

Press release

Regulated information – 3Q 2015 trading update

Under embargo until Wednesday 21 October 2015 at 7:00 a.m. CET

Deceuninck sales 3Q 2015 increase 18.2% to € 167.1 million.

- Solid growth in US and Turkey & Emerging Markets continues
- Recovery of building and renovation in Western Europe, except for France, results in double digit sales growth
- The decline of the Russian market continues in a highly competitive environment.

Sales breakdown

% of sales	1Q 2015	2Q 2015	3Q2015	9M2015
Sales (in € million)	136.2	175.9	167.1	479.2
Exchange rates	+4.6%	+3.9%	-0.3%	+2.6%
Volume	+3.1%	+4.6%	+4.6%	+4.2%
Mix	+0.9%	-2.3%	+2.1%	+0.2%
Change of scope	+9.4%	+12.0%	+11.8%	+11.2%
Total	+18.0%	+18.2%	+18.2%	+18.2%

Tom Debusschere, Deceuninck CEO:

“The volume growth in most markets continues to exceed our expectations.

In Europe, we experience a recovery of construction and renovation activities, especially in the Benelux, Spain, Italy and the UK. The German window market is increasingly under pressure from eastern European imports. The French market has now bottomed out at a low level, mirroring consumer confidence. The volume decline in Russia remains substantial, further impacted by the devaluation of the Russian ruble.

After the lifting of most Force Majeures, the supply of PVC resin in Europe remains stable with normalizing price evolution, still above the level of 2014.

In Turkey, the domestic market is somewhat subdued in an uncertain political climate. However, we gain share with the powerful Pimapen brand. The construction of our new 78,300 m² factory and logistics centre in Menemen and the consolidation of our 2 factories near Istanbul remain on track.



innovation



ecology



design

In the USA, we announced the building of a new factory in Reno, NV to increase our market share in the Western part of the United States and strengthen our top 3 position overall.

Outlook 2015

We expect the sales trends of the past quarters to continue into the 4th quarter. We confirm that our continued actions to launch innovations and improve productivity will sustain our margins and will allow further growth of net profits.”

Notable events

- Deceuninck announces the construction of a new factory in Fernley, near Reno, NV to better serve the West Coast of the United States.
- Evelyn Deceuninck, oldest daughter of Arnold Deceuninck, takes the succession of her father as a member of the board. After 42 years of dedication to the Company, the board has expressed its deep gratitude to Arnold Deceuninck and appointed him as honorary member of the Board.
- Philippe Maeckelberghe, CFO since 2008, will be heading the company's Internal Audit function as of 1st January 2016.
- Effective 1st January 2016, the Board of Directors has appointed Wim Van Acker as CFO and member of the Executive Team. Wim brings over 18 years of experience from AT Kearney, Swift, Vitalo and Balta, where he held various senior finance functions. He holds degrees in Commercial Engineering (Leuven, Belgium) and an MBA from Cornell University (New York City, USA).

Sales breakdown 3Q and 9M 2015 per region

In € million	Var. 1Q	Var. 2Q	3Q	Var. 3Q	Var. 3Q	9M	Var. 9M	Var.9M
	2014/2015	2014/2015	2015	2014/2015	Loc.Curr.	2013	2014/2015	loc.curr.
Western Europe	+1.0%	+9.7%	45.9	+11.6%		147.5	+7.3%	
Central & Eastern Europe	-4.6%	-9.1%	43.2	-3.6%	-0.4%	108.6	-5.8%	-1.3%
Turkey & Emerging Markets	+58.6%	+48.8%	46.2	+48.6%	+65.2%	138.6	+51.5%	+54.3%
North America	+47.1%	+39.5%	31.7	+30.7%	+7.8%	84.5	+37.8%	+12.4 %
Total	+18.0%	+18.2%	167.1	+18.2%		479.2	+18.2%	

Western Europe

3Q 2015 sales in Western Europe increased by 11.6% to € 45.9 million.. 9M 2015 sales were € 147.5 million (+7.3%). Double digit sales growth continued in UK, the Netherlands, Spain and Italy. Also sales in Belgium showed nice improvement with a high single digit growth.

Sales in France have stabilised after a weak first half year. In spite of substantial tax incentives, the market in France remains weak, in line with residential building and consumer confidence indicators.

The strategy in Western Europe of launching true innovations such as the glass fibre reinforced Zendow#neo premium window and the slimline iSlide#neo patio door in France result in gaining new customers and share of wallet.

Central & Eastern Europe (incl. Germany)

3Q 2015 sales in Central & Eastern Europe decreased 3.6% to € 43.2 million (At constant exchange rates more or less stable: -0.4%).

9M 2015 sales decreased 5.8% to € 108.6 million (At constant exchange rates: -1.3%).

The trends of the first half year more or less continued. Double digit growth in Poland and high single digit growth in the cluster of Czech Republic, Slovak Republic and Hungary.

Inoutic window sales on the domestic market in Germany decreased in the third quarter. The impact of imports from Eastern European countries on the German window market is strengthening. In Russia, weakening consumer confidence and strong devaluation of the ruble severely impact newbuild and renovation activity. The Russian window market is estimated to have contracted by 15% in 2014, first indicators for 2015 show a further decline of 30%.

Turkey & Emerging Markets

3Q 2015 sales in Turkey & Emerging Markets increased 48.6% to € 46.2 million (At constant exchange rates: +65.2 %).

9M 2015 sales in Turkey & Emerging Markets increased by 51.5% to € 138.6 million (At constant exchange rates: +54.3%).

With the acquisition of Pimapen in 2014 Deceuninck now owns 3 brands in the top segment of the market of the second largest PVC window market: Egepen Deceuninck, Winsa and Pimapen. The market showed a small decline as a result of the political uncertainty. Deceuninck outperformed the market by making the maximum use of its brands strength via the > 3000 points of sales and supported by national B2C advertising campaigns. The success of Turkey's export sales to new emerging markets varies. The construction of our new 78,300 m² factory in Menemen and the consolidation of our 2 factories near Istanbul remain on track.



North America

3Q 2015 sales in North America increased by 30.7% to € 31.7 million (At constant exchange rates: +7.8%).

9M 2015 sales in North America increased by 37.8% to € 84.5 million (At constant exchange rates: + 12.4%).

Both residential newbuild and renovation continue to grow and perform strongly. Activities continue to rise in both newbuild single and multifamily buildings. Confidence of remodelers remains strong with the RMI (Remodeling Market Index) remaining at historic high levels.

Deceuninck North America has continued to accelerate its efforts to convert new and existing customers to its latest innovative products and materials while maintaining “Zero Back orders” and expanding brand awareness.

In September 2015 Deceuninck announced the construction of a new factory in Fernley, near Reno, NV, which is due to be operational in the second quarter of 2016. Deceuninck North America will use its presence with operational activities on the West Coast to grow its market share in this attractive part of the country.

Financial calendar 2016

25	February	2016	2015 annual results
10	May	2016	1Q 2016 trading update
10	May	2016	Annual Shareholders Meeting at 11 am
20	July	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 employs 3400 people in 25 countries. Deceuninck has production facilities in Belgium, Chili, Croatia, Czech Republic, France, Germany, Poland, Russia, Thailand, Turkey, UK and US.

Deceuninck sales in 2014 were € 552.8 million with a net positive result of € 10.5 million.

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