



Hunter Douglas Reports Results

-- Nine Months Sales Up 4.3%, Profit Up 0.2%

-- Third Quarter Sales Up 1.2%, Profit Down 2.0%

Nine Months 2001 Hunter Douglas' sales in the first nine months of 2001 were EUR 1,309.5 million, 4.3% higher than EUR 1,255.3 million for the first nine months of 2000. The sales increase was attributable to 1.0% volume growth, 1.1% acquisitions and 2.2% positive currency impact, most notably the strength of the U.S. dollar.

North America accounted for 54% of sales, Europe 33%, Latin America 5%, Asia 5% and Australia 3%. Window Coverings were 87%, Architectural Products 9%, and Other Products 4% of total sales.

Net profit was EUR 91.5 million, 0.2% higher than the EUR 91.3 million reported in the first nine months last year. Net profit per average outstanding common share amounted to EUR 2.29, compared with EUR 2.28 for the first nine months of 2000, adjusted for stock dividends.

Capital expenditures were EUR 63 million compared with EUR 62 million in the first nine months of 2000.

The investment portfolio gained 3.3% in USD in the nine months and had a book value per September 30, 2001 of EUR 337.2 million. Net investment income, after deduction of provisions, imputed interest and expenses was EUR 3.6 million.

Third Quarter 2001

Third quarter sales were EUR 442.4 million, 1.2% higher than the EUR 437.3 million during the same period in 2000. The increase reflects 0.7% volume growth, 0.7% contribution from acquisitions and a negative 0.2% currency impact. Third quarter sales increased in North America, Asia and Australia, were level in Europe and lower in Latin America.

Third quarter net profit was EUR 34.4 million, down 2.0% from EUR 35.1 million reported in third quarter 2000. Profits increased in North America, Asia and Australia and decreased in Europe and Latin America.

Results by Region

Hunter Douglas' European Operations

Hunter Douglas' European Operations nine months sales increased by 0.5% to EUR 438 million. Volume declined 1.1%, acquisitions contributed 2.1% and currency minus 0.5%. Sales in the third quarter were flat compared with last year.

Sales were strong in the U.K. and Ireland and weaker in Eastern Europe. Luminette® shades were successfully introduced in the Benelux. Sales of outside blinds were particularly strong.

Hunter Douglas North America

North American Operations' nine months sales increased by 7.7% to EUR 703 million, of which 2.0% was due to volume growth, 0.6% to acquisitions and 5.1% to favorable currency effects. Sales in the third quarter rose 2.9% over the prior year.

Sales continued to grow modestly despite a noticeable slowdown in the U.S. economy. The additions to the Applause® honeycomb shades and the new Provenance™ woven wood collections received strong acceptance in the market, while the recently acquired Comfortex and Isotek operations continued to experience excellent growth.

Hunter Douglas Latin America

Latin American Operations' nine months sales increased by 4.8% to EUR 65 million, of which 3.2% was due to volume growth and 1.6% to favorable currency impact. Sales in the third quarter were 20% lower than in the same period last year.

Hunter Douglas Asia

Hunter Douglas Asia's nine months sales were EUR 66 million, 11.9% higher than in the comparable period last year, of which 10.2% represented volume growth and 1.7% was favorable currency impact. Sales in the third quarter increased by 11.8% over prior year.

Business remained strong in China, Malaysia and Taiwan while most other Asian countries continued to face difficult business conditions.

Hunter Douglas Australia

Hunter Douglas Australia's nine months sales were EUR 38 million, down by 15.6% from the comparable period last year, of which 6.7% was attributable to volume decline and 8.9% to unfavorable currency impact. Third quarter sales increased by 18.2% over the prior year.

Outlook

Rapidly deteriorating consumer confidence is negatively affecting business conditions in most markets. As a consequence, Hunter Douglas anticipates substantially lower fourth quarter results and lower results for the full year.

While the business outlook is cloudy, Hunter Douglas remains in a strong position in terms of its products, marketing and finances.

Profile Hunter Douglas

Hunter Douglas is the world leader in window coverings and a major manufacturer of architectural products. Hunter Douglas has its head office in Rotterdam, The Netherlands, and a Management Office in Lucerne, Switzerland. The Group is comprised of 145 companies with 62 manufacturing and 83 assembly organizations in more than 80 countries. Hunter Douglas employs about 15,000 people. In 2000 sales were EUR 1.7 billion and profit EUR 145 million.

The shares of Hunter Douglas N.V. are traded on the Dutch, Swiss and German stock exchanges and as ADR's on the over-the-counter market in New York.

[Statement of Income \(Annex I\)](#)

[Balance Sheet \(Annex II\)](#)

[Sales Change by Geographic Area](#)

(Annex III)