



Hunter Douglas First Half 2003 Results

6.1% Lower Sales and 6.8% Lower Profits

Rotterdam, 21 August 2003 - Hunter Douglas, the world market leader in window coverings (Luxaflex[®]), and a major manufacturer of architectural products (Luxalon[®]) reports results for the first half 2003.

Sales were EUR 805.2 million, 6.1% lower than EUR 857.6 million in the first half of 2002. The sales decrease reflects 2.8% volume decrease, 11.2% negative currency impact and 7.9% contribution from acquisitions. Sales volume was higher in Asia, level in North America and Australia and lower in Europe and Latin America.

Europe accounted for 41% of sales, North America 47%, Latin America 3%, Asia 6% and Australia 3%. Window Coverings were 89% and Architectural and Other Products 11% of total sales.

Net profit was EUR 49.7 million, 6.8% lower than EUR 53.3 million in the first half of 2002. The weakening of the US dollar negatively affected the translation of results by 15.6%. Excluding the currency impact, profits would have increased by 8.8%. Profits were higher in Asia and Australia and lower in Europe, North America and Latin America.

Net profit per average outstanding common share decreased to EUR 1.18, compared to EUR 1.26 for the first 6 months of 2002, adjusted for stock dividends.

During the first half, Hunter Douglas acquired blindmakers in Spain, Sweden and Switzerland and Thomas Sanderson Blinds in the United Kingdom, all effective 1 January 2003.

Capital expenditures in the first half year 2003 were EUR 26 million compared with EUR 31 million during the same period last year, while depreciation was EUR 28 million.

The investment portfolio gained 8.9% in US dollars in the first half year and had a book value per June 30, 2003 of EUR 438 million and a market value of EUR 476 million. Net investment income, after deduction of provisions, imputed interest and expenses was EUR 2.3 million. Management of these assets is delegated to a widely diversified group of independent managers.

Shareholder's equity was EUR 843 million, down from EUR 867 million at the end of 2002 due to the impact of currency translations of Balance Sheet items and dividends paid on June 27, 2003.

Hunter Douglas had approximately 15,300 employees at the end of June 2003.

The shareholder's meeting of June 13, 2003 approved the distribution of a cash dividend of EUR 1.15 per common share with an option for each shareholder to receive a stock dividend, in lieu of cash.

Second quarter 2003

In the second quarter, sales were higher in Europe and lower in all other regions. Second quarter sales were EUR 446.1 million, 5.5% lower than EUR 472.2 million in the same period last year. The decrease was due to a 6.2% volume decrease, 9.9% negative currency impact and 10.6% contribution from acquisitions. Acquisitions increased sales by EUR 50.2 million of which EUR 15.4 million was attributable to the first quarter 2003.

Second quarter net profit was EUR 29.9 million, 9.4% lower than EUR 33.0 million in the second quarter 2002. Profits increased in North America, Asia and Australia and were lower in Europe and Latin America. The weakening of the US dollar affected results negatively by 15.2%. Profits, excluding currency impact, would have increased by 5.8%.

Operations by Region: First half year 2003

Europe

Sales in Europe increased by 12% to EUR 327 million, of which 6% was due to volume decrease, 1% to unfavorable currency impact and 19% contribution from acquisitions.

Sales were higher in the UK, Ireland, Spain and Norway. Window covering retail sales slowed while project sales started to recover.

Vertical and Roller Blinds, incorporating the new EOS[®] hardware systems, gained market share and positively influenced fabric sales, especially in Germany. Sales of Duette[®] shades continued to grow.

Nedal, the Dutch-based aluminium extrusion operation, had slightly lower sales but higher operating profits, while results were negatively affected by the closure of the Alver anodizing facility.

North America

North American sales volume was level in dollars but 17% lower in Euros at EUR 377 million due to a 19% unfavorable currency impact, while acquisitions contributed 2%.

Internally, the operations continued to improve with disciplined expense controls, improved production efficiencies and further inventory reductions.

Externally, the company improved its position in the marketplace with the extension of the unique Gallery[®] display program to retail dealers and the successful rollout of the new Heritage[™] custom shutter program. Also, for the fifth consecutive year, Hunter Douglas received the *Product of the Year* award from the Window Covering Manufacturers Association - this time for Jubilance[®] Roman Shades.

Outlook

Economic conditions are expected to remain difficult during the remainder of 2003 and the outlook is uncertain. Hunter Douglas is therefore not making any forecast for the full year.

On a longer term basis the company continues to be optimistic, given the strong position of its products, distribution and finances.

Profile

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 155 companies with 64 manufacturing and 91 assembly plants and marketing organizations in more than 100 countries.

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

A consolidated Statement of Income (Annex 1), Balance Sheet (Annex 2), and Sales change attribution percentages by geographic region (Annex 3) are attached.

- [Statement of Income\(Annex 1\)](#)
- [Balance Sheet \(Annex 2\)](#)
- [Percentage Sales Change Attribution \(Annex 3\)](#)