



## **Hunter Douglas Reports First Half 2002 Results 1.1% Lower Sales and 6.7% Lower Profits**

*Rotterdam, 8 August 2002* – Hunter Douglas, the world market leader in window coverings (Luxaflex®), and a major manufacturer of architectural products (Luxalon®) reports results for the first half 2002.

Sales were EUR 857.6 million, 1.1% lower than EUR 867.1 million in the first half of 2001. The sales decrease reflects 1.1% volume decrease, negative currency impact of 1.0% and a contribution from acquisitions of 1.0%. All regions had flat or lower volume with the exception of Asia, where sales were slightly higher.

Europe accounted for 34% of sales, North America 53%, Latin America and Asia 5% each and Australia 3%. Window coverings were 88% and architectural and other products 12% of total sales.

Net profit was EUR 53.3 million, 6.7% lower than EUR 57.1 million in the first half of 2001. Net profit per average outstanding common share decreased to EUR 1.31, compared to EUR 1.38 for the first 6 months of 2001, adjusted for stock dividends.

Capital expenditures in the first half year 2002 were EUR 31 million compared with EUR 50 million during the same period last year, while depreciation was EUR 31 million.

The investment portfolio gained 3.4% in USD in the first half year and had a book value per June 30, 2002 of EUR 308 million. Net investment income, after deduction of provisions, imputed interest, and expenses was EUR 2.3 million. Management of these assets is delegated to a widely diversified range of independent managers.

Shareholder's equity decreased to EUR 833 million, 0.7% down from EUR 839 million at the end of 2001.

Hunter Douglas had approximately 14,500 employees at the end of June 2002.

The shareholder's meeting of June 11, 2002 approved the distribution of a cash dividend of EUR 1.13 per common share with an option for each shareholder to receive, in lieu of cash, a stock dividend. Dividends were distributed July 5, 2002.

### **Second quarter 2002**

In the second quarter, sales decreased in all regions, with the exception of Asia and Australia, where sales were flat. Second quarter sales were EUR 472.2 million, 5.6% lower than EUR 500.4 million reported for the same period last year. The decrease reflects 1.9% volume decrease, negative currency impact of 4.6% and 0.9% contribution from acquisitions. Net profit in the second quarter was EUR 33.0 million, 6.5% lower than EUR 35.3 million in the second quarter 2001. Profits decreased in all regions, except in Latin America and Asia where profits were higher.

### **Results by Region for the first half year 2002**

#### **European Operations**

Sales in Europe decreased by 1.0% to EUR 292 million, of which 0.7% was due to volume decrease and 0.3% to unfavorable currency effects.

**Hunter Douglas'** sales in the Benelux, U.K., Ireland and Spain were higher. Window Covering retail sales were strong while project sales, particularly for Architectural Products, were weaker.

Vertical and Roller Blinds, incorporating the new EOS® hardware systems, are gaining market share and positively influencing fabric sales.

**Nedal**, the Dutch-based aluminium extrusion operation, had lower sales but higher profits.

#### **North America**

North American sales were off by 0.7% to EUR 452 million, of which 1.1% was due to volume decrease and 1.6% to unfavorable currency effects, while acquisitions contributed 2.0%.

Empire, a Californian based fabricator of custom window coverings, was acquired in January to increase penetration in the affluent retail markets of the western U.S.

New products and dealer sampling programs were successfully introduced in several key categories, including wood blinds, shutters and honeycomb shades.

The Hunter Douglas Gallery, a select dealer alliance and display program, was expanded rapidly to major North American markets.

### **Outlook**

Economic conditions are expected to remain difficult during the remainder of 2002 and the outlook is uncertain. Hunter Douglas, therefore, does not make any forecast for the full year.

On a longer term basis the company continues to be optimistic, given its strong position in terms of products, distribution, organization and finances.

### **Profile**

Hunter Douglas is the world leader in window coverings and a major manufacturer of architectural products. Hunter Douglas has its head office in Rotterdam, The Netherlands, and a Management Office in Lucerne, Switzerland. The Group is comprised of 147 companies with 63 manufacturing and 84 assembly organizations in more than 100 countries.

The shares of Hunter Douglas N.V. are traded on the Dutch, Swiss and German stock exchanges and as ADR's on the over the counter market in New York.

- [Consolidated Statement of Income \(Annex 1\)](#)
- [Balance Sheet \(Annex 2\)](#)
- [Sales change attribution percentages by geographic region for the second quarter and first half-year \(Annex 3\)](#)

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