



## **Hunter Douglas results 2001**

### **1.9% Higher Sales and 15.5% Lower Profits**

Rotterdam, 5 March 2002 – Hunter Douglas, the world market leader in window coverings (Luxaflex®), and a major manufacturer of architectural products (Luxalon®) reports its results for 2001:

Sales were EUR 1,730 million, 1.9% higher than EUR 1,697 million in 2000. The sales increase reflects a 0.6% volume decrease, a 1.4% positive currency impact and a 1.1% contribution from acquisitions. All regions had flat or modestly lower volume with the exception of Asia, where sales were higher.

North America accounted for 54% of sales, Europe 33%, Latin America and Asia 5% each and Australia 3%. Window Coverings were 87% and Architectural & Other Products 13% of total sales.

Net profit was EUR 123 million, 15.5% lower than the EUR 145 million in 2000. Net profit per average outstanding common share was EUR 3.08, compared to EUR 3.62 for the year 2000, adjusted for stock dividends.

Capital expenditures of EUR 93 million, compared with EUR 105 million in 2000, were geared to grow existing businesses by efficiency improvements and new products. Depreciation was EUR 61 million compared with EUR 58 million in 2000.

The company's investment portfolio had a book value of EUR 346 million at the end of 2001. Management of these assets is delegated to a widely diversified range of independent managers. The portfolio's return in U.S. Dollars was 8.3%. Net investment income, after deduction of provisions, imputed interest and direct expenses was EUR 4.5 million.

Return before interest on Net Assets Employed (RONAE) was 19.3%, compared with 26.1% in 2000.

Return on Equity was 15.6% compared with 21.7% in 2000.

Shareholder's equity increased to EUR 839 million, up from EUR 738 million at the end of 2000.

The company had approximately 14,300 employees at the end of 2001, 750 fewer than in December 2000.

As a sign of confidence in the future, the Board of Directors recommends the same dividend as in 2000, namely EUR 1.13 per common share.

#### **Fourth Quarter 2001**

Fourth quarter sales were EUR 420 million, 4.8% lower than EUR 442 million in the same period in 2000. The decrease reflects a 4.8% volume decrease, a negative currency impact of 1.1% and a 1.1% contribution from acquisitions. Fourth quarter sales were lower in all areas, except Asia where sales were increased.

Fourth quarter net profit was EUR 31 million, down 42.0% from the EUR 54 million in the same quarter of 2000. Profits were higher in Asia and Australia, and lower in Europe, North America and Latin America.

#### **Results by Region**

European Operations' sales were EUR 575 million, 0.2% higher than in 2000. Volume declined 1.6%, currency had a 0.5% negative effect and acquisitions contributed 2.3%. Sales in the fourth quarter were lower by 0.7%.

Hunter Douglas Europe had slightly higher sales though slightly lower profits. The company strengthened its market position in the Benelux, UK and Ireland. Introduction of the Luxaflex® 50-year anniversary collections supported new innovative marketing programs.

Acquisitions in 2001 were AMO Blinds, a UK-based wholesaler of Window Coverings, and Sangro, a Dutch wholesaler of materials for Vertical Blinds.

Nedal, the Dutch based aluminium extrusion operation, had lower sales and profits.

Hunter Douglas North America North American sales were EUR 927 million, 4.2% higher than in 2000. Volume increased 0.2%, currency had a 3.5% positive impact and acquisitions contributed 0.5%. Sales in the fourth quarter were down by 5.5%.

Weakening consumer confidence starting in the second quarter was accentuated by the tragic events of September 11th.

Significant capital investments were made to expand capacity and improve productivity and customer service. New plants were completed in Colorado, Maryland and Ontario, Canada.

Hunter Douglas continued to build consumer awareness and demand with the industry's largest national advertising campaign through leading publications and national cable television.

Hunter Douglas Latin America Latin American operations' sales were EUR 87 million, 1.1% lower than in 2000. Fourth quarter sales were 15.4% lower than in the comparable period in 2000.

Manufacturing operations in Brazil were closed and production consolidated in the Chilean Operation.

The Mexican operation continued its impressive growth in sales and profits.

Hunter Douglas Asia Hunter Douglas' Asian operations had sales of EUR 87 million, 8.8% higher than in 2000. Fourth quarter sales were 4% higher.

Operations in Malaysia, Taiwan, Vietnam and Philippines had strong growth.

China, with the largest and most profitable operations in Asia, continued to perform well. The new 10,000 m2 factory in Shanghai commenced production last month.

Hunter Douglas Australia Hunter Douglas Australia's sales were EUR 54 million, 16.9% lower than in 2000, of which 8.8% was due to volume decline and 8.1% to unfavorable currency impact. Fourth quarter sales declined 23.8%, of which 14.3% was due to lower volume and 9.5% due to negative currency impact.

Outlook Hunter Douglas expects economic conditions to remain difficult in 2002 and the outlook is uncertain. The company is therefore not making any forecast for this year.

On a longer term basis the company remains optimistic because of its strong position in terms of its products, distribution and finances.

Profile Hunter Douglas Hunter Douglas is the world leader in window coverings and a major manufacturer of architectural products. Hunter Douglas has its head office in Rotterdam, the Netherlands, and a Management Office in Lucerne, Switzerland. The Group is comprised of 147 companies with 63 manufacturing and 84 assembly organizations in more than 100 countries.

The shares of Hunter Douglas N.V. are traded on the Dutch, Swiss and German stock exchanges and as ADR's on the over the counter market in New York.