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HUNTER DOUGLAS RESULTS FIRST HALF YEAR 2014

Rotterdam, August 13, 2014 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for the first half year 2014 :

- **Sales:** USD 1,323.9 million, 3.2% higher compared with USD 1,282.9 million in the first half of 2013.
- **Earnings before interest, tax, depreciation and amortization - EBITDA:** USD 133.3 million, 10.8% higher than USD 120.3 million in the first half of 2013.
- **Income from Operations:** USD 87.5 million, 15.9% higher than USD 75.5 million in the first half of 2013. Results were better in all areas except in North America where they were lower.
- **Income before Tax:** USD 77.1 million, 13.0% higher than USD 68.2 million in the first half of 2013.
- **Total Net Profit:** USD 64.7 million (per share EUR 1.36), 8.2% higher than USD 59.8 million in the first half of 2013 (per share EUR 1.31).

Sales: The 3.2% sales increase reflects a 3.5% volume increase and a 0.3% negative currency impact. Volume increased in all areas.

North America accounted for 40% of sales, Europe 39%, Latin America 9%, Asia 8% and Australia 4%. Window Coverings were 82% and Architectural and Other Products were 18% of sales.

Operating cash flow: USD 10.3 million compared with USD 7.2 million in the first half of 2013.

Capital expenditures were USD 31 million compared with USD 30 million in the first half of 2013, while depreciation was USD 42 million compared with USD 41 million in the first half of 2013. For the full year capital expenditures are expected to be approximately USD 70 million and depreciation USD 85 million.

Shareholder's equity was USD 1,125 million compared with USD 1,124 million at the end of 2013, reflecting the first half year results offset by negative exchange translation and the payment of the dividend of EUR 1.25, totalling USD 59 million.

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Q2 2014

Q2 Sales: USD 718.3 million, 2.3% higher than USD 702.0 million in the same period of 2013. The increase reflects a 2.1% volume increase and a positive currency impact of 0.2%. Second quarter organic sales were higher in all areas.

Q2 Earnings before interest, tax, depreciation and amortization – EBITDA: USD 93.6 million, 9.1% higher than USD 85.8 million in Q2 2013.

Q2 Income from Operations: USD 71.8 million, 13.2% higher than USD 63.4 million in Q2 2013. Results in local currencies were better in all areas except in North America where they were lower.

Q2 Income before Tax: USD 66.9 million, 15.7% higher than USD 57.8 million in Q2 2013.

Q2 Total Net Profit: USD 54.1 million (per share EUR1.14), 9.5% higher than USD 49.4 million in Q2 2013 (per share EUR 1.08).

First half year 2014 by Region

Europe

European sales were USD 518 million, 7% higher than USD 484 million in the same period last year. This reflects a 2% volume increase and a 5% positive currency impact. In EUR, sales increased by 2% to EUR 378 million compared with EUR 369 million in 2013.

North America

North American sales increased by 1% to USD 535 million. The sales increase reflects a 2% volume increase and a 1% negative currency impact.

Latin America

Latin American sales were USD 117 million, 3% lower than USD 120 million in the same period last year. The sales decrease reflects a 10% volume increase and a 13% negative currency impact.

Asia

Asian sales increased by 6% to USD 107 million. The higher sales reflect a volume increase of 8% and a 2% negative currency impact.

Australia

Australian sales were USD 47 million, level with last year. This reflects a 9% volume increase and a 9% negative currency impact.

Outlook

Hunter Douglas expects improving economic conditions in the US and Asia, stable conditions in Latin America, but an ongoing challenging environment in Europe until consumer confidence and housing markets recover.

Hunter Douglas is in a strong position in terms of its products, distribution, finances and management.

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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 17,000 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.

The consolidated first half year report prepared in accordance with IAS 34 is available on our website www.hunterdouglasgroup.com.

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A consolidated Statement of Income for the first half year and Q2 (Annex 1+2), Balance Sheet (Annex 3), Cash Flow Statement (Annex 4) and Sales change attribution percentages by geographic region for the first half year and Q2 (Annex 5) are attached.

Annex 1

CONSOLIDATED STATEMENT OF INCOME

First half year ended June 30

(amounts in USD/mlin)

	<u>2014</u>	%	<u>2013</u>	%
Net sales	1,323.9		1,282.9	
Cost of sales	<u>-771.1</u>		<u>-745.3</u>	
Gross profit	552.8	41.8	537.6	41.9
Gross profit Metals Trading	<u>7.3</u>		<u>10.8</u>	
Total gross profit	560.1	42.3	548.4	42.7
Expenses:				
-Selling and marketing	<u>-266.2</u>		<u>-263.7</u>	
-General and administrative	<u>-160.6</u>		<u>-164.4</u>	
Subtotal expenses	<u>-426.8</u>		<u>-428.1</u>	
EBITDA	133.3	10.1	120.3	9.4
Depreciation and amortization	<u>-45.8</u>		<u>-44.8</u>	
Income from operations	87.5	6.6	75.5	5.9
Interest received	<u>0.5</u>		<u>0.5</u>	
Interest paid	<u>-11.4</u>		<u>-9.1</u>	
Non-operational exchange result	<u>0.1</u>		<u>0.2</u>	
Other financial income	<u>0.4</u>		<u>1.1</u>	
Net result investment portfolio				
Income before taxes	77.1		68.2	
Taxes on income	<u>-11.7</u>		<u>-8.3</u>	
Profit before minority interest	65.4		59.9	
Minority interest	<u>-0.7</u>		<u>-0.1</u>	
Net profit	64.7	4.9	59.8	4.7
Net profit per average common share	1.86		1.72	
Net profit per average common share - fully diluted	1.86		1.72	

Annex 2

CONSOLIDATED STATEMENT OF INCOME

Q2 ended June 30

(amounts in USD/mln)

	<u>2014</u>	%	<u>2013</u>	%
Net sales	718.3		702.0	
Cost of sales	-411.8		-405.0	
Gross profit	306.5	42.7	297.0	42.3
Gross profit Metals Trading	3.8		6.4	
Total gross profit	310.3	43.2	303.4	43.2
Expenses:				
-Selling and marketing	-139.9		-134.0	
-General and administrative	-76.8		-83.6	
Subtotal expenses	-216.7		-217.6	
EBITDA	93.6	13.0	85.8	12.2
Depreciation and amortization	-21.8		-22.4	
Income from operations	71.8	10.0	63.4	9.0
Interest received	0.3		0.2	
Interest paid	-5.5		-5.8	
Non-operational exchange result	-0.1			
Other financial income	0.4			
Income before taxes	66.9		57.8	
Taxes on income	-12.1		-8.5	
Profit before minority interest	54.8		49.3	
Minority interest	-0.7		-0.1	
Net profit	54.1	7.5	49.2	7.0
Net profit per average common share	1.55		1.42	
Net profit per average common share - fully diluted	1.55		1.42	

Annex 3

CONSOLIDATED BALANCE SHEET

As per June 30

(amounts in USD/mln)

	<u>2014</u>	<u>2013</u>
ASSETS		
Fixed assets		
Intangible fixed assets	318.2	306.3
Tangible fixed assets	541.3	559.6
Other financial non-current assets	139.1	174.1
Total fixed assets	998.6	1,040.0
Current assets		
Inventories	677.0	671.5
Accounts receivable		
-Trade	433.1	423.3
-Other	149.6	139.4
Investment portfolio		3.4
Cash and other short-term deposits	21.1	36.7
Total current assets	1,280.8	1,274.3
	2,279.4	2,314.3
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	11.6	11.1
Additional paid-in capital	96.6	92.3
Retained earnings	1,016.4	948.0
Total shareholders' equity	1,124.6	1,051.4
Minority interest	16.7	16.2
Total Group equity	1,141.3	1,067.6
Non-current liabilities		
Interest-bearing loans and borrowings	384.6	485.1
Preferred shares	11.3	10.8
Provisions	98.7	157.2
Deferred income tax liabilities	2.5	2.1
Total non-current liabilities	497.1	655.2
Current liabilities		
Trade and other payables	585.0	528.4
Interest-bearing loans and borrowings	56.0	63.1
Total current liabilities	641.0	591.5
	2,279.4	2,314.3

Annex 4

CONSOLIDATED CASH FLOW STATEMENT

First half year ended June 30

(amounts in USD/mln)

	<u>2014</u>	<u>2013</u>
Net profit attributable to equity shareholders	64.7	59.8
Adjustments for:		
Depreciation property, plant & equipment	42.2	41.3
Amortization patents & trademarks	3.6	3.6
(Decrease) increase provisions	-4.0	3.6
Non-cash items	0.3	-6.3
Unrealized result investment portfolio		-1.1
Operating cash flow before working capital changes	106.8	100.9
Changes in working capital:		
-increase trade and other receivables and prepayments	-45.8	-42.5
-(increase) decrease inventories	-46.2	1.3
-decrease trade and other payables	-4.5	-52.5
Operating cash flow	10.3	7.2
	-59.0	-58.2
Net cash from operations	-48.7	-51.0
Cash flow from investing activities		
Investment intangible fixed assets	-2.5	
Investment property, plant and equipment	-30.9	-29.6
Divestment property, plant and equipment	5.8	3.7
Decrease investment portfolio	2.4	115.7
Increase other financial non-current assets	-7.6	-3.8
Net cash from investing activities	-32.8	86.0
Cash flow from financing activities		
Treasury shares		-0.8
Increase (decrease) interest-bearing loans and borrowings	74.4	-45.8
Net cash from financing activities	74.4	-46.6
Net decrease in cash and cash equivalents	-7.1	-11.6
Change in cash and cash equivalents		
Balance at 1 January	32.2	49.7
Net decrease in cash and cash equivalents	-7.1	-11.6
Exchange difference cash and cash equivalents	-4.0	-1.4
Balance at 30 June	21.1	36.7

Annex 5

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

First half year 2014 vs first half year 2013

Area	Volume	Currency	Acquisitions	Total
Europe	2	5	-	7
North America	2	-1	-	1
Latin America	10	-13	-	-3
Asia	8	-2	-	6
Australia	9	-9	-	0
Total	3	0	-	3

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

Q2 2014 vs Q2 2013

Area	Volume	Currency	Acquisitions	Total
Europe	1	5	-	6
North America	2	-1	-	1
Latin America	3	-11	-	-8
Asia	3	-1	-	2
Australia	9	-4	-	5
Total	2	0	-	2