

PRESS RELEASE

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HUNTER DOUGLAS RESULTS Q1 2017

Rotterdam, May 3, 2017 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for Q1 2017:

- **Sales:** 19.0% higher to USD 703.7 million, compared with USD 591.1 million in Q1 2016.

The 19.0% sales increase reflects a 5.7% volume increase, 1.5% negative currency impact and 14.8% increase from acquisitions. Volume increased in all areas except in Asia where sales were level.

North America accounted for 52% of sales, Europe 33%, Latin America 5%, Asia 6% and Australia 4%. Window Coverings were 84% and Architectural and Other Products were 16% of sales.

- **Earnings before interest, tax, depreciation and amortization – EBITDA:** USD 65.8 million, 24.4% higher than USD 52.9 million in Q1 2016.
- **Income from Operations:** USD 40.4 million, 19.2% higher than USD 33.9 million in Q1 2016. Results in local currencies were better in all areas, except in Latin America and Asia where results were lower.
- **Profit before Tax (excluding Net Result Investment Portfolio):** USD 38.3 million, 22.0% higher than USD 31.4 million in Q1 2016.
- **Net Result Investment Portfolio:** USD 3.5 million positive (after deduction of imputed interest and expenses) compared with USD 6.8 million negative in Q1 2016. The Portfolio's return in U.S. dollars (before imputed interest and expenses) was 3.4% positive. The Portfolio had a fair value at March 31, 2017 of USD 128 million.
- **Profit before Tax:** USD 41.8 million, 69.9% higher than USD 24.6 million in Q1 2016.
- **Total Net Profit:** USD 34.7 million (per share EUR 0.93), 86.6% higher than USD 18.6 million in Q1 2016 (per share EUR 0.48).

Operating cash flow: USD 53.7 million negative compared with USD 59.4 million negative in Q1 2016.

Outlook

We expect continued growth in the US and Asia, improving economic conditions in Europe and continued difficult conditions in Latin America.

Hunter Douglas is 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 130 companies with 50 manufacturing and 80 assembly operations in more than 100 countries. Hunter Douglas employs about 21,000 people and had sales in 2016 of USD 2.821 billion.

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

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A consolidated Statement of Income for Q1 2017 (Annex 1), Balance Sheet per March 31, 2017 (Annex 2), Cash Flow Statement for Q 1 2017 (Annex 3) and Sales change attribution percentages by geographic region for Q1 2017 (Annex 4) are attached.

Annex 1

CONSOLIDATED STATEMENT OF INCOME

Q1 ended March 31
 (amounts in USD/ mln)

	<u>2017</u>	%	<u>2016</u>	%
Net sales	703.7		591.1	
Cost of sales	<u>-420.7</u>		<u>-349.4</u>	
Gross profit	283.0	40.2	241.7	40.9
Gross profit Metals Trading	<u>3.8</u>		<u>3.0</u>	
Total gross profit	286.8	40.8	244.7	41.4
Expenses:				
-Marketing, A & P and selling	-145.9		-122.4	
-General and administrative	<u>-75.1</u>		<u>-69.4</u>	
Subtotal expenses	<u>-221.0</u>		<u>-191.8</u>	
EBITDA	65.8	9.4	52.9	8.9
Depreciation and amortization	<u>-25.4</u>		<u>-19.0</u>	
Income from operations	40.4	5.7	33.9	5.7
Interest received	0.2		0.2	
Interest paid	-3.5		-2.8	
Other financial income	1.2		0.1	
Net result investment portfolio	3.5		-6.8	
Income before taxes	41.8		24.6	
Taxes on income	<u>-7.1</u>		<u>-5.9</u>	
Profit before minority interest	34.7		18.7	
Minority interest			<u>-0.1</u>	
Total net profit	34.7	4.9	<u>18.6</u>	3.1
Net profit per average common share	1.00		0.53	
Net profit per average common share - fully diluted	1.00		0.53	

Annex 2

CONSOLIDATED BALANCE SHEET

As per March 31

(amounts in USD/mln)

	<u>2017</u>	<u>2016</u>
ASSETS		
Fixed assets		
Intangible fixed assets	577.7	306.4
Tangible fixed assets	473.2	440.7
Other financial non-current assets	<u>253.1</u>	<u>176.1</u>
Total fixed assets	1,304.0	923.2
Current assets		
Inventories	665.5	634.4
Accounts receivable		
-Trade	429.8	352.5
-Other	182.6	129.9
Investment portfolio	128.2	186.5
Cash and other short-term deposits	<u>32.5</u>	<u>30.0</u>
Total current assets	1,438.6	1,333.3
	<u>2,742.6</u>	<u>2,256.5</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	9.1	9.7
Additional paid-in capital	75.7	80.5
Retained earnings	<u>1,204.7</u>	<u>996.1</u>
Total shareholders' equity	1,289.5	1,086.3
Minority interest	<u>17.1</u>	<u>11.2</u>
Total Group equity	1,306.6	1,097.5
Non-current liabilities		
Interest-bearing loans and borrowings	570.9	386.9
Preferred shares	8.8	9.4
Provisions	156.2	137.0
Deferred income tax liabilities	<u>1.0</u>	<u>0.7</u>
Total non-current liabilities	736.9	534.0
Current liabilities		
Trade and other payables	591.6	513.9
Interest-bearing loans and borrowings	<u>107.5</u>	<u>111.1</u>
Total current liabilities	699.1	625.0
	<u>2,742.6</u>	<u>2,256.5</u>

Annex 3

CONSOLIDATED CASH FLOW STATEMENT
 Q1 ended March 31
 (amounts in USD/mln)

	<u>2017</u>	<u>2016</u>
Net profit attributable to equity shareholders	34.7	18.6
Adjustments for:		
Depreciation property, plant & equipment	20.4	17.3
Amortization patents & trademarks	5.0	1.7
(Decrease) increase provisions	-1.0	1.6
Other non-cash items	-3.8	0.7
Unrealized result investment portfolio	-4.0	6.8
Operating cash flow before working capital changes	51.3	46.7
Changes in working capital:		
-increase trade and other receivables and prepayments	-47.5	-6.2
-increase inventories	-28.8	-30.9
-decrease trade and other payables	-28.7	-69.0
Net cash from operations	-53.7	-59.4
Cash flow from investing activities		
Investment subsidiaries, net of cash acquired		-5.7
Investment property, plant and equipment	-30.5	-17.8
Divestment property, plant and equipment	1.0	3.2
Decrease investment portfolio	82.0	8.2
Increase other financial non-current assets	-9.7	-1.4
Net cash from investing activities	42.8	-13.5
Cash flow from financing activities		
Increase interest-bearing loans and borrowings	1.5	71.9
Net cash from financing activities	1.5	71.9
Net decrease in cash and cash equivalents	-9.4	-1.0
Change in cash and cash equivalents		
Balance at 1 January	41.4	30.9
Net decrease in cash and cash equivalents	-9.4	-1.0
Exchange difference cash and cash equivalents	0.5	0.1
Balance at 31 March	32.5	30.0

Annex 4

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

Q1 2017 vs Q1 2016

Area	Volume	Currency	Acquisitions	Total
Europe	6	-5	12	13
North America	6	0	22	28
Latin America	3	3	0	6
Asia	0	-2	0	-2
Australia	9	0	9	18
Total	6	-2	15	19