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HUNTER DOUGLAS RESULTS Q1 2014

Rotterdam, May 13, 2014 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for Q1 2014:

- **Sales:** 4.3% higher to USD 605.6 million, compared with USD 580.9 million in Q1 2013.
- **Earnings before interest, tax, depreciation and amortization – EBITDA:** USD 39.7 million, 15.1% higher than USD 34.5 million in Q1 2013.
- **Income from Operations:** USD 15.7 million, 29.8% higher than USD 12.1 million in Q1 2013. Results were better in all areas, except North America where results were lower.
- **Total Net Profit:** USD 10.6 million (per share EUR 0.22), compared with USD 10.4 million in Q1 2013 (per share EUR 0.23).

Sales: The 4.3% sales increase reflects a 5.2% volume increase and a 0.9% negative currency impact. Volume increased in all areas.

North America accounted for 39% of sales, Europe 39%, Latin America 10%, Asia 8% and Australia 4%. Window Coverings were 82% and Architectural and Other Products were 18% of sales.

Operating cash flow: USD 49.3 million negative compared with USD 54.6 million negative in Q1 2013.

Outlook

Hunter Douglas expects improving economic conditions in the US and Asia, stable conditions in Latin America, but 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.

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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 169 companies with 68 manufacturing and 101 assembly operations in more than 100 countries. Hunter Douglas employs about 17,000 people, and had sales in 2013 of USD 2.636 billion.

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

For further information:

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A consolidated Statement of Income for Q1 2014 (Annex 1), Balance Sheet per March 31, 2014 (Annex 2), Cash Flow Statement for Q 1 2014 (Annex 3) and Sales change attribution percentages by geographic region for Q1 2014 (Annex 4) are attached.

Annex 1

CONSOLIDATED STATEMENT OF INCOME

Q1 ended March 31

(amounts in USD/mlin)

	<u>2014</u>	%	<u>2013</u>	%
Net sales	605.6		580.9	
Cost of sales	-359.3		-340.3	
Gross profit	246.3	40.7	240.6	41.4
Gross profit Metals Trading	3.5		4.4	
Total gross profit	249.8	41.3	245.0	42.2
Expenses:				
-Selling and marketing	-126.3		-129.7	
-General and administrative	-83.8		-80.8	
Subtotal expenses	-210.1		-210.5	
EBITDA	39.7	6.6	34.5	6.0
Depreciation and amortization	-24.0		-22.4	
Income from operations	15.7	2.6	12.1	2.1
Interest received	0.2		0.3	
Interest paid	-5.9		-3.3	
Non-operational exchange result	0.2		0.2	
Net result investment portfolio			1.1	
Income before taxes	10.2		10.4	
Taxes on income	0.4		0.2	
Profit before minority interest	10.6		10.6	
Minority interest			-0.2	
Net profit	10.6	1.8	10.4	1.8
Net profit per average common share	0.31		0.30	
Net profit per average common share - fully diluted	0.31		0.30	

Annex 2

CONSOLIDATED BALANCE SHEET

As per March 31

(amounts in USD/mln)

	<u>2014</u>	<u>2013</u>
ASSETS		
Fixed assets		
Intangible fixed assets	313.8	308.1
Tangible fixed assets	548.5	568.8
Other financial non-current assets	140.1	168.5
Total fixed assets	1,002.4	1,045.4
Current assets		
Inventories	652.8	690.9
Accounts receivable		
-Trade	409.3	374.1
-Other	131.9	143.1
Investment portfolio	1.9	14.9
Cash and other short-term deposits	34.0	50.0
Total current assets	1,229.9	1,273.0
	2,232.3	2,318.4
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	11.7	10.9
Additional paid-in capital	97.6	90.4
Retained earnings	1,021.6	959.2
Total shareholders' equity	1,130.9	1,060.5
Minority interest	16.3	16.2
Total Group equity	1,147.2	1,076.7
Non-current liabilities		
Interest-bearing loans and borrowings	357.5	386.6
Preferred shares	11.4	10.6
Provisions	100.9	152.6
Deferred income tax liabilities	2.3	2.4
Total non-current liabilities	472.1	552.2
Current liabilities		
Trade and other payables	535.7	512.7
Interest-bearing loans and borrowings	77.3	176.8
Total current liabilities	613.0	689.5
	2,232.3	2,318.4

Annex 3

CONSOLIDATED CASH FLOW STATEMENT

Q1 ended March 31
(amounts in USD/mln)

	<u>2014</u>	<u>2013</u>
Net profit attributable to equity shareholders	10.6	10.4
Adjustments for:		
Depreciation property, plant & equipment	22.2	20.6
Amortization patents & trademarks	1.8	1.8
Decrease provisions	-1.7	-0.6
Non-cash items	0.8	-7.6
Unrealized result investment portfolio		-1.1
Operating cash flow before working capital changes	33.7	23.5
Changes in working capital:		
-(increase) decrease trade and other receivables and prepayments	-5.8	10.7
-increase inventories	-22.2	-13.2
-decrease trade and other payables	-55.0	-75.6
Operating cash flow	-49.3	-54.6
Net cash from operations	-49.3	-54.6
Cash flow from investing activities		
Investment property, plant and equipment	-14.3	-16.0
Divestment property, plant and equipment	1.4	3.7
Decrease investment portfolio	1.1	105.6
Increase other financial non-current assets	-8.2	-0.2
Net cash from investing activities	-20.0	93.1
Cash flow from financing activities		
Treasury shares		-9.3
Increase (decrease) interest-bearing loans and borrowings	72.3	-28.9
Net cash from financing activities	72.3	-38.2
Net increase in cash and cash equivalents	3.0	0.3
Change in cash and cash equivalents		
Balance at 1 January	32.2	49.7
Net increase in cash and cash equivalents	3.0	0.3
Exchange difference cash and cash equivalents	-1.2	
Balance at 31 March	34.0	50.0

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Annex 4

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

Q1 2014 vs Q1 2013

Area	Volume	Currency	Acquisitions	Total
Europe	4	4	-	8
North America	1	-1	-	0
Latin America	18	-14	-	4
Asia	14	-2	-	12
Australia	8	-12	-	-4
Total	5	-1	-	4