deceuninck

Annual Report 2013

KEY FIGURES

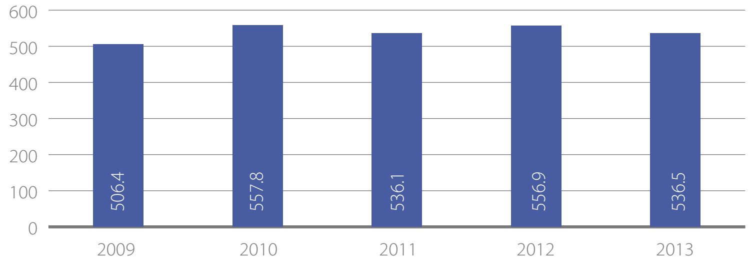
Key Figures (in € million)	2012 (*)	2013	Variance %
Consolidated income statement			
Sales	556.9	536.5	-3.7%
Gross Profit	159.9	155.7	-2.6%
EBITDA	50.0	47.4	-5.2%
EBIT	20.7	23.6	14.2%
Net Profit	4.2	8.4	97.5%
Consolidated statement of financial position			
Equity	211.4	204.3	-3.4%
Net Debt	92.6	80.6	-13.0%
Total Assets	435.1	418.5	-3.8%
Capital expenditure	23.5	26.7	13.4%
Working Capital	116.4	102.5	-11.9%
Ratios			
EBIT on sales	3.7%	4.4%	
Gearing (net debt on equity)	43.8%	39.4%	
ROCE	6.3%	7.6%	
Headcount			
Total Full Time Equivalents (FTE)	2,665	2,746	

KEY FIGURES PER SHARE

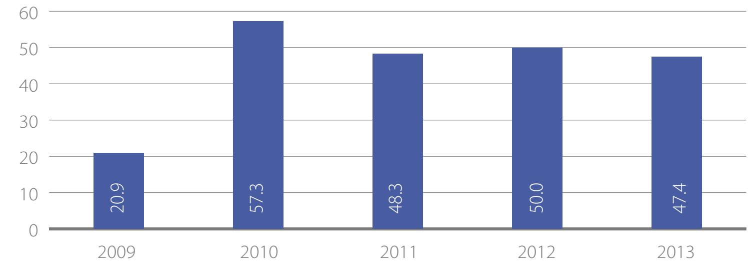
Key Figures per share	2012 (*)	2013
Number of shares as at 31 December	107,750,000	107,750,000
Market capitalisation as at 31 December (in € million)	125.0	184.3
Earnings per share as at 31 December (in €)	0.04	0.08
Book value per share (in €)	1.96	1.90
Gross dividend per share (in €)	N/A	0.02
Share price at 31 December (in €)	1.16	1.71

(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2012 and reflect adjustments made for the adoption of IAS 19-Revised as further detailed in Note 1.

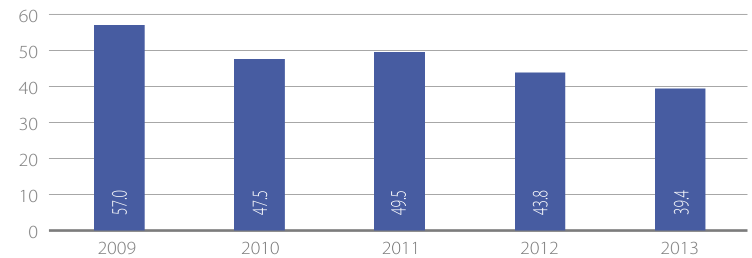
Sales (in € million)



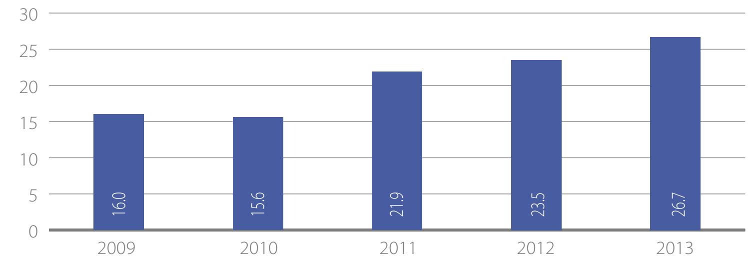
EBITDA (in € million)



Gearing (in %)



Capital expenditure (in € million)



COMPANY PROFILE

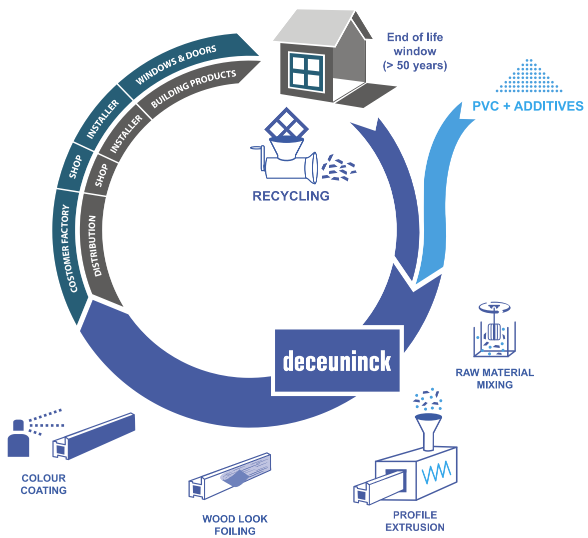
At Deceuninck, our commitment towards innovation, ecology and design provides us with a clear focus: building a sustainable home. A home that is more energy-efficient to live in and more attractive to look at. Deceuninck works with state-of-the-art materials worldwide, resulting in low maintenance, top 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.

The Group is active in over 75 countries, has 32 subsidiaries (production and/or sales) across Europe, North America and Asia and employs 2,746 FTEs of which 590 are in Belgium.

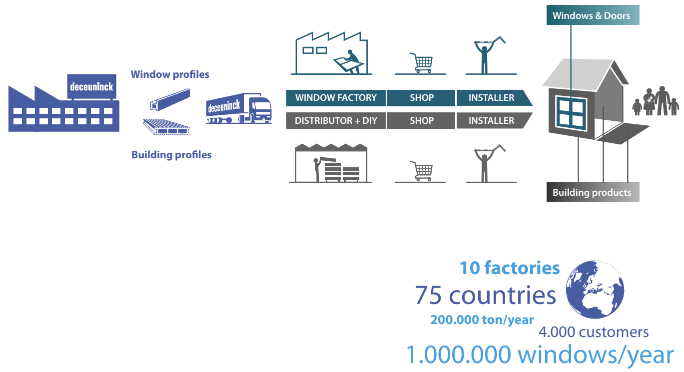
The head office of the Group is located in Belgium.

The Deceuninck Group achieved sales of € 536.5 million in 2013.

Our value chain: Deceuninck closes the loop



Our route to market



DECEUNINCK 2013

Top 3 designer and manufacturer of PVC window systems and building products in Europe

10 production sites

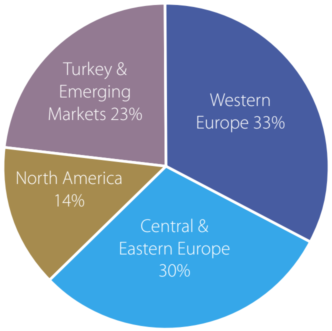
Sales activities in > 75 countries

2,746 FTEs

Sales 2013: € 536.5 million

Strong focus on Building a sustainable home. Innovation – Ecology – Design

Geographical spread consolidated sales 2013



Product segmentation 2013

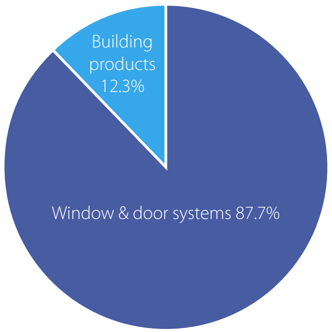


TABLE OF CONTENTS

OUR CORE PURPOSE

At Deceuninck, we believe in "building a sustainable home":

Innovation

We are here to develop engineered materials in PVC and wood composites through our science and decades of know-how. With these materials, we create innovative solutions for windows and doors, outdoor living, roofline and cladding, interior. Our systems are easy to manufacture, easy to install and easy to maintain.

Ecology

We are here to help you build a home that is more energy-efficient to live in. We create long lasting, low maintenance building products with top insulating properties. Our products are created with the lowest ecological footprint and can be fully recycled at end of life.

Design

We are here to help you to express your own style, in the architecture and the beauty of your home. We are here to help you protect your home and your family from the elements. We offer a unique range of colours and surface finishes. Next to its long lasting properties, our products have a timeless design, resulting in a life cycle of more than 50 years.

A home for our people & Customers

We are here to build a sustainable 'home' for our people and our Customers. We build long lasting relationships and intimacy based on our core values.

OUR CORE VALUES

Candor

- We tell the whole truth, we are open and frank.
- We tell it like it is.
- We give straight-between-the-eyes feedback, while respecting our counterpart.
- We act as one team.
- We honestly admit mistakes or bring bad news, whilst taking corrective and preventive measures.
- We say what we mean and we mean what we say: that is our authenticity.

Top Performance

- Performance is measured by our community, our people, our Customers and our shareholders.
- We preserve our core purpose and values whilst striving for continuous improvement.
- We say what we do and we do what we say: that is our accountability and discipline.
- Top Performance means:
  - When confronted with a choice, we choose in the following order: People (Health and Safety), Planet (Environment and Ecological footprint), Quality, Service, Profit (Cost) – PPQSP
  - Profit is essential to build a sustainable business.
  - Performance 'happens in every work place' every day: in design, manufacturing, delivery, in front of the Customer; also after installation of the product in the home.

Entrepreneurship

- We are open to the world, open to other ideas. We strive for innovation.
- Trust is given, we embrace taking calculated risks and initiatives.
- We think like an owner. We respect and reward our people for making decisions and taking ownership.

OUR AMBITION

Our Culture

Our reputation is the result of our culture: people are proud to work at Deceuninck and live the values of Candor, Top Performance and Entrepreneurship.

Sustainable building products

Deceuninck creates sustainable building products. PVC and Twinson® are low maintenance materials, which save energy throughout a lifecycle of more than 50 years and will be recycled at end of life.

Top 3 market position

Deceuninck has a voice in the market resulting in substantial market share (above 10 % of uPVC windows) and a top 3 market position. Deceuninck offers Top Performance in Quality and Service through trusted Customer partnerships.

Financial sustainability

The Company is financially sustainable. We translate our actions into financial goals (we say what we do), and we reach them (we do what we say).

MESSAGE FROM THE CHAIRMAN AND THE CEO

Tom Debusschere (CEO) and
Pierre Alain De Smedt (Chairman)

Dear Shareholder,

"In 2013, Deceuninck improved net profit and reduced net debt in spite of a challenging economic environment and continued high raw material costs. We strengthened our market position in all four regions with innovative products and competitive wins.

We are happy to show a doubling of our net profit to € 8.4 million as a result of stable volumes, strict working capital management and cost control. We continued to reduce net debt while increasing capital expenditures for future growth. Given the solid performance, the Board of Directors advises a dividend of 2c per share.

Our group volume remained stable, driven by growth in the US, UK, Turkey & Emerging Markets, Germany and Italy. Demand in these regions remained solid all year. Moreover, the low cost basis and the availability of highly skilled people allows our Turkish division to become the export hub of Deceuninck. Markets in Asia, Africa and Latin America are now being served with high quality, competitive products from Turkey. Following the start of a new warehouse in India in 2012, Deceuninck started a warehouse in Santiago de Chile to serve the Latin American market.

Sales performance in the United States was strong in a growing market supported by new product launches. In Europe, building markets were more depressed after a harsh winter. There was a slight improvement towards the end of the year. All markets, except for the UK, Germany and Italy, suffered from the sovereign debt crisis and its impact on local economies and consumer confidence.

Gross margin was 29.0%. Deceuninck continued to offset increased labour and energy cost with further productivity improvements.

EBITDA amounted to € 47.4 million or 8.8% of sales through continued control of operating expenses.

Net profit doubled to € 8.4 million.

In 2013, we increased investments to € 26.7 million in the 3 axis of our long term strategy.
"Building a sustainable home. Innovation – Ecology – Design".

Innovation – PVC remains the most economical solution for best insulation. Deceuninck introduced the Zendow#neo® window system. Deceuninck now offers a window system that substitutes traditional steel reinforcements with glass fibre and steel wire reinforcement, already built into the profile. This high technology Linktrusion® concept offers the best insulation at the lowest material consumption. Deceuninck North America increased production capacity for the glass fibre Innergy® reinforcements, which substitute aluminium for better insulation values.

Ecology – PVC continues to improve its ecological footprint. In 2012 Deceuninck opened a new post-consumer rigid PVC recycling factory, adjacent to the existing compounding site in Diksmuide (Belgium).

Design – PVC windows now also become a true architectural solution for beautiful aesthetics in the home, school or office building. Ever more intricate wood surface decors and coated colours become available to the market. In 2012 Deceuninck invested in a new automated coating factory in Gits, Belgium. The new proprietary coating process produces profiles with a powder coated look on all four sides, which results in a window without any plastic visible. The new Omniral® coating brings the end consumer the look and feel of an aluminium window, but with the insulation values of a high quality PVC product. Omniral® was launched in 2013.

Outlook 2014

The macro-economic picture for 2014 remains uncertain. As a result of the mild winter, order intake at the beginning of the year is strong for Europe. In the US we expect continued solid performance. The year started good for Turkey, but the weak Turkish lira is expected to impact consolidated sales and EBITDA for the region. The macro-economic environment in Europe is mixed.

In the meanwhile, the concern of rising PVC costs within the trend of consolidation of European PVC producers remains. In 2014, Deceuninck will step up its investments in growth, among others in a new 65,000 ton/year factory in Turkey.

This mixed picture does not allow Deceuninck to give a quantified guidance for 2014."

Tom Debusschere
CEO

Pierre Alain De Smedt
Chairman

Windows & Doors | Outdoor Living | Roofline & Cladding | Interior

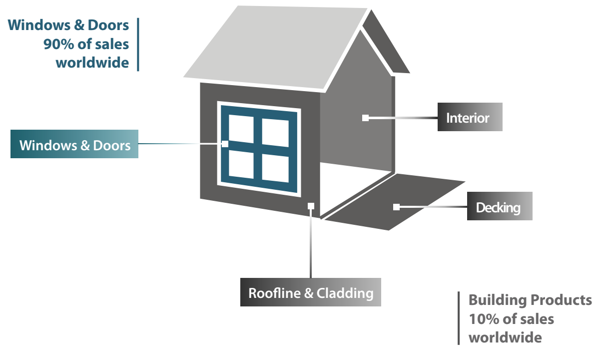
DECEUNINCK PRODUCT OFFERING

Product overview

Deceuninck is active in business to business as a designer, producer and supplier of PVC and composite profiles and accessories for final products in residential and light commercial buildings.

>90% of the final products end up in residential single or multifamily buildings. Deceuninck estimates that 75% of its final products are used in the renovation segment.

Our products: the building envelope



As far as windows and doors are concerned Deceuninck's Customers consist of window manufacturers who assemble the PVC and composite window components to final windows. The window manufacturers either install the windows themselves or sell the windows to dedicated window installation companies.

Outdoor living, roofline & wall cladding and interior applications are supplied to professional building material distributors or to DIY shops.

Sound barriers are predominantly sold to main- and subcontractors of public infrastructure works.

1. Windows & doors

Deceuninck's window & door systems are subdivided into 4 platforms to meet the demand and local building traditions of each of the regions in which Deceuninck is active.

- Zendow platform for Western Europe
- Inoutic platform for Central & Eastern Europe
- Egepen Deceuninck & Winsa platform for Turkey and Emerging Markets
- Deceuninck North America platform for the North American market

1.1. Windows

PVC is the best material when it comes to insulation.

Energy efficiency is driving new product development for windows and doors. Deceuninck's ambition is to offer the highest possible insulation at the lowest possible material consumption.

Deceuninck's window systems are designed to meet the highest energy savings requirements.

Deceuninck PVC windows and doors provide a perfect balance between energy efficiency and comfortable living. The high-quality energy-efficient PVC window and door solutions improve the quality of life in many ways. uPVC windows and doors offer excellent thermal and acoustic insulation, high security and an original colour palette.

The nicely designed window framing material can be equipped with the most commonly used glazing ranging from high performance double glazing up to 54mm triple glazing. Passive house insulation values (Uw ≤ 0.8 W/m2K) can be met by means of standard triple glazing. Eforte®, the high end window line on the Inoutic® platform in Central and Eastern Europe is certified as a passive house suitable component by the internationally renowned ift Testing Institute. Eforte® is a top of the range profile that makes no compromise when it comes to ultra energy-efficient living.

In Western Europe Zendow#neo® with Linktrusion® technology offers superb insulation values that meet the nearly zero energy building requirements Europe is imposing for new public and private buildings respectively as of 2018 & 2020.

Colour finishing

Colour technologies are applied in function of regional market requirements. All regions offer window systems with single sided or double sided, laminated decorative films (predominantly wood structures). For high end markets in Turkey and Central & Eastern Europe clip on aluminium profiles have been developed. In Western Europe Deceuninck offers Omniral® finishing, a powder look coating on each of the four sides of the profile, for high end residential and commercial markets.

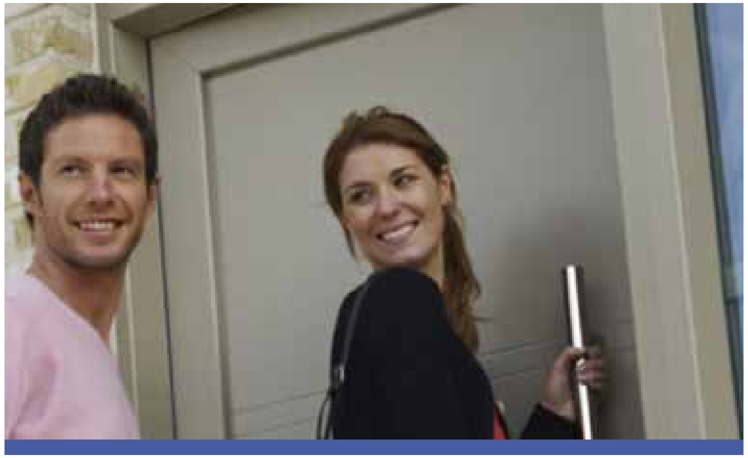
1.2. Doors

Combining traditional design and expert craftsmanship, Deceuninck energy-efficient doors feature endless design combinations to complement any façade. A wide variety of styles engineered for years of performance.

Deceuninck's high quality PVC front doors boast excellent thermal insulation values as well as exceptionally high strength. The distortion-free and very stable frame design can be further enhanced using patented reinforced corner braces. The front doors can also be fitted with multi point locks and special fittings to attain a very high burglary protection. Deceuninck doors provide protection against adverse weather conditions and offer a high level of security.

Deceuninck front doors can be fitted with all commercially available PVC, glass and aluminium panels and elegantly accentuate the architectural style of new buildings. They can also be easily integrated in the façade of old buildings using different installation methods.

Deceuninck doors are available in a wide range of foils and colour coated finishes in line with regional market requirements.



1.3. Sliding windows & doors

In addition to the main window systems, Deceuninck offers a vast range of sliding systems. From the slimline Tecnocor® system, the more robust but elegant Monorail system, to the heavy duty Lift&Slide system, Deceuninck's sliding doors extend the living room into the garden, terrace or balcony to create a generous space for living.

1.4. Roller Shutters

The very good thermal insulation values of Deceuninck roller shutters contribute towards an energy-efficient building design and help save heating costs. They guarantee privacy, help protecting against burglars and bad weather conditions and are a highly efficient and aesthetically appealing shading solution.

Deceuninck roller shutters are easily and securely installed on the window frame using a clip-on adapter. It is possible to optionally fit the roller shutter with a fly screen and fully integrate the roller shutter box into the building envelope.

Deceuninck roller shutters fit in different box sizes and are available in a wide range of colours.

1.5. Louvre Shutters

Deceuninck louvre shutters combine high quality with a wide range of designs, panel options and colours. Deceuninck louvre shutters are designed to meet all individual end consumer needs for an aesthetically nice shading solution. Deceuninck louvre shutters are available in a wide range of foils and colour coated finishes in line with regional market requirements.

2. Outdoor living

2.1. Terrace

Deceuninck decking combines the benefits of wood with the unique properties of PVC. By combining the natural look of wood and the low maintenance of PVC into a single new base material, our Twinson® outdoor flooring solutions meet all comfort demands with regard to your patio planks. This eco decking will transform both the appearance and performance of your terrace.

Terrace is ideal for residential applications such as patios and garden paths, whilst Terrace+ is more appropriate for applications demanding a more architectural touch. Terrace Massiv has been recently developed to further increase the performance of Twinson® decking. It is an ideal product for commercial or public applications.

For the North American market Deceuninck developed and launched Clubhouse® Decking. Clubhouse® Decking is made from 100% PVC and has exceptional natural wood appearance featuring deep grain embossing, variegated or solid tone colours, and superior weather performance. Clubhouse® Decking is completed by railing products including Elite Railing with a low-gloss, high performance finish.

2.2. Fencing

Deceuninck also offers excellent, low maintenance and long lasting PVC fencing solutions both in North America and in Europe.

The Grandparc® range in Europe offers Customers a multitude of colours and finishes. A new fencing kit has been developed. The fencing kit combines a standard decking solution in a robust and designful fence in harmony with a Twinson® decking.

3. Rooflines and wall claddings

The finishing of your home must be both aesthetic and durable, and Deceuninck's wall cladding and roofline systems certainly fulfil these two requirements.

Deceuninck cladding systems are available in multichamber uPVC, cellular foam or Twinson® wood composite material. All of them are 100% recyclable.

3.1. Roofline

Deceuninck offers a wide range of roofline, soffit and fascia products. They offer durable protection of your newbuild or refurbished home. Deceuninck roofline products are easy to install, require low maintenance during a 50+ life time and are available in a wide range of colours and textures.

3.2. Wall cladding

The premium Twinson® cladding system heralds a new generation of external wall and gable cladding. By combining good insulation with the Twinson® cladding system, you can optimise the external thermal insulation of your façade. Result? Lower energy bills and less CO2 emissions.
Deceuninck has used all its ingenuity to combine elegance and functionality in a single product.
Twinson® wall cladding is available in open and closed versions.
Deceuninck's cladding offering further includes coextruded uPVC external cladding using its Cyclefoam® technology as well as embossed PVC cladding.

Standard cladding offers the best quality/price performance. It is available in a variety of shapes, colours and textures. A mass coloured uPVC top layer guarantees the durability and low maintenance, both basic characteristics that are highly appreciated by the house owner.

4. Interior

4.1. Wall and ceiling covering products

Deceuninck's uPVC ceiling and uPVC wall boards enable endless interior decoration possibilities, from the most traditional to the most modern.

They are available in both contemporary and more traditional style, as well as in a variety of colours.

4.2. Window boards

Deceuninck uPVC internal window boards are durable and robust. The Deceuninck internal window boards are produced from 100% recycled PVC. They are finished with an extremely durable decorative melamine finishing which makes them scratch resistant and resistant against cigarette glow. Deceuninck's uPVC internal window boards are water and UV resistant, easy to install and are 100% recyclable.

Deceuninck's internal window boards are available in a wide range of colours and 5 different widths ranging from 180mm up to 400mm, each with the adhering end caps and finishing accessories.

4.3. Skirting & finishing trims

The Deceuninck skirting and finishing trims ensure a real finishing touch of your interior. Deceuninck skirting and finishing trims offer a seamless transition between your interior walls and flooring. They are available in various designs and dimensions in a wide variety of colours (wood imitations or plain colours). They are easy to install and water and impact resistant.

5. Sound barriers

Cyclefoam® technology is used to manufacture sound barriers. As such they are easy to handle and install. Deceuninck's ability to coat profiles allows the company to offer sound barrier solutions that meet the aesthetic requirements of infrastructure architects.

With its Cyclefoam® sound barriers Deceuninck addresses two environmental issues simultaneously. It offers a solution for recycling and processing post-consumer rigid PVC into new high-quality applications and tackles the problem of noise nuisance.

Cyclefoam® sound walls are used both for infrastructure works and private applications. For infrastructure works they are installed along motorways, airports and railways throughout Europe.

As a private application Cyclefoam® sound walls are an ideal product to reduce noise created by sporting events, play areas, schools.

In industrial applications Cyclefoam® sound walls are used to reduce noise from air-conditioning, industrial sites, high tension transformer houses, etc.

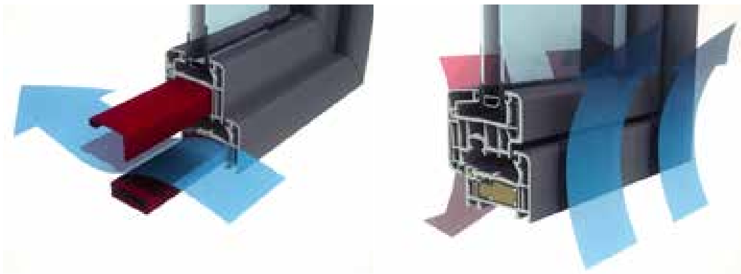
Innovation – Ecology – Design create new technologies and materials

Some of the technologies used in manufacturing have been developed by Deceuninck itself and are therefore unique in its sector. Most of those unique technologies are protected by a number of patents.

1. Linktrusion®

Linktrusion® refers to Deceuninck's unique approach in the development of new technologies & materials. It is the platform that can combine different materials & technologies into 1 single multi-component extrusion. Linktrusion® allows the development of more efficient products by integrating more functionalities as well as the development of dedicated solutions for each specific application. Zendow#neo® is the first application of the platform. In Zendow#neo®, Linktrusion® is the combination of continuous glass fibre reinforced PVC profiles and an extruded reinforcement profile with embedded steel wires combined with a low density PVC foam core resulting in a 30% improved insulation performance.

Right: Zendow#neo® premium with Linktrusion®-technology



2. Omniral®

Deceuninck developed Omniral®, a new water based coating technology. The new proprietary coating process produces profiles with a powder coated look on all four sides, which results in a window without any visible white plastic. The new Omniral® coating offers the end consumer the look and feel of an aluminium window, in combination with the insulation values of a high quality PVC product.

Standard (double sided) finish

Omniral look

3. Twinson®

Deceuninck's 100% recyclable wood composite material, combines the best of both worlds: it looks and feels like wood, combined with the low maintenance and longevity of PVC. This makes it the perfect material for outdoor decking solutions.

Twinson® offers unlimited possibilities. On-going development of Twinson® has created numerous appropriate installation options. Calculation software, downloadable from www.twinson.com, allows flawless installation.

In the meantime, Twinson® has been awarded a number of certifications, including PEFC (Programme for the Endorsement of Forest Certification) and the quality labels VHI (Verband der Deutschen Holzwerkstoffindustrie e. V.) (Germany) and LNE (Laboratoire National de métrologie et d'essais) (France). These awards underline Deceuninck's environmental approach to sustainable product design.

Twinson®

4. Cyclefoam®

Deceuninck's closed loop philosophy, combined with its commitment to innovation, have resulted in Cyclefoam®, a foam process in which rigid recycled PVC is extruded using innovative technology in order to produce high quality profiles. Cyclefoam® is mainly used for the production of sound barriers, but it is also applied for roofline and cladding products.

Cyclefoam® technology for producing motorway sound barriers

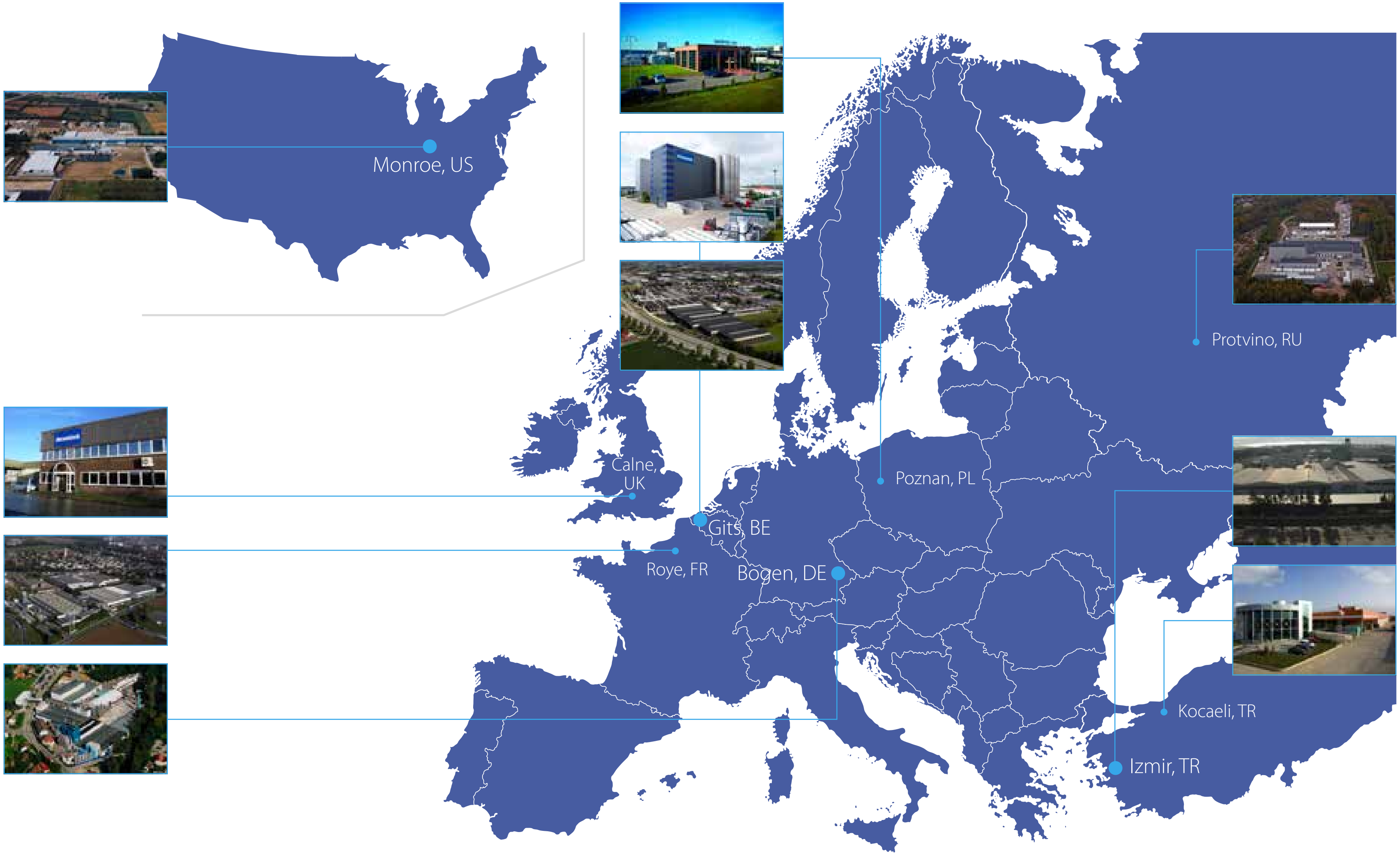
5. Innergy®

Innergy® is a unique technology developed by Deceuninck North America in cooperation with BayerMaterialScience LLC as part of an exclusive agreement between the two companies. The new technology is as first step used for thermal reinforcements to replace the traditional aluminium reinforcements in the US. It is a 20-percent bio-based resin in its proprietary formulation. Incorporating soy and other renewable sources, the composite offers strength, stability and flexibility without using styrene or peroxide.

Innergy® Rigid Thermal Reinforcements are advanced fibre glass reinforced resin inserts, designed to slide easily into window and door frame chambers for greater support and insulation.

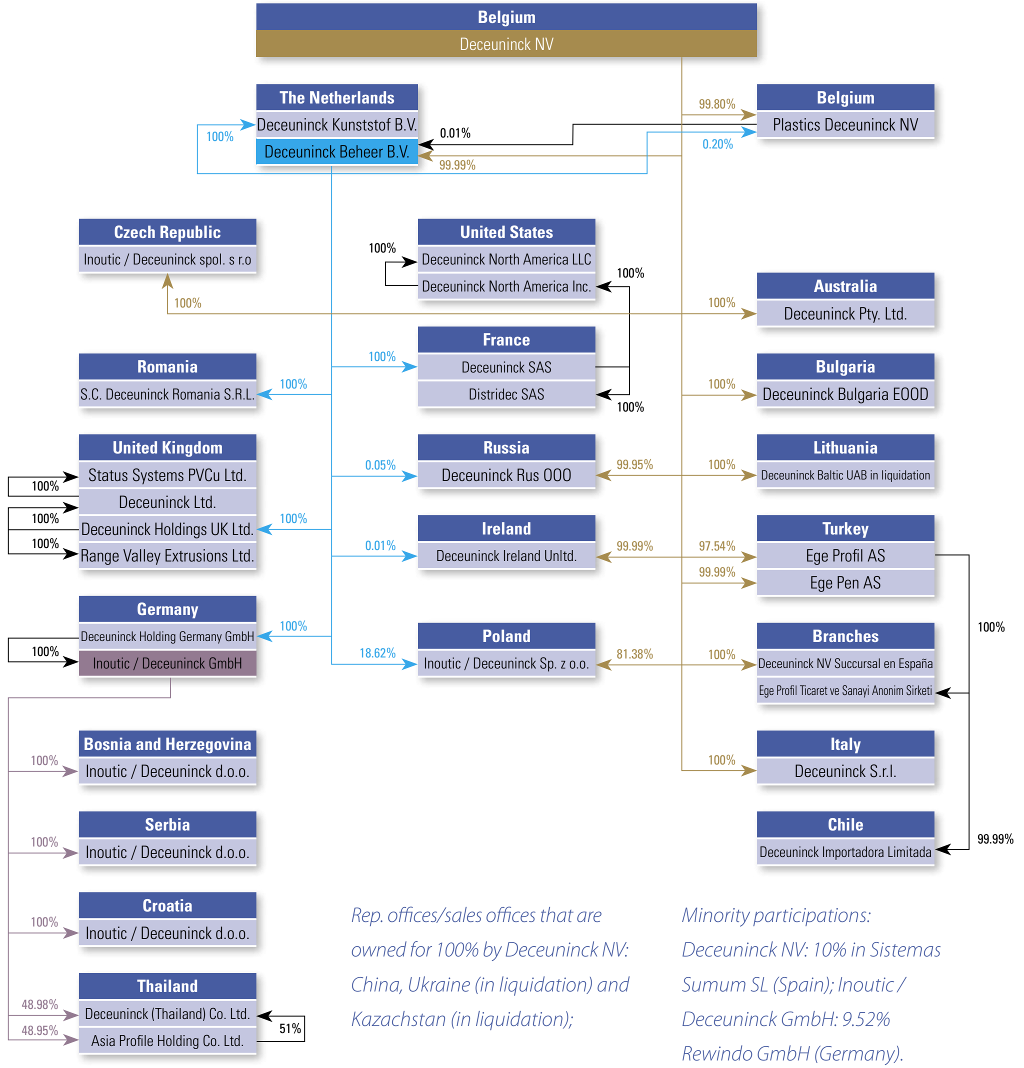
The result is a more energy efficient reinforcement with all the strength and structural reinforcement of aluminium, but with superior thermal performance.

DECEUNINCK WORLDWIDE EXTRUSION SITES



DECEUNINCK GROUP STRUCTURE

(AS PER 7 MARCH 2014)



Rep. offices/sales offices that are owned for 100% by Deceuninck NV: China, Ukraine (in liquidation) and Kazachstan (in liquidation);

Minority participations: Deceuninck NV: 10% in Sistemas Sumum SL (Spain); Inoutic / Deceuninck GmbH: 9.52% Rewindo GmbH (Germany).

HIGHLIGHTS OF 2013

January

February

Launch of Omniral® full coated windows at trade shows in Western Europe.

Omniral®

March

Foundation of Deceuninck Importadora Limitada, Chile.

April

May

June

July

August

Acquisition of Pultrusion equipment and start pultrusion of polyurethane window & door systems in Monroe (OH), US.

September

October

Start construction woodcomposite compounding plant, Hooglede-Gits, Belgium.

November

December

MANAGEMENT

(AS PER 7 MARCH 2014)

Executive team

Tom Debusschere
CEO

Philippe Maeckelberghe
Chief Financial Officer
Finance & IT

Ann Bataillie
Director HR & Legal

Bart Louwagie
Director Operations & Technology

Ergün Cicekci
Director Turkey & Emerging Markets

Bruno Deboutte
Director Central & Eastern Europe
General Manager Poland (until 30 April 2014)

Yves Dubois
Director Southwest Europe
General Manager France

Filip Geeraert
Director United States

Bernard Vanderper
Director Northwest Europe
General Manager Benelux

Internal auditor

Steven Powell
Internal Audit Manager

Statutory auditor

Ernst & Young Bedrijfsrevisoren BCVBA,
represented by Jan De Luyck and Marnix Van Dooren

Country managers

Deceuninck / Inoutic GmbH
Edgar Freund

Deceuninck Italy S.r.l.
Deceuninck NV Succursal en Espana
Mirko Anesi

Inoutic / Deceuninck Sp Z o .o.
Artur Pazdzior (as of 1 May 2014)

Deceuninck Rus OOO
Volker Guth

Inoutic / Deceuninck spol. S r.o
Radek Slabak

Deceuninck Ltd.
Roy Frost

Introduction

Reference is made to the Belgian Corporate Governance Code 2009 (the 'Code') (www.corporategovernancecommittee.be) in accordance to the law on the reinforcement of corporate governance of 6 April 2010 in modification of the Belgian Code on Companies.

In this statement, the Board discusses the main aspects of its policy on corporate governance such as the board's structure and functioning of committees, including a description of the main features of the internal control and risk management systems and the remuneration report.

The Company uses the Code as a reference. The Company's Corporate Governance Charter was updated on 17 December 2013. A copy of this Charter (the 'Charter') can be viewed on the Company's website (www.deceuninck.com).

The Company's Board of Directors complies with the Code but believes that the following departure from its provisions is considered to be the best practice in its specific situation and based on the reasons explained for doing so.

Departure from the Code and the explanation thereof

General Meetings and the publication of the General Meeting's Minutes (article 8.10 of the Code)

The Company publishes the results of the votes of the General Meeting of Shareholders as soon as possible on its website after the meeting has taken place, in conformity with article 546 of the Belgian Code on Companies. As the shareholder is informed properly of the content of the decisions and results of the vote, the Company chooses not to publish the minutes in full.

The Board of Directors

Composition of the Board of Directors

The Board is composed of 8 Directors. One member is Executive Director ("CEO") and 3 members are "Independent Directors" in accordance to the stipulations, inter alia, article 526ter of the Belgian Code on Companies. Four Directors represent reference shareholders.

The members are appointed by the General Meeting of Shareholders. Their initial term of office lasts maximum 4 years (based on the Company's Corporate Governance Charter) but can be renewed. The Remuneration and Nomination Committee presents one or more candidates, considering the needs of Deceuninck and in compliance with the nomination and selection criteria established by the Board of Directors. In the composition of the Board of Directors an appropriate balance is taken into account on gender, skills, experience and knowledge. For each (re)appointment the Board of Directors respects the law on gender diversity.
The age limit for Directors is set at 70 years at the time of the (re) appointment. In principle, a Director's term ends at the closure of the Annual General Meeting, at which moment his or her mandate can be considered ended.

The Independent Directors meet the independence criteria specified in article 526ter of the Belgian Code on Companies and the Charter.

An Independent Director who ceases to comply with the independence requirements must inform the Board of Directors thereof immediately.

The General Meeting of 13 May 2014 will be asked to renew the mandates of François Gillet and Marcel Klepfisch SARL for a term of 4 years.

The Board of Directors meets at least 6 times a year or as often as considered necessary or desirable in the Company's interest. Each Director receives the documents before the meeting so that the Directors can sufficiently prepare for the meeting. All meetings of the Board are attended by the Chief Financial Officer and the Company Secretary.

The Board of Directors met 7 times in 2013. At the meeting of 19 July and 17 December 2013, François Gillet was excused. At the meeting of 22 October 2013 Pierre Alain De Smedt and Paul Thiers, fixed representative of Pentacon BVBA were excused.

Functions and membership of the Directors within the Board of Directors and its Committees per 7 March 2014:

Name/function	Membership Committees	Gender	Latest renewal mandate	Mandate expiry
Pierre Alain De Smedt* Chairman	Chairman of the Remuneration and Nomination Committee	M	14/05/2013	09/05/2017
Tom Debusschere Comm. V with permanent representative Tom Debusschere CEO	/	M	14/05/2013	09/05/2017
R.A.M. Comm. VA** with permanent representative Arnold Deceuninck Vice-Chairman	Member of the Remuneration and Nomination Committee	M	10/05/2011	12/05/2015
François Gillet** Vice-Chairman	Member of the Audit Committee and member of the Remuneration and Nomination Committee	M	11/05/2010	13/05/2014
T.R.D. Comm. VA** with permanent representative Willy Deceuninck Director	/	M	10/05/2011	12/05/2015
Marcel Klepfisch SARL* with permanent representative Marcel Klepfisch Director	Chairman of the Audit Committee and member of the Remuneration and Nomination Committee	M	/	13/05/2014
Pentacon BVBA* with permanent representative Paul Thiers Director	Member of the Audit Committee and member of the Remuneration and Nomination Committee	M	/	12/05/2015
Giulia Van Waeyenberge** Director	/	F	/	10/05/2016

* Independent Director
** Representative of reference shareholder

Company Secretary: Ann Bataillie, Director HR & Legal

The curricula vitae of the members of the Board of Directors:

Pierre Alain De Smedt (1944), Chairman

Pierre Alain De Smedt obtained a Master in Business and Administration at the Solvay Business School (ULB), a Commercial Engineer Diploma and a Master in Economic and Financial Sciences at the ULB. Pierre Alain De Smedt is currently the Chairman of VBO/FEB, Director of Belgacom NV, Recticel NV and Alcopa NV. As Non-Executive Director, he is member of various Strategic, Audit, Remuneration and Nomination Committees.

Tom Debusschere (1967), permanent representative of Tom Debusschere Comm. V, CEO

Tom Debusschere is Civil Engineer with a postgraduate degree 'Industrial Engineering'. He began his career in 1992 as Logistics Manager at Deceuninck. Starting in 1995, he worked for 9 years at the American division, Dayton Technologies, where he became Vice President Operations. In 2004, he moved to the Belgian Unilin Group as president of the division Unilin Decor, a supplier of furniture components part of the American Mohawk Group. He came back to Deceunick as VP Marketing & Sales on 1 December 2008. He was appointed CEO of Deceuninck by the Board of Directors on 6 February 2009. He is a member of the Belgian commission for Corporate Governance, and holds board positions at EPPA (European Plastic Profile Association), EuPC (European Plastics Converters) and Essenscia (Belgian association of chemistry and life sciences).

Arnold Deceuninck (1950), permanent representative of R.A.M. Comm. VA, Vice-Chairman

Arnold Deceuninck obtained a Bachelor in Accounting and Business Management.
Arnold Deceuninck, the permanent representative of R.A.M. Comm. VA, is currently Director of R.A.M. Comm. VA, Binder NV, Deceuninck Auto's NV, Edero BVBA, Hunter & Colman NV and a Non-Executive Director of Didak Injection NV.

François Gillet (1960), Vice-Chairman

François Gillet obtained a Master in Business and Administration at the Leuven Management School (LSM). François Gillet is currently member of the Executive Committee and is Chief Investment Officer of Sofina NV, a financial holding company. As representative of Sofina NV, François Gillet also holds functions as Non-Executive Director in various participations of Sofina NV and in Emakina Group NV.

Willy Deceuninck (1944), permanent representative of T.R.D. Comm. VA

Willy Deceuninck obtained a diploma in Economics from the Franciscus Exaverius Instituut in Bruges.
Willy Deceuninck, the permanent representative of T.R.D. Comm. VA, is currently Director of T.R.D. Comm. VA, Binder NV, De Palingbeek CV, Deceuninck Auto's NV, Edero BVBA and Holim NV. T.R.D is Director in Bourez-Kesteloot NV.

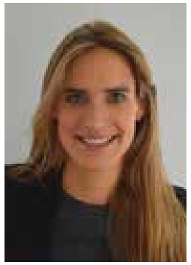
Marcel Klepfisch (1951), permanent representative of Marcel Klepfisch SARL

Marcel Klepfisch obtained a Diploma Commercial Engineer from the University of Antwerp. He has extensive experience in crisis management and was Chief Restructuring Officer at Deceuninck NV in 2009. He was Chief Executive Officer at Ilford Imaging, member of the Executive Committee at Vickers Plc, Chief Financial Officer of BTR Power Drives and Chairman of the Board of Directors of Pack2Pack. He is currently a member of the Management Advisory Board of Tower Brook in London and Chairman of the Board of Directors of Volution in the UK and Chairman of GSE Group in France.

Paul Thiers (1957), permanent representative of Pentacon BVBA

Paul Thiers is an alumnus of the Catholic University of Leuven, where he holds degrees in Master of Law (1980) and in Master in Notaryship (1981), as well as of the Vlerick Management School, where he participated to PUB in 1982-1983. From 1982 till 2005 he was co-CEO and member of the Board of Directors of the Unilin Group. He is member of the Board of Directors of Pentahold NV, Altior CVBA, Accent NV, Hecta, Vergokan and Origis NV.

Giulia Van Waeyenberge (1982)



Giulia Van Waeyenberge obtained a Master in Electrical Engineering at the Catholic University of Leuven in 2005 and a Master in Applied Economics at the Singapore Management University in 2006. After working for several years in the investment bank Merrill Lynch in Singapore and in London, Giulia Van Waeyenberge currently holds the function of Investment Manager of Sofina NV. Giulia Van Waeyenberge, as a representative of Sofina NV, performs the function of Non-Executive Director. Furthermore she holds the position of Vice-Chairman of VOKA-VEV and Chairman of Young VOKA.

Role of the Board of Directors

The Board of Directors determines the Company's strategic objectives and may perform all activities necessary or useful to achieve the Company's corporate objective, with the exception of those activities that are expressly reserved by law or by the Company's articles of association for decision by the General Meeting of Shareholders. In carrying out its tasks, the Board of Directors acts in accordance with the interests of the Group. In conformity with article 524bis of the Belgian Code on Companies, the Board of Directors has by decision of 27 March 2013 devolved powers with regard to daily and operational management to the Executive Team. The Board of Directors recorded the devolved powers of the Executive Team in the Corporate Governance Charter. The Board of Directors is to monitor this Executive Team.

The meetings of the Board of Directors are convened by the Chairman of the Board or by at least 2 Directors whenever the interests of the Company so require.

Activity Report of the Board of Directors

During the past financial year the Board of Directors has dealt mainly with following topics: long-term strategy, monitoring innovation projects and the technology strategy, approval of investment files, monitoring of the business plans of the various regions, financial reporting, continuous monitoring of the debt and liquidity situation of the Group, preparation of the statutory and consolidated financial statements and annual report, monitoring of KPIs, preparation of the General Meeting and the issuance of the 2013 Warrantplan and the offer of warrants of this plan. Furthermore, the Board also took note of the reports and proposed resolutions of the Audit Committee and the Remuneration and Nomination Committee and where necessary took decisions based on the recommendations of these committees.

Evaluation of the functioning of the Board of Directors and Committees

The Board evaluates itself on a regular basis.

In 2012, a thorough performance evaluation of the Board of Directors and the Committees was conducted again. Based on the results of this evaluation, concrete measures were taken, which will be applied to the organisation and to the functioning of the Board meetings.

An evaluation is planned in 2014.

Committees of the Board

The Board of Directors currently has an Audit Committee and a Remuneration and Nomination Committee. The role of these Committees is purely advisory. The responsibility for ultimate decision making lies with the Board of Directors. The role, duties and composition of these Committees are set out in the Company's articles of association and in the Charter.

Audit Committee

All members of the Audit Committee are Non-Executive Directors. Two members of the Audit Committee are Independent Director as defined in article 526ter of the Belgian Code on Companies.

The Audit Committee assists the Board of Directors in the execution of its supervisory assignment and is the most important link between the Board of Directors and the internal and statutory auditor.

Since the Annual General Meeting of 2012 the Audit Committee is composed as follows:
- Marcel Klepfisch SARL, with permanent representative, Marcel Klepfisch, Chairman;
- François Gillet
- Pentacon BVBA, with permanent representative, Paul Thiers.

The Committee met 6 times during 2013. All members were present or represented at each meeting.

In 2013, the Audit Committee has assisted the Board of Directors in the execution of its responsibilities in the broadest sense and has among others executed the following tasks:
- monitoring of audit activities, along with the systematic verification of signed missions by the auditor;
- assessing the reliability of financial information;
- supervising the internal audit system; and
- controlling of the accounts and monitoring the budget.

The Committee has assessed the internal control systems and the risk management, established by the Executive Team as proposed by the Risk Manager. The Committee ensures that the most important risks (including the risks relating to compliance with existing legislation and regulations) are correctly identified and that risk control systems are being implemented in the Group. The Committee further ensures that the Company's Board of Directors is kept informed on these matters.

Furthermore, the Audit Committee makes recommendations to the Board of Directors relating to the selection, appointment and reappointment of the statutory auditor and the terms of his or her appointment.

Remuneration- and Nomination Committee

Since the Annual General Meeting of 2012 the Remuneration and Nomination Committee is composed as follows:
- Pierre Alain De Smedt, Chairman
- François Gillet
- R.A.M. Comm. VA, with permanent representative, Arnold Deceuninck
- Marcel Klepfisch SARL, with permanent representative, Marcel Klepfisch
- Pentacon BVBA, with permanent representative, Paul Thiers

All members are Non-Executive Directors and the majority is independent. This Committee presents proposals to the Board of Directors with regard to (1) the remuneration policy and the remuneration of the Directors and the Executive Team and (2) the policy with regard to the appointment of Directors and members of the Executive Team.

Taking into account their education and professional experience, the members have the necessary expertise in the field of remuneration policy.

The CEO participates in the meetings of the Remuneration and Nomination Committee when the meeting deals with the remuneration of the other members of the Executive Team.

The Committee met 3 times during 2013. All members were present or represented at each meeting. Last year, the Committee has further evaluated the remuneration policy of the members of the Executive Team and it has also assessed the policy's market conformity. It has also made recommendations regarding the foundation of a Management Committee (named Executive Team) in conformity with article 524bis of the Belgian Code on Companies.

The Executive Team

The Executive Team is a Management Committee in the sense of article 524bis of the Belgian Code on Companies. This involves greater responsibility and liability for the members. As the members hold a formal mandate within the Company now, their level of responsibility and liability is similar to that of the Directors.

The Board of Directors has founded the Management Committee according to article 16bis of the Articles of Association. This modification of the Articles of Association was approved by the Extraordinary General Meeting of 15 March 2013. By decision of 27 March 2013, the Board of Directors has devolved powers with regard to daily and operational management to the Management Committee in conformity with article 524bis of the Belgian Code on Companies. As of 2013, the Belgian members of the Executive Team are remunerated as self-employed managers. The powers of the Executive Team are listed in the Charter. The Management Committee maintains the name Executive Team.

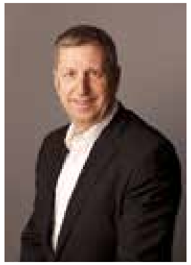
The task of the Executive Team is to assist the CEO in the daily and operational management of the Group and to carry out other responsibilities in accordance with the values, strategies, policies, plans and budgets established by the Board of Directors.

The Executive Team meets as often as necessary for the proper execution of its function, but in any case at least once every two weeks. Meetings are generally convened by the CEO, although any member may convene this Team. The Chairman of the Board of Directors may attend any meeting of the Executive Team.

A report is sent to the Chairman of the Board of Directors after each meeting.

The Executive Team currently consists of the following persons:
- Tom Debusschere Comm. V, CEO, Chairman of the Executive Team
- Philippe Maeckelberghe, Chief Financial Officer, Finance & IT
- Ann Bataillie, Director HR & Legal, Company Secretary
- Bart Louwagie, Director Operations & Technology
- Ergun Cicecki, Director Turkey & Emerging Markets
- Bruno Deboutte, Director Central & Eastern Europe, General Manager Poland (until 30 April 2014)
- Yves Dubois, Director Southwest Europe & General Manager France
- Filip Geeraert, Director United States of America
- Bernard Vanderper, Director Northwest Europe, General Manager Benelux

Tom Debusschere (1967), permanent representative of Tom Debusschere Comm. V – CEO, Chairman Executive Team

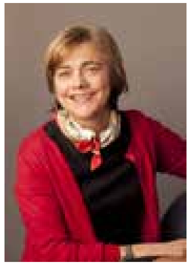


Tom Debusschere is Civil Engineer with a postgraduate degree 'Industrial Engineering'. He began his career in 1992 as Logistics Manager at Deceuninck. Starting in 1995, he worked for 9 years at the American division, Dayton Technologies, where he became Vice President Operations. In 2004, he moved to the Belgian Unilin Group as president of the division Unilin Decor, a supplier of furniture components, part of the American Mohawk group. He came back to Deceuninck as VP Marketing and Sales on 1 December 2008. He was appointed CEO of Deceuninck by the Board of Directors on 6 February 2009. He is a member of the Belgian commission for Corporate Governance, and holds board positions at EPPA (European PVC Window Profile and Related Building Products Association), EuPC (European Plastics Converters) and Essenscia (Belgian association of chemistry and life sciences).

Philippe Maeckelberghe (1960) – Chief Financial Officer, Finance & IT

Philippe Maeckelberghe is Chief Financial Officer of Deceuninck since June 2008 and responsible for IT since 2013. Previously he held various financial positions at Cisco, Scientific-Atlanta, BarcoNet and Barco. Philippe Maeckelberghe obtained a Master in Applied Economic Sciences at the University of Antwerp (1982), a Master of Business Administration at the Catholic University of Leuven (1983) and a Master in Controllership – Chartered Controller BIMAC at the Vlerick Leuven-Gent Management School (1999).

Ann Bataillie (1959) – Director HR & Legal, Company Secretary

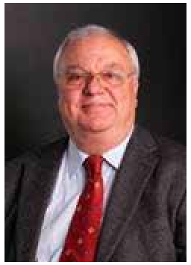


Ann Bataillie joined Deceuninck in February 2002. Before she joined Deceuninck, she worked as senior legal counsel at Barco for 15 years. Ann Bataillie obtained a Master of Law at the Catholic University of Leuven (1981) and completed her education with a Master in European Law at the University of Nancy II, France (1982). She completed her studies in European Law by following a training course at the European Commission (D.G. Internal Market). Moreover, she acts as HR Director on Group level since April 2013.

Bart Louwagie (1969) – Director Operations & Technology

Bart Louwagie started at Deceuninck in 2007 as Quality Assurance Manager. He became Operations Manager Finishing in 2009. Until 2011, he was General Manager of the plant Gits. As of October 2011 he holds his current function of Director Operations. Additionally, he assumed the role of Director Technology since April 2013. Before Deceuninck he worked at Tupperware for most of his career, both in Belgium and in the United States. Bart Louwagie obtained a Master Industrial Engineer Chemistry, speciality plastic materials, at Hogeschool Gent (1993) as well as a Master of Science in Engineering, Composite Materials at the Imperial College, University of London (1994).

Ergun Cicekci (1954) – Director Turkey & Emerging Markets



Ergun Cicekci joined Deceuninck as General manager in 2000 with the acquisition of Ege Profil by Deceuninck. He started his career in the plastics industry in 1981 with ETAP, where he was responsible for operations. In 1987 he moved to the Mazhar Zorlu Group where he took up the function of Export Manager. He continued his career by adding responsibilities for all the CAPEX of the group and becoming General Manager of Ege Profil. Ergün Cicekci has a degree in Mechanical Engineering from Istanbul Technical University (1975) and obtained a Master of Science in Systems Design from Aston University (Birmingham, 1979).

Bruno Deboutte (1965) – Director Central & Eastern Europe, General Manager Poland (until 30 April 2014)

Bruno Deboutte joined Deceuninck in September 1997. Until 2001 he was the export sales manager. From 2001 until 2006 he was Business Unit Manager Building Products. In 2006 he became Group Director of the business unit Building Products. In October 2009 he was appointed Director Central & Eastern Europe and in September 2011 he also took on the position of General Manager Poland. Bruno Deboutte obtained a Master Industrial Engineer Electricity, speciality automation, at KIHO in Gent (1990) and is currently board member of the AgPU (Arbeitsgemeinschaft PVC und Umwelt e.V. in Germany).

Yves Dubois (1961) – Director Southwest Europe & General Manager France

Yves Dubois joined Deceuninck as Director Southwest Europe & General Manager France and Spain in September 2011. He started his career with Atochem in 1987, where he held several positions of Business Manager in basic chemicals & polymers and Managing Director of subsidiaries in Asia (Hong Kong and South Korea). Until August 2011, he was Director of the Alphacan (Arkema Group) Profile Business Unit. Yves Dubois obtained a Master of Economics and International Affairs (1986) at Paris Dauphine University and is currently Chairman of the French plastics extrusion trade association S.N.E.P. (Syndicat National de l'Extrusion Plastique).

Filip Geeraert – Director United States of America

Filip Geeraert joined Deceuninck in December 1997 as Corporate Controller. He moved to the American division, Dayton Technologies, in 2000 as Vice President Finance. As of April 2011 he holds the position of Director of the Americas. Before Deceuninck, he worked in several finance positions in Belgium, Italy and the US for Bekaert. Filip Geeraert obtained a Master Applied Economic Sciences at the University of Antwerp (1981) and a Master in Information Technology at the University of Leuven (1982).

Bernard Vanderper (1962) – Director Northwest Europe, General Manager Benelux

Bernard Vanderper joined Deceuninck in 1989. Until 1997, he was the Sales Manager of Benelux. As from 1998 he has been General Manager Benelux. In October 2009 he also became Director Northwest Europe. Bernard Vanderper obtained a Master Applied Economic Sciences at the University of Antwerp (1984).

Remuneration Report

Remuneration policy and specification of the level of remuneration for Non-Executive Directors

The General Meeting of the Company fixes the remuneration of Directors following the proposal of the Board of Directors which is based on the recommendations of the Remuneration and Nomination Committee. Non-Executive Directors receive a fixed amount as remuneration for the execution of their mandate and a fixed amount for each Board meeting attended, limited to a maximum amount. Performance-based remuneration such as bonuses, stock-related incentive programs and fringe benefits are excluded. The amount of remuneration is different for the Chairman, the Vice-Chairman and the other Non-Executive Directors. If the Non-Executive Directors are also members of a Committee, their remuneration will be increased by a fixed amount per meeting of the particular Committee. These amounts remained the same in 2013.
The Company and its subsidiaries shall not issue any personal loans, guarantees, etc. to the members of the Board of Directors or the Executive Team.

If Directors are assigned special tasks and projects, they may receive an appropriate remuneration for this. No termination compensation is provided for Non-Executive Directors. In line with the overall remuneration strategy of the Company, the Remuneration and Nomination Committee regularly establishes a benchmark for the remuneration of Non-Executive Directors with comparable Belgian listed companies. This is done in order to ensure that the remuneration is still appropriate, and in conformity with market practices, taking into account the size of the Company, its financial situation, its position within the Belgian economic environment, and the responsibilities that the Directors bear.

Remuneration of the Board of Directors in 2013

The total gross remuneration paid to the non-executive members of the Board of Directors in the financial year 2013 amounted to € 289,500 (€ 305,000 in 2012). This amount includes additional remuneration granted to Directors for their membership of Committees. This remuneration is awarded by the General Shareholders' Meeting and is registered as a general cost. In 2013, the Company or any affiliated Company of the Group did not grant any loans to any of the Directors, nor are there any outstanding repayments owed by the Directors to the Company or any affiliated Company of the Group.

The gross remuneration for 2013, as recommended by the Remuneration and Nomination Committee, is composed of:

In €	Min/year (fix)	Allowance per Board of Directors	Allowance per Committee	Max/year
Chairman	40,000	3,000	1,000	80,000
Vice-Chairman	30,000	1,500	1,000	60,000
Director	20,000	1,500	1,000	40,000

Remuneration Non-Executive Directors

Name	Attendances of the Board of Directors	Attendances of the Remuneration and Nomination Committee	Attendances of the Audit Committee	Total gross remunerations (in €)
Pierre Alain De Smedt	6/7	3/3	/	61,000
François Gillet	5/7	3/3	6/6	46,500
R.A.M. Comm. VA permanently represented by Arnold Deceuninck	7/7	3/3	/	43,500
T.R.D. Comm. VA permanently represented by Willy Deceuninck	7/7	/	/	30,500
Giulia Van Waeyenberge	7/7	/	/	30,500
Marcel Klepfisch SARL permanently represented by Marcel Klepfisch	7/7	3/3	6/6	39,500
Pentacon BVBA permanently represented by Paul Thiers*	6/7	3/3	6/6	38,000

Remuneration policy and specification of the remuneration level for the CEO and the members of the Executive Team

The remuneration of the members of the Executive Team, including the CEO, shall be determined by the Board of Directors based on the recommendations of the Remuneration and Nomination Committee. The aim of the general remuneration policy of the Group is to attract, retain and motivate competent and professional employees. For this reason, the amount of the remuneration shall be determined in proportion to the individual tasks and responsibilities. The Remuneration and Nomination Committee annually reviews and fixes the total compensation based on the strategic positioning of each of the functions versus the benchmark in the market and the expected market trends. Every two year a thorough benchmark shall be conducted with comparable international companies of similar size and structure. The contribution made by members of the Executive Team to the development of the activities and the results of the Group constitutes an important part of the remuneration policy.

The total remuneration of the Executive Team members comprises the following elements: the fixed remuneration, the short term variable remuneration, options and/or warrants and the savings and precautionary plan.

The fixed remuneration of the members of the Executive Team shall be determined according to their individual responsibilities and skills. It shall be awarded independently of any result.

Additional to the fixed remuneration, the Company assigns a sum amounting to 8% of this fixed remuneration to each member of the Executive Team. This amount may be used, at the discretion of the Executive Team member, for pension and insurance contributions like:

- the payment of a life endowment in favour of the insured person on the date of his retirement;
- the payment of a death benefit in case of death of the member prior to retirement, for the benefit of its beneficiaries (plus an additional benefit in case of accidental death);
- the payment of a disability annuity in case of accident or sickness (other than occupational), and;
- the exemption from insurance premiums in case of illness or accident.
- health insurance.

Short-term variable remuneration: In order to align the interests of the Company and its shareholders with the interests of Executive Team members, part of the remuneration package shall be linked to Company performance and another part to individual performance. By weighing both factors against each other in a responsible manner (85% corporate results/15% individual results) a balance can be achieved between a result-oriented approach (Top Performance) and the manner in which these results are obtained (taking into account the core values, i.e. Candor, Top Performance and Entrepreneurship). If the manner in which results were obtained is not totally in line with the core values, the Remuneration and Nomination Committee reserves the right to decide not to pay any bonus.
Since 2013, the variable remuneration philosophy applied for the CEO is the same as the one that was already being applied for other members of the Executive Team.

For the members of the Executive Team, the performance of the Company (85%) is based on the net result and the REBITDA of the past financial year. The Board of Directors reviews these criteria annually on the proposal of the Remuneration and Nomination Committee, and may revise them if necessary. For 2013, the evaluation criteria for the performance of the CEO and the other members of the Executive Team were: ROCE (15%) and REBITDA (70%). For members of the Executive Team who bear an ultimate responsibility at a regional level, the ROCE of the Group (15%) and the REBITDA of the region (70%) are taken into account to consider the Company performance.

The individual performance (15%) is based on a clearly defined evaluation system that is built around the achievement of specific measurable individual targets, the realization of important key figures and conformity with core values which are important to the Company. All the targets must always be in line with the group strategy, the business plan, the core values and the guidelines. The individual targets are set annually during individual interviews at the start of the financial year.
The Remuneration and Nomination Committee evaluated the achievement of the targets for 2013 by the members of the Executive Team and recommended to the Board of Directors a short-term variable compensation based on performance criteria for 2013.

The short-term variable remuneration is in principle 30% of the fixed annual remuneration for the members of the Executive Team and 75% of the annual fixed remuneration of the CEO. This percentage may be exceeded as far as the Company results are concerned, but should never exceed 37.65% (for the members of the Executive Team) or 97.5% (for the CEO). The variable compensation related to the performance of the Company shall only be awarded if 80% or more of the projected financial targets are achieved.

The variable remuneration is not spread over time. The Extraordinary General Meeting of the Company of 16 December 2011 decided that the Company is not bound by the limitations of the rules of article 520ter paragraph 2 of the Belgian Code on Companies concerning the spreading of the variable remuneration of the Directors, the CEO and members of the Executive Team, over time.

The Company also offers options and/or warrants on shares of the Company. The purpose of this kind of remuneration is to motivate and retain employees who (can) have a significant impact on the Company results in the medium-term. When granting options and/or warrants, due account is taken of the strategic impact of the function that the employee performs and his/her future (growth) potential.

The underlying philosophy of this form of remuneration is to raise Deceuninck's value to the maximum extent in the long term, by linking the interests of the management to those of shareholders, and to strengthen the long-term vision of the management. In this context, the exercise period of an option and warrant is 10 years. The stock options and warrants can only be exercised the 3rd year following the year in which the options and warrants were offered. If they are not exercised at the end of the exercise period, they are, ipso facto, reduced to zero, and lose all value.

One third of the warrants/options are each time released for exercise in the fourth, in the fifth and in the sixth calendar year after the year in which the offer has been made up to the end of the term.

In the event of voluntary or involuntary dismissal (except in case of termination of contract for cause), the accepted and acquired stock options/warrants can only be exercised during the first exercise period following the date of the termination of contract. The options/warrants that are not acquired shall be cancelled. In the event of involuntary dismissal for cause, the unexercised, accepted stock options and warrants are cancelled, whether or not they were acquired. These terms and conditions relating to the acquisition and exercise of options and warrants in the event of voluntary or involuntary dismissal can be applied without prejudice to the competence of the Board of Directors to make changes to these stipulations to the advantage of the beneficiary, based on objective and relevant criteria. If the employment agreement ends due to legal retirement or end of career, the warrants/options shall remain exercisable. The shares that may be acquired in connection with the exercise of the options/warrants are listed on Euronext Brussels; they are of the same type and have the same rights as the existing ordinary Deceuninck shares. The members of the Executive Team have no other remuneration linked to shares.

Remuneration for the next two financial years

The remuneration policy shall continue in its current form.

Remuneration of the CEO and the members of the Executive Team

In the report on the remuneration of the CEO and the members of the Executive Team, the basis for the variable remuneration is the remuneration earned during the financial year. The payment takes place end of February of the following year. In 2013, the total remuneration of the members of the Executive Team (including the CEO) amounted to € 3,026,968, including the variable remuneration earned in 2013. The variable remuneration earned for the 2013 performance (paid out in 2014) amounted for this group to € 761,776.

CEO

The CEO received a fixed remuneration in the amount of € 490,000 in 2013. The variable remuneration for 2013 (paid in 2014) amounted to € 334,571. In addition to the amounts paid, the CEO is also provided with the benefit of a company car, a part of the costs of which are borne by the CEO.

The pension allocation (fixed amount) amounts to € 39,200.

Members of the Executive Team

Members of the Executive Team (including one member that has another function since April 2013 and excluding the CEO) received a remuneration of € 2,202,398 last year, which includes a variable remuneration of € 427,205 based on the performance criteria of 2013. This variable remuneration was paid in February 2014.

The retirement allowance amounted to € 83,840 and consists of approved contributions to an external insurance company. The amounts for 2013 are gross remunerations to which withholding taxes were levied by the Company with the new selfemployed status of the members of the Executive team and where the members themselves are responsible to pay the social contributions applicable to their self-employed status. The social security contributions in conformity with the then Workers' Statute of the Belgian members of the Executive Team were not included in the amount of 2012.

In the course of 2013 one member left the Executive Team.

Options and/or warrants on shares of the Company are granted to the members of the Executive Team. The Extraordinary General Meeting of October 2006 approved an option plan on existing stock under which the Board of Directors is granted the authority to allocate 75,000 options on existing shares each year. During its meeting of 17 December 2013, the Board of Directors approved an additional warrant plan for 2013 within the authorised capital for the issue of 3,000,000 warrants (Warrant Plan 2013), of which 902,500 warrants were offered in December 2013. The members of the Executive Team were offered 570,000 warrants of this Warrant Plan 2013, which were granted as follows:
Each member of the Executive Team was offered 27,500 warrants; the CEO was offered 350,000 warrants. All 570,000 warrants were accepted.

The warrants offered in 2013 have an exercise price of € 1.76 (for the members of the Executive Team and the CEO). No stock options or warrants were exercised in 2013.

Deceuninck provides a company car to the members of the Executive Team. In this context, the Company tries to achieve a maximum balance between the representative attributes of the car and the personal needs of the members of the Executive Team. Under the Environments charter, the environmental impact, including consumption and CO2 emissions, plays a substantial role during the selection of these types of cars.

The members of the Executive Team also benefit from a group health insurance for themselves, their spouses or cohabiting partner if any, and their children who are dependent to the family from the taxation point of view.

Right of recovery

The stipulations of the agreements between the Company and the CEO and the members of the Executive Team do not contain recovery clauses.

Severance Pay

For the members of the Executive Team and the CEO, special severance pay conditions of 12 months base salary have been agreed in the management agreements. No special agreements that could deviate from the applicable current employment laws and practice were made with the regional managers in France, the US and Turkey.

Audit

The statutory auditor was appointed for a period of 3 years at the General Annual Shareholders' Meeting of 10 May 2011. His annual fee amounted to € 540,000 in 2013 (€ 599,150 in 2012) for the whole Group, including audit services for the consolidated and statutory accounts.
The mandate of the statutory auditor ends at the General Shareholders' Meeting on 13 May 2014. The General Meeting of 13 May 2014 will be asked to renew the mandate the mandate of Ernst & Young Bedrijfsrevisoren BCVBA, represented by Jan De Luyck and Marnix Van Dooren, for a term of 3 years.

TRANSACTIONS BETWEEN RELATED PARTIES

General

Each Director and each member of the Executive Team is encouraged to arrange their personal and business interests so that there is no direct or indirect conflict of interest with the Company. Deceuninck has no knowledge of any potential conflict of interest affecting the members of the Board of Directors and the Executive Team between any of their duties to the Company and their private and/or other duties. The Charter provides that every transaction between the Company (or any of its subsidiaries) with any Director or executive manager must be approved in advance by the Board of Directors, whether or not such a transaction is subject to applicable legal rules. Such a transaction can only take place based on terms in accordance with market practices.

Directors' conflicts of interest

In accordance with article 523 of the Belgian Code on Companies, the Board should respect a special procedure in case that one or more Directors potentially have a conflict of interest with one or more decisions or transactions that are within the authority of the Board of Directors. One case of conflict of interest in the sense of article 523 of the Belgian Code on Companies was communicated to the Board of Directors during 2013.

This conflict of interest concerned the offer of warrants to certain employees, senior management members and to the members of the executive team. The CEO informed the Board of Directors about a potential conflict of interest. In accordance with the stipulations of article 523 of the Belgian Code on Companies and taking into account that the Company is a public Company listed on the stock exchange, the Director involved was asked to leave the meeting during the discussion of this point. As a consequence, the Director involved did not participate in the deliberations or in the vote on the issue.

Transactions with affiliated companies

The conflict of interest settlement of article 524 of the Belgian Code on Companies was not applied in 2013.

Authorization purchase treasury shares

At the Extraordinary Annual Meeting of 18 December 2012, it was decided to grant the Board of Directors the authority for a period of 5 years to acquire treasury shares by purchase or exchange up to the maximum permitted number of shares and for a price between € 0.40 and € 6.00 per share. This action can be taken without authorization of the General Meeting and in accordance to article 620 and following of the Code on Companies.

At the same Meeting, it was decided to authorise the Board of Directors, without limitation in time, to sell these treasury shares, either directly or by intervention of a person who acts in his own name but at the expense of the Company, either (i) at a minimum price of € 0.40, which is the minimum price fixed in the authorization for purchase of treasury shares, or (ii) when the sale happens in the context of a Share option plan. In this last case, the Board of Directors is authorised to sell the shares, with the consent of the beneficiaries of the share option plans, outside of the stock exchange market.

During the financial year 2013, no treasury shares were purchased.

At the Extraordinary Annual Meeting of 18 December 2012, it was decided to grant the Board of Directors the authority for a period of 3 years to acquire or sell treasury shares, profit-sharing bonds or certificates which relate to these bonds, according to article 620 till 625 and 630 of the Code on Companies, when the acquisition or alienation is necessary to avoid threatening serious damages to the Company.

Authorised capital

At the Extraordinary Annual Meeting of 18 December 2012, it was decided to grant the Board of Directors the authority, for a period of 5 years starting from 25 January 2013, to increase issued capital on one or several occasions to a maximum amount of € 42,495,000.00 by a cash contribution, a contribution in kind according to legal limits or by incorporation of the reserves or share premiums, with or without the issuance of new shares. In case of a capital increase in cash, the Board of Directors is authorised, with unanimous votes, to limit or cancel the preferential rights. The extraordinary circumstances in which the authorised capital can be used and the anticipated goals are stated in the extraordinary report of 17 October 2012. This report can be viewed on www.deceuninck.com.

Modification of the articles of association

The modification of the articles of association has been executed in accordance with the stipulations of the Belgian Code on Companies. The Extraordinary General Meeting of 15 March 2013 approved the modification of the articles of association. This modification and the coordination of the articles of association can be viewed on www.deceuninck.com.

Shareholders structure

Every shareholder holding a minimum of 3% of the voting rights needs to comply with the law of 2 May 2007 in respect of the notification of significant investments, the Royal Decree of 14 February 2008 and the Belgian Code on Companies.

The involved parties need to submit a notification to the Financials Services and Markets Authority (FSMA) and to the Company.

Breakdown of shareholders

In application of the Law of 2 May 2007, the latest report of participations that has been received shows the following breakdown of shareholders on 7 March 2014:

Desco*	18,856,250 shares	17.50%
Sofina NV*	18,856,250 shares	17.50%
Fidec NV	5,793,990 shares	5.38%
Lazard Frères Gestion S.A.S.	5,414,516 shares	5.03%
Francis Van Eeckhout	3,237,501 shares	3.00%
Holve NV (controlled by Francis Van Eeckhout)	2,150,217 shares	2.00%
Other (Institutional investors, personnel, stock exchange,…)	53,441,276 shares	49.60%

* According to the Company transparency disclosure dd. 29/10/08

In a letter dated 21 September 2007, Sofina and Desco notified the Company that they had terminated their shareholder agreement of 27 June 2006, and that a new agreement with regard to their participation in Deceuninck NV had been concluded on 27 August 2007. This agreement does not constitute "mutual consultation" in the sense of Art. 3, §1, 5°, of the Law of 1 April 2007, concerning public takeover offers. Sofina and Desco are "persons acting in mutual consultation" in the sense of the definition of Art. 3§1, 13°c of the Law of 2 May 2007.

Internal control and risk management systems

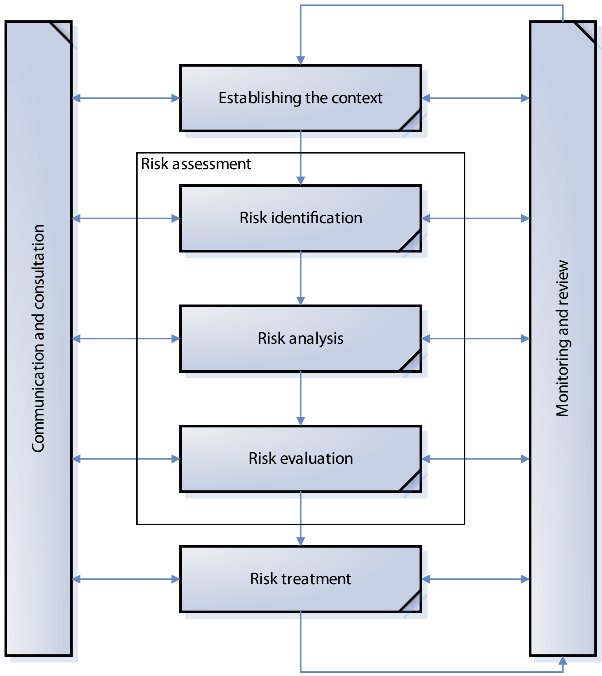
The most important features and elements of the internal control and risk management systems, including the financial reporting, implemented by management, can be summarised as follows:

- Distributing and updating an accounting manual and developing further specific elements as required;
- Defining targets for permanent follow-up on the activities, the operational results, the use of working capital and the financial position of the Group and the individual companies;
- Constant evaluation of the past and forecasting the most important future targets;
- Following up on exchange rate risks with actions to manage the risks;
- Defining the company's policies and procedures for compliance with applicable laws and regulations;
- Clear procedures on authorisation, reviewed for compliance by the internal audit department;
- Managing information technology systems;
- Discussion of internal audit reports with the internal auditor and, if required, further consultation for additional information and clarification as well as taking measures in order to implement and be compliant with the recommendations;
- Constant monitoring of raw material prices and any changes in prices;
- Requesting statements and confirmation from the local general managers to ensure that they comply with the applicable laws and regulations and internal procedures of the company;
- Monitoring and regular discussion with the legal department of litigation that could be of material significance.

Deceuninck's 3 core values are Candor, Top Performance and Entrepreneurship. Taking calculated risks is an integral part of operational management. The purpose of risk management is to identify and manage the risks.

Risk framework

The ISO 31000 standard has been selected as a framework for the risk management system. Deceuninck is very familiar with ISO standards (ISO 9001, ISO 14000, etc). This new standard, issued in November 2009, primarily describes the implementation process. The following steps can be distinguished within this process:



Establishing the context

In order to detect the risks, it is important to have a clear understanding of the context in which Deceuninck operates. On the one hand, there is the external context in which the social, cultural, political, legal, legislative, financial, technological, economical, natural and competitive environment plays an important role. It is also necessary to look at the main drivers and trends that could affect the objectives to be achieved. Finally, the relationship with external stakeholders (Customers, suppliers, authorities, shareholders, etc.) also has an important role. On the other hand, there is the internal context in which the objectives of Deceuninck as a Group, as well as the objectives of each individual entity, need to be defined. This requires a good understanding of the resources, knowledge, company culture, organisation, internal standards, strategy, the values, objectives and of relationships with internal stakeholders.

Risk identification

Risk identification is the first step within the risk assessment process. The risks that might have an impact on the achievement of targets are identified in separate brainstorming sessions. These risks can be summarised in a risk register.

Risk analysis

Risk analysis is the process that seeks to identify the possibility that the risk will occur and what the possible impact will be on achieving the objectives. For this, we take into account the impact on the core objectives i.e. people, planet, quality, service and cost.

Risk evaluation

Risks are evaluated and ranked on the basis of the scores given for the probability that they will occur and the impact they will have. From this analysis, risks are assessed as to whether they can be tolerated or whether action is required to reduce the impact to an acceptable level. These risks can be evaluated by means of a risk matrix.

Risk treatment

The risk evaluation is used to select the risks that require further action. There are 4 possibilities for this:
- Completely avoid the risk by changing or stopping the activity;
- Transfer the risk by insurance or third party contract;
- Accept the risk without further action;
- Take action by reducing the probability (prevention) or by lowering the impact (protection).

The risk process is continuous and the different phases continuously have to be reviewed and monitored. Every manager of each department has the responsibility to maintain this process. The Risk & Credit Manager Group will fulfill a supporting, facilitating and consolidating role in this process. The Risk & Credit Manager Group reports to both the CFO and the Audit Committee. The internal audit department focuses on risk management (RBIA: risk based internal audit).

In 2013, workshops continued for the Belgian entities, in order to further evaluate the risks, to determine risk tolerance and to define the subsequent risk treatment. Records are kept of this by means of a risk management information system that allows this information to be listed, observed and reported systematically. Risk assessments were also introduced in case of important projects.

The roll-out of the risk management process continued in all subsidiaries with production facilities (Belgium, Czech Republic, France, Germany, Poland, Russia, Turkey, UK and US and some smaller ones in Europe (Spain & Italy). In these countries the risk registers concerned were drawn up, enabling the risks to be evaluated. The risk treatment process has started and will be continued in 2014. Here too, the central risk management information system is used, providing the Risk & Credit Manager Group with a perfect overview of all risks within the Group, which can also be reported to the Executive Team and the Audit Committee.

In each foreign branch a local risk manager is appointed, who has to insure that the risk management process is continued locally. He has a supportive and facilitating role. Furthermore, this person is responsible for entering data in the central risk management information system. He reports directly to the Risk & Credit Manager Group.

Risk structure

The risks that Deceuninck faces can be classified in nine categories:
- Strategic risks: macro-economic and financial circumstances, company image, political developments, image of PVC, legislative developments;
- Financial risks: exchange rate risk, liquidity risk, credit risk, interest risk;
- Operational risks: going concern risks, supply and prices of raw materials, incidents, safety, quality risks, volume, seasonality, energy;
- Social risks: the retention of employees, the search for employees, safety of people, motivation, work-life balance;
- Technological risks: introduction of new technologies, monitoring new technologies, available resources and knowledge;
- ICT risks: infrastructure, hardware, software, loss of data, cyber risk
- Business risks: evolution of the building activity, government grants, insulation requirements, market demand, trends, competition, quality requirements, standards, distribution channels, Customer expectations, branding, communication, media;

– Environmental risks: pollution, recycling, environmental standards, communication regarding PVC, sustainability;
– Legal and regulatory risks such as product liability, intellectual property, warranty, legislation, contract management.

The most relevant risks are highlighted below:

Financial risks

The exchange rate risks, interest risks, credit risks and liquidity risks are further discussed in this report under Note 23.

Market risks

The activities, operational results and financial position of Deceuninck are influenced by the level of activity in the residential construction sector. This activity highly depends on the general economic circumstances as well as on governmental stimuli of local authorities to encourage economic activity, particularly in residential construction. The withdrawal of such stimuli can have a significant impact on Deceuninck's sales. Deceuninck is active in new construction as well as the renovation market which results in a more spread risk. In a period of a weaker construction activity, we generally notice a shift from new construction to renovation.

A large part of Deceuninck's activities is seasonal, which can have a significant impact on working capital needs and cash flow. The demand for Deceuninck's products, and therefore the working capital needs, is the highest during the second and third quarter. Demand is at its lowest level during the first quarter and in the fourth quarter, as the winter period is less favorable for residential construction. Longer winter periods can negatively affect the demand, especially during the first quarter and particularly in Eastern Europe where the winter period is longer. Due to the wide geographical distribution of the markets where Deceuninck is active, this risk is also partially spread.

Deceuninck has actively expanded its sales and activities, including in emerging markets, which exposes the Company to additional risks. Deceuninck is active in over 75 countries. Although the geographical distribution is regarded as an asset, the financial results of the different entities can vary significantly, which can have an impact on the consolidated results of Deceuninck. Changes to an investment policy or shifts in the prevailing political climate in a country where Deceuninck is active or sells products could lead to the introduction of stricter government regulations. These might, for example, be with regard to price regulations, export and import, income taxes and other taxes, environmental laws, restrictions on foreign ownership, exchange rates and currency control, labour and social security policies.

Operational risks

The profitability of Deceuninck is partially determined by changes in raw material purchasing prices, especially PVC-resins and additives, and by the sales prices Deceuninck can ask for its products and services. There is always a delay between changes in raw material prices and the changes in the sales prices of the products. This time difference is typical for the construction product market in general and is not specific to Deceuninck. Price increases cannot always be implemented due to competition in the market and competition with alternative materials such as aluminium and wood. The sales prices for large Customers are increasingly linked to the PVC index. There is a clear trend in increasing raw material prices, which also leads to continuous adjustment of sales prices. The margins are closely monitored using new reporting systems.

Deceuninck needs to assure continuous supply to its Customers. With the exception of coloured profiles, most profiles can be delivered immediately from stock. To be able to guarantee this continuity, it is necessary that Deceuninck does not have interruptions in its supply chain. External suppliers play an important role in this, but internal suppliers (compounds, tools, gaskets, etc.) also have to be considered as potential risk factors. These risks have been identified and are managed and monitored. Particular attention is given to business continuity in the event of supply chain problems.

The different business processes within Deceuninck are highly dependent on the availability of the IT systems. To protect this availability, a number of measures are in place regarding backups, physical access, power supply, fire detection, system redundancy and specialised assistance in case of disasters.

Legal and compliance risks

Deceuninck is subject to various stringent and evolving laws, regulations and standards. Adapting to a changing regulatory environment or failure to comply with such laws, regulations and standards could have an adverse effect on its business, operational results or financial position.

Deceuninck may be faced with claims of infringement of others' intellectual property rights.

Deceuninck is subject to risks that result from product liability claims involving products it has manufactured.

In an international company, the individual actions of employees can lead to compliance breaches. This can adversely affect the image of the company, its activities and the value of its shares.

Through strict worldwide application of its Corporate Governance Charter and rigorous internal control, Deceuninck strives for maximum compliance worldwide with its Corporate Governance Charter and ethical code.

Building a sustainable home

At Deceuninck we believe in Building a sustainable home, based on 3 pillars: Innovation – Ecology – Design

Our core values, Candor, Top Performance and Entrepreneurship help us to achieve our mission.

Top Performance means:

- When confronted with a choice, we choose in the following order: People (Health and Safety), Planet (Environment and Ecological footprint), Quality, Service, Profit (Cost) – PPQSP.
- Profit is essential to build a sustainable business.
- Performance 'at every work place' every day: regarding design, manufacturing, delivery,the Customer; and product installation.

People

"We are here to build a sustainable 'home' for our people and our Customers. We build long lasting relationships and intimacy, based on our core values."

Deceuninck Group believes in an organisation with a culture where people are proud to work for. Our people live the values of Candor, Top Performance and Entrepreneurship. Deceuninck aims to enable its people to do this to the best of their ability. Various initiatives have been taken such as the development of an international HR policy.
In December 2013 an international HR meeting was held with all HR managers within the group. Next to the exchange of best practices, strategic actions were defined.
Functions of the management team group and local management teams have been classified based on the global grading system of Towers Watson. Such classification shall be continued worldwide in the course of 2014.

Deceuninck has a clear commitment to act with respect for people, society and environment as well as to create a safe, healthy and learning workplace for its employees. Deceuninck considers it an ethical responsibility that each individual employee worldwide leaves his or her workplace without injury.

In 2013 Deceuninck's performance related to lost working days as a result of an accident at work was below the 2012 performance. The year on year 30% increase relates entirely to the production sites in Turkey and France. Belgium, Germany and Poland showed a remarkable decrease of the the number of lost working days as a result of an accident at work. There were no lost working days in the production sites and distribution centres of Italy, Romania, Russia, Spain, Czech Republic and the United Kingdom.



Salary costs and net salary in Belgium

The total annual payroll costs in Belgium for Deceuninck amount to € 33.2 million, consisting of € 7.9 million in employer's contributions for NOSS and other statutory insurance and € 25.3 million in gross wages and salaries. Of the € 25.3 million gross wages an amount of € 3.1 million is paid to social security and € 6.7 million is paid in withholding tax. The employees ultimately receive a net amount of € 15.0 million or 45.3 % of the total employer's payroll costs.

Total salary costs (in € million)		
Employer's contribution and insurance	7.9	23.7%
Gross wages or salaries	25.3	76.3%
Employees' contributions	*3.1*	*9.2%*
Withholding tax on salaries	*6.7*	*20.2%*
Net wages or salaries	*15.0*	*45.3%*
Other	*0.5*	*1.6%*
Total	**33.2**	**100%**

Planet

"We are here to help you build a home that is more energy-efficient to live in. We create long lasting, low maintenance building products with top insulating properties. Our products are created with the lowest ecological footprint and can be fully recycled at end of life."

Product and process innovation goes beyond energy efficiency

The greenest raw material is the one that you do not consume.
National building codes are gradually introducing stricter insulation and ventilation targets in order to meet European insulation legislation (EPBD - Energy Performance of Buildings) by 2020. New buildings are to be nearly zero energy buildings by 31 December 2020 with public buildings having

to fulfill this standard two years earlier. Improving the energy performance of buildings is a cost-effective way of fighting against climate change and improving energy security, while also creating job opportunities, particularly in the building sector.

Plastics only use 4% of non-renewable oil and gas based fossil fuels. PVC uses less than 1%. 40% is used for heating buildings. Plastic building products are lightweight, require low maintenance and provide superior insulation. Plastic products save energy and reduce CO2 emissions. In order to preserve natural resources Deceuninck is continuously developing PVC and composite products that drastically help reduce the energy that escapes from buildings through windows and walls. PVC and PVC composite products are the most economical solution for insulation.

At Deceuninck we believe that true sustainability goes beyond energy efficiency.

Deceuninck's latest window designs provide an improved energy performance at an ever lower weight. Deceuninck's latest product developments assure the best insulation at the lowest material consumption.

In 2012, Deceuninck launched Zendow#neo®: a new generation energy-efficient window system, meeting tomorrow's energy efficiency needs. Zendow#neo® uses Linktrusion® technology. Linktrusion® has been developed to substitute badly insulating steel reinforcements in traditional PVC windows.

Linktrusion® links continuous glass fibre strips within the main profile extrusion. The Linktrusion® approach also led to the development of the Zendow® thermal reinforcement, a reinforcement profile with steel wire, embedded in PVC foam extrusion.

Zendow#neo® offers 30% better insulation at up to 40% lower material consumption and is fully recyclable.

In the US Deceuninck launched the rigid thermal reinforcement Innergy®. Innergy® is an exclusive glass fibre reinforcement, which substitutes the traditional aluminium reinforcements in PVC windows in order to obtain better insulation values.

Recycling

At the end of 2012 Deceuninck started recycling postindustrial waste and end of life rigid PVC windows and shutters in Diksmuide (Belgium). The factory has a capacity of 20,000 tonnes.
PVC is a valuable material and should not end-up in a landfill or incinerator. Old dismantled windows can be returned to Deceuninck for recycling.
For the collection and transport Deceuninck cooperates with public and private waste management companies, builders, window fabricators and installers within a radius of 500km including Northern France and Western Germany.
50 years ago Deceuninck started designing 100% recyclable products. This investment guarantees a closed loop for all the products Deceuninck puts on the market: PVC, Twinson® wood composite, as well as the newly launched glass fibre reinforced PVC. In 2012 the loop was closed.
In 2013 Deceuninck further developed collecting as well as its sorting and recycling technology. Deceuninck used a showcase project in Brussels to demonstrate the closed loop business model in practice. Deceuninck installed its first PVC windows in a private house in Sint-Pieters-Woluwe (near Brussels) 45 years ago . It concerned single pane windows, as were a major part of the windows installed in those days.

In 2013 the windows were still operating very well, but the heat loss through the single pane glass justified their replacement by new PVC windows with double pane glass.
The demonstration showed the entire process of recycling end-of-life PVCu windows in a closed loop: how the old windows were dismantled, collected, transported and recycled and how the recycled material was used to produce new window frames.
Overall Deceuninck recycled 4,200 tonnes of post industrial and postconsumer rigid PVC waste in 2013.

In 2013, Deceuninck continued its support for Vinylplus (www.vinylplus.eu). VinylPlus is the voluntary commitment of the PVC industry in Europe. Among its most significant achievements was the establishment of an infrastructure for the annual collection and recycling of PVC, which prior to 2000 had been regarded by some NGOs as an unrecyclable material destined for landfill or incineration.

vinyl plus COMMITTED TO SUSTAINABLE DEVELOPMENT

The VinylPlus commitment includes an ambitious set of sustainable development targets centered on five commitments:
- Controlled Loop Management. Achieving a quantum leap in recycling rates of PVC (target 800,000 tonnes/year by 2020) and the development of innovative recycling technologies;
- Addressing concerns about organochlorine emissions;
- Ensuring the sustainable use of additives;
- Enhancing energy efficiency and the use of renewable energy and raw materials in PVC production;
- Promoting sustainability throughout the whole PVC value chain.

As a founding member of EPPA (www.eppa-profiles.org), through its contribution to the Vinyl Foundation, and by the active involvement of CEO Tom Debusschere, Deceuninck endorses the VinylPlus commitment.

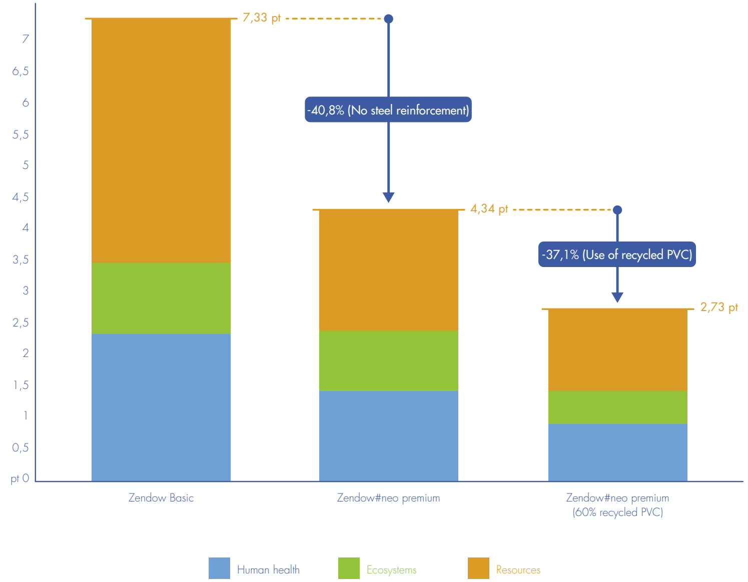
In 2013 Deceuninck became an official recycling partner of Rewindo. Deceuninck's German organisation Inoutic / Deceuninck GmbH was a founding member of Rewindo in 2003 and of its predecessor F.R.E.I..
With the start of postconsumer recycling activities end of 2012 Deceuninck finally met the stringent criteria for recycling partners. Deceuninck's application was approved in September 2013.
Rewindo is an initiative of the German PVC window profile industry. Rewindo actively promotes the recycling of end of life rigid PVC windows and shutters and the re-use of the recycled material for the production of new highly energy efficient window profiles and building products in a closed loop. Rewindo also acts as a clearing house for the collection of recycling data for the German PVC window profile industry as part of the VinylPlus programme.

Reducing the ecological footprint:

1. Window systems
In 2013 Deceuninck ordered Futureproofed (www.futureproofed.eu) in Belgium to make an LCA (Life Cycle Assessment) or calculate the ecological footprint of a Zendow#neo® premium window and compare the outcome with a traditional Zendow® window. The study concludes that heat loss of the window frame material during the 50 years use phase accounts for more than 90% of the ecological impact. As a result major environment gain comes from further improvement of the insulation degree of the framing material.

Deceuninck launched Zendow#neo® premium. In Zendow#neo® premium pultruded glassfibre reinforcements in the PVC window sash and embedded steel wires in cellular foam reinforcement for the outer frame result replace the badly insulating steel reinforcements. Zendow#neo® premium offers 30% better insulation.

If you exclude the 50 year use phase then the ecological footprint of Zendow#neo® premium is lowered by 40.8% because of the replacement of steel by glass fibres and steel wires. Replacing 60% of the virgin PVC by recycled PVC could result in a further ecological footprint gain of 37%.



2. Production sites

Production sites in Belgium (Gits and Diksmuide), Turkey (Izmir & Kocaeli) and the United Kingdom (Calne) are ISO 14001 certified.

ISO 14001 certification takes into account a number of prevention principles to limit or prevent the impact for people, the environment and the neighbourhood. The Plan-Do-Check-Act approach of ISO 14001 results in continuous improvements of the environment performance based on procedures and instructions. All 5 production sites concluded their ISO 14000 environmental audit successfully in 2013.
The Belgian production site in Gits succeeded in renewing its "Charter Duurzaam Ondernemen" (Charter Sustainable Entrepreneurship). By signing the Charter Sustainable Entrepreneurship, companies and organisations commit themselves to realise a concrete and structured action plan for 10 themes: Corporate Governance, Social responsibility, Communication and dialogue, People-friendly Entrepreneurship, Risk Management, Sustainable investment, purchases and product & service development, Chain management, Climate change and energy, Quality of the direct environment and Sustainable logistics and mobility.
The Charter Sustainable Entrepreneurship is based on the "to measure is to know" principle and the implementation of concrete actions.
The results of this action plan are assessed by a team of independent experts who constructively come up with points of interest and options to do better in these fields. Companies that signed the Charter Sustainable Entrepreneurship and that are evaluated positively, receive a certificate that is valid for a year.
Deceuninck signed the then called Environment Charter in 1999. It was one of the first companies to support the Charter Sustainable Entrepreneurship in 2007.
All worldwide production sites further focussed on scrap reduction as well as reduced energy & water consumption. The joint effort of the operations and technology group has led to a new concept in extrusion that allows for significant energy savings in the calibration process which will be rolled out in the coming years. Continued implementation of lean principles reduced production scrap in the foiling process with a further 15%.

Quality

High quality products and services are Deceuninck´s commitment to its Customer and to the final consumer. In order to guarantee this quality, most of Deceuninck's operational and corporate activities are ISO 9001 certified.

Window and door systems and other building products have been certified and audited by most of the renowned quality certification bodies such as ATG, BBA, CSTB, IIP, ITB, KOMO, PEFC, RAL, STROITELSVO, TSE and VHI. Continuous quality improvement efforts significantly reduced the percentage of credit notes related to Customer complaints versus sales in 2013. Since 2009 the number has decreased on average by 16% per year.

Service

The Group strives to either grow or build strong market positions in all markets where it is active.

Sales support and branding

Deceuninck has a clear branding and platform strategy: Deceuninck as a brand and Zendow® as a platform for North West and South West Europe; Inoutic as a brand and platform for Central Europe. With this strategic step, Deceuninck makes use of a "German brand" to serve the Central European markets. Consolidating to one product platform provides synergies, cost benefits and the basis to increase the market share in this region.
Further investments were made in corporate branding across the sales channels. By supporting its franchising partners *Menuisiers Pévécistes Deceuninck* (France), and *Winsa and Egepen Deceuninck* (Turkey) with sales materials, showroom displays, brochures, website templates (including dealer locator), media campaigns, etc., Deceuninck offers high impact and high visibility for its outstanding products, while extending end consumers the Deceuninck guarantee.

In addition, the "Deceuninck Online" service offers significant added value to the fabricators and distributors. This application allows Deceuninck Customers to enter their orders and view product availability. Moreover, extra services are being added to increase the value to the Customer, such as technical data consultation, after sales service and the ordering of samples.

The Company aims at working in a real partnership with an outstanding service level.

Co creation as a basis for product development

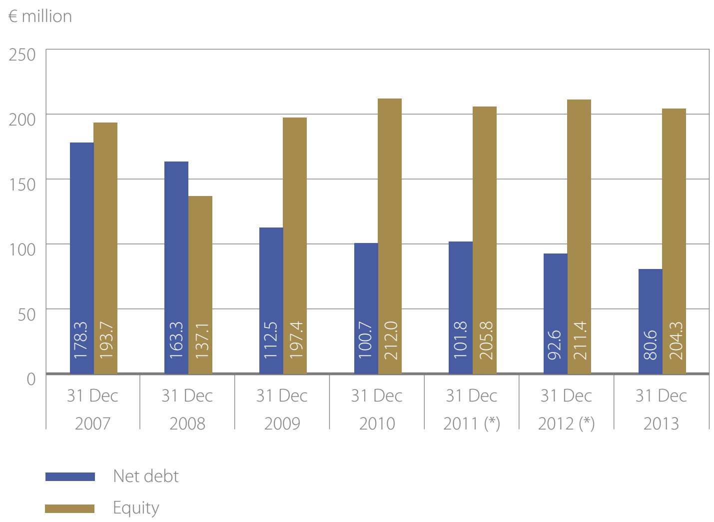
The Deceuninck Group considers innovation as one of the essential means leading to sustainable success.
During the product development process, Deceuninck focuses on continuous collaboration with its Customer base. This 'co-creation' contributes to an optimal result. Customers are an enormous source of product knowledge and expertise; therefore, their input and ideas have a significant added value.

Energy saving calculator

On its commercial websites Deceuninck offers an energy saving calculator to homeowners with renovation plans. This tool easily, quickly and authoritatively helps show homeowners how to save money with Deceuninck's latest energy efficient products. In 3 simple steps it shows both energy cost and CO2 emission savings.

Profit

Profit is essential to build a sustainable business. Every year since the restructuring in 2009 Deceuninck has shown a profit. In 2013 net profit was € 8.4 million in a challenging economic environment in Europe and Turkey. The net financial debt at 31 December 2013 amounted to € 80.6 million compared to € 92.6 million on 31 December 2012. Management focus on further debt reduction continued to pay off. Equity (*) decreased with € 7.1 million to € 204.3 million. The decrease was the result of unfavourable impact of CTAs (Currency Translation Adjustments), mainly on Turkish lira and Russian ruble, partly compensated by a positive net result. The gearing was 39.4% at 31 December 2013 against 43.8% at 31 December 2012.



(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2011 and 2012 and reflect adjustments made for the adoption of IAS 19-Revised as further detailed in Note 1.

Deceuninck Group regional sales divisions

Deceuninck sales activities are subdivided into 4 regions, namely Western Europe, Central and Eastern Europe, Turkey & Emerging Markets and North America. In all markets, energy-efficient construction and renovation continued to grow as an engine of the industry. PVC windows continued to offer "best value" for money.
Energy-efficient renovations were supported by stricter building regulations whereas government financial support packages were strongly reduced and in many countries, especially in Europe, stopped as a result of increased government austerity measures.
Deceuninck estimates that 75% of consolidated sales originate from the residential renovation market segment. As the replacement of windows is not subject to building permits, activity in the sector is not always in line with official residential renovation statistics. Energy-efficiency and consumer confidence are the main drivers of the residential renovation market.

Western Europe

Deceuninck's major markets in Western Europe are Belgium and France, where Deceuninck is market leader for PVC windows. Deceuninck is further active in the Netherlands, Italy, Spain and the United Kingdom. Deceuninck has production activities in Gits (B), Roye (F) and Calne (UK). Compounding for the region is done in Diksmuide (B).



Full year 2013 sales in Western Europe were € 179.1 million, a year-on-year decrease of 7.5 %. Western Europe represents 33 % of consolidated 2013 sales (2012: 35%). At the start of the year, sales were impacted by harsh and extremely long winter conditions combined with underlying sluggish demand.

In France, our major market for the region, sales were negatively impacted by the weak economy and weak building activity in a climate of reducing public spending, increasing taxes, low consumer confidence and a continuing high unemployment rate. In spite of an estimated decrease of the overall window market by 5% and amid a highly competitive market, sales of window & door systems at Deceuninck stagnated. According to management estimates market share for PVC as framing material for windows remained stable in 2013 as compared to 2012. The weak economy and increased competitive environment mainly impacted building products sales.

Weak economy and weak consumer confidence also impacted sales in Belgium. Demand was particularly weak in the residential newbuild and social housing sector, whereas residential renovation performed slightly better. Sales improved somehow both for windows and building products in the second half of the year backed by an easier comparison base in spite of a more competitive environment. Demand is increasingly characterised by small order sizes, whereby builders prefer installing locally sourced products with the desired local service. With its Preferred Partner approach Deceuninck Belux is well placed to meet this trend in demand.

For building products we note an increased demand for external cladding products both in Twinson® material and the newly launched embossed PVC panels.

The drop in residential newbuild in the Netherlands continued throughout 2013 hampered by problems in the social housing sector and low purchasing power of consumers as a result of rising unemployment. Renovation activity is supported by a temporary reduction of VAT from 21% to 6%.

In the UK a management change at the start of 2013 created a new impetus supported by a fresh and innovative marketing approach. The change came at the right moment, just before a new market dynamic. The UK window market embarked on a journey of growth as of the 2nd quarter of 2013. Both renovation and newbuild market saw a clear improvement of demand. Deceuninck UK outperformed the market trend with a combination of organic growth of existing Customers and a number of new Customers.

Sales in Italy remained strong all through the year supported by Deceuninck's colour offering and innovative products. Sales in Spain started bottoming out as of the second half of 2013.

In all countries Deceuninck outperformed the market trend using innovation (Linktrusion®), ecology (recycling and energy efficiency) and design (colours) as a market differentiator.

Central & Eastern Europe

In 2013 Deceuninck's geographical footprint in Central & Eastern Europe remained more or less unchanged. Deceuninck is active in nearly all countries with a local sales organization supported by local logistics. As of end 2013 the Ukrainian market is commercially and administratively supported and served by Inoutic / Deceuninck in Poland with a bonded warehouse in Kiev.

Since the beginning of 2013 all Customers of the region Central and Eastern Europe have consolidated on the Inoutic window system platform. Deceuninck is serving the region through its operational activities in Germany, Poland, Russia and Czech Republic.

Full year sales 2013 in the region decreased by 6.4% to € 160.7 million (2012: € 171.7 million) to represent 30 % of consolidated 2013 sales (2012: 31%). Sales were impacted by a weak economic environment, government austerity programmes, high unemployment rates and low consumer confidence in nearly all countries of the region with the exception of Germany. Sales in the domestic German market improved slightly year on year supported by increasing sales of building products in an otherwise stable window market.

Sales in Poland, Czech and Slovak Republic decreased as a result of weak residential construction activity both in newbuild and in renovation. Volume developed favourably in most other markets. A consolidation of window manufacturing is noticed. Small window manufacturers stop producing windows and buy them in from larger producers.

In Russia, lower than expected consumer confidence, is at the basis of a sales decline. The large residential renovation potential remains. Market share of PVC for windows remained more or less stable in all markets of the region.

Turkey & Emerging Markets

The region Turkey & Emerging markets is served by 2 sales and operational organisations: Egepen Deceuninck in Izmir and Winsa in Kocaeli (East of Istanbul). Together they constitute the company EgeProfil.

Sales volume predominantly goes into the Turkish domestic market. 2013 sales into export markets remained more or less stable at 10% of total sales for the region.

Full year 2013 sales expressed in euro decreased by 1.2% to € 121.4 million on the back of a weakening Turkish Lira (at constant exchange rates: +4.7%). Turkey represents 23% of 2013 consolidated Group sales compared to 22% in 2012.

Deceuninck grew sales on the Turkish market in spite of political turmoil and weakening economic indicators. The gain in market share was largely due to a strong nationwide franchised network of branded window shops (brands "Egepen Deceuninck" and "Winsa").

Turkey has become Deceuninck's export hub for developing Emerging Markets thanks to its competitive cost basis, the availability of skilled labour and a product offering, fitting the needs of the local market. The current target regions are Latin America and India.

Sales in India are supported through the India branch of our Turkish subsidiary, Ege Profil, which operates from a warehouse in Chennai.

For Latin America, Ege Profil and Deceuninck North America have the products in place to meet all the needs of the region.

On 26 March 2013 Ege Profil founded Deceuninck Importadora Limitada in Santiago de Chili with a 3,600m² warehouse.

North America

Full year 2013 sales increased by 9.7 % to € 75.3 million (at constant exchange rates sales increased +13.0%). North America represents 14% of 2013 consolidated Group sales compared to 12% in 2012.

Deceuninck North America (DNA) finished 2013 with solid increases in sales on top of the modest growth in the housing industry and improved remodelling spending. While the US housing recovery remained mixed, DNA was able to realize sales increases through expanding into new markets, building distribution in existing markets, and leveraging its innovative technologies.

In the product group windows & doors, DNA introduced the ICON™ product brand which is a collection of residential window systems that have been configured for commercial applications. ICON joins the Revolution Tilt and Turn® window as part of a commercial offering to capitalize on vinyl window growth in the commercial market. DNA introduced a hybrid concept door sash system utilizing vinyl and the Rovex™ fiberglass reinforced polyurethane technology. At the same time, DNA expanded its pultrusion capabilities and capacity through acquiring the pultrusion assets and related intellectual property of Graham Engineering. The building products category saw growth through gaining new distributors for its Clubhouse® Decking and Railing product line. DNA also leveraged its material technology and blending capabilities by offering custom material compounds to manufacturers.

CHARACTERISTICS OF DECEUNINCK SHARES

Number of shares

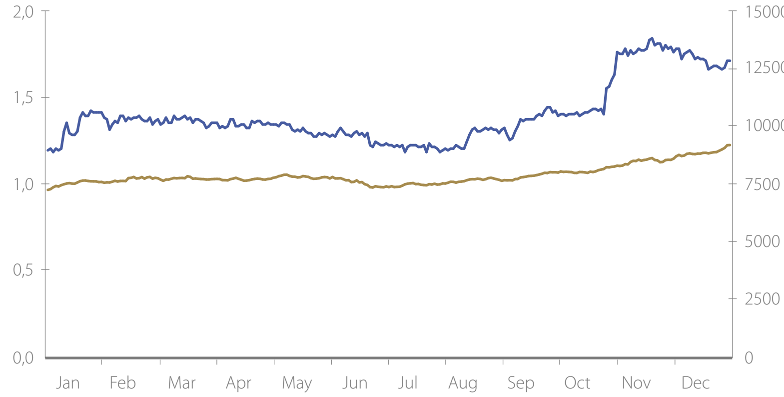
The Company capital (€ 42,495,000) is represented by 107,750,000 shares. Deceuninck holds 217,121 treasury shares, as at 7 March 2014.

Types of shares

In total 88,880,708 dematerialised shares, 18,856,292 registered shares and 13,000 bearer shares have been issued.
For any conversion of shares into dematerialised shares and vice versa, please contact the Legal Department of Deceuninck NV, Bruggesteenweg 164, B-8830 Hooglede-Gits.

SHAREHOLDERS POLICY AND DIVIDENDS

DECB



DECB
BELSMALL

Stock market information

The closing price of Deceuninck shares on 31 December 2013 was € 1.71. Deceuninck adheres strictly to the Belgian regulation relating to financial information, which must be provided to Euronext and the Financials Services and Markets Authority (FSMA).

Quotation on the stock exchange – stock exchange index

Deceuninck shares are listed under the code DECB and are traded on the Continuous segment of Euronext Brussels. DECB is part of the BELSMALL index.

ICB sectorial classification: 2353 Building materials & fixtures

Evolution of the Deceuninck share price

The price of the Deceuninck share increased from € 1.16 on 30 December 2012 to € 1.71 on 31 December 2013. The Volume Weighted Average Price (VWAP) for 2013 was € 1.41. The lowest price was € 1.18 on 4 January 2013 and the highest price was € 1.84 on 18 November 2013.

Dividends

At the General Shareholders Meeting scheduled on 13 May 2014, the Board of Directors will propose to pay a dividend of € 0.02 per share for the financial year 2013.

Financial calendar 2014

18	February	2014	2013 annual results
13	May	2014	1Q 2014 trading update
13	May	2014	Annual Shareholders Meeting at 11 am
23	July	2014	2014 half-year results
23	October	2014	3Q 2014 trading update

Institutional investors and financial analysts

Deceuninck has continuously and consistently informed the financial community about the evolution of the Company. Press releases with the annual results, half year results and interim statements were issued at scheduled intervals before stock exchange opening and published on the Investor Relations page of the website (www.deceuninck.com).

Institutional investors at home and abroad were informed by Deceuninck during one-to-one meetings, as well as in group meetings during roadshows and investor events. Opportunities were offered to institutional investors to meet or set up conference calls with the CEO and CFO at the head offices in Hooglede-Gits. Retail investors had the opportunity to inform themselves at the Deceuninck stand, during the Bolero retail forum in Kortrijk in June and the retail investor events of the VFB (Flemish Federation of Investment Clubs and Investors), which took place in April and October.

Investor relations contact

Contact details investor relations desk:

Investor relations: Ludo Debever

Telephone:	+32 (0) 51 239 248
Fax:	+32 (0) 51 239 214
E-mail:	ludo.debever@deceuninck.com
Website:	www.deceuninck.com/investors
Address:	Deceuninck NV Bruggesteenweg 164 BE-8830 Hooglede-Gits

On the investors page of the Deceuninck corporate website (http://www.deceuninck.com/investors) you can register to receive financial news and financial press releases per e-mail.

Introduction

This annual report needs to be read in conjunction with the audited consolidated financial statements of Deceuninck Group, referred to as the Group, and the notes to the financial statements. These audited consolidated financial statements were determined by the Board of Directors on 17 February 2014.

2013 Results

Sales

Sales decreased 3.7% from € 556.9 million in 2012 to € 536.5 million in 2013. In volume, sales remained stable (+0.4%). Sales volume developed favourably mainly in US, UK, Germany, Turkey & Emerging Markets and Italy. The weakening of mainly the Turkish lira, US dollar and Russian ruble decreased sales by 3.0%. Mix effect (country, price, product) resulted in a decrease of 1.0%.

Gross profit

Gross margin was 29.0% (2012: 28.7%) as a result of stable volumes in spite of a challenging economic environment in Europe and Turkey. Increased labour and energy cost were offset by continued productivity improvements and mix effects. Raw material cost remained stable, but at a high level.

EBITDA

EBITDA amounted to € 47.4 million or 8.8% of sales (2012: € 50.0 million or 9.0% of sales) through continued control of operational expenses.

EBIT

Operating result (EBIT) was € 23.6 million (2012: € 20.7 million) resulting in an EBIT margin of 4.4% compared to 3.7% in 2012.

Lower provision resulted in a decrease of the non cash costs from € 29.3 million in 2012 to € 23.8 million in 2013.

Financial result & Income taxes

Financial result was € -8.4 million (2012: € -12.7 million). Improved financing terms from the 5-year financing agreement concluded in July 2012, impacted the financial result substantially. On top, working capital needs were lower as a result of strict working capital management. Evolution of market interest rates, capital expenditure plans for future growth and continued strict working capital management will be the drivers for the financial result in the coming years.

Income tax expense was € - 6.8 million against € -3.7 million in 2012, as a result of higher EBT.

Net profit

The net profit 2013 doubles to € 8.4 million or 1.6% on sales versus 0.8% on sales in 2012.

Working capital

Working capital decreased from € 116.4 million on 31 December 2012 to € 102.5 million on 31 December 2013.
Inventories were € 5.5 million higher as compared to 31 December 2012. Year-on-year mild winter resulted in an increased order book in December 2013.
Trade receivables decreased € 11.6 million in line with lower sales volume in the fourth quarter. Days outstanding (DSO) improved year-on-year thanks to continued strict credit monitoring policy in spite of an unfavourable legal entity mix.
Trade payables increased by € 7.8 million as a result of higher production volume in the fourth quarter.
The operational working capital on 31 December 2013 was 16.4% of annualised sales as compared to 17.6% on 31 December 2012.

Capital expenditures

Capital expenditures (capex) in 2013 increased year-on-year by € 3.2 million to € 26.7 million.
Maintenance capex (€ 8.8 million) related to "Building a sustainable home" including capex for finishing the automated Omniral® coating line.
€ 7.6 million was spent on new tools and products.
Expansion capex (€ 10.3 million) related to the construction of a woodcomposite compound tower in Gits (B), pultrusion lines in Monroe, OH (US) and additional lines for extruding new products with Linktrusion® technology in Gits.

Net financial debt

The net financial debt at 31 December 2013 amounted to € 80.6 million compared to € 92.6 million on 31 December 2012. A stronger operational result (EBIT) in combination with a stringent working capital management has led to this lower net financial debt, despite € 26.7 million capex. Management focus on further debt reduction continues to pay off.

Equity

Equity decreased by € 7.1 million to € 204.3 million. The decrease was the result of unfavourable impact of CTAs (Currency Translation Adjustments), mainly on Turkish lira and Russian ruble, partly compensated by a positive net result.
The gearing was 39.4% at 31 December 2013 against 43.8% at 31 December 2012.

Headcount

On 31 December 2013 Deceuninck employed worldwide 2,746 full time equivalents (FTEs) (including temporary workers and external staff) (31 December 2012: 2,665).

Market risk management

For an analysis of the Group risk management, see Note 23 of the consolidated financial statements.

Research & Development (R&D)

Group wide R&D activities are managed by Innovation & Technology. Technology is one of the essential drivers for Deceuninck´s successful translation of the vision "Building a sustainable home. Innovation – Ecology – Design".

Technology links product innovation and product requirements in the organization. It develops appropriate and cost efficient manufacturing processes, materials and tools and promotes their standardisation in the production plants.

Innovation & Technology activity in 2013 firstly focussed on a further optimization and widening of product applications using the Linktrusion® technology. Linktrusion® was launched as a new technology platform in 2011 and refers to Deceuninck's unique approach in the development of new technologies and materials. It is the platform where different materials and technologies can be combined into 1 single multi-component extrusion. Linktrusion® allows to develop more efficient products by integrating more functionalities and to develop dedicated solutions for each specific application. Zendow#neo® is the first application of the platform. In Zendow#neo® Linktrusion® is the combination of glass fibre reinforced PVC profiles and a reinforcement profile with steel wire, embedded in PVC foam extrusion with 30% improved insulation performance.

Secondly Deceuninck's Innovation & Technology concentrated on the further development of a new water based coating technology, which Deceuninck introduced to the market in early 2013 under the brand name Omniral®. Omniral® windows are coated in a unique patented process that is fully automated and applies a water based coating on all 4 sides of a PVC window profile.

Thirdly Innovation & Technology focused on material formulation improvement aimed at cost optimization and performance enhancement of rigid PVC as well as Twinson® woodcomposite material.

Fourthly Deceuninck further developed PUR pultrusion in the United States to improve the process knowledge and to widen the design freedom for future shapes.

Events after the balance sheet date

Please refer to Note 24 of the consolidated financial statements.

Other circumstances

Besides the circumstances included in the paragraph on the market risk management, no other circumstances should be disclosed that had a significant influence on the Group's situation.

Deceuninck Group: key figures[1]

Consolidated Income Statement (in € million)	**2009**	**2010**	**2011**	**2012**	**2013**
Sales	506.4	557.8	536.1	556.9	536.5
EBITDA	20.9	57.3	48.3	50.0	47.4
EBITDA-margin (%)	4.1%	10.3%	9.0%	9.0%	8.8%
REBITDA	45.0	57.7	49.4	51.1	47.7
REBITDA-margin (%)	8.9%	10.4%	9.2%	9.2%	8.9%
EBITA	-11.3	24.4	22.3	20.7	23.6
EBITA-margin (%)	-2.2%	4.4%	4.2%	3.7%	4.4%
EBIT	-11.3	24.4	22.3	20.7	23.6
EBIT-margin (%)	-2.2%	4.4%	4.2%	3.7%	4.4%
EBT	-25.5	9.4	8.3	8.0	15.2
EBT-margin (%)	-5.0%	1.7%	1.5%	1.4%	2.8%
Net profit (+) / loss (-)	-16.9	8.5	6.3	4.2	8.4
Net profit (+) / loss (-)-margin (%)	-3.3%	1.5%	1.2%	0.8%	1.6%
Earnings per share (in €)	-0.16	0.08	0.06	0.04	0.08

Consolidated Statement of Financial Position (in € million)	**2009**	**2010**	**2011 (*)**	**2012 (*)**	**2013**
Non-current assets	248.6	237.6	226.0	224.6	215.6
Current assets	221.2	233.8	217.3	210.5	202.8
Equity	197.4	212.0	205.8	211.4	204.3
Long-term provisions	18.7	21.2	20.9	24.2	21.1
Deferred tax liabilities	5.0	5.1	3.5	2.6	5.0
Long-term interest-bearing loans	129.9	93.6	93.4	37.3	35.4
Current liabilities	118.8	139.5	119.8	159.6	152.7
Balance sheet total	469.8	471.4	443.3	435.1	418.5
Working capital	99.5	111.1	119.2	116.4	102.5
Capital expenditure (capex)	16.0	15.6	21.9	23.5	26.7
Net debt	112.5	100.7	101.8	92.6	80.6
Equity/Balance sheet total (%)	42.0%	45.0%	46.4%	48.6%	48.8%
Net profit/Equity (%)	-8.6%	4.0%	3.1%	2.0%	4.1%
Gearing (%)	57.0%	47.5%	49.5%	43.8%	39.4%

Headcount (FTE)	**2009**	**2010**	**2011**	**2012**	**2013**
Total Full Time Equivalents (FTE)	2,816	2,821	2,735	2,665	2,746

(1) Definitions: see Glossary p.123

(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2011 and 2012 and reflect adjustments made for the adoption of IAS 19-Revised as further detailed in Note 1.

Deceuninck consolidated income statement

For the 12 month period ended on 31 December (in € thousand)	**Notes**	**2012**	**2013**
Sales	**2**	**556,914**	**536,508**
Cost of goods sold	3	-397,026	-380,817
Gross profit		**159,888**	**155,691**
Marketing, sales and distribution expenses		-92,132	-91,202
Research and development expenses		-6,044	-5,957
Administrative and general expenses		-38,618	-36,376
Other net operating result	3	-2,407	1,465
Operating profit (EBIT)		**20,687**	**23,621**
Financial charges	3	-21,775	-17,172
Financial income	3	9,065	8,779
Profit before taxes (EBT)		**7,977**	**15,227**
Income taxes	4	-3,735	-6,847
Net profit		**4,242**	**8,380**

The net profit is attributable to:		
Shareholders of the parent company	4,038	8,213
Non-controlling interests	204	167

Earnings per share distributable to the shareholders of the parent company (in €)		
Normal earnings per share	0.04	0.08
Diluted earnings per share	0.04	0.07

Deceuninck consolidated statement of comprehensive income

For the 12 month period ended 31 December (in € thousand)	**2012 (*)**	**2013**
Net profit	**4,242**	**8,380**
Currency translation adjustments	3,826	-16,855
Income (+) / loss (-) on cash flow hedges	-150	245
Income tax impact	51	-83
Net other comprehensive income potentially to be reclassified to profit or loss in subsequent periods	**3,727**	**-16,693**
Actuarial gains (+) / losses (-) on defined benefit plans	-3,518	1,202
Income tax impact	902	-333
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**-2,616**	**869**
Other comprehensive income (+) / loss (-) after tax impact	**1,111**	**-15,824**
Total comprehensive income (+) / loss (-)	**5,353**	**-7,444**

The total comprehensive income (+) / loss (-) is attributable as follows:		
Shareholders of the parent company	5,097	-7,274
Non-controlling interests	256	-170

(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2012 and reflect adjustments made for the adoption of IAS 19-Revised as further detailed in Note 1.

Deceuninck consolidated statement of financial position

(in € thousand)	Notes	31 December 2012 (Restated) (*)	31 December 2013
Assets			
Intangible fixed assets	6	3,030	2,970
Goodwill	7	10,817	10,759
Tangible fixed assets	8	194,421	187,836
Financial fixed assets		66	66
Deferred tax assets	4	15,256	12,932
Long-term receivables	9	1,047	1,079
Non-current assets		**224,638**	**215,642**
Inventories	10	71,572	77,045
Trade receivables	11	100,694	89,126
Other receivables	11	6,622	7,775
Cash and cash equivalents	12	23,211	21,715
Fixed assets held for sale	13	8,395	7,166
Current assets		**210,494**	**202,826**
Total assets		**435,132**	**418,468**
Equity and liabilities			
Issued capital	14	42,495	42,495
Share premiums	14	46,355	46,355
Consolidated reserves		151,806	160,407
Cash flow hedge reserve		-99	63
Actuarial gains / losses		-2,754	-1,885
Treasury shares	14	-261	-261
Currency translation adjustments	14	-27,746	-44,264
Equity excluding non-controlling interest		**209,796**	**202,911**
Non-controlling interest		1,632	1,413
Equity including non-controlling interest		**211,428**	**204,324**
Interest-bearing loans	17	37,326	35,390
Long-term provisions	15,16	24,192	21,087
Deferred tax liabilities	4	2,616	5,013
Non-current liabilities		**64,134**	**61,490**
Interest-bearing loans	17	78,486	66,892
Trade payables	18	55,900	63,651
Tax liabilities		4,630	4,899
Employee related liabilities		11,582	10,246
Short term provisions	15,16	3,266	2,005
Other liabilities	18	5,706	4,962
Current liabilities		**159,570**	**152,654**
Total equity and liabilities		**435,132**	**418,468**

(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2012 and reflect adjustments made for the adoption of IAS 19-Revised as further detailed in Note 1.

Deceuninck consolidated statement of changes in equity

(in € thousand)	Issued capital	Share premiums	Conso-lidated reserves	Cash flow hedge reserve	Actuarial gains / losses	Treasury shares	Currency trans-lation adjust-ments	Total equity attributable to share-holders of the parent company	Non-con-trolling interest	Total
As per 31 December 2011 (Restated) (*)	**42,495**	**46,355**	**147,480**	**0**	**-138**	**-261**	**-31,520**	**204,411**	**1,376**	**205,787**
Net profit			4,038					4,038	204	**4,242**
Other comprehensive income (+) / loss (-)				-99	-2,616		3,774	1,059	52	**1,111**
Total comprehensive income (+) / loss (-)	**0**	**0**	**4,038**	**-99**	**-2,616**	**0**	**3,774**	**5,097**	**256**	**5,353**
Share based payments			288					288		**288**
As per 31 December 2012 (Restated) (*)	**42,495**	**46,355**	**151,806**	**-99**	**-2,754**	**-261**	**-27,746**	**209,796**	**1,632**	**211,428**

(in € thousand)	Issued capital	Share premiums	Conso-lidated reserves	Cash flow hedge reserve	Actuarial gains / losses	Treasury shares	Currency trans-lation adjust-ments	Total equity attributable to share-holders of the parent company	Non-con-trolling interest	Total
As per 31 December 2012 (Restated) (*)	**42,495**	**46,355**	**151,806**	**-99**	**-2,754**	**-261**	**-27,746**	**209,796**	**1,632**	**211,428**
Net profit			8,213					8,213	167	**8,380**
Other comprehensive income (+) / loss (-)				162	869		-16,518	-15,487	-337	**-15,824**
Total comprehensive income (+) / loss (-)	**0**	**0**	**8,213**	**162**	**869**	**0**	**-16,518**	**-7,274**	**-170**	**-7,444**
Share based payments			388					388		**388**
Dividend paid								0	-48	**-48**
As per 31 December 2013	**42,495**	**46,355**	**160,407**	**63**	**-1,885**	**-261**	**-44,264**	**202,911**	**1,413**	**204,324**

(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2011 and 2012 and reflect adjustments made for the adoption of IAS 19-Revised as further detailed in Note 1.

Consolidated statement of cash flows Deceuninck

For the 12 month period ended 31 December (in € thousand)	**Notes**	**2012**	**2013**
Operating activities			
Net profit		4,242	8,380
Depreciations of (in)tangible fixed assets	6,8,13	23,635	22,530
Impairments on (in)tangible fixed assets	6,8,13	1,344	1,646
Provisions for pensions and other risks & charges		1,740	-1,838
Impairments on current assets		2,595	1,434
Net financial charges	3	12,710	8,394
Profit on sale of tangible fixed assets	3	-121	-109
Loss on sale of tangible fixed assets	3	93	37
Income taxes	4	3,735	6,847
Share-based payment transactions settled in equity		288	388
Cash flow from operating activities before movements in working capital and provisions		**50,261**	**47,710**
Decrease / (increase) in trade and other receivables		-2,314	-721
Decrease / (increase) in inventories		7,998	-12,367
Increase / (decrease) in trade debts		-2,383	12,729
Decrease / (increase) in other non-current assets		-24	-84
Decrease / (increase) in other current assets		-917	1,436
Increase / (decrease) in other non-current liabilities		-1,002	-738
Increase / (decrease) in other current liabilities		-3,109	-634
Cash flow generated from operating activities		**48,510**	**47,331**
Interest received		1,271	797
Income taxes paid (-) / received (+)		-4,385	-3,736
Cash flow from operating activities		**45,396**	**44,392**
Investing activities			
Cash receipts on sale of tangible fixed assets		447	382
Purchases of tangible fixed assets	8,13	-23,426	-26,122
Purchases of intangible fixed assets	6	-99	-550
Other transactions		-148	0
Cash flow from investing activities		**-23,225**	**-26,290**

Financing activities			
New (+) / repayments (-) of long-term debts	17	-43,131	-4,172
New (+) / repayments (-) of short-term debts	17	28,028	-4,853
Interests paid		-8,477	-5,956
Dividends paid		0	-48
Net financial result, excl interests		-75	-932
Cash flow from financing activities		**-23,655**	**-15,961**
Net increase (+) / decrease (-) in cash and cash equivalents		**-1,484**	**2,141**
Cash and cash equivalents as per beginning of period	12	**24,443**	**23,211**
Impact of exchange rate fluctuations		252	-3,637
Cash and cash equivalents as per end of period	12	**23,211**	**21,715**

Notes

1. Significant accounting principles

The consolidated financial statements have been prepared in accordance with the "International Financial Reporting Standards" (IFRS), as endorsed by the European Union. The consolidated financial statements were determined by the Board of Directors on 17 February 2014. They can still be modified until the General Meeting of Deceuninck NV takes place, which is scheduled to be held on 13 May 2014.

Basis of presentation

The consolidated financial statements are presented in € thousand, unless noted otherwise. These statements have been prepared on the basis of the historic cost price method, except for the valuation of the fair value of derivatives and of financial fixed assets held for sale. The consolidated financial statements present the financial position on 31 December 2013. They have been prepared prior to the distribution of profits proposed by the parent company at the General Meeting of Shareholders.
Please note that numbers in certain tables in the financial statements may not add up due to rounding.

Consolidation principles

The consolidated financial statements include the individual financial statements of Deceuninck NV and its subsidiaries ("the Group"). A subsidiary is understood to be an entity in which Deceuninck NV holds, either directly or indirectly, more than half of the shares with voting rights, or whose activities are, either directly or indirectly, controlled by Deceuninck NV. The acquisition of subsidiaries is accounted for under the acquisition method. The annual reporting date of subsidiaries is identical to that of the parent company. The same valuation principles apply to their financial statements.

Associated companies are companies in which Deceuninck NV exercises, either directly or indirectly significant influence, without controlling them. This is generally the case if the Group holds between 20% and 50% of the shares with voting rights. Associated companies are consolidated using the equity method, from the date the significant influence begins until the date it ends. If the Group's share in the losses exceeds the carrying value of the associated company, then this value is reduced to zero and the losses exceeding this amount are not recognized, except when the Group has contractual obligations relating to this company. On 31 December 2012 and 31 December 2013, the Group does not own any associated companies. A list of the subsidiaries of Deceuninck NV is disclosed in Note 25 of these financial statements.

Use of estimates and assumptions

In order to produce the annual financial statements in accordance with the IFRS standards, management has to use a number of estimates and assumptions, that have an impact on the amounts disclosed in the financial statements. The estimates made on the reporting date reflect the existing conditions on this date, such as market prices, interest rates and foreign exchange rates.
Even though management makes these estimates based on its best possible knowledge of current business transactions, and of the transactions the Group may undertake, the actual results can vary in relation to these estimates.

Use of assumptions

In accordance with the Group's accounting principles, the following assumption has been made:

Provision for early retirement

The Company considers it has a constructive obligation, and that the existing collective labour agreement will be renewed on an ongoing basis.

Use of estimates

The most important estimates that are likely to have a significant influence on the net carrying value of assets and liabilities for the coming year relate to:

Impairment of goodwill

Goodwill relating to business combinations is assessed on an annual basis by means of an impairment test. This test requires an estimate of the value in use of cash-generating units, to which the goodwill is attributed. The estimation of the value in use requires an estimate of expected future cash flows of the cash-generating units and the choice of an appropriate discount rate in order to determine the present value of these cash flows. For more details on this subject, please see Note 7.

Employee benefits – Pension schemes

The costs of the granted pension schemes and the current value of the pension obligations are determined on the basis of an actuarial calculation. The actuarial calculation uses assumptions with regard to the discount rate, expected yield of the pension funds, future increases in compensation, mortality tables and future increases in pensions. All the assumptions are reassessed on the reporting date. Further details with regard to these assumptions are documented in Note 15.

Employee benefits - Share-based payments

The Group values the cost of the stock option plans granted to employees on the basis of the actual value of the instruments, on the date they are granted. The estimation of the fair value of compensations in shares requires an adapted valuation model, which depends on the condition under which the grant is made. The valuation model also requires adapted input data, such as the expected life of the option, the volatility of the share price and the dividend yield. The assumptions and the valuation model used for the estimation of the actual value of compensations in shares are explained in Note 19.

Deferred tax assets

Deferred tax assets related to tax losses carry forward are only recognized if it is probable that sufficient taxable profits will be generated in the future. Significant estimates are required from management in order to determine the amount of the deferred tax assets, based on the time period and the level of future taxable profits. More details on this subject are provided in Note 4.

Foreign currencies

Transactions in foreign currencies

The Group's reporting currency is the euro. Transactions in foreign currencies are accounted for using the end of month exchange rate (exchange rate determined by the European Central Bank (ECB) on the last working day of the preceding month. Monetary assets and liabilities in foreign currencies are converted using the ECB exchange rate on the balance sheet date. Profits and losses resulting from foreign currency to euro and the conversion of monetary assets and liabilities into foreign currencies, are recognized in the consolidated income statement as operating result or financial result, depending on the nature of the transaction. Non-monetary assets and liabilities are converted to euro using the historic exchange rate (exchange rate applicable for that month in which the transaction occurs). Assets and liabilities from foreign subsidiaries are converted to euro on balance sheet date, using the ECB exchange rates applicable on that date. The income statements of foreign subsidiaries are converted into euro at annual exchange rate, which approximate the exchange rates applicable on the transaction date. The components of equity are converted at their historic exchange rate. Exchange rate differences, caused by the conversion of equity into euro at the closing rate applicable on the balance sheet date, are disclosed as "Currency translation adjustments" under the heading "Equity".

Exchange rates

The following exchange rates were used when preparing the financial statements:

1 EUR is equal to	Closing rate 2012	Closing rate 2013	Average rate 2012	Average rate 2013
USD	1.3194	1.3791	1.2856	1.3281
GBP	0.8161	0.8337	0.8111	0.8493
PLN	4.0740	4.1543	4.1843	4.1971
CZK	25.1510	27.4270	25.1457	25.9871
RUB	40.2286	44.9699	39.9238	42.3248
HRK	7.5575	7.6265	7.5213	7.5790
BGN	1.9558	1.9558	1.9558	1.9558
THB	40.3470	45.1780	39.9436	40.8233
RON	4.4445	4.4710	4.4581	4.4193
LTL	3.4528	3.4528	3.4528	3.4528
TRY	2.3517	2.9365	2.3145	2.5329
AUD	1.2712	1.5423	1.2413	1.3770
INR	72.5600	85.3660	68.6295	77.8753
RSD	113.7183	114.6421	113.3666	113.0774
BAM	1.9558	1.9558	1.9558	1.9558
CLP	632.9000	721.0400	625.2200	658.1033

Intangible fixed assets other than goodwill

Patents and licenses

Expenditure for acquired patents and licenses are capitalized at their cost price, reduced by the cumulative amortization and impairment, and are subsequently amortized over their estimated useful life using the straight-line method, or over the term of the contract, if this should be shorter. The useful life is usually estimated at 3 years. The useful life of patents recognized in North America is estimated at 15 years.

Research and development

Research expenditure, incurred with the purpose of acquiring new scientific or technological knowledge, is included in the income statement. The cost of development activities, for which the results are applied in a plan or a design for the production of new or substantially improved products and processes, are capitalized if and only if all the criteria defined in IAS 38 are met. Such capitalized costs include directly attributable costs of creating, producing or making ready for use assets (such as raw materials, direct labour costs and a part of the overhead costs that are directly attributable), less the accumulated amortization and impairment. These costs are currently amortized on a straight-line basis over their estimated useful life of 5 years.

Subsequent expenditures

Expenditures relating to intangible fixed assets, subsequent to their purchase or completion, are only capitalized if they increase the future economic benefits specific to the asset they relate to. All other expenditures are considered as costs.

Goodwill

Goodwill is the positive difference between the cost of the business combination and the share of the Group in the fair value of the acquired identifiable net assets of a subsidiary or associated company at the moment of acquisition. Goodwill is not amortized, but is subject to an annual impairment test. Goodwill is expressed in the currency of the related company and is converted into euro at the closing exchange rate on the balance sheet date.

Tangible fixed assets

Tangible fixed assets are recognized at historic cost price, less accumulated depreciation and impairment. Historic cost is the initial purchase price plus any other directly attributable acquisition costs (such as non-recoverable taxes and transportation costs). The cost price of fixed assets produced by the company itself (such as tool sets) includes the cost price of materials, direct labour costs and a proportion of production related overhead costs. Subsequent expenditure is only capitalized, if it increases the future economic benefits of the fixed assets it relates to. Repair and maintenance costs, which do not increase future economic benefits, are expensed as incurred.
Depreciation is calculated using the straight-line method, starting from the first date of use over the entire duration of their expected useful life.

The expected economic useful life is determined as follows:

Assets	
Buildings	40 years
Building fixtures and furniture	10-20 years
External infrastructure	20-40 years
Machinery and equipment	8-20 years
Small equipment	5 years
Screws and cylinders	6 years
Dies and calibrators (tool sets)	5 years
Installations	10-25 years
Office equipment	4-10 years
Logistics equipment	8 years
Furniture	10 years
Vehicles	4-5 years

Land, which is deemed to have an infinite useful life, is not depreciated.

Fixed assets held for sale

Assets held for sale relate to assets or groups of assets that will be disposed of. These assets are valued at the lower of carrying value or fair value less costs to sell. The same valuation principle applies for business units held for sale.

Leasing

Financial lease contracts, for which the Group bears the majority of the risks and benefits inherent to the ownership of the leased property, are recognized as tangible fixed assets at the present value of their minimum lease payments, at the moment when the lease contract was entered into, or at market value if lower. Lease payments are partly considered as financial costs and partly as reimbursement of the lease debt. This results in a flat interest charge over the entire lifetime of the contract, compared to the capital to be repaid. Financial charges are offset directly against revenue. Lease contracts, for which the lessor retains the majority of the risks and benefits of the assets, are considered as operational leases. Payments made under an operational lease are expensed, on a straight-line basis over the entire term of the contract.

Financial instruments

Fair value of financial instruments

The following methods and principles are applied in estimating the fair value of financial instruments:

- *For investments in non-listed companies, for which reliable fair value cannot be defined, the fair value calculation is based on historic cost, adjusted for any possible impairments;*
- *For investments in listed companies, the fair value is equal to their share price on an official stock exchange;*
- *For other long-term financial assets (excluding derivative products), the historic cost is deemed to approach the estimated fair value;*
- *For trade receivables, trade debts and other current assets and liabilities, the recorded book values are an approximation of their fair value, given their short life span;*
- *For cash and cash equivalents, the book values recorded are an approximation of their fair value, given their short life span;*
- *For long-term interest-bearing financial debts subject to floating interest rates, the historic cost is assumed to approach the fair value;*
- *For long-term interest-bearing financial debts subject to fixed interest rates, the fair value is defined on the basis of the present value of future cash flows;*
- *For derivative financial instruments, fair values are determined based on market valuation reports provided by the issuing financial institutions.*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- *Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities*
- *Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable*
- *Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable*

Criteria relating to the initial recognition or derecognition of financial assets and liabilities

Financial instruments are recognized initially when the Group subscribes to the related contractual provisions. Purchases and sales of financial assets are recognized on the transaction date. Financial assets (or parts thereof) are derecognized, when the Group exercises their contractual rights, when these rights mature, when the Group renounces them, or when the Group loses control of the contractual rights associated with the financial assets. Financial liabilities (or parts thereof) are derecognized, if the obligation stipulated in the contract is withdrawn, cancelled or expired.

Criteria for offsetting financial assets and liabilities

A financial asset and a financial liability are offset and the net amount is recorded in the balance sheet, if there is a legally enforceable right to offset the recognized amounts, and if there is an intention to settle the liability and simultaneously realize the asset or to settle the liability on a net basis.

Financial fixed assets

All financial assets are initially recognized at their cost price plus the cost of acquisition of such an investment. Unrealized profits or losses, resulting from changes in the fair value of financial assets available for sale, are directly recognized in other comprehensive income within the equity until the asset is sold, cashed in or disposed of, or when the financial asset is subject to an impairment. At that time, the accumulated profits and losses previously booked in equity are recognized in the income statement of the related period. Reversals of impairments booked in relation to shares will not be recorded in the income statement.

Financial assets valued at fair value through the income statement

Financial assets valued at fair value through the income statement consist of financial assets that are held for trading purposes or financial assets that are initially recognized at fair value through the income statement. Financial assets held for trading purposes are those acquired with the objective of selling them in a short-term notice. This category also contains derivative financial instruments, which do not fulfil the criteria of IAS 39 for "hedge accounting". Unrealized profits or losses, resulting from the changes in the fair value of financial assets held for trading, are directly booked in the income statement.

Held to maturity investments

Held to maturity investments, such as bonds, are valued at their amortized cost, which is determined by the effective interest method. This method uses an effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Profits and losses are recognized in the income statement when the investments are derecognized or impaired as well as through the amortization process.

Trade receivables

Trade receivables are booked at their nominal value less possible provisions for bad debt. When recovery of the full amount becomes improbable an estimate is made of the provisions for bad debt. Provisions for bad debts are recognized in the income statement of the period during which they are identified.

Cash and cash equivalents

Cash and cash equivalents consist mainly of cash in hand, short-term deposits and short-term investments (maturing within three months after their acquisition date) which are readily convertible into cash and which are subject to a limited risk of changes in value. Within the cash flow statement, cash and cash equivalents include bank balances (current and deposit accounts). Any negative cash position is presented net of short-term debts with financial institutions ("bank overdrafts").

Interest bearing loans

Interest bearing financial debts are initially valued at the fair value of the remuneration received minus any costs related to the transaction. After the initial recognition interest-bearing financial debts are valued at their amortized cost. The difference between the amortized cost and the repayment value is expensed over the duration of the loan based on the effective interest rate method or until the debt is no longer held.

Derivative financial instruments

The Group uses derivative financial instruments (mainly interest rate swaps and FX forward contracts) in order to limit the risks associated with interest and exchange rate fluctuations. The Group's policy prohibits the use of these instruments for speculative purposes.

Derivative financial instruments are classified as either "fair value" hedges, if these instruments hedge changes in the fair value of recognized assets and liabilities, or as "cash flow" hedges, if they cover cash flow variations associated with a specific risk in relation to a recognized asset or liability or an expected transaction.

For "fair value" hedges, profits or losses resulting from the revaluation of "fair value" hedging instruments are directly recorded through profit or loss.

Gains or losses on the hedged position lead to an adjustment of the book value of the hedged position and should be recorded through profit or loss. If the adjustment is associated with the book value of an interest bearing financial debt, it is amortized through profit or loss until it is entirely amortized upon maturity.

For "cash flow" hedges on the Group's firm commitments, which satisfy the special requirements for recognition as hedging transaction, the proportion of the profit or loss on the hedge instrument considered as an effective hedge is *recorded through other comprehensive income and the non-effective proportion is recorded through profit or loss. The Group applies this on the interest rate swaps. Financial instruments, not meeting the special requirements for recognition as a hedging transaction are valued at their fair value, and any profit or loss resulting from a change in the fair value of the instrument is directly expensed.*

Inventories

Inventories are valued at the lower of cost price or net realizable value. The net realizable value is defined as the estimated selling price under normal operating conditions net of any estimated costs for handling and selling the product. Costs incurred in bringing each product to its current location and conditions are recorded as follows:

- *Raw materials and consumables – purchase price, based on the FIFO principle;*
- *Finished goods and work in process – direct material and labour costs, plus a part of the general production costs, based on normal production capacity;*
- *Trade goods – purchase price, based on the FIFO principle.*

Treasury shares

The amount paid, including any directly attributable expenses, for treasury shares acquired by the Company is deducted from equity.

Impairments

The Group's assets, excluding inventories and deferred tax assets, are assessed for impairment indicators at each balance sheet date. If impairment indicators are present, the recoverable amount of the asset is estimated. An impairment is recognized, if the carrying value of an asset, or that of the cash-generating unit to which it belongs, is higher than its recoverable amount. Impairments are recorded in the income statement.

Financial assets

The realizable value of held-to-maturity financial assets and of receivables is calculated as the net present value of expected, future cash flows, discounted at the initial effective interest rate inherent to these assets.

Impairments on held-to-maturity investments or receivables are reversed if a subsequent increase in their realizable value can be objectively associated with an event arising after the recognition of an impairment loss.

Non-financial fixed assets

The recoverable amount of other assets is the higher of their fair value less cost to sell or its value in use of the corresponding assets. In order to determine the value in use, the net present value of expected future cash flows is calculated using a pre-tax discount rate, which reflects both current market rates and the asset's specific inherent risks. When an asset does not generate cash flows, that are largely independent of the other assets, the recoverable amount of the cash-generating unit to which this asset belongs, is determined.

Impairments relating to goodwill are not reversed. Impairments of other assets are reversed, if a change takes place in the estimates used to determine the recoverable amount. An increase in the carrying value of an asset, resulting from the reversal of an impairment, cannot be higher than the carrying value (after depreciation) that would have been obtained, if no impairments had been recorded for this asset in previous years.

Provisions

Provisions are accounted for whenever the Group has to settle a legal or constructive obligation resulting from a past event, when it is probable that a cash outflow will be required to settle these obligations, and to the extent that these can be reliably estimated.

When the Group expects that all or part of the expenditure, which is required to settle legal obligations, will be reimbursed by another party, the amount to be reimbursed will only be recognized as an asset if it is practically certain that they will be effectively collected. A warranty provision is established for all products under warranty, based on historical data relating to repairs and returns of goods.

Employee benefits

Pensions

The Group participates primarily in defined contribution plans, and has defined benefit plans in Belgium and Germany. The funds of these plans consist of employer and employee contributions. The Group treats the employer and employee contributions for the defined contribution plans as expenses for the year in which they were made. For defined benefit plans, the pension obligation is estimated by using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- *the date of the plan amendment or curtailment, and*
- *the date that the Group recognises restructuring-related costs*

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'other net operating result' in the consolidated income statement (by function):

- *service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements*
- *net interest expense or income*

Share-based payments

Various stock option and warrant programs enable the staff members, senior management members and members of the Executive Team to acquire company shares. The exercise price for options or warrants is equal to the market price of the underlying shares on the grant date. Equity is increased respectively by the amounts received or the exercise price, when such options or warrants are exercised. The cost of share-based payment transactions is valued at fair value on the grant date. The fair value is determined by an expert, using a binominal tree structure. The cost of share-based payment transactions and at the same time as the corresponding increase in equity, is recognized over the vesting period.

If the conditions of equity settled share-based payment transactions are modified, the minimal cost equals the cost as if the conditions had not been changed. An additional cost is recognized for any modification which increases the fair value of share-based payment transaction or includes a benefit for the employee as of the date of modification (IFRS 2.28).

When a share-based payment is cancelled, then this is considered as a compensation that was granted on the date of cancellation and the relating unamortized cost is immediately recognized. However, if a new share-based payment is granted as a replacement for the cancelled compensation and if this is recorded as a replacement compensation on the grant date, then the cancelled and the new compensations are treated as a modification of the original share-based payment transaction, as described in the preceding paragraph.

Bonuses

Contractual bonuses are granted based on planned key financial objectives and personal performances. The estimated amount of the bonus is recognized as a cost, based on an estimate as of the balance sheet date.

Sales

Sales (which consists primarily of the sales of goods) are considered to be earned when it is probable that the economic benefits associated with the transaction will be received by the Group, if the amount of revenue can be reliably determined, when the risks and rewards of the sale are entirely transferred to the purchaser, and when there is no longer uncertainty in terms of the collection of the consideration, the transaction costs and any possible return of the goods.

Government grants

Government grants are recognized at their fair value, when there is reasonable assurance that they will be received and that the Group will fulfil all of the conditions attached to them. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that is intended to compensate. Where the grant relates to an asset, it is recognized as deferred income.

Borrowing costs

Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of a qualifying asset.

Income taxes

Income taxes include current and deferred taxes. Taxes are recognized in the income statement, unless they are associated with items that are booked immediately to equity. In that case, the corresponding tax is recognized directly against equity. Current taxes include the expected amount payable on taxable earnings for the period, along with adjustments of fiscal liabilities for previous years. A taxable earnings calculation for the year is based on the tax rates applicable on the reporting date. Deferred taxation is calculated in accordance with the liability method, for all temporary differences between the tax base of assets and liabilities and their carrying amount for financial reporting purposes. The calculation is based on rates of taxation for which the legislative process has been (largely) completed on the reporting date. Under this method, the Group also has to calculate deferred tax on the difference between the fair value of the net assets acquired and their tax base as a result of a new acquisition. Deferred tax assets are only recognized if it is probable that sufficient taxable profits will be generated in the future in order to use the tax benefit. The carrying amount of a deferred tax asset is reduced, when it becomes unlikely that the relating tax benefit will be realized.

Financial income/charges

Interest income includes interest earned on loans granted to third parties or bank deposits, and interest charges include interest due on loans contracted by the Group. Recorded interest is based on the "effective interest" method. Financial income or charges, next to realized and unrealized exchange rate gains or losses related to interest-bearing loans and deposits, also include recorded gains or losses due to a revaluation of the fair value of financial derivatives, which are considered as "fair value" hedging instruments if the hedged risks are of a financial nature, or if financial instruments do not meet the special "hedge accounting" requirements.

Changes to accounting standards

As per 1 January 2013 the Group has applied the following new and adjusted IFRS-standards and IFRIC-interpretations:

- *IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- *IFRS 13 Fair Value Measurement*
- *IAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
- *IAS 12 Income Taxes – Recovery of Tax Assets*
- *IAS 19 Employee Benefits (amended)*
- *IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine*
- *Annual Improvements to IFRS (Issued May 2012)*

The following standards and interpretations were issued at the date of the establishment of the financial statements, but were not yet effective on the balance sheet date:

- *IFRS 9 Financial Instruments, effective 1 January 2015*
- *IFRS 10 Consolidated Financial Statements, effective 1 January 2014*
- *IFRS 11 Joint Arrangements, effective 1 January 2014*
- *IFRS 12 Disclosure of Interests in Other Entities, effective 1 January 2014*
- *IFRS 10-12 - Transition Guidance, effective 1 January 2014*
- *IFRS 10, IFRS 12 and IAS 27 - Investment Entities, effective 1 January 2014*
- *IAS 27 Separate Financial Statements, effective 1 January 2014*
- *IAS 28 Investments in Associates and Joint Ventures, effective 1 January 2014*
- *IAS 32 Financial Instruments - Presentation: Offsetting Financial Assets and Financial Liabilities, effective 1 January 2014*
- *IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-financial Assets, effective 1 January 2014*
- *IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting, effective 1 January 2014*
- *IFRIC 21 Levies[2], effective 1 January 2014*

The Group has examined these changes and is currently assessing the results. The Group anticipates that these changes will have no material effect on the financial statements.

Application of new amended IFRS standards and IFRIC interpretations

Restatements of historical financial information due to the retroactive application of the adjustments to the IAS 19 employee benefits standard.

The Group has adopted the revised IAS 19 employee benefits standard as of 1 January 2013. The standard includes changes to accounting principles of defined benefit plans, including actuarial gains and losses that are now recognized in other comprehensive income and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognized in profit or loss, instead, there is a requirement to recognize interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized. Other amendments include new disclosures, such as, quantitative sensitivity disclosures.

The Group previously recognized only the net cumulative unrecognized actuarial gains and losses of the previous period, which exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets. As a consequence, the Group's statement of financial position did not reflect a significant part of the unrecognized net actuarial gains and losses. As a result of the adoption of the amendments in IAS 19, the Group will recognize actuarial gains and losses in the period in which they occur in total in other comprehensive income.

(2) Not yet endorsed by the EU as per 31 December 2013

The following adjustments were made to the financial statements:

(in € thousand)	31 December 2011	31 December 2012
Financial fixed assets	0	-1,516
Deferred tax assets	-480	-266
Total assets	**-480**	**-1,782**
Consolidated reserves	-138	-2,754
Currency translation adjustments	0	+1
Non-controlling interest	0	-4
Long-term provisions	+69	+2,212
Deferred tax liabilities	-411	-1,237
Total equity and liabilities	**-480**	**-1,782**

2. Segment information (*)

An operating segment is a separate business unit in the Group, which produces goods or provides specific services within a defined economic environment, whose risks and profitability differ from those of the other operating segments.

Four segments have been defined based on the location of legal entities. They include the following entities:

1. *Western Europe: Benelux, France, Italy, Spain and the United Kingdom;*
2. *Central & Eastern Europe: Bosnia, Bulgaria, Croatia, Czech Republic, Germany, Lithuania, Poland, Romania, Russia, Serbia and Thailand;*
3. *North America;*
4. *Turkey & Emerging Markets: Australia, Chile, India and Turkey.*

There are no segments aggregated in order to establish the above segments.

Transfer prices between the operational segments are based on an "at arm's length basis" equal to transactions with third parties.

The accounting policies for the operational segments are equal to these of the consolidated financial statements.

The Group identified the Executive Team as its Chief Operating Decision Maker. The segments have been defined based on the information provided to the Executive Team.
The Executive Team monitors the performance of its operational segments based on sales and EBITDA per segment.

Segment information includes results, assets and liabilities that can be attributed directly to a segment.

(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2012 and reflect adjustments made for the adoption of IAS 19-Revised as detailed in Note 1.

(in € thousand)	Western Europe 2012	Western Europe 2013	Central & Eastern Europe 2012	Central & Eastern Europe 2013	North America 2012	North America 2013	Turkey & Emerging Markets 2012	Turkey & Emerging Markets 2013	Consolidated 2012	Consolidated 2013
External sales	169,663	157,854	196,687	185,028	67,214	73,489	123,350	120,136	**556,914**	**536,508**
Intersegment sales	26,062	16,083	3,199	3,957	0	55	4,675	4,675	**0**	**0**
Total sales	195,725	173,937	199,885	188,985	67,214	73,544	128,025	124,811	**556,914**	**536,508**
EBITDA	23,936	17,371	4,361	5,297	3,472	7,687	18,232	17,039	**50,001**	**47,393**
Financial result									**-12,710**	**-8,394**
Income taxes									**-3,735**	**-6,847**
Depreciation (in)tangible fixed assets	-9,300	-8,712	-7,801	-7,948	-3,298	-2,843	-3,236	-3,027	**-23,635**	**-22,530**
Impairments of (in)tangible fixed assets	-1,007	-1,583	-240	-63	-2	0	-95	0	**-1,344**	**-1,646**
Other non-cash costs	-1,924	-368	-232	901	-228	721	-1,951	-849	**-4,335**	**404**
Assets	200,865	183,909	126,078	119,951	40,735	42,098	105,276	94,399	**435,132**	**418,468**
Liabilities	51,801	51,239	35,944	22,094	10,854	12,178	23,061	21,761	**435,132**	**418,468**
Capital expenditures (capex)	8,368	7,126	8,085	7,657	2,089	4,620	4,983	7,268	**23,525**	**26,672**

Reconciliation of total segment assets and total Group assets:

(in € thousand)	Consolidated 2012	Consolidated 2013
Total segment assets	**472,954**	**440,357**
Cash and cash equivalents	23,211	21,715
Intersegment eliminations	-61,033	-43,604
Total Group assets	**435,132**	**418,468**

Reconciliation of total segment liabilities and total Group liabilities:

(in € thousand)	Consolidated 2012	Consolidated 2013
Total segment liabilities	**121,660**	**107,272**
Equity including non-controlling interest	211,429	204,324
Long-term interest-bearing loans	37,326	35,390
Long-term provisions	24,191	21,087
Deferred tax liabilities	2,616	5,013
Short-term interest-bearing loans	78,486	66,892
Intersegment eliminations	-40,576	-21,510
Total Group liabilities	**435,132**	**418,468**

Sales by product group is presented in the table below (in %):

	Western Europe 2012	Western Europe 2013	Central & Eastern Europe 2012	Central & Eastern Europe 2013	North America 2012	North America 2013	Turkey & Emerging Markets 2012	Turkey & Emerging Markets 2013	Consolidated 2012	Consolidated 2013
Window and door systems	72.2%	74.0%	94.0%	92.6%	89.8%	88.0%	97.7%	97.8%	**87.7%**	**87.7%**
Building products	27.8%	26.0%	6.0%	7.4%	10.2%	12.0%	2.3%	2.2%	**12.3%**	**12.3%**
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

There is no significant concentration of sales (>10%) with one or a limited number of Customers.

(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2012 and reflect adjustments made for the adoption of IAS 19-Revised as detailed in Note 1.

3. Revenues and costs

Other operating income (in € thousand)	2012	2013
Grants received	252	147
Exchange rate gains	6,790	8,578
Decrease of provisions	0	1,838
Gains on disposal of tangible fixed assets	121	109
Indemnity compensations received	164	84
Other	4,202	3,516
Total	**11,529**	**14,272**

The increase in other operating income compared to 2012 is primarily due to an increase in the exchange rate gains and a decrease of provisions, partly compensated by a decrease in other operating income.
The grants received consist primarily of ESF grants received.
The remainder of other operating income includes mainly compensation received from insurance companies and sale of tools and scrap.

Other operating costs (in € thousand)	2012	2013
Restructuring costs	-1,059	-262
Exchange rate losses	-8,057	-8,403
Increase of provisions	-1,740	0
Impairments	-1,344	-1,646
Loss on disposal of tangible fixed assets	-93	-37
Other	-1,642	-2,459
Total	**-13,936**	**-12,807**

The decrease in other operating costs compared to 2012 is primarily due to the decrease of restructuring costs and provisions, partly compensated by the increase of impairments and other operating costs.
The impairments mainly relate to land and buildings, machinery components and tools sets. The remainder of other operating costs comprise for example contributions for non-active employees.

Financial income (in € thousand)	2012	2013
Interest income	1,253	805
Financial discounts - Suppliers	836	690
Exchange rate gains	6,705	6,614
Other	272	670
Total	**9,065**	**8,779**

Financial costs (in € thousand)	2012	2013
Interest costs	-9,796	-5,939
Financial discounts - Customers	-1,297	-1,077
Exchange rate losses	-8,574	-8,395
Derivative financial instruments	-565	0
Bank costs	-428	-487
Other	-1,115	-1,274
Total	**-21,775**	**-17,172**

The financial result is € 4.3 million better compared to 2012, mainly as a result of lower net interest charges. Improved financing terms from the 5-year financing agreement concluded in July 2012, impacted the financial result substantially. On top, working capital needs were lower as a result of strict working capital management.

Payroll costs and other social benefits (in € thousand)	2012	2013
Wages and salaries	-88,677	-87,424
Social security contributions	-27,719	-25,907
Contributions to defined contribution plans	-1,599	-1,456
Other	-2,229	-2,511
Total	**-120,224**	**-117,299**

Headcount (Total Full Time Equivalents (FTE) by category)	2012	2013
Blue collars	1,858	1,941
White collars	807	805
Total	**2,665**	**2,746**

The decrease of the payroll costs is mainly the result of the weakening of the Turkish lira and Russian ruble; and of a favourable legal entity mix.

Cost of goods sold (in € thousand)	**2012**	**2013**
Material costs	-286,172	-269,384
Payroll costs	-63,716	-63,971
Depreciations of (in)tangible fixed assets	-17,720	-17,595
Other	-29,418	-29,867
Total	**-397,026**	**-380,817**

Costs by category (in € thousand)	**2012**	**2013**
Material costs	-286,172	-269,384
Payroll costs	-120,224	-117,299
Depreciations of (in)tangible fixed assets	-23,635	-22,530
Other	-103,789	-105,139
Total	**-533,820**	**-514,352**

The decrease in total costs can be explained by the continued control of operational expenses and the weakening of mainly the Turkish lira, US dollar and Russian ruble.

4. Income taxes

The breakdown of the income tax charge for the financial year 2013 is presented as follows:

Income taxes recognized in the income statement (in € thousand)	**2012**	**2013**
Current income taxes	**-3,295**	**-1,989**
Relating to current year	-3,346	-1,689
Relating to previous years	51	-10
Other	0	-290
Deferred taxes	**-440**	**-4,857**
Relating to temporary differences	-409	-1,482
Relating to tax losses	0	-3,747
Other	-31	372
Income taxes recognized in the income statement	**-3,735**	**-6,847**

Relationship between Earnings before tax (EBT) - IFRS and Income taxes (in € thousand)	2012	2013
Earnings before tax - IFRS	**7,977**	**15,227**
Statutory tax rate of the parent company	33.99%	33.99%
Income taxes calculated at the statutory tax rate of the parent company	**-2,711**	**-5,176**
Tax effect of:		
Local tax rate	661	-194
Current income taxes relating to current year		
- Permanent differences Local GAAP versus IFRS	0	328
- Disallowed expenses / Untaxed income	-339	-628
- Fiscal incentives / tax credit	152	275
- Use of tax losses carry forward for which no deferred tax asset has been recognized	11	1,135
- Other	0	-371
Current income taxes relating to previous years	0	-10
Current income taxes - other	0	-290
Deferred taxes on temporary differences		
- Relating to current year - Non-recognition	795	743
- Relating to previous years - Adjustments	-116	-350
Deferred tax asset on tax losses		
- Relating to current year - Non-recognition	-2,206	-1,023
- Relating to previous years - Reversal	0	-1,659
Deferred taxes - other	18	372
Income taxes recognized in the income statement	**-3,735**	**-6,847**
Effective rate rate	46.8%	45.0%

The following table gives an overview of the deferred taxes, after netting by legal entity as per 31 December 2012 and 2013:

(in € thousand)	2012 (*)	Charged / credited to PL	Charged / credited to equity	Transfers	Translation adjustments Total	2013
Deferred tax assets						
Tax losses carry forward	21,912	-2,173			-27	19,713
Tangible fixed assets	-10,405	-34		435	0	-10,004
Provisions	1,937	-552	-58	64	0	1,390
Inventories	628	264			-2	889
Other assets	1,185	103	-16	-329	0	943
Deferred tax assets	**15,256**	**-2,391**	**-74**	**171**	**-30**	**12,932**
Deferred tax liabilities						
Tax losses carry forward	-3,675	1,659				-2,016
Tangible fixed assets	9,517	178		107	-712	9,090
Provisions	-2,640	429	275	64	147	-1,725
Inventories	-462	93			50	-320
Interest bearing borrowings	0	21			0	22
Other liabilities	-124	86			0	-39
Deferred tax liabilities	**2,616**	**2,466**	**275**	**171**	**-515**	**5,013**
Net deferred taxes	**12,640**	**-4,857**	**-349**	**0**	**485**	**7,919**

(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2012 and reflect adjustments made for the adoption of IAS 19-Revised as detailed in Note 1.

In 2013, the Group recognized deferred tax assets for tax losses carry forward, for which utilization depends on future taxable profits. The total amount of this deferred asset amounted to € 21,729 thousand at the end of 2013 (end 2012: € 25,587 thousand).
The budgets provide adequate assurance that the company will generate sufficient taxable profits in the near future in order to utilize the deferred tax assets recognized.

As per 31 December 2013, the Group has no deferred taxes recognized on a total amount of tax losses carry forward of € 75,027 thousand (2012: € 83,330 thousand), in the United Kingdom, the United States, the Czech Republic, Poland and Russia in current and previous financial years.

5. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year, attributable to ordinary shareholders by the weighted average number of ordinary shares, excluded ordinary shares purchased by the Group and held as treasury shares. This results in a net profit per share of € 0.08.

(in € thousand)	2012	2013
Earnings attributable to ordinary shareholders	4,038	8,213
Weighted average number of ordinary shares (in thousands)	107,533	107,533
Earnings per share (in €)	**0.04**	**0.08**

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders, adjusted for the effect on the outcome of the potential ordinary shares, by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares which would be issued upon conversion into ordinary shares of all potential shares leading to dilution. The potential dilution arises from warrants granted to staff members, senior management members and members of the Executive Team. For 2013, no shares attributable to the exercise of outstanding warrants were excluded from the calculation of diluted earnings per share as their effect was antidilutive (for 2012: 1,099,999 number of shares). It concerns here exercisable warrants that are 'out of the money'. This means that the exercise price of the warrants is higher than the share price Deceuninck at balance sheet date.

The calculation for 2013 leads to a net profit per share of € 0.07.

(in € thousand)	2012	2013
Earnings attributable to ordinary shareholders	4,038	8,213
Weighted average number of ordinary shares (in thousands)	107,533	107,533
Dilution effect of non-exercised warrants (in thousands)	735	2,637
Weighted average number of shares after dilution in thousands)	108,268	110,170
Diluted earnings per share (in €)	**0.04**	**0.07**

6. Intangible fixed assets, other than goodwill

Amortization of intangible assets other than goodwill is included in cost of goods sold.
As per 31 December 2013, the intangible assets with indefinite useful lives were tested for impairment, based on the same methodology and assumptions as described in Note 7 – Goodwill. The intangible assets with indefinite useful lives mainly relate to the trade name Winsa. For these kind of assets there is no foreseeable end of the cash generating period. The net carrying value of this asset is € 1,726 thousand. The impairment test of this asset is included in the goodwill impairment test for Turkey (see Note 7 – Goodwill) and did not result in the recognition of an impairment on 31 December 2013.
During 2013, approximately € 161 thousand was expensed in research and development costs.

Patents, licenses and similar rights (in € thousand)	2012	2013
COST		
At the beginning of	**18,539**	**18,718**
Additions	99	550
Transfers	1	182
Translation adjustments	79	-1,094
At the end of	**18,718**	**18,356**
AMORTIZATIONS and IMPAIRMENTS		
At the beginning of	**-15,111**	**-15,688**
Additions to amortizations	-608	-237
Translation adjustments	31	540
At the end of	**-15,688**	**-15,385**
INTANGIBLE FIXED ASSETS		
Cost	18,718	18,356
Accumulated amortizations and impairments	-15,688	-15,385
NET CARRYING VALUE	**3,030**	**2,970**

7. Goodwill

(in € thousand)	2012	2013
COST		
At the beginning of	**60,741**	**60,226**
Translation adjustments	-515	-1,189
At the end of	**60,226**	**59,037**
IMPAIRMENTS		
At the beginning of	**-49,935**	**-49,409**
Translation adjustments	526	1,131
At the end of	**-49,409**	**-48,278**
GOODWILL		
Cost	60,226	59,037
Accumulated impairments	-49,409	-48,278
NET CARRYING VALUE	**10,817**	**10,759**

The application of IFRS 3 "Business combinations" stipulates that all identifiable assets and liabilities should be recognized at their fair value at the moment of acquisition. All differences between the cost of the business combination and the fair value defined at the time of the acquisition should be attributed to goodwill and any potential remaining differences in equity.

The net carrying value of goodwill is allocated as follows:

Cash-generating unit (in € thousand)	2012	2013
Turkey	9,570	9,512
Belgium	1,247	1,247
Net carrying value	**10,817**	**10,759**

At 31 December 2013, the net carrying value of goodwill amounts to € 9.5 million for Turkey and € 1.2 million for Belgium. This carrying value remained virtually unchanged in comparison to 2012.
In accordance with IAS 36, goodwill is not amortized but is subject to an annual impairment test. This test is always performed at year and whenever there is an indication of a possible impairment.
The test consists in comparing the recoverable amount of each cash-generating unit with its carrying amount. An impairment loss is recognized whenever the recoverable amount is lower than the net book value. The Group carried out the impairment test at 31 December 2013, consistent with previous years.

Impairment test goodwill Turkey

• *Cash generating unit*
The cash generating unit is the region Turkey & Emerging Markets which is composed of legal entities in Turkey, India, Chile and Australia.
This is the lowest level at which EBITDA can be measured without being influenced by transfer prices. It is also the level of our segment reporting.

• *Discount rate*
The discount rate is based on the risk free rate based on the currency region zone where the activities are deployed and current market assessment of the risks specific to the Deceuninck Group. The discount rate was estimated based on the weighted average cost of capital (WACC) and is 13.1% for 2013.

• Assumptions for 2014 -> 2018

For EBITDA of 2014, management has worked out a target based on detailed plans and actions. For the period 2015 -> 2018 the EBITDA estimate is based on longer term plans, taking into account reasonable growth levels in line with country specific evolutions of the building industry.

• Sensitivity analysis

2 scenarios have been worked out: one with reasonable growth expectations (EBITDA: between +1% and +5% growth from 2015 onwards) and one with pessimistic growth expectations (no EBITDA growth as from 2014 onwards).

• Conclusion

Both scenarios did not result in an impairment of goodwill.

Impairment test goodwill Belgium

• Cash generating unit

The cash generating unit is Western Europe, composed of legal entities Deceuninck NV (Belgium), Deceuninck Ltd (UK), Deceuninck SAS (France) and Deceuninck Sucursal en España (Spain).
This is the lowest level at which EBITDA can be measured without being influenced by transfer prices. It is also the level of our segment reporting.

• Discount rate

The discount rate is based on the risk free rate based on the currency region zone where the activities are deployed and current market assessment of the risks specific to the Deceuninck Group. The discount rate was estimated based on the weighted average cost of capital (WACC) and is 6.7% for 2013.

• Assumptions for 2014 -> 2018

For EBITDA of 2014, management has worked out a target based on detailed plans and actions. For the period 2015 -> 2018 the EBITDA estimate is based on longer term plans, taking into account reasonable growth levels in line with country specific evolutions of the building industry.

• Sensitivity analysis

2 scenarios have been worked out:

one with reasonable growth expectations:
- *EBITDA: a growth rate between +1% and +5% was assumed as from 2014 onwards*
- *Operating working capital: +1% growth as from 2014 onwards*

and one with pessimistic growth expectations:
- *EBITDA: a growth rate between +0% and +1% was assumed as from 2015 onwards*
- *Operating working capital: +0.8% growth as from 2014 onwards*

• Conclusion

Both scenarios did not result in an impairment of goodwill.

8. Tangible fixed assets

(in € thousand)	Land and buildings	Machines and equipment	Furniture and vehicles	Leased fixed assets	Other tangible fixed assets	Assets under construction	Total
COST							
At the beginning of previous year	**149,990**	**399,796**	**20,084**	**463**	**23**	**8,976**	**579,332**
Additions	1,837	14,150	163	0	0	6,606	**22,756**
Disposals	-11	-2,224	-419	-16	0	0	**-2,670**
Transfers	318	5,175	0	0	0	-5,699	**-206**
Translation adjustments	1,864	2,033	184	13	0	131	**4,225**
At the end of previous year	**153,998**	**418,930**	**20,012**	**460**	**23**	**10,014**	**603,437**
DEPRECIATIONS AND IMPAIRMENTS							
At the beginning of previous year	**-48,104**	**-319,860**	**-17,823**	**-357**	**-8**	**0**	**-386,152**
Additions to depreciations	-4,426	-17,786	-778	-35	-2	0	**-23,027**
Additions to impairments	101	-921	-6	0	0	0	**-826**
Disposals	9	2,039	377	16	0	0	**2,441**
Transfers	28	0	0	0	0	0	**28**
Translation adjustments	-353	-962	-153	-12	0	0	**-1,480**
At the end of previous year	**-52,745**	**-337,490**	**-18,383**	**-388**	**-10**	**0**	**-490,016**
TANGIBLE FIXED ASSETS							
Cost	153,998	418,930	20,012	460	23	10,014	**603,437**
Accumulated depreciations and impairments	-52,745	-337,490	-18,383	-388	-10	0	**-409,016**
NET CARRYING VALUE	**101,253**	**81,440**	**1,629**	**72**	**13**	**10,014**	**194,421**

(in € thousand)	Land and buildings	Machines and equipment	Furniture and vehicles	Leased fixed assets	Other tangible fixed assets	Assets under construction	Total
COST							
At the beginning of current year	**153,998**	**418,930**	**20,012**	**460**	**23**	**10,014**	**603,437**
Additions	1,634	13,348	482	0	0	10,187	**25,651**
Disposals	-9	-1,426	-187	-86	0	14	**-1,694**
Transfers	1,903	6,798	9	0	0	-5,766	**2,943**
Translation adjustments	-6,326	-22,082	-4,381	-37	0	-359	**-33,185**
At the end of current year	**151,200**	**415,568**	**15,935**	**337**	**23**	**14,089**	**597,153**
DEPRECIATIONS AND IMPAIRMENTS							
At the beginning of current year	**-52,745**	**-337,490**	**-18,383**	**-388**	**-10**	**0**	**-409,016**
Additions to depreciations	-4,321	-17,427	-512	-32	-2	0	**-22,293**
Additions to impairments	0	-432	-2	0	0	0	**-434**
Disposals	3	1,370	187	86	0	0	**1,645**
Transfers	-1,686	0	0	0	0	0	**-1,686**
Translation adjustments	1,687	16,396	4,347	36	0	0	**22,466**
At the end of current year	**-57,062**	**-337,583**	**-14,363**	**-298**	**-11**	**0**	**-409,317**
TANGIBLE FIXED ASSETS							
Cost	151,200	415,568	15,935	337	23	14,089	**597,153**
Accumulated depreciations and impairments	-57,062	-337,583	-14,363	-298	-11	0	**-409,317**
NET CARRYING VALUE	**94,138**	**77,985**	**1,572**	**39**	**12**	**14,089**	**187,836**

The Group has no significant commitments regarding the purchase of tangible fixed assets.
Tangible fixed assets under construction can be explained as follows:

(in € thousand)	2012	2013
Land and buildings	1,790	2,342
Machines and equipment	7,797	11,469
Other	427	279
Total	**10,014**	**14,089**

Leased fixed assets consist mainly of machinery in Spain.
The Group has recognized impairments on tangible fixed assets of € 0.4 million. These impairments mainly relate to machinery components and tool sets, and are included within other operating costs.

9. Long-term receivables

(in € thousand)	2012	2013
Trade receivables	617	747
Other receivables	430	332
Total	**1,047**	**1,079**

The maturity of such trade receivables ranges from 1 to 3 years.

10. Inventories

(in € thousand)	2012	2013
Raw materials and consumables	24,320	25,577
Work in progress	2,127	860
Finished products	29,306	32,547
Trade goods	15,819	18,060
Total	**71,572**	**77,045**

During 2013 a net amount of € 1,107 thousand was posted as write-down on inventory, while in 2012, a net amount of € 437 thousand write-down was reversed.
These write-downs are shown as Marketing, sales and distribution expenses.
The cost of inventories recognized as an expense during 2013 amounted to € 380.817 thousand (2012: € 397,026 thousand).
No inventories were pledged as security for liabilities (2012: idem).

11. Trade receivables and other receivables

(in € thousand)	2012	2013
Gross trade receivables	117,288	104,060
Impairments	-16,594	-14,934
Trade receivables	**100,694**	**89,126**
VAT and other taxes	3,703	4,223
Derivative financial instruments	261	173
Prepaid charges	1,316	1,484
Accrued revenues	539	575
Short-term warranties	153	192
Other	650	1,129
Other receivables	**6,622**	**7,775**

Trade receivables decreased € 11.6 million in line with lower sales volume in the fourth quarter of 2013. Days outstanding (DSO) improved year-on-year thanks to continued strict credit monitoring policy in spite of an unfavourable legal entity mix. The factoring cost for 2013 amounts to € 351 thousand (2012: € 376 thousand). The effect of the factoring agreement is shown as a decrease in trade receivables, as substantially all risks and rewards relating to the trade receivables, are transferred to the factorcompany (factoring with non recourse). The gross trade receivables consist of invoiced sales, an accrual for invoices to be issued, an accrual for credit notes to be received, exchange rate differences and advance payments made.

An analysis is provided below, which shows the aging of gross outstanding trade receivables granted to Customers, after deduction of impairments on those amounts:

Ageing analysis of trade receivables (in € thousand)	**Net carrying value**	**Not due nor impaired**	**Overdue but not impaired**				
			< 30 days	**31 - 60 days**	**61 - 90 days**	**91 - 120 days**	**> 120 days**
As per 31 December 2012	100,694	83,571	10,335	2,163	575	515	3,534
As per 31 December 2013	89,126	73,108	7,443	2,085	822	1,401	4,268

As per December 2013 an amount of € 14,934 thousand was recognized as an impairment on trade receivables to Customers. The movements during the last 2 financial years are presented in the following table:

Impairment analysis (in € thousand)	2012	2013
At the beginning of	**-13,339**	**-16,594**
- Additions	-5,625	-6,426
- Reversals	2,411	3,182
- Utilizations	187	3,248
- Translation adjustments	-228	1,656
At the end of	**-16,594**	**-14,934**

12. Cash and cash equivalents

(in € thousand)	2012	2013
Cash and current bank accounts	12,081	10,012
Short term deposits	11,130	11,703
Total	**23,211**	**21,715**

13. Fixed assets held for sale

(in € thousand)	2012	2013
COST		
At the beginning	**9,474**	**10,171**
Additions	670	471
Disposals	-191	-361
Transfers	205	43
Translation adjustments	13	-269
At the end of	**10,171**	**10,055**
DEPRECIATIONS and IMPAIRMENTS		
At the beginning of	**-1,235**	**-1,776**
Additions to impairments	-518	-1,212
Disposals	0	100
Transfers	-28	0
Translation adjustments	5	-2
At the end of	**-1,776**	**-2,889**
FIXED ASSETS HELD FOR SALE		
Cost	10,171	10,055
Accumulated depreciations and impairments	-1,776	-2,889
NET CARRYING VALUE	**8,395**	**7,166**

The fixed assets held for sale mainly relate to a warehouse in the UK, land and building in Germany, land in Poland, flats in Turkey and machinery in Spain. All assets are available for immediate sale. Necessary actions have been taken in order to place these assets on the market and sales are expected during 2014. Following the reclassification to "held-for-sale", these assets are no longer depreciated. The measurement in accordance with IFRS 5 resulted in the recognition of a total impairment loss of € 1,212 thousand mainly on the warehouse in the UK.

14. Issued capital and reserves

Issued capital

	2012	2013
Amount (in € thousand)	42,495	42,495
Number of shares (without nominal value)	107,750,000	107,750,000

Capital is set at € 42,495 thousand and is composed of 107,750 thousand shares without a nominal value.

Share premiums

	2012	2013
Amount (in € thousand)	46,355	46,355

Treasury shares

	2012	2013
Amount (in € thousand)	-261	-261
Number of shares (without nominal value)	217,121	217,121

On 31 December 2013, the Group held 217,121 treasury shares to fulfil its commitments with respect to stock option plans.

Currency translation adjustments

Currency translation adjustments include all exchange rate differences resulting from the conversion of the financial statements of subsidiaries into euro. In 2013 there was a negative impact of € 16,518 thousand. The total currency translation adjustments amount to € -44,264 thousand at 31 December 2013.
An overview of the currency translation adjustments by currency is given below:

(in € thousand)	2012 (*)	2013
USD	-13,814	-14,587
TRY	-9,975	-22,593
RUB	-1,835	-3,412
PLN	-1,766	-2,143
GBP	-820	-466
CZK	616	-425
Other	-152	-638
Total	**-27,746**	**-44,264**

(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2012 and reflect adjustments made for the adoption of IAS 19-Revised as detailed in Note 1.

15. Provisions for post-employment employee benefits

Net liability (asset) reconciliation (in € thousand)	**Inoutic/Deceuninck GmbH (Germany)**	**Deceuninck NV (Belgium)**	**Other**	**Total**
As per 31 December 2012 (Restated) (*)	**12,095**	**3,132**	**1,860**	**17,087**
Pension cost recognized in income statement	607	259	175	1,041
Remeasurements recognized in OCI	-891	-170	-142	-1,202
Benefits paid directly	-446	-192	-108	-746
Translation adjustments	0	0	-337	-337
As per 31 December 2013	**11,364**	**3,030**	**1,448**	**15,842**
Non-current	10,914	2,834	1,448	15,196
Current	450	196	0	646

(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2012 and reflect adjustments made for the adoption of IAS 19-Revised as detailed in Note 1.

Defined contributions plans

The Group pays contributions to certain insurance companies for defined contribution plans. Besides those contributions, the Group has no other payment obligations to these insurance companies. The pension contributions are included in the income statement during the year in which they are due and amount to € 1,456 thousand for 2013 (2012: € 1,599 thousand).

Defined benefit plans and other post employment benefits

Deceuninck NV (Belgium)

For Deceuninck NV, the provisions for post-employment benefits relate to the early retirement obligation.
This plan is available for all early-retired employees when in conformity with the current collective labour agreement (CLA).
In accordance with IFRS, the actuarial present value of the defined pension benefits must be calculated, as that value represents the total of the amounts that can currently be allocated to each participant in the plan. As a result the pension liabilities increased by € 259 thousand during 2013.

The legal minimal return in Belgium for defined contribution plans is 3.25%. The Group has its contribution pension plan with fixed return transferred to an external insurance company. The minimal return requirement is not transferred to the insurance company. At 31 December 2013 there was no deficit.

The early retirement obligation is not financed and is considered to be a constructive obligation. The actuarial present value was calculated based on the following assumptions:

Deceuninck NV (Belgium) - principal actuarial assumptions	**2012**	**2013**
Discount rate	3.00%	3.50%
Increase in compensations - white collar	3.00%	3.00%
Increase in compensations - blue collar	2.75%	2.75%
Increase in social security	2.00%	2.00%
Increase in pensions	2.00%	2.25%
Inflation	2.00%	2.00%

Inoutic/Deceuninck GmbH (Germany)

For Inoutic/Deceuninck GmbH, the provisions for employee benefits refer to the provision for pensions. This plan is available for all employees and is unfunded. There is no legal obligation to offer such a plan to the employees. The actuarial present value was calculated based on the following assumptions:

Inoutic / Deceuninck GmbH (Germany) - principal actuarial assumptions	2012	2013
Discount rate	3.00%	3.40%
Increase in compensations - white collar	3.00%	3.00%
Increase in compensations - blue collar	3.00%	3.00%
Increase in social security	3.00%	3.00%
Increase in pensions	2.00%	2.00%
Inflation	2.00%	2.00%

Other

These provisions for employee benefits refer to local pension regulations.

The tables below provide an overview of the pension costs included in the consolidated income statement, and the amounts recognized in the statement of financial position for the defined pension plan of Inoutic/Deceuninck GmbH and the Belgian subsidiaries of the last 2 years:

Components of pension cost	2012 (*)			2013		
(in € thousand)	Inoutic/ Deceuninck GmbH (Germany)	Deceuninck NV (Belgium)	Total	Inoutic/ Deceuninck GmbH (Germany)	Deceuninck NV (Belgium)	Total
Current service cost	195	130	325	251	163	414
Interest cost	422	115	537	356	96	452
Recognized in income statement	**617**	**245**	**862**	**607**	**259**	**866**

Amounts recognized in the statement of financial position	2012 (*)			2013		
(in € thousand)	Inoutic/ Deceuninck GmbH (Germany)	Deceuninck NV (Belgium)	Total	Inoutic/ Deceuninck GmbH (Germany)	Deceuninck NV (Belgium)	Total
Present value of defined benefit obligation	12,095	3,132	15,227	11,364	3,030	14,394
Fair value of plan assets			0			0
Net liability (asset)	**12,095**	**3,132**	**15,227**	**11,364**	**3,030**	**14,394**

(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2012 and reflect adjustments made for the adoption of IAS 19-Revised as detailed in Note 1.

Change in defined benefit obligation (in € thousand)	2012 (*) Inoutic/ Deceuninck GmbH (Germany)	Deceuninck NV (Belgium)	Total	2013 Inoutic/ Deceuninck GmbH (Germany)	Deceuninck NV (Belgium)	Total
At the beginning of	**9,015**	**2,518**	**11,533**	**12,095**	**3,132**	**15,227**
Current service cost	195	130	325	251	163	414
Interest cost	422	115	537	356	96	452
Actuarial gain / loss	2,901	540	3,441	-891	-170	-1,061
Benefits paid directly	-438	-172	-610	-446	-192	-638
At the end of	**12,095**	**3,132**	**15,227**	**11,364**	**3,030**	**14,394**

5-year evolution

As per 31 December (in € thousand)	2009	2010	2011 (*)	2012 (*)	2013
Present value of defined benefit obligation	11,795	11,815	11,533	15,227	14,394
Fair value of plan assets	0	0	0	0	0
Deficit (surplus) in the plan	**11,795**	**11,815**	**11,533**	**15,227**	**14,394**

(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2011 and 2012 and reflect adjustments made for the adoption of IAS 19-Revised as detailed in Note 1.

Sensitivity analysis on discount rate shows the following impacts:

As per 31 December 2013	Inoutic/Deceuninck GmbH (Germany)		Deceuninck NV (Belgium)	
Change in discount rate	+0,5%	-0,5%	+0,25%	-0,25%
Impact on present value of defined benefit obligation (in € thousand)	**-828**	**+940**	**-68**	**+68**

16. Provisions

(in € thousand)	Warranties	Claims	Other	Total
As per 31 December 2012 (Restated) (*)	**3,182**	**1,474**	**5,713**	**10,370**
- Additions	605	457	377	1,439
- Utilizations	-1,130	-211	-1,325	-2,666
- Reversals	-116	-453	-1,152	-1,721
- Translation adjustments	-130	-20	-22	-173
As per 31 December 2013	**2,411**	**1,247**	**3,592**	**7,250**
Non-current	2,411	832	2,648	5,891
Current	0	415	944	1,359

(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2012 and reflect adjustments made for the adoption of IAS 19-Revised as detailed in Note 1.

Provisions are recognized for indemnities related to warranties on products sold during the past 10 years, on the basis of experience with repairs and returns. The Group expects that most of the provisions intended to cover warranty obligations will be utilized within a period of 2 to 3 years.
The provisions for claims mainly relate to claims for quality issues of products sold. It is currently not clear when the legal procedures will be concluded and what the outcome will be.
The other provisions mainly relate to employee benefits in Inoutic/Deceuninck GmbH. These are provisions for jubilee bonuses, and for a specific German measure enabling German employees to gradually phase out their careers. In view of the nature of these provisions, it is impossible to determine the timing of costs to be incurred.

17. Interest bearing debts

In 2013 Deceuninck has continued to finance its activities at Restricted Group[3] level through the € 140 million syndicated credit facility concluded in July 2012. The activities in Turkey have been financed through bilateral, uncommitted credit lines with local and international banks in Turkey.

The above mentioned syndicated credit facility is subject to the following financial covenants:
(a) Minimum equity at Group level of € 180 million;
(b) Interest-ratio at Restricted Group level of minimum 4.00;
(c) Net debt-ratio at Restricted Group level of maximum 3.00;
(d) Maximum capital expenditures per calendar year at Restricted Group level of € 25 million.

(3) Restricted Group = Group excluding Turkish subsidiaries

As per 31 December 2013 and at all preceeding testing dates throughout 2013, the Group has met all its covenants. Based on the budget for 2014, the management of Deceuninck expects to meet also in the coming year all obligations and covenants stipulated in the credit agreement dated July 2012.

The above credit facility is secured by a security package consisting mainly of mortgages and mortgage mandates on the real estate and business of the Group in Belgium, and a pledge on all shares of the subsidiaries of Deceuninck NV, with exception of the shares in Inoutic / Deceuninck GmbH and in Deceuninck Holding GmbH.

The following tables provide an overview of the interest-bearing debts of the Group at the balance sheet date:

Long-term interest-bearing loans (in € thousand)	**2012**	**2013**
Loans from financial institutions	37,323	35,390
Financial leasing	3	0
Total	**37,326**	**35,390**

Short-term interest-bearing loans (in € thousand)	**2012**	**2013**
Loans from financial institutions	78,457	66,889
Financial leasing	29	3
Total	**78,486**	**66,892**

Terms and maturity profile (original maturity) (in € thousand)	**< 1 year**		**1-2 years**		**2-5 years**		**> 5 years**		**Total**	
	2012	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**
Loans from financial institutions	78,457	66,889	14,700	28,707	22,623	6,683	0	0	115,780	102,279
Financial leasing	29	3	3	0	0	0	0	0	32	3
Total	**78,486**	**66,892**	**14,703**	**28,707**	**22,623**	**6,683**	**0**	**0**	**115,812**	**102,282**

The following table provides an overview of the interest rates and maturity dates of the outstanding financial debt as per 31 December 2013:

Loans	Interest rate	Maturity date	Long-term interest-bearing debt (in € thousand)	Short-term interest-bearing debt (in € thousand)
Syndicated credit facility 2012 – Facility A (Revolving Credit Facility)	Euribor + Margin	2017		46,164
Syndicated credit facility 2012 – Facility B (Term Loan)	Euribor + Margin	2016	15,833	11,852
LT loan in TRY	10.50%	2015	1,362	1,362
LT loan in EUR	3.65%	2015	5,000	
LT loan in TRY	10.50%	2015	1,362	1,362
LT loan in TRY	8.00%	2015	5,108	
LT loan in TRY	6.25%	2018	2,724	
LT loan in EUR	3.65%	2015	4,000	
ST loan in TRY	11.00%	2014		2,270
ST loan in TRY *	0.00%	2014		133
ST loan in TRY	10.35%	2014		3,405
ST loan in TRY	6.25%	2014		341
Total			**35,390**	**66,889**

* Free loan for payments to the Turkish government.

Unused credit lines amounted to € 52.9 million as per 31 December 2013.

Operational leasing

The Group leases mainly vehicles, office equipment and buildings. The total amount paid in 2013 for operational leasing amounts to € 5,107 thousand. The table below provides an overview of the payments to be made over the coming financial years:

Operational leasing (in € thousand)	2012	2013
< 1 year	4,347	3,876
1 - 5 years	5,365	6,653
> 5 years	12	24
Total	**9,724**	**10,554**

18. Trade payables and other liabilities

(in € thousand)	2012	2013
Trade payables	**55,900**	**63,651**
Derivative financial instruments	361	112
Guarantees from Customers	1,779	1,711
Accrued interests	1,588	1,184
Accrued charges	1,120	707
Deferred income	342	766
Other	516	481
Other liabilities	**5,706**	**4,962**

The conditions for the above mentioned trade debts and other debts are as follows:

- *Trade debts do not bear interest and are usually paid on the basis of payment terms that can vary depending on the market. On average, these payment terms fluctuate between 45 and 65 days from the end of the month in which the debt is incurred. In Turkey this can be up to one year after the invoice date.*
- *For the conditions with regard to the financial instruments, we refer you to Note 23.*
- *The guarantees from Customers do not bear any interest and are immediately payable, as soon as the contractual obligations of the Customer have been fulfilled.*

Trade debts include, besides the invoiced purchases also a provision for invoices to be received, a provision for credit notes to be issued, foreign currency translation differences and advance payments received.

Below is an analysis of the due date of the trade debts:

Ageing analysis of trade debts (in € thousand)	Net carrying value	Payable			
		< 90 days	91 - 180 days	181 - 365 days	> 365 days
As per 31 December 2012	55,900	46,617	6,597	2,685	1
As per 31 December 2013	63,651	62,741	-4	852	62

19. Share-based payments

The Group offers the possibility to staff members, senior management members and the members of the Executive Team to register for stock option- and warrant agreements. The purpose for such a decision is to motivate the staff members, senior management and the members of the Executive Team, by enabling them to acquire shares in the company under relatively advantageous terms, thereby increasing and improving their commitment to the company.

Stock option plans

The balance of outstanding options (Plans 2003-2010) at the end of December 2013 is 340,375. One option entitels the holder to one Deceuninck share at a fixed exercise price corresponding to the market price at grant date. All options relating to the stock option plans granted in 1999, 2000, 2001 and 2002 have been exercised, forfeited or expired. From the option plans which can still be exercised, no options have already been exercised. The options expire if they are not exercised on the last day of the last exercise period. The options can be exercised for the first time after the end of the third calendar year, following the year in which the offer has taken place. The exercise period, relating to the plans of 2003, 2004, 2005 and 2007, has been extended with 5 years in 2009.

The exercise price of an option will be equal to the lowest of (i) the average price of the share on the stock exchange during the 30-day period preceding the offer, or (ii) the latest closing price preceding the day of the offer.

Stock option plans Deceuninck NV	2003	2004	2005	2007	2008	2009	2010	Total
Grant date	19/12/03	23/12/04	22/12/05	19/12/07	12/12/08	27/10/09	23/12/10	
Acceptance date	17/02/04	21/02/05	20/02/06	17/02/08	11/02/09	26/12/09	22/02/11	
Number of beneficiaries at grant date	42	33	53	74	68	2	4	
Exercise price (in €)	25.22	22.7	22.81	15.54	2.95	1.36	1.7	
Granted	64,000	49,000	66,250	70,750	70,750	75,000	75,000	**470,750**
Accepted	47,500	35,375	64,250	64,500	64,150	75,000	75,000	**425,775**
Exercised	0	0	0	0	0	0	0	**0**
Forfeited	-12,250	-9,750	-19,500	-23,250	-20,650	0	0	**-85,400**
Expired	0	0	0	0	0	0	0	**0**
Outstanding 31/12/2013	35,250	25,625	44,750	41,250	43,500	75,000	75,000	**340,375**
Exercisable 31/12/2013	35,250	25,625	44,750	41,250	43,500	25,000	0	**215,375**
Exercise periods	2007-2013	2008-2014	2009-2015	2011-2017	2012-2018	2013-2019	2014-2020	
Extension of exercise periods	2014-2018	2015-2019	2016-2020	2018-2022	N/A	N/A	N/A	

Movements 2012	2003	2004	2005	2007	2008	2009	2010	Total	Weighted average exercise price
Outstanding 2011	**38,750**	**25,625**	**46,750**	**44,750**	**46,500**	**75,000**	**75,000**	**352,375**	**10.46**
Accepted	0	0	0	0	0	0	0	**0**	N/A
Exercised	0	0	0	0	0	0	0	**0**	N/A
Forfeited	0	0	-2,000	-3,500	-3,000	0	0	**-8,500**	12.81
Expired	0	0	0	0	0	0	0	**0**	N/A
Outstanding 2012	**38,750**	**25,625**	**44,750**	**41,250**	**43,500**	**75,000**	**75,000**	**343,875**	**10.41**

Movements 2013	2003	2004	2005	2007	2008	2009	2010	Total	Weighted average exercise price
Outstanding 2012	**38,750**	**25,625**	**44,750**	**41,250**	**43,500**	**75,000**	**75,000**	**343,875**	**10.41**
Accepted	0	0	0	0	0	0	0	**0**	N/A
Exercised	0	0	0	0	0	0	0	**0**	N/A
Forfeited	-3,500	0	0	0	0	0	0	**-3,500**	25.22
Expired	0	0	0	0	0	0	0	**0**	N/A
Outstanding 2013	**35,250**	**25,625**	**44,750**	**41,250**	**43,500**	**75,000**	**75,000**	**340,375**	**10.25**

Warrant plans

The balance of the outstanding warrants at the end of December 2013 is 2,637,499. One warrant entitels the holder to one Deceuninck share at a fixed exercise price corresponding with the market price at grant date. No warrants granted in the warrants plans have been exercised so far. The warrants expire if they have not been exercised at the last day of the last exercise period. The warrants can be exercised for the first time at the end of the third calendar year of the grant.

The exercise price of a warrant will be fixed by the Committee on the date of offer and:

a) for staff members and senior management members it will be equal to the lowest of (i) of the average price of the share on the stock exchange during the 30-day period preceding the offer, or (ii) the latest closing price preceding the day of the offer,

b) for other than staff members and senior management members it will be equal to the lowest of (i) of the average price of the share on the stock exchange during the 30-day period preceding the offer, or (ii) the latest closing price preceding the day of the offer, on the understanding that the exercise price must not be lower than the average price of the share on the stock exchange during the 30-day period preceding the issue of the Plan.

The exercise price of a warrant will be equal to the lowest of (i) of the average price of the share on the stock exchange during the 30-day period preceding the offer, or (ii) the latest closing price preceding the day of the offer.

Warrant plans Deceuninck NV	**Plan 2009**	**Plan 2010**	**Plan 2010**	**Plan 2010**	**Plan 2011**	**Plan 2011**	**Plan 2011**	**Plan 2011**	**Total**
Grant date	30/11/09	31/12/09	31/12/09	23/12/10	21/12/11	21/12/11	21/12/12	21/12/12	
Acceptance date	29/01/10	28/02/10	28/02/10	22/02/11	15/02/12	15/02/12	17/02/13	17/02/13	
Number of beneficiaries at grant date	13	16	1	37	42	1	49	1	
Exercise price (in €)	1.44	1.46	1.48	1.7	0.73	0.85	1.17	1.18	
Share price on acceptance date (in €)	1.48	1.40	1.40	1.88	1.22	1.22	1.35	1.35	
Granted	549,564	285,000	67,435	607,500	490,000	300,000	485,000	350,000	**3,134,499**
Accepted	519,564	240,000	67,435	562,500	487,500	300,000	482,500	350,000	**3,009,499**
Exercised	0	0	0	0	0	0	0	0	**0**
Forfeited	-117,000	-75,000	0	-102,500	-67,500	0	-10,000	0	**-372,000**
Expired	0	0	0	0	0	0	0	0	**0**
Outstanding 31/12/13	402,564	165,000	67,435	460,000	420,000	300,000	472,500	350,000	**2,637,499**
Exercisable 31/12/13	134,188	55,000	22,478	0	0	0	0	0	**211,666**
Exercise periods	2013-2019	2013-2019	2013-2019	2014-2019	2015-2021	2015-2021	2016-2021	2016-2021	
Assumptions									
Volatility	40%	40%	40%	40%	40%	40%	40%	40%	
Risk-free interest	2.55%	2.41%	2.41%	3.51%	2.49%	2.49%	0.99%	0.99%	
Dividend as from 2014 (in €)	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	
Early exercised – Minimum gain	25%	25%	25%	25%	25%	25%	25%	25%	
Early exercised – Probability to exercise	50%	50%	50%	50%	50%	50%	50%	50%	

Movements 2012	Plan 2009	Plan 2010	Plan 2010	Plan 2010	Plan 2011	Plan 2011	Total	Weighted average exercise price
Outstanding 2011	**442,564**	**180,000**	**67,435**	**507,500**	**0**	**0**	**1,197,499**	**1.56**
Accepted	0	0	0	0	487,500	300,000	**787,500**	0.78
Exercised	0	0	0	0	0	0	**0**	N/A
Forfeited	-40,000	-15,000	0	-42,500	-52,500	0	**-150,000**	1.27
Expired	0	0	0	0	0	0	**0**	N/A
Outstanding 2012	**402,564**	**165,000**	**67,435**	**465,000**	**435,000**	**300,000**	**1,834,999**	**1.24**

Movements 2013	Plan 2009	Plan 2010	Plan 2010	Plan 2010	Plan 2011	Plan 2011	Plan 2011	Plan 2011	Total	Weighted average exercise price
Outstanding 2012	**402,564**	**165,000**	**67,435**	**465,000**	**435,000**	**300,000**	**0**	**0**	**1,834,999**	**1.24**
Accepted	0	0	0	0	0	0	482,500	350,000	**832,500**	1.17
Exercised	0	0	0	0	0	0	0	0	**0**	N/A
Forfeited	0	0	0	-5,000	-15,000	0	-10,000	0	**-30,000**	1.04
Expired	0	0	0	0	0	0	0	0	**0**	N/A
Outstanding 2013	**402,564**	**165,000**	**67,435**	**460,000**	**420,000**	**300,000**	**472,500**	**350,000**	**2,637,499**	**1.22**

IFRS 2 has a negative impact of € 388 thousand on the results of 2013. Stock option and warrant plans were valued on the basis of the binominal tree structure. Volatility was determined on the basis of historical data.

20. Related parties

During 2013, the Group made purchases valued at € 0.11 million (€ 0.12 million in 2012), under normal market conditions, from companies of which Directors of the company held a majority of the shares. These transactions involved repair and maintenance of containers and the use of meeting rooms.

Total remuneration of members of the Board of Directors in 2013 amounted to € 289,500 (€ 305,000 in 2012). This amount includes additional remunerations granted to Directors for their involvement at committees. These remunerations are granted by the General Meeting and are included in general expenses.

Directors charged with special missions and projects can receive appropriate remuneration.

The members of the Executive Team (including one member that has another function since April 2013 and excluding CEO) received remunerations of € 2,202,398 (€ 1,878,142 in 2012) including a variable remuneration of € 427,205.

In order to align the interests of the company and its shareholders with the interests of Executive Team members, part of the remuneration package shall be linked to company performance and another part to individual performance. By weighing both factors against each other in a responsible manner (85% corporate results/15% individual results) a balance can be achieved between a result oriented approach (Top Performance) and the manner in which these results are obtained (taking into account the core values: Candor, Top Performance and Entrepreneurship).

Options and/or warrants on the shares of the company are granted to staff members, senior management members and members of the Executive Team. 570,000 (as per 31/12/13) warrants were granted to the members of the Executive Team. These option and warrant plans are not related to the performance of the Group.

21. Services provided by the external auditor

During 2013 the following charges of the external auditor were included in the Group's income statement:

Audit services: € 540,000
Other audit services: € 2,500
Tax consulting services: € 20,000

22. Going concern

There are no indicators of circumstances that might question the continuity of the activities.

23. Risk management

The most important financial risks for the Group are exchange rate risk, interest rate risk, credit risk and liquidity risk.

Exchange rate risk
The exchange rate risk of the Group can be split into two categories: translation risk and transactional exchange rate risk.

Translation risk

Translation risk arises from the conversion of financial figures of foreign subsidiaries outside the Eurozone into the Group's reporting currency, the euro. The main currencies for this kind of risk are the US dollar and the Turkish lira. This kind of exchange rate risk is not hedged.

Transactional exchange rate risk

Transactional exchange rate risks are associated with sales and purchases in foreign currencies as a result of the commercial activities of the Group in regions outside the Eurozone.

The most important transactional exchange rate risks originate from sales in the United Kingdom and in Russia, and from purchases of raw materials in US dollar by the Turkish subsidiary. Also sales in euro by the Turkisch subsidiary cause transactional exchange rate risk.

Recognized assets and liabilities

The Group aims to minimize the impact on the profit and loss accounts of exchange rate fluctuations on the monetary assets and liabilities recognized on the balance sheet. These exchange rate risks are hedged as much as possible by offsetting monetary assets in one currency (for example trade receivables) against monetary liabilities (for example trade debts) in the same currency ("natural hedging"). The remaining exchange rate risk, after the optimization of natural hedging, is hedged with financial instruments ("financial hedging") if the cost is considered as reasonable.

The most important financial instruments used by the Group for the hedging of foreign exchange rate risks are 3-month forward contracts.

It is the policy of the Group to protect its subsidiaries as much as possible from exchange rate risks. Therefore these risks are centralised as much as possible at the parent company Deceuninck NV and are primarily managed at Group level. Exchange rate risks at the Turkish subsidiary Ege Profil are followed closely by Corporate Treasury, but are hedged by the Turkish subsidiary through local banks due to the special nature of the Turkish financial markets.

The table below provides an overview of the existing FX forward contracts, grouped by currency, at the end of December 2013:

Purchase or sale	Currency	Amount	Maturity Date	MTM 2013 (in €)
Forward sales	AUD	1,000,000	Q1 2014	-4,937.85
	GBP	21,500,000	Q1 2014	-100,764.03
	RUB	498,623,000	Q1 2014	37,133.91
	USD	21,173,000	Q1 2014	45,295.19
Forward purchases	CZK	30,000,000	Q1 2014	7,284.14
	PLN	18,000,000	Q1 2014	37,103.22
	USD	6,500,000	Q1 2014	41,699.30

Future transactions

Future transactions imply future purchases and sales that are not recognized as monetary assets or liabilities on the balance sheet. Normally these transactions are not hedged. In Turkey this is sometimes waived if opportunities arise on the exchange markets. At very favorable rates, part of future purchases in US dollar will be hedged.

Estimated sensitivity for exchange rate fluctuations

As required by IFRS 7, "Financial instruments: Disclosures", a sensitivity analysis was carried out on the evolution of the exchange rates. Based on the volatility of the currencies (compared to the euro in 2013) for which the Group is confronted with an exchange rate risk, we have estimated the possible change of the exchange rates for these currencies compared to the euro as follows:

Sensitivity analysis on the positions in foreign currencies as per 31 December 2013 (*)							
Currency	Amount (in € thousand)	Closing rate 31/12/2013	Possible volatility of the exchange rate in % (**)	Rate used for the sensitivity analysis		Effect on revaluation (in € thousand)	
USD	678	1.3791	3.83%	1.4319	1.3263	-18	20
GBP	757	0.8337	3.58%	0.8636	0.8038	-31	34
PLN	-1,875	4.1543	3.04%	4.2806	4.0280	13	-14
CZK	11,538	27.427	2.93%	28.2295	26.6245	-12	13
TRY	-367	2.9365	5.04%	3.0845	2.7885	6	-7
RUB	32,942	44.9699	3.44%	46.5172	43.4226	-24	26
Total						**-67**	**71**

(*) Position after financial hedging (net-exposures)

(**) 3 month volatility

If the euro would have weakened/strengthened during 2013 in line with the above mentioned possible rates, the profit of the financial year would have been about € 71 thousand higher / € 67 thousand lower.

Interest rate risk

The interest rate risk of the Deceuninck Group mainly results from the fact that a considerable part of the financial debt is borrowed at a floating interest rate. At the end of 2013, 72% of the outstanding financial debt was financed with a floating interest rate.

In order to hedge against increasing interest rates in euro, the Group has entered into so called interest rate swaps. These instruments enable the Group to swap the floating interest rate which is paid on borrowings, into a fixed interest rate.

The Group applies hedge accounting for hedges of interest rate risk through interest rate swaps. The changes in fair value of these swaps are directly recognized in equity (and not in the profit and loss account).

The following table provides an overview of the existing interest rate swaps as per 31 December 2013:

Amount	Currency	Start date	End date	Interest rate received	Interest rate paid	MTM 2013 (in €)
28,000,000	EUR	17/09/2012	18/01/2016	Euribor 3M	0.4159%	-35,013.40
10,000,000	EUR	16/01/2013	18/01/2016	Euribor 3M	0.3755%	1,920.85
10,000,000	EUR	18/02/2013	16/02/2017	Euribor 3M	0.5535%	19,249.80
5,000,000	EUR	18/03/2013	16/03/2017	Euribor 3M	0.5740%	11,361.63

As required by IFRS 7, "Financial instruments: disclosures" a sensitivity analysis was carried out on the evolution of the interest rates. If an increase/decrease by 50 base points were applied on the loans, subject to a variable interest rate per 31 December 2013, the profit before taxes for 2013 would be € 369 thousand lower/ higher. However, if we also take into account the compensatory effect of the interest rate hedges in effect at the balance sheet date,the impact on the profit before taxes for 2013 of a change in interest rates by 50 base points would be limited to € 104 thousand.

Credit risk

Comparable to last year, we see that the credit risk remained stable in Eastern Europe and the US, the situation in Southern Europe remained very difficult, and we observed an important increase in the credit risk in Western Europe and especially in France and the Benelux. Turkey is also stable but unfortunately we were confronted with an important bad debt.

A strict monitoring by the local credit controllers, combined with monitoring at Group level by the Group Credit & Risk Manager, should contribute that this risk is kept under control. Therefore, we invested in an extra SAP tool called 'Receivables Management' which was introduced in all the subsidiaries during the second half of the year. This tool allows the credit controller to have a better view to all important credit information of the Customers and to react pro-actively when the payment behavior of the Customer is deteriorating. This must allow us to maintain our credit performance, even in a worsening and difficult construction market.

With the exception of Spain and Turkey, the portfolio of outstanding trade receivables is insured by credit insurance companies. For the Western European countries and the US, an agreement with Euler Hermes was concluded for a period of 2 years and expiring end of 2013. In September a new market study was started to compare the proposals from different credit insurers. Finally was choosen to continue the collaboration with Euler Hermes for a period of 3 years. For the Eastern European countries, we made an agreement with the insurer Credimundi (ex Delcredere) at the end of 2012 and this till end of 2015.

For Deceuninck NV, Deceuninck SAS and Inoutic/Deceuninck GmbH, we continued the factoring during 2013.

Liquidity risk and risks linked to the outstanding debt

At present the Deceuninck Group holds sufficient cash and cash equivalents and committed credit facilities for the funding of its operating activities.

In order to detect possible deteriorations in its liquidity position at an early stage the Group prepares a detailed cash flow forecast every two weeks for the next 13 weeks.

If a loan agreement would be terminated and become payable immediately as a result of non-compliance with the financial covenants stipulated in the loan agreements, Deceuninck would be confronted with liquidity problems.

In order to detect possible non-compliance with these financial covenants in an early stage and enabling corrective measures, a monthly financial forecast is prepared until the end of the current accounting year. The key figures of this financial forecast are used as input for a specially designed "covenant module" which tests if the covenants will be respected within the current accounting year. In addition, the budget of 2014 was processed in the "covenant module" to verify if the covenants will be met at every test date in 2014. No issues have been identified.

For the Turkish subsidiaries, liquidity problems could arise if loans becoming due could not be refinanced through local Turkish banks. However, given the good health of the Turkish banking sector, and given the excellent reputation and track record of the Turkish subsidiaries of the Group, this is very unlikely. Moreover, under the current financing terms it is possible for the Restricted Group to give intercompany loans to the Turkish subsidiaries. These intercompany loans are however limited in duration (up to 3 months) and amount (up to € 7,500,000).

In addition to the above mentioned risk of non-compliance with the financial convenants, the liquidity risk is also linked to the evolution of the working capital of the Group, which is highly subject to seasonal fluctuations and the capital expenditure level of the Group.

The Group monitors the changes in working capital by means of increased focus in certain areas. Examples of this are the increase in inventory rotation, or by increased monitoring of the credit terms granted to its Customers. Deceuninck also makes use of the payment conditions that are granted by its suppliers, in order to cover its needs in working capital.

A comparison is provided below between the net carrying value and the fair value of financial instruments, which have been included in the financial statements. The fair value of the loans was calculated by defining the expected future cash flows, and by discounting these on common, accepted interest rates.

	Net carrying value		Fair value	
(in € thousand)	2012 (*)	2013	2012 (*)	2013
Financial assets				
Cash and cash equivalents	23,211	21,715	23,211	21,715
Long-term trade receivables	617	747	617	747
Financial fixed assets	66	66	66	66
Derivative financial instruments	261	173	261	173
Financial liabilities				
Loans with a variable interest rate	84,692	73,848	84,692	73,848
Loans with a fixed interest rate	31,088	28,431	31,579	26,823
Financial leasing	32	3	32	3
Derivative financial instruments	361	112	361	112

(*) Certain amounts shown do not correspond to the consolidated financial statements as per 31 December 2012 and reflect adjustments made for the adoption of IAS 19-Revised as detailed in Note 1.

Hierarchical classification of fair value

The Group uses the following hierarchical classification in determining and explaining the fair value of financial instruments by valuation technique:
Level 1: quoted (not adjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques that use input with a significant impact on the recorded fair value that is not based on observable market data.

During the reporting period ending 31 December 2013, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

As per 31 December 2012 the Group had the following financial instruments:

(in € thousand)	2012	Level 1	Level 2	Level 3
FX forward contracts	261		261	
Assets at fair value	**261**	**0**	**261**	**0**
Interest rate swaps	168		168	
FX forward contracts	193		193	
Liabilities at fair value	**361**	**0**	**361**	**0**

As per 31 December 2013 the Group has the following financial instruments:

(in € thousand)	2013	Level 1	Level 2	Level 3
FX forward contracts	173		173	
Assets at fair value	**173**	**0**	**173**	**0**
Interest rate swaps	2		2	
FX forward contracts	110		110	
Liabilities at fair value	**112**	**0**	**112**	**0**

Equity management

The objective of the Group, with regard to the management of equity, is to maintain a healthy financial position and a healthy debt position, in order to maintain an easy access to the financial markets at any moment.

24. Events after the balance sheet

No significant events after the balance sheet date have occurred.

25. Significant subsidiaries

All the subsidiaries are 100% owned, except for Ege Profil Ticaret ve Sanayi AS (97.54%), Ege Pen AS (99.99%), Deceuninck (Thailand) Co. Ltd. (74%), Asia Profile Holding Co. Ltd. (48.95%) and Deceuninck Importadora Limitada (99.99%). All financial periods close on 31 December 2013.

Name of the company	Registered office	Ownership percentage 2012	2013
Australia			
Deceuninck Pty. Ltd.	142 Freight Drive Somerton 3062 Victoria	100.00	100.00
Belgium			
Plastics Deceuninck NV	Brugsesteenweg 374 8800 Roeselare	100.00	100.00
Bosnia and Herzegovina			
Inoutic / Deceuninck d.o.o	Prvi mart bb 75270 Zivinice	100.00	100.00
Bulgaria			
Deceuninck Bulgaria EOOD	41 Sankt Peterburg Blvd 4000 Plovdiv	100.00	100.00
Chile			
Deceuninck Importadora Limitada	Volcán Lascar number 801, 3G and 3H, Pudahuel, Santiago	0	99.99
China			
Rep. Office Deceuninck NV China (Qingdao)	128 Xiang Gang Dong Lu Shuang Long Yuan 3-2 -402 266071 Laoshan, Qingdao, Shandong	100.00	100.00
Croatia			
Inoutic / Deceuninck d.o.o.	Industrijska ulica 3 10370 Dugo Selo (Zagreb)	100.00	100.00
Czech republic			
Inoutic / Deceuninck Spol. s r.o	Vintrovna 23 664 41 Popùvky	100.00	100.00

Name of the company	Registered office	Ownership percentage 2012	2013
France			
Deceuninck SAS	Zone Industrielle - Impasse des Bleuets 80700 Roye	100.00	100.00
Distridec SAS	Zone Industrielle - Impasse des Bleuets 80700 Roye	0	100.00
Germany			
Inoutic/Deceuninck GmbH	Bayerwaldstrasse 18 94327 Bogen	100.00	100.00
Deceuninck Holding Germany GmbH	Bayerwaldstrasse 18 94327 Bogen	100.00	100.00
Ireland			
Deceuninck Ireland Unltd.	4th floor 25-28 Adelaide Road Dublin 2	100.00	100.00
India			
Ege Profil Tic. ve San. A.S.	No 523 B Block Mannur Village Mannur Village – Sriperumbudur Taluk Chennai – 602105	100.00	100.00
Italy			
Deceuninck Italia S.r.l.	Piazza della Concordia, 6 56025 Pontedera	100.00	100.00
Kazakhstan			
Rep. Office Deceuninck NV Kazakhstan (Almaty) (in liquidation)	Mynbaeva street 46 480057 Almaty	100.00	100.00
Lithuania			
Deceuninck Baltic UAB (in liquidation)	Saltoniskiu str. 29/3 08105 Vilnius	100.00	100.00
Poland			
Inoutic / Deceuninck Sp. z o.o.	Jasin, Ul Poznanska 34 62-020 Swarzedz	100.00	100.00
Romania			
Deceuninck Romania SRL	Traian Str. n°2, Bloc F1, Scara 4 etaj 8 ap 24 Sector 3 Bucharest	100.00	100.00

Name of the company	Registered office	Ownership percentage 2012	2013
Russia			
Deceuninck Rus OOO	Profsoyusnaya, 65, bld. 1 117342 Moscow	100.00	100.00
Serbia			
Inoutic / Deceuninck d.o.o.	Kruzni put bb 11309 Beograd – Lestane	100.00	100.00
Spain			
Deceuninck NV Sucursal en España	Avda. de la Industria 1007 Pol. Ind. Antonio del Rincon 45222 Borox Toledo	100.00	100.00
Thailand			
Deceuninck (Thailand) Co. Ltd.	2/3 Bangna Towers A 17fl RM 1704B Bangna- trad, Km 6,5 Bangkaew, Bangplee Samutprakarn 10540	74.00	74.00
Asia Profile Holding Co. Ltd.	2/3 Bangna Towers A 17fl RM 1704B Bangna- trad, Km 6,5 Bangkaew, Bangplee Samutprakarn 10540	48.95	48.95
The Netherlands			
Deceuninck Kunststof BV	Prins Bernhardplein 200 1097 JB Amsterdam	100.00	100.00
Deceuninck Beheer BV	Prins Bernhardplein 200 1097 JB Amsterdam	100.00	100.00
Turkey			
Ege Profil Ticaret ve Sanayi AS	A.O.S.B. 10003 Sokak No:5 35620 Cigli – Izmir	97.54	97.54
Ege Pen AS	A.O.S.B. 10003 Sokak No:5 35620 Cigli – Izmir	99.99	99.99
Ukraine			
Rep. Office Deceuninck NV Ukraine (in liquidation)	Forum business city 13 Pimonenko street, office 6a/28 04050 Kiev	100.00	100.00

Name of the company	Registered office	Ownership percentage 2012	2013
United Kingdom			
Deceuninck Ltd.	2 Temple Back East Temple Quay Bristol BS1 6EG	100.00	100.00
Status Systems PVCu Ltd.	2 Temple Back East Temple Quay Bristol BS1 6EG	100.00	100.00
Range Valley Extrusions Ltd.	2 Temple Back East Temple Quay Bristol BS1 6EG	100.00	100.00
Deceuninck Holdings (UK) Ltd.	2 Temple Back East Temple Quay Bristol BS1 6EG	100.00	100.00
United States			
Deceuninck North America Inc.	351 North Garver Road Monroe, 45050 Ohio	100.00	100.00
Deceuninck North America LLC	351 North Garver Road Monroe, 45050 Ohio	100.00	100.00

26. Guarantees and securities

Within the framework of the financial restructuring in 2009, the obligations of the Group under the credit agreement ("Credit Facility 2009") are covered by guarantees and securities pledged on a large portion of the assets of the Group.

The most important securities provided by Deceuninck NV (Belgium) can be detailed as follows:

- *A mortgage on real estate*
- *A mortgage mandate relating to real estate*
- *A floating charge on the business*
- *A mandate floating charge on the business*
- *A pledge on receivables and bank accounts*
- *A pledge on shares that Deceuninck NV holds in other Group companies.*

The other companies in the Group mainly issued securities over their real estate, receivables and bank accounts, inventory, machinery and other equipment and the shares they hold in other entities within the Group. In addition, there is a security over the material intellectual property rights. The Group also pledged the shares in Ege Profil. The Turkish subsidiaries did not issue guarantees or securities in relation to the financial restructuring.

These securities have not been released with the repayment of the Credit Facility 2009.

The credit facility of 2012 for Deceuninck NV is secured by a package of guarantees and securities consisting of:

- *A mortgage on real estate for an amount of € 61,760,000;*
- *A mortgage mandate relating to real estate for an amount of € 65,000,000;*
- *A floating charge on the business for an amount of € 40,000,000;*
- *A mandate floating charge on the business for an amount of € 60,000,000;*
- *A pledge on shares of the subsidiaries of Deceuninck NV, except for the shares of Inoutic / Deceuninck GmbH and Deceuninck Holding Germany GmbH.*

DECEUNINCK NV

The following pages are extracts from the annual report and financial statements of Deceuninck NV. The complete version of the financial statements and the annual report will be available on request and via the Deceuninck website, at the times stipulated by the Belgian Code on Companies. The annual financial statements and the annual report are prepared in accordance with Belgian legal requirements, which differ considerably from the IFRS accounting principles that are applied to the consolidated financial statements. The External Auditor has issued an unqualified opinion regarding the annual financial statements of Deceuninck NV.

Income statement

The income statement for 2013 is presented below:

Income statement (in € thousand)	**2012**	**2013**
Operating revenues	183,204	165,065
Operating costs	-177,633	-160,385
Operating profit	5,571	4,680
Financial income	18,702	37,746
Financial costs	-26,064	-14,608
Income (+) / loss (-) from ordinary operations before taxes	-1,791	27,818
Extraordinary income	8,147	947
Extraordinary costs	-563	-257
Profit for the financial year before taxes	5,793	28,508
Transfer from deferred taxes	364	0
Income tax	943	-270
Profit for the financial year	7,101	28,238
Transfer from tax-free reserves	715	0
Profit for the financial year available for appropriation	**7,816**	**28,238**

The decrease of operating revenues by € 18.1 million can be mainly explained by a decrease in sales by 11.1%. Sales decreased mainly in Benelux, France and Spain. Operating costs decreased by € 17.3 million.
The financial income mainly includes dividends received from Ege Profil AS and from Deceuninck Beheer BV.
The extraordinary income of last year related mainly to the liquidation bonus received from Deceuninck Coordination Center NV and from Detajoint NV. Both companies were liquidated in 2012.
The 2013 financial year closed with a net profit of € 28.2 million, compared to a net profit of € 7.8 million euro last year.

Balance sheet

Balance sheet (in € thousand)	**2012**	**2013**
Formation expenses	1,512	687
Intangible fixed assets	804	1,120
Tangible fixed assets	29,532	28,075
Financial fixed assets	139,575	150,462
Non-current assets	171,423	180,344
Inventories	19,740	20,896
Trade receivables	66,956	47,517
Other receivables	42,123	38,468
Cash and cash equivalents	900	671
Other current assets	3,430	2,365
Current assets	133,149	109,917
Total assets	**304,572**	**290,261**
Issued capital	42,495	42,495
Share premiums	50,480	50,480
Reserves	12,370	13,782
Retained earnings	27,445	52,121
Equity	132,790	158,878
Provisions and deferred taxes	1,930	1,448
Long-term debts	28,003	16,000
Short-term debts	139,542	112,636
Other liabilities	2,307	1,299
Liabilities	169,852	129,935
Total equity and liabilities	**304,572**	**290,261**

The most important fluctuations are:

- *increase of equity due to the appropriation of the net profit of the year*
- *decrease of long-term debts can be explained by repayments of long-term debt (Facility B)*
- *decrease of short-term debts thanks to dividends received*

Change in control

In accordance with Article 556 Code of Companies, the Extraordinary General Meeting of December 18th 2012 has approved all the provisions granting to third parties rights that influence the Company's equity, create a debt or charge on behalf of the Company, in the case that the execution of these rights is dependent on a public takeover bid for the Company's shares or on the Company's change of control (the "provisions in the case of a change of control", including Article 10.1 (Exit)) provided for in the Amendment Agreement of 16 July 2012 amending the credit agreement initially dated 11 September 2009, concluded by the Company, with among others, ING BELGIUM NV/SA, FORTIS BANK SA/NV, KBC BANK NV, COMMERZBANK AKTIENGESELLSCHAFT, FILIALE LUXEMBURG, BANQUE LBLUX S.A. and/or the affiliated companies of these financial institutions, with the aim of restructuring the debt financing of the Company, in particular (i) the refinancing of the credit agreement of 11 September 2009 concluded with a consortium of Belgian Banks, and (ii) the repayment of the notes issued by the Company, and also approval of all the provisions provided for in other documents related to the financing agreement.

EXTERNAL AUDITOR'S REPORT

Statutory auditor's report to the general meeting of shareholders of Deceuninck NV on the consolidated financial statements for the year ended 31 December 2013

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report contains our opinion on the consolidated balance sheet (the financial situation of the consolidated entity) on 31 December 2013, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year ended 31 December 2013 and on the notes, and includes the required additional statement.

Report on the consolidated financial statements - Unqualified opinion

We have audited the consolidated financial statements for the year ended 31 December 2013, prepared in accordance with International Financial Reporting Standards as adopted by the European Union with the consolidated balance sheet amounting to total assets of € 418.468 thousand and the consolidated income statement with a profit for the year of € 8.380 thousand.

Responsibility of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union as well as the implementation of internal control, which it considers necessary for the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the statutory auditor

It is our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the International Standards on Auditing (ISA). Those standards require that we comply with the ethical requirements, plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

We have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the Group and the presentation of the consolidated financial statements, taken as a whole.

We have obtained from management the explanations and information necessary for executing our audit procedures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of the Group for the year ended 31 December 2013 give a true and fair view of the Group's financial position as at 31 December 2013 and of the results of its operations and its cash flows in accordance with the International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

Within the context of our assignment, it is our responsibility to verify in all material respects, the compliance with certain statutory and regulatory obligations. On this basis, we make the following comment which does not modify the scope of our opinion on the financial statements:

- The directors' report on the consolidated financial statements includes the information required by law and is consistent with the consolidated financial statements and does not contain any inconsistencies with the information that we became aware of during the performance of our mandate.

Ghent, 27 February 2014

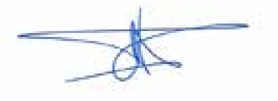
Ernst & Young Bedrijfsrevisoren bcvba
Statutory auditor
represented by

Jan De Luyck
Partner

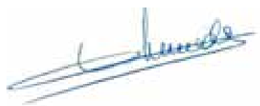
DECLARATION REGARDING THE INFORMATION GIVEN THIS ANNUAL REPORT

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 fair view of equity position, of the financial condition and of the results of the Company, including those companies that have been included in the consolidated figures.
- That the annual report gives a true overview of the developments and results of the Company 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, as defined in the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.



Tom Debusschere
CEO



Pierre Alain De Smedt
Chairman

ADDRESSES

Australia

Deceuninck Pty. Ltd.
142 Freight Drive
Somerton
3062 Victoria
Tel: +61 3 93 088 300 – Fax: +61 3 93 037 548
email: australia@deceuninck.com

Belgium

Deceuninck NV – registered office
Plastics Deceuninck NV
Brugsesteenweg 374
8800 Roeselare
Tel: +32 51 239 206 – Fax: +32 51 245 454

Deceuninck NV – trading address
Bruggesteenweg 164
8830 Hooglede – Gits
Tel: +32 51 239 211 – Fax: +32 51 227 993
www.deceuninck.com
e-mail: info@deceuninck.com

Deceuninck NV – Division Compound
Cardijnlaan 15
8600 Diksmuide
Tel: +32 51 239 020 – Fax: +32 51 504 948

Bosnia and Herzegovina

Inoutic/Deceuninck d.o.o.
Prvi mart bb
75270 Zivinice
Tel: +387 35 773313 – Fax: +387 35 773312
e-mail: alma.lepirica@deceuninck.com
Mersiha.dzafic@deceuninck.com

Bulgaria

Deceuninck Bulgaria EOOD
41, Sankt Peterburg Blvd.
4000 Plovdiv
Tel: +359 32 63 72 95 – Fax: +359 32 63 72 96
e-mail: office@deceuninck.bg

Chile

Deceuninck Importadora Limitada
Volcán Lascar number 801, 3G and 3H,
Pudahuel, Santiago
Tel: + 56 2 2958 4365

China

Rep. Office Deceuninck NV China (Qingdao)
128 Xiang Gang Dong Lu
Shuang Long Yuan 3-2-402
266071 Laoshan, Qingdao, Shandong
Tel: +86 532 858 903 57 – Fax: +86 532 858 903 52
email: bao.wu@deceuninck.com
liang.zhang@deceuninck.com

Croatia

Inoutic/Deceuninck d.o.o.
Industrijska ulica 3
10370 Dugo Selo (Zagreb)
Tel.: +385 1 278 1350 – Fax: +385 1 278 1351
e-mail: info.hr@deceuninck.com

Czech republic

Inoutic / Deceuninck Spol. s r. o.
Vintrovna 23
664 41 Popùvky
Tel: +420 547 427 777 – Fax: +420 547 427 788
e-mail: inoutic.cz@inoutic.com

France

Deceuninck SAS
Distridec SAS
Zone Industrielle – Impasse des bleuets
80700 Roye
Tel: +33 3 22 876 666 – Fax: +33 3 22 876 667
e-mail: deceuninck.sa@deceuninck.com

Germany

Inoutic / Deceuninck GmbH
Deceuninck Holding Germany GmbH
Bayerwaldstraße 18
94327 Bogen
Tel: +49 94 22 821 0 – Fax: +49 94 22 821 379
www.inoutic.com
e-mail: info@inoutic.com

Ireland

Deceuninck Ireland Unltd.
4th floor, 25-28 Adelaide Road
Dublin 2
Tel.: + 35 3 1 605 3021 - Fax: +35 3 1 605 3010

India

Ege Profil Tic. ve San. A.S.
No 523
B Block
Mannur Village
Mannur Village – Sriperumbudur Taluk
Chennai – 602105
Tel: +919717707732

Italy

Deceuninck Italia S.r.l.
Piazza della Concordia, 6
56025 Pontedera (PI)
Tel: +39 0587 59920 – Fax: +39 0587 54432
e-mail: italia@deceuninck.com

Kazakhstan

Rep. Office Deceuninck NV
Kazakhstan (Almaty) (in liquidation)
Mynbaeva street, 46
480057 Almaty
Tel - Fax: +7 727 395 15 63

Lithuania

Deceuninck Baltic UAB (in liquidation)
Saltoniškiu str. 29/3,
08105 Vilnius
e-mail: info@deceuninck.lt

Poland

Inoutic / Deceuninck Sp. z o.o.
Jasin, Ul. Poznanska 34
62-020 Swarzedz
Tel: +48 61 81 87000 – Fax: +48 61 81 87001
e-mail: deceuninck.polska@deceuninck.com

Romania

Deceuninck Romania SRL
Traian Str. n°2, Bloc F1, Scara 4, etaj 8, ap. 24,
Sector 3
Bucharest
Tel: +40 21 327 49 52 – Fax: +40 21 323 52 90
e-mail: officedeceuninck.ro@deceuninck.com

Russia

Deceuninck Rus OOO – registered office
Profsoyusnaya, 65, bld. 1
117342 Moscow
Tel: +7 495 642 87 95 – Fax: +7 495 642 87 96
e-mail: info@deceuninck.ru

Deceuninck Rus OOO – trading address
pr. Naumova, 5
142281 Protvino, Moscow Region
Tel: +7 4967 31 12 44 – Fax: +7 4967 31 12 43

Sales offices

Northern Russia
Rizhsky prospekt, 41, G, office 107
190020 St. Petersburg
Tel-Fax: +7 812 644 43 89
e-mail: Evgenia.zvorygina@deceuninck.com

Central Region
Kuzigina str. 17, office 710
394000 Voronezh
Tel-Fax: +7 473 250 29 01
e-mail:Nikolay.Anisimov@deceuninck.com or
Alexander.Popov@deceuninck.com

Central Russia (Wolga)
Moskovskoe shosse, 17, office 13-07
443013 Samara
Tel: +8 927 779 55 44
e-mail: sergey.korotaev@deceuninck.com

Russian Far East
Voronezhskaya str., 144
680042 Khabarovsk
Tel-Fax: +7 4212 76 42 45
e-mail: Evgeny.belonovich@deceuninck.com

Southern Russia
Tekucheva str., 234, office 10, floor 8
344000 Rostov-on-Don
Tel-Fax: +7 8632 18 11 79
e-mail: Jury.rudenko@deceuninck.com

The Urals
Blyukhera str., 50, office 105
620014 Yekaterinburg
Tel-Fax: +7 343 378 6293
e-mail: Alexander.pypin@deceuninck.com

Siberia
Sovietskaya street, 64, office 807
630091 Novosibirsk
Tel-Fax: +7 383 236 25 83
e-mail: Olga.Tsareva@deceuninck.com

Serbia

Inoutic / Deceuninck d.o.o.
Kruzni put bb
11309 Beograd-Lestane
Tel: +381 11 3443217 – Fax: +381 11 2442343
e-mail: Dragan.stevanovic@deceuninck.com

Spain

Deceuninck NV Sucursal en España
Avda. de la Industria, 1007
Pol. Ind. Antonio del Rincón
45222 Borox - Toledo
Tel: +34 902 209 001 – Fax: +34 902 209 002
e-mail: info@deceuninck.es

Thailand

Deceuninck (Thailand) Co. Ltd.
Asia Profile Holding Co. Ltd.
2/3 Bangna Towers A, 17 Fl., Rm.1704B
Bangna-Trad, Km. 6.5,
Bangkaew, Bangplee,
Samutprakarn 10540
Tel: +66 2 751 9544-5 – Fax: +66 2 751 9546
e-mail: info@deceuninck.co.th

The Netherlands

Deceuninck Kunststof BV
Deceuninck Beheer BV
Prins Bernhardplein 200
1097JB Amsterdam
e-mail: deceuninck.kunststof@deceuninck.com

Turkey

Ege Profil Ticaret ve Sanayi AS (production)
Ege Pen AS
A.O.S.B 10003 Sokak No:5
35620 Cigli – Izmir
Tel: +90 232 398 98 98 – Fax: +90 232 376 71 63
e-mail: egepen@deceuninck.com

Winsa (production)
Sarımese Beldesi
Kızılcıklık Mahalessi, İnönü Cad. Suadiye Yolu
üzeri No:1
41320 Sarımeşe / Kartepe /Kocaeli
Tel: +90 262 371 57 27 – Fax: +90 262 371 57 48
e-mail: winsa@deceuninck.com

Sales offices

Ege Pen Deceuninck İzmir
A.O.S.B 10003 Sokak No:5
35620 Cigli – Izmir
Tel: +90 232 398 98 98 – Fax: +90 232 398 99 83
e-mail: egepen@deceuninck.com

Winsa Izmir
A.O.S.B 10003 Sokak No:5
35620 Cigli – Izmir
Tel: +90 232 328 11 37 – Fax: +90 232 328 11 39
e-mail: winsa@deceuninck.com

Ege Pen Deceuninck Istanbul
Ruzgarli Bahce Mahallesi, Kavak Sokak, Impa Plaza
No:12, Kat:2
Beykoz/Istanbul
Tel: +90 216 537 13 60 – Fax: +90 216 537 13 64

Winsa Istanbul
İçerenköy Mah. Hal Yolu Cad. No: 5 Bay Plaza Kat 12,
34752 Atasehir/ Istanbul
Tel: +90 216 574 58 65 – Fax: +90 216 574 10 53

Ege Pen Deceuninck Ankara
Turan Günes Bulvarı 708 Sokak No:14 D:6
06550 Yıldız /Çankaya/Ankara
Tel: +90 312 440 16 15 – Fax: +90 312 441 11 18

Winsa Ankara
Turan Günes Bulvarı 708 Sokak No:14 D:8
06550 Yıldız/Çankaya/Ankara
Tel: +90 312 442 83 60 – Fax: +90 312 442 71 11

Ege Pen Deceuninck Adana
Belediye Evleri Mah.Turgut Özal Bulvarı
No:245 Aysun Mercimek Apt. K:1 D:1
Çukurova/Adana
Tel: +90 322 247 23 90 – Fax: +90 322 247 23 85

Winsa Adana
Belediye Evleri Mah.Turgut Özal Bulvarı
No:245 Aysun Mercimek apt. K:1 D:2
Çukurova/Adana
Tel: +90 322 247 23 80 – Fax: +90 322 247 23 81

Ukraine

Rep. Office Deceuninck NV Ukraine
(in liquidation)
Forum Business City
13 Pimonenko st. office 6A/28
04050 Kiev
Tel: +38 044 461 79 92 – Fax: +38 044 461 79 94
e-mail: info.ua@deceuninck.com

United Kingdom

Deceuninck Ltd.
Status Systems PVCu Ltd.
Range Valley Extrusions Ltd.
Deceuninck Holdings (UK) Ltd.

Unit 2, Stanier Road – trading address
Porte Marsh Industrial Estate
Calne – Wiltshire SN11 9PX
Tel: +44 1249 816 969 – Fax: +44 1249 815 234
e-mail: deceuninck.ltd@deceuninck.com

2 Temple Back East – registered office
Temple Quay
Bristol BS1 6EG

United States

Deceuninck North America LLC
Deceuninck North America Inc.
351 North Garver Road
Monroe, 45050 Ohio
Tel: +1 513 539 4444 – Fax: +1 513 539 5404
e-mail: info@decna.biz

GLOSSARY

1	REBITDA	Recurring earnings before interest, taxes, depreciation, amortization and provisions for liabilities and charges = recurring operating cash flow
2	EBITDA	Earnings before interest, taxes, depreciation, amortization and provisions for liabilities and charges = operating cash flow
3	EBITA	Earnings before interest, taxes and amortization
4	EBIT	Earnings before interest and taxes = operational result
5	EBT	Earnings before taxes
6	EPS (non-diluted)	(Non-diluted) earnings per share
7	EPS (diluted)	(Diluted) earnings per share
8	Net debt	Financial debts – cash and cash equivalents
9	Working capital	Trade receivables + inventories – trade debts
10	Liquidity	Current assets/current liabilities
11	ROCE = EBIT/Capital Employed (CE)	Return on capital employed
12	Capital employed (CE)	The sum of goodwill, intangible, tangible and financial fixed assets and working capital
13	Subsidiaries	Companies in which the group owns a participation in excess of 50%
14	Associated companies	Companies in which the group owns a participation between 20-50%, which are valued according to the equity method
15	Gearing	Net debt compared to the equity capital
16	MTM	Marked-to-Market
17	Headcount (FTE)	Total Full Time Equivalents including temporary and external staff

This annual report is available in Dutch and English.
Dit jaarrapport is verkrijgbaar in het Nederlands en het Engels.

Responsible editor
Ann Bataillie
Director HR & Legal

Deceuninck NV
Registered office:
Brugsesteenweg 374 - B-8800 Roeselare (Belgium)
Business address:
Bruggesteenweg 164 - B-8830 Hooglede-Gits (Belgium)
Tel. +32 51 23 92 11 – Fax +32 51 22 79 93
VAT BE405.548.486 – RPR Courtrai

Info@deceuninck.com

www.deceuninck.com