

Hunter Douglas first half 2005 results

First half 2005 4.9% higher sales, 17.0% lower profit Q2 2005 7.7% higher sales, 18.0% higher profit

Rotterdam, 23 August, 2005 – Hunter Douglas, the world market leader in window coverings (Luxaflex®), and a major manufacturer of architectural products (Luxalon®) reports its results for the first half of 2005.

Sales were EUR 909.1 million, 4.9% higher than EUR 866.8 million in the first half of 2004. The sales increase is attributable to 3.5% volume increase, 2.1% negative currency impact and 3.5% increase from acquisitions. All geographic areas had organic growth.

North America accounted for 47% of sales, Europe 39%, Latin America 4%, Asia 6% and Australia 4%. Window Coverings represented 88% and Architectural and Other Products 12% of total sales.

Net profit was EUR 47.4 million, 17.0% lower than EUR 57.1 million in the first half of 2004. Net profit per average outstanding common share decreased to EUR 1.11 compared with EUR 1.37 in the first half 2004, adjusted for stock dividends.

The decrease in net profit is primarily due to the EUR 12.3 million negative net income from the Investment Portfolio (after deduction of imputed interest and expenses) compared with a positive EUR 2.3 million in the first half of 2004. Portfolio returns in the first half of 2005 before imputed interest and expenses were up 0.1%; excluding foreign exchange translation into US dollars of Euro denominated funds, these returns would have been up 4.1%. Non-operational foreign exchange for the first half was down EUR 0.2 million compared with negative EUR 1.8 million last year.

Income from operations was EUR 93.1 million, 7.1% higher than EUR 86.9 million in the first half 2004. In local currencies, income from operations was higher in all areas. The negative effect on income from operations from the weakening of the US dollar compared with last years' first half was EUR 2.7 million.

Capital expenditures in the first half year 2005 were EUR 29 million compared with EUR 23 million during the same period last year, while depreciation was EUR 29 million.

The investment portfolio had a fair value on June 30, 2005 of EUR 517.2 million. Management of these assets is delegated to a widely diversified range of independent managers.

Shareholder's equity was EUR 1,141 million, up from EUR 935 million at the end of 2004.

The shareholder's meeting of August 16, 2005 approved the distribution of a cash dividend of EUR 1.35 per common share with an option to receive a stock dividend in lieu of cash.

During the first half the following companies were acquired: Blöcker, a German based distributor of pleated blind systems, Century Blinds, a Southern California based fabricator of window coverings and Paris Texas Hardware, a Texas based marketer of decorative drapery hardware. In July, 91.8% of Mermet, a French based manufacturer of glass fiber sunscreen and wallcovering fabrics, was acquired.

Second quarter 2005

Q2 sales were EUR 503.3 million, 7.7% higher than EUR 467.5 million in the same period last year. The increase reflects a 4.8% volume increase, 1.1% negative currency impact and 4.0% contribution from acquisitions. Sales were higher in all regions.

Q2 net profit was EUR 40.6 million, 18.0% higher than EUR 34.4 million in the second quarter 2004. Profits were higher in Europe, North America and Latin America and were level in Asia and Australia. The increase was achieved despite EUR 1.5 million negative effect from a lower US dollar.

The Investment Portfolio had a negative net income of EUR 6.5 million in the second quarter (after deduction of imputed interest and expenses) compared with EUR 2.4 million negative in the second quarter of last year. Portfolio returns in the second quarter of 2005 before imputed interest and expenses were flat; excluding foreign exchange translations, these returns would have been up 1.8%. Non-operational foreign exchange was up EUR 5.7 million for the quarter compared with a level result in the second quarter last year.

Sales by Region first half year 2005

Europe

Sales in Europe increased by 5% to EUR 358 million. The sales increase reflects 1% volume increase and 4% contribution from acquisitions.

North America

Sales in North America increased by 7% in dollars of which 4% was attributable to acquisitions. Sales in Euros increased 3% to EUR 426 million, reflecting a 3% volume increase, 4% negative currency impact and 4% contribution from acquisitions.

Latin America

Latin American sales were EUR 38 million, 23% higher than in the same period last year. The sales increase reflects 19% volume increase and 4% positive currency impact.

Asia

Asian sales were EUR 57 million, 10% higher than in the first half of 2004. The sales increase reflects 12% volume increase and 2% negative currency impact.

Australia

Australian sales were EUR 30 million, 3% higher than in the same period last year, reflecting a volume increase.

Outlook

Hunter Douglas remains cautiously optimistic about the outlook for 2005 in view of the strong position of its products, distribution and finances.

Profile

Hunter Douglas has its Head Office in Rotterdam, The Netherlands, and a Management Office in Lucerne, Switzerland. The Group is comprised of 163 companies with 65 manufacturing and 98 assembly operations with marketing organizations in more than 100 countries. Hunter Douglas employs about 17,000 people, and had sales in 2004 of EUR 1,720 million.

The common shares of Hunter Douglas N.V. are traded on the Dutch and German stock exchanges.

For further information:

Werner Oppliger

Executive Vice President and Chief Financial Officer

Tel. +41 41 419 27 72

Website: www.hunterdouglasgroup.com

A consolidated Statement of Income (Annex 1), Balance Sheet (Annex 2), and Sales change attribution percentages by geographic region for the first half (Annex 3) are attached.

- [CONSOLIDATED STATEMENT OF INCOME \(Annex 1\)](#)
- [CONSOLIDATED STATEMENT OF INCOME\(Annex 2\)](#)
- [CONSOLIDATED BALANCE SHEET \(Annex 3\)](#)
- [PERCENTAGE SALES CHANGE ATTRIBUTION \(Annex 4\)](#)