



Hunter Douglas Results 2005

Rotterdam, March 7, 2006 - Hunter Douglas, the world market leader in window coverings (Luxaflex(R)) and a major manufacturer of architectural products (Luxalon(R)), announces its results for 2005:

- **Sales:** record, 11.7% higher to EUR 1,920 million; compared with EUR 1,720 million in 2004.
- **Income from Operations:** record, 23.5% higher to EUR 239.4 million; compared with EUR 193.8 million in 2004.
- **Non-operational exchange results:** EUR 2.8 million negative; compared with EUR 7.9 million positive in 2004.
- **Net Income Investment Portfolio:** EUR 19.6 million; compared with EUR 48.6 million in 2004.
- **Net Profit:** EUR 178.7 million in 2005; compared with EUR 183.9 million in 2004.

Sales were EUR 1,920 million, 11.7% higher than EUR 1,720 million in 2004. The sales increase reflects a 5.4% volume increase, a 5.4% increase from acquisitions and 0.9% positive currency impact. All geographic areas had organic growth except Australia, where sales were level.

North America accounted for 49% of sales, Europe 37%, Latin America 5%, Asia 5% and Australia 4%. Window Coverings were 89% and Architectural and Other Products were 11% of total sales.

IFRS (International Financial Reporting Standards): The 2005 results have been reported, and 2004 restated, on an IFRS basis as per Hunter Douglas' 17 January 2006 Press Release. These accounting changes increased Net Profit for 2004 from EUR 170.7 million to EUR 183.9 million (per common share from EUR 4.11 to EUR 4.44) the increase being primarily due to the exclusion of EUR 14 million Goodwill amortization from expenses.

Net profit was EUR 178.7 million, 2.8% lower than EUR 183.9 million in 2004. Net profit per average outstanding common share was EUR 4.29, compared to EUR 4.41 for 2004, adjusted for stock dividends.

Income from operations increased to a record EUR 239.4 million, 23.5% higher than EUR 193.8 million in 2004. In local currencies, income from operations was higher in all areas.

Net Income from the Investment Portfolio was EUR 19.6 million in 2005 (after deduction of imputed interest and expenses) compared with EUR 48.6 million in 2004. The investment portfolio had a fair value at year-end 2005 of EUR 575 million compared with EUR 469 million at the end of 2004. The Portfolio's return in USD (before imputed interest and expenses) was 8.8%. Management of these assets is delegated to a widely diversified range of independent managers.

Operating cash flow was EUR 204 million, compared with EUR 227 million in 2004.

Capital expenditures of EUR 69 million (EUR 49 million in 2004) were dedicated to growing existing businesses, efficiency improvements and new products. Depreciation was EUR 56 million, compared with EUR 51 million in 2004.

Return before interest on Net Assets Employed (RONAE) was 24.4%, compared with 21.6% in 2004.

Return on Equity was 16.9% compared with 20.0% in 2004.

Shareholder's equity increased to EUR 1,186 million, compared with EUR 925 million at the end of 2004.

The company had approximately 18,000 employees at the end of 2005, up from 16,000 at the end of 2004.

The dividend recommended by the Board of Directors is EUR 1.85 per common share, payable in cash (EUR 1.35 in 2004).

Fourth Quarter 2005

Q4 sales were EUR 516.2 million, 24.8% higher than EUR 413.7 million in the same period in 2004. The increase reflects a 8.2% volume increase, a 9.3% contribution from acquisitions and a positive currency impact of 7.3%. Fourth quarter organic sales were higher in all areas except Australia, where sales were level.

Q4 net profit was EUR 48.7 million, down 37.6% from EUR 78.0 million in the same period of 2004. Net profit per average common share decreased to EUR 1.17 compared with EUR 1.87 in the fourth quarter of 2004, adjusted for stock dividends.

Q4 Income from operations was EUR 63.9 million, 51.1% higher than EUR 42.3 million in the fourth quarter of 2004. In local currencies, profits were higher in all areas.

Q4 Net Income from the Investment portfolio was EUR 7.4 million (after deduction of imputed interest and expenses) compared with EUR 45.0 million in the fourth quarter of 2004. The Portfolio's return in USD in the fourth quarter of 2005 (before imputed interest and expenses) was 2.6%, compared with 10.2% in the fourth quarter of 2004.

Results by Region

Europe

European Operations had record sales and profits despite continuing slow economic conditions. Almost all units performed well.

Sales in Europe were EUR 720 million, 6.8% higher than EUR 674 million in 2004. The sales increase reflects a 1.0% volume increase, a 5.9% contribution from acquisitions and 0.1% negative currency impact. Sales in the fourth quarter increased by 11.2% to EUR 188 million, reflecting a 1.2% increase in volume and a 10.0% contribution from acquisitions.

North America

North American Operations again achieved record sales and profits.

North American sales increased 14.0% to EUR 935 million reflecting a 7.4% volume increase, a 5.9% contribution from acquisitions and a 0.7% positive currency impact. Sales in the fourth quarter increased 36.0% to EUR 253 million reflecting a 13.4% volume increase, a 10.2% contribution from acquisitions and a 12.4% positive currency impact.

Hunter Douglas' proprietary products continued to enjoy wide consumer acceptance, with exceptional performance in Duette(R) honeycomb shades. The expansion of Hunter Douglas' unique Window Fashions Gallery(R) program is continuing to boost market penetration. For the eighth consecutive year, Hunter Douglas won 'Product of the Year' award from the Window Covering Manufacturers Association, this time for the Alustra™ collection.

Latin America

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

Latin American sales were EUR 94 million, 36.2% higher than in 2004, reflecting a 26.1% volume increase and a 10.1% positive currency impact. Fourth quarter sales were EUR 31 million, 47.6% higher than in the same quarter of 2004 reflecting a 28.6% volume increase and a 19.0% positive currency impact.

Asia

Asian operations again achieved record sales and profits.

Asian sales were EUR 102 million, 8.5% higher than in 2004. The sales increase reflects a 7.5% volume increase and a 1.0% positive currency impact. Fourth quarter sales of EUR 23 million were 15.0% higher, reflecting a 5.0% volume increase and 10.0% positive currency impact.

China, the largest and most profitable operation in Asia, continued its strong growth in sales and profits.

Australia

Australian operations had higher sales and profits.

Australian sales were EUR 69 million, 9.5% higher than in 2004, reflecting a 6.3% contribution from acquisitions and a 3.2% positive currency impact. Fourth quarter sales of EUR 21 million were 16.7% higher, reflecting a 11.1% contribution from

acquisitions and a 5.6% positive currency impact.

Outlook

Hunter Douglas is cautiously 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.

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

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A consolidated Statement of Income for 2005 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 2005 and fourth quarter (Annex 5) are attached.