DECEUNINCK
A Public Limited Company
making or having made a public appeal on savings
8800 Roeselare, 374 Brugsesteenweg
VAT Registration Number BE 0405.548.486 Courtrai Register of Bodies Corporate

(the “Company”)

SPECIAL REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE 582 OF THE COMPANIES CODE

---

1. DESCRIPTION OF PLANNED CAPITAL INCREASE

This report has been drawn up in accordance with article 582 of the Companies Code (“Companies Code”) to justify, insofar is necessary, the issue of new shares without par value at a price which may be lower than the accounting par value of the existing shares.

This report is submitted to the shareholders within the framework of the extraordinary general meeting, which will decide on the capital increase by cash contribution with an amount not exceeding eighty-five million euros (EUR 85,000,000) by issuing new shares without par value with VVPR strips (“New Shares”) of the same class as the existing shares and which will have the same rights and benefits, and which will be offered by preference to the Company's existing shareholders (“Capital Increase).

Since the final issue price has not yet been fixed at present, it cannot be excluded that it will be lower than the accounting par value of the existing shares.

In accordance with article 582 of the Companies Code, the Board of Directors must therefore justify its proposal in a detailed report, referring in particular to the issue price and the final consequences of the planned Capital Increase for the shareholders.

2. ISSUE PRICE OF NEW SHARES

The terms and conditions of the Capital Increase, in particular the issue price, the number of new offered shares and the subscription ratio will be determined only after the extraordinary general meeting deciding on the Capital Increase by the board of directors in consultation with the joint book runners of the offer (the “Joint Book Runners”) and in accordance with the firm underwriting agreement to be entered into by and between the Company and the firm underwriters (the “Underwriters”) (“the Underwriting Agreement”).

With a view to a successful placement of the shares, within the framework of such capital increase with preferential right for the existing shareholders, the issue price will be determined typically with a considerable discount with respect to the reference stock market price upon the commencement of the operation. The New Shares will be offered by preference to the existing shareholders during a subscription period of at least fifteen calendar days. Any person who is a shareholder of the Company upon the closing of the market on the trading day immediately preceding the first day of the subscription period will be granted one preferential right for each share held in the Company (the “Preferential Right”). Each preferential right will entitle to subscribe for a number of New Shares to be determined by the

Board of Directors (subject to the financial law provisions applicable in certain countries). The theoretical value of the preferential right the existing shareholders are entitled to is the difference between the reference stock market price and the weighted average of the reference stock market price and the issue price of the New Shares (the *theoretical ex right price* of TERP).

Although the stock market price of the Company's shares is higher than the Accounting Par Value of the shares on the date of this report, it can therefore not excluded that the offer of the New Shares will take place at an issue price below the accounting par value of the existing shares.

The current accounting par value of the Company's shares amounts (rounded) to EUR 0.39 per share (the "Accounting Par Value"), *i.e.* the share capital of EUR 8,499,000, divided by the 21,550,000 outstanding shares.

If shares are issued at a subscription price below the Accounting Par Value, the accounting par value of the existing and new shares will be levelled after the Capital Increase.

3. FINANCIAL CONSEQUENCES FOR EXISTING SHAREHOLDERS

(1) Simulation on the basis of hypothetical issue prices

The impact of the issue of New Shares below Accounting Par Value within the framework of the Capital Increase cannot be established with certainty at present since a number of data is not yet known on the date of this report. This is *inter alia* the case for the issue price, the total number of New Shares and the issue ratio.

In order to assess, however, some of the financial consequences of the planned Capital Increase, the board of directors has developed a number of simulations with hypothetical issue prices equal to or lower than the Accounting Par Value for the purpose of this report and merely for the purpose of illustration.

This simulation departs from an hypothetical issue price of EUR 0.01, EUR 0.10, EUR 0.20 and EUR 0.39. Such issue prices are no indication, and do not express any expectation of the final issue price of the New Shares to be determined by the board of directors in consultation with the Joint Book Runners prior to the start of the operation.

(2) Evolution of capital and number of shares

On the date of this report, the Company's share capital amounts to EUR 8,499,000, represented by 21,550,000 shares without par value, each of them representing one 22,555,000th part of the share capital. The Accounting Par Value amounts rounded to EUR 0.39 on the date of this report.

Insofar as the New Shares are subscribed for, the share capital and the number of outstanding shares will increase. The share capital will increase with the amount of the issue price multiplied by the number of New Shares.

Insofar as the issue price of the New Shares exceeds the Accounting Par Value, the balance of the issue price will be entered as issue premium. In such case the share capital will increase proportionally to the amount of the number of New Shares issued, and all shares, including the New Shares, will represent the same part of the authorised capital. Insofar as the issue price of the New Shares is lower than the Accounting Par Value, the issue price will be fully attributed to the share capital. In such case, the authorised capital will also increase, but the Accounting Par Value per share of all shares will decrease since the New Shares will be issued at an issue price below the Accounting Par Value of the existing shares.

The correct evolution of the capital and the shares will as a result of the proposed Capital Increase, will depend on the subscription for the New Shares and the amount of the final issue price. These elements have not been determined to date. Nevertheless, under (5) below a simulation is set forth of the possible evolution of the capital and the number of shares on the basis of a number of hypothetical sample calculations.

(3) Dilution of certain rights attached to shares

All shares confer one vote, share the profits, if any, of the Company equally, have a preferential right for capital increases in cash (if such preferential right is not cancelled or restricted) to the same extent and share the liquidation bonus in the event of liquidation of the Company equally.

Insofar as New Shares are issued, such shares will have voting rights, dividend rights, preferential rights and liquidation rights to the same extent as the existing shares.

Consequently, the relative value of each of the voting rights, dividend rights, preferential rights and liquidation rights of the existing shares will dilute. To some extent such dilution will be strengthened if the New Shares are issued at an issue price below the Accounting Par Value.

(4) Evolution of participation in accounting shareholders' equity

The Company's consolidated shareholders' equity amounted to EUR 137.1 million on 31 December 2008. This represents a consolidated shareholders' equity of (rounded) EUR 6.36 per share.

If the Capital Increase is subscribed for, the shareholders' equity will increase by the same amount.

If the issue price of the New Shares is higher than the participation of the existing shares in the Company's consolidated shareholders' equity, the issue of the shares will, merely from an accounting point of view, lead to a shareholders' equity shift in favour of the existing shares.

If, on the contrary, the issue price of the shares is lower than the participation of the existing shares in the Company's consolidated shareholders' equity, the issue of the shares will, merely from an accounting point of view, lead to a shareholders' equity shift to the detriment of the existing shares.

(5) Simulation

Merely for the purpose of illustration some hypothetical sample calculations of the possible financial consequences of the proposed issue of the New Shares are set forth below.

This simulation starts from a hypothetical issue price of EUR 0.01, EUR 0.10, EUR 0.20 and EUR 0.39. These issue prices are no indication and do not express any expectation of the final issue price of the New Shares to be determined by the board of directors in consultation with the Joint Book Runners prior to the start of the operation. The number of New Shares to be issued may be higher or lower than the numbers reached in the event of a full placement of Capital Increase at the hypothetical issue prices. If the final issue price is higher, fewer New Shares will be issued (assuming that the Capital Increase has been subscribed for in full). If the final issue price is lower, more New Shares will be issued (assuming that the Capital Increase has been subscribed for in full).

In addition, the simulation below is based on the following information and assumptions:

- If the issue price amounts to EUR 0.01 and the maximum issue of EUR 85 million is subscribed for in full, 8 billion and 500 million New Shares will be issued. If the issue price amounts to EUR 0.10 and the maximum issue of EUR 85 million is subscribed for in full, 850 million New Shares will be issued. If the issue price amounts to EUR 0.20 and the maximum issue of EUR 85 million is subscribed for in full, 425 million New Shares will be issued. If the issue price amounts to EUR 0.39 and the maximum issue of EUR 85 million is subscribed for in full, 217,948,717 New Shares will be issued.

Maximum issue amount (including issue premium)	85,000,000	85,000,000	85,000,000	85,000,000
Issue price per new share (in euros)	0.01	0.10	0.20	0.39
Before the capital increase :				
Authorized capital (in euros)	8,499,000	8,499,000	8,499,000	8,499,000
Number of shares	21,550,000	21,550,000	21,550,000	21,550,000
Accounting par value per share (in euros)	0.39	0.39	0.39	0.39
The capital increase:				
Number of new shares	8,500,000,000	850,000,000	425,000,000	217,948,718
Capital increase (in euros)	85,000,000	85,000,000	85,000,000	85,000,000
After the capital increase				
Authorized capital (in euros)	93,499,000	93,499,000	93,499,000	93,499,000
Number of shares	8,521,550,000	871,550,000	446,550,000	239,498,718
Accounting par value per share (in euros)	0.01	0.107	0.209	0.390
Dilution as a result of the capital increase				
On the basis of the current outstanding shares	21,550,000	21,550,000	21,550,000	21,550,000
Shares to be issued in the event of capital increase	8,500,000,000	850,000,000	425,000,000	217,948,718
Total	8,521,550,000	871,550,000	446,550,000	239,498,718
Dilution	39443%	3944%	1972%	1011%

Drawn up by the Company’s board of directors in Roeselare on 27 May 2009.

The board of directors.