deceuninck

Press release

Regulated information – Q1 2016 trading update

Under embargo until Tuesday 10 May 2016 at 7:00 a.m. CET

Deceuninck Q1 2016: 6% organic sales growth to € 144.4 million.

- Francis Van Eeckhout appointed CEO.
- Volume increase in all key regions supported by mild winter and more positive economic climate in US and Southern Europe, compensating for challenging market conditions in Russia
- Negative currency impact mainly explained by weakening of TRY
- Positive effect from price increases and improved product mix
- Raw material prices remain in line with last year despite lower oil prices

Pierre Alain Baron De Smedt comments on the appointment of Francis Van Eeckhout as CEO:
"Since 1 March 2016 Francis Van Eeckhout has been acting as CEO ad interim. The Board, advised by the Remuneration Committee, asked him to permanently take up the function. We were pleased that Francis accepted. The Board looks forward to a successful cooperation and will support Francis to realize the Company's strategy and ambitious growth plans."

Q1 2016 Sales performance

% of sales	Total	W-Europe	C&E-Europe	Turkey & EM	N-America
		Year-on-Year changes			
Q1 2015 Sales (in € million)	**136.2**	**39.9**	**34.6**	**40.6**	**21.2**
Evolution at constant exchange rates	*+11.5%*	*+10.9%*	*-4.8%*	*+25.4%*	*+13.0%*
Impact exchange rates	*-5.5%*	*-0.6%*	*-2.1%*	*-17.6%*	*+2.6%*
Total	**+6.0%**	**+10.3%**	**-6.9%**	**+7.8%**	**+15.6%**
Q1 2016 Sales (in € million)	**144.4**	**44.0**	**32.2**	**43.8**	**24.5**

Western Europe

Q1 2016 sales in Western Europe increased year-on-year 10.3% to € 44.0 million (Q1 2015: € 39.9 million), representing 30.5% of Q1 2016 consolidated sales (Q1 2015: 29.3%)

This positive trend is driven by window profiles with successful new product launches, competitive wins and on average a more positive economic climate. In UK, Spain, Italy, the Netherlands Deceuninck recorded double digit sales growth. Sales in France declined slightly despite improving indicators. Other countries stabilized.

Central & Eastern Europe (incl. Germany)

Q1 2016 sales in Central & Eastern Europe decreased year-on-year by 6.9% to € 32.2 million (Q1 2015: € 34.6 million). At constant exchange rates sales decreased -4,8%.
Central & Eastern Europe represents 22.3% of Q1 2016 consolidated sales (Q1 2015: 25.4%)

This decrease is mainly explained by the challenging market conditions in Russia and our decision to phase out selected low margin product lines in Central Europe which offset the organic sales growth in export countries. Sales in Germany remained stable.

Turkey & Emerging Markets

Q1 2016 sales in Turkey & Emerging Markets increased by 7.8% to € 43.8 million (Q1 2015: € 40.6 million). At constant exchange rates sales increased +25.4%. Turkey & Emerging Markets represent 30.3% of Q1 2016 consolidated sales (2015: 29.8%)

This increase was driven by strong volume growth in all brands, in spite of a challenging economic and geopolitical environment, which is partially offset by a weakening of the Turkish Lira.

Following the commercial integration of Pimapen in 2015, we are well on track with the operational integration in 2016. By the end of March 2016 all operations of Pimapen in Gebze were integrated in the Kartepe facilities. In parallel the new Menemen logistics centre became operational and the construction of the manufacturing plant and offices in Menemen remains on track. The construction should be finished by early 2017.

In the Emerging Markets Chile continued to grow, but activities in Brazil remain weak as a result of the challenging political and economic environment.

Export activities of the region represent 13% of the sales of the region.

North America

Q1 2016 sales increased by 15.6% to € 24.5 million (Q1 2015: 21.2 million). At constant exchange rates, sales increased by 13.0%. North America represents 16.9% of Q1 2016 consolidated sales (Q1 2015: 15.5%)

The increase is explained by a strong first quarter in renovation and new housing sector, customer wins and temporary support due to a relative warm winter in the Northeast and Midwest. The impact of the divestment of the building product division in the first quarter on sales was compensated by the strong window profile sales increase. The construction of the new production facility in Fernley, NV, near Reno, is on track and will start production In Q3 2016.

Outlook 2016

Growth is expected to continue throughout 2016 on the back of innovative product launches and improved customer service. The expansion projects in Turkey and in the US and the manufacturing efficiency projects are on track. Macro-economic and political uncertainty in our end markets is closely monitored. Currencies and raw material prices as well as start-up costs of the planned efficiency and growth initiatives will further impact EBITDA.

Date for the publication of the half year results has been changed into 26 August 2016.

Financial calendar 2016

26	August	2016	1H 2016 results*
21	October	2016	3Q 2016 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 serves >4000 customers in 91 countries from 14 factories and 22 warehouses located in 19 countries in North & South America, Europe (incl. Russia & Turkey) and Asia. Deceuninck employs 3600 people across all continents.

The head office of the Group is located in Belgium.

The Deceuninck Group achieved sales of € 644.5 million in 2015 with a net result of € 13.3 million.

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