts visible

Outlook full year 2013

The first quarter is traditionally our weakest. At the start of the second quarter we see order book improving with warmer outside temperatures. We expect continued sluggish demand in Western and Central Europe, with the exception of Germany. The public debt crisis and government austerity programmes continue to weigh on consumer confidence and hence on energy efficient renovation. Market conditions remain healthy in our growth markets Russia, Turkey and US.

The uncertain picture combined with a short order book, typical to the industry, does not allow Deceuninck to give a quantified guidance for 2013.

We continue to protect our margins and maintain profitability through innovation, continuous productivity improvements and rigorous cost control.”





Innovation – PVC remains the most economical solution for best insulation. Deceuninck introduced the Zendow#neo window system, which substitutes traditional steel reinforcements with glass fibre, already built into the profile. This high technology linktrusion® concept offers the best insulation at the lowest material consumption: “The greenest raw material is the one you do not consume”

Deceuninck North America increased the capacity for the production of its exclusive glass fibre Innergy® reinforcements, which substitutes aluminium for better insulation values.

Ecology – PVC continues to improve its ecological footprint. In October Deceuninck opened a new post-consumer rigid PVC recycling factory, adjacent to the existing compounding site in Diksmuide, Belgium. By integrating the new unit within existing buildings, land, infrastructure and lab equipment, Deceuninck was able to limit the cash out for this investment to €3 million. Building a similar 20,000 tonnes per annum factory as a greenfield would be valued at €12 million. Deceuninck expects to fill the capacity by 2016.

In Turkey, Egepen/Deceuninck launched Flora, a coextruded system which allows better reuse of recycled material.

Design – PVC windows now also become a true architectural solution for beautiful aesthetics in the home, school or office building. Ever more intricate wood surface decors and coated colours become available to the market. In 2012 Deceuninck invested in a new €3 million automated coating factory in Gits, Belgium. The new proprietary coating process produces profiles with a powder coated look on all four sides, which results in a window without any visible plastic. The new Omniral® coating brings the end consumer the look and feel of an aluminium window, but with the insulation values of a high quality PVC product. Omniral® was launched at Trade shows in Belgium, Italy and the UK.

Markets

In €million	Q1 2013	Q1 YoY	Var. Q1 loc.curr.
Western Europe	43.5	-15.0%	
Central & Eastern Europe	27.0	-9.2%	
Turkey & Emerging Markets	26.5	+14.2%	+15.0%
United States	14.2	+1.9%	+ 4.8%
Total	111.2	-5.8%	

Western Europe

First quarter sales in Western Europe were €43.5 million, a year-on-year decrease of 15%. Exceptionally long and harsh winter conditions combined with sluggish underlying demand impacted construction activity in the entire region. As an example, the number of working days lost on building sites in Belgium was twice as high as Q1 2012. Underlying demand in both Belgium and France was weak. Against the trend, Italy saw sales increase as a result of the successful launching of product innovations during early year trade fairs. Sales of window systems in the UK seem to be bottoming out. In general residential renovation and newbuild activity in the region continues to be impacted by low consumer confidence as a result of the on-going economic and financial crisis.

Central & Eastern Europe (incl. Germany)

First quarter sales in Central & Eastern Europe were €27.0 million, a year-on-year decrease of 9.2%. Year-on-year comparison base was difficult. Exceptionally long and harsh winter conditions impacted construction activity in most of the countries of the region including Russia. With the exception of Germany and Russia government austerity programmes and lack of consumer confidence weigh on energy efficient renovation and home building



Turkey and Emerging Markets

First quarter sales in Turkey and Emerging Markets increased by 14.2% to €26.5 million. (at constant exchange rates +15.0%) Strong economic growth supports solid sales volumes in both domestic and export markets. On the domestic market sales into residential, newbuild was stronger than renovation.

Gradual build up of business in India and South America has started from our local branches.

United States

First quarter sales at Deceuninck North America were solid at €14.2 million, an increase of 1.9%. At constant exchange rates sales increased 4.8 % in spite of bad weather conditions in the North in March. Sales grew modestly but steady on the back of a sustainable housing recovery and improving consumer confidence. Housing construction passed the psychological mark of one million starts in March. Sales growth at Deceuninck North America was supported by product innovations, new Customers and external raw material sales.

Financial calendar 2013

23	July	2013	2013 half-year results
24	October	2013	Q3 2013 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 about 2700 people in 25 countries, of which 600 in Belgium. Deceuninck sales in 2012 were €556.9 million with a net positive result of €4.2 million.

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