

Hunter Douglas results first nine months 2005

7.5% higher sales, 22.6% higher profit

Q3 2005: 12.7% higher sales, 79.4% higher profit

Rotterdam, 8 November, 2005 – Hunter Douglas, the world market leader in window coverings (Luxaflex®), and a major manufacturer of architectural products (Luxalon®) reports its results for the first nine months of 2005.

Sales were EUR 1,404.2 million, 7.5% higher than EUR 1,306.1 million in the first nine months of 2004. The sales increase is attributable to 4.5% volume increase, 1.1% negative currency impact and 4.1% increase from acquisitions. All geographic areas had organic growth except Australia, where sales were level.

North America accounted for 49% of sales, Europe 38%, Latin America 4%, Asia 6% and Australia 3%. Window Coverings represented 89% and Architectural and Other Products 11% of total sales.

Net profit was EUR 118.8 million, 22.6% higher than EUR 96.9 million in the first nine months of 2004. Net profit per average outstanding common share increased to EUR 2.84 compared with EUR 2.31 in the first nine months of 2004, adjusted for stock dividends.

Income from operations was EUR 164.3 million, 15.1% higher than EUR 142.7 million in the first nine months 2004. In local currencies, income from operations was higher in all areas, except in Australia where profit was somewhat lower. The negative effect on income from operations from the weakening of the US dollar compared with last years' nine months average was EUR 3.3 million.

The Investment Portfolio had a net income of EUR 12.2 million in the first nine months of 2005 (after deduction of imputed interest and expenses) compared with a EUR 3.6 million in the same period last year. Portfolio returns in USD in the first nine months of 2005 before imputed interest and expenses were 6.2%. The investment portfolio had a fair value on September 30, 2005 of EUR 586.2 million. Management of these assets is delegated to a widely diversified range of independent managers.

Capital expenditures in the first nine months of 2005 were EUR 50 million compared with EUR 38 million during the same period last year, while depreciation was EUR 40 million.

Shareholder's equity was EUR 1,177 million, up from EUR 935 million at the end of 2004. The main contributors were: profit after tax EUR 119 million, positive exchange effect EUR 105 million, issue of Preferred shares EUR 60 million, partly offset by dividends EUR 45 million.

Acquisitions during the first nine months were: Blöcker, a German based distributor of pleated blind systems, Century Blinds, a Southern California based fabricator of window coverings, Aveno, an Atlanta, Georgia based fabricator of window coverings, Paris Texas Hardware, a Texas based marketer of decorative drapery hardware and 91.8% of Mermet, a French based manufacturer of glass fiber sunscreen and wall covering fabrics. The current annualized sales of these operations are approximately EUR 125 million.

Third quarter 2005

Q3 sales were EUR 495.1 million, 12.7% higher than EUR 439.3 million in the same period last year. The increase reflects a 6.5% volume increase, 0.9% positive currency impact and 5.3% contribution from acquisitions. Organic sales were higher in North America and Latin America, level in Europe and Asia and lower in Australia.

Q3 net profit was EUR 71.4 million, 79.4% higher than EUR 39.8 million in the third quarter of 2004. Net profit per average outstanding common share increased to EUR 1.73 compared with EUR 0.94 in the third quarter of 2004, adjusted for stock dividends.

Q3 income from operations was EUR 71.2 million, 27.6% higher than EUR 55.8 million in the third quarter of 2004. In local currencies, income from operations was higher in all areas, except in Australia where profit was level. The negative effect on income from operations from the weakening of the US dollar compared with last years' third quarter was EUR 0.6 million.

The Investment Portfolio had a positive net income of EUR 24.5 million in the third quarter (after deduction of imputed interest and expenses) compared with EUR 1.3 million positive in the third quarter of last year. Portfolio returns in USD in the third quarter of 2005 before imputed interest and expenses were 6.1%.

Sales by Region first nine months 2005

Europe

Sales in Europe increased by 5% to EUR 532 million. The sales increase reflects 1% volume increase and 4% contribution from acquisitions.

North America

Sales in North America increased by 11% in dollars of which 5% was attributable to acquisitions. Sales in Euros increased 8% to EUR 682 million, reflecting a 6% volume increase, 3% negative currency impact and 5% contribution from acquisitions.

Latin America

Sales in Latin America were EUR 63 million, 31% higher than in the same period last year. The sales increase reflects 25% volume increase and 6% positive currency impact.

Asia

Sales in Asia were EUR 79 million, 7% higher than in the first nine months of 2004. The sales increase reflects 8% volume increase and 1% negative currency impact.

Australia

Sales in Australia were EUR 48 million, 7% higher than in the same period last year. The sales increase reflects 3% currency impact and 4% contribution from acquisitions.

Outlook

Hunter Douglas is optimistic about the outlook for the operations for the rest of the year.

Profile

Hunter Douglas has its Head Office in Rotterdam, The Netherlands, and a Management Office in Lucerne, Switzerland. The Group is comprised of 163 companies with 65 manufacturing and 98 assembly operations with marketing organizations in more than 100 countries. Hunter Douglas employs about 18,000 people, and had sales in 2004 of EUR 1,720 million.

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

For further information:

Werner Oppliger

Executive Vice President and Chief Financial Officer

Tel. +41 41 419 27 72

Website: www.hunterdouglasgroup.com

Consolidated Statements of Income – for the nine months and the third quarter (Annex 1+2), Balance Sheet (Annex 3), and Sales change attribution percentages by geographic region for the nine months 2005 and the third quarter (Annex 4) are attached.

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