



## Hunter Douglas Results 2008

**Rotterdam, March 11, 2009** – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for 2008:

. **Sales:** 2.8% lower to USD 2.942 billion compared with USD 3.028 billion in 2007.

. **Earnings before interest, tax, depreciation and amortization - EBITDA (before non-recurring restructuring expenses)** was USD 284.9 million, compared with USD 415.8 million in 2007.

. **Income from Operations (before non-recurring restructuring expenses):** 39.0% lower to USD 198.7 million compared with USD 325.5 million in 2007; was higher in Latin America and lower in all other areas

. **Net Profit from Operations (before non-recurring restructuring expenses):** 29.0% lower to USD 192.7 million (per share EUR 3.48) compared with USD 271.3 million in 2007 (per share EUR 4.69)

. **Non-recurring restructuring expenses 2008** were USD 68.4 million. These mainly relate to the North American and European operations.

In 2007 there was an extraordinary USD 23.7 million loss on sale of the Vlissingen aluminium smelter participation.

. **Net profit from Operations (after non-recurring restructuring expenses):** 49.8% lower to USD 124.3 million (per share EUR 2.24) compared with USD 247.6 million in 2007 (per share EUR 4.28)

. **Net Result Investment Portfolio:** USD 159.8 million negative (after deduction of imputed interest and expenses and net of fair value adjustment) compared with USD 61.8 million positive in 2007.

. **Total Net Result:** USD 35.5 million negative (per share EUR -0.64) compared with USD 309.4 million positive in 2007 (per share EUR 5.35)

**Sales:** The 2.8% sales decrease reflects a 7.3% volume decrease, a 2.4% contribution from acquisitions and a 2.1% positive currency impact. Organic growth declined in all areas except in Latin America where sales were higher.

Europe accounted for 44% of sales, North America 40%, Latin America 7%, Asia 5% and Australia 4%. Window Coverings were 82% and Architectural and Other Products were 18% of sales.

**Net Result Investment Portfolio:** The Portfolio's return in U.S. dollars (before imputed interest and expenses) was 24.3% negative compared with 14.4% positive in 2007. The Portfolio had a fair value at year end 2008 of USD 265 million compared with USD 849 million at the end of 2007. Management of these assets is delegated to a widely diversified range of independent managers. The 2008 results reflect the release of the Company's USD 72 million fair value adjustment of the investment portfolio.

The Investment Portfolio was reduced over the course of the year by USD 463 million and is being further reduced to about USD 160 million.

**Operating cash flow:** USD 138 million compared with USD 187 million in 2007.

**Capital expenditures** were USD 131 million compared with USD 140 million in 2007, while depreciation was USD 80 million compared with USD 85 million in 2007. The investments were dedicated to growing the existing business, efficiency improvements and new products.

In 2009 capital expenditures will be substantially less than depreciation, in view of the poor economic outlook.

**Shareholders' Equity:** Was USD 1,272 million compared with USD 1,964 million at the end of 2007; reflecting USD 463 million

reduction due to the buy-back and cancellation of 6,774,741 common shares, the dividend payment of USD 112 million, the 2008 results and negative exchange translation. The book value per share end 2008 was USD 35.90 compared with USD 46.54 end 2007.

**Financing:** All borrowings are covered by committed long term facilities.

**Return before interest on Net Assets Employed – RONA (before non-recurring restructuring expenses):** 11.2% compared with 20.2% in 2007.

**Employees:** The company had approximately 19,000 employees at the end of 2008, down from 21,000 at the end of 2007. Further restructuring measures, to continue the Company's adjustment to lower sales levels, are expected to result in further reductions.

**Dividend:** The Board of Directors recommends a dividend of EUR 1.00 per common share, compared with EUR 2.00 in 2007.

#### **Fourth quarter 2008**

**Q4 Sales** were USD 624.1 million, 19.9% lower than USD 779.5 million in the same period of 2007. The decrease reflects a 13.3% volume decrease, a 1.1% contribution from acquisitions and a negative currency impact of 7.7%. Fourth quarter organic sales were higher in Latin America and lower elsewhere.

**Q4 Earnings before interest, tax, depreciation and amortization - EBITDA (before non-recurring restructuring expenses)** was USD 45.1 million, 57.7% lower than USD 106.6 million in Q4 2007.

**Q4 Income from Operations (before non-recurring restructuring expenses)** was USD 23.0 million, 72.4% lower than USD 83.4 million in Q4 2007. In local currencies profit was higher in Latin America and lower in all other areas.

**Q4 Net Profit from Operations (before non-recurring restructuring expenses):** 46.1% lower to USD 38.7 million (per share EUR 0.70) compared with USD 71.8 million in 2007 (per share EUR 1.24).

**Q4 Non-recurring restructuring expenses** were USD 68.4 million and are mainly related to North America and Europe.

**Q4 Net profit from Operations (after non-recurring restructuring expenses):** USD 29.7 million negative (per share EUR -0.54) compared with USD 71.8 million positive in 2007 (per share EUR 1.24).

**Q4 Net Result Investment portfolio** was USD 75.1 million negative (after deduction of imputed interest and expenses) compared with USD 7.0 million negative in the fourth quarter of 2007. The Portfolio's return in U.S. dollars in Q4 of 2008 (before imputed interest and expenses) was 8.0% negative compared with 2.2% positive in Q4 of 2007.

**Q4 Total Net Result:** USD 104.8 million negative (per share EUR -1.83) compared with USD 64.8 million positive in 2007 (per share EUR 1.02).

#### **Total year 2008 by Region**

##### **Europe**

European Operations' sales were level at USD 1.295 billion, but profits were lower. This reflects a 6% volume decrease, a 3% contribution from acquisitions and a 3% positive currency impact. In EUR, sales decreased by 7% to EUR 878 million compared with EUR 940 million in 2007.

##### **North America**

North American Operations had lower sales and profits.

North American sales decreased by 9% to USD 1.169 billion, reflecting an 11% volume decrease and a 2% contribution from acquisitions.

##### **Latin America**

Latin American Operations again had record sales and profits, supported by the ongoing strength of most of the region's economies.

Latin American sales were USD 205 million, 20% higher than USD 171 million in the same period last year. The sales increase reflects a 16% volume increase and a 4% positive currency impact.

##### **Asia**

Asian Operations had lower sales and profits.

Asian sales were USD 162 million, 4% lower than USD 168 million in the same period last year. The sales decrease reflects a

9% volume decrease and a 5% positive currency impact.

### **Australia**

Australian Operations had level sales and lower profits.

Australian sales were USD 111 million compared with USD 112 million in the same period last year reflecting a 6% volume decrease, a 4% contribution from acquisitions and a 1% positive currency impact.

### **Outlook**

The world is experiencing the worst financial crisis and economic recession in recent times. Consumer demand continues to decline sharply in many of Hunter Douglas' main markets; particularly in the US and the UK. The Company will therefore continue to adjust its operations to the difficult economic conditions and outlook.

Hunter Douglas remains in a strong position in terms of its products, distribution, finances and management.

### **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 162 companies with 67 manufacturing and 95 assembly operations in more than 100 countries.

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

### **For further information:**

Leen Reijtenbagh

Chief Financial Officer

Tel. +31 10 486 9582

E-mail : [l.reijtenbagh@hdnv.nl](mailto:l.reijtenbagh@hdnv.nl)

Website: [www.hunterdouglasgroup.com](http://www.hunterdouglasgroup.com)

A consolidated Statement of Income for 2008 and Q4 2008 (Annex 1+2), Balance Sheet (Annex 3), Cash Flow Statement (Annex 4) and Sales change attribution percentages by geographic region for the full year 2008 and Q4 2008 (Annex 5) are attached.

[Consolidated Statement of Income for 2008 and Q4 2008 \(Annex 1\)](#)

[Consolidated Statement of Income for 2008 and Q4 2008 \(Annex 2\)](#)

[Balance Sheet \(Annex 3\)](#)

[Cash Flow Statement \(Annex 4\)](#)

[Sales change attribution percentages by geographic region for the full year 2008 and Q4 2008 \(Annex 5\)](#)