

For release: March 9, 2016  
08.00 hrs

### **HUNTER DOUGLAS RESULTS 2015**

**Rotterdam, March 9, 2016** – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for 2015:

- . **Sales:** 5% lower to USD 2,552 billion, compared with USD 2.695 billion in 2014.  
  
The 5% sales decrease reflects a 3% volume increase, 9% negative currency impact and 1% increase from acquisitions. Volume increased in North America, Europe and Australia and decreased in Asia and Latin America.  
  
North America accounted for 47% of sales, Europe 36%, Latin America 7%, Asia 7% and Australia 3%. Window coverings were 83% and architectural and other products were 17% of sales.
- . **Earnings before interest, tax, depreciation and amortization (before non-recurring restructuring expenses) - EBITDA:** USD 316.7 million, 12.2% higher than USD 282.3 million in 2014.
- . **Income from Operations (before non-recurring restructuring expenses):** 22.3% higher to USD 236.5 million, compared with USD 193.3 million in 2014. Results in local currencies were better in all areas, except in Latin America where they were lower.
- . **Non-recurring restructuring expenses:** USD 13.9 million, compared with USD 23.0 million in 2014. These expenses mainly relate to Asia, Europe and North America.
- . **Net Result Investment Portfolio:** USD 5.3 million negative (after deduction of imputed interest and expenses) compared with USD 1.6 million positive in 2014. The Portfolio's return in U.S. dollars (before imputed interest and expenses) was 0.8% negative. The Portfolio had a fair value at December 31, 2015 of USD 202 million.
- . **Profit before Tax:** USD 206.3 million, 35.9% higher than USD 151.8 million in 2014.
- . **Total Net Profit:** USD 156.1 million (per share EUR 4.04), 24.9% higher than USD 125.0 million in 2014 (per share EUR 2.71).

**Operating cash flow:** USD 210 million, compared with USD 152 million in 2014.

**Capital expenditures** were USD 60 million, compared with USD 73 million in 2014, while depreciation was USD 74 million, compared with USD 82 million in 2014. In 2016 capital expenditures will be about USD 55 million and depreciation USD 70 million.

**Shareholders' equity** was USD 1,065 million, compared with USD 1,050 million at the end of 2014. The 2015 earnings were negatively offset by exchange translation and the payment of the dividend of EUR 1.35 per share, totalling USD 53 million.

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

**Return before interest on Net Assets Employed – RONA E (before non-recurring restructuring expenses):** 17.1% compared with 13.1% in 2014.

**Return on Equity:** 14.8%, compared with 11.5% in 2014.

**Employees:** The company had approximately 16,000 employees at the end of 2015.

**Dividend:** The Board of Directors proposes a dividend for 2015 of EUR 1.50 per common share, compared with EUR 1.35 last year.

## **Q4 2015**

**Q4 Sales** were USD 641 million, 6% lower than USD 682 million in the same period of 2014. This reflects a 1% volume increase, a 8% negative currency impact and 1% increase from acquisitions. Fourth quarter organic sales were higher in all areas, except North America where sales were lower.

**Q4 Earnings before interest, tax, depreciation and amortization (before non-recurring restructuring expenses) – EBITDA:** USD 100.3 million, compared with USD 77.3 million in Q4 2014.

**Q4 Income from Operations (before non-recurring restructuring expenses)** was USD 80.6 million, compared with USD 52.6 million in Q4 2014. Results were better in all areas, except in Latin America where they were lower.

**Q4 Non-recurring restructuring expenses:** USD 13.9 million, compared with USD 17.0 million last year. These expenses mainly relate to Asia, Europe and North America.

**Q4 Net Result Investment Portfolio:** USD 2.0 million (after deduction of imputed interest and expenses), compared with USD 1.6 million in Q4 2014.

**Q4 Profit before Tax:** USD 69.0 million, compared with USD 32.2 million in Q4 2014.

**Q4 Total Net Profit:** USD 47.8 million (per share EUR 1.26), compared with USD 27.3 million in Q4 2014 (per share EUR 0.63).

## **Total year 2015 by Region**

### **Europe**

European operations had higher sales and profits.

European sales were USD 913 million, 11% lower than USD 1,022 million in the same period last year. This reflects a 1% volume increase, a 15% negative currency impact and 3% increase from acquisitions. In EUR, sales increased by 6% to EUR 821 million, compared with EUR 771 million in 2014.

### **North America**

North American operations had higher sales and profits.

Sales increased by 4% to USD 1,201 million, due to a 6% increase in volume offset by a 2% negative currency impact.

## **Latin America**

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

Sales were USD 185 million, 23% lower than USD 239 million in the same period last year. This reflects a 1% volume decrease and a 22% negative currency impact.

## **Asia**

Asian operations had lower sales but higher profits.

Sales were USD 170 million, 9% lower than USD 186 million in the same period last year, due to a 4% decrease in volume and a 5% negative currency impact.

## **Australia**

Australian sales were USD 83 million, 11% lower compared with USD 93 million in the same period last year, reflecting a 5% volume increase offset by a 16% negative currency impact.

**Organization:** David and Marko Sonnenberg, who have been with the company for about 25 years and Co-Presidents & COOs since 2007, will be appointed as Co-Presidents and CEOs, assuming responsibility for the overall operation of the business. Ralph Sonnenberg will remain active as Executive Chairman.

## **Outlook**

Hunter Douglas expects slow growth in the US, stable economic conditions in Europe and continued difficult conditions in Asia and Latin America.

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 126 companies with 50 manufacturing and 76 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 2015 and Q4 2015 (Annex 1+2), Balance Sheet (Annex 3), Cash Flow Statement (Annex 4) and Sales change attribution percentages by geographic area for the full year 2015 and Q4 2015 (Annex 5) are attached.

## Annex 1

### CONSOLIDATED STATEMENT OF INCOME

Year ended December 31

(amounts in USD/mln)

	<u>2015</u>	%	<u>2014</u>	%
<b>Net sales</b>	<b>2,552.1</b>		2,694.6	
Cost of sales	<u>-1,435.8</u>		<u>-1,573.5</u>	
Gross profit	<b>1,116.3</b>	<b>43.7</b>	1,121.1	41.6
Gross profit Metals Trading	<u>10.8</u>		<u>21.4</u>	
<b>Total gross profit</b>	<b>1,127.1</b>	<b>44.2</b>	1,142.5	42.4
<b>Expenses:</b>				
-Marketing, A & P and selling	<b>-494.1</b>		-529.9	
-General and administrative	<u>-316.3</u>		<u>-330.3</u>	
Subtotal expenses	<b>-810.4</b>		-860.2	
<b>EBITDA</b>	<b>316.7</b>	<b>12.4</b>	282.3	10.5
Depreciation and amortization	<u>-80.2</u>		<u>-89.0</u>	
<b>Income from operations before non-recurring restructuring expenses</b>	<b>236.5</b>	<b>9.3</b>	193.3	7.2
Non-recurring restructuring expenses	<u>-13.9</u>		<u>-23.0</u>	
<b>Income from operations after non-recurring restructuring expenses</b>	<b>222.6</b>	<b>8.7</b>	170.3	6.3
Interest received	<b>3.0</b>		1.8	
Interest paid	<u>-14.6</u>		<u>-24.0</u>	
Non-operational exchange result			1.5	
Other financial income	<b>0.6</b>		0.6	
Net result investment portfolio	<u>-5.3</u>		<u>1.6</u>	
<b>Income before taxes</b>	<b>206.3</b>		151.8	
Taxes on income	<u>-51.5</u>		<u>-26.9</u>	
<b>Profit before minority interest</b>	<b>154.8</b>		124.9	
Minority interest	<u>1.3</u>		<u>0.1</u>	
<b>Total net profit</b>	<b>156.1</b>	<b>6.1</b>	125.0	4.6
<b>Net profit per average common share</b>	<b>4.49</b>		3.59	
<b>Net profit per average common share - fully diluted</b>	<b>4.49</b>		3.59	

## Annex 2

### CONSOLIDATED STATEMENT OF INCOME Q4 ended December 31 (amounts in USD/mln)

	<u>2015</u>	%	<u>2014</u>	%
<b>Net sales</b>	<b>641.3</b>		682.4	
Cost of sales	<u>-356.2</u>		<u>-398.6</u>	
Gross profit	<b>285.1</b>	<b>44.5</b>	283.8	41.6
Gross profit Metals Trading	<u>0.3</u>		<u>9.0</u>	
<b>Total gross profit</b>	<b>285.4</b>	<b>44.5</b>	292.8	42.9
<b>Expenses:</b>				
-Marketing, A & P and selling	<u>-110.1</u>		<u>-131.1</u>	
-General and administrative	<u>-75.0</u>		<u>-84.4</u>	
Subtotal expenses	<u>-185.1</u>		<u>-215.5</u>	
<b>EBITDA</b>	<b>100.3</b>	<b>15.6</b>	77.3	11.3
Depreciation and amortization	<u>-19.7</u>		<u>-24.7</u>	
<b>Income from operations before non-recurring restructuring expenses</b>	<b>80.6</b>	<b>12.6</b>	52.6	7.7
Non-recurring restructuring expenses	<u>-13.9</u>		<u>-17.0</u>	
<b>Income from operations after non-recurring restructuring expenses</b>	<b>66.7</b>	<b>10.4</b>	35.6	5.2
Interest received	<u>2.4</u>		<u>1.0</u>	
Interest paid	<u>-1.9</u>		<u>-6.5</u>	
Non-operational exchange result	<u>-0.1</u>		<u>0.4</u>	
Other financial income	<u>-0.1</u>		<u>0.1</u>	
Net result investment portfolio	<u>2.0</u>		<u>1.6</u>	
<b>Income before taxes</b>	<b>69.0</b>		32.2	
Taxes on income	<u>-22.5</u>		<u>-5.8</u>	
<b>Profit before minority interest</b>	<b>46.5</b>		26.4	
Minority interest	<u>1.3</u>		<u>0.9</u>	
<b>Total net profit</b>	<b>47.8</b>	<b>7.5</b>	27.3	4.0
<b>Net profit per average common share</b>	<b>1.38</b>		0.78	
<b>Net profit per average common share - fully diluted</b>	<b>1.38</b>		0.78	

## Annex 3

### CONSOLIDATED BALANCE SHEET

As per December 31  
(amounts in USD/mln)

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible fixed assets	302.1	318.6
Tangible fixed assets	434.6	497.9
Other financial non-current assets	<u>173.1</u>	<u>174.3</u>
<b>Total fixed assets</b>	<b>909.8</b>	990.8
<b>Current assets</b>		
Inventories	592.0	650.5
Accounts receivable		
-Trade	347.6	379.3
-Other	117.4	169.5
Investment portfolio	201.5	116.0
Cash and other short-term deposits	<u>30.9</u>	<u>32.3</u>
<b>Total current assets</b>	<u><b>1,289.4</b></u>	<u>1,347.6</u>
	<u><b>2,199.2</b></u>	<u><b>2,338.4</b></u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Capital stock	9.3	10.3
Additional paid-in capital	77.0	85.9
Retained earnings	<u>978.3</u>	<u>954.1</u>
<b>Total shareholders' equity</b>	<b>1,064.6</b>	1,050.3
Minority interest	<u>10.6</u>	<u>14.1</u>
<b>Total Group equity</b>	<b>1,075.2</b>	1,064.4
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	346.3	373.4
Preferred shares	9.0	10.0
Provisions	134.9	176.9
Deferred income tax liabilities	<u>0.8</u>	<u>1.6</u>
<b>Total non-current liabilities</b>	<b>491.0</b>	561.9
<b>Current liabilities</b>		
Trade and other payables	569.7	636.4
Interest-bearing loans and borrowings	<u>63.3</u>	<u>75.7</u>
<b>Total current liabilities</b>	<u><b>633.0</b></u>	<u>712.1</u>
	<u><b>2,199.2</b></u>	<u><b>2,338.4</b></u>

## Annex 4

### CONSOLIDATED CASH FLOW STATEMENT

Year ended December 31

(amounts in USD/mln)

	<u>2015</u>	<u>2014</u>
<b>Net profit attributable to equity shareholders</b>	<b>156.1</b>	125.0
<b>Adjustments for:</b>		
Depreciation property, plant & equipment	73.6	82.0
Amortization patents & trademarks	6.6	7.0
(Decrease) increase provisions	-13.8	11.5
Non-cash on loans and borrowings	-40.2	-21.6
Other non-cash items	4.4	-4.5
Unrealized result investment portfolio	5.3	-1.6
<b>Operating cash flow before working capital changes</b>	<b>192.0</b>	197.8
<b>Changes in working capital:</b>		
-decrease (increase) trade and other receivables and prepayments	44.6	-22.5
-decrease (increase) decrease inventories	16.6	-63.7
-(decrease) increase trade and other payables	-43.4	40.3
<b>Operating cash flow</b>	<b>209.8</b>	151.9
Dividend paid	-53.0	-59.0
<b>Net cash from operations</b>	<b>156.8</b>	92.9
<b>Cash flow from investing activities</b>		
Investment subsidiaries, net of cash acquired	-6.5	-32.0
Investment intangible fixed assets		-1.2
Investment property, plant and equipment	-60.2	-73.3
Divestment property, plant and equipment	17.3	21.2
Increase investment portfolio	-90.8	-108.2
Increase other financial non-current assets	-17.9	-9.9
<b>Net cash from investing activities</b>	<b>-158.1</b>	-203.4
<b>Cash flow from financing activities</b>		
Increase interest-bearing loans and borrowings	4.2	115.8
<b>Net cash from financing activities</b>	<b>4.2</b>	115.8
<b>Net increase in cash and cash equivalents</b>	<b>2.9</b>	5.3
<b>Change in cash and cash equivalents</b>		
<b>Balance at 1 January</b>	<b>32.3</b>	32.2
Net increase in cash and cash equivalents	2.9	5.3
Exchange difference cash and cash equivalents	-4.3	-5.2
<b>Balance at 31 December</b>	<b>30.9</b>	32.3

## PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

2015 vs 2014

Area	Volume	Currency	Acquisitions	Total
Europe	1	-15	3	-11
North America	6	-2	0	4
Latin America	-1	-22	0	-23
Asia	-4	-5	0	-9
Australia	5	-16	0	-11
<b>Total</b>	<b>3</b>	<b>-9</b>	<b>1</b>	<b>-5</b>

## PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

Q4 2015 vs Q4 2014

Area	Volume	Currency	Acquisitions	Total
Europe	2	-11	4	-5
North America	-3	-2	0	-5
Latin America	2	-24	0	-22
Asia	17	-6	0	11
Australia	4	-16	0	-12
<b>Total</b>	<b>1</b>	<b>-8</b>	<b>1</b>	<b>-6</b>