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we show you the way

www.interconnectionconsulting.com

Windows in Western Europe

Bucharest, May 15th 2012

Interconnection Provides Data for Companies Decisions



- Interconnection is the leading Institution for market data in the window industry.
- Leading companies support our studies with aims statements, definitions of marketing strategies, competition perception and controlling of marketing measures.
- Interconnection covers its know-how through over 100 international market studies per year as well as some series of ad-hoc studies in the construction sector.
- Besides market data we offer ad-hoc studies with priorities in distribution analysis, pricing, market entrance strategies, customers satisfaction, image analysis, etc.
- Our analysts support company also with the implementation of data into deeds.

Multi-Client Reports

- IC Market Tracking
Market research on a quarterly/annual basis, forecasts for the total market; market shares; company and strategy portfolios, etc.
- IC Channel Tracking
Annual tracking of the distribution system; detailed dealer profiles; dealer sales by brands; development of brands, distribution channels; dealer satisfaction with listed brands, etc.
- IC Price Tracking
Monthly collected database with 800 prices; statistical analysis of prices; positioning of dealers by brands, product groups, technologies and distribution channels.
- IC Brand Position Tracking
Annual brand image analysis by segments and technologies; brand awareness and brand recognition; brand potential, analysis of purchasing motives.

Exclusive Ad-hoc Research

- Customer Satisfaction
- Market Analysis
- Market Entry
- Market Forecast
- Pricing Strategies
- Price Monitoring
- Distribution Analysis
- Brand / Image Analysis
- Brand Equity
- Geomarketing
- Product Tests
- Advertising Impact
- Focus Group Interviews



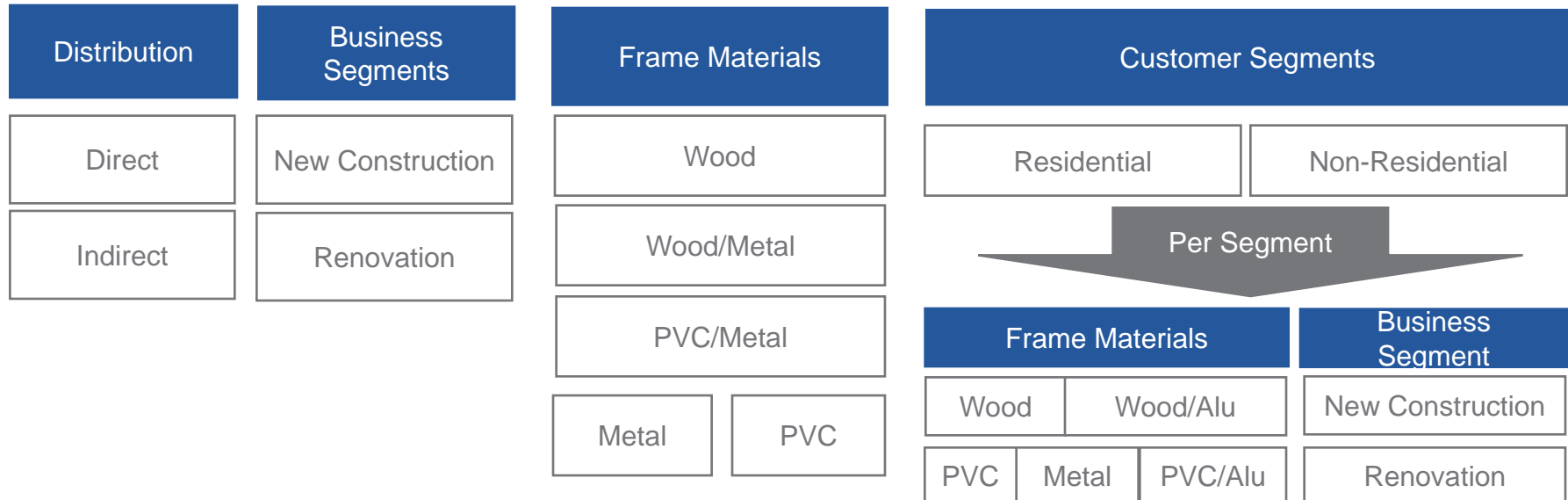
1. The Window Market in Western Europe



Market Structure of our Window Studies

Windows in Europe

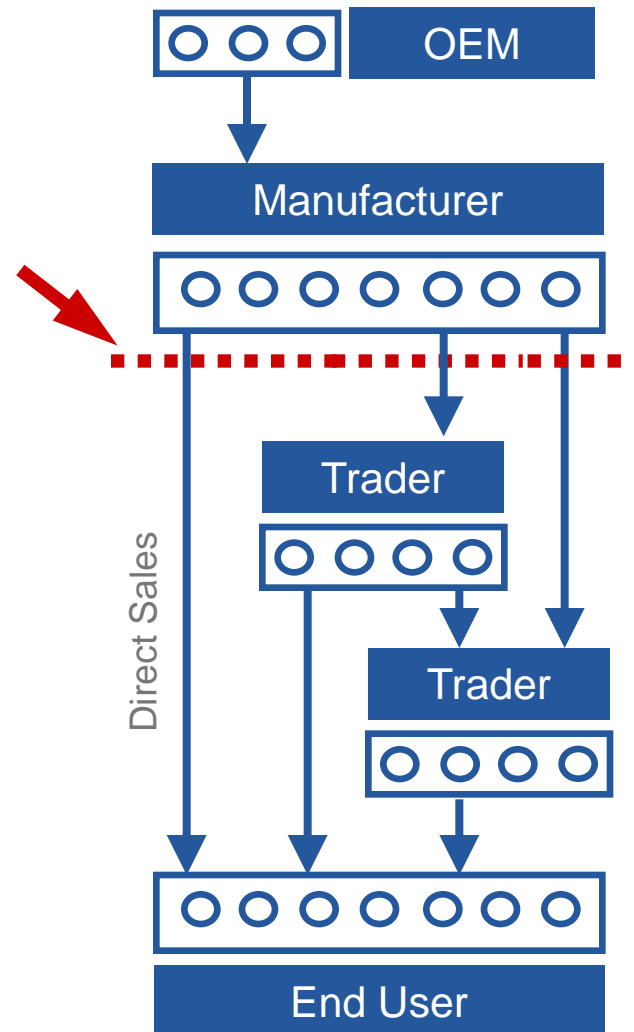
Market per Country by...



For each segment the total market of the last two years and forecasts for the next three years will be available in the study

Interconnection measures the total sales at street prices without VAT per branch to the first buyer (without OEM)

Sales are segmented by the first distribution partner.

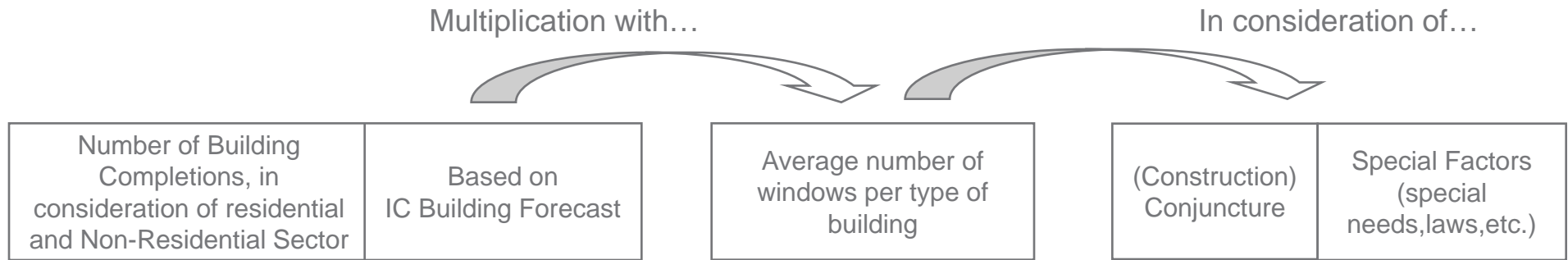


The basis for the analysis were interviews conducted with the most important manufacturers of the branches, who donated information through written questionnaires or telephone interviews. In return, cooperating companies receive parts for free, which guarantees a high rate of return.

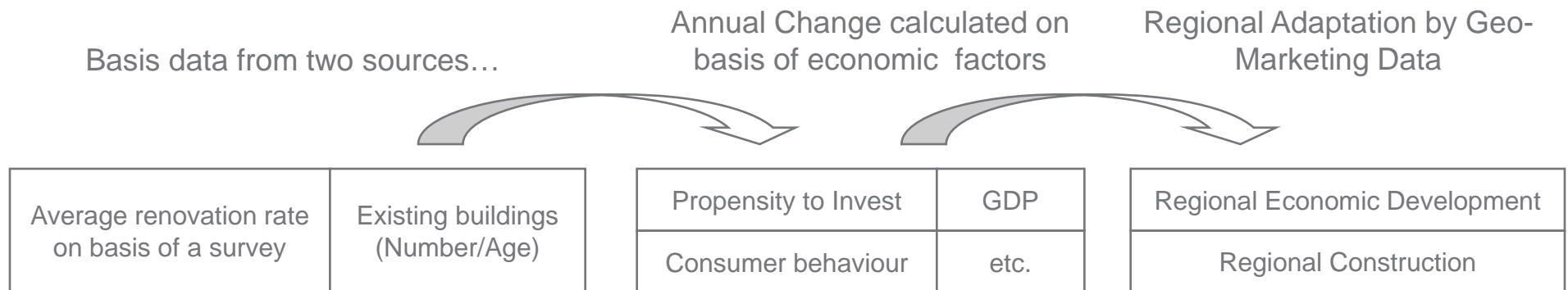
Interviews with distributors and specialised traders act as a cross-check of the data. In addition, investigations of listings and average prices are carried out.

Calculation and Forecasting Method

Window Market New Construction



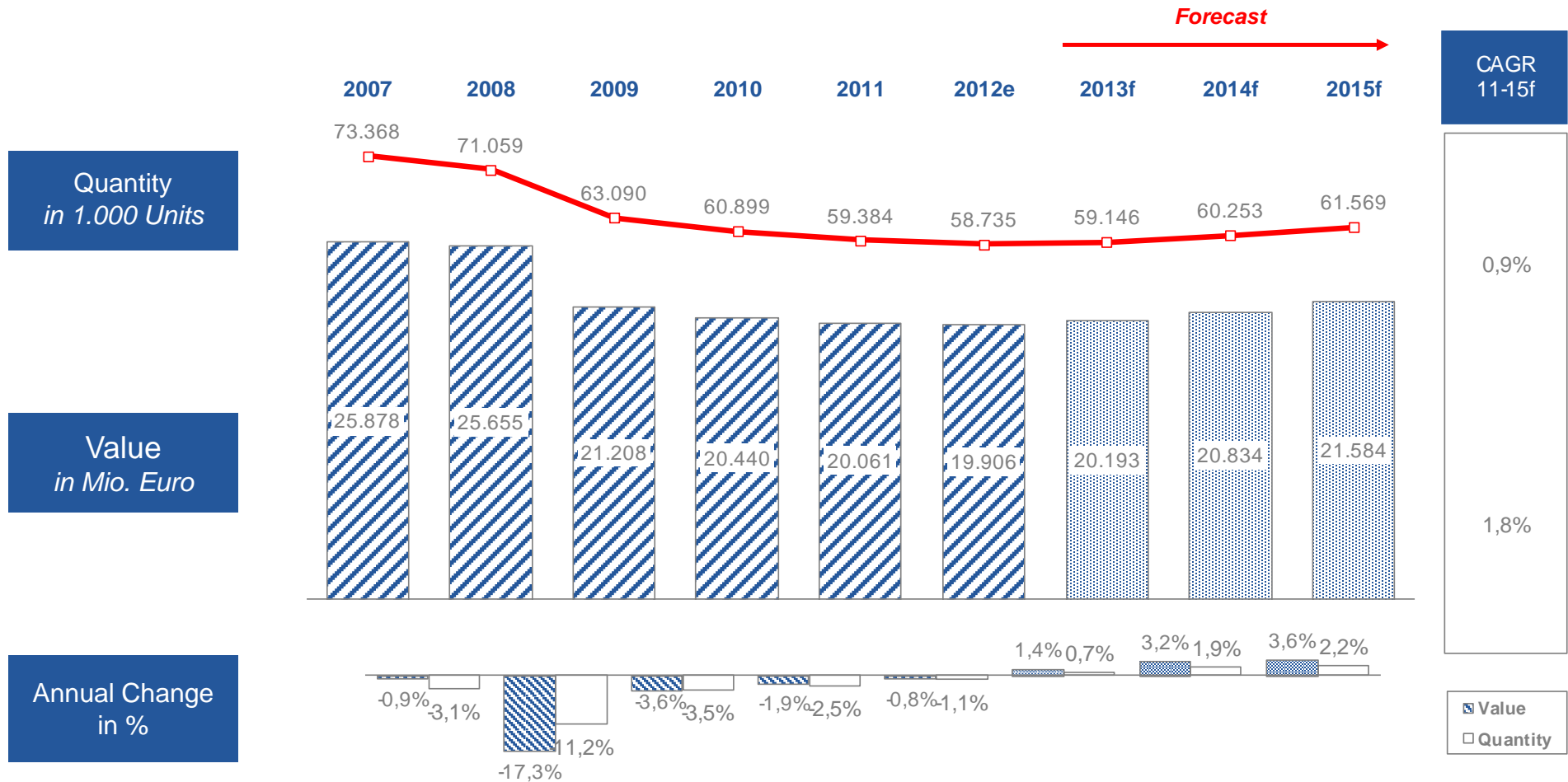
Window Market Renovation





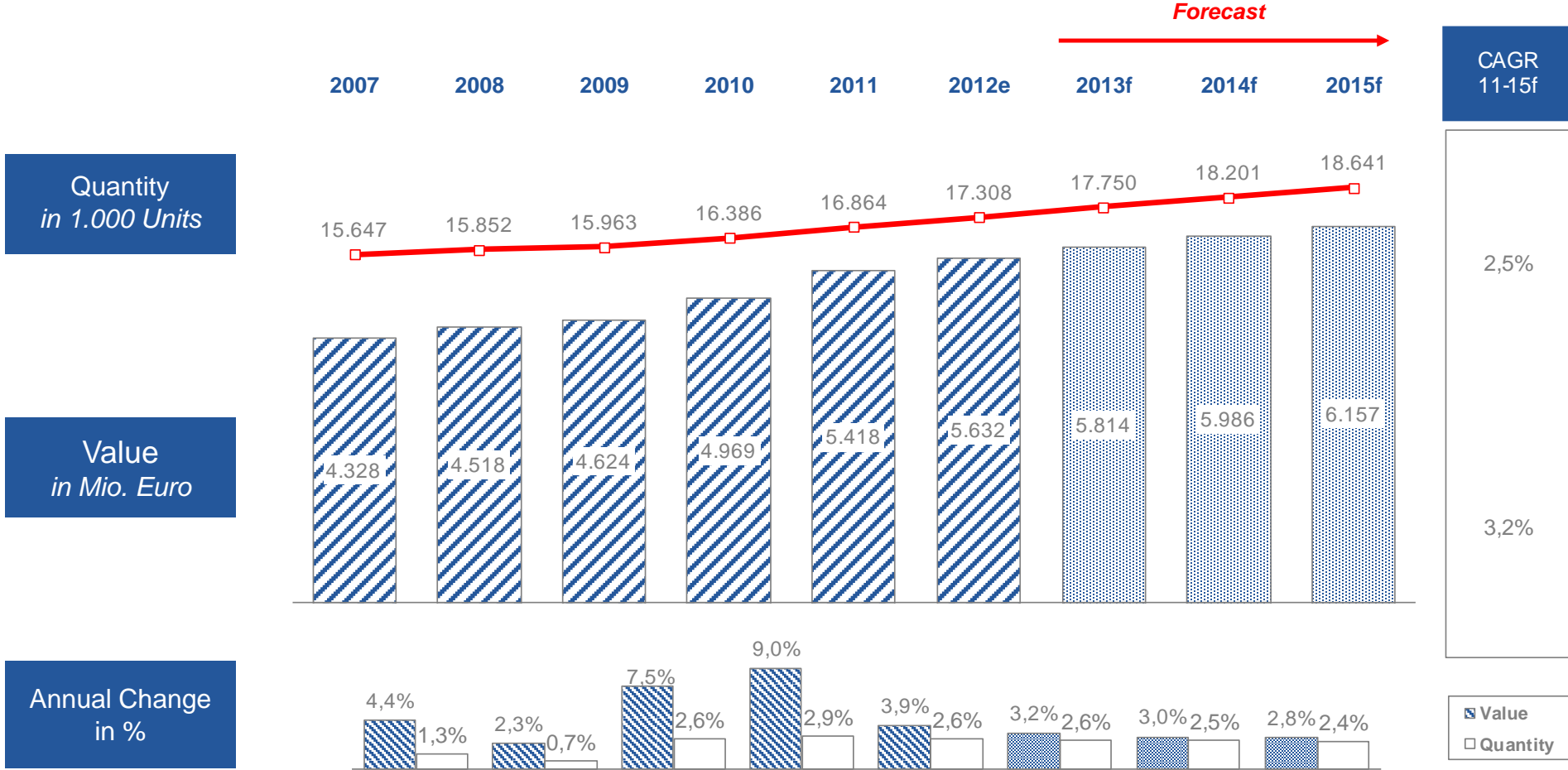
-5,1% Annually from 2007 – 2011 in Terms of Quantity

Western Europe: Window Market 2007 - 2015f, Quantity in 1.000 Units, Value in Mio. Euro



Ain't No Crisis in German Speaking Countries

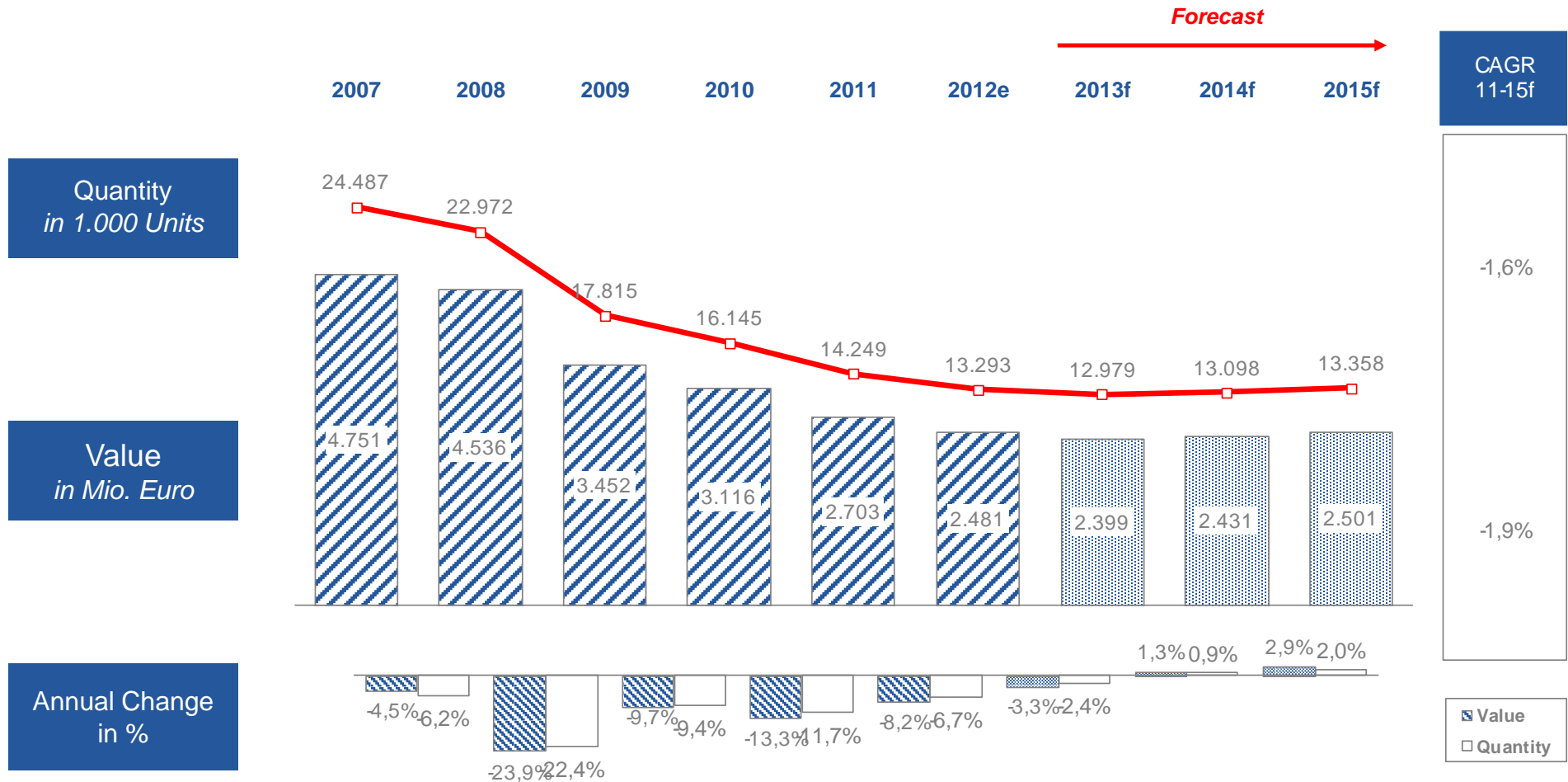
GER, AUT, SUI: Window Market 2007 - 2015f, Quantity in 1.000 Units, Value in Mio. Euro





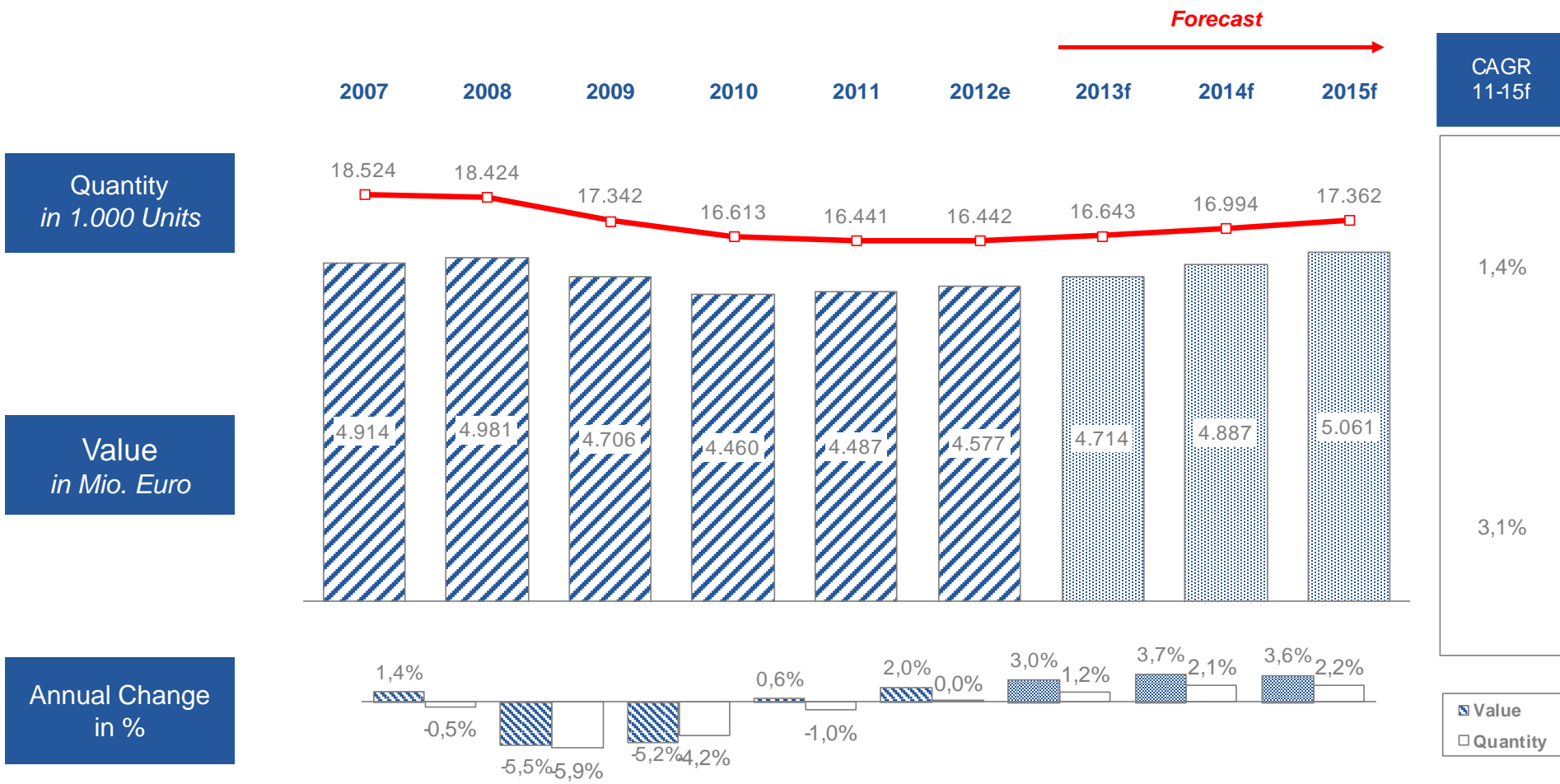
Double-Digit Decline throughout Recent Years

ITA, ESP, POR, GRE: Window Market 2007 - 2015f, Quantity in 1.000 Units, Value in Mio. Euro



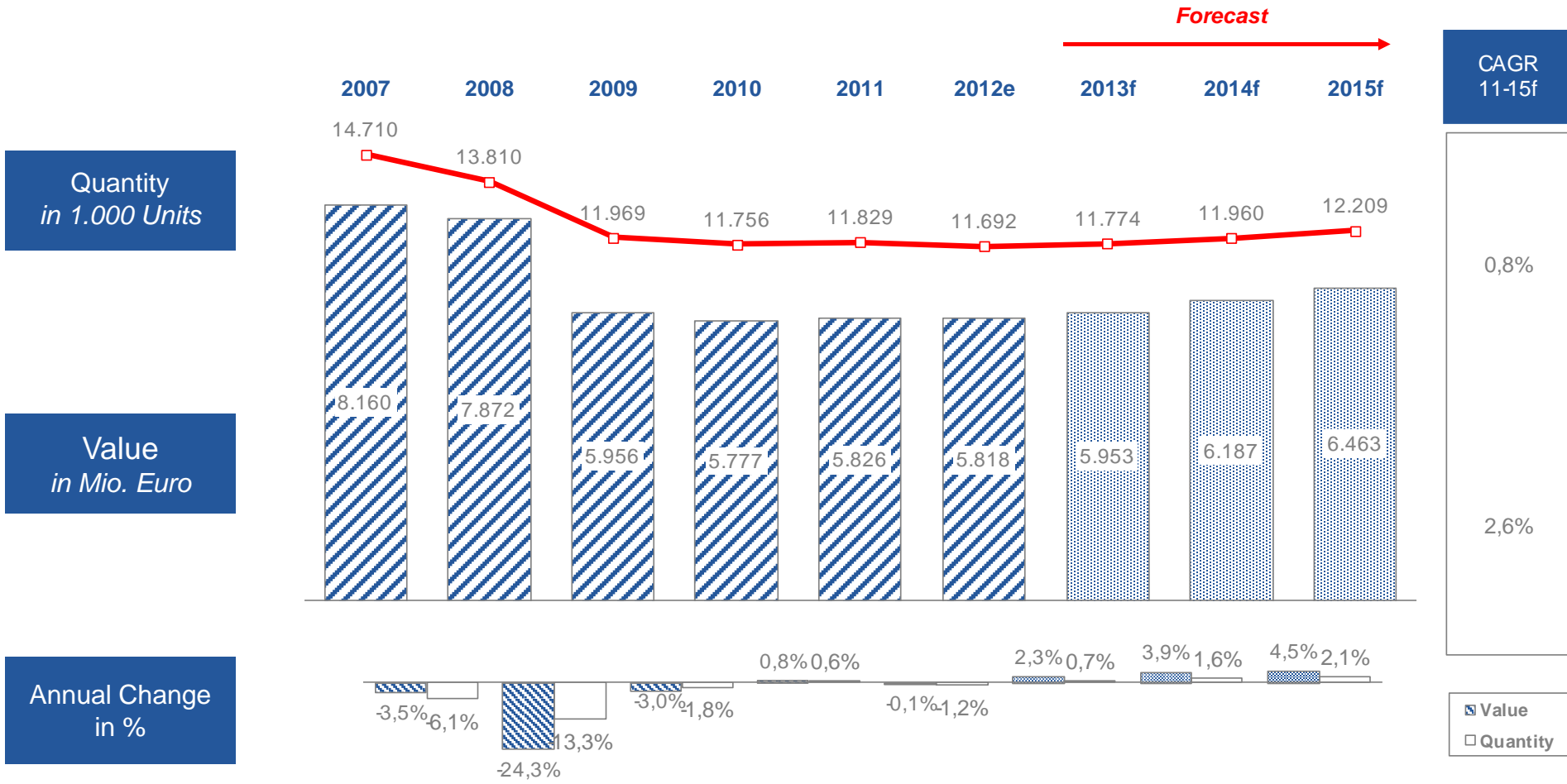
From Decline to Stagnation

FRA, LUX, NED, BEL: Window Market 2007 - 2015f, Quantity in 1.000 Units, Value in Mio. Euro



Stagnation in Ireland and the UK

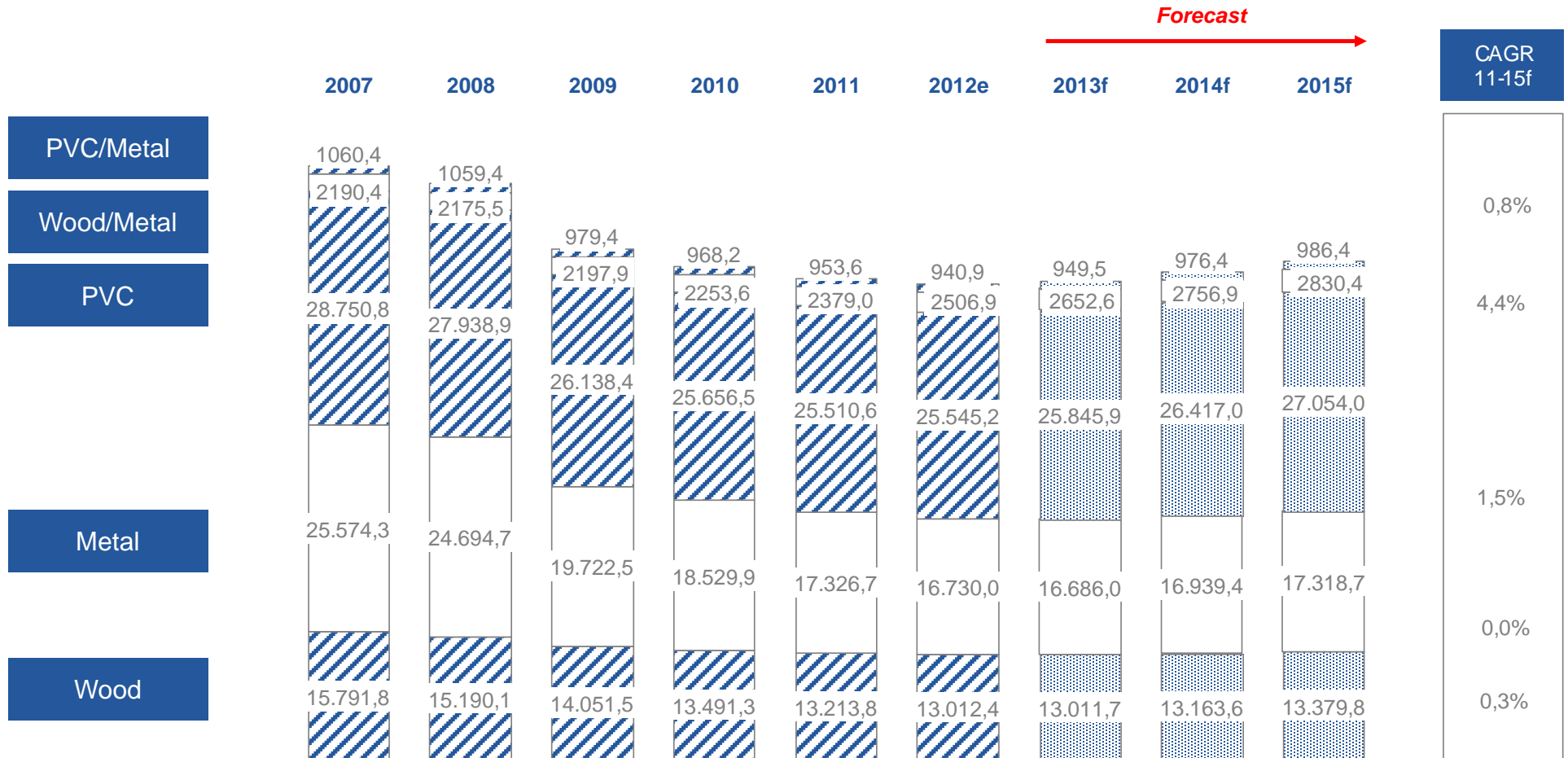
UK, IRL: Window Market 2007 - 2015f, Quantity in 1.000 Units, Value in Mio. Euro





Wood/Metal performs at Expense of Wood & Metal

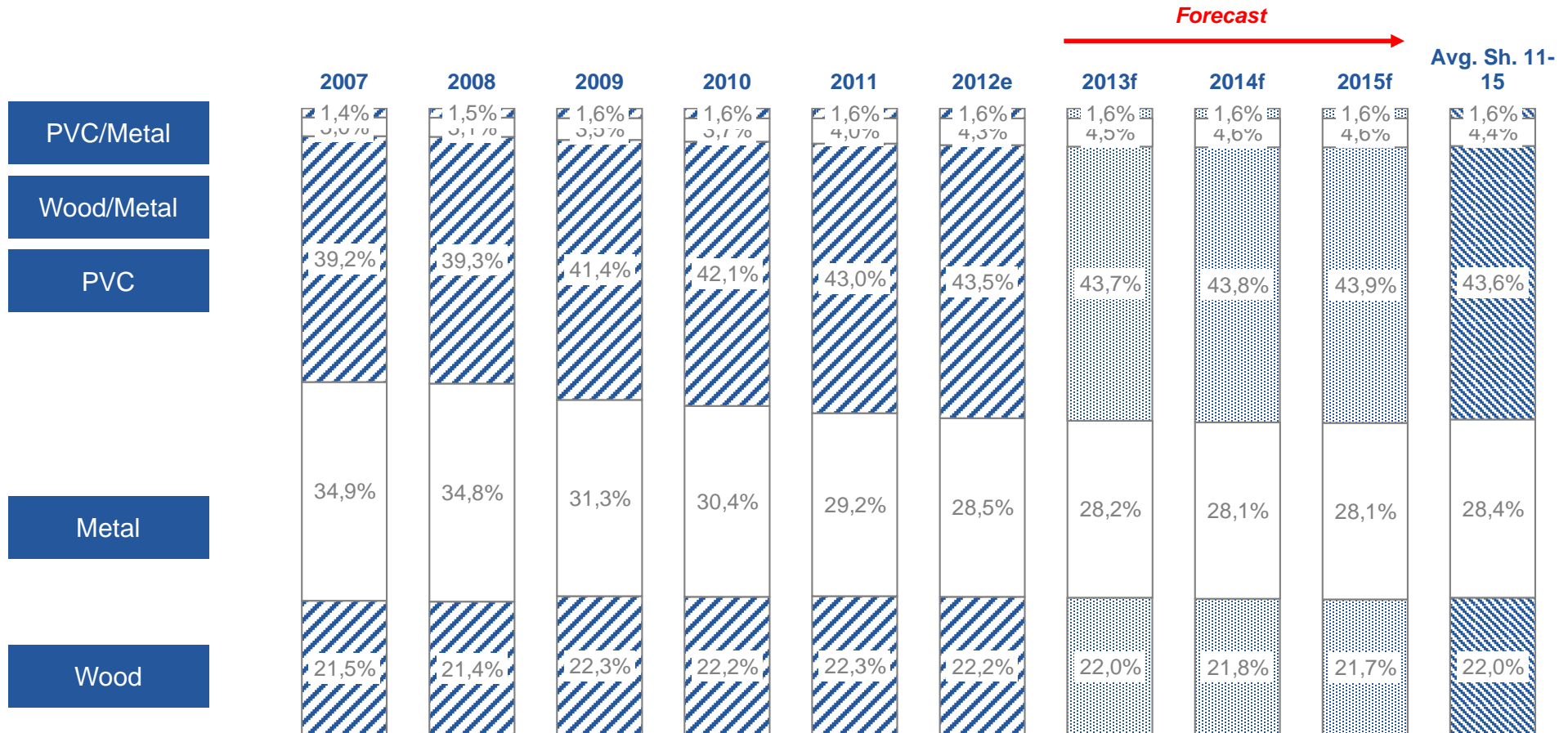
Frame Materials: Window Market 2007 - 2015f, Quantity in 1.000 Units





Holz-Metall steigt langsamer als in der Vergangenheit

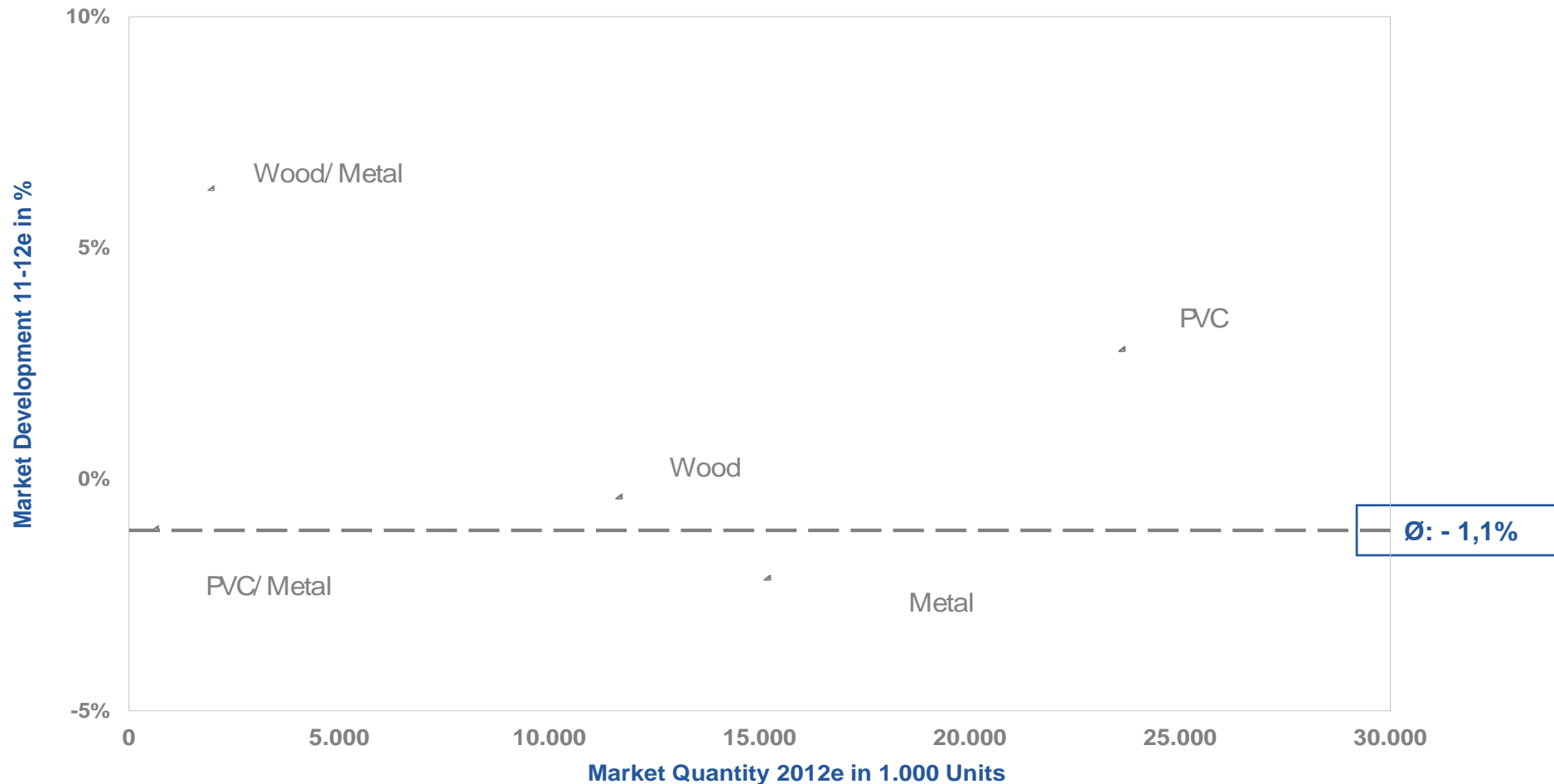
Frame Materials: Window Market 2007 - 2015f, Market Shares in Terms of %





Wood/Metal Most Dynamic Material in 2012

Frame Materials: IC-Bubble Chart / Market Development in Terms of Quantity

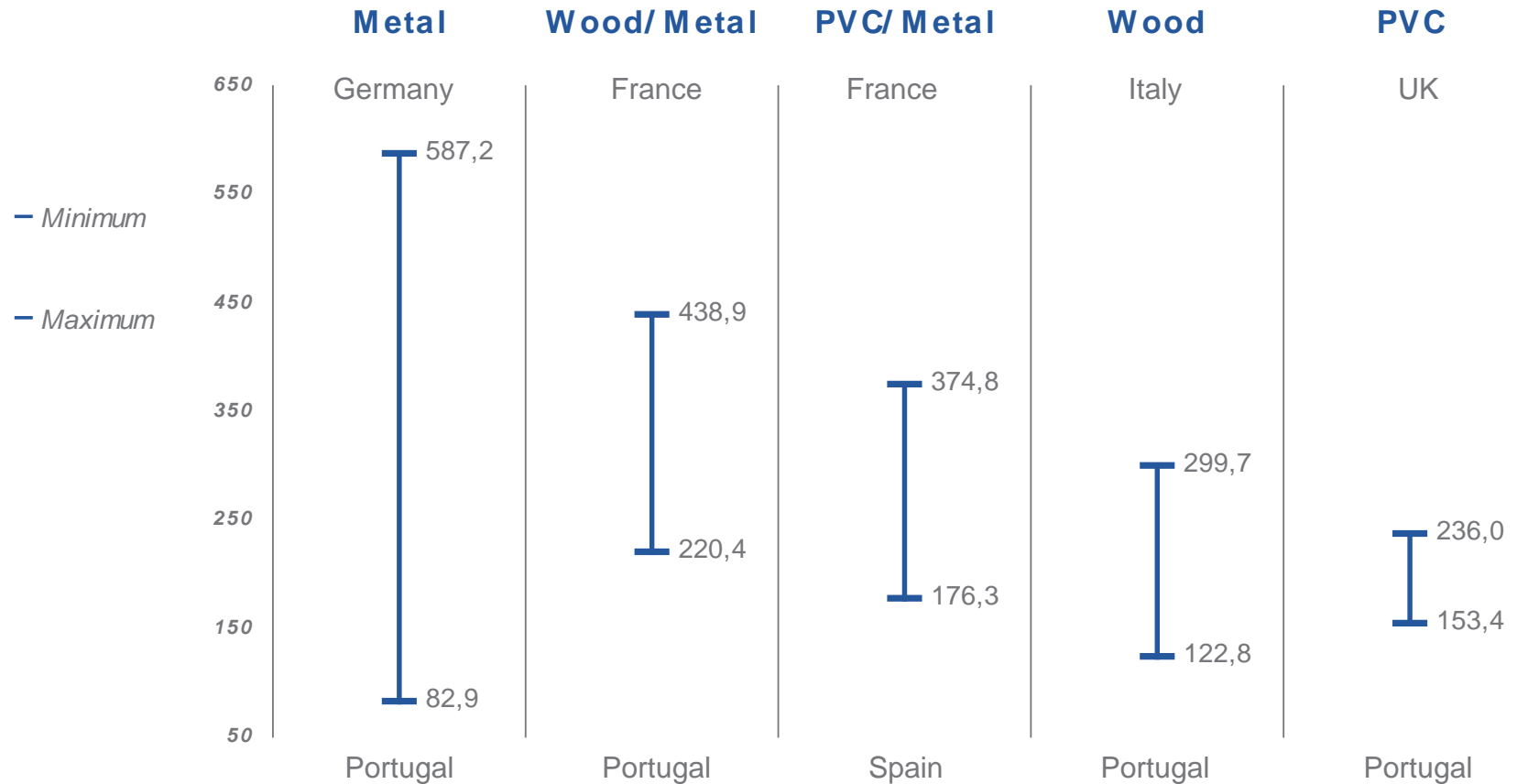




Prices in Western Europe Range Between 82,9 and

587,2

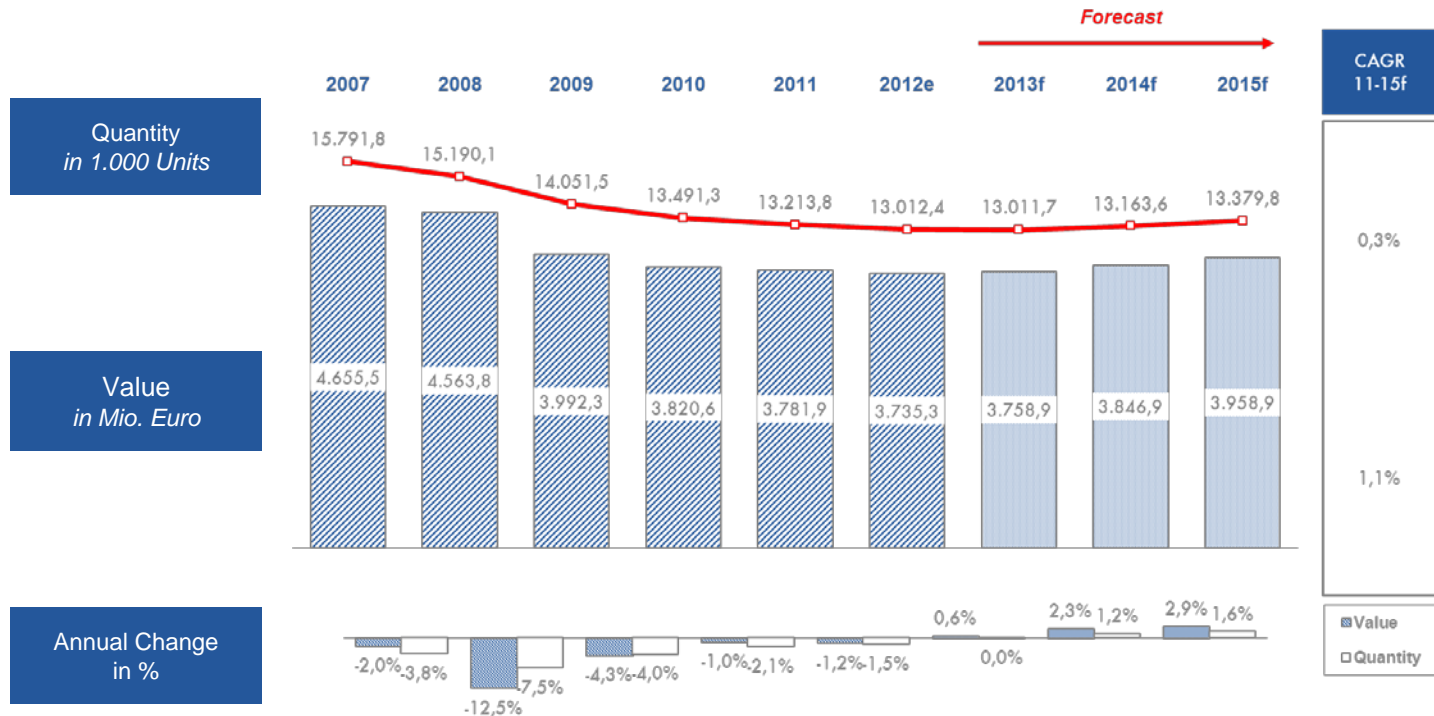
Average Prices by Frame Material 2011





No Real Recovery for Wood Windows

Wood: Window Market 2007 - 2015f, Quantity in 1.000 Units, Value in Mio. Euro

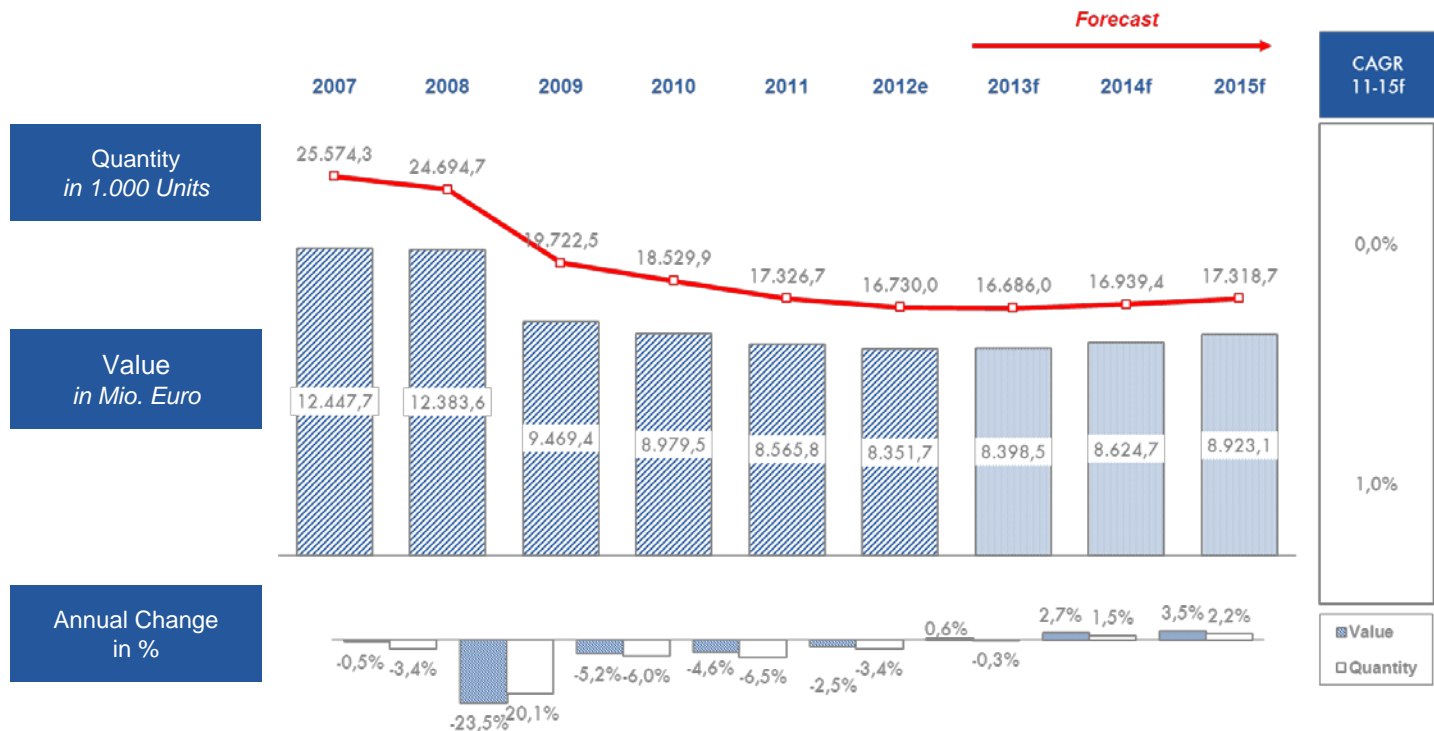


- Windows made of wood are very popular in colder regions, because they offer a good performance in regards to insulation.

- Wood windows compete directly with wood/metal windows to which they have been constantly losing market shares in recent years.

Zero Growth for Metal Forecasted

Metal: Window Market 2007 - 2015f, Quantity in 1.000 Units, Value in Mio. Euro

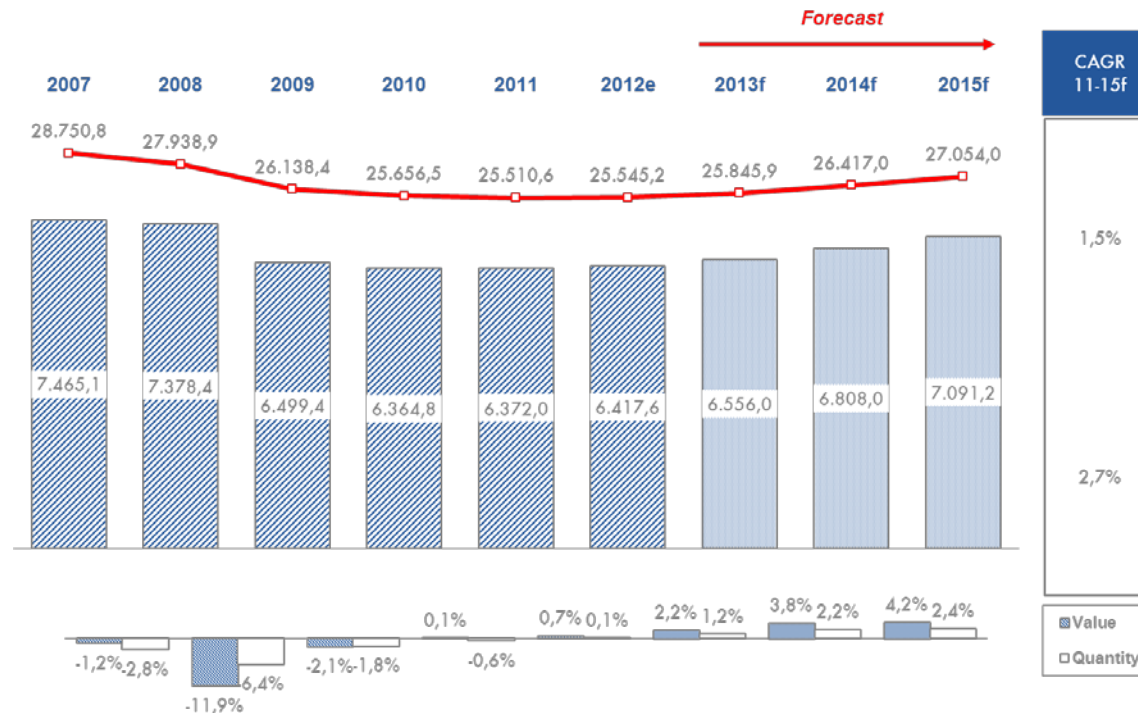


- Metal Windows provide a bad performance in regards to energy efficiency. However, they can be found often in Southern Europe where their weak performance does not matter.

- The reason of the huge decline of metal windows is rooted in the tremendous drops of the construction markets in Southern Europe, especially on the Iberian Peninsula.

Only One Year of Double-Digit Decline

PVC: Window Market 2007 - 2015f, Quantity in 1.000 Units, Value in Mio. Euro



- As PVC windows cover a big share of the total market in Germany, Austria and Switzerland, their decline was not so dramatic.

- PVC windows are very popular in German speaking countries, in Eastern Europe as well as in the UK and Ireland.
- Prices for PVC are among the lowest of all product groups.

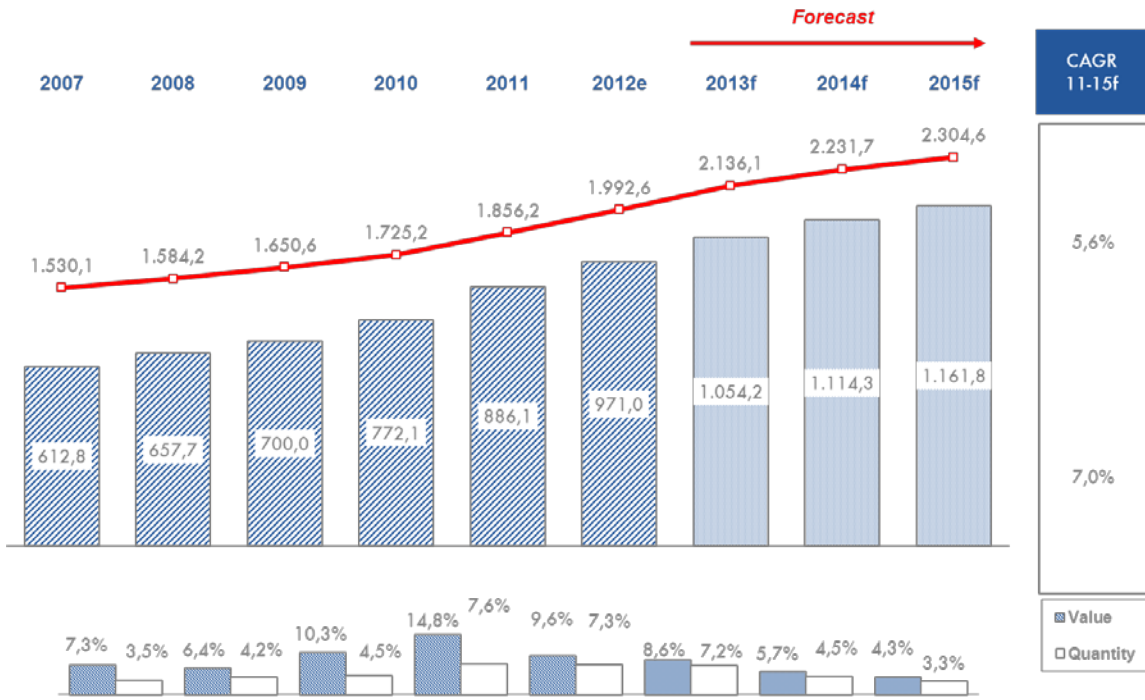
Wood/Metal Is Advancing Fast

Wood-Metal: Window Market 2007 - 2015f, Quantity in 1.000 Units, Value in Mio. Euro

Quantity
in 1.000 Units

Value
in Mio. Euro

Annual Change
in %

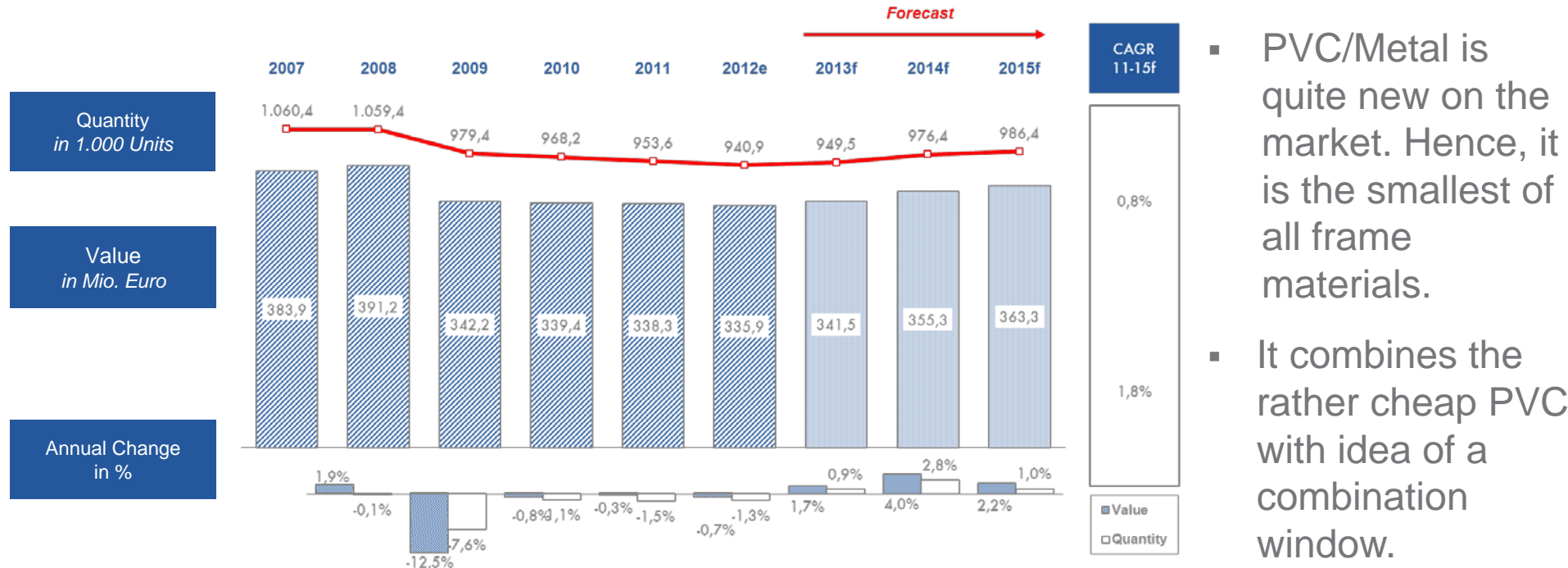


- Wood/Metal is known to have the best insulation.
- In connection to triple glazing types these windows are perfectly suited for the Passivhaus and low energy houses.

- In the long-term this frame material is expected to squeeze wood out of the market and advance to the 3rd biggest frame material

The Smallest of All Markets

PVC-Metal: Window Market 2007 - 2015f, Quantity in 1.000 Units, Value in Mio. Euro



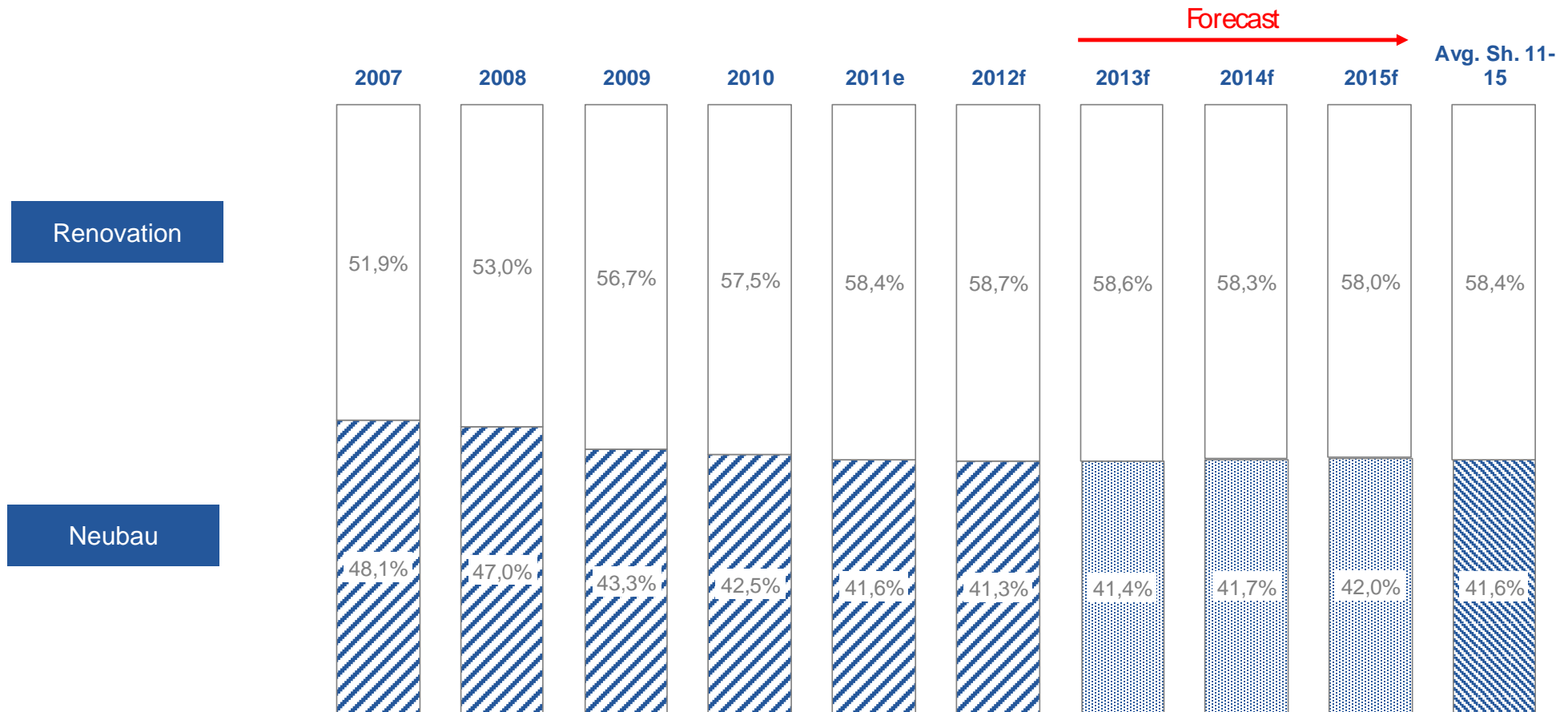
- This frame material provides high growth rates, but will remain a niche product in the upcoming years.

- PVC/Metal is quite new on the market. Hence, it is the smallest of all frame materials.
- It combines the rather cheap PVC with idea of a combination window.



Renovation Segment Gaining Shares

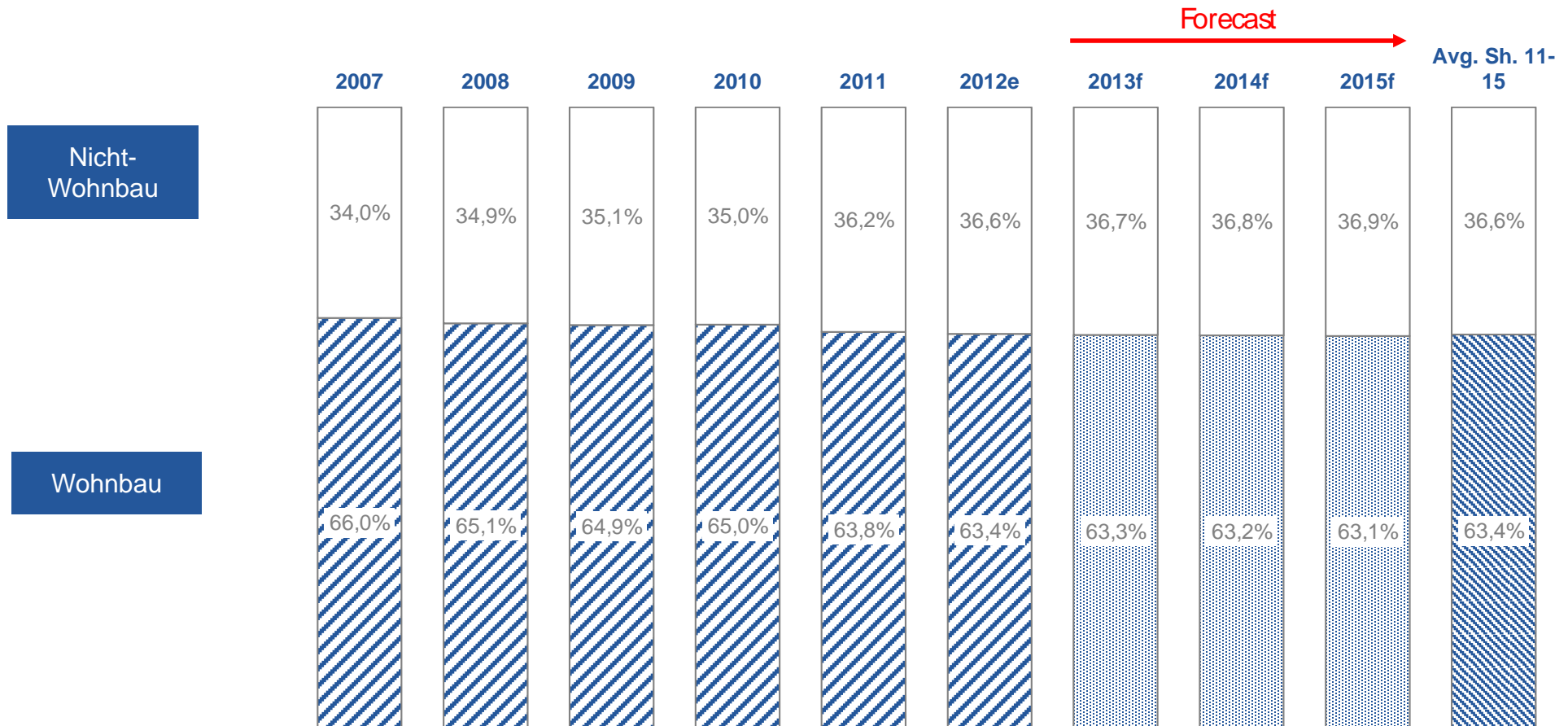
Business Segment: Window Market 2007 - 2015f, Quantity in %





Non-Residential Sector Outnumbered

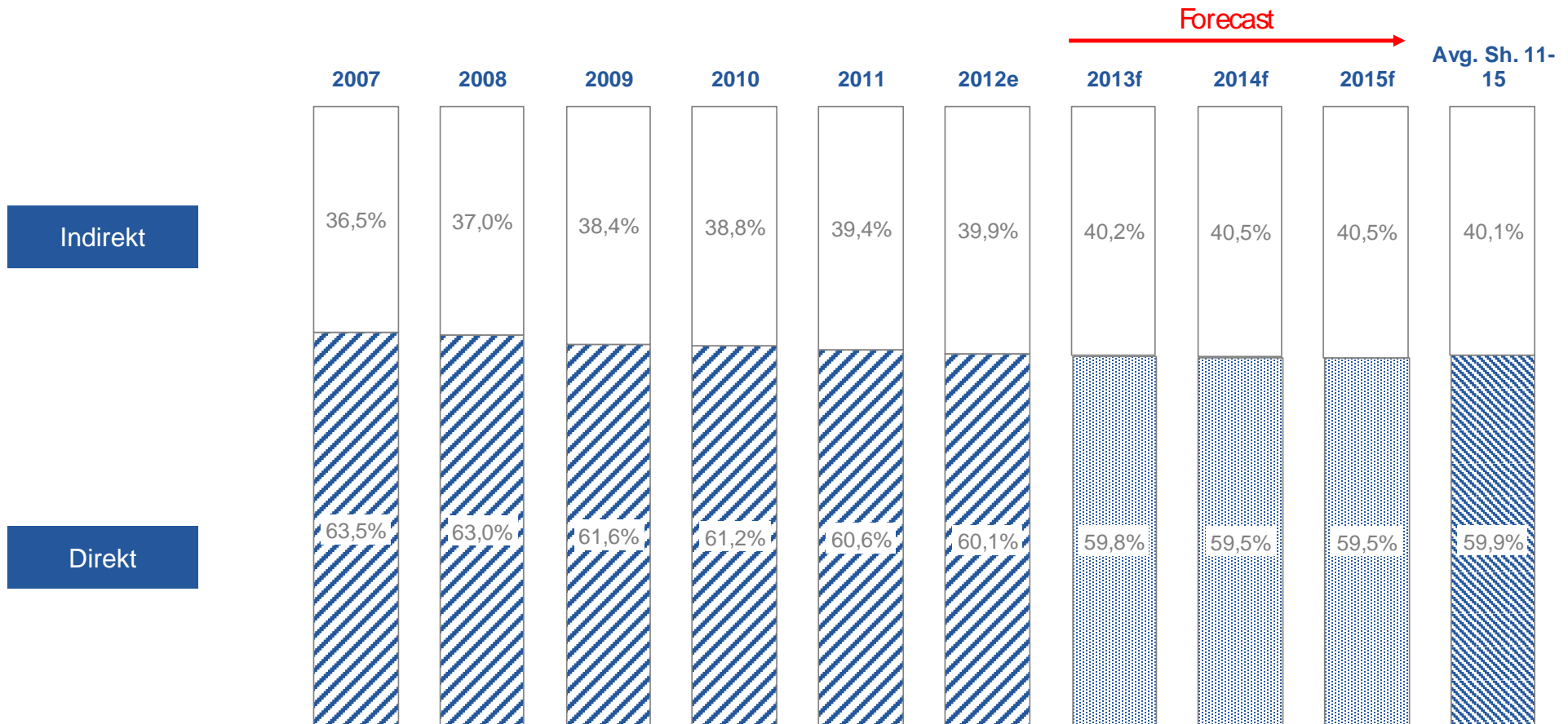
Customer Segment: Window Market 2007 - 2015f, Quantity in %





More Indirect Sales in the Future

Distribution: Window Market 2007 - 2015f, Quantity in %



For further questions
please do not hesitate to contact us!

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