

Hunter Douglas Presents 2004 Financial Information Prepared in Accordance With International Financial Reporting Standards

Rotterdam, January 17, 2006 - Hunter Douglas, the world market leader in window coverings (Luxaflex), and a major manufacturer of architectural products (Luxalon), reports its 2004 financial information prepared under International Financial Reporting Standards ("IFRS").

Adoption of IFRS

The 2004 results were reported under generally accepted accounting principles in the Netherlands ("Dutch GAAP"). As from the full year 2005 results - which will be reported on March 7th 2006 - Hunter Douglas will report on the basis of IFRS. This press release has been prepared in order to provide 2004 IFRS information, that will serve as a comparison for 2005. The IFRS information shown is compared with the company's reported Dutch GAAP numbers. The principal changes affecting the consolidated balance sheet and income statement are explained below.

The effects of adopting IFRS at the date of transition (January 1, 2005) will be recorded in shareholders' equity in the company's opening IFRS balance sheet as per January 1, 2004. A reconciliation of stockholders' equity between Dutch GAAP and IFRS is included. The financial information has been prepared on the basis of the standards currently endorsed by the European Union. All presented figures are audited.

The change in accounting standards does not materially affect the cash flow statements. Net cash flow from operations, investments and financing activities were the same for 2004 under both Dutch GAAP and IFRS. Therefore, no reconciliation of cash flows between IFRS and Dutch GAAP is provided.

Upon transition to IFRS, as permitted by a one-time exemption, as set out in IFRS 1, Hunter Douglas has set the cumulative translation adjustment reserve to zero for all investments in foreign subsidiaries and equity investments as per January 1, 2004.

Effects of reporting under IFRS

The main differences between IFRS and Dutch GAAP for Hunter Douglas are listed below. A number of minor adjustments and reclassifications are excluded.

Pensions (IAS 19)

IFRS requires the excess of defined-benefit obligations measured at present value over pension plan assets measured at fair value to be recorded on the balance sheet. Fair values and related changes in the income statement are based on actuarial assumptions taking into account such factors as expected salary increases and return on pension plan assets. Hunter Douglas has several pension plans based on local employment practice. In accordance with "First Time Adoption of Financial Reporting Standards," ("IFRS 1"), the company has opted to book all cumulative actuarial gains and losses at the date of transition to IFRS as an adjustment to shareholders' equity.

Business Combinations / Goodwill (IFRS 3 / IAS 36 / IAS 38)

Dutch GAAP allows for the amortization of goodwill. Under IFRS, goodwill acquired in a business combination is booked at cost less any accumulated impairment losses. Goodwill is considered to have an infinite useful life and is therefore not amortized. Goodwill must be tested for impairment at least annually; certain events or changes in circumstances may give rise to impairment tests when appropriate. Based on the company's review of operations and testing of goodwill, there was no material impairment in the carrying value of goodwill in the year ended December 31, 2004.

Share-Based Payments / Option Plans (IFRS 2)

Dutch GAAP did not require expensing of share-based payments. Under IFRS, share-based payments are expensed on the basis of their value determined by using option pricing models. The share-based payments qualify as cash-settled transactions. As a result, the cost of the cash-settled transactions is measured initially at the fair value at the date of grant using the Black-Scholes model, based on the terms and conditions upon which the options were granted. This value is expensed over the period between grant and vesting with recognition of a corresponding liability. The liability is re-measured at each balance sheet date up to and including the settlement date with changes in fair value recognized in the income statement.

Preference Shares (IAS 32 / IAS 39)

Under IFRS, preference shares are to be treated as long-term debt.

Metal derivatives (IAS39)

Under Dutch GAAP, metal derivatives were valued at fair value and the results on the derivatives were deferred until the

(physical) metals contracts covered by these derivatives were executed. Under IFRS, the company has opted not to apply hedge accounting to these financial instruments. Consequently, the changes in the fair value of the metal derivatives are recognized directly in the income statement.

Profile Hunter Douglas

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:

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Statement of Income (Annex 1), Balance Sheet (Annex 2), and Equity Specification (Annex 3) are attached.

- [CONSOLIDATED STATEMENT OF INCOME \(Annex 1\)](#)
- [CONSOLIDATED BALANCE SHEET \(Annex 2\)](#)
- [EQUITY SPECIFICATION \(Annex 3\)](#)