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HUNTER DOUGLAS NINE MONTHS 2014 RESULTS

Rotterdam, October 30, 2014 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for the first nine months 2014:

- **Sales:** USD 2,012.2 million, 2.9% higher compared with USD 1,955.5 million in the first nine months of 2013.
- **Earnings before interest, tax, depreciation and amortization – EBITDA:** USD 205.0 million, 11.2% higher than USD 184.4 million in the first nine months of 2013.
- **Income from Operations (before non-recurring restructuring expenses):** USD 140.7 million, 21.7% higher than USD 115.6 million in the first nine months of 2013. Results were better in all areas, except in North America and Latin America.
- **Non-recurring restructuring expenses:** USD 6.0 million, compared with nil in the first nine months of 2013. These expenses mainly relate to North America and Asia.
- **Income before Tax:** USD 119.6 million, 19.1% higher than USD 100.4 million in the first nine months of 2013.
- **Total Net Profit:** USD 97.7 million (per share EUR 2.08), 14.3% higher than USD 85.5 million in the first nine months of 2013 (per share EUR 1.87).

Sales: The 2.9% sales increase reflects a 3.5% volume increase and a 0.6% negative currency impact. Volume increased in all areas.

North America accounted for 42% of sales, Europe 39%, Latin America 9%, Asia 7% and Australia 3%. Window coverings were 83% and architectural and other products were 17% of sales.

Operating cash flow: USD 90 million compared with USD 108.0 million in the first nine months of 2013.

Capital expenditures were USD 47 million compared with USD 45 million in the first nine months of 2013, while depreciation was USD 59 million compared with USD 63 million. For the full year capital expenditures are expected to be approximately USD 70 million and depreciation USD 80 million.

Shareholder's equity was USD 1,106 million compared with USD 1,124 million at the end of 2013, reflecting the first nine months results offset by negative exchange translation and the payment of the dividend of EUR 1.25, totalling USD 59 million.

Investment Portfolio: Hunter Douglas is restarting an investment portfolio on the same basis as previously. In 2015, the portfolio is expected to increase to USD 200 million at cost.

HUNTER DOUGLAS N.V., Piekstraat 2, 3071 EL Rotterdam, Nederland, Tel. 010 – 4869911, Telefax 010 - 4850355

Q3 2014

Q3 Sales were USD 688.3 million, 2.3% higher than USD 672.6 million in the same period of 2013. The increase reflects a 3.6% volume increase and a negative currency impact of 1.3%. Third quarter sales were higher in all areas except in Latin America where they were lower.

Q3 Earnings before interest, tax, depreciation and amortization – EBITDA:

USD 71.7 million, 11.9% higher than USD 64.1 million in Q3 2013.

Q3 Income from Operations (before non-recurring restructuring expenses):

USD 53.2 million, 32.7% higher than USD 40.1 million in Q3 2013. Results were better in all areas, except in Latin America.

Q3 Non-recurring restructuring expenses: USD 6.0 million, compared with nil in the first nine months of 2013. These expenses mainly relate to North America and Asia.

Q3 Income before Tax: USD 42.5 million, 32.0% higher than USD 32.2 million in Q3 2013.

Q3 Total Net Profit: USD 33.0 million (per share EUR 0.72), 28.4% higher than USD 25.7 million in Q3 2013 (per share EUR 0.56).

First nine months 2014 by Region

Europe

European sales were USD 774 million, 5% higher than USD 737 million in the same period last year. This reflects a 2% volume increase and a 3% positive currency impact. In EUR, sales increased by 2% to EUR 573 million compared with EUR 560 million in 2013.

North America

North American sales increased by 2% to USD 845 million. The sales increase reflects a 3% volume increase and a 1% negative currency impact.

Latin America

Latin American sales were USD 175 million, 5% lower than USD 185 million in the same period last year. The sales decrease reflects a 5% volume increase and a 10% negative currency impact.

Asia

Asian sales increased by 6% to USD 150 million. The higher sales reflect a volume increase of 7% and a 1% negative currency impact.

Australia

Australian sales were USD 68 million, level compared with the same period last year, reflecting a 7% volume increase and a 7% negative currency impact.

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Outlook

Hunter Douglas expects improving economic conditions in the US, UK and Asia, stable conditions in Latin America, but an ongoing challenging environment in Continental Europe.

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 169 companies with 68 manufacturing and 101 assembly operations in more than 100 countries. Hunter Douglas employs about 16,500 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:

Leen Reijtenbagh

Chief Financial Officer

Tel. +31 10 486 9582

E-mail : l.reijtenbagh@hdnv.nl

Website: www.hunterdouglasgroup.com

A consolidated Statement of Income for the first nine months and Q3 (Annex 1+2), Balance Sheet (Annex 3), Cash Flow Statement (Annex 4) and Sales change attribution percentages by geographic region for the first nine months and Q3 (Annex 5) are attached.

Annex 1

CONSOLIDATED STATEMENT OF INCOME

Nine months ended September 30

(amounts in USD/mlin)

	<u>2014</u>	%	<u>2013</u>	%
Net sales	2,012.2		1,955.5	
Cost of sales	-1,174.9		-1,140.6	
Gross profit	837.3	41.6	814.9	41.7
Gross profit Metals Trading	12.4		14.7	
Total gross profit	849.7	42.2	829.6	42.4
Expenses:				
-Selling and marketing	-398.8		-395.0	
-General and administrative	-245.9		-250.2	
Subtotal expenses	-644.7		-645.2	
EBITDA	205.0	10.2	184.4	9.4
Depreciation and amortization	-64.3		-68.8	
Income from operations before non-recurring restructuring expenses	140.7	7.0	115.6	5.9
Non-recurring restructuring expenses	-6.0			
Income from operations before non-recurring restructuring expenses	134.7		115.6	
Interest received	0.8		0.6	
Interest paid	-17.5		-16.4	
Non-operational exchange result	1.1		-0.3	
Other financial income	0.5			
Net result investment portfolio			0.9	
Income before taxes	119.6		100.4	
Taxes on income	-21.1		-14.8	
Profit before minority interest	98.5		85.6	
Minority interest	-0.8		-0.1	
Net profit	97.7	4.9	85.5	4.4
Net profit per average common share	2.81		2.46	
Net profit per average common share - fully diluted	2.81		2.46	

Annex 2

CONSOLIDATED STATEMENT OF INCOME Q3 ended September 30 (amounts in USD/mln)

	<u>2014</u>	%	<u>2013</u>	%
Net sales	688.3		672.6	
Cost of sales	-403.8		-395.3	
Gross profit	284.5	41.3	277.3	41.2
Gross profit Metals Trading	5.1		3.9	
Total gross profit	289.6	42.1	281.2	41.8
Expenses:				
-Selling and marketing	-132.6		-131.3	
-General and administrative	-85.3		-85.8	
Subtotal expenses	-217.9		-217.1	
EBITDA	71.7	10.4	64.1	9.5
Depreciation and amortization	-18.5		-24.0	
Income from operations before non-recurring restructuring expenses	53.2	7.7	40.1	6.0
Non-recurring restructuring expenses	-6.0			
Income from operations before non-recurring restructuring expenses	47.2		40.1	
Interest received	0.3		0.1	
Interest paid	-6.1		-7.3	
Non-operational exchange result	1.0		-0.5	
Other financial income	0.1			
Net result investment portfolio			-0.2	
Income before taxes	42.5		32.2	
Taxes on income	-9.4		-6.5	
Profit before minority interest	33.1		25.7	
Minority interest	-0.1			
Net profit	33.0	4.8	25.7	3.8
Net profit per average common share	0.95		0.74	
Net profit per average common share - fully diluted	0.95		0.74	

Annex 3

CONSOLIDATED BALANCE SHEET

As per September 30

(amounts in USD/mln)

	<u>2014</u>	<u>2013</u>
ASSETS		
Fixed assets		
Intangible fixed assets	320.6	310.6
Tangible fixed assets	524.4	557.6
Other financial non-current assets	136.8	178.3
Total fixed assets	981.8	1,046.5
Current assets		
Inventories	674.4	661.6
Accounts receivable		
-Trade	400.2	405.8
-Other	127.5	141.3
Investment portfolio		2.7
Cash and other short-term deposits	24.0	30.6
Total current assets	1,226.1	1,242.0
	2,207.9	2,288.5
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	10.7	11.5
Additional paid-in capital	89.2	95.4
Retained earnings	1,006.2	987.3
Total shareholders' equity	1,106.1	1,094.2
Minority interest	15.6	16.4
Total Group equity	1,121.7	1,110.6
Non-current liabilities		
Interest-bearing loans and borrowings	334.6	383.5
Preferred shares	10.4	11.2
Provisions	98.4	157.1
Deferred income tax liabilities	2.4	2.5
Total non-current liabilities	445.8	554.3
Current liabilities		
Trade and other payables	583.7	560.7
Interest-bearing loans and borrowings	56.7	62.9
Total current liabilities	640.4	623.6
	2,207.9	2,288.5

Annex 4

CONSOLIDATED CASH FLOW STATEMENT Nine months ended September 30 (amounts in USD/mln)

	<u>2014</u>	<u>2013</u>
Net profit attributable to equity shareholders	97.7	85.5
Adjustments for:		
Depreciation property, plant & equipment	58.9	63.4
Amortization patents & trademarks	5.4	5.4
Decrease provisions	-2.0	-13.0
Non-cash items	0.1	-10.4
Unrealized result investment portfolio		-0.9
Operating cash flow before working capital changes	160.1	130.0
Changes in working capital:		
-increase trade and other receivables and prepayments	-14.5	-29.7
-(increase) decrease inventories	-66.6	19.2
-increase (decrease) trade and other payables	10.9	-11.5
Operating cash flow	89.9	108.0
Dividend paid	-59.0	-58.2
Net cash from operations	30.9	49.8
Cash flow from investing activities		
Investment intangible fixed assets	-18.8	
Investment property, plant and equipment	-46.8	-44.8
Divestment property, plant and equipment	7.7	5.4
Decrease investment portfolio	5.2	125.9
Increase other financial non-current assets	-5.4	-1.3
Net cash from investing activities	-58.1	85.2
Cash flow from financing activities		
Treasury shares		-0.9
Increase (decrease) interest-bearing loans and borrowings	23.6	-151.6
Net cash from financing activities	23.6	-152.5
Net decrease in cash and cash equivalents	-3.6	-17.5
Change in cash and cash equivalents		
Balance at 1 January	32.2	49.7
Net decrease in cash and cash equivalents	-3.6	-17.5
Exchange difference cash and cash equivalents	-4.6	-1.6
Balance at 30 September	24.0	30.6

Annex 5

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

First nine months 2014 vs first nine months 2013

Area	Volume	Currency	Acquisitions	Total
Europe	2	3	0	5
North America	3	-1	0	2
Latin America	5	-10	0	-5
Asia	7	-1	0	6
Australia	7	-7	0	0
Total	4	-1	0	3

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

Q3 2014 vs Q3 2013

Area	Volume	Currency	Acquisitions	Total
Europe	1	0	0	1
North America	6	-1	0	5
Latin America	-3	-8	0	-11
Asia	8	0	0	8
Australia	5	-5	0	0
Total	3	-1	0	2