

For release: November 2, 2016
08.00 hrs

HUNTER DOUGLAS NINE MONTHS 2016 RESULTS

Rotterdam, November 2, 2016 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for the first nine months 2016:

- **Sales:** USD 2,061.6 million, 7.9% higher compared with USD 1,910.8 million in the first nine months of 2015.

The 7.9% sales increase reflects a 3.6% volume increase, 2.5% negative currency impact and 6.8% increase from acquisitions. Volume increased in all areas except in Latin America and Australia where sales were about level.

North America accounted for 50% of sales, Europe 35%, Latin America 6%, Asia 6% and Australia 3%. Window Coverings were 84% and Architectural and Other Products were 16% of sales.
- **Earnings before interest, tax, depreciation and amortization – EBITDA:** USD 254.4 million, 17.6% higher than USD 216.4 million in the first nine months of 2015.
- **Income from Operations (before non-recurring expenses):** USD 195.3 million, 25.3% higher than USD 155.9 million in the first nine months of 2015. Results in local currencies were better in all areas, except in Latin America and Australia where they were lower.
- **Non-recurring expenses:** USD 5.9 million, compared with nil in 2015. These expenses relate to acquisition costs.
- **Profit before Tax (excluding Net Result Investment Portfolio):** USD 182.0 million, 25.9% higher than USD 144.6 million in the first nine months of 2015.
- **Net Result Investment Portfolio:** USD 1.7 million negative (after deduction of imputed interest and expenses) compared with USD 7.3 million negative in the first nine months of 2015. The Portfolio's return in U.S. dollars (before imputed interest and expenses) was 0.7% positive. The Portfolio had a fair value at September 30, 2016 of USD 203 million compared with USD 202 million at December 31, 2015.
The Portfolio is being reduced to approximately USD 100 million.
- **Profit before Tax:** USD 180.3 million, 31.3% higher than USD 137.3 million in the first nine months of 2015.
- **Total Net Profit:** USD 142.3 million (per share EUR 3.68), 31.4% higher than USD 108.3 million in the first nine months of 2015 (per share EUR 2.78).

Capital expenditures were USD 54 million compared with USD 42 million in the first nine months of 2015, while depreciation was USD 53 million compared with USD 55 million in the same period last year. For the full year capital expenditures are expected to be approximately USD 65 million and depreciation USD 70 million.

HUNTER DOUGLAS N.V., Piekstraat 2, 3071 EL Rotterdam, Nederland, Tel. 010 – 4869911, Telefax 010 - 4850355

Acquisitions:

Julius Koch: A U.S. manufacturer of cords and tapes for window coverings with 2015 sales of USD 8 million (October 1, 2016).

Operating cash flow: USD 62 million compared with USD 118 million in the first nine months of 2015.

Shareholder's equity was USD 1,135 million compared with USD 1,065 million at the end of 2015, reflecting the first nine months results offset by negative exchange translation and the payment of the dividend of EUR 1.50, totalling USD 59 million.

RONAE (Return before interest/net assets employed) excluding Metals Trading and Investment Portfolio was 17.9% compared with 15.6% in the first nine months of 2015.

Q3 2016

Q3 Sales: USD 755.3 million, 16.1% higher than USD 650.7 million in the same period of 2015. The increase reflects a 1.2% volume increase, a 1.3% negative currency impact and 16.2% increase from acquisitions. Third quarter organic sales were higher in Europe and North America, level in Asia and lower in Latin America and Australia.

Q3 Earnings before interest, tax, depreciation and amortization – EBITDA: USD 100.4 million, 36.4% higher than USD 76.3 million in Q3 2015.

Q3 Income from Operations (before non-recurring expenses): USD 81.1 million, 36.3% higher than USD 59.5 million in Q3 2015. Results in local currencies were better in all areas, except in Latin America and Australia where they were lower.

Q3 Non-recurring expenses: USD 5.9 million, compared with nil in Q3 2015. These expenses relate to acquisition costs.

Q3 Net Result Investment Portfolio: USD 5.6 million positive (after deduction of imputed interest and expenses) compared with USD 12.9 million negative in Q3 2015.

Q3 Profit before Tax: USD 76.8 million, 74.9% higher than USD 43.9 million in Q3 2015.

Q3 Total Net Profit: USD 58.6 million (per share EUR 1.51), 89.6% higher than USD 30.9 million in Q3 2015 (per share EUR 0.80).

First nine months 2016 by Region

Europe

European sales were USD 724 million, 7% higher than USD 678 million in the same period last year. This reflects a 1% volume increase, a 3% negative currency impact and 9% increase from acquisitions. In EUR, sales increased by 8% to EUR 652 million compared with EUR 606 million in 2015.

North America

North American sales increased by 13% to USD 1,027 million. The sales increase reflects a 6% volume increase, a 1% negative currency impact and 8% increase from acquisitions.

Latin America

Latin American sales were USD 117 million, 13% lower than USD 135 million in the same period last year. The sales decrease reflects level volume and a 13% negative currency impact.

HUNTER DOUGLAS N.V., Piekstraat 2, 3071 EL Rotterdam, Nederland, Tel. 010 – 4869911, Telefax 010 - 4850355

Asia

Asian sales increased by 4% to USD 135 million. The higher sales reflect a volume increase of 6% and a 2% negative currency impact.

Australia

Australian sales were USD 59 million, 3% lower than USD 61 million in the same period last year. The sales decrease reflects a 1% volume decrease and a 2% negative currency impact.

Outlook

Hunter Douglas expects continued growth in the US and Asia, stable 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 19,000 people, and had sales in 2015 of USD 2.552 billion.

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

For further information:

Leen Reijtenbagh

Chief Financial Officer

Tel. +31 10 486 9582

E-mail : l.reijtenbagh@hdnv.nl

Website: www.hunterdouglasgroup.com

A consolidated Statement of Income for the first nine months and Q3 (Annex 1+2), Balance Sheet (Annex 3), Cash Flow Statement (Annex 4) and Sales change attribution percentages by geographic region for the first nine months and Q3 (Annex 5) are attached.

HUNTER DOUGLAS N.V., Piekstraat 2, 3071 EL Rotterdam, Nederland, Tel. 010 – 4869911, Telefax 010 - 4850355

Annex 1

CONSOLIDATED STATEMENT OF INCOME

Nine months ended September 30

(amounts in USD/mln)

	<u>2016</u>	%	<u>2015</u>	%
Net sales	2,061.6		1,910.8	
Cost of sales	<u>-1,199.5</u>		<u>-1,079.6</u>	
Gross profit	862.1	41.8	831.2	43.5
Gross profit Metals Trading	<u>9.5</u>		<u>10.5</u>	
Total gross profit	871.6	42.3	841.7	44.0
Expenses:				
-Marketing, A & P and selling	-396.0		-384.0	
-General and administrative	<u>-221.2</u>		<u>-241.3</u>	
Subtotal expenses	-617.2		-625.3	
EBITDA	254.4	12.4	216.4	11.3
Depreciation and amortization	-59.1		-60.5	
Income from operations before non-recurring expenses	195.3	9.5	155.9	8.2
Non-recurring expenses	-5.9			
Income from operations after non-recurring expenses	189.4		155.9	
Interest received	0.7		0.6	
Interest paid	-8.2		-12.7	
Non-operational exchange result			0.1	
Other financial income	0.1		0.7	
Net result investment portfolio	-1.7		-7.3	
Income before taxes	180.3		137.3	
Taxes on income	-36.4		-29.0	
Profit before minority interest	143.9		108.3	
Minority interest	-1.6			
Total net profit	142.3	6.9	<u>108.3</u>	5.7
Net profit per average common share	4.09		3.11	
Net profit per average common share - fully diluted	4.09		3.11	

HUNTER DOUGLAS N.V., Piekstraat 2, 3071 EL Rotterdam, Nederland, Tel. 010 – 4869911, Telefax 010 - 4850355

			<u>Annex 2</u>	
CONSOLIDATED STATEMENT OF INCOME				
Q3 ended September 30				
(amounts in USD/mIn)				
	<u>2016</u>	%	<u>2015</u>	%
Net sales	755.3		650.7	
Cost of sales	<u>-448.4</u>		<u>-370.4</u>	
Gross profit	306.9	40.6	280.3	43.1
Gross profit Metals Trading	<u>3.2</u>		<u>3.3</u>	
Total gross profit	310.1	41.1	283.6	43.6
Expenses:				
-Marketing, A & P and selling	-140.0		-127.3	
-General and administrative	<u>-69.7</u>		<u>-80.0</u>	
Subtotal expenses	-209.7		-207.3	
EBITDA	100.4	13.4	76.3	11.7
Depreciation and amortization	-19.3		-16.8	
Income from operations before non-recurring expenses	81.1	10.8	59.5	9.1
Non-recurring expenses	-5.9			
Income from operations after non-recurring expenses	75.2		59.5	
Interest received	0.3		0.2	
Interest paid	-4.3		-3.2	
Non-operational exchange result			0.1	
Other financial income			0.2	
Net result investment portfolio	5.6		-12.9	
Income before taxes	76.8		43.9	
Taxes on income	-17.1		-13.2	
Profit before minority interest	59.7		30.7	
Minority interest	<u>-1.1</u>		<u>0.2</u>	
Total net profit	58.6	7.8	<u>30.9</u>	4.7
Net profit per average common share	1.68		0.88	
Net profit per average common share - fully diluted	1.68		0.88	

Annex 3

CONSOLIDATED BALANCE SHEET

As per September 30
(amounts in USD/mIn)

	<u>2016</u>	<u>2015</u>
ASSETS		
Fixed assets		
Intangible fixed assets	582.7	303.2
Tangible fixed assets	453.7	437.0
Other financial non-current assets	<u>170.4</u>	<u>188.4</u>
Total fixed assets	1,206.8	928.6
Current assets		
Inventories	650.0	597.3
Accounts receivable		
-Trade	439.6	366.4
-Other	147.1	131.9
Investment portfolio	202.6	199.8
Cash and other short-term deposits	<u>36.9</u>	<u>20.6</u>
Total current assets	<u>1,476.2</u>	<u>1,316.0</u>
	<u>2,683.0</u>	<u>2,244.6</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	9.5	9.5
Additional paid-in capital	79.0	79.3
Retained earnings	<u>1,046.8</u>	<u>923.3</u>
Total shareholders' equity	1,135.3	1,012.1
Minority interest	<u>18.7</u>	<u>12.4</u>
Total Group equity	1,154.0	1,024.5
Non-current liabilities		
Interest-bearing loans and borrowings	728.9	427.2
Preferred shares	9.2	9.3
Provisions	142.5	153.8
Deferred income tax liabilities	<u>0.6</u>	<u>1.0</u>
Total non-current liabilities	881.2	591.3
Current liabilities		
Trade and other payables	609.3	561.3
Interest-bearing loans and borrowings	<u>38.5</u>	<u>67.5</u>
Total current liabilities	<u>647.8</u>	<u>628.8</u>
	<u>2,683.0</u>	<u>2,244.6</u>

Annex 4

CONSOLIDATED CASH FLOW STATEMENT

Nine months ended September 30

(amounts in USD/mln)

	<u>2016</u>	<u>2015</u>
Net profit attributable to equity shareholders	142.3	108.3
Adjustments for:		
Depreciation property, plant & equipment	52.4	55.4
Amortization patents & trademarks	6.6	5.0
Increase (decrease) provisions	7.6	-20.8
Non-cash items on loans and borrowings		-38.2
Other non-cash items	-4.3	7.9
Unrealized result investment portfolio	-1.3	4.3
Operating cash flow before working capital changes	203.3	121.9
Changes in working capital:		
-(increase) decrease trade and other receivables and prepayments	-106.8	18.7
-(increase) decrease inventories	-17.6	20.6
-decrease trade and other payables	-16.6	-43.2
Operating cash flow	62.3	118.0
Dividend paid	-58.6	-53.0
Net cash from operations	3.7	65.0
Cash flow from investing activities		
Investments in subsidiaries, net of cash acquired	-302.4	
Investment property, plant and equipment	-53.7	-41.9
Divestment property, plant and equipment	11.1	19.9
Increase investment portfolio	-1.0	-88.0
Decrease (increase) other financial non-current assets	0.7	-26.8
Net cash from investing activities	-345.3	-136.8
Cash flow from financing activities		
Increase interest-bearing loans and borrowings	348.0	63.9
Net cash from financing activities	348.0	63.9
Net increase (decrease) in cash and cash equivalents	6.4	-7.9
Change in cash and cash equivalents		
Balance at 1 January	30.9	32.3
Net increase (decrease) in cash and cash equivalents	6.4	-7.9
Exchange difference cash and cash equivalents	-0.4	-3.8
Balance at 30 September	36.9	20.6

Annex 5

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

First nine months 2016 vs first nine months 2015

Area	Volume	Currency	Acquisitions	Total
Europe	1	-3	8	6
North America	6	-1	8	13
Latin America	0	-13	0	-13
Asia	6	-2	0	4
Australia	-1	-2	3	0
Total	4	-3	7	8

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area

Q3 2016 vs Q3 2015

Area	Volume	Currency	Acquisitions	Total
Europe	0	-3	14	11
North America	4	0	22	26
Latin America	-5	-2	0	-7
Asia	0	-3	0	-3
Australia	-5	5	11	11
Total	1	-1	16	16