



Hunter Douglas Results 2006

HUNTER DOUGLAS RESULTS 2006

Rotterdam, March 7, 2007 - Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products (Luxalon®), results for 2006:

- . **Sales:** 9.7% higher to USD 2.630 billion;
compared with USD 2.397 billion in 2005.
- . **Income from Operations:** 14.1% higher to USD 341.1 million;
compared with USD 298.9 million in 2005.
- . **Net Profit from Operations:** 31.3% higher to USD 260.9 million;
compared with USD 198.7 million in 2005.
- . **Net Profit Investment Portfolio:** USD 66.2 million;
compared with USD 24.4 million in 2005.
- . **Total Net Profit:** 46.7% higher to USD 327.1 million;
compared with USD 223.1 million in 2005.

Change of Reporting Currency

Hunter Douglas has changed its reporting currency as from the full year 2006 from Euros to U.S. dollars. This will better reflect the performance of the business as operational sales and profits and the Investment Portfolio are predominantly U.S. dollar related. For comparative purposes the results are reported both in U.S. dollars and Euros for 2006 and 2005.

Sales USD 2.630 billion, 9.7% higher than USD 2.397 billion in 2005. The sales increase reflects a 5.0% volume increase, a 3.8% increase from acquisitions (net of divestments) and 0.9% positive currency impact. All geographic areas had organic growth, except Asia where sales were level.

North America accounted for 47% of sales, Europe 38%, Latin America 6%, Asia 5% and Australia 4%. Window Coverings were 88% and Architectural and Other Products were 12% of total sales.

Income from operations increased to a record USD 341.1 million, 14.1% higher than USD 298.9 million in 2005. In local currencies, income from operations was higher in all areas, except North America where operating results were slightly lower and Asia which had lower results.

Net Profit from Operations: USD 260.9 million, 31.3.% higher than USD 198.7 million in 2005. In local currencies, Net Profit from Operations was higher in all areas, except in North America which had slightly lower results and Asia which had lower results.

Net Profit Investment Portfolio: USD 66.2 million in 2006 (after deduction of imputed interest and expenses) compared with USD 24.4 million in 2005. The Investment Portfolio had a fair value at year-end 2006 of USD 771.3 million compared with USD 680.1 million at the end of 2005. The Portfolio's return in USD (before imputed interest and expenses) was 16.9%, compared with 8.8% in 2005. Management of these assets is delegated to a widely diversified range of independent managers.

Total Net profit: USD 327.1 million, 46.7% higher than USD 223.1 million in 2005. Net profit per average outstanding common share was USD 7.82, compared with USD 5.35 for 2005.

Operating cash flow: USD 389 million, compared with USD 247 million in 2005.

Capital expenditures: USD 107 million (USD 82 million in 2005) were dedicated to growing existing businesses, efficiency improvements and new products. Depreciation was USD 70 million, compared with USD 67 million in 2005.

Return before interest on Net Assets Employed (RONAE): 25.1%, compared with 24.1.% in 2005.

Return on Equity: 21.2.% compared with 16.7.% in 2005.

Shareholder's equity increased to USD 1.680 billion, compared with USD 1.403 billion at the end of 2005.

The company had approximately 20,000 employees at the end of 2006, up from 18,000 at the end of 2005. The increase is largely due to acquisitions.

The dividend recommended by the Board of Directors is EUR 2.00 per common share, payable in cash (EUR 1.85 in 2005).

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Fourth Quarter 2006

Q4 sales: USD 678 million, 9.5% higher than USD 619 million in the same period in 2005. The increase reflects a 4.0% volume increase, a 2.1% contribution from acquisitions (net of divestments) and a positive currency impact of 3.4%. In local currencies, fourth quarter sales were higher in all areas, except in North America where sales were slightly lower.

Q4 Income from operations: USD 98.7 million, 28.9.% higher than USD 76.6 million in the fourth quarter of 2005. In local currencies profits were higher in all areas, except North America which had slightly lower operating results.

Q4 Net Profit from Operations: USD 70.3 million, 42.3.% higher than USD 49.4 million in the same period in 2005. In local currencies, profits were higher in all areas, except North America where results were slightly lower and Asia which had lower results.

Q4 Net Profit Investment portfolio: USD 32.0 million (after deduction of imputed interest and expenses) compared with USD 9.0 million in the fourth quarter of 2005. The Portfolio's return in USD in the fourth quarter of 2006 (before imputed interest and expenses) was 8.2%, compared with 2.6.% in the fourth quarter of 2005.

Q4 Total Net Profit: USD 102.3 million, up 75.2.% from USD 58.4 million in the same period of 2005. Net profit per average common share was USD 2.44 compared with USD 1.40 in the fourth quarter of 2005.

Total year 2006 by Region

Europe

European Operations had record sales and profits, benefiting from successful product launches and strengthening economies.

Sales in Europe increased by 12.5% to USD 1.011 billion. The sales increase reflects 8.7% volume increase, 3.1% contribution from acquisitions (net of divestments) and 0.7% positive currency impact. In EUR, sales increased by 11.8% to EUR 804 million compared with EUR 720 million in 2005.

North America

North American Operations had higher sales but slightly lower operating profits.

North American sales increased by 6.3% to USD 1.240 billion reflecting a 0.7% volume increase, 4.8% contribution from acquisitions and 0.8% positive currency impact.

Latin America

Latin American Operations again had record sales and profits, supported by the stability of the region's economies.

Latin American sales were USD 150 million, 28.2% higher than USD 117 million in the same period last year. The sales increase reflects 24.8% volume increase and 3.4% positive currency impact.

Asia

Asian Operations had level sales and lower profits.

Asian sales were USD 128 million, level with 2005. This is the result of 0.8% volume decrease and 0.8% positive currency

impact.

Australia

Australian Operations had record sales and profits.

Australian sales were USD 101 million, 17.4% higher than USD 86 million in the same period last year. The sales increase reflects 8.1% volume increase, 8.1% contribution from acquisitions and 1.2% positive currency impact.

Outlook

Hunter Douglas is cautious about the Outlook for 2007 compared with the record 2006 results, considering slower North American sales which are affected by the decline in the US housing market.

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 166 companies with 65 manufacturing and 101 assembly operations in more than 100 countries.

Hunter Douglas employs about 20,000 people.

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

For further information:

Leen Reijtenbagh

Chief Financial Officer

Tel. +31 10 486 95 82

Email : l.reijtenbagh@hdnv.nl

Website : www.hunterdouglasgroup.com

A consolidated Statement of Income for 2006 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 2006 and fourth quarter 2006 (Annex 5) are attached.

- [CONSOLIDATED STATEMENT OF INCOME \(Annex 1\)](#)
- [CONSOLIDATED STATEMENT OF INCOME \(Annex 2\)](#)
- [CONSOLIDATED BALANCE SHEET \(Annex 3\)](#)
- [CONSOLIDATED BALANCE SHEET \(Annex 4\)](#)
- [PERCENTAGE SALES CHANGE ATTRIBUTION \(Annex 5\)](#)