Deceuninck NV

Half Year Financial Report 2010

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1. Management Report

1.1. Key figures

CONSOLIDATED INCOME STATEMENT IN MILLION €	30 June 2010 Unaudited	30 June 2009 Unaudited
Net sales	265.3	239.3
EBITDA	28.6	8.9
EBITDA-margin (%)	10.8%	3.7%
REBITDA	29.0	20.1
REBITDA-margin (%)	10.9%	8.4%
EBIT	12.7	-7.0
EBIT-margin (%)	4.8%	-2.9%
EBT	3.0	-11.3
EBT-margin (%)	1.1%	-4.7%
Net profit (+)/loss (-)	3.8	-8.9
Net profit (+)/loss (-) -margin (%)	1.4%	-3.7%
Earnings per share (in €)	0.03	-0.41

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN MILLION €	30 June 2010 Unaudited	31 December 2009 Audited
Non-current assets	255.5	248.6
Current assets	246.3	221.2
Equity	211.1	197.4
Provisions	19.3	18.7
Deferred tax liabilities	3.9	5.0
Interest-bearing LT loans	124.5	129.9
Current liabilities	143.0	118.8
Balance sheet total	501.8	469.8
Working capital	137.1	99.5
Capital expenditures	7.8	16.0
Net debt	142.5	112.5
Equity/Balance sheet total (%)	42.1%	42.0%
Net profit (loss)/Equity (%)	1.8%	-8.6%
Gearing (%)	67.5%	57.0%

HEADCOUNT (INCLUDING TEMPORARY WORKERS AND OUTSOURCED FTES)	30 June 2010 Unaudited	31 December 2009 Audited
Total Full-Time Equivalents	2,967	2,816

1.2. Analysis of the results

Sales

First half 2010 sales amounted to € 265.3 million against € 239.3 million last year (+10.9%). Volume increased by 7.7%; exchange rates had a favourable impact of 3.6% and mix effects were -0.4%.

Western Europe: Sales during the first half increased by 3.9% to € 109.7 million (2009: € 105.6 million). In almost all countries sales were supported by government incentive programmes and stricter building codes relating to energy efficiency.

Central & Eastern Europe (incl. Germany): After a weak first quarter, driven by a harsh winter, demand recovered gradually from mid March onwards in a competitive market. Sales in the first half year increased year-on-year by 2.6% to € 71.8 million. Sales growth was mainly triggered by strong demand in Russia. Sales in the second quarter increased in almost all countries. Sales were favourably impacted by foreign exchange rates of the Polish Zloty, Czech Crown & Russian Rouble against the euro.

Turkey: H1 2010 sales were € 51.7 million, an increase by 38.2% (+28.1% at constant exchange rate). Sales growth in euro was 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: During the first half sales increased by 22.3% to € 32.1 million (+19.9% at constant exchange rate). Demand from the residential renovation segment remained strong. Sales growth was supported by a strong US dollar against a weaker euro.
From June onwards the growth rate started to slow down considerably as a result of the discontinuation of tax incentives for new homes.

Financial results

1. REBITDA

The recurring operating cash flow (REBITDA) amounted to € 29 million against € 20.1 million last year. The REBITDA margin was 10.9% against 8.4% in H1 2009. Despite increased raw material costs REBITDA margin improved 44.3% year on year due to increased sales volume and the cost saving measures implemented in 2009.
EBITDA (operating cash flow) was € 28.6 million against € 8.9 million in the first half of 2009.

2. EBIT

The operating result (EBIT) was € +12.7 million against € -7.0 million during the first half of 2009. EBIT margin was 4.8%.
Depreciations and other non-cash costs remain unchanged year on year at € 15.9 million.

3. Financial result & Taxes

Financial result was € -9.7 million (H1 2009: € -4.3 million), mainly driven by the unfavourable exchange rate impact of USD denominated loans.Interests paid on loans decreased from € 7.4 million in H1 2009 to € 5.9 million in H1 2010 as a result of lower usage of available credit lines. Incoming interest decreased to € 0.3 million from € 2.1 million last year. As a consequence net interest expenses increased € 0.3 million from € 5.3 million in H1 2009 to € 5.6 million.
Deferred tax benefits amounted to € 0.8 million.

4. Net result

The net result of H1 2010 is a profit of € 3.8 million against a loss of € 8.9 million in the first half of 2009. The improved cost structure as a result of operational restructuring in 2009, and the absence of significant exceptional costs in 2010, has resulted into a return to profitability.

5. Net financial debt

The net financial debt amounted to € 142.5 million. Net debt is traditionally higher at 30 June as compared to year end due to Deceuninck's business seasonality. Comparison with June 2009 is of limited relevance due to the October 2009 financial restructuring. Net debt on 30 June 2009 was € 189.4 million, but was reduced in the 2nd half of 2009 as a result of the rights issue.

6. Working Capital

Working capital increased from € 99.5 million on 31 December 2009 to € 137.1 million on 30 June 2010, mainly driven by higher sales and traditional business seasonality.

Accounts receivables increased mainly due to strong sales in the second quarter.

Available cash allows targeted use of cash discounts on payables.

Inventories increased with increased sales and higher costs of raw materials.

As a result working capital on 30 June 2010 was 22.1% of annualised sales compared to 16% on 31 December 2009.

7. Capex

Capital expenditures during first half of 2010 were € 7.8 million. € 3.8 million of the capital spent relates to new extrusion tools, the remaining € 4.0 million relates to expenditures in operational improvement and maintenance.

8. Headcount

On 30 June 2010 the Group employed 2967 FTEs (including temporary workers and outsourced FTEs) as compared to 2816 FTEs on 31 December 2009. The increase mainly relates to increased direct labour reflecting higher sales volume, adjusted for the labour productivity improvement realised in 2009-2010.

1.3. Outlook for 2010

Deceuninck continues to be cautious: year on year growth rate started to slow down in the United States towards the end of the quarter. The impact of worldwide reduced government spending on renovation & residential newbuild expenditures remains unclear.

Long term, energy-efficient construction and renovation will continue to grow as an engine of our industry. In June 2010, the new European Energy Performance on Buildings Directive (EPBD) was published. By the end of 2020 all new constructions in Europe will be “nearly zero” energy buildings. PVC windows remain the ‘best value’ solution for energy savings. Deceuninck continues to invest in product innovation – focussed mainly on insulation values, productivity improvement and service to our Customer.

PVC and additives costs are now in their 7th consecutive month of increase, and remain cause for concern. For the full year 2010, Deceuninck raised its top line expectations. A single digit sales increase is expected. Deceuninck remains on schedule to return to profitability.

1.4. Risks and uncertainties

The principal market risks for Deceuninck are fluctuations in raw material prices, exchange rates and interest rates.

It is the intention of the Group to understand each of these risks separately, so that strategies can be developed to manage their economic impact on the results of the Group.

Some of these strategies foresee the use of financial derivatives. The changes in fair value of these financial instruments are, similar to the changes in the valuation of the underlying monetary assets and liabilities, expensed. The Group no longer applies hedge accounting as defined in IAS 39 – Financial instruments: recognition and measurement.

The derivative financial instruments used by the Group in 2010 include forward contracts, interest options and currency options.

Risk attributable to the evolution of raw material prices

Deceuninck limits the adverse consequences of fluctuations in raw material prices on the results through the use of sales contracts in which sales prices are, to a considerable extent, coupled to the evolution of raw material prices (external market index). This system is more applicable in the United States than in other parts of the world.

Hedging of raw materials (primarily PVC) by way of specific banking or insurance products is continuously examined and considered, but until now has not been sufficiently effective, given the niche market for these raw materials.

Foreign exchange risks

Due to the international character of its operations, the Group increasingly has to take various exchange rate risks into account in the area of loans, investments, sales and purchases in foreign currencies. The most important foreign currency positions relate to USD, TRY, GBP, PLN, CZK and RUB.

Deceuninck monitors its foreign exchange rate risk as much as possible by means of "natural hedging". The Group aims to limit its risks by offsetting monetary assets in one currency (for example trade receivables) against monetary liabilities (for example trade debts) in the same currency. The remaining exchange rate risk, after the optimization of the natural hedging will be covered with financial instruments ("financial hedging") if the cost is considered as reasonable.

The most important financial instruments used by the Group for the hedging of foreign exchange rate risks are forward contracts and (either zero-cost or non-zero-cost) options.

The purpose of the policy of Deceuninck is to protect its subsidiaries as much as possible from exchange rate risks, meaning that such risks are primarily managed at Group level, taking into account the cost versus the actual risk.

The most important foreign exchange rate risk for Deceuninck relates to the position in USD. This risk is closely related to private placements in USD. In order to limit this risk the Group has acquired call-options in October 2009. These call-options entitle the Group to buy USD at maturity date at a rate of 1.25 USD/EUR.

Interest rate risk

The interest rate risk of Deceuninck mainly results from the fact that a considerable part of the financial debt is borrowed at a variable interest rate.

In order to cover increases of the interest rates, applicable to the new credit facilities closed in September 2009 with a consortium of Belgian banks, Deceuninck has entered into so called interest-caps agreements in October 2009. These financial instruments preserve the Group from increases of the interest rate (Euribor 3 months) above 2.00% and 3.50% respectively.

2. Interim condensed consolidated financial statements

2.1. Consolidated income statement

FOR THE SIX MONTH PERIOD ENDED 30 JUNE IN THOUSAND €	Notes	2010 Unaudited	2009 Unaudited
Net sales	2	**265,295**	**239,257**
Cost of goods sold		-182,008	-166,357
Gross profit		**83,287**	**72,900**
Marketing, sales and distribution expenses		-47,007	-48,166
Research and development expenses		-2,786	-2,351
Administrative and general expenses		-20,526	-20,483
Other net operating expenses		-252	-8,884
Operating result		**12,716**	**-6,984**
Financial charges		-26,740	-15,730
Financial income		17,001	11,405
Profit (+) / loss (-) before taxes		**2,977**	**-11,309**
Income taxes	4	827	2,444
Profit (+) / loss (-) for the financial year		**3,804**	**-8,865**
The result for the financial year is attributable to:			
Shareholders of the parent company		3,688	-8,888
Non-controlling interests		116	23
Earnings (+) /loss (-) per share distributable to the shareholders of the parent company (in €):			
Basic earnings (+) / loss (-) per share		0.03	-0.41
Diluted earnings (+) / loss (-) per share		0.03	-0.41

2.2. Consolidated statement of comprehensive income

FOR THE SIX MONTH PERIOD ENDED 30 JUNE IN THOUSAND €	2010 Unaudited	2009 Unaudited
Profit (+) / loss (-) for the financial year	3,804	-8,865
Other comprehensive income (+) /loss (-):		
Currency translation adjustments	8,379	-2,940
Profit (+) /loss (-) on financial instruments	0	-2,281
Income tax effect	0	776
Total net profit (+) /loss (-) on financial instruments	0	-1,505
Profit (+) /loss (-) on financial assets available for sale	0	-56
Other comprehensive income (+) /loss (-) after tax impact	8,379	-4,501
Total comprehensive income (+) /loss (-)	12,183	-13,366
The total comprehensive income (+) /loss (-) is attributable as follows:		
Shareholders of the parent company	11,900	-13,386
Non-controlling interests	283	20

2.3. Consolidated statement of financial position

IN THOUSAND €	Notes	30 June 2010 Unaudited	31 December 2009 Audited
ASSETS			
Intangible fixed assets		5,475	5,442
Goodwill		10,882	10,843
Tangible fixed assets		223,858	219,569
Financial fixed assets		1,274	1,274
Deferred tax assets		11,987	9,459
Long-term receivables		1,963	2,047
Non-current assets		**255,439**	**248,634**
Inventories		79,209	59,732
Trade receivables		122,725	96,720
Other receivables		12,624	9,705
Cash and cash equivalents	5	28,139	50,902
Fixed assets held for sale		3,631	4,143
Current assets		**246,328**	**221,202**
Total ASSETS		**501,767**	**469,836**
EQUITY and LIABILITIES			
Issued capital		42,495	42,495
Share premiums		46,355	46,355
Consolidated reserves		136,712	131,512
Treasury shares		-651	-651
Currency translation adjustments		-15,285	-23,497
Equity excluding non-controlling interest		**209,626**	**196,214**
Non-controlling interest		1,504	1,221
Equity including non-controlling interest		**211,130**	**197,435**
Interest-bearing loans		124,483	129,883
Long-term provisions		19,259	18,716
Deferred tax liabilities		3,927	4,980
Non-current liabilities		**147,669**	**153,579**
Interest-bearing loans		46,128	33,549
Trade debts		64,833	56,967
Tax liabilities		8,324	6,034
Employee related liabilities		13,280	10,646
Other liabilities		10,403	11,626
Current liabilities		**142,968**	**118,822**
Total EQUITY and LIABILITIES		**501,767**	**469,836**

2.4. Consolidated statement of changes in equity

IN THOUSAND €	Issued capital	Share premiums	Consolidated reserves	Treasury shares	Currency translation adjustments	Total equity attributable to shareholders of the parent company	Non-controlling interest	Total
As per 1 January 2010 (Audited)	42,495	46,355	131,512	-651	-23,497	196,214	1,221	197,435
Profit (+) / loss (-) for the financial year			3,688			3,688	116	3,804
Other comprehensive income (+) / loss (-)					8,212	8,212	167	8,379
Total comprehensive income (+) / loss (-)	0	0	3,688	0	8,212	11,900	283	12,183
Other – deferred taxes			1,402			1,402		1,402
Share based payments			110			110		110
As per 30 June 2010 (Unaudited)	42,495	46,355	136,712	-651	-15,285	209,626	1,504	211,130

IN THOUSAND €	Issued capital	Consolidated reserves	Revaluation at fair value	Treasury shares	Currency translation adjustments	Total equity attributable to shareholders of the parent company	Non-controlling interest	Total
As per 1 January 2009 (Audited)	8,499	151,793	2,120	-4,220	-22,181	136,011	1,095	137,106
Profit (+) / loss (-) for the financial year		-8,888				-8,888	23	-8,865
Other comprehensive income (+) / loss (-)			-1,561		-2,937	-4,498	-3	-4,501
Total comprehensive income (+) / loss (-)	0	-8,888	-1,561	0	-2,937	-13,386	20	-13,366
Share based payments		72				72		72
As per 30 June 2009 (Unaudited)	8,499	142,977	559	-4,220	-25,118	122,697	1,115	123,812

2.5. Consolidated statement of cash flows

FOR THE SIX MONTH PERIOD ENDED 30 JUNE IN THOUSAND €	Notes	2010 Unaudited	2009 Unaudited
OPERATING ACTIVITIES			
Profit (+) / loss (-) for the financial year		3,804	-8,865
Depreciation (in)tangible fixed assets		14,247	15,641
Impairments of (in)tangible fixed assets		692	461
Provision for pensions, restructuring and other risks & charges		-554	-1,498
Impairments on current assets		1,484	1,293
Net financial charges		9,739	4,325
Profit on sale of tangible fixed assets		-125	-1,049
Loss on sale of tangible fixed assets		52	169
Income taxes	4	-827	-2,444
Share based payment transactions settled in equity		110	72
Cash flow from operating activities before movements in working capital and provisions		**28,622**	**8,105**
Decrease/(increase) in trade debtors and other receivables		-29,362	-10,327
Decrease/(increase) in inventories		-19,141	12,826
Increase/(decrease) in trade debts		7,867	-21,619
Decrease/(increase) in other non-current assets		84	2,188
Decrease/(increase) in other current assets		-803	-285
Increase/(decrease) in other non-current liabilities		778	-3,572
Increase/(decrease) in other current liabilities		3,107	-5,874
Cash flow generated from operating activities		**-8,848**	**-18,558**
Interest received		1,072	1,192
Income tax paid		-1,723	-914
CASH FLOW FROM OPERATING ACTIVITIES		**-9,499**	**-18,280**
INVESTING ACTIVITIES			
Cash receipts on sale of tangible fixed assets		650	6,931
Purchases of tangible fixed assets		-7,803	-8,008
Purchases of intangible fixed assets		0	-432
Other transactions		0	53
CASH FLOW FROM INVESTING ACTIVITIES		**-7,153**	**-1,456**

FOR THE SIX MONTH PERIOD ENDED 30 JUNE IN THOUSAND €	Notes	2010 Unaudited	2009 Unaudited
FINANCING ACTIVITIES			
New long-term debts		0	133
New short-term debts		0	72,469
Repayments short-term debts		-10,319	-51,065
Interest paid		-5,892	-7,854
Net financial charges, excluding interests		13,485	956
CASH FLOW FROM FINANCING ACTIVITIES		**-2,726**	**14,639**
Net increase (+) / decrease (-) in cash and cash equivalents		**-19,378**	**-5,097**
Cash and cash equivalents as per 1 January	5	50,902	46,819
Impact of exchange rate fluctuations		-3,385	440
Cash and cash equivalents as per 30 June	5	28,139	42,162

2.6. Notes to the interim condensed consolidated financial statements

1. Basis of presentation

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The condensed interim financial report is in compliance with IAS 34, Interim Financial Reporting.

The interim condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as in the 31 December 2009 annual financial statements, except for the new standards and interpretations which have been adopted as of January, 2010 (see "New amended IFRS standards and IFRIC interpretations" below) and which had no significant impact on the interim condensed consolidated financial statements.

New amended IFRS standards and IFRIC interpretations

- IFRS 1 First-Time Adoption of IFRS (Revised), effective 1 January 2010
- IFRS 1 First-Time Adoption of IFRS – Additional Exemptions for First-time Adopters, effective 1 January 2010
- IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Arrangements, effective 1 January 2010
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended), effective 1 July 2009
- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items, effective 1 July 2009
- IFRIC 12 Service Concession Arrangements, effective 1 April 2009
- IFRIC 15 Agreements for the Construction of Real Estate, effective 1 January 2010
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation, effective 1 July 2009
- IFRIC 17 Distributions on Non-cash Assets to Owners, effective 1 November 2009
- IFRIC 18 Transfers of Assets from Customers, effective 1 November 2009
- Improvements to IFRSs, effective 1 January 2010

2. Operating segment information

For management purposes, the group is organized in business units based on their geographical location and has the following three reporting segments:

– Western Europe: Benelux, France, Spain, Italy, Germany en the United Kingdom
– United States
– Central Europe, Eastern Europe, Asia and Australia: Bulgaria, the Balkan countries, Lithuania, Poland, Russia, the Czech Republic, Romania, Turkey and Thailand

No operating segments have been aggregated to form the above reporting segments.

Transfer prices between the operating segments are on an 'at arm's length' basis, similar to transactions with third parties. The measurement basis for the reportable segments is the same as for the financial statements.

FOR THE SIX MONTH PERIOD ENDED 30 JUNE (BALANCE SHEET COMPARATIVES AT 31 DECEMBER 2009) IN THOUSAND €	Western Europe		United States		Central & Eastern Europe, Asia and Austalia		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009
Sales	218,844	206,197	32,142	26,433	113,366	96,139	364,352	328,769
Inter-segment sales	-86,949	-75,960	0	-144	-12,108	-13,408	-99,057	-89,512
External sales	131,895	130,237	32,142	26,289	101,258	82,731	265,295	239,257
As% of the consolidated sales	49.7%	54.4%	12.1%	11.0%	38.2%	34.6%	100%	100%
Operating profit (+) / loss (-)	8,957	-1,802	2,145	-3,854	1,614	-1,328	12,716	-6,984
As% of the external sales	6.8%	-1.4%	6.7%	-14.7%	1.6%	-1.6%	4.8%	-2.9%
Segment assets	237,390	227,783	49,406	41,594	214,971	200,459	501,767	469,836

3. Seasonality of operations

Due to the seasonal nature of the construction industry, the demand is higher during the spring and summer period.

4. Income taxes

The major components of income tax expense in the consolidated income statement are:

FOR THE SIX MONTH PERIOD ENDED 30 JUNE IN THOUSAND €	2010	2009
Income taxes		
Current income tax expense	-1,721	-821
Deferred income tax expense	2,548	3,265
Income tax reported in the income statement	827	2,444
Income tax recognised in other comprehensive income	0	776
Total income taxes	827	3,220

5. Cash and cash equivalents

IN THOUSAND €	30 June 2010	31 December 2009
Cash and current bank accounts	17,535	23,707
Restricted cash	1,183	1,181
Short term deposits	9,421	26,014
Total	28,139	50,902

The restricted cash contains cash on a deposit account held by the Irish subsidiary Eurisk RE ltd. This subsidiary has the principal activity of an insurance company in Ireland. As a result they are legally required to hold a minimum amount in cash. This amount is currently set at € 1.2 million.

The purpose is to liquidate Eurisk RE Ltd. during 2010 and it is expected that these funds will become available for the Group.

6. Other financial assets and financial liabilities

Deceuninck uses the following hierarchical classification in determining and explaining the fair value of financial instruments by valuation technique.

- Level 1: quoted (not adjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques that use input with a significant impact on the recorded fair value that is not based on observable market data.

During the reporting period ending 30 June 2010, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As of 30 June 2010 the Group has the following financial instruments:

IN THOUSAND €	30 June 2010	Level 1	Level 2	Level 3
Assets at fair value				
– FX options	3,309		3,309	
– Interest options (cap)	445		445	
– Shares (not-listed, held for sale)	66		66	
Liabilities at fair value				
– FX forward contracts	524		524	

As of 31 December 2009 the Group has the following financial instruments:

IN THOUSAND €	31 December 2009	Level 1	Level 2	Level 3
Assets at fair value				
– FX options	1,203		1,203	
– Interest options (cap)	1,215		1,215	
– Shares (not-listed, held for sale)	66		66	
Liabilities at fair value				
– FX forward contracts	1,246		1,246	

7. Related parties

During 2010, the Group made purchases valued at € 85 thousand (€ 67 thousand as per 30 June 2009), under normal market conditions, from companies of which directors of the company held a majority of the shares. These transactions involved purchases relating to dies and equipment, maintenance and machinery, other services and the use of meeting rooms.

8. Going concern

The financial restructuring agreed in September 2009 and the successful capital increase in October 2009, resulted in a sufficient cash position for the Group and fixed credit facilities for the funding of the activities of the Company.

There are also no indicators of circumstances that might question the continuity of the operational activities.

9. Events after the reporting period

There are no significant subsequent events after 30 June.

3. Statement of the Board of Directors

Declaration regarding the information given in this interim financial report for the 6 month period ending 30 June 2010.

The undersigned declare that:

– the interim condensed consolidated financial statements have been prepared in conformity with the International Financial Reporting Standard on interim financial statements (IAS 34), as adopted by the European Union, and that they give a true picture of the equity, the financial position and of the results of the company, including those entities that have been included in the consolidated figures.

– that the interim financial report gives a fair overview of the developments and results of the company, and of the entities that have been included in the consolidated figures, also providing a fair description of the most important risks and uncertainties with which it is confronted, as defined in the Royal Decree of November 14, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

Board of Directors
Deceuninck NV

4. Report of the statutory auditor

Report of the statutory auditor to the shareholders of Deceuninck NV on the review of the interim condensed consolidated financial statements as of 30 June 2010 and for the six months then ended

Introduction

We have reviewed the accompanying consolidated statement of financial position of Deceuninck NV (the "Company") as at 30 June 2010 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34") as adopted for use in the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review ("revue limitée/beperkt nazicht" as defined by the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren") in accordance with the recommendation of the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" applicable to review engagements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards of the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the European Union.

Diegem, 18 August 2010

Ernst & Young Réviseurs d'Entreprises sccrl
Statutory auditor
represented by

Marc Van Hoecke
Partner

Ref: 11/MVH/0008