

Press Release Regulated Information

Under embargo until Thursday 18 March 2010 at 7:30 a.m.

2009 annual results

**REBITDA increases to € 45 million (8.9%), despite 19.6% sales decline
Net loss: € 16.9 million.
Without one-off restructuring charges Deceuninck close to a break-even**

1. Highlights 2009

- Sales full year decline -19.6% to EUR 506.4m
- Volume stabilization towards end of year: Q1 through Q4: -24%, -17%, -17%, -2%
- REBITDA: EUR 45m or 8.9% (2008: EUR 32.8m or 5.2%)
- H2 REBITDA: EUR 24.9m or 9.3% (H1: EUR 20.1m or 8.4%)
- Operational restructuring yields EUR 38.3m recurring cost savings on an annual basis
- REBIT: EUR 8.7m (2008: EUR -20.7m)
- H2 REBIT: EUR 7.5 (H1: EUR 1.2m or 0.5%)
- Net Result : EUR -16.9m (2008 : EUR -37.4m), mainly due to restructuring costs of EUR 24.1 m
- Net debt reduction to EUR 112.5m (2008 : EUR 163.3m)
- Capital increase of EUR 84.5m

EUR million	2008	2009	% variance	1H 2009	2H 2009
Net sales	629.9	506.4	-19.6%	239.3	267.1
REBITDA	32.8	45.0	+37.1%	20.1	24.9
<i>REBITDA-Margin</i>	<i>5.2%</i>	<i>8.9%</i>		<i>8.4%</i>	<i>9.3%</i>
EBITDA	30.4	20.9	-31.2%	8.9	12.0
REBIT	-20.7	8.7		1.2	7.5
<i>REBIT-Margin</i>	<i>-3.3%</i>	<i>1.7%</i>		<i>0.5%</i>	<i>2.8%</i>
EBIT	-23.2	-11.3	-51.2%	-7.0	-4.3
Net result	-37.4	-16.9	-54.7%	-8.9	-8.0
<i>Net margin</i>	<i>-5.9%</i>	<i>-3.3%</i>		<i>-3.7%</i>	<i>-3.0%</i>
Shareholders' equity	137.1	197.4	+44.5%		
Net debt	163.3	112.5	-31.1%		
% Gearing	119.1	57.0			

Tom Debusschere, Deceuninck CEO: *"In 2009 Deceuninck completed its turnaround. The recurring operating cash flow (REBITDA) increased with 37% to EUR 45 million. The reduction of the cost base has outpaced the 20% sales decline through a swift execution of the operational restructuring. The net result for the year 2009 is negative. However, the EUR 16.9 million loss is impacted by EUR 24 million one-off restructuring costs. The positive evolution of REBIT and REBITDA margins (1.7% and 8.9% respectively) supports Deceuninck's confidence that it is back on track.*

We are grateful to the lenders and shareholders for their confidence throughout the debt restructuring and equity injection. The Group now has a solid balance sheet with stable financing and adequate headroom for the next 4 years. Deceuninck emerges from 2009 as a stronger company.

Our Operations costs were reduced by further automation and enhancements in our manufacturing processes. These will increase our flexibility and continue to increase our service levels towards our Customers. Over the past year, our management and employees have shown remarkable resilience and entrepreneurship, which was essential to completing the turnaround. Thanks to our strong product brands and the worldwide network of 4500 fabricators and distributors, Deceuninck retained its strong market position throughout the crisis

In early 2010, stable sales volumes continue. We remain cautious while a general economic recovery remains uncertain and while the upward pressure of PVC prices continues. At the new cost base and in a continued stable economic environment, Deceuninck will return to profitability in 2010.

Longer term, energy efficiency remains the engine of the construction market. The PVC window is the 'best value' solution for energy savings and low maintenance. We will invest all Deceuninck's innovation efforts to enhance these benefits even further. The fact that PVC windows are an excellent investment for homeowners will drive Deceuninck's top and bottom line growth"

2. Markets & Sales

EUR million	2008	2009	variance
Western Europe (excl. Germany)	232.3	208.3	-10.3%
Central & Eastern Europa (incl. Germany)	232.7	161.3	-30.7%
Turkey	97.8	81.2	-17.0%
United States	67.0	55.6	-17.0%
Total	629.9	506.4	-19.6%

For the full year 2009, sales amounted to EUR 506.4 million or -19.6% compared with 2008. The volume decreased 15.3%, the currency had an impact of -4.0%, the product/price mix -0.3%

Western Europe: Sales in Western Europe decreased by 10.3% to EUR 208.3 million. Sales in Belgium, France and Italy performed better, the United Kingdom and Spain worse than the average for the region.

In Western Europe residential construction activity decreased by 15% according to Euroconstruct data. Activity decreased in all countries, with Spain, Ireland and the United Kingdom being the hardest hit. Benelux and French residential construction was more resilient.

Residential newbuild with a 22% decrease was significantly affected. Decrease in residential renovation was limited to 5%.

In almost all countries residential construction activity was supported by government fiscal incentives rewarding investments in improved insulation of the housing stock. As a result of these stimulus packages the loss in the newbuild market segment could be compensated to a large extent by the better performing renovation segment.

As from 1st October 2009 the European Directive on the energy performance of buildings (EPBD) applies. These stricter insulation rules aim to boost energy efficiency performance of residential newbuild by 30%.

Central & Eastern Europe: Deceuninck integrated the D-A-CH (Germany, Austria and Switzerland) region into the region Central & Eastern Europe. Sales in the region decreased by 30.7% to EUR 161.3 million.

Decrease of sales in the German market was less significant than the average for the region. The decreases in the rest of the region are due to the severe crisis in the construction sector accompanied by weak local currencies.

Except for the D-A-CH countries, financial resources to support residential construction activity are rather limited. Subsidies to support energy efficient renovation in Germany are provided by the government owned KfW (Kredit für Wiederaufbau – Reconstruction Credit Institute).

The European Directive on the energy performance of buildings (EPBD) applies also to all EU member states within the region.

Turkey: Full year 2009 sales of Ege Profil declined by 17% to EUR 81.2 million. The decline was mainly due to weak demand from its export markets. Additionally, top line sales were affected by the translation effect of the weak Turkish Lira. Expressed in Turkish lira sales decreased by 8.5 %.

The demand for Deceuninck products remained strong in the local Turkish market. In the course of 2009 Ege Profil has been able to considerably expand its Customer base. Thanks to an extensive focus on customer intimacy and branding to the end consumer, Deceuninck has strengthened its Turkish market position in 2009.

US: Full year 2009 sales at Deceuninck North America (DNA) declined 17% to EUR 55.6 million. Expressed in USD sales for the full year 2009 decreased 21%.

Year on year housing starts fell 39% in 2009, but the NAHB remodelling index started to show some improvement in Q4 2009.

From Q4 onwards improvement of the business environment was partially fuelled by the 2009 tax credit in the American Recovery and Reinvestment Act (ARRA). The tax credit is driving demand for energy efficient windows and is shifting volume towards the replacement and remodelling segment (R&R). Deceuninck estimates that in 2009 70% of sales were generated in the R&R market segment.

3. Restructuring

3.1. Operational restructuring

Manufacturing and warehousing capacity and all operating expenses have been adjusted to the lower volumes. Deceuninck reduced the number of manufacturing sites rather than having sites running inefficiently at low volumes. The footprint of the Deceuninck sites remains in balance with the demand by region, keeping the impact on transportation costs minimal. The current sites still allow for future growth without substantial capacity investments.

The following sites were closed and their activities integrated in the remaining sites: Little Rock, AR (USA); Wrocław (Poland), Dottignies (Belgium), warehouse in Kaunas (Lithuania). Capacity in Calne (UK) and Popovky (Czech Republic) were downsized substantially.

A partial transfer of the tool shop activities from Bogen (Germany) to Gits (Belgium) started late in 2009, allowing for continued tool maintenance capabilities in Germany.

Deceuninck Polska has assumed the sales and distribution activities of the Baltic States and Deceuninck Russia is additionally managing sales and distribution activities in Ukraine.

Operational restructurings from October 2008 onwards affected 633 FTEs and resulted in full year 2009 savings of EUR 21.2 million. The costs related to the operational restructuring, which were mainly severance payments, amount to EUR 7.3 million.

The operational restructuring has been completed as planned in 2009.

3.2. Financial restructuring

The global debt restructuring involving 11 financial parties was concluded on 11th September 2009. The rights issue was completed and fully subscribed on 14th October 2009.

The new debt restructuring agreement provides a stable and committed financing environment for the next 4 to 5 years.

Costs related to the debt restructuring amounted to EUR 16.8 million, excluding breakage fees and security installation.

4. Results 2009

EBITDA

The operating cash flow (EBITDA) is EUR 20.9m (2008: EUR 30.4m). Excluding one-off expenses, the **REBITDA (recurring operating cash flow)** increased by 37.1% to EUR 45 million (2008: EUR 32.8 m). REBITDA margin increased to 8.9% compared with 5.2% in 2008. REBITDA margin in the second half year increased to 9.3% compared with 8.4% in the first half year 2009. Full year REBITDA was supported by EUR 38.3 million full year cost savings as a result of the operational restructuring as well as by lower raw material expenses. Non recurring expenses include EUR 16.8 million financial restructuring costs and EUR 7.3 million operational restructuring costs.

EBIT

The operating result (EBIT) for 2009 was EUR -11.3 million compared to EUR -23.2 million in 2008. The **recurring operating result (REBIT)** was EUR +8.7 million positive against EUR -20.7 million in 2008. Full year REBIT margin is +1.7% (2008: -3.3%). REBIT margin in the second half year increased to 2.8% compared with 0.5% in the first half year 2009.

Due to the difficult economic and financial environment of our markets, Deceuninck suffered EUR 8.3 million costs related to non collectible receivables.

Depreciations and other non-cash costs amount to EUR 32.2 million.

Financial result & Taxes

The financial result decreased to EUR 14.2 million (2008: EUR 16.6 million).

EUR 40.8 million of the proceeds of the rights issue was used for the amortization of long term debt. Consequently, the use of available credit lines was reduced, positively impacting interest expenses.

The financial result was further impacted by costs related to the financial restructuring such as breakage fees and security installation.

Costs related to the rights issue were deducted from the proceeds in line with IFRS.

A deferred tax benefit on operating losses carry forward of EUR 7.2 million was booked as well as a reversal of deferred tax liability of EUR 1.4 million.

Consolidated taxation on profits amounted to EUR 8.6 million, which corresponds with a consolidated tax rate of 33.6%.

Net result

Net result for the period amounted to a loss of EUR 16.9 million.

Dividend

As part of the debt restructuring agreement any dividend payment is subject to lender approval. At the general shareholders meeting scheduled on 11th May 2010, the Board of Directors will recommend not paying a dividend for the financial year 2009.

Cash flow statement

Deceuninck's cash from operating activities in 2009 was EUR 20.9 million. Depreciation and amortisation was EUR 31.2 million. Capital expenditure has been reduced to EUR 16.0 million.

A Group-wide cash management system and reporting measures were rolled out. Non-strategic fixed assets were sold, such as the sale of real estate in the United States and in Belgium for an amount of EUR 8.0 million.

Credit control was tightened and inventory reduction measures were undertaken.

Net debt

The rights issue of EUR 84.5 million reduced net debt to EUR 112.5 million (2008: EUR 163.3 million)

Capex

Capital expenditure in 2009 amounted to EUR 16.0 million. Capital spending mainly relates to tools, maintenance and innovation.

Deceuninck's substantial capital expenditure over the previous years for manufacturing capacity and new product platforms allows for a sustained lower capex level in the near future.

Working capital

On Receivables, overall DSO (days outstanding) favourably decreased against a background of a deterioration of credit insurance coverage. Factoring for Belgium, France and Germany continued. On payables, Deceuninck continued its partnerships with the large and strategic vendors, keeping payment terms unaffected.

Inventory decreased 26%, exceeding the drop in sales volume.

Working capital on 31 December 2009 was 19.6% of sales

Balance sheet

The conclusion of the rights issue resulted in a long term debt amortization of EUR 40.8 million. Shareholders' equity rose to 42% of balance sheet total. Gearing is reduced from 119.1 % to 57%.

Headcount

At the end of 2009 the Group employed 2816 FTEs (including temporary workers and outsourced FTEs) as compared to 3404 (including temporary workers, excluding externally hired FTEs) at the end of September 2008.

Following the sales decline from October 2008, operational restructuring measures reduced Deceuninck's headcount worldwide substantially. Indirect work force was reduced as planned, direct work force continues to be adjusted to sales volumes.

5. Outlook 2010

Short term visibility remains limited. During the first 2 months of 2010 overall stable sales volumes continued, but there is still no sign of a general economic recovery. Upward trend of PVC prices continues.

For the remainder of 2010 Deceuninck expects continued stable sales, with regional differences. The lower cost base of Deceuninck and in a continued stable economic environment supports Deceuninck's confidence that it will return to profitability in 2010.

Fundamentally, Energy efficiency is the engine of the construction market. The PVC window remains the 'best value' solution for energy savings and low maintenance. Deceuninck continues to invest all its innovation efforts to enhance these benefits even further. The fact that PVC windows are an excellent investment for homeowners in both replacement and new construction should drive Deceuninck's future top and bottom line growth

6. Statement from the responsible persons

The undersigned declare that:

- The annual financial statements have been prepared in conformity with the applicable standards for financial statements, and that they give a true picture of equity, the financial condition and of the results of the reporting corporation, including those companies that have been included in the consolidated figures.
- That the Annual Report on the annual financial statements gives a true overview of the developments and results of the reporting corporation, and of companies that have been included in the consolidated figures, also providing a true description of the most important risks and insecurities with which it is confronted.

On behalf of the Board of Directors

Tom Debusschere
CEO

Pierre Alain De Smedt
Chairman of the Board of Directors

7. Statutory Auditors

The statutory auditor has confirmed that his audit procedures on the consolidated financial statements have been substantially completed and have revealed no material adjustments that would have to be made to the accounting information included in this press release.

Financial calendar 2010

- 30 April 2010:** Annual report 2009 available online
11 May 2010: Annual general meeting of shareholders and Q1 2010 trading update
19 August 2010: Announcement of the half year results 2010
21 October 2010: Q3 2010 trading update

About Deceuninck

Deceuninck is a leading international designer and manufacturer of high quality PVC systems for windows and doors, cladding and roofline, interior and garden applications. The basic technology used by the company is extrusion of patented PVC and Twinson composite material. The highly integrated state of the art production process includes compounding, tool manufacturing, extrusion of gaskets and profiles, printing, PVC lamination and the patented Decoroc coating technology.

The Group is active in over 75 countries, has 35 subsidiaries (production and/or sales) across Europe, North America and Asia, and employs 2,816 FTE (including temporary employees), of which 690 in Belgium. In 2009 the Deceuninck Group achieved consolidated sales of EUR 506 million.

(End of press release)

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To Editors: for information, please contact:

DECEUNINCK, Ludo Debever, Investor Relations Manager
Telephone: +32 51 239248
Mobile: 32 473 552335
E-mail: ludo.debever@deceuninck.com

Annexe 1: Deceuninck: Consolidated Income Statement

Annexe 2: Deceuninck: Consolidated Statement of Financial Position, as at 31 December

Annexe 1: Deceuninck Consolidated Income Statement

EUR thousands	2008	2009
Net sales	629.857	506.377
Costs of goods sold	-455.923	-351.804
Gross profit	173.934	154.573
Marketing, sales and distribution costs	-116.135	-92.748
Research and development costs	-3.517	-4.663
Administrative and general costs	-50.076	-43.043
Other operating revenues (costs)	-19.198	-25.442
Operating profit (+)/loss (-) before impairment of goodwill	-14.992	-11.324
Impairment of goodwill	-8.213	0
Operating profit (+)/loss (-)	-23.205	-11.324
Financial profit (+)/loss (-)	-16.652	-14.195
Profit (+)/loss (-) before taxes	-39.857	-25.519
Income tax expense	2.479	8.570
Profit (+)/ loss (-) for the financial year	-37.378	-16.949
Normal earnings per share distributable to the equity holders of the parent company (in Euro)	-1,75	-0,16
Diluted earnings per share distributable to the equity holders of the parent company (in Euro)	-1,75	-0,16
The profit (+)/loss (-) for the financial year is attributable to:	2008	2009
Equity holders of the parent	-37.366	-17.090
Non-controlling interests	-12	141
Total	-37.378	-16.949

Annexe 2: Deceuninck Consolidated Statement of Financial Position,
as at 31 December

EUR thousand	2008	2009
Intangible fixed assets	6.096	5.442
Goodwill	10.845	10.843
Property, plant & equipment	251.148	219.569
Financial assets	1.139	1.274
Long-term receivables	1.921	2.047
Deferred tax assets	2.615	9.459
Non-current assets	273.764	248.634
Inventories	80.159	59.732
Trade receivables	108.044	96.720
Other receivables	6.330	9.638
Cash & cash equivalents	46.819	50.902
Deferred charges & accrued income	4.495	67
Current assets	245.847	217.059
Assets classified as held for sale	0	4.143
TOTAL ASSETS	519.611	469.836
Equity before non-controlling interests	136.011	196.214
Non-controlling interests	1.095	1.221
Shareholders equity	137.106	197.435
Long-term provisions	15.922	18.715
Deferred tax liability	11.105	4.980
Interest bearing loans and borrowings	55	129.884
Non-current liabilities	27.082	153.579
Interest bearing loans and borrowings	210.021	33.549
Trade payables	110.060	56.967
Current tax payables	1.808	6.034
Liabilities for personnel commitment	14.660	10.646
Other liabilities	14.912	9.000
Accrued charges & deferred income	3.962	2.626
Current liabilities	355.423	118.822
TOTAL EQUITY AND LIABILITIES	519.611	469.836