

ANNUAL REPORT 2001



Profiles

from all corners of the world

Annual Report 2001

Submitted to the General Meeting of Shareholders of 14 May 2002

Deceuninck N.V.

Registered office: 374 Brugsesteenweg, 8800 Roeselare (Belgium)

Plant and offices: 164 Bruggesteeweg, 8830 Hooglede-Gits (Belgium)

Tel. +32 (051)23 92 11, Fax: +32 (051)22 79 93

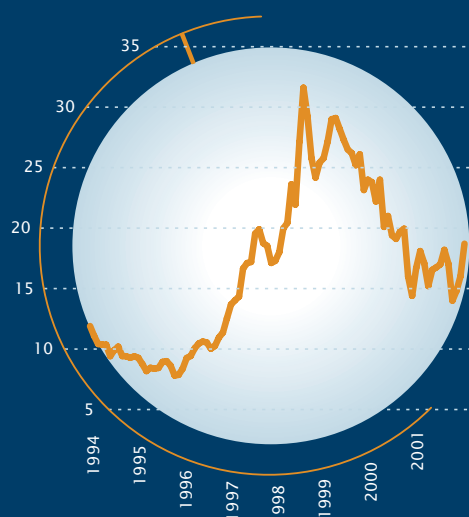
www.deceuninck.com

e-mail: info@deceuninck.com

VAT: BE 405.548.486, Kortrijk Trade Register no. 23108/1

Stock Market Information

Evolution of share price since 1994 (in euro)



Financial data per share

(21.550.000 shares) (in euro)

	2001	2000	1999
Equity	8,05	7,19	6,42
Gross cash flow	3,10	2,63	2,60
Current net cash flow	2,54	2,14	2,09
Net profit	1,08	0,87	0,94
Gross dividend	0,22	0,22	0,21
Net dividend	0,17	0,17	0,16
EBIT	1,97	1,74	1,67
EBITDA	3,44	3,03	2,77

Quotations on the Brussels Stock Exchange (in euro)

	2001	2000	1999
Lowest price	11,5	13,0	21,82
Highest price	19,3	26,0	32,10
Price at 31 December	18,71	16,25	22,31
Price/Earning (PER) at 31/12 (in %) (1)	17,3	18,7	23,7
Net dividend yield at 31/12 (in %) (2)	0,9	1,0	0,7
Return Deceuninck share (in %)	+22,6	-33	-18,9
Payout ratio (in %) (3)	20	25	23
Market capitalization at end of year (4)	403200,5	350187,5	480780,5

(1) $\frac{\text{Share price at 31 December}}{\text{Net profit per share}}$

(2) $\frac{\text{Net dividend}}{\text{Share price at 31 December}}$

(3) $\frac{\text{Gross dividends}}{\text{Consolidated net profit}}$

(4) In thousands of euro

Shareholders' Calendar

- Mid-January 2002 Press release (sales 2001)
- 15 March 2002 Publication of yearly results for 2001
- 14 May 2002 General meeting of shareholders at 11 a.m.
- 27 May 2002 Payment of dividend (coupon no. 2)
- 30 August 2002 Publication of half-yearly results 2002
- Mid-January 2003 Press release (sales 2002)
- 15 March 2003 Publication of yearly results for 2002
- 13 May 2003 General meeting of shareholders at 11 a.m.



DECEUNINCK CHARTER

EXCELLENCE AT ALL LEVELS

Operational, commercial, human and financial excellence is an absolute priority in the strategy of the Deceuninck Group and forms a guiding principle in the daily management. That is why the Deceuninck Group is able to offer products and services of a consistently high quality.

Deceuninck projects itself as an integrated worldwide group, specializing in the compounding of resins, the design, development and extrusion of PVC systems and profiles for the construction industry, as well as in recycling.

PROFILE OF THE COMPANY

Over the years, the Deceuninck Group has succeeded in acquiring a place among the world top, and is number 1 in several European countries. It witnessed a vigorous growth in recent years in terms of both turnover and profit, as a result of an active and effective policy of expansion and acquisition.

Deceuninck, which started off as a small company established in 1937 by Bénari Deceuninck, has become a multinational group, currently owning some twenty subsidiaries and sales offices across Europe, North America and Asia, and is on the market in 32 countries.

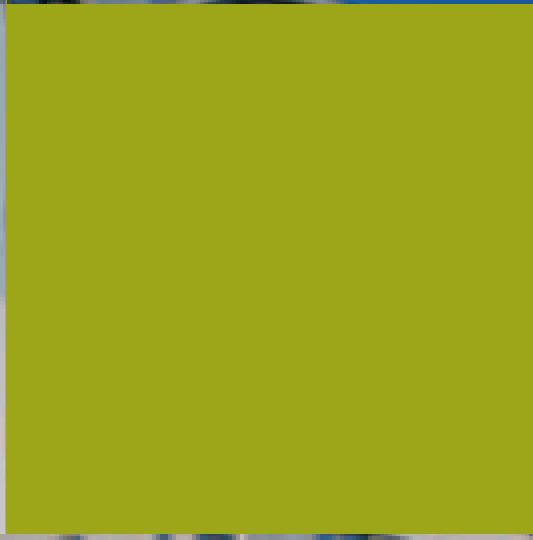
The headquarters of the Group and the Coordination Centre are located in Belgium. In 2001, the consolidated companies and the companies in which the Deceuninck Group has an interest realized a turnover of 350.6 million Euro, which is 3.2% up on the previous financial year, and this with a workforce of 1,694.

The Deceuninck Group increased its holding in Ege Profil to 93.06%.

The targets that were set for 2001 have been achieved thanks to an international standardization of the Group in all areas (production, IT, layout, financial management, etc), a harmonious integration of the production plant (equipment, dies, compounds, etc), a commercial culture based on a close, even informal, collaboration with the customers and on mutual loyalty, a planned geographical expansion, an innate business sense, a very wide product range and a solid financial basis.

C O N T E N T S

Stock market information	cover
Deceuninck Charter	02
Company profile	05
Key figures	06
Statement to the shareholders	08
Organization of Business Units	10
The international Deceuninck network	12
Major events in 2001	14
Board of Directors and Management	16
Structure of the Deceuninck Group	18
Organization of the Corporate Governance	20
Strategy and policy	24
Strategy and objectives of the Group	26
Annual report	28
Activities and resources	36
Activities of the Business Units	38
Activities of the subsidiaries of the Group	42
Strategic resources	50
Human resources	54
Environment	57
Information for the shareholders	58
Plants and subsidiaries	62
Financial report	64
Figures of the past 10 years	66
International Accounting Standards (IAS)	68
Consolidated annual accounts	69
Cash flow statement	76
Notes to the consolidated annual accounts	77
Non-consolidated annual accounts	87
Annexes	91
Statutory annexes	94
Glossary (Deceuninck activities)	95
Financial glossary	96



COMPANY PROFILE



Company Profile

Key figures

Statement to the shareholders

Organization of Business Units

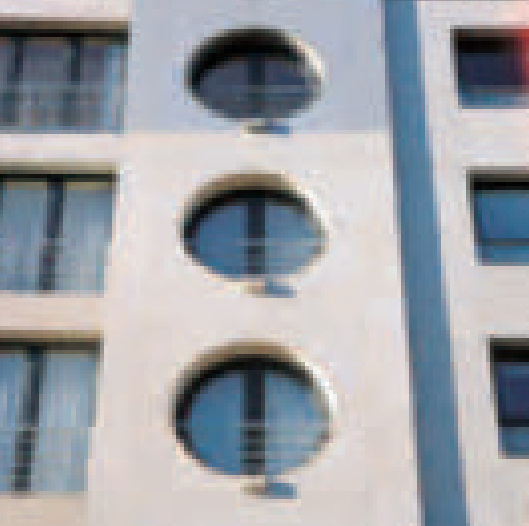
The international Deceuninck network

Major events in 2001

Board of Directors and Management

Structure of the Deceuninck Group

Organization of Corporate Governance



BELGIUM

KEY FIGURES

Deceuninck Group (Consolidated)	2001 EUR	2000 EUR
Turnover	350,6	339,6
Operating profit	42,6	36,6
Consolidated profit before tax	35,1	28,9
Consolidated profit after tax	23,2	18,8
EBIT	42,4	37,5
EBIT (margin in %)	12,1	10,9
EBITDA	74,1	65,3
EBITDA (margin in %)	21,1	19,2
Depreciation	26,3	24,9
Cash flow before tax	66,8	56,7
Current net cash flow (1)	54,8	46,2
Gross added value (2)	152,8	141,8
Equity	173,6	154,9
Long-term debts	58,1	69,1
Short-term debts	98,1	92,7
Balance sheet total	339,8	330,6
Investments	18,0	33,2
Personnel charges	73,8	74,4
RATIOS		
Profitability ratio (3)	13,4%	12,1%
Liquidity ratio (4)	1,7%	1,7%
Payout ratio (5)	20,0%	25,0%
ROCE (6)	22%	19%
Personnel (in units)	1694	1686

Deceuninck NV	2001 EUR	2000 EUR
Turnover	131,4	120,2
Operating profit	9,6	3,0
Profit before tax	7,7	21,0
Profit after tax	4,7	19,9
Cash flow before tax	15,2	29,3
Current net cash flow (1)	10,7	7,4
Gross added value (2)	43,8	36,8
Equity	66,5	66,6
Creditors	130,5	125,3
Balance sheet total	199,4	193,7
Investments	6,2	10,8
Personnel (in units)	543	533

(1) The current net cash flow comprises the current profit, less taxes, plus depreciation, provisions and write-downs.

(2) The added value comprises sales and services, less stocks and goods, less services and other goods.

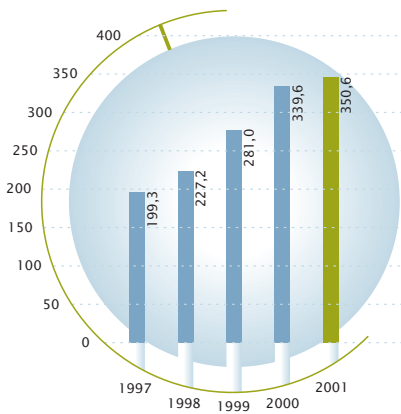
(3) Net profit
Equity

(4) Current assets within one year
Amounts payable within 1 year + accruals

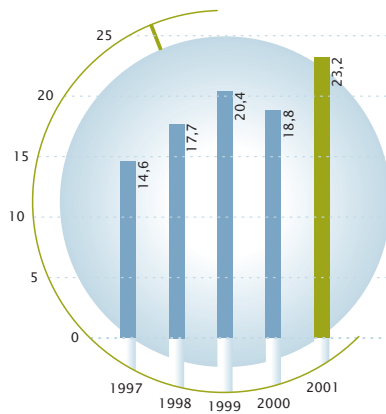
(5) Gross dividends
Consolidated net profit

(6) Return On Capital Employed:
Current profit (before tax and financial charges)
Capital employed

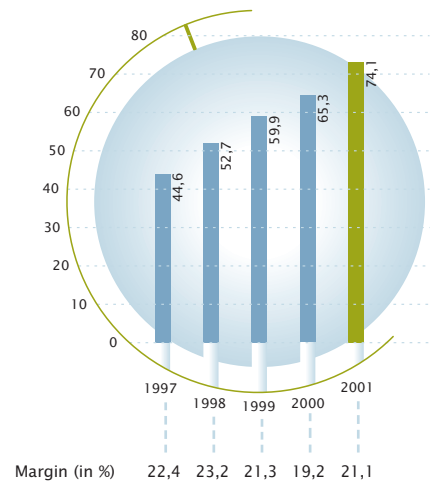
Consolidated turnover
(in millions of Euro)



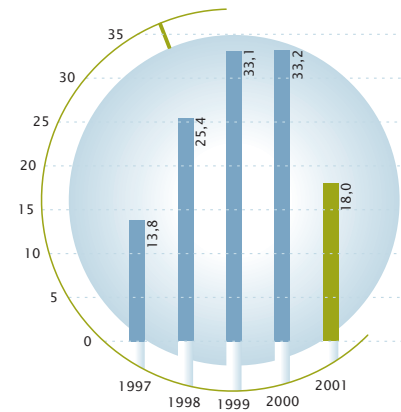
Consolidated profit after tax
(in millions of Euro)



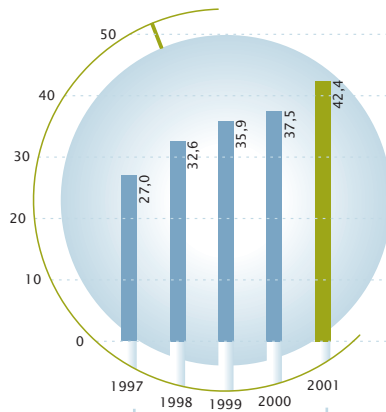
EBITDA (in millions of Euro)



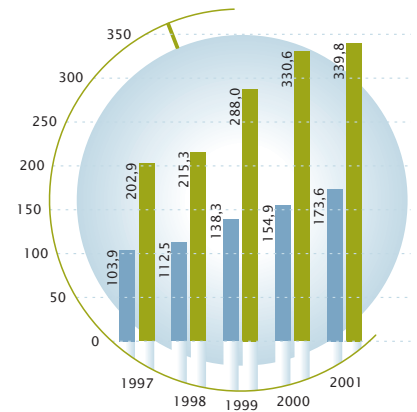
Investments
(in millions of Euro)



EBIT
(in millions of Euro)



Equity
(in millions of Euro)



Margin (in %) 13,5 14,3 12,8 10,9 12,1

● Equity
● Balance sheet total

STATEMENT TO THE SHAREHOLDERS

2001 was a turbulent year politically and economically.

The American economy began to show signs of weakness in the summer, while the events of 11 September had a negative impact on consumer confidence. Furthermore, the fight against terrorism further heightened the general feeling of insecurity and led to a rise in oil prices.

In Europe, the economy had difficulty getting going again. The Euro remained weak, and only a recession in the United States could help to reverse the situation. Moreover, the current political uncertainty in the world has restored to the dollar its role of (artificial) safe investment.

In Germany, the situation continued to give cause for concern: the greatest economic power in Europe did not succeed in resurfacing. An expensive dollar, coupled with a rise in oil prices at the end of the year, fostered the recovery and stability in Russia and in Eastern Europe. President Putin succeeded in keeping the finances and budgets under control and in developing a more efficiently directed market economy.

After several years of vigorous growth, the Polish economy witnessed a difficult year with a currency that proved too strong.

Turkey plunged into an unprecedented financial crisis which effectively halved the people's purchasing power. The reforms and recommendations of the International Monetary Fund are starting to bear fruit and will make the region attractive once more. Our Group took advantage of this opportunity to increase its stake in its subsidiary Ege Profil AS to 93.06%.

South America once again experienced great upheavals, while the Far East came under pressure following the economic recession in Japan.

Fortunately, interest rates remained low, which made it possible to sustain investments and consumer confidence.

Despite these difficult circumstances, the Deceuninck Group was still able to consolidate its position in markets where it already realized a substantial turnover.

The economies and restructuring operations carried out at our companies in the United States and Great Britain have led to an improvement in productivity and

created better margins. Our French subsidiary once again showed good results thanks to a sizeable group of loyal customers. The Benelux recorded satisfactory results in spite of the unfavourable climate in the construction industry.

Our branches in Central and Eastern Europe made vigorous progress, except for our Polish company, which recorded a drop in sales, albeit not as strongly as for the market as a whole.

Our Turkish subsidiary became number 1 despite the financial crisis and the disastrous floods that affected their plant. The launch of new products for windows, building profiles and shutter systems, coupled with a good customer service, lay at the root of this excellent performance.

The development of new products and the putting in place of an e-business network (SynergieBuild) are the main challenges for the coming years. This network is expected to bring about a further reduction in our operating charges. Competition is stiff, due especially to the overcapacity of the production plant in Germany. In this light, the trend in labour costs in Belgium is alarming and poses a threat to our competitive position on the European markets. That is why a reduction in these charges and a cut in corporation taxes are urgently necessary.

The success of Deceuninck is inextricably linked to the spirit of enterprise of its workforce, its good sense and the control of its expenditure. We want to continue to stimulate and reinforce these strong points. Investing in continuing training, adapting the structures and attracting exceptional talent remain the cornerstones of our policy and should guarantee our continuity.

This strategy should allow the Deceuninck Group to look to the future with confidence.

Finally, we would like to thank all the directors, management staff and workforce for their cooperation, and the shareholders for the confidence they have shown in us.



Clement De Meersman,
Managing Director

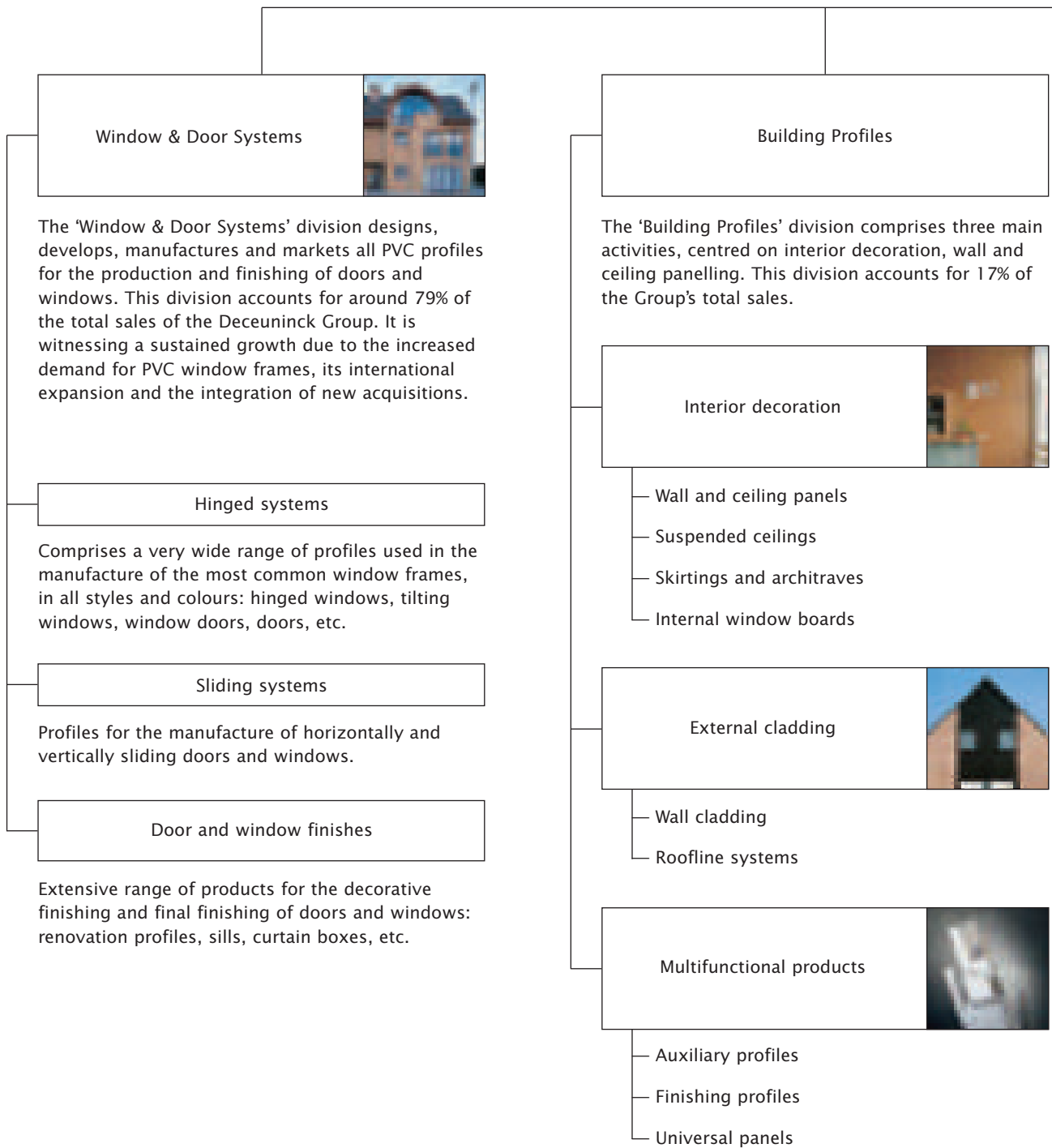


Roger Deceuninck,
Chairman



THE NETHERLANDS

ORGANIZATION OF BUSINESS UNITS



Home Protection



Division specializing in the protection and safety of the home: protection against sunshine and rain, protection against insects, protection of property. The 'Home Protection' division represents 3% of the Group's total sales.

Roller shutter systems

These systems offer solutions for the protection of all types of windows. They comprise a wide range of roller shutters and shutter boxes.

Louvre shutter systems

PVC profiles for the manufacture of decorative shutters and window shutters.

Flyscreen systems

Complete range of profiles for the manufacture of flyscreens.

Balustrade systems

Complete system for the production and fitting of railings and balustrades for balconies and terraces.

Fencing systems

Decorative fencing systems for gardens and homes.

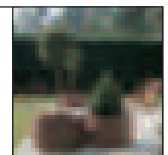
Air treatment systems

Smart and decentralized air treatment (Climapur and Climaline) with heat recovery and airing system.

Special Projects Delta

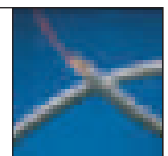
This division comprises all activities for a specific group of customers, besides new activities using other production methods. This division has a PVC recycling unit for the production of garden and town furniture and a unit for the production of flexible tubing for electrical wiring and rubber sealing.

Garden and town furniture



Made from PVC residues and waste at our plant in Andenne (Belgium). This furniture is witnessing a growing success: garden benches, tables, signposts, fencing posts, bollards, flower boxes, etc.

Flexible tubing and sealing



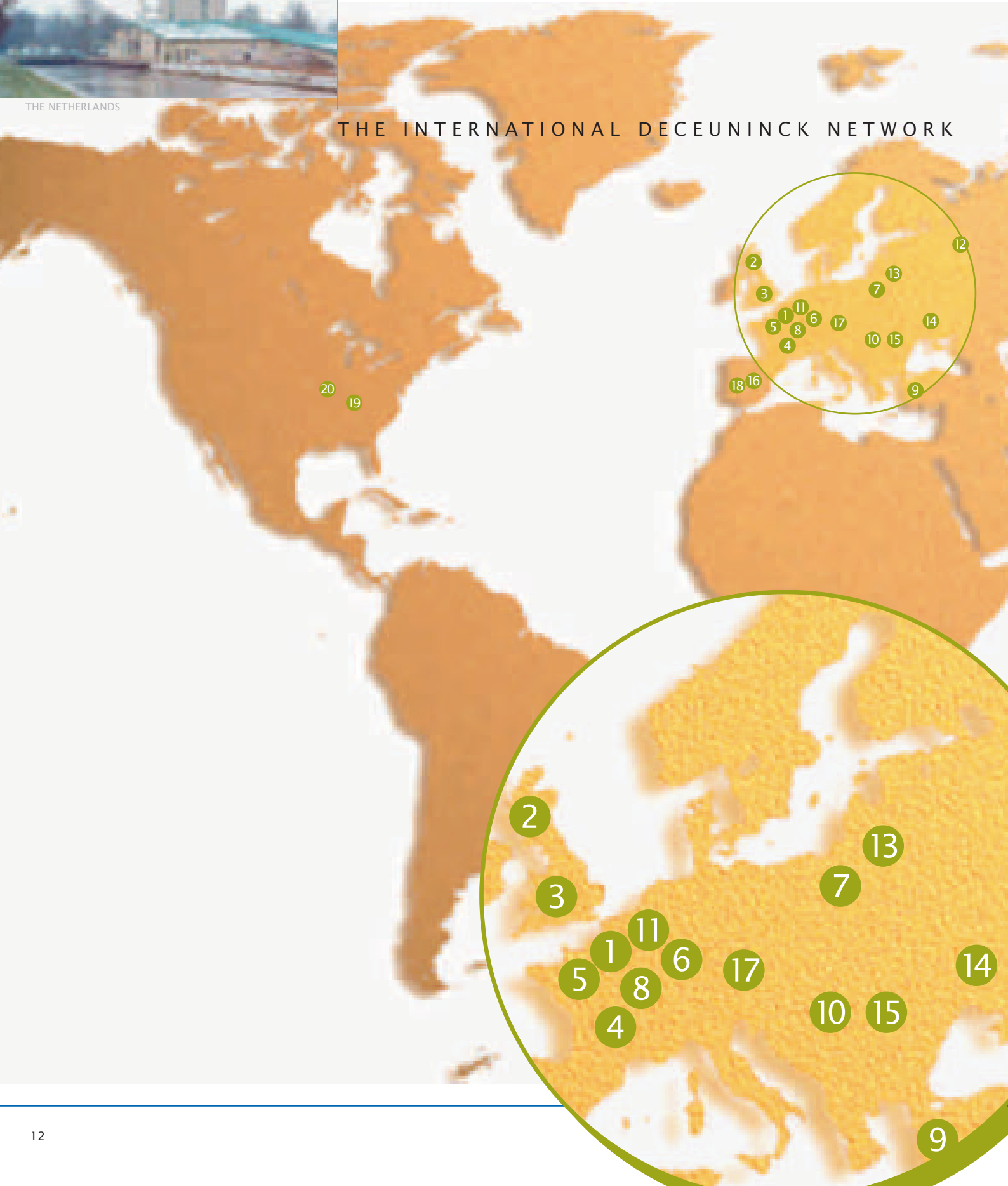
Flexible tubing for electricity wiring and rubber sealing are made at our plant in Estaimpuis (Belgium).

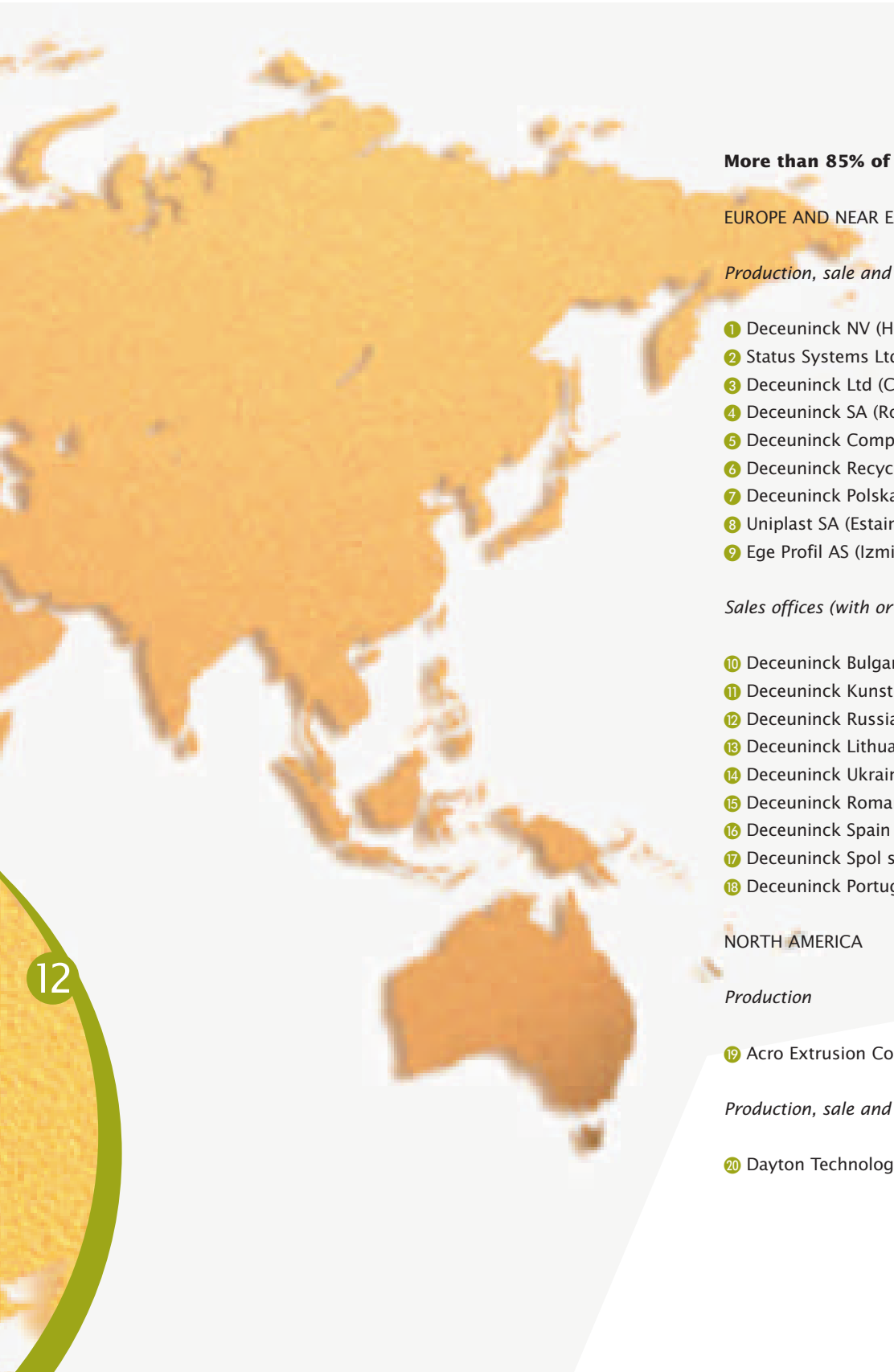
- Vitflex: tubing for indoor electric wiring
- Mondoflex: protective tubing for outdoor electric wiring in the ground
- Insulation and waterproof sealing for doors and windows



THE NETHERLANDS

THE INTERNATIONAL DECEUNINCK NETWORK





More than 85% of our sales are international

EUROPE AND NEAR EAST

Production, sale and distribution

- 1 Deceuninck NV (Hooglede-Gits – B)
- 2 Status Systems Ltd (Oldham – UK)
- 3 Deceuninck Ltd (Calne – UK)
- 4 Deceuninck SA (Roye – FR)
- 5 Deceuninck Compound NV (Diksmuide – B)
- 6 Deceuninck Recycling SA (Seilles-Andenne – B)
- 7 Deceuninck Polska Sp. z.o.o. (Swarzedz – PL)
- 8 Uniplast SA (Estaimpuis – B)
- 9 Ege Profil AS (Izmir – TR)

Sales offices (with or without warehouse)

- 10 Deceuninck Bulgaria (Plovdiv – BG)
- 11 Deceuninck Kunststof BV (Houten – NL)
- 12 Deceuninck Russia (Moscow – RUS)
- 13 Deceuninck Lithuania (Kaunas – LT)
- 14 Deceuninck Ukraine (Kiev – UA)
- 15 Deceuninck Romania Srl (Bucharest – RO)
- 16 Deceuninck Spain (Madrid – E)
- 17 Deceuninck Spol s.r.o. (Veverská Bítyská – CZ)
- 18 Deceuninck Portugal (Linda-a-Velha – P)

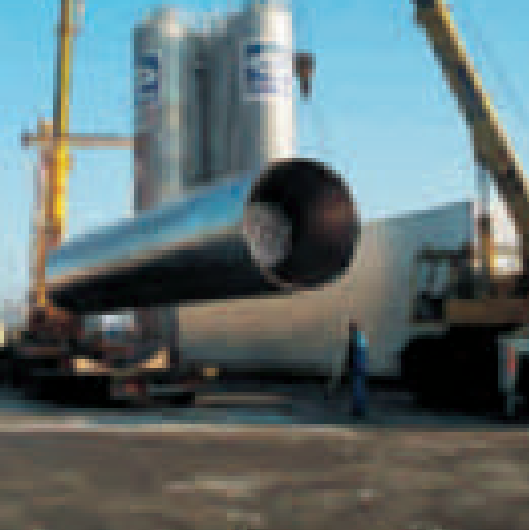
NORTH AMERICA

Production

- 19 Acro Extrusion Corp. (Wilmington – USA)

Production, sale and distribution

- 20 Dayton Technologies LLC (Monroe – USA)



FRANCE

MAJOR EVENTS IN 2001

APRIL:

- The Deceuninck Group increased its interest in the Turkish company Ege Profil from 56.99% to 93.06%.

JULY:

- Conclusion of a contract worth more than 20 million Euro with the British window manufacturer SwiftFrame.

AUGUST:

- Publication of the consolidated half-yearly results showing an almost 30% rise in pre-tax profits.

SEPTEMBER:

- The American investment fund First Eagle SoGen Funds announced that it has a 5.14% interest in Deceuninck.

UNITED KINGDOM



OCTOBER:

- Deceuninck obtained the ISO 9001 quality certificate for the third time in a row.
- Integration of the quality system in a business control system.

NOVEMBER:



- Deceuninck won the prestigious E-Trends Award 2001 with its SynergieBuild project.
- Our Polish subsidiary, Deceuninck Polska Sp.z.o.o., received the "European Medal" for the new "Mondial" line for doors and windows.

DECEMBER:

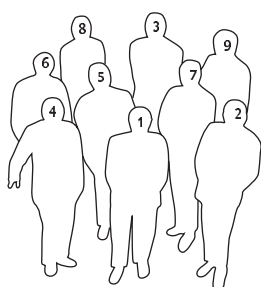
- Signing of a 5-year supply contract worth more than 32 million Euro in total with three of the top window manufacturers in Great Britain.
- Our Turkish subsidiary, Ege Profil AS, was hit by substantial flooding following torrential rains in the area of Izmir.
- Deceuninck applied for participation in the NextPrime segment of Euronext.
- Mr Roger Deceuninck, Chairman of the Board of Directors, received the Ribbon of Commander of the Order of the Crown.





BOARD OF DIRECTORS AND MANAGEMENT

BOARD OF DIRECTORS



Roger Deceuninck (1),
Chairman
Clement De Meersman (2),
Managing Director
Herwig Bamelis (3),
Arnold Deceuninck (4),
Willy Deceuninck (5),
Lionel De Mulder (6),
Michaël Mohr (7),
Gerhard Rooze (8),
Directors
Dirk Demeulemeester (9),
Secretary



EXECUTIVE COMMITTEE⁽¹⁾

Clement De Meersman,
Managing Director, General Manager
Dirk Demeulemeester,
Financial Manager of the Group, Control and Corporate Development
Geert Demeurisse,
Operations Manager of the Group
Hans Herpoel,
Business Units Manager of the Group



COMPANY SECRETARY

Charles Leclercq,
Company Secretary, Internal Audit Manager



FUNCTIONAL MANAGEMENT

Ann Bataillie⁽²⁾,
Legal Affairs Manager
Palmer Doubel⁽³⁾,
Legal Affairs Manager
Wilfried Huyghe,
Research & Development and
Quality Assurance Manager
Marc Michels,
Human Resources Manager
Lieven Vandendriessche,
ICT and Logistics Manager

(1) As from 1 January 2002
(2) As from 1 March 2002
(3) Until 1 March 2002



BUSINESS UNITS MANAGEMENT

- Hans Herpoel,
Manager of 'Window & Door Systems
Business Unit
- Ria Raveel,
Manager of 'Home Protection' ("Delta") Business Unit
- Michel Strypstein,
Manager of 'Special Projects' Business Unit
- Alain Swyngedauw,
Manager of 'Building Profiles' Business Unit and 'Export'



REGIONAL MANAGEMENT

- Darwin Brown,
President of Deceuninck North America LLC (USA)
- Ergun Cicezkci,
Manager of Ege Profil AS (Turkey)
- Wim Clappaert,
Operations Manager Deceuninck NV
(Hooglede-Gits)
- Antonio Escobar,
Manager of Deceuninck Spain
- Robert Lovecky,
Manager of Deceuninck Spol s.r.o.
(Czech Republic)
- Gary Morton,
Manager of Deceuninck United Kingdom
- Bernard Vanderper,
Benelux Manager
- Frans Van Vaerenbergh,
Manager of Deceuninck Compound NV (Belgium)
- Paul Van Wambeke
Manager of Deceuninck SA (France)
- Przemyslaw Zdziebkowski,
Manager of Deceuninck Polska Sp. z.o.o.
(Poland)

STATUTORY AUDITOR

Ernst & Young, Auditors, represented by
Mr Erik De Lembre and Mr Marc Van Hoecke.



THE NETHERLANDS

STRUCTURE OF THE DECEUNINCK GROUP

In April, the Deceuninck Group increased its stake in the capital of the Turkish company Ege Profil AS to 93.06%.

In November 2001, the Belgian limited liability company Fintonic was set up with an authorized capital of 250,000 Euro. Its registered office is located at Hoogledelgits, and its purpose comprises, among other things, the management of movable and immovable property, the granting of loans, guarantees, all financial and commercial operations, management and e-business, giving financial, commercial and administrative advice, etc.

Furthermore, in North America, Deceuninck Holding Inc became Deceuninck North America LLC, and on 20 August 2001 the capital, divided into 50 shares, was raised from 32,250,000 USD to 52,250,000 USD.

On that occasion, our French subsidiary, Deceuninck SA, took a 43.2% stake and Deceuninck NV a 56.8% stake in the above company.

Consequently, Dayton Technologies LLC is now a 100% subsidiary of Deceuninck North America LLC.



NAAMLOZE VENNOOTSCHAP



100%

Deceuninck Beheer B.V.

- 100% Deceuninck Compound N.V.
 - 100% Deceuninck Ireland Ltd.
 - 34.58% Deceuninck Coördination Center N.V.
- 20% KPP Heering GmbH
- 100% Deceuninck Romania S.r.l.
- 100% Deceuninck Kunststof B.V.
- 100% Eurisk RE Ltd.
- 100% Deceuninck Polska Sp. Z.o.o.
- 100% Deceuninck Spol. s.r.o.
- 100% Deceuninck S.A.
 - 43.2% Deceuninck North America LLC
 - 4.95% Huis Clos S.A.
- 100% Holding UK
 - 100% Range Valley Ltd.
 - 100% Status Systems Ltd.
 - 100% Deceuninck Ltd.
 - 80% Godiva Windows Ltd.

- 100% Deceuninck Recycling S.A.
 - 74.18% Uniplast S.A.
- 25.82% Uniplast S.A.
- 65.42% Deceuninck Coördination Center N.V.
- 100% Plastics Deceuninck N.V.
- 100% Deceuninck Ibérica S.A.
- 56.8% Deceuninck North America LLC
 - 100% Dayton Technologies LLC
- 93.06% Ege Profil A.S.
- 100% Ege Pen A.S.
- 100% Fintonic N.V.

Note: The percentages have been rounded off





CZECH REPUBLIC

ORGANIZATION OF THE CORPORATE GOVERNANCE

Deceuninck already set up an Audit Committee in 1997 within the Board of Directors, aware as it is of the importance of Corporate Governance in the management of a multinational company that is quoted on the Stock Exchange. The rules governing the Audit Committee and the internal audit were incorporated in a charter.

Deceuninck actively participates in meetings and seminars on Corporate Governance and takes into account the recommendations of the Banking and Finance Commission and of the Stock Exchange Commission.

THE BOARD OF DIRECTORS

1. Composition (as of 31 December 2001)

NAME	TITLE	EXPIRY DATE OF TENURE	
Members representing the majority shareholders			
Roger Deceuninck	Chairman	2007	Company director
Willy Deceuninck	Director	2007	Company director
Arnold Deceuninck	Director	2007	Company director
Gerhard Rooze	Director	2007	Director of Banque Degroof
Members of the management			
Clement De Meersman	Managing Director	2007	Director of Roularta Media Group
Independent directors			
Herwig Bamelis	Director	2007	Director of Picanol SA and SNCB
Lionel De Mulder	Director	2007	Company director
Michael Mohr	Director	2007	Tax consultant

The Board of Directors is composed of 8 members: one managing director and seven non-executive directors. They are elected for a term of maximum six years. The articles of association do not impose an age limit.

The chairmanship of the Board of Directors has been entrusted to Mr Roger Deceuninck and that of the Management Committee to Mr Clement De Meersman.

Classes of directors

- a. Directors representing the majority shareholders
- b. Directors who are on the management team
- c. Independent directors

2. Organization and operation

The Board of Directors met 11 times in 2001.

One of the meetings of the Board of Directors took place at the registered office of our American subsidiary, Dayton Technologies LLC, while the others took place at the registered office of Deceuninck NV in Roeselare (Belgium). All decisions were taken by a unanimous vote of the directors present.

Minutes were drawn up of every Board meeting by the secretary of the Board, who in his capacity as financial manager of the Group is also responsible for financial reporting.

Besides its legal and statutory powers, the Board of Directors:

- Lays down the strategic objectives of the Group, as proposed by the managing director
- Draws up the management plan
- Approves the annual budgets as proposed by the general management
- Approves the annual and half-yearly accounts
- Monitors the quality of the information that is given to the shareholders and to the general public
- Takes all the appropriate measures to maintain the internal audit system of the company
- Decides on acquisitions, major organizational changes and purchases or sales of land and buildings
- Approves the remuneration, bonuses and fringe benefits that are allocated to the members of the management, as proposed by the managing director

BELGIUM



The Board of Directors also appoints the managing director, the members of the Management Committee, the managers of the Business Units, the area managers, and the members of the audit committee.

3. Remuneration of the directors

Art. 12 of the articles of association reads, "The general meeting of shareholders shall decide whether, and to what degree, the office of director shall be remunerated; this remuneration shall be charged to the income statement as operating charges."

The remuneration and pensions allocated to the directors amount to 586 thousand Euro for the year 2001.

DAILY MANAGEMENT (MANAGEMENT COMMITTEE)

The managing director is responsible for the daily management of the company. He reports directly to the Board of Directors.

The managing director is assisted by a management committee, of which he is the chairman. The members of the management committee are appointed by the Board of Directors on the recommendation of the managing director.

The management committee meets every week. The minutes of the meetings are drawn up by the company secretary of the Group. The duties of the management committee are defined by the Board of Directors and comprise the daily management, the outlining and follow-up of the strategy, the submission of proposals concerning investments and disinvestments, and the supervision of current affairs.

AUDIT COMMITTEE

The Audit Committee is composed of four non-executive directors, of whom one independent director, and the

company secretary of the Group who, as internal audit manager, acts as secretary of the Committee.

Members: Arnold Deceuninck, chairman,⁽¹⁾
Willy Deceuninck,⁽²⁾
Michael Mohr,
Gerhard Rooze, directors,
Charles Leclercq, company secretary, internal audit manager

The audit committee met three times in 2001. The audit committee is responsible for supervising the internal and external financial and operational audits and the recommendations of external and internal auditors. It advises the Board on the appointment of the statutory auditor and the fixing of his remuneration.

The company secretary draws up the minutes of the audit committee meetings intended for the Board of Directors.

STOCK OPTION PLAN

The Board of Directors has several times already allowed executives, management staff and directors who do not represent the majority shareholders to acquire stock options on existing Deceuninck shares. The rationale for this decision is to give an incentive to the staff and the directors by enabling them to acquire shares in the company on relatively favourable terms, thereby increasing their commitment to the company. Some 160,250 options have already been issued to the staff. Each option entitles the beneficiary to acquire a Deceuninck share at a fixed striking price equivalent to the market price at the time of allocation of the share.

At its meeting of 30 October 2001, the Board of Directors decided to launch a new stock option plan involving the issue of 56,500 stock options on existing Deceuninck shares (for details, see the statutory annexes).

(1) Chairman until 26 February 2002 (2) Chairman since 26 February 2002

Statement of stock option plans

	1999 PLAN	2000 PLAN	2001 PLAN	TOTAL
Basic information				
Date of decision of the Board of Directors	27 Oct. 1999	22 Dec. 2000	30 Oct. 2001	
Striking price	23,42	17,00	13,90	
Stock options issued	48.500	55.250	56.500	160.250
Not exercised	1.400	2.000	700	4.100
Exercised	47.100	53.250	55.800	156.150
Take-up periods				
Available balance	47.100	53.250	55.800	156.150
2003-2009	-47.100			-47.100
2004-2010		-53.250		-53.250
2005-2011			-55.800	-55.800

PREVENTION POLICY ON INSIDER DEALING

In order to prevent directors and management staff of the Deceuninck Group (insiders) from making unlawful and wrongful use of information that is likely to influence the price of the Deceuninck share, the Board of Directors has formulated a prevention policy on insider dealing.

Insider dealing is described in Articles 181 through 191 of the Act of 4 December 1990 on financial transactions and financial markets.

The policy of the Deceuninck Group targets insider dealing by staff members of the company. It outlines the framework within which staff and officers of the company are authorized to buy and sell Deceuninck shares.

This policy lays down certain limits and prohibitions. The administration and co-ordination are entrusted to a compliance officer.

All insiders have signed the document in question.

SPAIN





STRATEGY AND POLICY



Strategy and *policy*

Strategy and objectives
Annual report



UNITED STATES

STRATEGY AND OBJECTIVES OF THE GROUP

Deceuninck in 2001

- Number 3 in the world
- 3500 customers worldwide
- Spread over 32 countries
- 20 subsidiaries or branches
- 220.000 km of extruded profiles per year
- 120.000 tons of compounds
- 1694 employees
- Management of 1400 extrusion dies

The Deceuninck Group continues its strategy based on an intensive and selective representation on clearly targeted markets in Europe and North America, either by expanding its existing establishments or by setting up new sales offices, or by taking over new companies.

The strategy of the Deceuninck Group has always been sound and prudent to ensure a harmonious and sustainable development. Over the last few years, Deceuninck has also pursued a sound, albeit ambitious, acquisition policy.

This strategy should help the Group to achieve its objectives and foster the general welfare of all parties concerned: staff, shareholders, customers and suppliers.

The objectives for 2002 take into account the new parameters and phenomena that appeared towards the end of 2001: a world economy that has lost momentum and is trying to regain impetus, and the impact of the attacks of 11 September 2001.

The European market of PVC windows is not expected to see any significant growth in the next three years. Nevertheless, the current geographical distribution of the Deceuninck Group, which is absent from the German market, should enable it to record a growth above the average.

Furthermore, new mergers and consolidations are to be expected in the sector of the extrusion of PVC building profiles.

The management of more and more complex product lines with a high added value constitutes one of the main objectives for 2002.

The erosion of retail prices due to an overcapacity of the production plant in Europe, which in turn is the result of the recession on the German market, and the growing importance of big customers necessitates the implementation of preventive measures at the operational level and in terms of cost control, and calls for a more aggressive commercial attitude.

For the financial year 2002, the strategy of the Deceuninck Group will rest on four main objectives:

- To be the preferential and principal supplier of the top manufacturers of PVC door and window frames by guaranteeing the supply of custom-made profile systems
- To reach the end consumer through special commercial networks, e-business and the launch of innovative products with a strong image
- To generate positive results with respect to the small and medium-sized customers
- To strengthen and consolidate the line of products other than window frames, and to launch new products.

These four main objectives are subject to the attention paid in the Deceuninck Charter to excellence at all levels and have been endorsed by the entire workforce of the Deceuninck Group.



GREAT BRITAIN

ANNUAL REPORT

- 10.4% growth in sales volume
- New record EBIT and EBITDA
- 23.7% rise in consolidated net profit

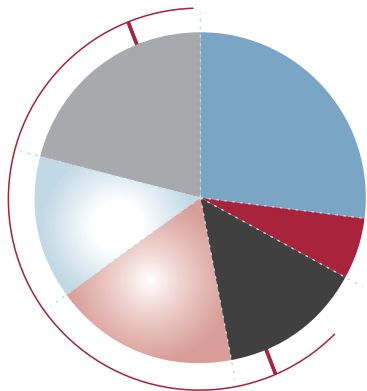
Consolidated results

	In 000 Euro	2000	2001	% of operating income		Δ%
				2000	2001	
Turnover	339.612	350.637	98.4	99.7	-3.2	
Operating income	345.258	351.741	100.0	100.0	1.9	
Direct costs	-200.296	-193.216	-58.0	-54.9	-3.5	
Contribution margin	144.962	158.525	42.0	45.1	9.4	
Operating charges	-66.615	-69.572	-19.3	-19.8	4.4	
Strategic costs	-13.043	-13.306	-3.8	-3.8	2.0	
Other charges/income	-32	-1.499	-	-0.4		
EBITDA	65.337	74.148	19.2	21.1	13.5	
Non-cash costs	-27.825	-31.729	-8.1	-9.0	14.0	
EBIT	37.512	42.419	10.9	12.1	13.1	
Extraordinary income	420	127	0.1	0.0	-79.7	
Interest	-9.096	-7.487	-2.6	-2.1	-17.7	
Profit before taxes	28.836	35.059	8.4	10.0	21.6	
Income taxes	-10.051	-11.814	-2.9	-3.4	17.5	
Consolidated net profit	18.785	23.245	5.4	6.6	23.7	
Share of third parties in the result	-944	283	-0.3	0.1		
Share of the Group in the result	17.840	23.528	5.2	6.7	31.9	
<i>In % of turnover</i>						
Contribution margin		42	45.1			
EBITDA		19.2	21.1			
EBIT		10.9	12.1			

Consolidated turnover

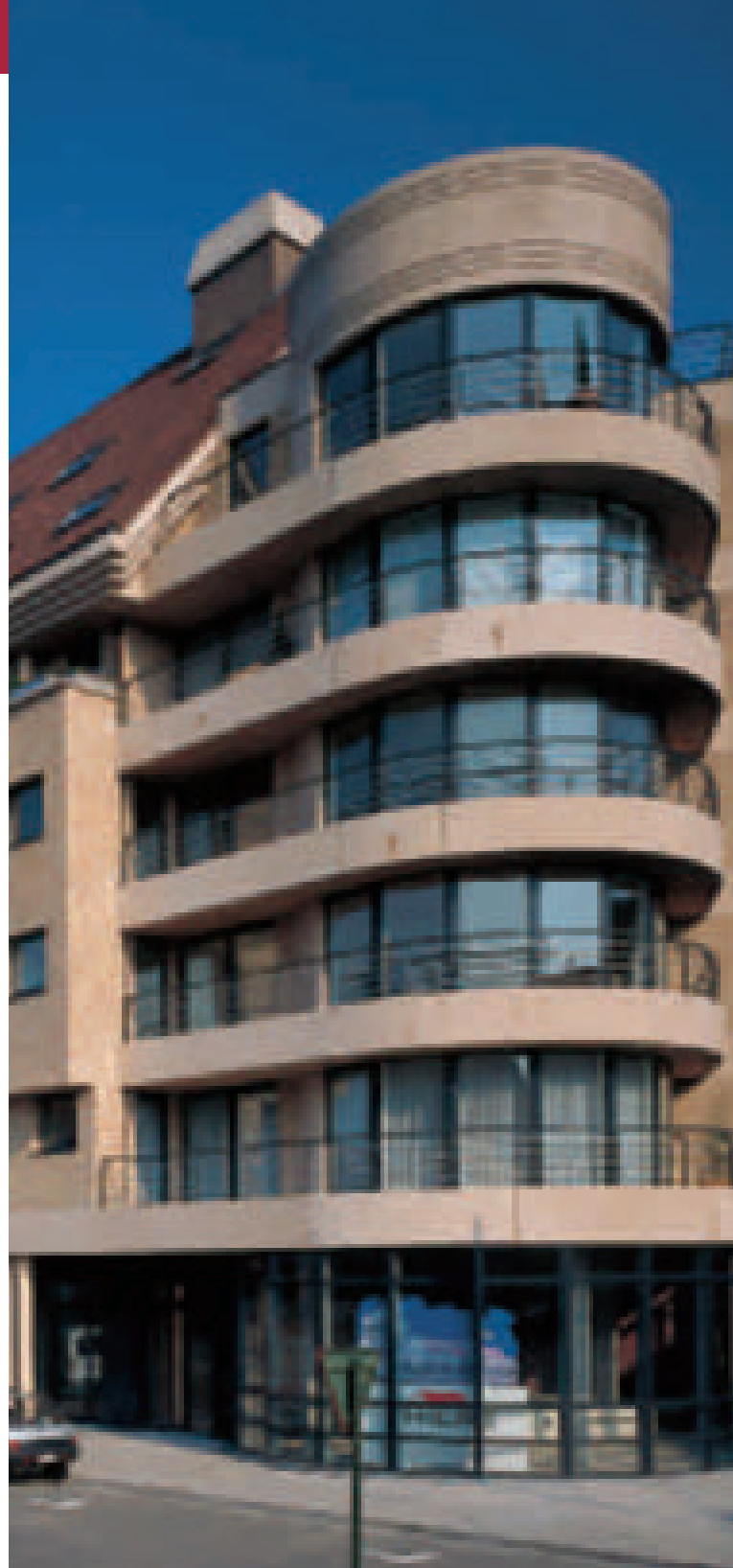
The *consolidated turnover* rose by 3.2% and increased strongly in terms of volume (kg), namely by 10.4%, amounting to 350.6 million Euro compared with 339.6 million Euro the previous year. Certain activities (5.4 million Euro) were liquidated during the course of 2000. Furthermore, the rise in exchange rates, in particular that of the US dollar and the Polish zloty, had a favourable impact of 3.9 million Euro on the turnover, which witnessed a substantial growth in Central and Eastern Europe (+19%), chiefly in the renovation industry. In Poland, however, there was a slight fall in sales. The fierce competition, mainly from Germany, and the deep recession in which the Polish economy found itself were responsible for the erosion of retail prices on this market.

Distribution of consolidated turnover (in %)



- North America: 27%
- Near East: 6%
- Central and Eastern Europe: 14%
- Southern Europe (France, Spain, Portugal): 18%
- Benelux: 14%
- United Kingdom: 21%

Moreover, the average retail prices to big customers have fallen. In the Benelux, our turnover did not fall too much, in spite of a construction market in decline. Great Britain and especially France continued on the momentum of the previous years. Our Turkish subsidiary, Ege Profil AS, had to contend with a strong devaluation and fell victim to substantial flooding. All these misfortunes had a negative impact on the turnover, which fell by 4.8 million Euro, or 18%. Nevertheless, sales in terms of volume had risen by 2%.



BELGIUM

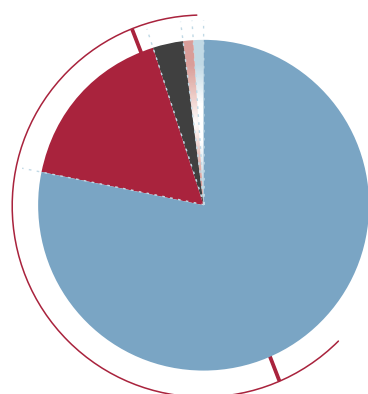
Trend of consolidated turnover by geographical area (in millions of Euro)

	1996	1997	1998	1999	2000	2001	Δ%
Benelux	42,94	42,98	41,99	44,86	43,91	43,42	-1
North America	13,44	50,84	66,29	75,76	93,32	95,10	+2
United Kingdom	25,58	31,01	31,66	62,88	67,35	72,03	+7
Southern Europe ⁽¹⁾	40,31	41,72	49,63	55,16	61,98	64,54	+4
Central and Eastern Europe	22,04	31,93	36,76	38,86	41,31	49,23	-19
Near East	-	-	-	-	25,71	20,92	-18

(1) France, Spain and Portugal

The *distribution of the turnover* by Business Unit reflects the significant share represented by the “Window & door systems” business unit in the total sales of the Deceuninck Group, namely 79% compared with 78% in 2000. The growth was significant in Great Britain and in the exports. The strongest growth in percentage terms was recorded by our “Home protection” business unit (+9%) in France and in Turkey.

Distribution of turnover by Business Unit



- Window & Door Systems: 79%
- Building Profiles: 17%
- Home Protection: 3%
- Special Projects: 1%
- Miscellaneous (1): <1%

(1) Sales of miscellaneous products to third parties, e.g. recycled raw materials etc.

Trend of turnover by division (Business Unit) (in millions of Euro)

	1999	2000	2001	Δ% 2000/2001
Window & Door Systems	211	266	277	+ 4
Building Profiles	59	57	58	+ 2
Home Protection	8	11	12	+ 9
Special Projects	2	3,4	3	-13

EBIT - EBITDA

The *EBITDA* rose by 13.5% to 74.1 million Euro, compared with 65.3 million Euro the previous year. Expressed as a percentage of the turnover, the EBITDA rose from 19.2% to 21.1%.

This increase by nearly 9 million Euro is chiefly attributable to the stability in the expenditure and costs as a result of the restructuring operations carried out previously and the improvement in productivity. The latter, particularly significant in the United States, contributed to a large extent, along with a reduction in the complexity, to the rise in the EBITDA margin. The fall in raw material prices also had a favourable impact on the results.

The negative impact of the price erosion on the EBITDA margin could to a large extent be offset by a very substantial fall in material prices in 2001.

Gross margin

The *gross margin* stood at 215.3 million Euro, which is 18.1 million Euro higher than in the previous year. It represents 61.4% of the turnover, compared with 58% in 2000 and 61.4% in 1999. This recovery is due to the fall in raw material prices.

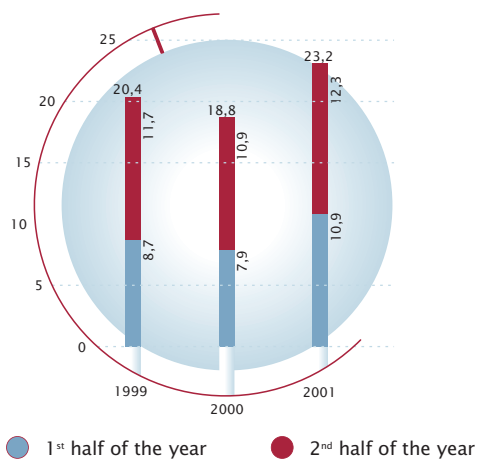


Net profit

The consolidated net profit (23.2 million Euro) rose by 23.6% due to the reduction in interest charges on loans. These charges fell sharply (1.6 million Euro) thanks to a strict management of the working capital, a cutback in investments and an improvement of the net indebtedness by 30%.

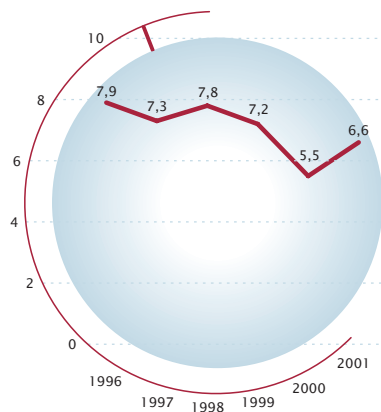
The losses due to the devaluation of the Turkish lira could be offset by the positive exchange differences in the context of the optimization of the structure of the Deceuninck Group and the Coordination Centre.

Net profit after tax (in millions of Euro)



The consolidated net profit after tax for the Group (i.e. including share of third parties) rose from 17.84 million Euro to 23.53 million Euro, which is a 31.9% increase.

Consolidated net profit on sales ratio (in %)



Extraordinary profit

The extraordinary profit amounted to 127 million Euro, compared with 476 million in 2000.

Income taxes

The *total taxes* rose from 10.1 million Euro to 11.8 million Euro. The average tax rate fell by 1.2% to 33.7%. The tax optimizations achieved by the establishment of the Coordination Centre at the end of 2000 contributed to a large extent to this result.

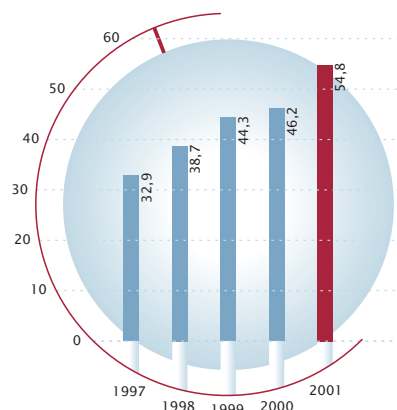
Depreciation and cash flow

The *total depreciation* rose by 4.1% from 29.1 million to 30.3 million Euro.

The *net current cash flow* rose by 18.7%.

The *share of third parties* in the net profit stands at 0.3 million Euro.

Net current cash flow (in millions of Euro)

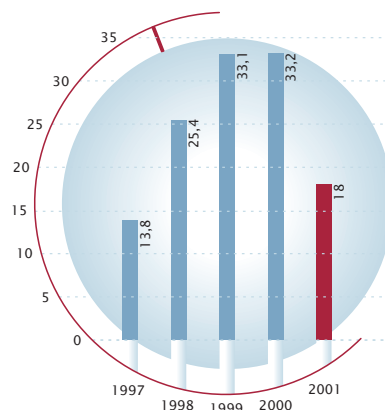


Investments

The Deceuninck Group substantially cut back its *investments* after two record years to 18 million Euro compared with 33.2 million Euro the previous year.

The head office at Hooglede-Gits and our American company, Deceuninck North America LLC, claimed the lion's share of the investment budget with 6.2 million and 4.9 million Euro respectively.

Investments (in millions of Euro)



Balance sheet

The *balance sheet total* rose from 330.6 million to 339.8 million Euro, an increase by nearly 3%.

The *tangible assets* amount to 118.7 million Euro, as against 124.4 million Euro the previous year.

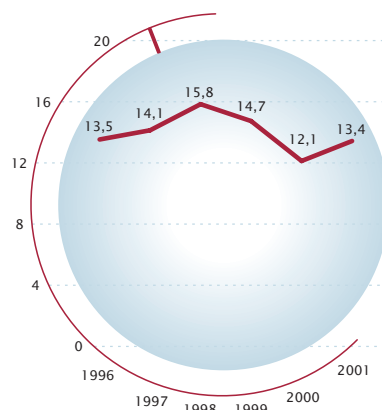
The *intangible assets* amount to 8.1 million Euro.

The *stocks* represent 41 million Euro, which is 2.1 million less than the previous year.

The *equity* rose from 154.9 million Euro to 173.6 million Euro due to the good results. The equity now represents 51.1% of the balance sheet total.

The *provisions, deferred taxes and latent tax liabilities* diminished from 10.7 million Euro to 9.9 million Euro as a result of the various restructuring operations.

Profitability ratio in % (1) (ROE)

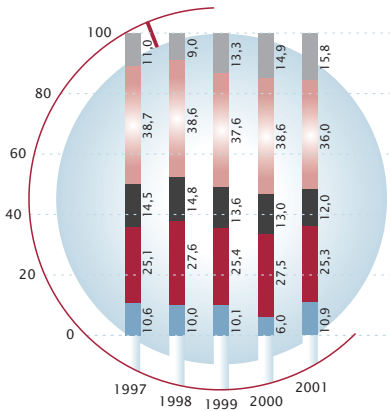


(1) Consolidated net profit

Equity

The *balance sheet structure* of the Group remains very healthy at 51.1% of the equity.

Trend of balance sheet items (in %) ASSETS



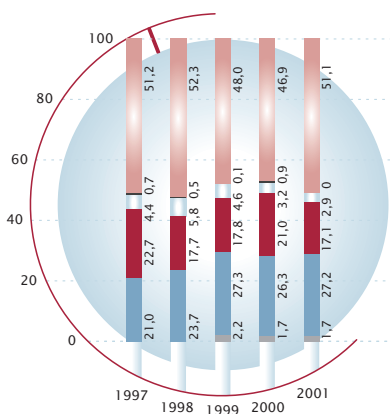
Fixed assets

- 1. Formation expenses, intangible assets and consolidation differences
- 2. Tangible and financial assets

Current assets

- 1. Stocks
- 2. Amounts receivable
- 3. Investments + cash at bank and in hand + deferred charges and accrued income

Trend of balance sheet items (in %) LIABILITIES



- Capital and reserves
- Minority interests
- Provisions, deferred taxes and latent tax liabilities

Creditors

- 1. Amounts payable after one year
- 2. Amounts payable within one year
- 3. Accrued charges and deferred income



REPORT OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF DECEUNINCK NV OF 14 MAY 2002

Commentary on the statutory annual accounts

Results

The result of the financial year 2001 breaks down as follows:

In thousands of Euro	Year 2001
Operating income	131.390
Operating charges	-121.799
Operating profit	9.591
Financial income	8.172
Financial charges	-11.156
Profit on ordinary activities before taxes	6.607
Extraordinary income	1.197
Extraordinary charges	-132
Profit for the year before taxes	7.672
Transfer from deferred taxes	61
Transfer to deferred taxes	-390
Income taxes	-2.615
Profit for the year	4.728
Transfer from untaxed reserves	90
Transfer to untaxed reserves	-581
Profit for the year available for appropriation	4.237

The *turnover* increased from 110.1 to 120.2 million Euro, which is 9% up on 2000.

The *net profit after tax* amounts to 4.24 million Euro. After extrapolation of the capital gains realized in the previous year on the sale of our stake in Deceuninck Compound NV to our Dutch subsidiary Deceuninck Beheer BV, we obtained a rise in net profit by 3.16 million Euro due to the rise in turnover, the fall in raw material prices and the increase in interest received on loans to our subsidiaries.

Investments

Deceuninck invested 6.2 million Euro in 2001. These investments were valued at prime cost and essentially went to the purchase of containers, forklift trucks, the development of the logistical platform and the installation of new extrusion lines.

Balance sheet

The value of the *stocks* fell by 2.2% and now stands at 12.1 million Euro. This decrease is the result of a rigorous management of the stocks and a reduction in the complexity.

Appropriation of profit

The year 2001 ended with a *non-consolidated net profit* available for appropriation of 4.24 million Euro, compared with 19 million Euro in 2000.

The profit brought forward from 2000 amounts to 46.4 million Euro. The profit available for appropriation consequently stands at 50.62 million Euro.

The Board of Directors proposes to appropriate the profit for the year as follows:

Dividend (0,225 Euro gross per share)	4,773 million Euro
Transfer to other reserves	0,235 million Euro
Profit to be carried forward	45,609 million Euro
TOTAL	50,617 million Euro

In accordance with the law, the accounts submitted to you for approval were drawn up according to the appropriation shown above; a gross dividend of 0.225 Euro per share will be paid out, or 0.16875 Euro after withholding tax. The dividend shall be payable on presentation of coupon no. 2 as from 27 May 2002.

Holdings

The holding of Deceuninck NV in the Turkish company Ege Profil AS was raised to 93.06%, that in Ege Pen AS to 100%. In November 2001, the Belgian public limited company FINTONIC was set up with a capital of 250,000 Euro, of which Deceuninck NV holds all the shares.

In North America, Deceuninck NV transferred part of its interest in Deceuninck North America LLC (43.2%) to its French subsidiary Deceuninck SA, and now only holds 56.8% of the shares.

Discharge

In accordance with the articles of association, we request the general meeting to give final discharge to the directors and statutory auditor of the company in respect of their assignment during the past year.

Purchase of own shares

During the year, 15,000 shares were purchased representing a fractional value of 5,707.65 Euro and representing 0.07% of the issued capital.

The book value of the shares purchased in 2001 is 0.235 million Euro. During the year, 6,940 shares were transferred by the staff exercising the rights acquired in the context of a convertible debenture loan with call options on existing shares.

The transferred shares represent a fractional value of 2,640.74 Euro or 0.03% of the issued capital. The total number of own shares purchased and held in portfolio at the end of the year is 337,380 shares, representing a fractional value of 128,376.61 Euro. They represent 1.57% of the issued capital. The gross book value of the own shares held in portfolio at the end of the year is 6,989,820.94 Euro, for which an undistributable reserve 'purchase of own shares' is kept. On the basis of the market price of the Deceuninck share on 31 December 2001, a cumulated capital loss on shares of 342,972.32 Euro was recorded as against 451,760 Euro at the end of 2000.

Stock options

At its meeting of 30 October 2001, the Board of Directors decided to launch a new stock option plan involving the issue of 56,500 stock options on existing Deceuninck shares. The full text of the minutes of the Board meeting in question can be found in the statutory annexes to the present annual report.

Research & Development

The research activities were chiefly focused on the development and improvement of the profile coating

techniques (Decoroc process) in terms of heat resistance and stability.

In the field of plastics recycling, the first tests were performed as part of the Cyclefoam® project.

Expenditure on research and development amounted to 8.3 million Euro in 2001.

Sales offices

Deceuninck NV has a sales office in Spain (Deceuninck NV – Spanish Branch) which concerns itself with commercial activities only.

Additional work done by the statutory auditor

The statutory auditor, the firm Ernst & Young, carried out additional work as part of a special assignment, to the amount of 13,500 Euro.

Important events after balance sheet date

No important events took place after balance sheet date that might have a significant impact on the situation of the company.

Statutory appointments

The tenure of the statutory auditor, the firm Ernst & Young, represented by Mr Marc Van Hoecke and Mr Erik De Lembre, partners, has expired.

We propose to renew this tenure for a three-year term, ending immediately after the general meeting of shareholders of 2005.

Roeselare, 26 March 2002

The Board of Directors



ACTIVITIES AND RESOURCES



Review on key items

Activities of the Business Units
Activities of the subsidiaries of the Group
Strategic resources
Human resources
Environment
Information for the shareholders
Plants and subsidiaries



RUSSIA

ACTIVITIES OF THE BUSINESS UNITS

Window & Door Systems (Business Unit I)

The process of takeovers, acquisitions and mergers in the extrusion industry for PVC door and window systems in Europe has continued throughout the past year. Moreover, big window manufacturers have tried to create and develop designs in synergy with extrusion firms.

All these strategic manoeuvres reflect the difficulties that this sector is going through in Europe, which is having to face an overcapacity of the production plant. That is why the sales level in terms of volume has fallen by around 18% in Germany, the biggest PVC window market in Europe. The forecasts for 2002 suggest yet another 10% drop (in 1995, some 26 million windows, in all materials, were still sold in Germany, as against 14.4 million now).



FRANCE

Consequently, the German competition, which tries to dispose of its surpluses, is becoming ever stiffer on most markets. The result is a pressure on retail prices on certain markets, especially in Central and Eastern Europe. Nevertheless, the Deceuninck Group was able to cope and succeeded in maintaining its profit margins thanks to its local production plants, the launch of new products and a strict cost control.

During the past year, we were able to maintain our leadership position on the traditional markets and even to improve it in new emerging markets (Romania, Czech Republic, Russia, etc.).

The turnover of our Window & Door Systems business unit rose by 4% from 266 million to 277 million Euro. The sales in terms of volume increased by 13%.

This positive trend is attributable to the good commercial performances of our Czech, French, British and Romanian subsidiaries and our sales offices in Russia, Ukraine and Lithuania.

Building Profiles (Business Unit II)

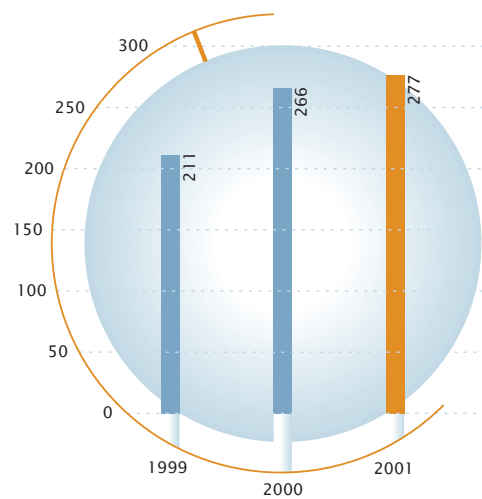
Sales of building profiles were up by 2% in terms of volume (kg) and by 2% in terms of turnover.

The fierce competition among manufacturers in Europe had an unfavourable impact on turnover. Moreover, certain buoyant markets such as Poland had to contend with an economic crisis.

Nevertheless, the building profiles have witnessed a growing success in Central and Eastern Europe in recent years.

In the traditional markets of Western Europe, certain initiatives were taken to further enhance the brand awareness of our product lines among craftsmen. In this spirit, our Belgian Belux division published a practical and complete "Guidebook for Professionals". In addition,

Turnover trend – Window & Door Systems (in millions of Euro)



BELGIUM

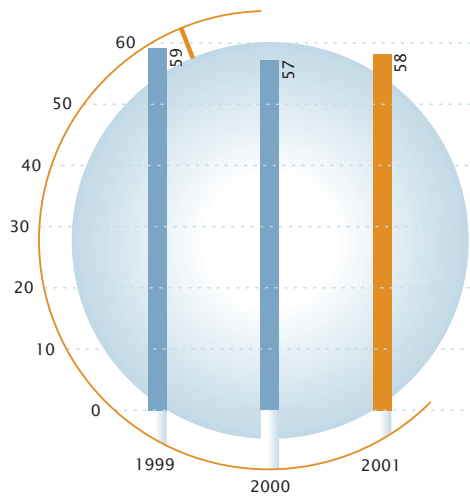


some new designs and colours were created in the Decor line.

In the United Kingdom, we canvassed the lucrative market of external cladding in a professional manner with our Deeplas line of cellular PVC profiles.

Furthermore, our Building Profiles business unit is increasingly developing a strategy centred on the brands (Deeplas, Novacil, etc.), in Great Britain as well as on the Continent.

Turnover trend – Building Profiles
(in millions of Euro)



Home Protection (Business Unit III)

The Home Protection business unit achieved its targets for 2001 in terms of turnover, which grew by 9% from 11 million to 12 million Euro.

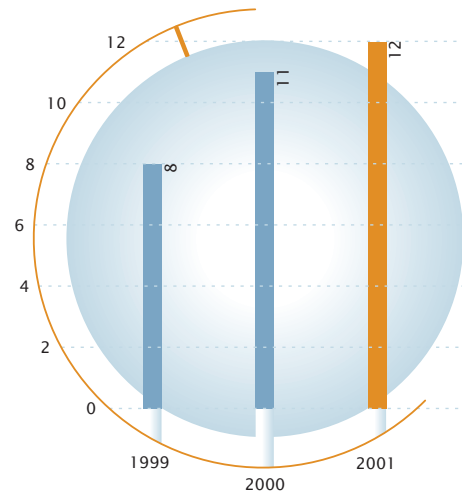
The increase in sales of home protection systems was very substantial in Turkey and especially in France, which absorbed nearly half the output of the Home Protection business unit.

The demand for this type of product remains confined to a few traditional home protection markets, such as Belgium, France and Spain, where competition is stiff.

In 2001, the Home Protection business unit developed some new products that will allow a fresh boost in sales

over the coming years. These include three new models of roller shutters and the Climapur and Climaline air treatment systems.

Turnover trend – Home Protection
(in millions of Euro)



Special Projects / Delta (Business Unit IV)

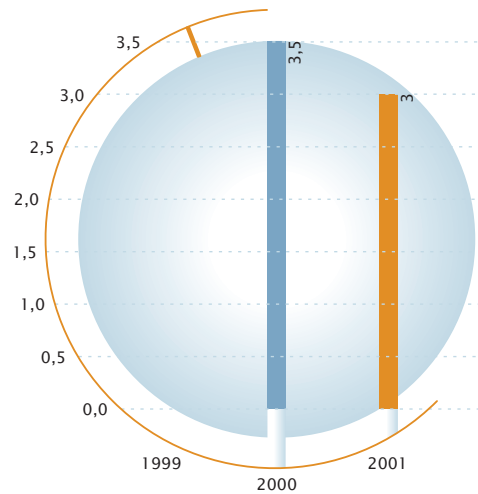
Our Special Projects business unit, now called Delta, covers all our new projects.

The firm Deceuninck Recycling is established at Seilles (Andenne – Belgium) and makes garden benches, flower boxes, bollards, fencing posts etc. from recycled plastic waste.

The firm Uniplast, established at Estaimpuis (Belgium), makes flexible tubing for indoor electric wiring under the brand name Vitflex and protective tubing for outdoor underground electric wiring under the brand name Mondoflex.

Last year, it also began making insulation sealing for doors and windows. The current output capacity stands at 6 million metres per year.

Turnover trend – Special Projects (Delta)
(in millions of Euro)



BELGIUM





SPAIN

ACTIVITIES OF THE SUBSIDIARIES OF THE GROUP

WESTERN EUROPE

▪ Benelux

The turnover of our *Benelux* division saw a 6% fall in the Netherlands, while in Belgium it stayed on the same level as in 2000 (except Uniplast SA and Deceuninck Recycling SA).

The stagnation in sales in *Belgium* reflects the unfavourable climate in the construction industry, which saw a drop in activity in new housing and a limited growth in the renovation sector.

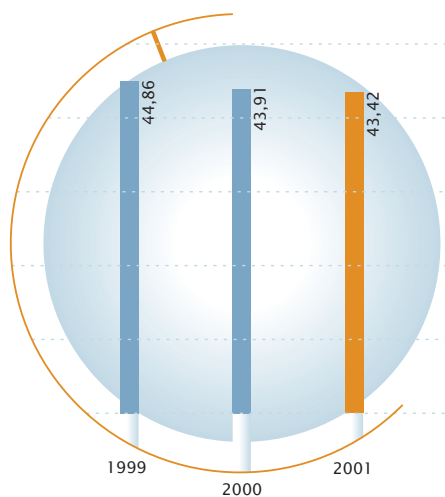
Nevertheless, sales of *door and window frames* rose by nearly 3%. The quality and finish of the products, a wide colour range and the unique Decoroc process were assets that allowed Deceuninck to grow in an otherwise depressed market.

Deceuninck has always remained leader in its sector in Belgium and sets the trend in terms of certification of PVC doors and windows. The quality charter (Q-charter) for the manufacturers of Deceuninck windows was certified and approved by KIWA (certification agency). Some fifty Deceuninck manufacturers received the KIWA – Q-charter last year, thereby certifying that they offer all the quality guarantees, from raw material to finished product.

SPAIN



Turnover trend – Benelux
(in millions of Euro)



Sales of *building profiles*, on the other hand, fell by 4% due to the downturn in the market of decorative panelling. Moreover, the distributors and wholesalers diminished their stocks during the last months of 2001 in the perspective of a slowdown in the growth of the world economy following the events of 11 September.

A new commercial strategy and certain innovations should allow a growth recovery in the short term. Following the closure of our sales office in Germany, the marketing of the Deceuninck products on the German market has been entrusted to our Dutch subsidiary Deceuninck Kunststof BV. Its results showed a downward trend due to the strong influence of the weak German construction market.

In the *Netherlands*, the construction industry is currently changing direction from a policy of new large-scale

developments to a policy of renovation of existing housing stock. Nevertheless, we were able to maintain our turnover at the level of the previous year thanks to the quality of our products and their perfect adaptation to the renovation market.

Sales of building profiles, however, saw a considerable decline owing to the poor results of the German market.

The Belgian company *Uniplast*, based in Estaimpuis, West Hainaut, did not succeed in achieving its targets due to a stagnant construction market and in consequence a stiffer competition in the sector.

Accordingly, we saw a sharp fall in sales of Vitflex flexible electric wiring.

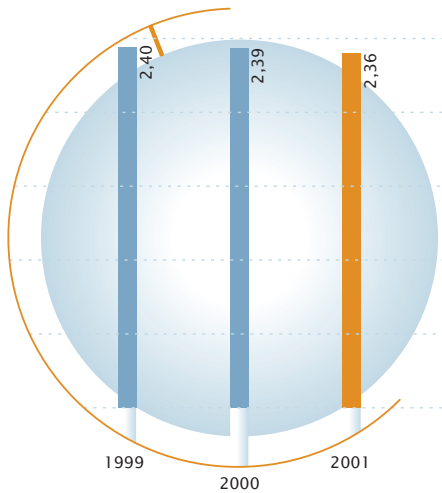
In contrast, however, sales of Mondoflex flexible tubing rose vigorously in 2001 and are expected to grow further still on the basis of contracts concluded with new distributors abroad.

In 2001, our efforts were focused primarily on optimizing the production process, research into new products, definition of a commercial strategy adapted to the latest market information, and the guarantee of quality.

One of the innovative projects launched by Uniplast, in partnership with a customer, was an exhaust system for combustible gases and air treatment system. This will be put on the market in 2002 and is expected to be more flexible than the existing aluminium systems.

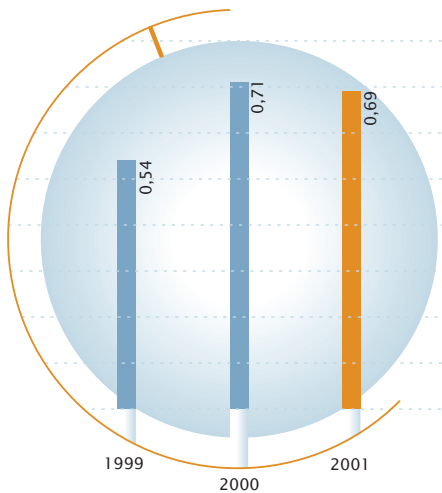
At the end of last year, our subsidiary set up a unit for the production of rubber sealing for PVC doors and windows, which should eventually be able to supply all the needs of the customers of the Deceuninck Group.

Turnover trend – Uniplast SA
(in millions of Euro)



The results of our recycling plant in Andenne, *Deceuninck Recycling SA*, fall short of the forecasts: the turnover fell by 4%, due chiefly to the weak Belgian market as a result of substantial cutbacks in the public and municipal investment budgets after the elections of 2000. In France, too, the local elections of March 2001 had a negative impact on sales, since most of the investments were delayed or simply postponed.

Turnover trend – Deceuninck Recycling SA
(in millions of Euro)



For 2002, Deceuninck Recycling SA projects a substantial increase in turnover on the basis of the following indicators: detightening and increase in the public investment budgets, growing demand for recycled products from

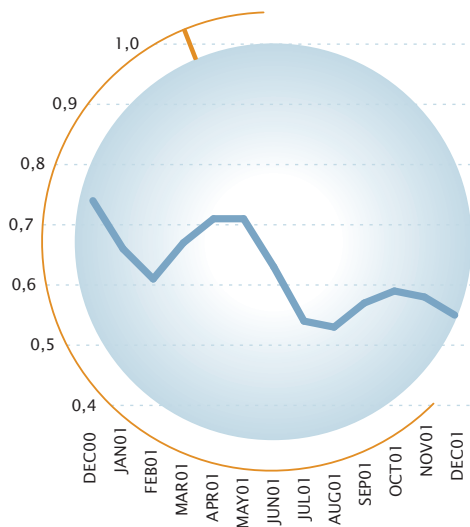
schools, amusement parks and camping sites, a contract signed with a major British distributor, and the launch of new products.

The sales in terms of volume (kg) of our compounding plant in Diksmuide, Deceuninck Compound NV, were up by 16%.

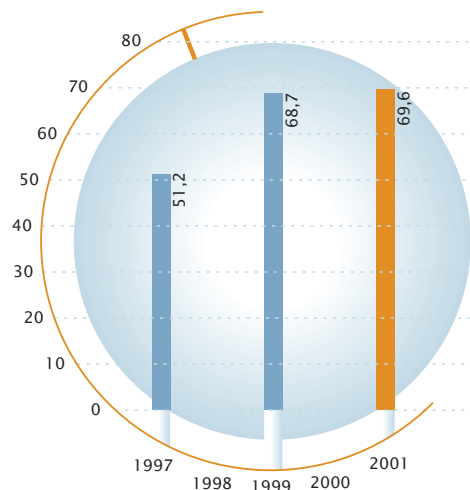
A warehouse of around 1,200m² was built on the Diksmuide site in order to meet the growing needs of our subsidiaries. The sales volume of compounds in Europe is expected to reach 75,000 tons in 2002.

The extension of the compounding unit in Diksmuide, which is meant to allow the production of an extra

PVC price trend (Euro/kg)



Turnover trend – Deceuninck Compound NV
(in millions of Euro)



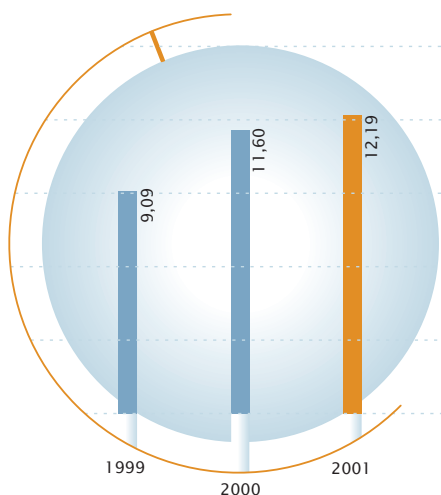
30,000 tons, is currently under investigation. It is scheduled to be operational sometime in 2003. Consequently, Deceuninck Compound will be one of the biggest PVC compounding plants in the world with a total output capacity of 110,000 tons.

▪ **Spain – Portugal**

Like 1999 and 2000, 2001 was a good year with a turnover that was up by 5%, while the activity in the construction industry saw a sharp decline throughout the year, with an estimated 7% drop in planning applications. This phenomenon was noticeable at all levels and affected the sector as a whole: renovation, new housing and non-residential construction. Renovation represented 32% of the construction market in Spain, new housing 38%, the rest (30%) being accounted for by public buildings. PVC represents around 8% of the overall window market in Spain.

Sales of Deceuninck door and window frames rose by 4%, which is in line with the trend of the Spanish PVC window market. The building profiles saw a very slight growth, due chiefly to the increase in sales in Portugal. Sales of home protection profiles were up by 3%. In terms of volume, however, the sales witnessed a stronger growth, with the erosion of retail prices having had a negative impact on the level of turnover increase.

Turnover trend – Spain & Portugal
(in millions of Euro)



▪ **France**

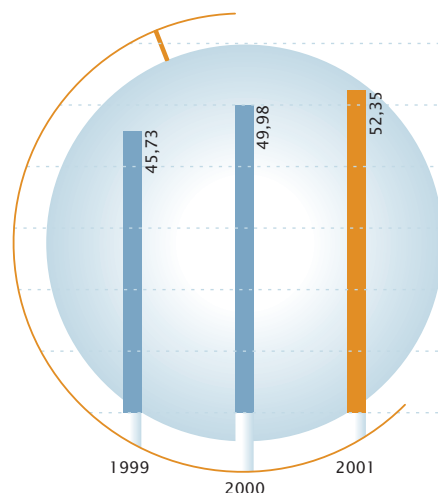
The results of our subsidiary in Roye, *Deceuninck SA*, reflect a certain slowdown in economic activity in France. Nevertheless, the turnover increased by 4% to 52.35 million Euro. Our French subsidiary succeeded in maintaining its profit margins thanks to cost cuts, quality and productivity improvements, and an excellent sales service.

2001 was a crucial year for the “Menuiseries PÉVÉCistes” network, which was extended with eighteen outlets and currently numbers 51. The Covenant of 9 November 2001 was the crowning moment of a year of sustained efforts.

Sales of door and window frames were up by 5%, those of home protection systems by 15%. Sales of building profiles, on the other hand, stagnated.

Deceuninck SA is confident about the future, as is witnessed by the targets fixed for 2002, in which year our French company hopes to exceed the magical threshold of 60 million Euro turnover.

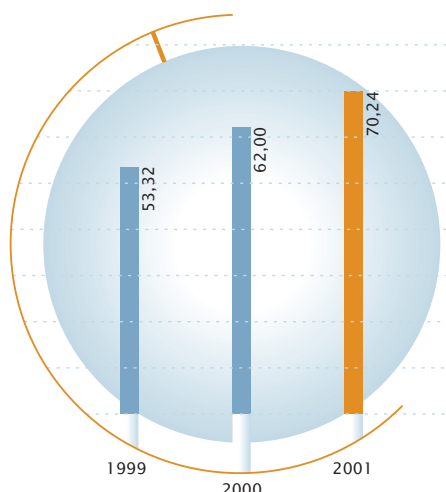
Turnover trend – Deceuninck SA
(in millions of Euro)



▪ **United Kingdom**

Our two British subsidiaries, *Deceuninck Ltd (Calne)* and *Status Systems Ltd (Oldham)*, recorded a substantial turnover increase.

Turnover trend – United Kingdom (1)
(in millions of Euro)



(1) Excluding Godiva Ltd

For our Calne plant (*Deceuninck Ltd*), the turnover (in Euro) was up by 10%, thereby confirming the recovery in sales that had begun in 2000.

The strategy outlined for 2001 materialized in vigorously growing positive results.

The launch of a forceful commercial policy of promotion with the big window manufacturers (Large Customer Approach) resulted in the signing of five major contracts representing a potential turnover of 6.50 million Euro for 2002.

These contracts are in keeping with the strategy of the Deceuninck Group, which is aimed at becoming the preferential supplier of special systems for big window manufacturers. Consequently, our position on the British market, where 83% of all windows currently being made are in PVC, has become significantly strengthened.

Sales of building profiles were up by 16% following the launch of a promotion programme targeted at roofing firms.

The sales, expressed in Euro, of our British subsidiary *Status Systems Ltd* were up by 12% thanks to the extension of its basic clientele.

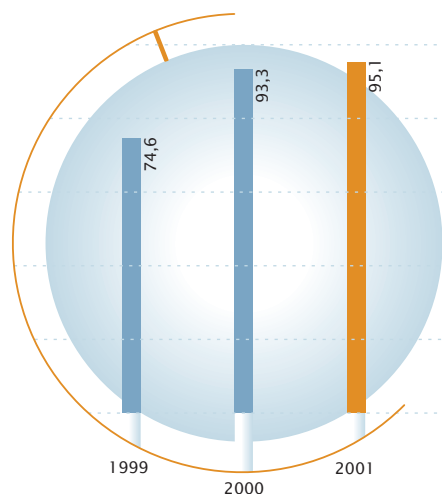
Furthermore, the warehouses and the logistics were reorganized.

In terms of quality, *Status Systems Ltd* completed its incorporation in the Quality Management System of the Deceuninck Group. The ISOQUAR BS and ISO 9002 quality certificates have been extended.

NORTH AMERICA

Despite the weak American economy in 2001, the turnover of our American company *Dayton Technologies LLC* (Monroe, Ohio), had risen by 6% before the events of 11 September, thereby attaining the level of 2000 at the end of the year.

Turnover trend – Deceuninck North America LLC
(in millions of Euro)



In terms of volume, however, the turnover increased by 2%. The fall in raw material prices had a negative impact on retail prices and therefore also on turnover, which reached 84.8 million dollars, or 95.1 million Euro.

The transfer of the logistical and administrative services of Acro Extrusion from Wilmington (Delaware) to the site of Dayton Technologies Inc. at Monroe (Ohio) made it possible to increase profitability and to reduce costs.

The existing extrusion lines were kept at the Acro Extrusion plant at Wilmington (Delaware) for the production of auxiliary profiles at low output rate. In this way, the extrusion process could be optimized at the Dayton Technologies plant at Monroe (Ohio), which specializes in the production of large volumes.

The new compounding plant at Monroe will supply the same raw material to the two American extrusion plants, thereby guaranteeing products of a constant and regular quality.

Furthermore, the first customers have begun to use the Deceuninck e-business programme (*SynergieBuild*) in the course of the last quarter of the year.

The ambitious investment programme implemented in 1999 and 2000 has now been completed. The investment expenditure was far lower in 2001, which made it possible for us to improve our cash flow and to substantially reduce the level of debt.

For 2002 the outlook is expected to be good, bearing in mind the new contracts concluded in 2001. Nevertheless, the events of September, coupled with a constant feeling of insecurity and a slowdown in the American economy, call for caution.

CENTRAL AND EASTERN EUROPE

▪ Poland

The turnover in Euro of our Polish subsidiary, *Deceuninck Polska Sp. z.o.o.*, increased by 2%. In local currency, however, it was down by 7%.

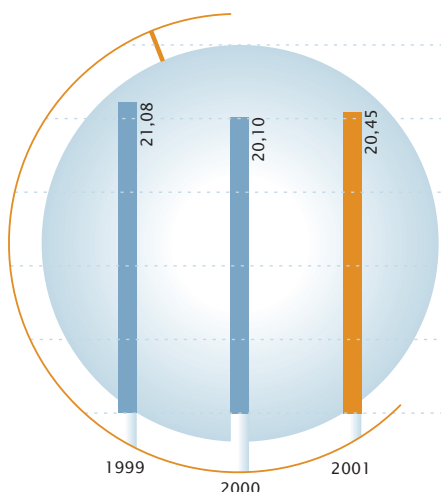
Sales of door and window frames have grown, while those of building profiles and home protection systems fell sharply.

Our sales of door and window frames reached a record high in 2001, and additional extrusion lines were set up.

In November 2001, Deceuninck Polska received the European Medal for the new Mondial line of PVC doors and windows. This award was conferred by the Government Offices of the European Integration Committee and the Business Centre Club.

In December 2001, Deceuninck Polska received the ISO 9001 quality certificate.

Turnover trend – Deceuninck Polska Sp. z.o.o.
(in millions of Euro)



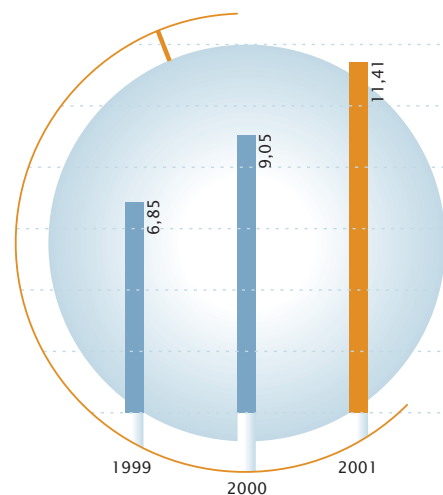
The market of building profiles is being penetrated by a large number of competitors and is marked by a constant price war.

▪ Czech Republic, Slovakia, Croatia and Hungary

Our Czech subsidiary, *Deceuninck Spol s.r.o.*, pursues its double digit growth rate with a 26% turnover increase in Euro terms.

Sales are up in all product groups and in all countries covered, with a particularly vigorous growth in Slovakia. The financial results are in line with the forecasts and the

Turnover trend – Deceuninck Spol s.r.o.
(in millions of Euro)



budgets. An industrial site of 17,000m² was purchased along the Brno-Prague motorway for the construction of a 4,400m² building to accommodate the administrative, commercial, technical and logistical services, as well as the die production workshop.

The outlook for our Czech subsidiary is encouraging and allows us to expect a fresh increase in turnover.

▪ Romania

Our Romanian subsidiary, *Deceuninck Romania srl*, continues its expansion with a turnover of up to 3.5 million Euro, which is up by more than 50%. The distribution network was further extended with the establishment of new customers, window manufacturers.

A new commercial policy was put in place, centred on the purchase of PVC window frame lines from our new Turkish plant, Ege Profil AS, intended for large projects. This new policy is beginning to bear fruit, given the results that were recorded at the end of the year.

▪ **Baltic states, Bulgaria, Russia and Ukraine**

The turnover for all these countries together, in Euro terms, witnessed a vigorous increase, which means that they have found their growth rate.

Furthermore, Russia is receiving much praise from the international community for its new economic policy, its process of integration in the World Trade Organization, and its cooperation with the United States in the fight against international terrorism.

Distribution and logistics, however, are a problem in Ukraine and Russia on account of the geographical size of these countries.

The immense market of new housing and renovation, the elaboration and development of new products that meet the specific needs of the consumer, and the improvement in the welfare and wealth of the local population encourage us to look to the future with confidence in this part of the world for the next ten years.

NEAR EAST

▪ **Turkey**

The Deceuninck Group raised its stake in the Turkish company *Ege Profil AS* to 93.06%, the rest being quoted on the Istanbul Stock Exchange. This demonstrates the importance that Deceuninck attaches to the Turkish market, where it seeks to occupy a leading strategic position. As a matter of fact, Deceuninck plans to buy the remaining 6.94%.

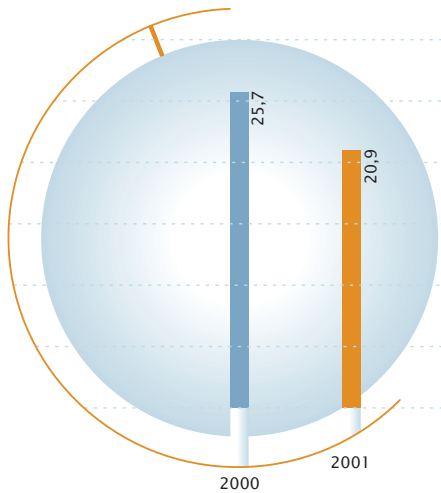
The results of Ege Profil AS were to a large extent affected by two major events: the financial crisis that erupted in February and which led to a 110% devaluation in 2001, and the floods of 22 December that were disastrous for our Turkish subsidiary. The courage of all our Turkish staff and Belgian volunteers, who spared no effort to repair the entire production plant in record time, merits a special mention in this report. It made it possible to limit the negative impact of this disaster on the smooth running and the results of the company.

Ege Profil managed to maintain the level of sales, in terms of volume, of the previous year in spite of the poor performance of the Turkish construction market due to the financial crisis. Sales of door and window frames (around 90% of the turnover) were even up by 2% in terms of volume and 5% in terms of metres.

BELGIUM



Turnover trend – Ege Profil AS
(in millions of Euro)



The home protection systems also made very good progress (+33%). The devaluation of the Turkish lira had a major impact on retail prices, which were 14% down on the previous year.

The overall turnover of Ege Profil AS, in Euro terms, fell from 25.7 million Euro to 20.9 million Euro in 2001, a decrease by more than 18%. The operating charges and strategic costs diminished as well, yet this could not make up for the disastrous effects of the devaluation.

The launch of the new “Everest” line of door and window frames, the favourable brand image of Ege Pen Deceuninck, and the restructuring of the internal organization helped to substantially increase our market share in Turkey and to become number 1 there.

Ege Profil aims to increase its turnover by nearly 15% in 2002 on the basis of the position taken in 2002 on the Turkish market and the swift resumption of operation of the production plant after the floods. The company also hopes to benefit from the recovery of the Turkish economy.





FRANCE

STRATEGIC RESOURCES

Tools and dies

The *Demoplast division*, an integrated workshop for the design, manufacture and maintenance of dies for the extrusion of PVC, located on the site at Hooglede-Gits (Belgium), manages the entire needs of the Deceuninck Group.

During the past year, it launched the first phase of a plan for the reorganization of its activities as part of an integrated technological project.

This is expected to result in an increase in profitability and output capacity of the Demoplast division, in order to respond more readily to the market requirements and to improve plant performance.

New technological resources, the application of recent know-how in the area of design, and an adapted infrastructure will form the basis for the implementation of the reorganization plan.

All this will necessitate new investments, more staff and a search for external partners. During the first phase of the reorganization plan, our Demoplast division in Belgium will work together closely with our American company, Dayton Technologies LLC. The aim is to ensure for the future a 100% complementarity of the two production plants, with a division of tasks.

Furthermore, the output capacity for dies has increased at Deceuninck Spol (Czech Republic) and Status Systems Ltd (UK).

Investments

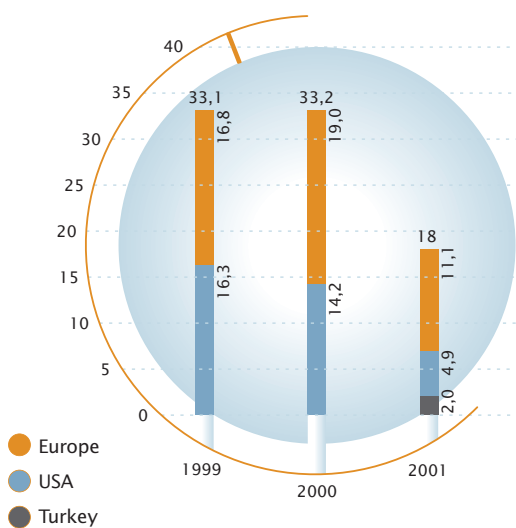
The investments totalled 18 million Euro, which is far less than in the three previous years, and even short of the budget that was provided.

Europe took up the lion's share of the investments, to a total amount of 11.1 million Euro. Most of the expenditure was earmarked for the head office at Hooglede-Gits, the production of tools and dies for the various European production plants, and Deceuninck Polska, Deceuninck Compound NV and Status Systems Ltd.

Our American subsidiary, Deceuninck North America, was allocated 4.9 million Euro worth of investments, in particular for the improvement of the pneumatic transport system and the purchase of containers.

The divisions and branches of the parent company, Deceuninck NV, took up 6.2 million Euro, which was essentially earmarked for:

Investments
(in millions of Euro)



- installation of a logistical platform
- upgrading of the existing installations
- installation of three new foiling lines
- purchase of forklift trucks
- purchase of containers

- start-up of a new production workshop for dies

- extension of the internal computer network
- launch of the e-business project (SynergieBuild)
- purchase of office equipment and furniture

Ege Profil AS, our new Turkish subsidiary, invested 2 million Euro in a water treatment system and in the installation of the Deplis software.

Other investments on a smaller scale were made in all divisions, branches and subsidiaries of the Deceuninck Group with a view to improving productivity and the organization.



For 2002, the Group has earmarked an investment budget of more than 30 million Euro, aimed at increasing the output and warehousing capacities in Belgium, Great Britain, the Czech Republic and Poland.

These funds will essentially go into:

- extension of the extrusion halls and compound warehouses at Hooglede-Gits
- extension of the compounding installations at Diksmuide
- extension of the output capacities in Poland
- construction of the new logistical and administrative buildings of Deceuninck Spol (Czech Republic)
- rearrangement of the production workshops of Deceuninck Ltd at Calne for the installation of high-capacity extrusion lines designed to meet the needs of large customers

Laboratory, research and technology

The Group's expenditure on research and development amounted to 10.2 million Euro. In five years, expenditure on laboratory and research has risen by 82%.

Deceuninck wishes to step up its research efforts year by year, aware as it is of the importance of research for the renewal of its product range and the improvement of competitiveness.

Central laboratory

The test unit for doors and windows and the installation for infrared tests have been equipped with software. The laboratory also purchased sophisticated and accurate equipment for testing colours on small surfaces and for calculating the thickness of final coatings.

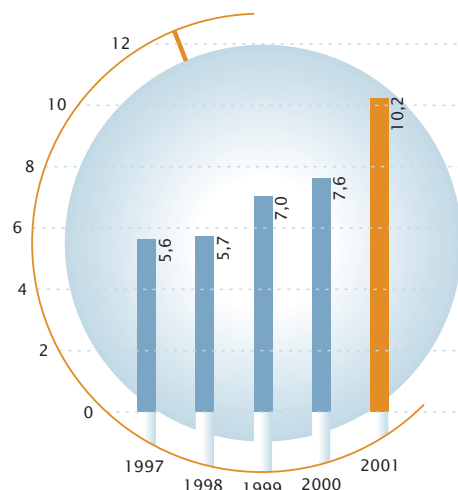
Research work was carried out at the laboratory in the context of the new European standards concerning the fireproofing of PVC and the marking of profiles.

Research

Research activity was chiefly focused on the development and improvement of the profile coating techniques (Decoroc process) in terms of heat resistance and stability. Techniques for decorative foiling of profiles were thoroughly researched, resulting in a substantial reduction in the use of gluing solvents.

Laboratory research work on raw materials and compounds essentially centred on alternative solutions for thermal stabilization. The mechanical specifications for the welding of window corners were optimized and improved.

Expenditure on research & development (in millions of Euro)



In the area of plastics recycling, the first elements of research and development for the upgrading of plastic waste recovered from the end consumer have been put in place as part of the Cyclefoam® project.

Test and training centre

During the year, we set up a new workshop for the functional testing of prototypes. All tests that might be connected with simulations of the quality of our profiles and our finished products under all possible weather conditions (storm, heavy rainfall, heat, frost etc.) will be performed there.

Special auxiliary equipment has been developed for the production of PVC doors and windows from new lines of profiles, allowing the manufacture of even more solid and rigid products.

The training centre was in great demand for instructing new window manufacturers. Our Eastern European staff received special training in order to provide specialist support and follow-up.

Quality management (ISO 9001)

The ISO 9001 standards have been totally revised and reformulated, and were published in December 2000. Deceuninck took advantage of this restructuring to evaluate its quality management systems with a critical eye and to update them to the new edition of ISO 9001.

The new ISO standards are entirely oriented towards the processes and the contacts with customers.

A study group was set up to harmonize the ISO activities for the Deceuninck Group as a whole and to integrate the various existing quality management systems into one single control system (Business Control System).

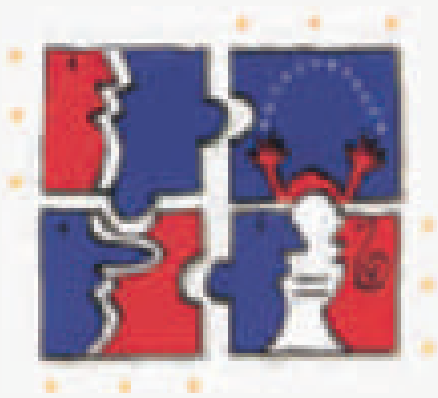
Our efforts to reassess and restructure our quality management system soon proved to pay off. In March 2001, Deceuninck Compound was the first entity of the Group to receive the ISO 9001 certificate according to the new standards.

At the site of the head office in Hooglede-Gits, the quality management system was split up, one for Corporate and one for the plant itself. That is how Deceuninck NV on the same occasion received two ISO 9001 certificates from Lloyds Registered Quality Assurance. Demaplast, the production unit for tools and dies, was integrated in the ISO Corporate certificate.

Our Polish subsidiary, Deceuninck Polska, also received its first ISO 9001 certificate for the whole site at Swarzedzjasin.

In 2002, the Deceuninck Group will continue to integrate and harmonize the different quality management systems. All the certificates will have to comply with the 2000 edition of ISO 9001. Furthermore, the different product certification activities will also be integrated and centralized in a single certification manual.





EUROPEAN SOCIAL FUND

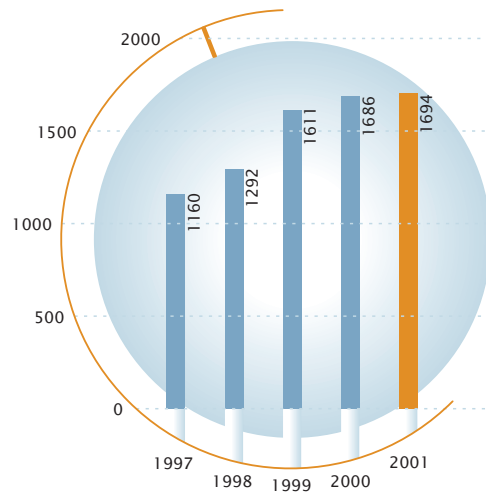
HUMAN RESOURCES

Personnel

As of 31 December 2001, the Deceuninck Group had 1,694 people on its payroll, compared with 1,686 at the end of December 2000.

The restructuring and reorganizations that took place throughout the past year at our Turkish subsidiary Ege Profil AS resulted in a stabilization of the overall workforce of the Group. Furthermore, the slump in sales in Poland also led to a reduction in staff numbers at Deceuninck Polska.

Personnel (Units)



The number of employees working outside Belgium fell from 1,086 to 1,084 and represents 64% of the total workforce of the Deceuninck Group.

Strategy for 2000-2004

2001 was marked by the implementation of the Deceuninck Career Guidance plan, of which several concrete examples are given below:

- An action plan was drawn up for training in 2001 and 2002 on the basis of an analysis of needs; emphasis was placed on coaching and reciprocal knowledge.

- The method of recruitment and selection was revised, notably via e-mail, a close collaboration with higher education and an entirely new reception procedure. These changes should enable us to attract the best people ("People make the difference").
- Coaching and leadership skills will receive our full attention in the future. The managers are a real driving force behind the professional development of our employees.
During 2002 we will launch an intensive quality management programme, of which teamwork and a spirit of enterprise will be the cornerstones.
- The "People retention" and "Management development" projects will be launched at all the subsidiaries of the Group. Emphasis will be placed more and more on an individual approach (Deceuninck Individual Career Guidance) on the basis of a learning pathway based on targets and skills.

Training

Staff training remains one of the priorities of the Human Resources strategy of the Deceuninck Group. Even more time will be invested in the sharing of knowledge, transmission of information, communication and involvement, and this at all levels. A training scheme has just been launched with a view to defining the basic skills used during recruitment, performance appraisal interviews, individual career guidance and succession planning.

In 2001, manual and clerical workers followed computer courses, and in 2002 a room will be specially fitted out for teaching and training. Furthermore, a team was set up for the purpose of exchanging professional and practical experiences with other companies.



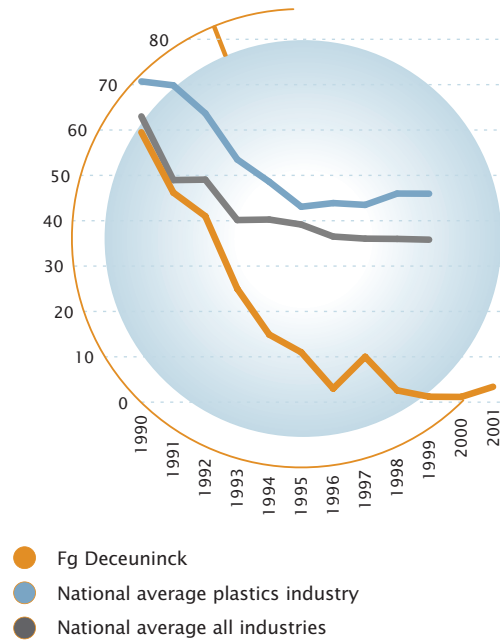
Social policy

A great number of actions were taken with the Works Council and the Prevention and Hygiene Committee, including the conclusion of a joint agreement on the harmonization of family and professional life. Mutual respect and transmission of information are the foundations of this collaboration. 2001 was again filled with all sorts of social, cultural and sporting events, at the head office in Belgium as well as at our subsidiaries.

Stock option plan

At its meeting of 30 October 2001, the Board of Directors offered the management and executives of the Group the opportunity to acquire options on Deceuninck shares. Some 56,500 stock options were issued. The striking price of the option was fixed at 13.9 Euro.

Frequency of industrial accidents



$$Fg = \frac{\text{Number of accidents} \times 1,000,000}{\text{Number of hours worked}}$$

Prevention, safety and hygiene

Accident prevention is one of the priorities of the Deceuninck Group. Numerous programmes were launched in 2001 to convince all our employees of the importance of prevention and to motivate them.

Our forklift truck operators received thorough training to make them aware of the safety problems and of the risks inherent in operating forklift trucks.

Furthermore, all departments of the production plants were extensively informed about the safety rules to be observed when handling dangerous substances.

At the headquarters in Hooglede-Gits (B), a constructive collaboration between the management and the employees' representatives on the Prevention and Hygiene Committee made it possible to substantially limit the number of accidents on an industrial site that has become bigger and bigger, more and more complex and employing more and more people, and where the risks increase year by year.

BELGIUM





ENVIRONMENT

Two years ago, the Deceuninck Group undertook to sign the Environmental Charter and to make constant improvements to the production process in order to contribute to a long-term protection of the environment.

In view of this commitment, the company once again received the Environmental Certificate for 2001 in Belgium on the basis of stringent inspections.

An action plan has to be drawn up each year, and the actual implementation of the actions taken is also scrutinized during audits.

We have set up a working group for environmental management within the Deceuninck Group.

Numerous projects were launched and implemented in the course of the past year:

Energy saving

- Recovery of energy from compressors and cooling units
- Setting up of actions to locate energy losses

Water saving

- Installation of water meters and alarm systems on the cooling circuit
- Constant recording of water consumption

Waste reduction

- Selective collection of waste
- Setting up of a container park on the production site
- Measures aimed at reducing the consumption of solvents

Reduction of harmful emissions

- Soil analysis
- Strict control of solvent use

Savings via recycling

- Trials and tests to improve the recovery and reuse of PVC waste

Packaging saving

- Reduction of the thickness of protective plastic foil
- Improved selection of packaging waste
- Use of reusable packaging

Furthermore, a policy of transparent communication and information to the staff, local authorities and neighbourhood aims to make everyone aware of the efforts undertaken by our company to protect the environment. Emergency procedures with an emergency team and contingency plans have been put in place to cope with accidents that could threaten the environment. Emergency drills are held regularly on the site itself together with the fire brigades from the neighbourhood. In addition, actions have been taken in the area of logistics in order to reduce road traffic: analysis of the frequency of lorry transports, campaigns to encourage carpooling, etc.



SPAIN

INFORMATION FOR THE SHAREHOLDERS

The stock markets underwent several shocks during the past year: economic recession, deflation of the technology bubble, and the attacks of 11 September. Nevertheless, the BEL 20 managed to limit the damage with a loss of 12%, which was lower than the European average.

The Deceuninck shares

The share capital (8,200,000 Euro) is divided into 21,550,000 shares, of which 21,549,927 bearer shares and 73 registered shares. The own shares held by Deceuninck NV and in portfolio number 337,380.

In December 2001, Deceuninck signed an agreement with Euronext Brussels, confirming the entry of the Deceuninck share into the NextPrime segment as from 2 January 2002. This segment comprises companies from the traditional sector that have undertaken to observe clearly defined rules in the area of financial communication, the organization of at least two meetings of analysts per year, the publication of financial information via the Internet, the publication of quarterly financial reports, and the application of international accounting standards (IAS).

Trend of the Deceuninck share

The Deceuninck share admirably withstood the slump and the pervasive pessimism thanks to the good results of the Deceuninck Group and the favourable outlook despite a difficult market. The share even recorded a 23% increase.

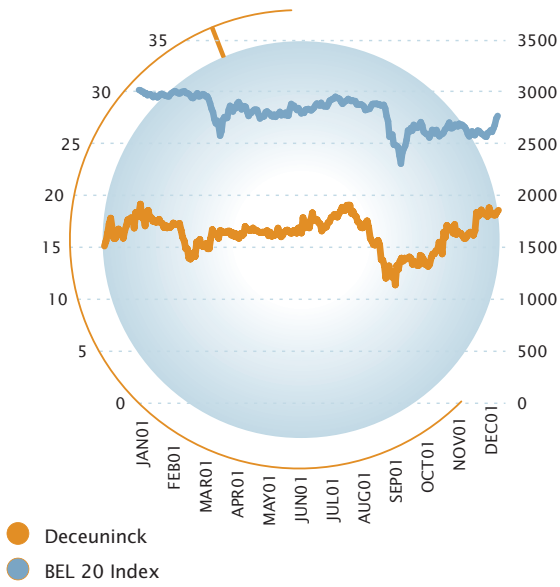
The share price rose from 15.26 Euro on 2 January 2001 to 18.71 Euro on 31 December 2001. The average price over the whole year was 16.45 Euro.

The lowest price was recorded on 25 September 2001 (11.5 Euro), the highest price on 2 February 2001 (19.3 Euro).

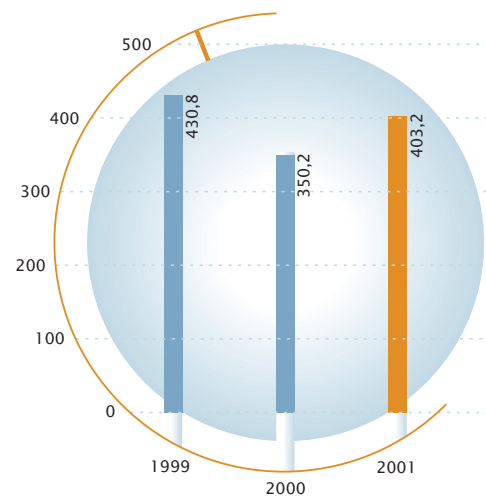
Shareholder policy and dividends

The Deceuninck Group has always conducted a stable share policy, with a preference for long-term investments and returns. Since its stock market introduction in 1985, Deceuninck has always sought to pay an ever-increasing dividend to its shareholders. The Board of Directors will propose to the general meeting of shareholders of 14 May 2002 to pay out a net dividend of 0.16875 Euro per share on presentation of coupon no. 2.

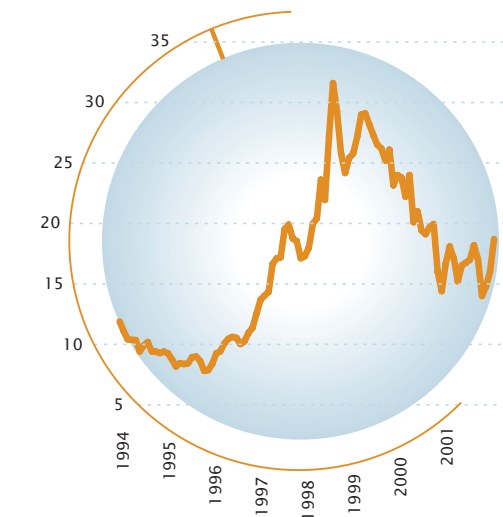
Trend of share price in 2001 (in Euro)



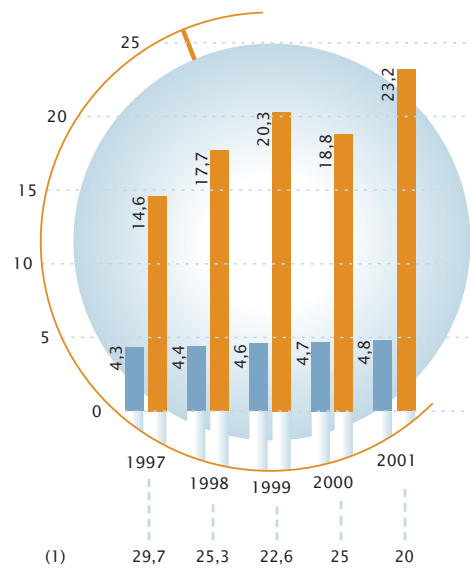
Market capitalization (in millions of Euro)



Trend of share price since 1994 (in Euro)



Payout ratio (1) (in millions of Euro)

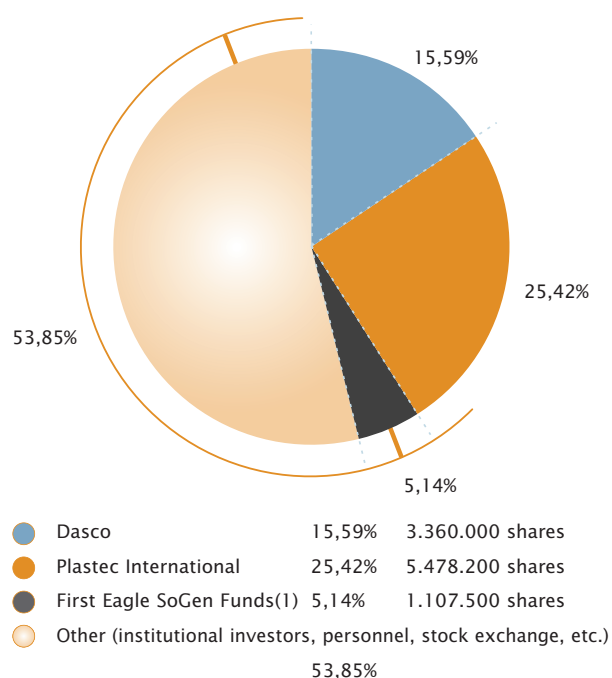


- Net result
- Gross dividends

(1) in % $\frac{\text{Gross dividends}}{\text{Consolidated net result}}$

Shareholding structure

As of 31 December 2001, the shareholding of Deceuninck NV was constituted as follows:



(1) First Eagle SoGen Funds is an American investment fund, part of the banking company Arnhold & Bleichroeder Inc., which is active in share management, research and share trading on an international level, administration and clearing of funds, and corporate finance.

Capital: 8.200.000 Euro

Market capitalization on 31 December 2001: 403.200.500 euro.

Consolidated figures per share (21,550,000 shares) (in Euro)

	2001	2000	1999
Equity	8,05	7,19	6,42
Gross cash flow	3,10	2,63	2,60
Current net cash flow	2,54	2,14	2,09
Net profit	1,08	0,87	0,94
Gross dividend	0,22	0,22	0,21
Net dividend	0,17	0,17	0,16
EBIT	1,97	1,74	1,67
EBITDA	3,44	3,03	2,77

Quotation on the Brussels Stock Exchange (in Euro)

	2001	2000	1999
Lowest price	11,5	13,0	21,82
Highest price	19,3	26,0	32,10
Price at 31 December	18,71	16,25	22,31
Price/Earning (PER) at 31/12 (in %) (1)	17,3	18,7	23,7
Net dividend yield per 31/12 (in %) (2)	0,9	1,0	0,7
Return Deceuninck share (in %)	+22,6	-33	-18,9
Payout ratio (in %) (3)	20	25	23
Market capitalization at end of year (4)	403200,5	350187,5	480780,5

(1) Share price at 31 December

Net profit per share

(2) Net dividend

Share price at 31 December

(3) Gross dividend

Consolidated net profit

(4) In thousands of Euro

Investor relations

Investors, shareholders or any other persons who wish to receive a copy of the annual report or other financial information can contact our Corporate Communications department by telephone, fax, e-mail or letter:

Telephone: +32 51 239 220
Fax: +32 51 239 330
E-mail: francois.delandsheer@deceuninck.com
Website: www.deceuninck.com
Address: Deceuninck NV
Corporate Communications
Bruggesteeweg 164
B-8830 Hooglede-Gits

Shareholder's calendar

- Mid-January 2002: Press release (sales 2001)
- 15 March 2002: Publication of yearly results for 2001
- 14 May 2002: General meeting of shareholders at 11 am
- 27 May 2002: Payment of dividend (coupon no. 2)
- 30 August 2002: Publication of half-yearly results for 2002
- Mid-January 2003: Press release (sales 2002)
- 15 March 2003: Publication of yearly results for 2002
- 13 May 2003: General meeting of shareholders at 11 am



CUBA

PLANTS AND SUBSIDIARIES

WESTERN EUROPE

Belgium

Deceuninck N.V.
Bruggesteeweg 164
B-8830 Hooglede - Gits
Tel: + 32 51 239 211
Fax: + 32 51 227 993
<http://www.deceuninck.com>
e-mail: info@deceuninck.com

Deceuninck N.V.
Divisie Belux
Bruggesteeweg 164
B-8830 Hooglede - Gits
Tel: + 32 51 239 272
Fax: + 32 51 239 261
e-mail: belux@deceuninck.com

Deceuninck N.V.
Divisie Demaplast
Bruggesteeweg 164
B-8830 Hooglede - Gits
Tel: + 32 51 239 380
Fax: + 32 51 239 384
e-mail: demaplast@deceuninck.com

Deceuninck Compound N.V.
Cardijnlaan 15
B-8600 Diksmuide
Tel: + 32 51 50 20 21
Fax: + 32 51 50 49 48
e-mail:
deceuninck.compound@deceuninck.com

Deceuninck Recycling S.A.
Rue André Renard, 3
B-5300 Seilles - Andenne
Tel: + 32 85 82 67 27
Fax: + 32 85 82 74 78
e-mail
deceuninck@imageweb.be
deceuninck.recycling@deceuninck.com

Uniplast S.A.
Zoning du Pont Bleu
117, Rue du Château d'Eau
B-7730 Estaimpuis
Tel: + 32 56 48 94 10
Fax: + 32 56 48 54 30
e-mail: info@uniplast.be

Spain

Deceuninck N.V. - Sucursal en España
Av. de la Industria 25
Pol. Ind. de Coslada
E-28820 Coslada-Madrid
Tel: + 34 91 485 01 25
Fax: + 34 91 485 01 35
e-mail: antonio.escobar@deceuninck.com

France

Deceuninck S.A.
Zone industrielle
Impasse des bleuets
F-80700 ROYE
Tel: + 33 3 22 876 666
Fax: + 33 3 22 876 667
e-mail: Deceuninck.SA@deceuninck.com

Great Britain

Deceuninck Ltd.
Porte Marsh, Calne
Wiltshire SN11/9PX.
Tel: + 44 1249 816 969
Fax: + 44 1249 815 234
e-mail: Deceuninck.Ltd@deceuninck.com

Status Systems PVCu Ltd.
Delph New Road
Delph, Oldham OL3 5BY
Tel: + 44 1457 875731
Fax: + 44 1457 875 651
<http://www.status-systems.co.uk>
e-mail: sales@status-systems.co.uk

Netherlands

Deceuninck Kunststof B.V.
Postbus 298 - NL-3990 GB Houten
Papiermolen 5 - NL-3994 DJ Houten
Tel: + 31 30 635 1200
Fax: + 31 30 635 1219
e-mail:
deceuninck.kunststof@deceuninck.com

Portugal

Deceuninck N.V.
Sucursal en Portugal
Av. Do Forte, 3-ED. Suécia 1
2795 504 Carnaxide
Tel: + 351 21 416 08 13
Fax: + 351 21 416 08 14
e-mail: deceuninck@deceuninck.pt

EASTERN EUROPE

Bulgaria

Rep. Office Deceuninck Bulgaria
Pavillon 5 - Floor II - Office 210
37 Tzar Boris III Obedinitel
Blvd. Fair city
4003 Plovdiv
Tel/Fax: + 359 32 964 386
e-mail:
dpi.bg@plovdiv.techno-link.com

Lithuania

Rep. Office Deceuninck Lithuania
V. Kuzmos 6-1
3000 Kaunas
Tel: + 370 37 33 88 44
Fax: + 370 37 33 88 45
e-mail: gintaras@deceuninck.lt

Poland

Deceuninck Polska Sp. z o.o.
62-020 Swarzedzjasin
Poznanska 34
Tel: + 48 61 81 87000
Fax: + 48 61 8187001
e-mail:
Deceuninck.Polska@deceuninck.com

Czech Republic

Deceuninck Spol. s r.o.
NA Mestecku 119
664 71 Veverská Bítýska
Ceská Republika
Tel: + 420 504 420 416/417
Fax: + 420 504 420 216
E-mail:
Deceuninck.spol@deceuninck.com

Romania

Deceuninck Romania S.R.L.
Traian Str. n°2, Bloc F1, Scara 4,
etaj 8, ap. 24, Sector 3 Bucharest
Tel: + 40 1 327 49 52
Fax: + 40 1 323 52 90
e-mail: office@deceuninck.ro

Russia

Rep. office Deceuninck Moscow
Kronshtatsky Blv. 7A
125212 Moscow
Tel: + 7 095 459 90 93
Fax: + 7 095 459 97 09
e-mail: decrus@dol.ru

Ukraine

Rep. Office Deceuninck Ukraine
V.V. Vasylykivska st., 43/16, apt. 31
Kiev
Tel: + 380 44 461 79 92
Fax: + 380 44 461 79 94
e-mail: dpi-ukr@dpi-ukr.kiev.ua

NORTH AMERICA

United States

Dayton Technologies LLC
351 North Garver Road
USA-MONROE, OHIO 45050
Tel: + 1 513 539 5437
Fax: + 1 513 539 5404
<http://www.daytech.com>
e-mail: webteam@daytech.com

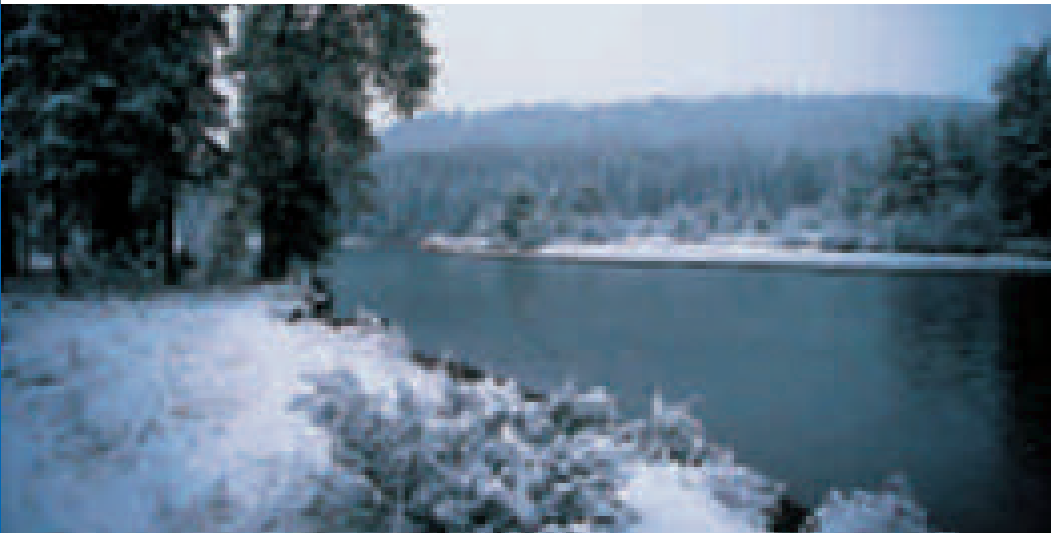
NEAR EAST

Turkey

Ege Profil Ticaret Ve Sanayi AS.
10003 Sokak n°5 - AOSB
35620 Gigili - Izmir
Tel: + 90 232 376 71 60
Fax: + 90 232 376 71 63
e-mail:
funda.daljeli@deceuninck.com



FINANCIAL REPORT



Financial report

Figures of the past 10 years

International Accounting Standards (IAS)

Consolidated and non-consolidated annual accounts 2001

Statutory annexes



BELGIUM

FIGURES OF THE PAST 10 YEARS

Deceuninck Group (in millions of Euro)

	91	92	93	94	95	96	97
Fixed assets	35,2	31,2	30,3	28,1	33,1	48,4	101,1
Current assets	64,2	62,4	65,3	72,8	74,0	91,1	101,8
Equity	52,7	58,2	60,0	62,9	67,2	86,7	103,9
Minority interests	0,0	0,0	0,0	0,0	1,2	1,3	1,4
Provisions	2,1	2,2	1,9	1,6	2,6	8,9	9,0
Long-term debts	10,8	7,4	6,4	4,2	7,6	6,0	46,1
Short-term debts	33,7	25,8	27,2	32,2	28,5	36,8	42,5
Balance sheet total	99,4	93,6	95,6	100,9	107,1	139,6	202,9
Working capital	30,5	36,6	38,1	40,5	45,5	54,2	54,1
Investments	14,9	8,8	12,5	9,5	4,9	11,0	13,8
Write-downs	11,1	11,5	12,2	10,6	9,5	10,8	13,5
Net financial position	-12,1	-3,4	5,0	15,2	5,1	21,8	-34,1
Turnover	111,9	115,3	117,3	123,6	131,9	145,6	199,3
Operating charges	97,9	104,1	106,9	109,7	119,5	126,7	117,2
Profit margin (in %)	14,3%	13,7%	9,3%	11,8%	12,2%	15,1%	13,6%
Current net cash flow	24,2	24,4	20,7	21,6	21,6	27,6	32,9
Net profit after tax	12,3	11,1	5,9	8,0	8,9	11,5	14,6
RATIOS							
Net profit / Equity	23,3%	19,1%	9,9%	12,7%	13,2%	13,3%	14,1%
Equity / Balance sheet total	53,0%	62,2%	62,8%	62,3%	62,7%	62,1%	51,2%
Tax assessment rate	31,5%	33,1%	40,8%	38,4%	37,2%	38,4%	37,5%
Net cash flow / Sales	21,6%	21,2%	17,7%	17,5%	16,4%	19,0%	16,5%
EBIT	16,9%	15,1%	9,7%	10,8%	11,9%	15,1%	13,5%
EBITDA	28,3%	27,0%	22,3%	22,1%	20,7%	24,6%	22,4%

98	99	00	01
102,6	146,5	176,8	175,8
112,7	141,5	153,7	164,0
112,5	138,3	154,9	173,6
1,1	0,3	3,1	0,2
12,4	13,2	10,7	9,9
38,1	51,2	69,1	58,1
51,2	85,0	92,7	98,1
215,3	288,0	330,6	339,8
56,1	51,0	58,5	63,1
25,4	33,1	33,2	18,0
15,6	18,4	24,9	26,3
-27,8	-51,2	-93,6	-63,0
227,2	281,0	339,6	350,6
201,6	253,7	310,4	310,4
14,0%	13,0%	10,6%	12,1%
38,7	45,1	46,2	54,8
17,7	20,3	17,8	23,5
15,8%	14,7%	11,5%	13,5%
52,3%	48,0%	46,9%	51,1%
38,2%	36,4%	34,8%	33,7%
17,0%	16,0%	13,7%	15,7%
14,3%	12,8%	11,0%	12,1%
23,2%	21,3%	19,2%	21,1%



UKRAINE

INTERNATIONAL ACCOUNTING STANDARDS (IAS)

In early March 2002, the European Parliament approved the setting up of international accounting standards (IAS) for the consolidated accounts of listed companies.

As a matter of fact, in January 2002, Deceuninck NV joined the NextPrime segment of Euronext, which involves, as from financial year 2004, compliance with a reporting system drawn up in accordance with the international accounting standards.

Deceuninck did not want to wait until then, and decided to effect the reporting of its accounts in accordance with the IAS standards for the financial year 2003 already.

By doing so, it underlines the importance of the international accounting standards in the context of the harmonization of the accounting regulations, which will have a positive impact on the quality of the financial reporting and will stimulate external communication and transparency in a global context.

An action plan has been drawn up with a survey of the practical implications of the changeover to the IAS for the internal management, the financial reports and the training and coaching of staff within the Deceuninck Group.

This action plan is being followed strictly in order to be able to comply efficiently and fully with the requirements of the IAS standards.

Quarterly financial reports

In the context of the IAS, Deceuninck has decided to publish its financial results on a quarterly basis as from 2003. In this way, the shareholders will have quick access to reliable company figures.

Deceuninck already issues consolidated figures each month for internal use.



FRANCE

CONSOLIDATED ANNUAL ACCOUNTS

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2001 TO THE SHAREHOLDERS' MEETING OF DECEUNINCK NV

In accordance with the legal and regulatory requirements, we are pleased to report to you on the audit assignment that you have entrusted to us.

We have audited the consolidated financial statements as of and for the year ended December 31, 2001, which have been prepared under the responsibility of the Board of Directors and which show a balance sheet total of 339,758 thousand Euro and a profit for the year of 23,227 thousand Euro. We have also examined the consolidated directors' report.

In respect of certain foreign subsidiaries of your company, for which we are not the auditors, we have relied upon the work of other auditors.

Unqualified audit opinion on the consolidated financial statements

We conducted our audit in accordance with the standards of the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatements, taking into account the legal and regulatory requirements applicable to consolidated financial statements in Belgium.

In accordance with those standards, we considered the Group's administrative and accounting organization, as well as its internal control procedures. We have obtained explanations and information required for our audit. We examined, on a test basis, evidence supporting the amounts in the consolidated financial statements. We have assessed the validity of the accounting principles, the consolidation policies and significant accounting estimates made by the company, as well as the overall presentation of the consolidated financial statements. We believe that those procedures provide a reasonable basis for our opinion.

The consolidated financial statements have been prepared in conformity with the legal and regulatory requirements applicable in Belgium.

In our opinion, based on our audit and the reports of other auditors, the consolidated financial statements give a true and fair view of the Group's assets,

liabilities and consolidated financial position as of December 31, 2001, and the consolidated results of the operations for the year then ended, in accordance with the legal and regulatory requirements applicable in Belgium, and the information given in the notes to the consolidated financial statements is adequate.

The consolidated directors' report contains the information required by law and is consistent with the consolidated financial statements.

Ghent, April 17, 2002

Ernst & Young, Reviseurs d'Entreprises SCC (B 160)
Statutory auditor
represented by

Marc Van Hoecke,
Partner

Erik De Lembre,
Partner



Commentary on the consolidated annual accounts

Results

The *operating income* was 1.7% up on 2000. The consolidated turnover of the Group stands at 350.6 million Euro, which is a 3.2% increase. In terms of volume, however, the sales were up by 10.4% following the liquidation of certain activities in 2000 and the vigorous growth of the large customers.

At a constant parity of exchange, the turnover would have been 3.9 million Euro lower. It was essentially the favourable exchange rates of the US dollar and the Polish zloty that accounted for this increase.

Expressed in local currency, the turnover growth was strongest in France, the United Kingdom and Eastern Europe, while in the Benelux, Poland and the United States the turnover stagnated and even fell.

The *gross margin* (turnover less raw materials, consumables and goods purchased for resale) increased by 18.1 million Euro. In percentage terms, the increase was 3.3%, due chiefly to the fall in raw material prices. The increase in productivity and the fall in raw material prices enabled us to a large extent to attenuate the negative impact of retail price erosion on the gross margin.

The share of the costs of *services and other goods* in the total *operating charges* rose from 20.1% to 20.9%. This slight rise is accounted for by the costs of the launch of new projects, the development of products and the search for joint ventures in new markets.

The *personnel charges* fell by 0.6 million Euro following the discontinuation of unprofitable activities. The personnel charges now represent 23.8% of the operating charges, compared with 24% the previous year.

The total *investments* amount to 18 million Euro, which is well below the budget and the level of the previous year.

The *depreciations* increased by 1.2 million Euro.

Balance sheet

The *intangible assets* amount to 8.1 million Euro.

This amount chiefly relates to patents and licences.

The *consolidation differences* represent 45.6 million Euro.

The *tangible assets* fell by 5.7 million Euro due to the reduction in investments of the Deceuninck Group.

The *stocks* fell by 2.1 million Euro, chiefly in the heading 'finished goods'.

The *trade debtors* fell by 3.1 million Euro.

The fall in stocks and *trade debtors* should be seen in the light of a stricter management of the working capital.

The *investments and liquid assets* amounted to 34.8 million Euro at the end of December 2001, compared with 18.2 million Euro at the end of 2000.

The *long-term loans* were down by 10.9 million Euro. A lower level of capital expenditure and the absence of new acquisitions in 2001 allowed a reduction in the level of debt.

The *trade debts* rose by 21.6% owing to a better management of the working capital.

Financial position

The *net financial position* (investments + liquid assets - short-term and long-term financial debts) is negative (-63 million compared with -94 million in 2000). This improvement is due to a stricter control of the working capital and to a fall in investments.

BALANCE SHEET AFTER APPROPRIATION OF PROFIT

ASSETS (in thousands of Euro)	2001	2000
Fixed assets	175.800	176.804
II. Intangible assets	8.063	7.694
III. Consolidation differences	45.554	41.525
IV. Tangible assets	118.654	124.381
A. Land and buildings	47.411	47.855
B. Plant, machinery and equipment	63.955	68.140
C. Furniture and vehicles	3.154	3.622
D. Leasing and other similar rights	1.277	1.357
E. Other tangible assets	196	221
F. Assets under construction and advance payments	2.661	3.186
V. Financial assets	3.529	3.204
B. Other enterprises	3.529	3.204
1. Participating interests and shares	2.777	2.436
2. Amounts receivable	752	768
Current assets	163.958	153.748
VI. Amounts receivable after one year	2.745	2.494
A. Trade debtors	1.606	643
B. Other amounts receivable	1.139	1.851
VII. Stocks and contracts in progress	40.979	43.134
A. Stocks	40.979	43.134
1. Raw materials and consumables	12.304	12.917
2. Work in progress	418	485
3. Finished products	15.851	18.135
4. Goods purchased for resale	12.406	10.283
VIII. Amounts receivable within one year	83.328	88.339
A. Trade debtors	81.227	84.275
B. Other amounts receivable	2.101	4.064
IX. Investments	13.535	10.715
A. Own shares	6.647	6.375
B. Other investments and deposits	6.888	4.340
X. Cash at bank and in hand	21.264	7.502
XI. Deferred charges and accrued income	2.107	1.564
Total assets	339.758	330.552

LIABILITIES (in thousands of Euro)	2001	2000
Capital and reserves	173.560	154.903
I. Capital	8.200	8.200
A. Issued capital	8.200	8.200
IV. Reserves	149.790	131.004
VI. Translation differences	15.191	15.251
VII. Investment grants	379	448
Minority interests	160	3.076
VIII. Minority interests	160	3.076
Provisions, deferred taxes and latent tax liabilities	9.881	10.740
IX. A. Provisions for liabilities and charges	5.466	7.123
1. Pensions and similar obligations	427	532
3. Major repairs and maintenance	552	586
4. Other liabilities and charges	4.487	6.005
B. Deferred taxes and latent tax liabilities	4.415	3.617
Creditors	156.157	161.833
X. Amounts payable after one year	58.107	69.131
A. Financial debts	58.107	69.131
1. Subordinated loans	748	748
3. Leasing and other similar obligations	1.024	1.152
4. Credit institutions	56.335	67.231
XI. Amounts payable within one year	92.398	87.143
A. Current portion of amounts payable after one year	21.767	28.698
B. Financial debts	17.946	14.030
1. Credit institutions	17.941	14.030
2. Other loans	5	-
C. Trade debts	37.739	31.033
1. Suppliers	37.739	31.033
E. Taxes, remuneration and social security	8.340	8.092
1. Taxes	2.257	1.915
2. Remuneration and social security	6.083	6.177
F. Other amounts payable	6.606	5.290
XII. Accrued charges and deferred income	5.652	5.559
Total liabilities	339.758	330.552

INCOME STATEMENT

(In thousands of Euro)	2001	2000
I. Operating income	353.012	347.028
A. Turnover	350.637	339.612
B. Increase (+); decrease (-) in stocks of finished goods, work and contracts in progress	-3.482	777
C. Fixed assets - own construction	4.587	4.869
D. Other operating income	1.270	1.770
II. Operating charges	310.406	310.410
A. Raw materials, consumables and goods for resale	135.367	142.458
1. Purchases	135.685	141.961
2. Increase (+); decrease (-) in stocks	-318	497
B. Services and other goods	64.821	62.694
C. Remuneration, social security costs and pensions	73.785	74.394
D. Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	26.291	24.892
E. Amounts written off stocks, contracts in progress and trade debtors	3.001	1.425
F. Provisions for liabilities and charges	-1.593	-2.739
G. Other operating charges	4.704	3.039
I. Amounts written off positive consolidation differences	4.030	4.247
III. Operating profit	42.606	36.618
IV. Financial income	18.100	7.318
B. Income from current assets	951	1.627
C. Other financial income	17.149	5.691
V. Financial charges	25.774	15.521
A. Interest and other debt charges	7.487	9.096
D. Other financial charges	18.287	6.425
VI. Profit on ordinary activities before taxes	34.932	28.415
VII. Extraordinary income	3.283	858
E. Gain on disposal of fixed assets	428	350
F. Other extraordinary income	2.855	508

(In thousands of Euro)	2001	2000
VIII. Extraordinary charges	3.156	382
D. Provisions for extraordinary liabilities and charges	982	
E. Loss on disposal of fixed assets	943	336
F. Other extraordinary charges	1.231	46
IX. Profit for the year before taxes	35.059	28.891
IX. Bis	-1.288	-1.098
A. Transfer from deferred taxes and latent tax liabilities	3.594	8.132
B. Transfer to deferred taxes and latent tax liabilities	-4.882	-9.230
X. Income taxes	-10.526	-8.954
A. Income taxes	-10.160	-9.666
B. Adjustment of income taxes and write-back of tax provisions	-366	712
XI. Profit for the year	23.245	18.839
XII. Share in the result of the enterprises accounted for using the equity method	-18	-55
B. Losses	-18	-55
XIII. Consolidated profit for the year	23.227	18.784
XIV. Share of third parties in the result	301	-944
XV. Share of the Group in the result	23.528	17.840

CASH FLOW ANALYSIS

(In thousands of Euro)	2001	2000
I. Operational activities		
Share of the Group in the result	23.528	17.840
Depreciation of and other amounts written off (in)tangible fixed assets	26.291	24.892
Amounts written off positive consolidation differences	4.030	4.247
Simplified cash flow	53.849	46.979
Depreciation of stocks	267	-443
Depreciation of trade debtors	2.734	1.868
Provisions for liabilities and charges	-1.657	-3.930
Loss on disposal of fixed assets	943	336
Deferred taxes and latent tax liabilities	798	1.486
Detailed cash flow	56.934	46.296
Trade debtors	314	-22.207
Other amounts receivable	1.420	-83
Stocks and contracts in progress	1.888	-3.507
Short-term debts	-12.279	2.779
Movements in resources needed	15.901	-28.576
Cash flow from operational activities	72.835	17.720
II. Investment activities		
Intangible fixed assets: acquisitions	-1.034	-551
Intangible fixed assets: other movements	-422	-543
Tangible fixed assets: acquisitions	-16.953	-47.431
Tangible fixed assets: other movements	-3.467	5.729
Financial assets: acquisitions	-341	-2.383
Financial assets: other movements	16	-4
Consolidation differences - goodwill	-8.059	-14.570
Cash flow from investment activities	-30.260	-59.735
III. Financial activities		
Repayment of long-term debts	-28.698	-18.176
New long-term debts	10.743	46.622
Amounts receivable after one year	-251	2.975
Other movements in capital and reserves	-129	3.515
Movements in minority interests	-2.916	2.778
Payment of dividends and directors' fees	-4.742	-4.764
	-25.993	32.950
Net movement in investments & liquid assets	16.582	-9.065
Investments & liquid assets 01/01	18.217	27.282
Investments & liquid assets 31/12	34.799	18.217
Net movement in investments & liquid assets	16.582	-9.065
Difference	0	0

I. Consolidation criteria

Consolidation method

The companies over which Deceuninck has exclusive control (holdings of more than 50%) are fully consolidated. Deceuninck NV directly or indirectly holds 100% of the capital of the subsidiaries, except for Godiva Windows Ltd (80%) and Ege Profil (93.06%), so that the remaining percentage of the results and the capital of these companies is shown as share of third parties.

In other subsidiaries where only a minimal number of shares are held by third parties, no minority interest is expressed since it is not significant. The companies in which Deceuninck has a participating interest and has a major say in policy matters are included according to the equity method.

Adjustments and eliminations

The mutual amounts receivable and payable among the companies included in the consolidation are eliminated, as well as the mutual income and charges resulting from operations within the Group. The profits and losses resulting from sales of assets (both fixed assets and stocks) within the Group are also eliminated.

The depreciations have been adjusted according to the accounting principles which are more in agreement with business economic reality.

Latent tax liabilities are recorded on these adjustments in the consolidated accounts.

Translation method for the financial statements of foreign subsidiaries

For the foreign subsidiaries, whose annual accounts are expressed in a different currency from Euro, the closing rate method was applied for the translation into Euro. According to this method, all assets and liabilities of the foreign subsidiaries, with the exception of their capital and reserves, are translated at closing rate, i.e. the latest known indicative rate on the Brussels Stock Exchange at the end of the financial year. The capital and reserves are converted into Euro at the historical rate, while the income and charges are converted at an average rate of the financial year. The resulting translation differences are entered under a separate heading of the consolidated equity (since financial year 1992).

CONSOLIDATED ANNUAL ACCOUNTS

Currency	Closing Rate		Average Rate	
	31.12.2000	31.12.2001	2000	2001
1 USD	1,0747 EUR	1,1347 EUR	1,0871 EUR	1,1212 EUR
1 GBP	1,6023 EUR	1,6434 EUR	1,6443 EUR	1,614 EUR
1 PLN	0,2598 EUR	0,2861 EUR	0,2501 EUR	0,2745 EUR
1 CKZ	0,0285 EUR	0,0313 EUR	0,0281 EUR	0,0295 EUR
1 ROL	0,000041 EUR	0,000036 EUR	0,000049 EUR	0,000038 EUR

Closing date

The consolidated annual accounts are closed on 31 December, closing date at the parent company and all the consolidated subsidiaries.

Consolidation differences

At the time of acquisition of the holdings in Dayton Technologies LLC, Godiva Ltd, Status Systems Ltd, Ege Profil, Ege Pen and Uniplast SA, a positive consolidation difference was recorded.

II.A. Fully consolidated subsidiaries

	VAT number	Portion of the capital held by consolidated companies and intermediaries	Closing date
Plastics Deceuninck N.V. Brugsesteenweg 374 B - 8800 Roeselare	BE 414.421.315	100%	31.12.2001
Deceuninck S.A. Zone Industrielle, Impasse des Bleuets F - 80700 Roye - France		100%	31.12.2001
Deceuninck N.V. Brugsesteenweg 374 B - 8800 Roeselare	BE 405.548.486	100%	31.12.2001
Deceuninck Compound N.V. Cardijnlaan 15 B - 8600 Diksmuide	BE 436.380.531	100%	31.12.2001
Deceuninck Ltd. Porte Marsh, Ind. Est. Stanier Road GB - Calne, Wilts. SN 11 9 PX Great Britain		100%	31.12.2001
Deceuninck Ibérica S.A. Avda de la Industria 25 E - 28820 Coslada Madrid - Spain		100%	31.12.2001
Deceuninck Recycling S.A. Rue André Renard 3 B - 5300 Andenne - Seilles	BE 429.844.216	100%	31.12.2001
Deceuninck Beheer B.V. Papiermolen 5 NL - 3994 DJ Houten - The Netherlands		100%	31.12.2001
Deceuninck Kunststof B.V. Papiermolen 5 NL - 3994 DJ Houten - The Netherlands		100%	31.12.2001
Deceuninck Polska SP z.o.o. Poznanska 34 PL - 62-020 Swarzedz - Poland		100%	31.12.2001
Deceuninck Spol s.r.o. Na Mestecku 119 CZ - 66471 Veverská Bityská - Czech Republic		100%	31.12.2001

CONSOLIDATED ANNUAL ACCOUNTS

VAT number	Portion of the capital held by consolidated companies and intermediaries	Closing date
Eurisk RE Ltd. Lower Mount Street 12/14 IRL - Dublin 2 - Ireland	100%	31.12.2001
Deceuninck North America LLC 900 East 30th Street - P.O. Box 9410 USA - Wilmington, De 19809	100%	31.12.2001
Dayton Technologies LLC 351 North Garver Road USA - Monroe, Ohio 45050	100%	31.12.2001
Godiva Windows Ltd. Unit F5, Little Heath Industrial Estate GB - Coventry, Great Britain	80%	31.12.2001
Deceuninck Ireland Ltd. Unit 7, Ballymount Business Park IRL - Dublin 12 - Ireland	100%	31.12.2001
Deceuninck Romania S.r.l. CP 11 - OP 44 RO-Bucuresti, Romania	100%	31.12.2001
Status Systems Ltd. Delph New Road GB-Oldham OL3 5BY, Great Britain	100%	31.12.2001
Range Valley Extrusion Ltd. Delph New Road GB-Oldham OL3 5BY, Great Britain	100%	31.12.2001
Range Valley Engineering Ltd. Delph New Road GB-Oldham OL3 5BY, Great Britain	100%	31.12.2001
Uniplast S.A. Zoning du Pont Bleu Rue du Château d'eau B-7730 Estaimpuis	100%	31.12.2001
Ege Profil A.S. Atatürk Organire Sanayi Bölges 10003 Sodak n° 5 Cigil TU-Izmir, Turkey	93,06%	31.12.2001
Ege Pen A.S. Atatürk Organire Sanayi Bölges 10003 Sodak n° 5 Cigil TU-Izmir, Turkey	100%	31.12.2001
Deceuninck U.K. Holding Porte Marsh, Ind. Est. Stanier Road GB - Calne, Wilts. SN 11 9 PX Great Britain	100%	31.12.2001

IV. Enterprises accounted for using the equity method

	Portion of the capital (in %)	Closing date
KPP Heering GmbH Archimedesstraat 5 NL-7700 AB-Dedemsvaart, The Netherlands	20%	31.12.2001
Deceuninck Russia Ltd Ul. Kosmmoravta Volkova, 16 Office 306-309, Rus - 125299 Moscow-Russia	100%	31.12.2001

CONSOLIDATED ANNUAL ACCOUNTS

VI. Accounting principles

Principle

The accounting principles have been laid down in accordance with the provisions of the Royal Decree of 6 March 1990 concerning the consolidated annual accounts of companies.

Special rules

For the consolidated annual accounts the same accounting principles are applied as for the individual annual accounts of Deceuninck NV, except for the depreciations, which are adjusted on the basis of accounting principles that are more in agreement with business economic reality.

Formation expenses

As from financial year 1994, the formation expenses are charged to the results during the financial year in which they were incurred.

Intangible fixed assets

The intangible fixed assets are valued at historical cost and are written off 20% according to the straight-line method, except for software, which is written off over 3 years, and patents, which are written off over 15 years.

Consolidation differences

Given the permanence of the holdings and their long-term objective, the consolidation differences are written off over 5 to 15 years.

Tangible fixed assets

The internally produced extrusion dies are valued at prime cost, which only includes the direct costs. The other tangible fixed assets are valued at historical cost, including the additional costs. The tangible fixed assets are always written down by a whole year in the year of acquisition.

In accordance with Article 15 of the Royal Decree of 8 October 1976, the depreciations are effected as follows:

Description	% of depreciation
Buildings	SL 5% (20 y)
Furnishings	SL 10% (10 y)
Equipment	SL 12,5% (8 y)
Moulds & extrusion dies	SL 20% (5 y)
Installations	SL 10% (10 y)
Office equipment	SL 20% (5 y)
Computer equipment (hardware)	SL 33,3% (3 y)
Containers & small equipment	SL 20% (5 y)
Furniture	SL 10% (10 y)
Vehicles	SL 20% (5 y)

Financial fixed assets

Holdings are valued at historical or contribution cost. Depreciations and revaluations on holdings are only applied in the event of permanent respective capital losses or gains justified by the situation, profitability or prospects.

Receivables and cash guarantees

Are recorded at nominal value.

Receivables are written down in so far as for all or part of them there is uncertainty as to their payment on the due date.

Stocks

Stocks are valued at historical cost or at market price, whichever is lower.

Application:

1. Raw materials: are valued at historical cost as determined according to the FIFO method.
2. Work in progress: is valued at prime cost, which only comprises the direct costs.
3. Finished goods: are valued at prime cost, which only comprises the direct costs.
4. Goods purchased for resale: are valued at historical cost as determined according to the FIFO method.

Old stocks and stocks with a slow turnover are written down.

Amounts receivable and amounts payable after one year and within one year, cash at bank and in hand

Are valued at nominal value.

Receivables, payables and liquid assets in foreign currency are valued at the latest known indicative rate on the Brussels Stock Exchange at the end of the financial year. Negative translation differences are incorporated in the financial charges. Positive translation differences are incorporated in the accrued charges and deferred income. Doubtful debts are written down by a corresponding amount.

Investments

Assets held with financial institutions are valued at nominal value. Own shares are valued at historical cost.

There are 337,380 own shares, representing 1.6% of the total Deceuninck shares. They are written down if on balance-sheet date the realization value is lower than the historical value.

Investment grants

Are valued at nominal value after deduction of deferred taxes. They are gradually written down through transfer to the financial income, at the same rate as the depreciation of the fixed assets for the acquisition of which they are obtained.

Deferred taxes and latent tax liabilities

Deferred taxes and latent tax liabilities are recorded on provisionally exempted capital gains, investment grants, eliminated group results, differences between fiscal and business economic depreciations, and tax-deductible losses in accordance with IAS12. The difference between the active and passive latent tax liabilities is recorded under the appropriate heading on the liabilities side of the consolidated annual accounts.

For the Belgian companies, deferred taxes and latent tax liabilities are recorded at the corporation tax rate of the relevant financial year. The deferred taxes and latent tax liabilities arising from transactions by or with foreign group companies are recorded at the tax rate applicable for the subsidiary in question.

Provisions for liabilities and charges

Provisions are constituted in order to cover clearly defined losses or charges which on balance-sheet date are probable or certain, though the amount of which is not yet known.

Deferred charges and accrued income - accrued charges and deferred income

The deferred charges, accrued income, accrued charges and deferred income are recorded at their nominal pro rata value, calculated so as to impute the charges and income to the appropriate accounting period.

CONSOLIDATED ANNUAL ACCOUNTS

VIII. Statement of intangible fixed assets

(In thousands of Euro)

(In thousands of Euro)	Concessions, patents, licences etc.
a) Acquisition cost	
At the end of the previous year	11.074
Movements during the year:	
Acquisitions including fixed assets - own construction	1.034
Sales and disposals	-15
Translation differences	532
At the end of the year	12.625
c) Depreciation and amounts written off	
At the end of the previous year	3.380
Movements during the year:	
Recorded	1.058
Written down after sale and disposal	-10
Translation differences	134
At the end of the year	4.562
d) Net book value at the end of the year a) - c)	8.063

(In thousands of Euro)

Goodwill

a) Acquisition cost	
At the end of the previous year	248
At the end of the year	248
c) Depreciation and amounts written off	
At the end of the previous year	248
At the end of the year	248
d) Net book value at the end of the year a) - c)	0

IX. Statement of tangible fixed assets

(In thousands of Euro)

	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Leasing and other similar rights	Other tangible fixed assets	Assets under construction and advance payments
a) Acquisition cost						
At the end of the previous year	66.286	200.828	10.269	1.508	285	3.186
Movements during the year:						
Acquisitions, including fixed assets - own construction	1.165	12.441	1.308		4	2.034
Sales and disposals	-1.224	-20.020	-854	-	-	-171
Transfers from one heading to another	-	2.939	-440	-	-	-2.499
Translation differences	2.287	4.040	161	-	-	111
At the end of the year	68.514	200.228	10.444	1.508	289	2.661
c) Depreciation and amounts written off						
At the end of the previous year	18.431	132.688	6.647	151	64	-
Movements during the year:						
Recorded	3.400	20.366	1.357	80	29	
Written down after sales and disposals	-1.116	-18.870	-818	-	-	-
Translation differences	388	2.089	104	-	-	-
At the end of the year	21.103	136.273	7.290	231	93	0
d) Net book value at the end of the year a) - c)	47.411	63.955	3.154	1.277	196	2.661

CONSOLIDATED ANNUAL ACCOUNTS

X. Statement of financial fixed assets

(In thousands of Euro)

1. Participating interests and shares

	Other enterprises
Acquisition cost	2.435
Acquisitions	342
Net book value at the end of the year	2.777

Enterprises accounted for using the equity method

Acquisition cost	
At the end of the previous year	0
Movements during the year:	
Share in the result of the year	-18
Share in other movements in capital and reserves	18
At the end of the year	0

Other enterprises

2. Amounts receivable

Net book value at the end of the previous year	768
Movements during the year:	
Additions	-16
Net book value at the end of the year	752

XI. Statement of reserves

(In thousands of Euro)

	Amounts
At the end of the previous year	131.004
Movements during the year:	
Share of the Group in the result	23.528
Other movements in the reserves (1)	-4.742
At the end of the year	149.790
(1) Dividend payment Deceuninck NV	

XII. Statement of consolidation differences**(In thousands of Euro)**

	Consolidated companies	
XII. a. Acquisition cost		
At the end of the previous year		51.261
Movements during the year:		
Additions		1.174
By extension of consolidation scope		5.661
Translation differences		1.693
At the end of the year		59.789
XII. c. Depreciation and amounts written off		
At the end of the previous year		9.736
Movements during the year:		
Recorded		4.030
Translation differences		469
At the end of the year		14.235
XII. d. Net book value at the end of the year a) - c)		45.554

XIII. Statement of amounts payable**(In thousands of Euro)**

	Amounts payable with a residual term of		
	Not more than one year	Between one and five years	More than five years
Financial debts			
1. Subordinated loans	-	748	-
3. Leasing	127	512	512
4. Credit institutions	21.640	50.175	6.160
Total	21.767	51.435	6.672

XIV. Results**(In thousands of Euro, except B.1.1)**

	2001	2000
B. Personnel charges		
B.1. Fully consolidated companies		
B.1.1. Average staff numbers		
Manual workers	1.074	1.205
Clerical workers	568	592
Management personnel	19	18
B.1.2. Personnel charges	73.785	74.394
C. Rights and commitments not included in the balance sheet		
Exchange – forward transactions		801

CONSOLIDATED ANNUAL ACCOUNTS

XVII. Financial relationships with directors and managers

(In thousands of Euro)

2001

A. Remuneration and pensions paid to directors or managers and former directors or managers of the consolidating enterprise in respect of their activities in the consolidating enterprise, its subsidiaries and affiliated enterprises.

586

XVIII. Additional information concerning deferred taxes and latent tax liabilities

(in thousands of Euro)

The following latent tax liabilities were recorded in 2001 on the liabilities of the balance sheet:

Active latent tax liabilities

3.516

Passive latent tax liabilities

7.931

4.415

**STATUTORY AUDITOR'S REPORT FOR THE YEAR
ENDED DECEMBER 31, 2001 TO THE SHARE-
HOLDERS' MEETING OF DECEUNINCK NV**

In accordance with the legal and statutory requirements, we are pleased to report to you on the audit assignment that was entrusted to us.

We have audited the financial statements for the year ended December 31, 2001 which have been prepared under the responsibility of the Board of Directors and which show a balance sheet total of 199,381 thousand Euro and a profit for the year of 4,728 thousand Euro. We have also carried out specific additional audit procedures required by law.

Unqualified audit opinion on the financial statements

Our examination has been conducted in accordance with the auditing standards of the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements, taking into account the Belgian legal and regulatory requirements with respect to financial statements.

In accordance with those standards, we considered the company's administrative and accounting organization as well as its internal control procedures. Company officials have responded clearly to all our requests for information and explanations. We have examined, on a test basis, the evidence supporting the amounts and disclosures included in the financial statements. We have assessed the accounting policies, the significant accounting estimates made by the company and the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, taking into account the applicable legal and regulatory requirements, the financial statements give a true and fair view of the company's assets, liabilities, financial position as of December 31, 2001 and the results of its operations for the year then ended, and the information given in the notes to the financial statements is adequate.

Additional certifications

We supplement our report with the following certifications which do not modify our audit opinion on the financial statements:

- The directors' report includes the information required by law and is consistent with the financial statements
- The accounting records are maintained and the financial statements have been prepared in accordance with the legal and regulatory requirements applicable in Belgium
- No transactions have been undertaken or decisions taken in violation of the company's articles of association or Company law which we would have to report to you. The appropriation of the results proposed to the General Meeting complies with the legal and statutory provisions
- In accordance with Article 523 §1 of the Companies Code, we are also required to report to you on the following transaction which has taken place since the last ordinary General Meeting: at its meeting of October 31, 2001, the Board of Directors decided to introduce a stock option plan, as described in the report of the Board of Directors. Since four directors are beneficiaries of this stock option plan, the directors concerned have neither participated in the deliberations or in the voting by the Board of Directors. The financial consequences of the decision taken by the Board of Directors are immaterial for the company.

Ghent, April 17, 2002

Ernst & Young, Reviseurs d'Entreprises SCC (B 160)
Statutory auditor
represented by

Marc Van Hoecke,
Partner

Erik De Lembre,
Partner

SUMMARY ANNUAL ACCOUNTS OF DECEUNINCK NV

The annual accounts have been drawn up in accordance with the Royal Decree of 8 October 1976 concerning the annual accounts of companies, as amended by the Royal Decree of 6 November 1987.

These annual accounts comprise the balance sheet, the income statement and the notes required by law, and are given below in abridged form.

The annual report and the complete annual accounts of the company Deceuninck NV for the financial year ended 31 December 2001, along with the report of the statutory auditor, shall be filed with the National Bank of Belgium. They are available on request at the following address:

Deceuninck NV
Algemeen Secretariaat
Bruggesteeweg 164
ROESELARE (Belgium)
Tel.: +32 (0) 51 239 246
Fax: +32 (0) 51 239 588

The information given below concerns the financial situation of the company as reflected in the balance sheet. The results are also explained in the annual accounts.

The statutory auditor, Ernst & Young, delivered an unqualified opinion on 17 April 2002 concerning the statutory annual accounts of Deceuninck NV.

BALANCE SHEET AFTER APPROPRIATION OF PROFIT

ASSETS (in thousands of Euro)	2001	2000
Fixed assets	125.525	121.432
II. Intangible assets	671	621
III. Tangible assets	15.611	17.656
IV. Financial assets	109.243	103.155
Current assets	73.856	72.304
V. Amounts receivable after one year	713	16
VI. Stocks and contracts in progress	12.057	12.329
VII. Amounts receivable within one year	48.866	48.555
VIII. Investments	6.647	7.042
IX. Cash at bank and in hand	4.478	2.709
X. Deferred charges and accrued income	1.095	1.653
Total assets	199.381	193.736
LIABILITIES (in thousands of Euro)	2001	2000
Capital and reserves	66.531	66.575
I. Capital	8.200	8.200
IV. Reserves	12.722	11.995
V. Accumulated profits	45.609	46.380
Provisions and deferred taxes	2.389	1.883
VII. A. Provisions for liabilities and charges	1.163	986
B. Deferred taxes	1.226	897
Creditors	130.461	125.278
VIII. Amounts payable after one year	52.693	57.230
IX. Amounts payable within one year	76.079	66.424
X. Accrued charges and deferred income	1.689	1.624
Total liabilities	199.381	193.736

I N C O M E S T A T E M E N T

[In thousands of Euro]	2001	2000
I. Operating income	131.390	120.155
II. Operating charges	-121.799	-117.203
III. Operating profit	9.591	2.952
IV. Financial income	8.172	5.165
V. Financial charges	-11.156	-7.028
VI. Profit on ordinary activities before taxes	6.607	1.089
VII. Extraordinary income	1.197	19.880
VIII. Extraordinary charges	-132	-4
IX. Profit for the year before taxes	7.672	20.965
IX.bis A. Transfer from deferred taxes	61	17
B. Transfer to deferred taxes	-390	-607
X. Income taxes	-2.615	-495
XI. Profit for the year	4.728	19.880
XII. Transfer from untaxed reserves	90	25
Transfer to untaxed reserves	-581	-905
XIII. Profit for the year available for appropriation	4.237	19.000
 Appropriation account		
[In thousands of Euro]	2001	2000
A. Profit to be appropriated		
1. Profit for the year available for appropriation	4.237	19.000
2. Profit brought forward	46.380	34.354
C. Transfer to capital and reserves		
2. To legal reserves	-	-
3. To other reserves	-235	-2.306
D. Result to be carried forward		
Profit to be carried forward	-45.609	-46.380
F. Distribution of profit		
Dividends	-4.773	-4.668

Statement of capital

Capital	Amounts	Number of shares
1. Capital	8.200.000 euro	21.550.000
2. Structure of the capital		
- Bearer shares		21.549.927
- Registered shares		73
3. Own shares held by the company itself	128.376 euro	337.380

4. Share structure of the company at closing date, as shown by the statements which the company has received on 31 December 2001:

1. Plastec International Administrative Office - 45 Aert van Nesstraat, NL 3000 AM Rotterdam
5.478.200 shares (25.42%) (02/06/1999)
2. Dasco Administrative Office - 2 Risseeuwstraat, NL 4500 AB Oostburg
3.360.000 shares (15.59%) (17/06/1997)
3. Arnhold & Bleichroeder, Inc. – Avenue of the Americas 1345, New York (USA) (via First Eagle SoGen Funds)
1.107.500 shares (5.14%) (22/08/2001)

Statutory accounting principles

1. Principle

The accounting principles have been laid down in accordance with the provisions of Section II of the Royal Decree of 8 October 1976 concerning the annual accounts of companies, as last amended by the Royal Decree of 4 August 1996.

2. Special rules

Formation expenses

The formation expenses are charged to the results during the financial year in which they were incurred.

Intangible fixed assets

The intangible fixed assets are valued at historical cost and are written off as follows:

Licence: 20% according to the reducing balance/straight-line method.

Tangible fixed assets

The tangible fixed assets are valued at historical cost, including the additional costs. The tangible fixed assets are always written down by a whole year in the year of acquisition. No account is taken of the residual value, if any.

NON - CONSOLIDATED ANNUAL ACCOUNTS

In accordance with Article 15 of the Royal Decree of 8 October 1976, the depreciations are effected as follows:

Description	% of depreciation	
Infrastructure	20% straight line	
Buildings	acquisitions until 1985:	5% straight line
	acquisitions from 1990:	5% reducing balance
Furnishings	acquisitions until 1992:	10% straight line
	acquisitions from 1993:	10% reducing balance
Equipment	acquisitions until 1989:	10% reducing balance
	acquisitions from 1990:	20% reducing balance
Small equipment	acquisitions until 1992:	10% straight line
	acquisitions during 1993:	10% reducing balance
	acquisitions from 1994:	33% straight line
Moulds & extrusion dies	20% reducing balance	
Installations	acquisitions until 1992:	10% straight line
	acquisitions from 1993:	10% reducing balance
Installation of electricity cabin	acquisitions until 1992:	10% straight line
	acquisitions from 1993:	10% reducing balance
Heating installation	acquisitions until 1992:	10% straight line
	acquisitions from 1993:	10% reducing balance
Telephone installation	acquisitions until 1992:	10% straight line
	acquisitions from 1993:	10% reducing balance
Office equipment	acquisitions until 1992:	10% straight line
	acquisitions from 1993:	10% reducing balance
Office computer	acquisitions until 1992:	20% straight line
	acquisitions from 1993:	20% reducing balance
Containers	33% straight line	
Furniture	acquisitions until 1992:	10% straight line
	acquisitions from 1993:	10% reducing balance
Vehicles (except passenger cars)	acquisitions until 1992:	20% straight line
	acquisitions from 1993:	20% reducing balance
Passenger cars	20% straight line	

The internally produced extrusion dies are valued at prime cost, which only includes the direct costs.

NON - CONSOLIDATED ANNUAL ACCOUNTS

Financial fixed assets

Holdings are valued at historical or contribution cost. Depreciations and revaluations on holdings are only applied in the event of permanent respective capital losses or gains justified by the situation, profitability or prospects.

Receivables and cash guarantees are recorded at nominal value. Receivables are written down in so far as for all or part of them there is uncertainty as to their payment on the due date.

Stocks

Stocks are valued at historical cost or at market price, whichever is lower.

Application:

1. Raw materials: are valued at historical cost as determined according to the FIFO method.
2. Work in progress: is valued at prime cost, which only comprises the direct costs.
3. Finished goods: are valued at prime cost, which only comprises the direct costs.
4. Goods purchased for resale: are valued at historical cost as determined according to the FIFO method.

Old stocks and stocks with a slow turnover are written down.

Amounts receivable and amounts payable after one year and within one year

Investments - Cash at bank and in hand

Are valued at nominal value. Receivables, payables, investments and liquid assets in foreign currency are valued at the latest known indicative rate on the Brussels Stock Exchange at the end of the financial year.

Negative translation differences are incorporated in the financial charges. Positive translation differences relating to non-Euro currencies are incorporated in the accrued charges and deferred income.

Doubtful debts are written down by a corresponding amount.

Provisions for liabilities and charges

Provisions are constituted in order to cover clearly defined losses or charges which on balance-sheet date are probable or certain, though the amount of which is not yet known.

Deferred charges and accrued income - Accrued charges and deferred income

The deferred charges, accrued income, accrued charges and deferred income are recorded at their nominal pro rata value, calculated on balance-sheet date, and of which the amount is not yet known.

STATUTORY ANNEXES

Article 523, paragraph 1, of the Companies Acts.

Extract from the minutes of the meeting of the Board of Directors of 30 October 2001.

Stock option plan for management staff, executives and directors

Conflict of interests

Before the deliberations on this agenda item began, four directors (Messrs Clement De Meersman, Gerhard Rooze, Herwig Bamelis and Michael Mohr) pointed out that on their part there might be a conflict of proprietary interests in regard to the decisions that the Board of Directors will have to take with a view to the issue of a stock option plan for the benefit of directors, executives and management staff, within the meaning of the Act of 26 March 1999 concerning the Belgian 1998 action plan for employment, given that they are among the beneficiaries.

The Board of Directors took note of this conflict of interests and of the fact that this had also been pointed out to the statutory auditor of the company.

In accordance with the provisions of Article 523 of the Companies Acts – and taking into account the fact that the company makes a call on public savings – the directors in question were asked to leave the council room for the time of the deliberations on this agenda item. Consequently, the directors in question did not take part in the deliberations or in the vote.

Deliberation and vote

Issue of a stock option plan on existing Deceuninck shares. Four directors did not take part in the deliberations or in the vote.

The Board of Directors took a favourable decision with regard to the form of the stock option plan.

In order to comply with the formalities of Article 523 of the Companies Acts, it was specified that the nature of the operation consists in the fact that the call options are issued on existing shares. These call options are reserved for executives, management staff and directors.

Rationale

The rationale for such a decision is to give an incentive to the executives, management staff and directors by enabling them to acquire shares in the company on relatively favourable terms, thereby increasing their commitment to the company.

Proprietary consequences

The proprietary consequences for the company resulting from the fact that four directors may acquire a maximum of 12,000 call options are minimal, taking into account the total number of shares concerned by this operation and the fact that the issue price of the options is based on the current market price of the shares.

Terms and conditions of the stock option plan

A maximum total of 56.500 stock options will be issued on existing Deceuninck shares.

GLOSSARY (DECEUNINCK ACTIVITIES)

Compounds: mixtures made from plastics and additives (stabilizers, pigments, etc.), in powder form

Decoroc®: patented Deceuninck system for oven coating of PVC door and window profiles in different RAL shades (range of twenty colours)

Deeplas®: registered Deceuninck trademark of the line of solid cellular PVC profiles

Extrusion: technique of hot fusion whereby soft PVC is forced through a die

Die: metal part containing a hole or several holes of different sizes through which the PVC is forced in the form of a paste so that it can be drawn into profiles

KIWA: quality label for the production and fitting of PVC doors and windows, awarded by the independent certification agency KIWA

PVC: polyvinyl chloride

FINANCIAL GLOSSARY

Current net cash flow: comprises the current profit, less taxes, plus depreciation, provisions and write-downs (see income statement)

EBIT: Earnings Before Interest and Taxes

EBITDA: Earnings Before Interest, Taxes, Depreciation, Amortization and Provisions

Payout ratio: (Ratio: gross dividends / consolidated net profit)

Allows analysis of the trend in the portion of the consolidated net profit earmarked for the payment of dividends.

ROCE: Return On Capital Employed. Ratio: current profit (before tax and financial charges) / capital employed

Gross added value: comprises sales and services, less stocks and goods, less services and other goods (see income statement)