

For release: March 11, 2015  
08.00 hrs

### **HUNTER DOUGLAS RESULTS 2014**

**Rotterdam, March 11, 2015** – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for 2014:

- . **Sales:** 2.2% higher to USD 2.695 billion, compared with USD 2.636 billion in 2013.
- . **Earnings before interest, tax, depreciation and amortization (before non-recurring restructuring expenses) - EBITDA:** USD 282.3 million, 8.2% higher than USD 260.9 million in 2013.
- . **Income from Operations (before non-recurring restructuring expenses):** 13.5% higher to USD 193.3 million, compared with USD 170.3 million in 2013. Results were better in all areas, except in North America where they were level and Latin America where they were lower.
- . **Non-recurring restructuring expenses:** USD 23.0 million, compared with USD 11.5 million in 2013. These expenses mainly relate to North America and Europe.
- . **Profit before Tax:** USD 151.8 million, 12.0% higher than USD 135.5 million in 2013.
- . **Total Net Profit:** USD 125.0 million (per share EUR 2.71), 16.7% higher than USD 107.1 million in 2013 (per share EUR 2.32).

**Sales:** The 2.2% sales increase reflects a 3.9% volume increase and a 1.7% negative currency impact. Volume increased in all areas.

North America accounted for 43% of sales, Europe 38%, Latin America 9%, Asia 7% and Australia 3%. Window coverings were 81% and architectural and other Products were 19% of sales.

**Investment Portfolio:** In November an Investment Portfolio of about USD 100 million was restarted on the same basis as previously. In 2015 the Portfolio will be increased to USD 200 million at cost.

**Operating cash flow:** USD 152 million, compared with USD 220 million in 2013.

**Capital expenditures** were USD 73 million, compared with USD 69 million in 2013, while depreciation was USD 82 million, compared with USD 83 million in 2013. In 2015 capital expenditures will be about USD 65 million and depreciation USD 80 million.

**Shareholders' equity** was USD 1,050 million, compared with USD 1,124 million at the end of 2013. The 2014 earnings were negatively offset by exchange translation, the payment of a dividend (USD 59 million) and by an increased actuarial provision on pension plans.

**Financing:** All borrowings are covered by committed long term facilities.

## **Return before interest on Net Assets Employed – RONA**

**(before non-recurring restructuring expenses):** 12.3% compared with 10.4% in 2013.

**Employees:** The company had approximately 16,500 employees at the end of 2014.

**Dividend:** The Board of Directors proposes a dividend for 2014 of EUR 1.35 per common share, compared with EUR 1.25 last year.

## **Q4 2014**

**Q4 Sales** were USD 682 million, 0.2% higher than USD 681 million in the same period of 2013. This reflects a 5.2% volume increase and a negative currency impact of 5.0%. Sales in local currencies were higher in all areas, except in Europe where they were level and in Latin America where they were lower.

## **Q4 Earnings before interest, tax, depreciation and amortization – EBITDA**

was USD 77.3 million, compared with USD 76.5 million in Q4 2013.

**Q4 Income from Operations (before non-recurring restructuring expenses)** was USD 52.6 million, compared with USD 54.7 million in Q4 2013. Results were better in all areas, except in Latin America.

**Q4 Non-recurring restructuring expenses:** USD 17.0 million, compared with USD 11.5 million last year. These expenses mainly relate to North America and Europe.

**Q4 Total Net Profit:** USD 27.3 million (per share EUR 0.63), compared with USD 21.6 million in Q4 2013 (per share EUR 0.45).

## **Total year 2014 by Region**

### **Europe**

European operations had higher sales and significantly improved results.

European sales were USD 1,022 million, 2% higher than USD 1,006 million in the same period last year. This reflects a 2% volume increase. In EUR, sales increased by 2% to EUR 771 million, compared with EUR 757 million in 2013.

### **North America**

North American sales were higher while profits were level.

Sales increased by 5% to USD 1,155 million, due to a 6% increase in volume and a 1% negative currency impact.

### **Latin America**

Latin American operations had higher sales but lower operational profits in local currency.

Sales were USD 239 million, 7% lower than USD 257 million in the same period last year. This reflects a 4% volume increase, offset by a 11% negative currency impact.

### **Asia**

Asian operations had slightly higher sales and operational profits.

Sales were USD 186 million, 3% higher than USD 181 million in the same period last year, due to a 4% increase in volume offset by a 1% negative currency impact.

## **Australia**

Australian sales were USD 93 million, level compared with the same period last year, reflecting a 6% volume increase and a 6% negative currency impact.

## **Outlook**

We expect further improving economic conditions in the US and Asia, more difficult conditions in Latin America and an ongoing challenging environment in Europe until consumer confidence and housing markets recover.

Hunter Douglas is in a strong position in terms of its products, distribution, finances and management.

## **Profile Hunter Douglas**

Hunter Douglas is the world market leader in window coverings and a major manufacturer of architectural products. The Company has its Head Office in Rotterdam, the Netherlands, and a Management Office in Lucerne, Switzerland. The Group is comprised of 125 companies with 50 manufacturing and 75 assembly operations in more than 100 countries. The common shares of Hunter Douglas N.V. are traded on Amsterdam's Euronext and Deutsche Boerse.

## **For further information:**

Leen Reijtenbagh

Chief Financial Officer

Tel. +31 10 486 9582

E-mail : l.reijtenbagh@hdnv.nl

Website: [www.hunterdouglasgroup.com](http://www.hunterdouglasgroup.com)

A consolidated Statement of Income for the full year 2014 and Q4 2014 (Annex 1+2), Balance Sheet (Annex 3), Cash Flow Statement (Annex 4) and Sales change attribution percentages by geographic region for the full year 2014 and Q4 2014 (Annex 5) are attached.

## Annex 1

### CONSOLIDATED STATEMENT OF INCOME

Year ended December 31

(amounts in USD/mln)

	<u>2014</u>	%	<u>2013</u>	%
<b>Net sales</b>	<b>2,694.6</b>		2,636.2	
Cost of sales	<u>-1,573.5</u>		<u>-1,530.1</u>	
Gross profit	<b>1,121.1</b>	<b>41.6</b>	1,106.1	42.0
Gross profit Metals Trading	<u>21.4</u>		<u>16.1</u>	
<b>Total gross profit</b>	<b>1,142.5</b>	<b>42.4</b>	1,122.2	42.6
<b>Expenses:</b>				
-Marketing, A & P and selling	<u>-529.9</u>		<u>-535.5</u>	
-General and administrative	<u>-330.3</u>		<u>-325.8</u>	
Subtotal expenses	<u>-860.2</u>		<u>-861.3</u>	
<b>EBITDA</b>	<b>282.3</b>	<b>10.5</b>	260.9	9.9
Depreciation and amortization	<u>-89.0</u>		<u>-90.6</u>	
<b>Income from operations before non-recurring restructuring expenses</b>	<b>193.3</b>	<b>7.2</b>	170.3	6.5
Non-recurring restructuring expenses	<u>-23.0</u>		<u>-11.5</u>	
<b>Income from operations after non-recurring restructuring expenses</b>	<b>170.3</b>	<b>6.3</b>	158.8	6.0
Interest received	1.8		0.8	
Interest paid	<u>-24.0</u>		<u>-25.4</u>	
Non-operational exchange result	1.5		0.3	
Other financial income	0.6			
Net result investment portfolio	1.6		1.0	
<b>Income before taxes</b>	<b>151.8</b>		135.5	
Taxes on income	<u>-26.9</u>		<u>-28.9</u>	
<b>Profit before minority interest</b>	<b>124.9</b>		106.6	
Minority interest	<u>0.1</u>		<u>0.5</u>	
<b>Net profit</b>	<b>125.0</b>	<b>4.6</b>	107.1	4.1
<b>Net profit per average common share</b>	<b>3.59</b>		3.08	
<b>Net profit per average common share - fully diluted</b>	<b>3.59</b>		3.08	

## Annex 2

### CONSOLIDATED STATEMENT OF INCOME

Q4 ended December 31

(amounts in USD/mln)

	<u>2014</u>	%	<u>2013</u>	%
<b>Net sales</b>	<b>682.4</b>		680.7	
Cost of sales	<u>-398.6</u>		<u>-389.5</u>	
Gross profit	<b>283.8</b>	<b>41.6</b>	291.2	42.8
Gross profit Metals Trading	<u>9.0</u>		<u>1.4</u>	
<b>Total gross profit</b>	<b>292.8</b>	<b>42.9</b>	292.6	43.0
<b>Expenses:</b>				
-Marketing, A & P and selling	<u>-131.1</u>		<u>-140.5</u>	
-General and administrative	<u>-84.4</u>		<u>-75.6</u>	
Subtotal expenses	<b>-215.5</b>		<b>-216.1</b>	
<b>EBITDA</b>	<b>77.3</b>	<b>11.3</b>	76.5	11.2
Depreciation and amortization	<u>-24.7</u>		<u>-21.8</u>	
<b>Income from operations before non-recurring restructuring expenses</b>	<b>52.6</b>	<b>7.7</b>	54.7	8.0
Non-recurring restructuring expenses	<u>-17.0</u>		<u>-11.5</u>	
<b>Income from operations after non-recurring restructuring expenses</b>	<b>35.6</b>	<b>5.2</b>	43.2	6.3
Interest received	<u>1.0</u>		<u>0.2</u>	
Interest paid	<u>-6.5</u>		<u>-8.7</u>	
Non-operational exchange result	<u>0.4</u>		<u>0.6</u>	
Other financial income	<u>0.1</u>		<u>0.1</u>	
Net result investment portfolio	<u>1.6</u>		<u>0.1</u>	
<b>Income before taxes</b>	<b>32.2</b>		35.4	
Taxes on income	<u>-5.8</u>		<u>-14.1</u>	
<b>Profit before minority interest</b>	<b>26.4</b>		21.3	
Minority interest	<u>0.9</u>		<u>0.3</u>	
<b>Net profit</b>	<b>27.3</b>	<b>4.0</b>	21.6	3.2
<b>Net profit per average common share</b>	<b>0.78</b>		0.62	
<b>Net profit per average common share - fully diluted</b>	<b>0.78</b>		0.62	

## Annex 3

### CONSOLIDATED BALANCE SHEET

As per December 31

(amounts in USD/mln)

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible fixed assets	318.6	315.5
Tangible fixed assets	497.9	560.2
Other financial non-current assets	<u>174.3</u>	<u>133.5</u>
<b>Total fixed assets</b>	<b>990.8</b>	1,009.2
<b>Current assets</b>		
Inventories	650.5	631.7
Accounts receivable		
-Trade	379.3	391.2
-Other	169.5	146.0
Investment portfolio	116.0	2.4
Cash and other short-term deposits	<u>32.3</u>	<u>32.2</u>
<b>Total current assets</b>	<u><b>1,347.6</b></u>	<u>1,203.5</u>
	<u><b>2,338.4</b></u>	<u><b>2,212.7</b></u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Capital stock	10.3	11.7
Additional paid-in capital	85.9	97.4
Retained earnings	<u>954.1</u>	<u>1,014.6</u>
<b>Total shareholders' equity</b>	<b>1,050.3</b>	1,123.7
Minority interest	<u>14.1</u>	<u>16.8</u>
<b>Total Group equity</b>	<b>1,064.4</b>	1,140.5
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	373.4	295.2
Preferred shares	10.0	11.4
Provisions	176.9	102.6
Deferred income tax liabilities	<u>1.6</u>	<u>2.3</u>
<b>Total non-current liabilities</b>	<b>561.9</b>	411.5
<b>Current liabilities</b>		
Trade and other payables	636.4	591.9
Interest-bearing loans and borrowings	<u>75.7</u>	<u>68.8</u>
<b>Total current liabilities</b>	<u><b>712.1</b></u>	<u>660.7</u>
	<u><b>2,338.4</b></u>	<u><b>2,212.7</b></u>

## Annex 4

### CONSOLIDATED CASH FLOW STATEMENT Year ended December 31 (amounts in USD/mln)

	<u>2014</u>	<u>2013</u>
<b>Net profit attributable to equity shareholders</b>	<b>125.0</b>	107.1
<b>Adjustments for:</b>		
Depreciation property, plant & equipment	82.0	83.3
Amortization patents & trademarks	7.0	7.3
Increase (decrease) provisions	11.5	-14.4
Non-cash items on loans and borrowings	-21.6	
Other non-cash items	-4.5	-14.9
Unrealized result investment portfolio	-1.6	-1.0
Operating cash flow before working capital changes	197.8	167.4
<b>Changes in working capital:</b>		
-increase trade and other receivables and prepayments	-22.5	-9.9
-(increase) decrease inventories	-63.7	52.1
-increase trade and other payables	40.3	10.1
<b>Operating cash flow</b>	<b>151.9</b>	219.7
Dividend paid	-59.0	-58.3
<b>Net cash from operations</b>	<b>92.9</b>	161.4
<b>Cash flow from investing activities</b>		
Investment subsidiaries, net of cash acquired	-32.0	-4.2
Investment intangible fixed assets	-1.2	-1.9
Investment property, plant and equipment	-73.3	-68.6
Divestment property, plant and equipment	21.2	9.6
(increase) decrease investment portfolio	-108.2	126.7
Increase other financial non-current assets	-9.9	-2.1
<b>Net cash from investing activities</b>	<b>-203.4</b>	59.5
<b>Cash flow from financing activities</b>		
Treasury shares		-0.9
Increase (decrease) interest-bearing loans and borrowings	115.8	-236.1
<b>Net cash from financing activities</b>	<b>115.8</b>	-237.0
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5.3</b>	-16.1
<b>Change in cash and cash equivalents</b>		
Balance at 1 January	32.2	49.7
Net increase (decrease) in cash and cash equivalents	5.3	-16.1
Exchange difference cash and cash equivalents	-5.2	-1.4
Balance at 31 December	32.3	32.2

## Annex 5

### PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

2014 vs 2013

Area	Volume	Currency	Acquisitions	Total
Europe	2	0	0	2
North America	6	-1	0	5
Latin America	4	-11	0	-7
Asia	4	-1	0	3
Australia	6	-6	0	0
<b>Total</b>	<b>4</b>	<b>-2</b>	<b>0</b>	<b>2</b>

### PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

Q4 2014 vs Q4 2013

Area	Volume	Currency	Acquisitions	Total
Europe	0	-8	0	-8
North America	14	-1	0	13
Latin America	0	-11	0	-11
Asia	-8	-2	0	-10
Australia	4	-4	0	0
<b>Total</b>	<b>5</b>	<b>-5</b>	<b>0</b>	<b>0</b>