

Press release

Regulated information – 1Q 2014 trading update
Under embargo until Tuesday 13 May 2014 at 7:00 a.m. CET

Deceuninck 1Q sales increase +3.8% to € 115 million. Volume growth (+11.4%) supported by a mild winter was offset by unfavourable currencies (-8.4%).

Sales breakdown

	2014
year-on-year	1Q
Exchange rates	-8.4%
Volume	+11.4%
Mix	+0.9%
Total	+3.8%

Tom Debusschere, Deceuninck CEO:

"Double digit volume growth in Europe and Turkey during 1Q exceeded our expectations. The impact of the strong euro on exchange rates (mainly TRY, RUB, USD and CZK) offset the strong volume growth.

In Europe, the winter was mild as compared to an exceptionally harsh winter in 1Q 2013. We estimate that volume growth in the Eurozone was predominantly driven by favourable weather rather than an underlying sustained improvement of renovation and newbuild activity. Double digit sales increases were recorded in all markets with the exception of France and some countries in the Balkan region.

US sales improved 4% at constant exchange rates, despite harsh winter conditions, confirming an underlying strong demand.

Growth continues in Turkey & Emerging Markets. Sales increased 15% at constant exchange rates, driven by a mild winter and competitive wins. The low cost basis and the availability of highly skilled people allows our Turkish division to become the export hub of Deceuninck.

Markets in Asia, Africa and Latin America are now being served with high quality, competitive products from Turkey. Following the start of a new warehouse in India in 2012, Deceuninck started a warehouse in Santiago de Chile to serve the Latin American market.

Outlook full year 2014

In most of Europe, an improved economic sentiment is mitigated by continued high unemployment and negative sentiment in the construction sector. Mainly the market in France is a concern. On the other hand UK and Germany are showing continued growth. The start of the second quarter shows year-on year stable volumes. In the US, we expect continued strong performance after the severe winter season. Turkey & Emerging Markets continue their growth path.



innovation



ecology



design

The fragile economic recovery, the volatility of exchange rates do not allow Deceuninck to give a quantified guidance for full year 2014. The weak Turkish lira and Russian ruble are expected to have an impact on consolidated sales and EBITDA.

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

Sales breakdown per region

In € million	2014		Var.2013
	1Q		Loc.curr.
Western Europe	46.4	+6.7%	
Central & Eastern Europe	29.3	+8.5%	
Turkey & Emerging Markets	25.5	-3.8%	+15.1%
North America	14.3	+0.5%	+ 4.0%
Total	115.5	+3.8%	

Western Europe

1Q 2014 sales in Western Europe increased 6.7% to € 46.4 million (1Q 2013: € 43.5 million) supported by exceptionally mild winter conditions.

All countries showed double digit sales growth, except for the French market. In France there is a strong contraction of activity in both newbuild and renovation market.

Underlying sales in UK and Italy continue to be strong. Also Belgium is showing improvement. The bottoming out of demand in the Netherlands and Spain continues.

Central & Eastern Europe (incl. Germany)

1Q 2014 sales in Central & Eastern Europe increased year-on-year 8.5% to € 29.3 million (1Q 2013: € 27.0 million). Sales were negatively impacted by the weakness of currencies such as the RUB and CZK.

All markets recorded double digit growth with the exception of some of the countries in the Balkan region.

Extremely mild winter conditions supported sales. Volumes in Russia were robust and not affected by the build up of political tension at the Ukraine border.

The continued focus on "Building a sustainable home. Innovation-Ecology-Design" resulted in a major recognition at the early year trade fairs in which Deceuninck participated. At this year's Fensterbau/Frontale in Nürnberg, Europe's largest biennial window trade fair Inoutic/Deceuninck won the innovation award for architecture for a door frame produced from Deceuninck's US patented Rovex™ material. Rovex™ is an advanced fiberglass reinforced resin technology. Rovex™ profiles are an alternative to badly insulating metal reinforcements.



Turkey & Emerging Markets

1Q sales in Turkey & Emerging Markets decreased by 3.8% to € 25.5 million (at constant exchange rates +15.1%). Despite a slow down in economic growth and political tension, volumes increased due to a mild winter and competitive wins. The year on year 29% weaker TRY wiped out the positive volume effect.

Gradual build up of business in India and South America continued. Turkey has become Deceuninck's export hub for developing Emerging Markets thanks to its competitive cost basis, the availability of skilled labour and a product offering, fitting the needs of the local market. The current target regions are Latin America and India. Sales in India are supported through the Turkish subsidiary, Ege Profil from a warehouse in Chennai. For Latin America, Ege Profil and Deceuninck North America have the products in place to meet all the needs of the region. In 2013 Ege Profil founded Deceuninck Importadora Ltda. in Santiago de Chile with a 3600m² warehouse.

North America

1Q 2014 sales remained stable (+0.5%) at € 14.3 million. At constant exchange rates sales increased 4.0% in spite of harsh winter conditions, confirming an underlying strong demand. Remodelling activity remains strong, but market growth is constrained by labour shortage and credit availability. Newbuild housing continued to show modest recovery.

Deceuninck North America's strategy of introducing innovative products and materials, creating brand awareness, gaining new Customers, and reinforcing current Customer relations paid off. This resulted in higher than market sales growth.

Financial calendar 2014

23	July	2014	2014 half-year results
23	October	2014	3Q 2014 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 2700 people in 25 countries. Deceuninck sales in 2013 were € 536.5 million with a net positive result of € 8.4 million.

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