

Press Release

Regulated Information – Third quarter 2010 trading update

Under embargo until Thursday 21 October 2010 at 7:30 a.m. CET

Sales Q3 increase 9.6% YoY; volume: +5.5% YoY

Q3 2010:

- Sales increase 9.6 % to € 152.4 million (Q3 2009: € 139.0 million)
- **Material effect of favourable exchange rates.**
- Sales volume: +5.5% ; exchange rates: +4.8% ; mix effects: –0.6%

9M 2010:

- Sales increase 10.4% to € 417.7 million (9M 2009: € 378.3 million)
- Sales volume: +6.9% ; exchange rates: +4.0%; mix effects: –0.5%

Outlook:

- **Due to a stronger Q4 comparison base Deceuninck maintains its guidance for a single digit sales growth for FY 2010.**
- **Continued trend of increasing PVC and additives costs to an all time record remains cause for caution**
- **Deceuninck confirms outlook for FY 2010 return to profitability**

Tom Debusschere, Deceuninck CEO: *“During the third quarter of 2010, demand further improved. Rise in demand continues to be supported by government incentives and stricter building codes, aiming at reducing energy waste & CO² emissions. Demand recovery is now seen in almost all countries with exception of UK, Spain and some smaller markets in Eastern Europe.*

Outlook

“We continue to be cautious. As a result of reduced government spending on renovation expenditures demand weakened in the mature West-European region with the exception of Belgium, France and Italy. The decline is in clear contrast with the growth in each of the other regions.

Long term, energy-efficient construction and renovation will continue to grow as an engine of our industry. 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 have now steadily been rising each month since the beginning of 2010. An unprecedented series of Forces Majeures at various stages in the business chain of the PVC resin and additive manufacturers resulted in tight supply and drove costs to an all time high. This evolution remains cause for concern. We confirm our guidance of a single digit sales increase and return to profitability for the full year 2010."

Third quarter and YTD September 2010 sales per region

Deceuninck's consolidated sales for the third quarter 2010 were € 152.4 million, a year-on-year increase of 9.6% (Q3 2009: € 139 million). Volume increased by 5.5%; exchange rates had a favourable impact of 4.8%. Mix effects (country, price and product) were more or less stable (-0.6%)

Year to date September sales amounted to € 417.7 million against € 378.3 million a year ago (+10.4%). Impact of volume totals +6.9%; currency effects:+4.0% and mix effects:-0.5%.

| In € million | Q3 2009 | Q3 2010 | var. | 9M 2009 | 9M 2010 | var. |
|--|--------------|--------------|--------------|--------------|--------------|---------------|
| Western Europe | 50.7 | 49.2 | -3.0% | 156.3 | 158.9 | +1.6% |
| Central & Eastern Europe (incl. Germany) | 50.8 | 56.9 | +12.1% | 120.8 | 128.7 | +6.6% |
| Turkey | 22.3 | 27.5 | +23.7% | 59.7 | 79.2 | +32.8% |
| United States | 15.3 | 18.8 | +23.2% | 41.6 | 50.9 | +22.5% |
| Total | 139.0 | 152.4 | +9.6% | 378.3 | 417.7 | +10.4% |

Western Europe: Third quarter sales in Western Europe were € 49.2 million, a year-on-year decrease of 3%. Demand continued to develop favourably in the Benelux, France and Italy. Market conditions continued to be weak in UK and Spain.

Year to date September sales rose by 1.6% to € 158.9 million (2009: € 156.3 million)

Central & Eastern Europe (incl. Germany): Sales growth in the third quarter intensified as compared to the second quarter. Sales in the third quarter increased year-on-year by 12.1% to € 56.9 million. Recovery continued to be strong in Russia and for the entire third quarter also in Germany. Sales rose in almost all countries. Besides increased demand, sales were favourably impacted by foreign exchange rates of the Polish Zloty, Czech Crown & Russian Rouble against the euro.

Turkey: Trading conditions continued to be good in Turkey. Sales increased by 23.7% to € 27.5 million (2009: € 22.3 million). At constant exchange rate sales grew 8%.

Year to date September sales were € 79.2 million, an increase by 32.8% (+19% 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: Third quarter sales were € 18.8 million compared to € 15.3 million a year ago, an increase of 23.2% (+5% at constant exchange rate). Year to date September sales increased by 22.5% to € 50.9 million (+14% at constant exchange rate). Demand from the residential renovation segment remained strong throughout the quarter. Sales growth was supported by a strong US dollar against a weaker euro.

First signs of a weakening demand were not confirmed as the quarter progressed. At the annual trade exhibition Glasbuild in September Customers expected demand to remain good for the coming months.

Financial calendar

| | |
|---------------------------|--------------------------------------|
| 27 January 2011: | Q4 2010 trading update |
| 17 March 2011 (*): | Announcement of 2010 annual results |
| 10 May 2011: | Q1 trading update |
| 10 May 2011: | Annual Shareholders meeting at 11 am |

(*) indicative

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 2,967 FTE (including temporary employees), of which 690 in Belgium. In 2009 the Deceuninck Group achieved consolidated sales of EUR 506 million.

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