The information below is regulated information as defined in the 14 November 2007 Royal Decree concerning the obligations of issuers of financial instruments who are authorized to trade on a regulated market.

Interim Financial Report

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Preliminary note

The condensed interim consolidated financial report is in accordance with IAS 34 Interim Financial Reporting as at and for the six months period ended 30 June, 2009.

Condensed consolidated Income statement

Expressed in thousands of euro.

For the six months period ended 30 June	2009 (unaudited)	2008 (unaudited)
Net sales	**239.257**	**311.314**
Cost of sales	-166.357	-224.204
Gross profit	**72.900**	**87.110**
Marketing, selling and distribution expenses	-48.166	-57.796
Research & Development expenses	-2.351	-1 735
Administrative and general expenses	-20.483	-25.148
Other operating expenses, net	-8.884	-587
Operating loss (-) /income (+)	**-6 984**	**1.844**
Finance result	**-4.325**	**-7.595**
Loss (-)/Profit (+) before tax	**-11.309**	**5.751**
Income tax expense	2 444	-119
Loss from continuing operations and for the period	**-8.865**	**-5 870**
Attributable to :		
Equity holders	-8.888	-5.867
Non-controlling interests	23	-3
Earnings per share attributable to the ordinary equity holders of the parent:		
Basic Earnings per share (EURO)	-0,41	-0,27
Diluted earnings per share (EURO)	-0,41	-0,27

Condensed Consolidated Statement of Comprehensive Income

Expressed in thousands of euro.

For the six months ended 30 june	2009 unaudited	2008 undaudited
Loss for the period	**-8.865**	**-5.870**
Exchange differences on translation of foreign operations	-2.940	-5.345
Net loss (-)/ gain (+) on cash flow hedges	-2.281	669
Income tax	776	-227
Net loss on available for sale financial assets	-56	-41
Other comprehensive loss for the period, net of tax	**-4.501**	**-4.944**
Total comprehensive loss for the period net of tax	**-13.366**	**-10.814**
Attributable to:		
Equity holders of the parent	-13.386	-10.811
Non-controlling interests	20	-3
Total	-13.366	-10.814

Condensed consolidated statement of financial position

Expressed in thousands of euro.

	30 June 2009 unaudited	31 Dec. 2008 audited
Intangible fixed assets	5.756	6.096
Goodwill	10.845	10.845
Property plant & equipment	237.372	251.148
Financial assets	1.120	1.139
Other non current assets	5.317	4.536
Non current assets	**260.410**	**273.764**
Inventories	67.650	80.159
Trade receivables	119.938	108.044
Other receivables	3.153	6.330
Cash & cash equivalents	42.162	46.819
Deferred charges & accrued income	3.193	4.495
Current assets	**236.096**	**245.847**
TOTAL ASSETS	**496.506**	**519.611**
Issued capital	8.499	8.499
Reserves	139.316	149.693
Currency translation differences	-25.118	-22.181
Equity before non-controlling interests	**122.697**	**136.011**
Non-controlling interests	1.115	1.095
Shareholders equity	**123.812**	**137.106**
Long-term provisions	16.916	15.922
Deferred tax liability	7.757	11.105
Interest bearing loans and borrowings	188	55
Non current liabilities	**24.861**	**27.082**
Interest bearing loans and borrowings	231.426	210.021
Trade payables	88.441	110.060
Current tax payables	2.114	1.808
Liabilities for personnel commitments	14.510	14.660
Other liabilities	8.607	14.912
Accrued charges & deferred income	2.735	3.962
Current liabilities	**347.833**	**355.423**
TOTAL EQUITY AND LIABILITIES	**496.506**	**519.611**

The condensed statement of financial position consolidated as at 30 June 2008 can be found in the notes.

Condensed consolidated statement of cash flows

Expressed in thousands of euro.

for the six month period ended 30 June	2009 unaudited	2008 unaudited
Operating activities		
Net loss of the year attributable to the equity holders	-8.888	-5.867
Depreciation	15.641	16.342
Impairment of intangible assets and property, plant and equipment	461	208
Restructuring provisions	-2.999	0
Write-offs on current assets	1.293	-420
Unrealised foreign currency translation losses (+) / gains (-)	-6.457	2.512
Interest income	-2.078	-1.876
Funds received from financial fixed assets	-91	0
Interest expense	7.359	7.680
Gain on disposal of property, plant and equipment	-1.049	-308
Loss on disposal of property, plant and equipment	169	86
Share-based payment transactions settled in equity	72	111
Income tax expense	-2.444	119
Non-controlling interests	23	-3
Cash flow from operating activities before changes in working capital and provisions	**1.012**	**18.584**
Decrease/(Increase) in trade and other receivables	-10.327	15.762
Decrease/(Increase) in inventories	12.826	-19.535
Increase/(Decrease) in trade payables	-21.619	15.153
Decrease/(Increase) in other current assets	2.188	-5
Decrease/(Increase) in other non current assets	-285	-1.089
Increase/(Decrease) in other current liabilities	-5.874	4.138
Increase/(Decrease) in other non current liabilities	-843	-3.446
Cash generated from the operations	**-22.922**	**29.562**
Interest paid	-7.854	-7.489
Interest received	1.192	1.122
Income tax paid	-914	-1.363
CASH FLOW FROM OPERATING ACTIVITIES	**-30.498**	**21.832**
INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	6.931	2.189
Purchase of property, plant and equipment	-8.008	-25.800
Purchase of intangible assets	-432	-151
Other transactions	53	-649
CASH FLOW FROM INVESTING ACTIVITIES	**-1.456**	**-24.411**
FINANCING ACTIVITIES		
Proceeds of long-term borrowings	133	0
Repayment of long-term borrowings	0	-28.830
Proceeds of short-term borrowings	72.469	68.793
Repayment of short-term borrowings	-51.065	-42.471
Dividends paid	0	-5.239
Unrealised exchange losses (+) / gains (-)	5.320	2.955
CASH FLOW FROM FINANCING ACTIVITIES	**26.857**	**-4.792**
Net increase in cash and cash equivalents	**-5.097**	**-7.371**
Cash and cash equivalents at the beginning of the year	46.819	44.170
Net foreign exchange differences	440	35
Cash and cash equivalents as at 30 June (*)	**42.162**	**36.834**

(*) In 2009, a total of 1.9 million € (nil in 2008) of the cash and cash equivalents is restricted in relation to the debt restructuring and will be released once the debt restructuring is finalized – see note 5.

Notes to the condensed consolidated Interim Financial Statements

1. Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as in the 31 December 2008 annual financial statements, except for the new standards and interpretations which have been adopted as of January ,2009 (see "changes in accounting policies" below) and which had no significant impact on the consolidated interim financial statements.

This condensed interim financial report is in compliance with IAS 34, Interim Financial Reporting.

Changes in Accounting Policies

The following standards have been adopted as of 1 January 2009:

IFRS 2 Share-based Payment – Vesting Conditions and Cancellations
The Standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this amendment did not have any impact on the financial position or performance of the Group.

IFRS 7 Financial Instruments: Disclosures
The amended standard requires additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, a reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures will only be presented for year-end financial statements as the Group's exposure to Level 3 measurements is limited. The liquidity risk disclosures are not significantly impacted by the amendments.

IFRS 8 Operating Segments
This standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of this Standard did not have any effect on the financial position or performance of the Group. The Group determined that the operating segments were the same as the geographical segments previously identified under IAS 14 Segment Reporting. Additional disclosures about each of these segments are shown in Note Segment Information, including comparative information.

IAS 1 Revised Presentation of Financial Statements
The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

IAS 23 Borrowing Costs (Revised)
The standard has been revised to require capitalization of borrowing costs on qualifying assets and the Group has amended its accounting policy accordingly. In accordance with the transitional requirements of the Standard this is adopted as a prospective change. No changes have been made for borrowing costs incurred prior to this date that have been expensed. As for the half-year ended 30 June 2009, the adoption of this revised statement did not impact the financial position of the Group.

IAS 32 Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation.

The standards have been amended to allow a limited scope exception for puttable financial instruments to be classified as equity if they fulfil a number of specified criteria. The adoption of these amendments did not have any impact on the financial position or performance of the Group.

IFRIC 13 Customer Loyalty Programs
This interpretation requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to the award credits and deferred. This is then recognised as revenue over the period that the award credits are redeemed. The Group does not operate a Customer Loyalty Program.

IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement
These amendments to IFRIC 9 require an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured, the entire hybrid instrument must remain classified as at fair value through profit or loss. The adoption of this amendment did not have any impact on the financial position or performance of the Group.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation
The interpretation is to be applied prospectively. IFRIC16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. The Group has elected to recycle the gain or loss that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation. As the Group did not dispose of any net investment it has had no impact on the financial position or results.

2. Segment information

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

- Western Europe: Benelux, France, Spain, Italy, Germany and the United Kingdom
- North America: United States
- Central Europe and Asia: Australia, the Balkan countries, Lithuania, Poland, Russia, Czech Republic, Romania, Turkey and Thailand.

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

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

Expressed in thousands of euro for the six months period ended at June 30th

	Western Europe		**North America**		**Central Europe and Asia**		**Consolidated**	
	2009 unaudited	2008 unaudited	2009 unaudited	2008 unaudited	2009 unaudited	2008 unaudited	2009 unaudited	2008 unaudited
Sales	206.197	275.620	26.433	32.972	96.139	127.145	328.769	435.737
Inter-segment	-75.960	-111.399	-144		-13.408	-13.024	-89.512	-124.423
External sales	130.237	164.221	26.289	32.972	82.731	114.121	239.257	311.314
Proportion of Group sales	54,4%	52,8%	11,0%	10,6%	34,6%	36,7%	100%	100%
Operating loss (-)/profit (+)	-1.802	6.550	-3.854	-3.238	-1.328	-1.468	-6.984	1.844

3. Seasonality of operations

Construction is seasoned, typical resulting in higher demand during spring and the summer season.

4. Condensed Consolidated Statement of Changes in Equity.

For the six months period ended 30 June, 2009

in thousands of euro	Issued capital	Retained earnings losses	Other reserves	Revaluation at fair value	Treasury shares	Currency translation adjustment	Equity before non-controlling interest	Non-controlling interests	Total
Balance at 31 dec. 2008 -audited	**8.499**	**146.114**	**4.293**	**3.506**	**-4.220**	**-22.181**	**136.011**	**1.095**	**137.106**
Loss for the period		-8.888					**-8.888**	23	-8.865
Other comprehensive loss				-1.561		-2.937	**-4.498**	-3	-4.501
Total comprehensive loss	0	-8.888	0	-1.561	0	-2.937	**-13.386**	20	-13.366
Share based payment				72			**72**		72
Balance at 30 June 2009 - not audited	8.499	137.226	4.293	2.017	-4.220	-25.118	**122.697**	1.115	**123.812**

For the six month period ended 30 June, 2008

in thousands of euro	Issued capital	Retained earnings losses	Other reserves	Revaluation at fair value	Treasury shares	Currency translation adjustment	Equity before non-controlling interest	Non-controlling interests	Total
Balance at 31 dec. 2007 - audited	**8.499**	**188.719**	**4.293**	**2.921**	**-3.606**	**-8.457**	**192.369**	**1.372**	**193.741**
Profit for the period		-5.867					**-5.867**	-3	-5.870
Other comprehensive income/loss				401		-5.345	**-4.944**	-158	-5.102
Total comprehensive loss	0	-5.867	0	401	0	-5.345	**-10.811**	-161	-10.972
Share based payment				111			**111**		111
Dividends paid		-5.239					**-5.239**		-5.239
Treasury shares					-614		**-614**		-614
Balance at 30 June 2008 - not audited	8.499	177.613	4.293	3.433	-4.220	-13.802	**175.816**	**1.211**	**177.027**

5. Unusual items:

The following non-recurring transactions occurred during the six-month period ended June 30, 2009:

Disposal of properties

The Company has sold its land & buildings in the United States (location Little Rock and Oakland) with a net book value of € 6,1 million resulting in a gain on disposal of € 0,9 million (presented in the line other operating expenses, net).

Restructuring provisions

At the end of 31 December 2008, a restructuring provision of €8,5 million was recognized of which €5,6 million was recorded during 2008. Expenditures of € 8.2 million to complete the restructuring were recognized against the provision during the first six months of the year. New provisions were recognized as of June 30, 2009 of €2,4 million with regard to social costs associated to additional restructuring measures in Germany, of €1,4 million with regard to social costs associated to restructuring measures in Belgium and €1,8 million with regard to costs in relation to debt restructuring, . The total restructuring accrual as of 30 June 2009 amounts to €5,6 million.

Cash flow hedges

As of 31 December 2008, the Company had two cross currency interest rate swaps for respectively USD 45.000.000 and USD 20.000.000 with a mark-to-market value of €1,961 million. On April 08 2009, the Company has sold these cross currency interest rate swaps at a settlement value €2,4 million (liability). An amount of €0,8 million (credit) is still included in equity until the forecasted transaction will occur.

Debt restructuring and rights issue

At the end of December 31, 2008 and during 2009, the Company has breached its covenants in relation to certain outstanding long-term and short-term borrowings and loans. As a consequence, the Company presented its borrowings and loans as short-term. During 2009, negotiations were started with its lenders and resulted in May 2009 in a long-term framework agreement with its lenders (banks and note holders) on the restructuring of all outstanding loans. Currently, the Company is in progress of finalizing the revised debt agreements.

On 26 June 2009, the shareholders of Deceuninck have approved a capital increase with preferential subscription rights for the existing shareholders for a total amount of €85 million. The Company is currently preparing the offering of new shares.

During the first six months of 2009, the Company incurred a total of € 6,2 million expenses in relation to the debt restructuring and the rights issue which are expensed as incurred in other operating expenses.

Share-based payment plan

In February 2009, 70.750 share options were granted to senior executives , the management team and certain members of the Board of Directors under the existing stock option plan. The exercise price of the options was € 2,95 and the options vest over a three year period.

In addition, the Board of Directors have decided on April 27th 2009 to extend the exercise period for the 2003, 2004, 2005 and 2007 existing stock option plans with an additional 5 years. The modification to the terms and conditions of the existing stock option plan had no impact on the income statement.

6. Going Concern

Background

The decline in sales and profit in the fourth quarter of 2008 led to a breach of covenants in certain financing agreements of the Company.

In anticipation of this breach the company had started negotiations with its lenders in the fourth quarter of 2008 about a stabilization of the credit structure within which the Group must operate under these difficult economic circumstances.

The principal lenders of the company can be divided into 4 different groups. On the one hand the so-called "noteholders" who have subscribed to A, B, C and D Notes[1]. On the other hand the Belgian lenders (KBC, ING, Dexia, Fortis, RBS) who have granted a number of bilateral agreements to the company. In addition the Group also has some factoring arrangements in Germany, France and Belgium. Finally, a number of lenders are also available to the Group Turkey and Czech Republic. The contacts with this last group of lenders are primarily managed at local level, and these lenders are currently not involved in the discussions about a debt restructuring at the level of Deceuninck NV and the Coordination Centre.

The company has informed the Belgian lenders and noteholders that at the date of December 31, 2008, March 31 2009.en June 30, 2009 a number of covenants were not met.

The breach of some of these covenants also constitutes a “cross-default” under some of the financing agreements which makes a global solution with all stakeholders a necessity.

Because of the complexity of the subject matter and the large number of parties involved, the Board of Directors has decided to support the management team with the appointment of a renowned adviser in matters of restructuring measures as the appointment of a Chief Restructuring Officer. At a legal level, the company is assisted by an international law firm.

Approach

Taking into account the aforementioned breaches of covenants and the “cross defaults" that may be a consequence, the company has considered it advisable to conclude a standstill agreement in the first instance both with the note holders and with the Belgian banks, with the objective of creating a stable platform for negotiations about a global solution. A first standstill was first signed on 16 January 2009 (with the noteholders) and then on at 4 and 18 February 2009 with the Belgian banks. The second standstill was agreed on 24 April 2009 with the note holders and the Belgian banks for a period up to 28 May 28 2009. This standstill agreement on 27 July 2009 was extended until 15 August 2009. This standstill will most probably be extended again until 15 September 2009.

• With regard to the global solution, the view of the company is that a solution should be to which all stakeholders of the company can agree, especially the shareholders, lenders and of course the company, its employees and its business partners. The main lines of such global approach – in which all stakeholders make a contribution - are as follows:

- Operational Restructuring: From October 2008 to end June 2009 Deceuninck reduced its staff in all regions and divisions with 449 full-time equivalents (FTEs), including temporary employees.
The costs of direct personnel were reduced by temporary unemployment, discontinuation of temporary work and by temporary plant closures. Production facilities were optimized through the closure of factories and the sales of assets. This concerns Little Rock in the USA, Wroclaw in Poland; Dottignies in Belgium. Production activities in Calne (UK) were cut back by half. The cost for operational restructuring amounts to 5.1 million euros for the first half of the year.
- Financial Restructuring: The Company has signed on 18 May 2009 a framework agreement on long-

[1] 5,42% Series A Guaranteed Senior Notes due 7 November 2011, 5,145% Series B Guaranteed Senior Notes due 7 November 2011, 5,88% Series C Guaranteed Notes due 12 December 2013 and 4,36% Series D Guaranteed Senior Notes due 12 December 2013.

term on the reallocation of its credit with his lenders, and is about to sign the final loan agreement. The essential lines of force of the agreement are:

- an overall refinancing of the loans granted by the banks in one single loan agreement for a period of 4 years and an amendment to the conditions of the loan notes including an extension of the term of the loan notes to 5 years; and in which both the noteholders and the banks are on equal footing in terms of credit conditions (period, interest rates, covenants)
- the creation of securities over assets (involving a.o. a significant real estate portfolio)
- a strengthening of the balance sheet by means of a public capital increase of EUR 85 million supported by two main shareholders and the accompanying banks ING Belgium NV, KBC Securities NV, Dexia Bank Belgium NV and Fortis NV. As a result of the before mentioned framework and in the context of the announced capital increase, the Board convened an extraordinary general meeting on 26 June 26 2009. The extraordinary general meeting has approved a capital increase with preferential rights amounting to EUR 85 million and has authorised the Board of Directors to determine the terms and conditions.
  The timing and modalities of this capital increase will be determined at a later date but it is certainly the intention that this capital increase will take place in the third quarter of 2009.

Meanwhile, the Board of Directors continues the close monitoring of the liquidity position. In the negotiations on a global agreement with the lenders, also a possible need for a bridge financing during the summer (pending the capital increase) was taken into account.

Conclusion

The Company faces major challenges, but the Board remains convinced that there is a solution on continuity that can create value for all stakeholders and is confident that this view is supported by other stakeholders. Important elements in our strong believe are:

• Confidence in the products and market position in which was invested tremendously in recent years;
• confidence in the decisiveness of the new management which should steer the company through this difficult period;
• the constructive attitude we find with the stakeholders who want to contribute to a global solution.

Accordingly, the Board can state that the continuity of the company is now to be guaranteed as a global agreement has been reached with the lenders as well as the capital increase can be concluded successfully.
On 31 August 31 2009, the Board is not aware of any concerns preventing the above mentioned plan from being executed.

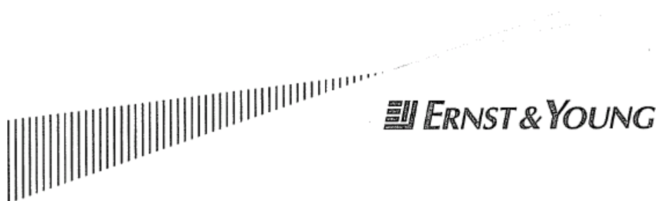
7. Subsequent events

There are no significant events subsequent to the end of the interim period that have not been reflected in the financial statements.

Condensed consolidated Balance Sheet as at 30 June 2008

Expressed in thousands of euro.

As at	30 June 2008 (unaudited)
Intangible fixed assets	6.491
Goodwill	18.536
Property, plant and equipment	265.131
Other non current assets	5.947
Assets held for sale	4.264
Non current assets	**300.369**
Inventories	100.867
Trade receivables	128.339
Other receivables	9.655
Cash & Cash equivalents	36.834
Deferred charges & accrued income	2.780
Current Assets	**278.475**
Total assets	**578.844**
Issued capital	8.499
Reserves	181.119
Currency translation adjustment	-13.802
Equity before non-controlling interests	**175.816**
Non-controlling interests	1.211
Shareholders equity	**177.027**
Long-term Provisions	15.990
Deferred tax liability	15.721
Interest bearing loans and borrowings	126.902
Non current liabilities	**158.613**
Interest bearing loans and borrowings	93.073
Trade payables	113.408
Current Taxes payables	2.621
Other current liabilities	34.102
Current liabilities	**243.204**
Total equity & liabilities	**578.844**



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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 2009 and for the six months then ended

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Deceuninck NV (the "Company") as at 30 June 2009 and the related interim condensed consolidated statements of income, changes in equity and 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.

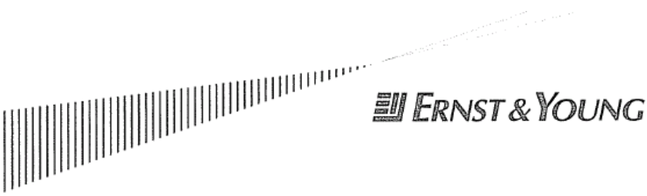
Scope of Review

We conducted our review ("revue limitée/beperkt nazicht" as defined by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren") in accordance with the recommendation of the "Institut des Reviseurs 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 Reviseurs 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 adopted for use in the European Union.

Société civile ayant emprunté la forme d'une société coopérative à responsabilité limitée
Burgerlijke vennootschap die de rechtsvorm van een coöperatieve vennootschap met beperkte aansprakelijkheid heeft aangenomen
RPM Bruxelles - RPR Brussel - T.V.A. - B.T.W. BE 0446.334.711
Banque - Fortis - Bank 210-0905900-69



Emphasis of matter paragraph

Without qualifying our review conclusion, we draw attention to note 6 of the interim condensed consolidated financial statements in which the company discloses its assumption of going concern. This note also discloses that the company is about to sign the final agreements with its lenders.

31 August 2009

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

Marc Van Hoecke
Partner

Ref: 10/MVH/0008

2

Management discussion and analysis of the results

Sales

Deceuninck achieves sales during the first half-year of 239.3 million euros or – 23.1% year on year. This decrease consists of declines in sales volume of -20.2%, losses on currencies of -3.2% and a mix of product and price of + 0.3%. The sales volume decline was less strong in all regions during the second quarter -17% than during the first quarter – 24%.
Western Europe shows a sales decline of 15%. The sales decline in the Benelux and France has remained limited, while weaker construction activities in the United Kingdom and Spain have had a substantial impact on sales volume. Eastern Europe was hit the hardest by the economic crisis and by the consequences of weak currencies, leading to a sales decline of 39%.
The decline for Turkey amounts to 22%, which is primarily due to a reduced demand from the Middle East and Northern Africa, as well as a weak Turkish lira. Sales in the local Turkish market are remaining stable. The sales decline in the United States was limited to 12%, in part due to a strengthened dollar.

Operating results

1. Ebitda

The **operational cash-flow (EBITDA)** amounts to 8.9 million euros, as compared to 18.3 million euros at the end of June 2008. This amount includes 11.2 million euros of costs for financial and operational restructuring.

2. Rebitda

The **operational cash-flow from normal business activities (REBITDA)** amounts to 20.1 million euros, as compared to 19.5 million euros at the end of June 2008. This led to an increase of the REBITDA margin to 8.4%, as compared to 6.3% at the end of June 2008. The decline in the operational cash-flow, which is due to the lower sales volume (-63 million euros), is compensated through lower raw material costs, reduced transport and handling costs, and reduced expenses for communications and administration.
A restructuring plan was launched whereby the number of employees was reduced with 449 FTE's.
A few plants were closed in Little Rock USA, Wroclaw Poland and a reduction of production capacity in Calne, UK with 50%.

3. Net income group

The **consolidated net group loss** amounts to 8.9 million euros, as compared to a loss of 5.9 million euros in 2008.

4. Net financial debt

The net financial debt increased slightly from 183.1 million euros up to 189.5 million euros.

5. Investments

Investment expenditures were reduced to 8.4 million euros. Current expenditures include innovation, tools and maintenance of the infrastructure.

Actions to improve results

During this economic recession, we are focussed on assuring the future of our company. This includes an optimisation of the financial structure, increases in efficiency and measures for generating cash. Within just a few months, Deceuninck has carried out far-reaching restructuring measures, designed to protect us against a continuing crisis, in line with the strong sales decline of the fourth quarter of 2008 and the first quarter of 2009.

We have merged production sites and decreased personnel on a worldwide basis. The restructuring measures that we executed since the start of the crisis in October 2008 reduces our worldwide staff with 449 employees (including temporary labour) as of June 2009. We have optimised the cost structure at all levels, especially for marketing/communications, administration, investments, manufacturing, procurement and travelling. Furthermore, at Group level cash management and management of working capital have been substantially improved. The results of these measures are clearly visible in the second quarter. Deceuninck is turning a profit again during the last few months, and this at a monthly sales volume of 20% below last year's level. We notice the first signs of a bottoming out in the United States and the United Kingdom.
Nevertheless, we remain very careful. We see that raw material prices have been rising again since May of this year. Furthermore, even after a stabilisation of sales volume, the timing of an economic recovery remains unsure. This is why Deceuninck will continue the implementation of its restructuring plan: Cash-flow generation and debt reduction remain the priority objectives for the coming years. In the meantime, we are continuing to invest in our future: We are making investments in product innovation, productivity improvements and service to our customer. The ongoing confidence of our customers, and the fighting spirit of our employees during these difficult crisis months, supports our fundamental belief that Deceuninck will emerge stronger from this recession**.**

Philippe Maeckelberghe
Chief Financial Officer

Tom Debusschere
Chief Executive Officer

Declaration regarding the information given in this interim financial report ending 30 June 2009.

The undersigned declare that:

- The 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 interim financial report 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.

That Board of Directors
Deceuninck NV: