



Hunter Douglas: First Quarter 2005 Results

1.6% Higher Sales and 70% Lower Profits

Rotterdam, 27 April, 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 quarter of 2005.

Sales were EUR 405.8 million, 1.6% higher than EUR 399.3 million in the first quarter of 2004. The sales increase is attributable to 2.1% volume increase, 3.4% negative currency impact and 2.9% increase from acquisitions. All geographic areas had organic growth, except North America and Australia where sales were level.

North America accounted for 48% of sales, Europe 38%, 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 6.8 million, 70% lower than EUR 22.7 million in the first quarter of 2004. Net profit per average outstanding common share decreased to EUR 0.16 compared with EUR 0.54 in the first quarter 2004, adjusted for stock dividends.

The decrease in net profit is mainly due to the negative net income from the Investment Portfolio (after deduction of imputed interest and expenses) and the negative non-operational exchange result. The combination of these factors had a negative impact of EUR 11.7 million on the first quarter results compared with a positive impact from these factors of EUR 2.9 million in the first quarter of 2004.

Income from operations was EUR 29.1 million, 9.1% lower than EUR 32.0 million in the first quarter 2004. In local currencies, income from operations was higher in Asia, Australia and Latin America, level in North America, and lower in Europe. The negative effect on income from operations from the weakening of the US dollar compared with last years' first quarter was EUR 1.2 million.

The investment portfolio had a fair value on March 31, 2005 of EUR 482.6 million. The average return in USD on funds invested was 0.1%; while the net investment income, after deduction of imputed interest and expenses, was negative EUR 5.8 million. Management of these assets is delegated to a widely diversified range of independent managers.

During the quarter 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.

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 162 companies with 64 manufacturing and 98 assembly operations with marketing organizations in more than 100 countries. Hunter Douglas employs about 16,500 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.

A consolidated Statement of Income (Annex 1), Balance Sheet (Annex 2), and Sales change attribution percentages by geographic region for the first quarter of 2005 (Annex 3) are attached.

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