



Hunter Douglas first nine months 2008 results

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Rotterdam, November 4, 2008 – Hunter Douglas', the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for the first nine months 2008:

. **Sales:** 3.1% higher to USD 2,317.9 million compared with USD 2,248.4 million in the first nine months of 2007.

. **Income from Operations:** 27.4% lower to USD 175.7 million compared with USD 242.1 million in the first nine months of 2007.

. **Net profit from Operations:** 12.4% lower to USD 154.0 million compared with USD 175.8 million in the first nine months of 2007.

. **Net Result Investment Portfolio:** USD 84.7 million negative compared with USD 68.8 million positive in the first nine months of 2007.

. **Total Net Profit: USD 69.3 million;** compared with USD 244.6 million in the first nine months of 2007.

Sales were USD 2,317.9 million, 3.1% higher than USD 2,248.4 million in the first nine months of 2007. The sales increase reflects 5.2% volume decrease, 2.8% increase from acquisitions and 5.5% positive currency impact. Organic sales declined in all areas except in Latin America, where sales were higher.

Europe accounted for 45% of sales, North America 40%, Latin America 6%, Asia 6% and Australia 3%. Window Coverings were 83% and Architectural and Other Products were 17% of sales.

Income from Operations was USD 175.7 million, 27.4% lower than USD 242.1 million in the first nine months of 2007. In local currencies, Income from Operations was higher in Latin America and lower in all other areas.

Net Profit from Operations was USD 154.0 million, 12.4% lower than USD 175.8 million in the first nine months of 2007. Net profit from operations was higher in Latin America and lower in all other areas.

Included in last year's Net Profit from Operations was an extraordinary loss on the sale of the Vlissingen smelter of USD 23.7 million.

Net Result Investment Portfolio was USD 84.7 million negative (after deduction of imputed interest and expenses) compared with USD 68.8 million positive for the first nine months last year. The investment portfolio had a fair value on September 30, 2008 of USD 530 million compared with USD 935 million at the end of September 2007 and USD 849 million on December 31, 2007. The Portfolio's return in U.S. dollars (before imputed interest and expenses) was 16.3% negative compared with 12.2% positive for the comparable period last year. The 2008 results reflect the release of the Company's USD 72 million fair value adjustment for the investment portfolio.

The investment portfolio has been reduced by USD 225 million in the first half in order to finance half of the April share buy back and is being further reduced in the coming months to a level of about USD 200 mln.

Total Net Profit was USD 69.3 million, compared with USD 244.6 million in the first nine months of 2007. Net profit per average outstanding common share was USD 1.81 (EUR 1.19) compared with USD 5.84 (EUR 4.33) in the first nine months of 2007.

Capital expenditures were USD 89 million compared with USD 99 million in the first nine months of 2007, while depreciation was USD 65 million, compared with USD 60 million in the first nine months of 2007. For the full year capital expenditures are expected to be approximately USD 130 million and depreciation USD 90 million .

Shareholders' equity was USD 1,441 million compared with USD 1,964 million at the end of 2007, reflecting USD 463 million reduction due to the buy back and cancellation of 6,774,741 common shares, dividend payment of USD 112 million and negative exchange translation of USD 17 million, offset by the first nine months results.

Third Quarter 2008

Q3 Sales were USD 748.9 million, 3.2% lower than USD 773.9 million in the same period of 2007. This reflects 7.3% volume decrease, 1.7% contribution from acquisitions and a positive currency impact of 2.4%. Third quarter organic sales were lower in all areas, except in Latin America where sales were higher.

Q3 Income from Operations was USD 70.4 million, 18.4% lower than USD 86.3 million in the third quarter of 2007. In local currencies profits were higher in Latin America and lower in all other areas.

Q3 Net Profit from Operations was USD 58.0 million, 18.5% lower than USD 71.2 million in the third quarter of 2007. Net profit from operations were higher in Latin America and lower in all other areas.

Q3 Net Result Investment portfolio was USD 26.9 million negative (after deduction of imputed interest and expenses) compared with USD 3.3 million negative in the third quarter of 2007. The Portfolio's return in U.S. dollars in the third quarter of 2008 (before imputed interest and expenses) was 11.4% negative compared with 0.5% positive in the third quarter of 2007. The 2008 results reflect the release of the Company's USD 72 million fair value adjustment for the investment portfolio.

Q3 Total Net Profit was USD 31.1 million compared with USD 67.9 million in the same period of 2007. Net profit per average common share decreased to USD 0.85 (EUR 0.57) compared with USD 1.63 (EUR 1.17) in the third quarter of 2007.

Sales by Region first nine months 2008

Europe

Sales in Europe increased by 8% to USD 1,038 million. The sales increase reflects 6% volume decrease, 4% contribution from acquisitions and 10% positive currency impact. In EUR, sales decreased by 4.1% to EUR 682 million.

North America

North American sales were USD 922 million, 4% lower than in the same period last year. This is the result of 7% volume decrease, 2% contribution from acquisitions and 1% positive currency impact.

Latin America

Latin American sales were USD 150 million, 17% higher than in the same period last year. The sales increase reflects 13% volume increase and 4% positive currency impact.

Asia

Asian sales were USD 127 million, 3% higher than in the same period last year. This is the result of 2% volume decrease and 5% positive currency impact.

Australia

Australian sales were USD 81 million, 7% higher than in the same period last year. The sales increase reflects 4% volume decrease and 11% positive currency impact.

Outlook

Hunter Douglas' position is strong in terms of its products, distribution and finances. All borrowings are covered by committed long term facilities.

However, consumer demand is declining sharply in many of Hunter Douglas' main markets, particularly the US and the UK. The Company is therefore cautious in its outlook and expects declining results for the rest of the year.

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 170 companies with 67 manufacturing and 103 assembly operations in more than 100 countries. Hunter Douglas employs about 20,500 people, and had sales in 2007 of USD 3.028 billion.

The common shares of Hunter Douglas N.V. are traded on Amsterdam's Euronext and the Deutsche Boerse.

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A consolidated Statement of Income for the first nine months and the third quarter (Annex 1+2), Balance Sheet (Annex 3), and Sales change attribution percentages by geographic region for the first nine months and third quarter 2008 (Annex 4) are

attached.

- Consolidated Statement of Income for the first nine months and the third quarter (Annex 1)
[Annex 1](#)
- Consolidated Statement of Income for the first nine months and the third quarter (Annex 2)
[Annex 2](#)
- Balance Sheet (Annex 3)
[Annex 3](#)
- Sales change attribution percentages by geographic region for the first nine months and third quarter 2008 (Annex 4)
[Annex 4](#)