



## **Hunter Douglas Results 2004**

### **Sales 3.9% higher and profits 11.2 % higher**

**Rotterdam, 8 March 2005** - Hunter Douglas, the world market leader in window coverings (Luxaflex®), and a major manufacturer of architectural products (Luxalon®), had record sales and profits in 2004.

Sales were EUR 1,720 million, 3.9% higher than EUR 1,655 million in 2003. The sales increase reflects a 5.2% volume increase, 4.8% negative currency impact and a 3.5% increase from acquisitions.

Europe accounted for 39% of sales, North America 48%, Latin America 4%, Asia 5% and Australia 4%. Window Coverings were 89% and Architectural and Other Products were 11% of total sales.

Net profit was EUR 170.7 million, 11.2% higher than EUR 153.5 million in 2003. Net profit per average outstanding common share was EUR 4.11, compared to EUR 3.56 for 2003, adjusted for stock dividends.

Capital expenditures of EUR 49 million (EUR 54 million in 2003) were dedicated to growing existing businesses, efficiency improvements and new products. Depreciation was EUR 51 million, compared with EUR 54 million in 2003. Goodwill amortization was EUR 16 million, compared with EUR 17 million in 2003.

The company's investment portfolio had a fair value at year-end of EUR 469 million compared to EUR 413 million at the end of 2003. Management of these assets is delegated to a widely diversified range of independent managers. The average return in USD on funds invested was 16.1%, while the net investment income, after deduction of imputed interest and expenses, was EUR 48.6 million.

Cash flow from operations was EUR 228 million, compared with EUR 251 million in 2003.

Return before interest on Net Assets Employed (RONAE) was 20.2%, compared with 17.1% in 2003.

Return on Equity was 18.9% compared with 17.7% in 2003.

Shareholder's equity increased to EUR 934.5 million, compared with EUR 871.0 million at the end of 2003.

The company had approximately 16,000 employees at the end of 2004, compared to 15,900 at the end of 2003.

The Board of Directors recommends an increase in the dividend to EUR 1.35 per common share, compared with the prior year's EUR 1.30.

In April, the Company completed its 2003/2004 Share Buy-Back Program having purchased 1.7 million shares for EUR 65.8 million. These shares have been cancelled.

### **Fourth Quarter 2004**

Fourth quarter sales were EUR 413.7 million, 1.8% higher than EUR 406.2 million in the same period in 2003. The increase reflects a 0.3% volume increase, negative currency impact of 5.2% and 6.7% contribution from acquisitions. Fourth quarter sales were higher in all areas, except North America.

Fourth quarter net profit was EUR 73.8 million, up 6.2% from EUR 69.5 million in the same period of 2003. Profits were higher in all areas.

### **Results by Region**

#### **Europe**

European Operations had record sales and profits, benefiting from continued rationalization programs, product introductions, innovative marketing programs and the integration of companies acquired in 2003.

Sales in Europe were EUR 674 million, 5.5% higher than EUR 640 million in 2003. The sales increase reflects a 1.1% volume increase, 0.2% currency impact and a 4.2% contribution from acquisitions. Sales in the fourth quarter increased by 17.4% to EUR 169 million, reflecting a 2.1% decrease in volume, 0.7% currency impact and an 18.8% contribution from acquisitions.

## **North America**

North American Operations had record sales and profits.

North American sales increased 0.9% to EUR 820 million. The sales increase reflects 6.2% volume increase, 9.1% negative currency impact and a 3.8% contribution from acquisitions. Sales in the fourth quarter decreased 11.0% to EUR 186 million. The decrease reflects a 1.9% volume decrease and 9.1% negative currency impact.

Hunter Douglas' proprietary products continued to enjoy wide consumer acceptance, with exceptional performance in Duette® honeycomb shades. The expansion of Hunter Douglas' unique Window Fashions Gallery® display program to qualified retailers is continuing to boost market penetration. For the seventh consecutive year, Hunter Douglas won 'Product of the Year' honors from the Window Covering Manufacturers Association, this time for Trio® Convertible Shades.

## **Latin America**

Latin American Operations had record profits, supported by the growth of the region's economies.

Latin American sales were EUR 69 million, 13.1% higher than in 2003, reflecting an 18% volume increase and 4.9% negative currency impact. Fourth quarter sales were EUR 21 million, 10.5% higher than in the same quarter of 2003.

## **Asia**

Asian operations had record sales and profits.

Asian sales were EUR 94 million, 11.9% higher than in 2003. The sales increase reflects a 19.1% volume increase and 7.2% negative currency impact. Fourth quarter sales were 17.7% higher, reflecting a 29.4% volume increase and 11.7% negative currency impact.

China, the largest and most profitable operation in Asia, continued to experience growth in sales and modest growth in profits.

## **Australia**

Australian operations had higher sales and record profits; benefiting from increasing market share and the success of new products.

Australian sales were EUR 63 million, 10.5% higher than in 2003, due to a 7.0% volume increase and 3.5% currency impact. Fourth quarter sales were 5.9% higher due to volume increase.

## **Outlook**

Economic conditions are stable in most markets and Hunter Douglas is cautiously optimistic about the outlook for 2005 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 161 companies with 64 manufacturing and 97 assembly organizations in more than 100 countries.

The common shares of Hunter Douglas N.V. are traded on the Dutch and German Stock exchanges.

## **For further information:**

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A consolidated Statement of Income for 2004 and the fourth quarter (Annex 1+2), Balance Sheet (Annex 3), Cash Flow Statement (Annex 4), and Sales change attribution percentages by geographic region for the full year 2004 and fourth quarter (Annex 5) are attached.

- [CONSOLIDATED STATEMENT OF INCOME \(Annex 1\)](#)
- [CONSOLIDATED STATEMENT OF INCOME\(Annex 2\)](#)
- [CONSOLIDATED BALANCE SHEET \(Annex 3\)](#)
- [CONSOLIDATED CASH FLOW STATEMENT \(Annex 4\)](#)

- [PERCENTAGE SALES CHANGE ATTRIBUTION \(Annex 5\)](#)