



Hunter Douglas First Half Year 2006 Results

Rotterdam, August 22, 2006 - Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products (Luxalon®), announces its first half year 2006 results:

- **Sales:** 15.1% higher to EUR 1,046 million; compared with EUR 909 million in the first half 2005.
- **Income from Operations:** 19.2% higher to EUR 119.9 million; compared with EUR 100.6 million in the first half 2005.
- **Net Profit from Operations:** 33.3% higher to EUR 89.6 million; compared with EUR 67.2 million in the first half 2005.
- **Net Profit Investment Portfolio:** EUR 22.5 million; compared with EUR 12.3 million negative in the first half 2005.
- **Total Net Profit:** 104.2% higher to EUR 112.1 million; compared with EUR 54.9 million in the first half 2005.

Sales were EUR 1,046 million, 15.1% higher than EUR 909 million in the first half 2005. The sales increase reflects a 6.4% volume increase, a 5.0% increase from acquisitions and 3.7% positive currency impact. All geographic areas had organic growth except Asia.

North America accounted for 48% of sales, Europe 38%, Latin America 5%, Asia 5% and Australia 4%. Window Coverings were 88% and Architectural and Other Products were 12% of total sales.

Total Net Profit was EUR 112.1 million, 104.2% higher than EUR 54.9 million in the first half 2005. Net profit per average outstanding common share was EUR 2.68 compared to EUR 1.32 in the first half 2005, adjusted for stock dividends.

Income from Operations was EUR 119.9 million, 19.2% higher than EUR 100.6 million in the first half 2005. In local currencies, Income from Operations was higher in all areas, except in North America where it was level and Asia which had lower results.

Net Profit Investment Portfolio was EUR 22.5 million (after deduction of imputed interest and expenses) compared with EUR 12.3 million negative in the first half of 2005. The investment portfolio had a fair value on June 30, 2006 of EUR 569 million compared with EUR 575 million at the end of December 2005. The Portfolio's return in USD (before imputed interest and expenses) was 6.6%. Management of these assets is delegated to a widely diversified range of independent managers.

Capital expenditures were EUR 30 million compared with EUR 29 million in the first half of 2005, while depreciation was EUR 27 million, compared with EUR 29 million in the first half of 2005. For the full year capital expenditures are expected to be approximately EUR 90 million.

Shareholder's equity was EUR 1,236 million, up from EUR 1,186 million at the end of 2005.

Second Quarter 2006

Q2 Sales were EUR 560 million, 11.2% higher than EUR 503 million in the same period of 2005. The increase reflects a 5.7% volume increase, a 4.6% contribution from acquisitions and a positive currency impact of 0.9%. Second quarter organic sales were higher in all areas, except in Asia and Australia where sales were level.

Q2 Total Net Profit was EUR 58.2 million, up 28.2% from EUR 45.4 million in the same period of 2005. Net profit per average common share increased to EUR 1.39 compared with EUR 1.09 in the second quarter of 2005, adjusted for stock dividends.

Q2 Income from Operations was EUR 78.8 million, 14.7% higher than EUR 68.7 million in the second quarter of 2005. In local currencies profits were higher in all areas, except in North America and Asia.

Q2 Net Profit Investment portfolio was EUR 4.8 million negative (after deduction of imputed interest and expenses) compared with EUR 6.5 million negative in the second quarter of 2005. The Portfolio's return in USD in the second quarter of 2006 (before imputed interest and expenses) was 0.1% negative, compared with nil in the second quarter of 2005.

Sales by Region first half year 2006

Europe

Sales in Europe increased by 11% to EUR 399 million. The sales increase reflects 6% volume increase, 4% contribution from acquisitions and 1% positive currency impact.

North America

North American sales increased by 18% to EUR 502 million reflecting a 6% volume increase, 6% positive currency impact and 6% contribution from acquisitions. In USD, sales increased by 12% to USD 617 million.

Latin America

Latin American sales were EUR 52 million, 37% higher than in the same period last year. The sales increase reflects 26% volume increase and 11% positive currency impact.

Asia

Asian sales were EUR 57 million, level compared with the first half of 2005. This is the result of 4% volume decrease and 4% positive currency impact.

Australia

Australian sales were EUR 36 million, 20% higher than in the same period last year. The sales increase reflects 7% volume increase and 13% contribution from acquisitions.

Outlook

Hunter Douglas remains optimistic about the outlook for 2006 in view of the strong position of its products, distribution and finances.

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 164 companies with 65 manufacturing and 99 assembly operations in more than 100 countries. Hunter Douglas employs about 19,000 people, and had sales in 2005 of EUR 1,920 million.

The common shares of Hunter Douglas N.V. are traded on Euronext and the Deutsche Börse.

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A consolidated Statement of Income for the first half year and the second quarter (Annex 1 +2), Balance Sheet (Annex 3), and Sales change attribution percentages by geographic region for the first half year and second quarter 2006 (Annex 4) are attached.

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