



HunterDouglas

Annual Report
2011

HunterDouglas®



DUETTE®

SILHOUETTE®

LUMINETTE®

VIGNETTE®

PIROUETTE®

3form®

LUXALON®

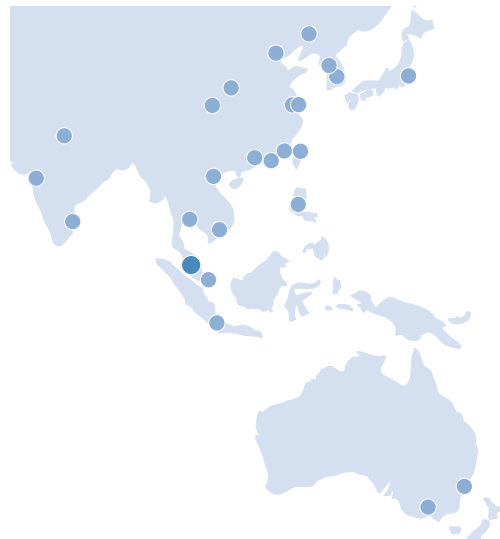
™ **NBK** | ARCHITECTURAL
TERRACOTTA

Nedal®



Operational Headquarters

- **Rotterdam, The Netherlands**
World Headquarters and
European Operations
- **Lucerne, Switzerland**
Management Office
- **Pearl River, NY, USA**
North American Operations
- **São Paulo, Brazil**
Latin American Operations
- **Kuala Lumpur, Malaysia**
Asian Operations



HunterDouglas

Hunter Douglas is the world market 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 168 companies with 68 manufacturing and 100 assembly operations and marketing organizations in more than 100 countries.

Hunter Douglas employs about 16,500 people with sales in 2011 of USD 2.6 billion.

Operating Style

Hunter Douglas is professionally managed by entrepreneurial managers who run our business as their own.

Dynamic and performance oriented

Decentralized organization structure

- Global federation of small and medium-sized companies
- Guiding principle: 'Maximum accountability with minimum interference'

Innovative proprietary products

Creative marketing and promotional programs

Strong brands:

HunterDouglas® in North America and Asia, and for Architectural Products worldwide

Luxaflex® for residential window coverings in the rest of the world

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Financial highlights

Two-year summary

	USD millions			EUR per common share		
	Notes	2011	2010	Notes	2011	2010
Net Sales		<u>2,573</u>	<u>2,445</u>			
Earnings before interest, tax, depreciation and amortization						
(before non-recurring restructuring expenses)		<u>230</u>	<u>257</u>	3	<u>4.65</u>	<u>5.45</u>
Income from Operations						
(before non-recurring restructuring expenses)		143	167			
Net Profit from Operations						
(before non-recurring restructuring expenses)		<u>127</u>	<u>159</u>	3	<u>2.58</u>	<u>3.37</u>
Non-recurring restructuring expenses		-31	-17			
Net Profit from Operations						
(after non-recurring restructuring expenses)		<u>96</u>	<u>142</u>	3	<u>1.95</u>	<u>3.01</u>
Net Result Investment Portfolio		-18	11			
Total Net Result	1	<u>78</u>	<u>153</u>	3	<u>1.57</u>	<u>3.24</u>
Operating Cash flow		180	159	3	3.65	3.36
Investments in tangible fixed assets		111	71			
Depreciation property, plant and equipment		81	85			
Net Assets Employed	2	1,677	1,710			
Shareholders' equity		1,137	1,159	4	25.08	24.51
Return on equity		6.7%	12.1%			
Dividend				5	1.25	1.25
RONAE:						
(Return before interest/net assets employed)		8.4%	10.3%			
Employees (at year-end)		16,492	17,127			

1 Net Result attributable to equity shareholders

2 Total assets (excl. Investment Portfolio) minus non-interest-bearing current liabilities

3 Based on the average number of shares outstanding during the affected year

4 Based on the number of shares outstanding at year-end, adjusted for treasury shares

5 Proposed for 2011

Chairman's letter

To our shareholders

2011 was a difficult year for Hunter Douglas.

- › Consumer demand and housing markets remained weak in both Europe and the U.S. and Asian sales slowed; particularly in the second half.
- › Our results were affected by reorganization expenses of USD 31.4 million as we implemented further restructurings of our European and North American operations to adjust them to the uncertain outlook in these markets. These measures have brought our capacity and expenses in line with current sales.
- › Our results were further affected by a net loss of USD 18.6 million in our Investment Portfolio.

Sales: were USD 2.573 billion; 5.2% higher than in 2010.

Sales volumes (excluding acquisitions and currency effects) were level in Europe, 1% higher in North America, 1% higher in Asia, 9% higher in Latin America and 19% lower in Australia.

Earnings before interest, tax, depreciation and amortization – EBITDA (before non-recurring restructuring expenses): were USD 229.9 million, 10.5% lower than USD 256.9 million in 2010.

Income from Operations (before non-recurring restructuring expenses): was 14.4% lower at USD 142.8 million compared with USD 166.8 million in 2010; lower in all areas except Latin America and Asia.

Net Profit from Operations (before non-recurring restructuring expenses): 19.6% lower to USD 127.5 million compared with USD 158.6 million in 2010.

Non-recurring restructuring expenses: were USD 31.4 million compared with USD 17.0 million in 2010. These relate to the European and North American operations.

Net profit from Operations (after non-recurring restructuring expenses): USD 96.1 million compared with USD 141.6 million in 2010.



Ralph Sonnenberg – Chairman & CEO
David & Marko Sonnenberg –
Co-Presidents & COO's

Net Result Investment Portfolio:

USD 18.6 million negative (after deduction of imputed interest and expenses) compared with USD 11.2 million positive in 2010.

Total Net Result: USD 77.5 million (per share EUR 1.57), compared with USD 152.8 million in 2010 (per share EUR 3.24).

Acquisitions included:

- › ADO Benelux: a leading drapery brand which will be integrated into Artex's existing drapery business.
- › Bricos: an Australian distributor of window covering fabric and screen products.
- › Diflex: a Portuguese fabricator of window coverings which is being consolidated with our existing Hofesa operation.
- › Integra: a U.K. based package drapery hardware business is being consolidated with our existing Sunflex operation.

Capital Expenditures in 2011 were USD 111 million, while depreciation was USD 81 million.

Investments were focused on new products and efficiency improvements in Europe and North America, and capacity expansion in our architectural products business in Asia and Latin America. In 2012 capital expenditures will be about USD 100 million and depreciation USD 90 million.

We established new plants in:

- › Xian, China: to serve the Western China market
- › Suzhou, China: for the manufacture of terracotta architectural panels.
- › Chennai, India: under construction for architectural products

Investment Portfolio: The Portfolio's return in U.S. Dollars (before imputed interest and expenses) was 7.8%

negative compared with 13.7% positive in 2010. The Portfolio had a fair value at year-end 2011 of USD 192 million compared with USD 143 million at year-end 2010. Management of these assets is delegated to a widely diversified range of independent managers. We will wind down our Investment Portfolio over the course of the year reducing debt.

Operating Cash flow in 2011 was USD 180 million compared with USD 159 million in 2010.

Dividend: The Directors propose a Regular Dividend for 2011 of EUR 1.25 per Common share, compared with EUR 1.25 for 2010.

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

Outlook: Our outlook remains cautious for Europe and North America where we expect the business environment to remain challenging until housing markets and consumer confidence recover. We expect continued growth in Asia and Latin America.

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

The people of Hunter Douglas are our most important and valuable asset. They create, make and market our products and are responsible for our continuing success. The Board and I express our sincere thanks and appreciation for their contributions, dedication and support.

Ralph Sonnenberg
Chairman & Chief Executive Officer

History

Global time line 1919 - 2011

1919-1946

In 1919 Henry Sonnenberg founded a machine tool distribution and subsequently manufacturing company in Düsseldorf, Germany.

In 1933 he moved to the Netherlands and established a machine tool operation.

In 1940, he moved to the United States where he founded the Douglas Machinery Company.

In 1946 Henry Sonnenberg established a joint venture with Joe Hunter which developed new technology and equipment for the continuous casting and fabrication of aluminium. This led to the production of lightweight aluminium slats for Venetian Blinds.

Hunter Douglas, as we know it today, was born.

1946-1960

Hunter Douglas aluminium blinds quickly gained leadership in the American market. As innovative as the product was the business model for its distribution. Hunter Douglas developed a vast network of more than 1,000 independent fabricators in the United States and Canada. They sold blinds during the day and custom assembled them in their workrooms at night.

In 1956, policy differences led to the sale of the U.S. business. Henry Sonnenberg moved Hunter Douglas' headquarters to Montreal, Canada and, using the European machinery business as a base, concentrated on building the window covering business outside the United States.

1960-1980

Hunter Douglas expanded its operations in Europe and into Australia and Latin America.

In 1969 the Hunter Douglas Group went public, and its shares were listed on the Montreal and Amsterdam Stock Exchanges.

In 1971, Hunter Douglas' Group headquarters were moved to Rotterdam, the Netherlands, and Hunter Douglas N.V., became the worldwide Group parent Company.

In 1976, Hunter Douglas reacquired its former U.S. business.

1980-2000

Hunter Douglas continued its global growth and expanded into Asia. The innovative spirit of the company led to the development of revolutionary new products to meet the increasing demand for fashion and functionality.

1985 - Duette® Honeycomb Shades

1991 - Silhouette® Window Shadings

1994 - Vignette® Modern Roman Shades

1996 - Luminette® Privacy Sheers and PowerRise® battery-powered remote control system

1999 - UltraGlide® retractable cord system

2000-2011

2000 - LiteRise® cordless system was launched in the U.S. and EOS® hardware operating system for blinds and shades was introduced in Europe

2003 - Techstyle® Acoustical Ceilings

2004 - Facette® Shades, XL Panel and the Alustra® Collection

2005 - Duette® TruRise® lifting system

2006 - Duette® Architella® Shades, Skyline™ Window Panels and Reveal™ with MagnaView™ Blinds

2007 - Pirouette® Window Shadings and Platinum™ Technology Motorization

2008 - Nano Roller Blinds

2009 - Luminette® Modern Draperies, Nantucket™ Sunscreen Privacy Shadings and Design Studio™ Roman Shades

2010 - Vignette® Architella® Modern Roman Shades, RB 500 Roller Shade System

2011 - Silhouette® Window Shadings with LiteRise®, Vignette® Traversed™ Modern Roman Shades, Duette® Architella® Honeycomb Shades with Illumicell™

Innovations

About envisioning what comes next

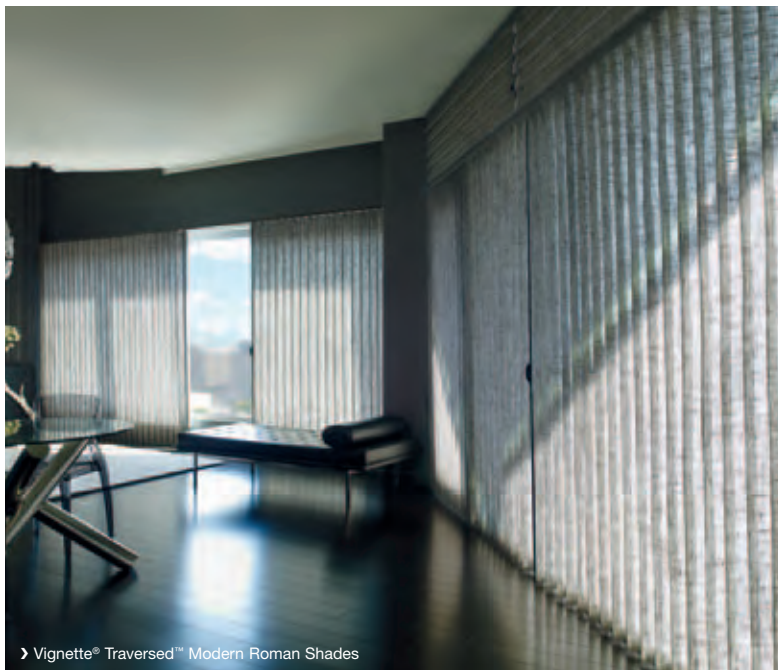
Ever since we created the aluminium blind in 1946, we have defined our industry with products that deliver revolutionary style and functionality. What's more, our expertise in customization helps keep our customers around the world at the forefront of design.



› Duette® Architella® Honeycomb Shades with Illumicell™

Duette® Architella® Honeycomb Shades with Illumicell™

The new Illumicell™ option is distinguished by a clear inner cell that provides the same superior energy efficiency that is the hallmark of all Duette® Architella® shades, yet with increased light transmission to accentuate the fabric texture and illuminate the interior space. Illumicell™ is offered with two exclusive fabrics that contain recycled and sustainable materials.



› Vignette® Traversed™ Modern Roman Shades



› Silhouette® Window Shadings with LiteRise®

Vignette® Traversed™ Modern Roman Shades

Another industry first and winner of the prestigious 2011 WCMA Product of the Year award, the patented Traversed™ design option combines all of the beauty and unique characteristics of Vignette® Modern Roman Shades into a vertical configuration perfect for sliding glass doors and large expanses of glass. Like all Vignette® shades, there are no exposed rear cords for enhanced child safety and a streamlined exterior appearance.

Silhouette® Window Shadings with LiteRise®

An important advancement in cordless operation, our LiteRise® system was introduced on Silhouette® shadings with the new ability to manually tilt the vanes to manage light control. Silhouette® with LiteRise® features cordless control that not only makes raising, lowering and tilting the shading especially easy, but also eliminates the need for cords of any kind rendering the product the ultimate choice for enhanced child safety.

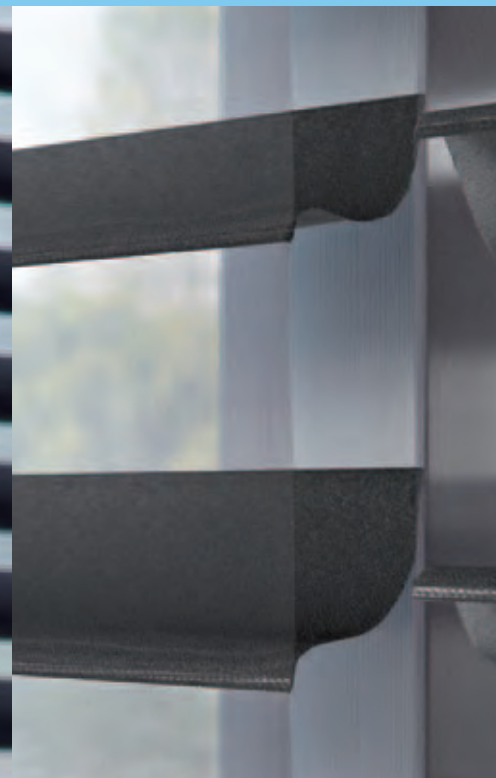




.....
*"Uniquely designed with
soft, horizontal fabric
vanes attached to a single
sheer backing."*

Pirouette® Window Shadings





.....
*"Gentle translucency
for an endless variety of
moods."*

Silhouette® Window Shadings

Window Coverings

Hunter Douglas is the world market leader in window coverings.

- › Our strength is our ability to develop and market innovative, high quality, proprietary products, targeted primarily at upscale consumers.
- › Our success is based upon trusted brand names recognized around the world: HunterDouglas®, Luxaflex®, Duette®, Silhouette® and Vignette®.
- › Our proprietary fabric shades are consistently recognized for excellence in design, styling, features, quality and breadth of selection: Duette® Honeycomb Shades, Silhouette® and Pirouette® Window Shadings, Luminette® Privacy Sheers, Vignette® Modern Roman Shades and Facette® Shades.
- › In addition to our proprietary design innovations, we offer a fully integrated and premium line of standard window covering styles. These include Venetian and Vertical Blinds, Roman, Roller, Pleated and Woven Wood Shades, Wood and Alternative Wood Blinds and Custom Shutters. And Exterior Venetian Blinds, Screen Products, Shutters and Awnings.
- › We customize each window covering to the individual consumer's specific needs, and deliver that unique product typically within a week of ordering.
- › Our proprietary operating systems are equally innovative and unique. They offer ease of use, reliable performance, convenience and improved safety features,



identified by our 'Designed with Safety in Mind' logo. They also include the EOS® modular hardware system.

Silhouette® Window Shadings with LiteRise®

Furthering our commitment to creating products and systems designed with child safety in mind, our proprietary LiteRise® cordless lifting system has been enhanced for optimal, cord-free operation of Silhouette® window shadings, one of our most important and popular products. Along with allowing for the shading to be manually raised and lowered, the newly advanced design now allows for the vanes to be tilted opened and closed by hand. The elimination of all cords creates a more sleek and streamlined appearance, simplifies operation and enhances the child safety benefit.

Duette® Architella® Honeycomb Shades with Illumicell™

Exclusive to Hunter Douglas, the Duette® Architella® Collection is a revolutionary window covering that dramatically reduces heating and cooling costs without compromising style. The new Illumicell™ option features a clear inner cell for greater light transmission while still maintaining superior insulation benefits. The combination of energy efficiency, fabric options that contain recycled and sustainable materials and GREENGUARD® certification make Duette® Architella® shades one of the most environmentally friendly window coverings on the market.



Architectural Products

Hunter Douglas is a world-leading manufacturer of sun-control solutions, suspended ceilings, ventilated façade systems, and translucent materials.

- › We focus on high-performance architectural materials with proprietary characteristics in design, comfort, and sustainability.
- › Our strength is our ability to develop customizable product systems, which assure reliable installation and enable design flexibility with minimal custom engineering.
- › Our success is based on giving architects a high degree of technical and design assistance in applying our products. We collaborate with architects and owners to realize their design objectives while also meeting functional needs such as light control, energy efficiency, and acoustics.

› Our global network of specialized manufacturing facilities lets us deliver a broad, consistent range of solutions that can be adapted to local design requirements.

Sun-Control Solutions

Hunter Douglas offers an unparalleled breadth of solutions and expertise to manage heat and light inside and outside windowed walls. We are at the forefront of the emerging field of architectural solar-control products.

Ventilated Façade Systems

Our QuadroClad® ventilated façade system features a versatile substructure and attractive metal, glass, and resin panels in a wide range of sizes and shapes.

In 2007 the Group acquired NBK, a pioneering manufacturer of terracotta façades. NBK is today the market and quality leader in size, flatness, and design options for large terracotta panels.

Suspended Ceilings

Our Luxalon® metal ceiling systems enable a wide variety of designs

and applications, including curved and specialty shapes.

Our revolutionary Techstyle® acoustical panels deliver superior noise reduction; a clean, monolithic look; and easy access to the plenum.

3form® Translucent Materials

In 2007, Hunter Douglas acquired 3form®, the leading manufacturer of translucent panels. 3form® Resin Panels encapsulate a wide variety of materials, giving architects and interior designers the flexibility to create a wide range of designs and applications, including back-lit feature walls, translucent surfaces and space dividers, as well as sliding doors.

› Folding Shutters







Our Company

Research & Development

Hunter Douglas was founded on a tradition of bringing breakthrough products to market. At the beginning of the 21st century, our new product development has accelerated with the introduction of a number of innovative products, including Facette® Shades, EOS® Hardware systems, LiteRise® cordless operating systems, Techstyle® Acoustical Ceilings and Duette® Architella® Shades.

- › We have specialized R & D Centres in the United States, the Netherlands, Germany, China and South Korea where products are currently under development for introduction in 2012, 2013 and beyond.
- › Around the world, our subsidiaries adapt products to respond to local market needs.
- › We are continually seeking, testing and developing new ideas and concepts that will enable Hunter Douglas to serve and grow our markets in future years.
- › Top priorities are the comfort and safety of the end users, the functionality and durability of our products and the evolving fashion and style needs of the marketplace.
- › We strive to simplify assembly, improve production processes, eliminate waste and reduce maintenance.
- › In 2012 we expect our R & D activities to remain at approximately at the same level as in 2011.

Manufacturing

More than 60 years ago, Hunter Douglas pioneered a unique, continuous casting and integrated manufacturing process for aluminium, to produce painted aluminium strip, and from that the basic materials for many of our products. That innovative thinking has been applied to all aspects of our operation.

- › We have applied the lessons learned in manufacturing metal products to our fabric shades and have set the industry standard for forming fabrics into innovative designs that trap air in cellular pockets for superior insulation, softly diffuse harsh incoming light, provide privacy while preserving outside views and help protect furnishings from damaging UV rays.
- › Our proprietary innovations include the energy-efficient cells used in Duette® and Vignette® Architella® Shades; translucent sheer fabrics used in shades, sheers and shading systems; and the process for bonding diverse fabrics to yield products like Silhouette® and Pirouette® Window Shadings, Vignette® Modern Roman Shades and Luminette® Privacy Sheers.
- › We concentrate production of our principal products in a few efficient manufacturing locations around the world.
- › Process re-engineering and automation is a critical concept in a custom business, allowing us to better manage inventory and our other assets, lower costs, and serve our customers more quickly and efficiently.

Worldwide distribution system

Our distribution system is key to our business and an essential element in our marketing strategy. It is as distinctive as it is efficient.

- › We rely upon a worldwide network of several thousand independent and 100 company-owned fabricators to sell, assemble and distribute our products in local markets.
- › We closely support fabricators to ensure they consistently offer the best quality and service.
- › We provide sophisticated sampling, merchandising and training programs to enable our fabricators to establish strong dealer networks.
- › We provide support to over 100,000 retail dealers - the second tier in our distribution network. They rely upon us for sales and marketing programs; advertising and promotional campaigns; sampling, displays and signage; product education and business-building programs; technical service and assistance in computer-supported administrative areas.
- › Proper installation of our products is key to lifetime performance and customer satisfaction. We have expanded our training to assist the thousands of professional Hunter Douglas installers around the world.
- › Strong and enduring relationships have been forged between Hunter Douglas, our fabricators and our dealers. We consider them to be our strategic partners and the principal sales and marketing arms for our products.

Marketing

We want consumers who purchase Hunter Douglas products to have a thoroughly satisfying experience throughout their process of selecting, buying and living with our products. We have built an additive-process marketing program that builds awareness of and desire for our products and creates strong brand loyalty.

- › Brand awareness is built through many channels: print, broadcast and online advertising campaigns; a comprehensive consumer website; retail merchandising and displays; relationship building with the trade and consumer press, as well as interior designers and architects; newspaper and magazine articles and editorials; sponsorship of special events and worthy charitable causes at the local, national and international levels.
- › Our messages are based upon extensive research into consumer needs, motivations and regional differences, enabling us to better understand what consumers most desire from our products and what dealers need to support and sell them.
- › Once in a retail store, the consumer will find a wealth of materials that help simplify the purchase decision: brochures, design books, sampling of the full range of colours and options, and displays that show how actual products look and function.
- › We actively support our commercial clients with products that meet their needs and specifications, and with technical information concerning light control, motorization and climate control.

Our internet sites enable us to:

- › Give consumers the information and interactive design tools they need to help narrow their product selections and make appropriate buying decisions when visiting our dealers' showrooms.
- › Educate and support our dealers and installers; including online learning modules and interactive features to select, measure, order and install products.



Education, Corporate Citizenship and Employment

Education

We have developed multi-level training and education programs for our fabricators, retail dealers, professional designers and installers.

- › We hold consumer seminars to help prospective buyers understand the importance of window coverings for home fashions and for light control and energy efficiency.
- › We provide training seminars and hands-on workshops for retailers, designers and installers - including CD-Roms, videotapes, and web-based instructions - throughout the world.
- › We have created the industry's first and only formal Retail Alliance Program, offering our very best dealers a choice of tiered partnership options that reward their brand loyalty with lucrative business-building benefits, including financial incentives and exclusive products and programs.
- › Through our exclusive partnership with Archiprix International, we build relationships with the next generation of architects as they begin their careers after college. With our support, Archiprix organizes a biennial international competition for the best graduation projects in architecture. Finalists travel to a host city with hundreds of architects from around the world, where an independent jury evaluates the student entries and recognizes the most outstanding work with the Hunter Douglas award.

- › Our 'Windows of Opportunity' seminar on the use of window fashions in interior design reaches more than 2,500 design school students and designers in major United States' markets each year.
- › At the Fashions Institute of Technology in New York and other leading design schools, we provide design students with industry overviews and a business perspective through teaching opportunities.
- › At the renowned Pratt School of Architecture, we have sponsored design studio projects that challenge students to envision new and novel ways to integrate our products and materials into architectural structures.

Corporate Citizenship

- › We actively support the communities in which we live, work and do business. Decisions about which causes to support and the form that support takes are made locally by our management in each country.
- › We provide window coverings to hospitals, research centres and healthcare facilities around the world.
- › We support educational opportunities for the families of our staff and less privileged members of our communities.
- › In the United States and Canada, we sponsor Habitat for Humanity, donating custom window coverings for the homes they have built for low-income families since 1993. Our employees have also contributed thousands of hours in sweat equity assisting with the building of these homes at the local level.

- › We stimulate students' awareness of our products and encourage their creativity through competitions in which they are judged upon the innovative application of our products in their design projects.
- › Hunter Green™ and Keen on Green are important company-wide environmental initiatives being undertaken by our Hunter Douglas branded companies to reduce energy consumption, water usage and our overall carbon-footprint. It also includes an ongoing consumer marketing effort to increase awareness of our corporate commitment to the cause as well as the superior energy-saving benefits of our products.

Employment

Employment levels decreased from 17,127 to 16,492. This is not expected to materially change in 2012.

Strategy

Our strategy remains unchanged: to grow the market and our market share by continuing to introduce innovative and proprietary products and by expanding our presence in key geographic markets.

Corporate Governance

Hunter Douglas N.V. has its statutory seat in Curaçao. Hunter Douglas is therefore not subject to the Netherlands Corporate Governance Code. However, Hunter Douglas adheres to good Corporate Governance and follows many of these recommendations.

Corporate structure

Board of Directors

Hunter Douglas has a one-tier corporate structure. Under its Charter the Board of Directors is responsible for the overall management and control of the Company. The Board is appointed by the shareholders at the annual General Meeting. The Board has four regular meetings per year and additional meetings as required. Board members may not be members of more than five boards of public companies.

Independence

The Board has five members, of whom three are independent. It acts collectively by majority resolution.

Functions

The Board reviews the overall strategy, financial objectives, budgets, acquisitions, divestments, capital expenditures, currency and aluminium hedging, portfolio composition and returns, results and risks in the Company's business.

Audit and Compensation Committees

The Board has an Audit and a Compensation Committee, whose members are independent. The Audit Committee reviews the Company's accounts, internal controls and meets with the Company's external Auditors at least once a year.

The Compensation Committee reviews the Directors' and Officers' compensation and stock options.

Chairman & CEO

Mr. Ralph Sonnenberg is Chairman of the Board of Directors and Chief Executive Officer.

Officers

The Board annually appoints the Officers of the Company – the Co-Presidents, four regionally responsible Vice Presidents and two Staff Vice Presidents.

Financial reporting

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The annual report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Internal Controls

The Company has the following key internal controls.

Conflicts of Interest Policy

The Company has a 'Conflicts of Interest Policy' applicable to all key employees which covers relations with customers, suppliers and other third parties.

Insider Trading Policy

The Company has an 'Insider Trading Policy', as prescribed by the Authority Financial Markets ('AFM'), restricting trading in the Company's shares by Directors, Officers, key employees and related persons.

Internal Audit Function

Hunter Douglas' principal Operating Companies have an Internal Audit Program.

Authority limits

Every Manager, including the Regional Vice Presidents, has clearly defined Authority Limits.

Whistleblower Policy

Hunter Douglas has a 'Whistleblower' Policy in each Company.

Compensation

Compensation is reviewed by the Compensation Committee of the Board. The Company also follows the 'best practices'.

Stock options

Stock options are granted for five years with vesting starting after two years.

Stock

The Company does not provide stock at no cost.

Loans

Loans to Directors, Officers or other employees bear market interest. There is no forgiveness of principal or interest.

Investor Relations

Hunter Douglas has an Investor Relations Website, regularly issues press releases and holds analysts and investor meetings.

Financial Risk Management Objectives and Policies

For risk management objectives and policies in relation to the financial instruments reference is made to note 25 of the financial statements.

Long term bank facilities expiring in 2012 have been refinanced.

Objectives

The Company's objectives are to:

- › Expand its Window Coverings and Architectural Products businesses at a growth rate exceeding that of the market while continuing to be the best Company in the industry;
- › Develop and introduce innovative new products;
- › Seek acquisitions that add to the Company's organic growth by expanding product lines or distribution and that meet its return targets;
- › Continue with an efficient decentralized entrepreneurial organization, based on the principle of 'maximum accountability with minimum interference'.

- › Prices for raw materials, in particular: aluminium, steel, fabric, synthetics and other oil based products;
- › Exchange rates: the Company's reporting and functional currency is the U.S. dollar. U.S. dollar rates against the Euro and other currencies can therefore affect the Company's results. Hunter Douglas' policy is to generally hedge transactional exposures, to selectively hedge translation of earnings, and generally not to hedge balance sheet exposures.

Rotterdam, 13 March 2012

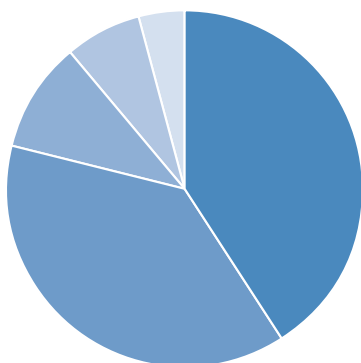
Board of Directors

Sensitivity to External Factors

The Company's results are sensitive to external factors of which the following are most influential:

- › Overall economic activity and particularly consumer confidence which affects demand for consumer durables;

Worldwide sales



- Europe, Middle East and Africa 41% (2010: 40%)
- North America 38% (2010: 40%)
- Latin America 10% (2010: 9%)
- Asia 7% (2010: 7%)
- Australia 4% (2010: 4%)

Segment information*

Amounts in millions	Europe		North America		Latin America		Asia		Australia		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Net sales												
Window Coverings	843	824	868	868	187	170	86	77	101	97	2,085	2,036
Architectural Products	113	86	107	87	60	49	106	105	4	6	390	333
Other	98	76									98	76
Total***	1,054	986	975	955	247	219	192	182	105	103	2,573	2,445
Net assets employed**	856	987	419	368	114	95	170	124	57	58	1,616	1,632
of which												
Non-current assets***	394	419	400	382	53	51	128	87	27	26	1,002	965
Additions to tangible fixed assets	25	35	24	15	10	7	49	11	3	3	111	71
Depreciation tangible fixed assets	37	41	28	29	5	5	8	7	3	3	81	85
Employees per year-end	6,477	7,046	6,067	6,303	1,727	1,686	1,855	1,687	366	405	16,492	17,127

(*) This table excludes the turnover of 486 (2010: 447) and net assets employed of 61 (2010: 78) of Metals Trading.

(**) Total assets (excl. Investment Portfolio) minus non-interest-bearing current liabilities.

(***) Net sales in the Netherlands were 188 (2010: 189) and non-current assets 106 (2010: 115).

Relative profitability per area is in line with net sales per area.

Relative distribution of employees per business segment per area is in line with net sales per area.

Europe

European Operations had higher sales but lower profits.

Hunter Douglas Europe

Hunter Douglas Europe's sales continued to grow despite economic headwinds. Consumer and construction demand remained weak across Europe, except in Germany. Our Commercial businesses faced challenging market conditions in many European markets. In response, we continued to streamline operations, reducing headcount by 9% (excluding acquisitions).

Window Covering Products

- › Our Company-Owned Blind-makers had lower sales and profits, with continued good performance in the Netherlands and Scandinavia, offset by weak results in other markets.
- › Plissé and Duette® sales continued to grow strongly. Increasing consumer interest in energy efficiency has boosted demand for Duette®, and it now has become a mainstream product. We are increasing our marketing spending on Duette®, to further fuel growth.
- › Component sales to independent blindmakers increased, with continued growth in Germany.



Aad Kuiper
President & CEO
European Operations

We launched new Venetian Blind and, Plissé/Duette® collections and rolled out our recently introduced LiteRise® hardware and environmentally friendly GreenScreen® fabrics.

The Component Sales division also launched new concepts for digital printing on fabrics and an innovative motorization program.

- › Turnils, our secondary branded component supplier continues to be affected by challenging market conditions in the commodity segment of the venetian blind components market. Turnils successfully launched the new Luxor Vertical Blind System and upgraded its Venetian Blind offering.
- › Benthin, the leading German based developer and supplier of hardware systems to the European window coverings industry, which we acquired in May 2010, had higher sales and profits.
- › Blöcker, our market-leading supplier of pleated blind systems and fabrics continued to perform well.
- › Gardinia, the leading distributor of packaged window coverings in Germany and Central Eastern Europe, in which Hunter Douglas has a substantial interest, had good operational results, but was impacted by one-off restructuring costs in Russia and the Ukraine.

- › The Hamstra made-to-measure insect screens business, acquired in January 2010, was integrated into our Luxaflex Benelux organization.
- › In September we acquired ADO Benelux, a long established drapery brand with strong consumer recognition. ADO will be integrated into Artex's existing Benelux drapery business.
- › In October we acquired Diflex a successful fabricator in Portugal. We will merge our Portuguese blindmaker into Diflex. This will create a local market leader with efficient, low-cost assembly.

Amounts in millions	EUR	
	2011	2010
Net sales		
Window coverings	605	620
Architectural products	81	65
Other	70	57
Total	756	742
 Net assets employed	 664	 738
 Employees per year-end	 6,477	 7,046



› Duette® Shades



› Roman Shades

› In November we acquired Integra, a U.K. packaged drapery Hardware Company which will be merged with our local Sunflex operation to strengthen our leading position in this market segment.

Luxaflex® Window Coverings

- › Our main brand in Europe continued to gain share in a challenging market as our leadership in distribution scale, product innovation and trade support programs continues to attract dealers to the brand.
- › Duette® Shades had continued strong growth. We expanded the product line with new operating mechanisms, including SmartCord® and LiteRise®.
- › We introduced new collections for Silhouette® Shades and Wood Venetian Blinds; both were received positively by the market.
- › Added 9 dealers to our elite Luxaflex® Gallery distribution base, which now numbers 54 in five countries. These are larger volume dealers who allocate a minimum of 75 square meters to our Gallery display units.
- › We continued to expand our on-line marketing presence, with

visits to our websites increasing 8%.

- › We launched Luxaflex® shop-in-shop concepts in several leading department store chains in the Netherlands and Spain.
- › In the Benelux, we successfully launched a range of exterior window covering products.

Architectural and Project Market

- › Our commercial business continued to struggle with depressed market conditions in mainland Europe. The Middle East continued to perform well.
- › The EOS® 500 commercial roller blind system, which was rolled out across the region, generated strong sales and was awarded the prestigious German iF Design Award. We expect this new product line to become an important part of our commercial offer.
- › Techstyle® acoustical ceilings grew significantly thanks to sales in large projects such as the Ministry of Defense in The Hague, the Netherlands.
- › We launched a rainscreen façade with wood finishes to extend our façade product range.

- › European architects remain keenly interested in 'Green' building products. This will boost interest in our higher-end exterior sun control and façade products. We remain at the forefront of our industry in developing products and sales tools to address this opportunity.

Operations/Manufacturing

- › Our main manufacturing facilities in the Netherlands had lower results due to lower manufactured volumes, despite slightly higher sales.
- › Artex, our textile development and production center based in Aarle-Rixtel, the Netherlands, continued to perform strongly.
- › Our newly acquired Polish assembly facility - part of the 2010 Faber-Benthin acquisition – began absorbing assembly volumes from several of our Western European plants. This new facility will help load balance our Kadan plant, which is nearing maximum capacity.

Nedal

Our Dutch based aluminum extrusion operation achieved higher sales and flat operational profits.

North America

Higher sales but lower profits.

North America sales were up slightly in the face of a weak housing market, high unemployment and low consumer confidence. Profits were down, primarily due to one-time restructuring costs, as we consolidated some operations and streamlined others.

Our outlook for 2012 is cautious as we expect the U.S. housing market to remain depressed; however, an improving jobs picture and a slowly recovering economy could boost consumer confidence, leading to more investments in the home and resulting in more opportunities for growth.

- › Captured 64% (30 of 47) of all industry awards given at the annual Window Covering Manufacturing Association (WCMA) presentation, including the coveted New Product of the Year award for our Vignette® Traversed™ vertical fabric shade.
- › Celebrated the 20th Anniversary of Silhouette® Window Shadings, one of the most innovative and successful window covering products ever introduced in North America.



Marvin B. Hopkins
President & CEO
North American Operations

- › Qualified our unique Duette® Architella® cell-within-a-cell honeycomb shade for the 2011 U.S. Federal Energy Tax Credit, which rewarded home owners for installing energy saving products in their homes. This program helped Duette® Architella® achieve continuing strong growth throughout the year.
- › Introduced six new dealer sample book collections, including Silhouette® Window Shadings and Luminette® Privacy Sheers. We also combined the Alustra® Collection, which is only available to our high-end Alliance dealers, into our core sample books, resulting in dramatic sales increases for this elite collection.

Amounts in millions	USD	
	2011	2010
Net sales		
Window coverings	868	868
Architectural products	107	87
Other		
Total	975	955
Net assets employed	419	368
Employees per year-end	6,067	6,303



- › Launched a new consumer advertising campaign – The Art of Window Dressing™ – on national network and cable television channels, while continuing our successful print magazine campaign that was first introduced in 2010.

- › Developed two Hunter Douglas iPad Apps – one for consumers and one for retail dealers. Each provides users with a wide variety of photography featuring our window covering products in attractive room settings, together with options to upload their own photographs. We expect consumers will use the tool to help them better understand and select our products while dealers will use it to facilitate and increase sales to their customers.

- › Developed a Hunter Douglas social media strategy that includes the launch of a Facebook page featuring window makeover contests to attract and engage consumers.

- › Attracted over 3.5 million visitors to our hunterdouglas.com consumer website which led directly to over 0.5 million dealer locator requests.

- › Added 50 more Hunter Douglas Gallery® dealers for a total of 502. These are larger dealers who dedicate no less than 500 square feet of their retail floor space to our Gallery displays and also commit a minimum of 75% of their retail sales to Hunter Douglas products.

- › Increased the number of Centurion Club™ dealers by 144 for a total of 1,096 in the U.S. and Canada. These are dealers who commit to purchase 100% of their window covering products from Hunter Douglas.



- › Trained more than 12,000 of our best dealers at 255 full-day Premieres® training programs across the U.S. and Canada. At these events, we introduced our new products and dealer programs for 2011. Hunter Douglas dealers also completed 74,000 of our internet-based Learning Center training and education courses during the year.

- › Generated strong cash flow while increasing inventory turnover and sales per employee. At the same time, we reduced the receivables to sales ratio and the cost of quality percent to sales. We also improved total company safety performance, with lost time accidents and workers compensation claims declining for the third consecutive year.

- › Achieved record sales and profits at 3form® through continuing product innovation and market penetration. 3form® also launched LightArt™, a range of decorative lighting fixtures, through a new specialized company sales force.

- › Restructured our contract window covering operations with the closure of two plants and focused on the full implementation of the recently introduced RB 500 roller shade program, which is gaining traction in the contract market.

- › Closed our Edmonton, Canada fabrication facility and integrated its operations into our Ontario and Utah plants with no disruption of service to customers.

- › Relocated our North American headquarters office from Upper Saddle River, NJ to Pearl River, NY.

- › Donated custom window blinds to all Habitat for Humanity homes built in the U.S. and Canada during 2011. This was our 20th consecutive year of supporting this very worthy cause.

In 2012, we are continuing to build our brands, strengthen our customer relationships, develop innovative products and improve operational efficiencies. As such, we are confident that our North American operations are well positioned for the future.

Latin America

Higher sales and profits.

Our Latin American operations had record sales and higher operational profits.

Our Window Covering business had record sales and profits and continued to progress well, driven by a core network of well merchandised dealers, who are focused exclusively on serving an upscale clientele with our main HunterDouglas® and Luxaflex® brands. In addition, our recently launched second brand programs tailored to the fast developing middle class segment are growing rapidly.

Our Stock Window Covering Products business achieved record sales and higher profits and continues to deliver excellent returns on invested capital.

Our Architectural Products business had record sales but lower profits which were affected by lower profits in Chile and Brazil.

Brazil

- › We achieved record sales and profits; benefiting from a continued strong economy.



Renato Rocha
President & CEO
Latin American Operations

- › We are expanding our AP manufacturing plant to broaden our local product offer. We expect the World Cup and Olympic Games to generate significant sales opportunities.

Mexico

- › Sales and profits were lower, affected by the one-off integration costs of our recently acquired window covering licensees. We are still facing a challenging outlook for upper-end consumer demand in the next few years.
- › We acquired the last three window covering licensees, which will be operationally integrated.

Chile

- › Sales were higher, profits somewhat lower, albeit at continued high levels.

- › The Window Covering business performed very well, while Architectural Products and exports had lower profits.

Colombia

- › Higher sales at record levels and slightly higher profits.
- › All businesses performed well.

Argentina

- › Sales reached record levels, and profits were slightly higher, mainly due to the one-off integration cost of Phonex, our recently acquired architectural products business.
- › Our Window Covering business in Argentina performed well, achieving record sales and profits.

Venezuela

- › We experienced higher sales and operational profits but only recognized very modest net profits in line with our policy to recognize only remitted profits.
- › Our businesses continue to be constrained by the ongoing difficulty in obtaining U.S. dollars to finance imports.

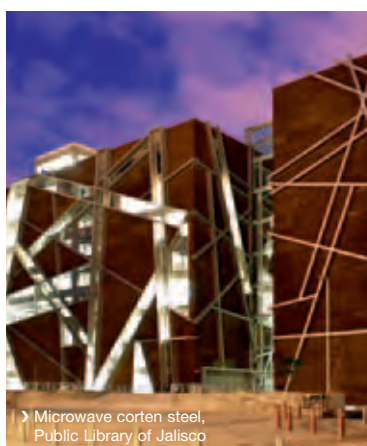
Peru

- › Our start-up operation had significantly higher sales and a break-even result.

Panama

- › This small, profitable start-up operation had sharply higher sales.

Amounts in millions	USD	
	2011	2010
Net sales		
Window coverings	187	170
Architectural products	60	49
Other		
Total	247	219
 Net assets employed	 114	 95
 Employees per year-end	 1,727	 1,686



› Microwave corten steel,
Public Library of Jalisco

Asia

Higher Sales and Profits.

Our Asian Operations had higher sales and profits. Architectural Products' had higher sales and profits. Window Coverings had significantly higher sales and better results, driven by aggressive marketing programs, new product launches and expansion of our distribution network.

Our new manufacturing plant in Suzhou, China for the production of terracotta architectural façade systems commenced operation late last year. Our new manufacturing plant in Xian, China for the production of our metal architectural products started commercial production early this year. Our new manufacturing plant in Chennai, India is being built.

We are optimistic about the continued growth of our Asian business.

China

› Architectural Products had lower sales and higher profits. Growth slowed in the second half due to project delays and in the construction of railroad stations which is one of our key market segments.



G.C. Neoh
President & CEO
Asian Operations



› Sanmenxia Cultural & Sports Center

› Window Coverings had higher sales but lower results due to higher investments in brand building and our distribution network.

India

› Architectural Products had lower sales and profits due to delays in several government projects.

› Window Coverings had higher sales but slightly lower profits due to higher investment in brand building and our distribution network.

Japan, Korea, Taiwan

› Higher sales and profits, primarily in Window Coverings.

Hong Kong, Malaysia, Singapore, Indonesia, Philippines, Thailand

› Higher sales and profits.

Vietnam

› Lower sales and profits due to hyperinflation and severe currency depreciation.

Amounts in millions	USD	
	2011	2010
Net sales		
Window coverings	86	77
Architectural products	106	105
Other		
Total	192	182
 Net assets employed	 170	 124
 Employees per year-end	 1,855	 1,687

.....
*"There is no substitute
for the beauty of natural
daylight."*

Alustra® Silhouette® and Luminette®
Counterparts™ Program







1



2



- 1 | Linear Ceiling
- 2 | NBK Terracotta Façade Panels
- 3 | V40 Movable Ceiling
- 4 | 3form® Varia

Consolidated statement of income for the year



Leen Reijtenbagh
Vice President, CFO & Secretary



Chris King
Vice President General Counsel

Amounts in millions	Notes	USD	
		2011	2010
Net sales	3	2,573	2,445
Cost of sales	4	<u>-1,576</u>	<u>-1,492</u>
Gross profit		997	953
Gross profit metals trading	3	<u>20</u>	<u>20</u>
Total gross profit		1,017	973
Selling and marketing expense	3	-545	-491
General and administrative expense	3	-360	-332
Income from operations (EBIT)		112	150
Finance costs	4	-44	-16
Finance income	4	<u>4</u>	<u>22</u>
Income before taxes		72	156
Taxes on income	19	6	-2
Net profit for the year		78	154
Net profit attributable to non-controlling interest			1
Net profit attributable to equity shareholders		78	153
Earnings per share attributable to equity shareholders	20		
- basic for profit for the year		2.19	4.31
- fully diluted for profit for the year		2.19	4.31

Consolidated statement of comprehensive income for the year

Amounts in millions	USD	
	2011	2010
Net profit for the year	78	154
Other comprehensive income		
Currency translation differences	-27	-33
Net movement in cash flow hedges	-5	-5
Tax effect on other comprehensive income	6	16
Total comprehensive income for the year, net of tax	52	132
Attributable to equity shareholders	53	132
Attributable to non-controlling interest	-1	

The accounting policies and explanatory notes on pages 37 through 63 form an integral part of the financial statements.

Consolidated cash flow statement for the year

Amounts in millions	Notes	USD	
		2011	2010
Net profit attributable to equity shareholders		78	153
Adjustments for:			
Depreciation property, plant & equipment	8	81	85
Amortization patents & trademarks	7	6	5
Increase (decrease) provisions	9	8	-2
Non-cash items		-40	-40
Unrealized result investment portfolio		15	-18
Operating cash flow before working capital changes		148	183
Changes in working capital:			
- decrease trade and other receivables and prepayments		58	19
- increase inventories		-21	-16
- decrease trade and other payables		-5	-27
Operating cash flow		180	159
Dividend paid	21	-63	-345
Net cash from operations		117	-186
Cash flow from investing activities			
Investments subsidiaries, net of cash acquired	5	-19	-43
Investment intangible fixed assets		-5	
Investment property, plant and equipment	8	-111	-71
Divestment property, plant and equipment	8	18	26
(Increase) decrease investment portfolio		-64	9
Decrease other financial non-current assets		4	6
Increase other financial non-current assets			-12
Net cash from investing activities		-177	-85
Cash flow from financing activities			
Treasury shares		-12	
Increase interest-bearing loans and borrowings		52	263
Net cash from financing activities		40	263
Net decrease in cash and cash equivalents		-20	-8
Change in cash and cash equivalents			
Balance at 1 January		61	69
Net decrease in cash and cash equivalents		-20	-8
Exchange difference cash and cash equivalents		1	
Balance at 31 December	14	42	61

Income tax paid 34 (2010: 11), interest paid 20 (2010: 14) and interest received 5 (2010: 1) are included in net cash from operations.

The accounting policies and explanatory notes on pages 37 through 63 form an integral part of the financial statements.

Consolidated balance sheet as per 31 December

Assets

Amounts in millions	Notes	USD	
		2011	2010
Non-current assets			
Intangible fixed assets	7	309	302
Property, plant and equipment	8	585	579
Deferred income tax assets	19	90	55
Other financial non-current assets	9	18	29
Other non-current assets		1,002	965
Current assets			
Inventories	10	641	627
Trade and other receivables	11	398	430
Prepaid income tax		31	35
Prepayments	12	115	141
Currency derivatives	26	13	9
Metal derivatives	26	17	23
Investment portfolio	13	192	143
Cash and short-term deposits	14	42	61
Total current assets		1,449	1,469
TOTAL ASSETS		2,451	2,434

The accounting policies and explanatory notes on pages 37 through 63 form an integral part of the financial statements.

Consolidated balance sheet as per 31 December

Shareholders' equity and liabilities

Amounts in millions	Notes	USD	
		2011	2010
Equity attributable to equity shareholders			
Issued capital	15	11	11
Share premium		91	95
Treasury shares		-16	-4
Cash flow hedge reserve		-14	-9
Foreign currency translation		-33	-13
Retained earnings		1,098	1,079
Total equity attributable to equity shareholders of the parent		1,137	1,159
Non-controlling interest		3	4
Total equity		1,140	1,163
Non-current liabilities			
Interest-bearing loans and borrowings	16	318	494
Preferred shares	16	11	11
Provisions	17	36	33
Deferred income tax liabilities	19	13	23
Total non-current liabilities		378	561
Current liabilities			
Trade and other payables	18	538	532
Income tax payable		19	22
Restructuring provisions		10	6
Currency derivatives	26	13	13
Metal derivatives	26	1	8
Interest-bearing loans and borrowings	16	352	129
Total current liabilities		933	710
TOTAL LIABILITIES		1,311	1,271
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,451	2,434

The accounting policies and explanatory notes on pages 37 through 63 form an integral part of the financial statements.

Consolidated statement of changes in equity for the year

Amounts in millions	Attributable to equity shareholders of the parent								
	Issued capital	Share premium	Treasury shares	Cash flow hedge reserve	Foreign currency translation	Retained earnings	Total	Non-controlling interest	Total equity
At 1 January 2010	12	102	-4	-5	4	1,263	1,372	4	1,376
Net profit						153	153	1	154
Other comprehensive income (expense)	-1	-7		-4	-17	8	-21	-1	-22
Total comprehensive income (expense)	-1	-7	0	-4	-17	161	132	0	132
Equity dividends						-345	-345		-345
At 31 December 2010	11	95	-4	-9	-13	1,079	1,159	4	1,163
Net profit						78	78		78
Other comprehensive income (expense)		-4		-5	-20	4	-25	-1	-26
Total comprehensive income (expense)	0	-4	0	-5	-20	82	53	-1	52
Purchase shares			-12				-12		-12
Equity dividends						-63	-63		-63
At 31 December 2011	11	91	-16	-14	-33	1,098	1,137	3	1,140

The accounting policies and explanatory notes on pages 37 through 63 form an integral part of the financial statements.

Notes to consolidated financial statements

1. Corporate information

The consolidated financial statements of Hunter Douglas N.V. for the year ended 31 December 2011 were authorized for issue on 13 March 2012. These financial statements will be adopted by the Annual General Meeting of Shareholders on 12 June 2012.

Hunter Douglas N.V. has its statutory seat in Curaçao. Common shares are publicly traded at Amsterdam (HDG) and Frankfurt (HUD) for the common shares; the preferred shares are traded at Amsterdam (HUNDP).

The principal activities of the Group are described in note 3.

2. Summary of significant accounting policies

Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis, except for the investment portfolio and derivative financial instruments which have been measured at fair value. The consolidated financial statements are presented in U.S. dollars and all values are rounded to the nearest million except when otherwise indicated.

Statement of compliance

The consolidated financial statements of Hunter Douglas N.V. and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards as issued by the IASB.

In accordance with Article 2:402 of the Civil Code, an abbreviated version of the income statement is presented in the Company's financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Hunter Douglas N.V. and its subsidiaries as at 31 December each year. The financial statements of subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies. All intercompany balances and transactions, including unrealized profits arising from intra-group transactions, have been eliminated upon consolidation.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group, in which case the consolidated financial statements include the results for the part of the reporting year during which Hunter Douglas N.V. had control. Joint ventures have been included in the consolidated financial statements

using the proportionate consolidation method.

Acquisitions have been included in the consolidated financial statements using the acquisition accounting method. The purchase method of accounting involves allocating the costs of the business combination to the fair value of the assets acquired and liabilities assumed at the date of acquisition.

Accordingly, the consolidated financial statements include the results from the new acquisitions from the date of their acquisition.

Non-controlling interest represents the portion of profit or loss and net assets in some Latin American subsidiaries not held by Hunter Douglas N.V. and are presented separately in the statement of income and within equity in the consolidated balance sheet, separately from shareholders' equity.

Foreign currency translation

The consolidated financial statements are presented in U.S. dollars, which is the Company's presentation and functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange on the balance sheet dates. All differences are taken to the income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to other comprehensive income until the disposal of the net investment, at which time they are recognized in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

As at the reporting date, the assets and liabilities of the subsidiaries are translated into the presentation currency of the Group (U.S. dollar) at the rate of exchange on the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign

entity, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the income statement.

Intangible fixed assets

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

Business Combinations and Goodwill

Business Combinations are accounted for using the acquisition accounting method. This involves recognizing identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value. Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill on acquisitions after 1 January 2004 is not amortized and goodwill already carried in the balance sheet is not amortized after 1 January 2004. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

If the acquirer's interest in the net fair value of the identifiable assets and liabilities and contingent liabilities is higher than the cost of the business combination, the difference is recognized as a gain in the income statement. This gain is classified as cost of sales.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized.

Notes to consolidated financial statements

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Significant accounting judgement and estimates

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements in order to conform to IFRS. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. We evaluate these estimates and judgements on an ongoing basis and base our estimates on experience, current and expected future conditions, third-party evaluations and various other assumptions that we believe are reasonable under the circumstances. The results of these estimates form the basis for making judgements about the carrying values of assets and liabilities as well as identifying and assessing the accounting treatment with respect to commitments and contingencies. Actual results could differ from the estimates and assumptions.

Estimates significantly impact goodwill and other intangibles acquired, impairments, fair value of the investment portfolio, liabilities from employee benefit plans, other provisions and tax and other contingencies. The fair values of acquired identifiable intangibles are based on an assessment of future cash flows. Impairment analyses of goodwill are performed annually and whenever a triggering event has occurred to determine whether the carrying value exceeds the recoverable amount. These analyses are based on estimates of future cash flows.

Assumptions used to determine pension liabilities include the interest rate and discount rate. Assumptions used to determine the fair value of the investment portfolio relate to credit risk and liquidity risk of the fund.

In various countries the Company has taken standpoints regarding its tax position which may at any time be challenged by the tax authorities because the authorities in question interpret the law differently. In determining the probability of realization of deferred tax assets and liabilities these uncertainties are taken into account.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment in value. Fixed assets are depreciated over the expected useful lives, using the straight-line method. An indication of the expected useful life is as follows:

Buildings	20 - 40 years
Machinery & equipment	5 - 10 years
Other property, plant and equipment	3 - 10 years
Land is not depreciated	

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets of cash-generating units are written down to their recoverable amount.

Other financial non-current assets

Other financial non-current assets are recorded at amortized costs.

Inventories

Inventories are valued at the lower of production cost and net realizable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials are stated principally at the lower of cost (first-in/first-out) or net realizable value;
- Finished goods and work-in-progress are stated at cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of less than one year. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at cost, being the fair value

of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognized in net profit or loss when the liabilities are derecognized, as well as through the amortization process.

The revised IAS 23 requires capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Borrowing costs are capitalized on qualifying assets with a commencement date on or after 1 January 2009. During the 12 months to 31 December 2011, no borrowing costs have been capitalized on qualifying assets included in construction in progress.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Pensions and other post-employment benefits

The Group operates three defined benefit pension schemes, all of which require contributions to be made to separately administered funds.

The cost of providing benefits under the plans is determined separately for each plan using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting year exceed 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognized over the expected average remaining working

Notes to consolidated financial statements

lives of the employees participating in the plans.

The past service cost is recognized as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to a pension plan, past service cost is recognized immediately.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognized and the fair value of plan assets. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. If the asset is measured at the aggregate of cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reduction in the future contributions to the plan, net actuarial losses of the current period and past service cost of the current period are recognized immediately to the extent that they exceed any reduction in the present value of those economic benefits. If there is no change or an increase in the present value of the economic benefits, the entire net actuarial losses of the current period and past service cost of the current period are recognized immediately. Similarly, net actuarial gains of the current period after the deduction of past service cost of the current period exceeding any increase in the present value of the economic benefits stated above are recognized immediately if the asset is measured at the aggregate of cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains of the current period after the deduction of past service cost of the current period are recognized immediately.

The Group also operates a number of defined contribution pension plans. The cost of providing contributions under the plans is charged to the income statement in the period to which the contributions relate.

Share-based payments/option plans

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 and are measured

initially at fair value at the grant date using the Black-Scholes formula, taking into account the terms and conditions upon which the instruments were granted (see Note 22 employee benefits). This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured at each balance sheet date up to and including the settlement date with changes in fair value recognized in the income statement.

Treasury shares

Own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Leases

Leases which do not transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Net sales

Net sales are recognized to the extent that it is probable that the economic benefits will flow to the Group and the net sales can be reliably measured. Net sales represent the invoiced value of manufactured products delivered to customers net of freight, returns, allowances and sales tax. Net sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and can be reliably measured. Cost of sales are recorded in the same period as sales are recognized. Other revenues and expenses are recorded in the period in which they originate.

Metals trading

Metals trading is presented on a net basis as these activities classify as broker/trader activities. Metals trading sales are excluded from net sales. Gross profit on metals trading represents the margin earned on bulk metals delivered to clients net of direct acquisition and trading costs.

Research and development

Research costs are expensed as incurred. Development costs are capitalized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Income tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are

enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences such as the value of inventories, fixed assets and provisions for tax purposes which differ from the value used for financial reporting purposes, except where the deferred income tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Notes to consolidated financial statements

Income taxes relating to items recognized directly in equity or other comprehensive income are recognized in equity or other comprehensive income and not in the income statement.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- where the sales tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Derecognition of financial instruments

The derecognition of a financial instrument takes place when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

Derivative financial instruments

The Group uses derivative financial instruments such as foreign currency contracts, interest rate swaps and metals futures to hedge its risks associated with interest rate, metal commodities and foreign currency fluctuations. Such derivative financial instruments are stated at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values are determined from listed market prices, price quotations from banks or from pricing models. Any gains or losses arising from changes in fair value on derivatives are taken directly to the income statement. No hedge accounting is applied except for cash flow hedges, which are recognized in other comprehensive income. For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a

net investment in a foreign operation are recognized directly as a separate component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognized in the statement of income.

Investment portfolio

The investment portfolio is reported separately on the balance sheet at fair value. Net results of the investment portfolio are reported separately. Third parties participating in the investment portfolio are presented separately under trade and other payables. The individual investments held by the various investment funds are valued at fair value by the funds. The net asset values reported by the fund managers are adjusted (discounted) by management as management expects that it may not be able to fully realize the underlying fair values of the investments held by the investment funds. This assessment is made by individual funds and the valuation is adjusted accordingly.

IFRS accounting standards effective as from 2011

The accounting policies as set out above have been applied consistently to all periods presented in the consolidated financial statements. There were no standards applicable for the Company which were effective starting 1 January 2011.

IFRS accounting standards effective as from 2012

The following standards and amendments to existing standards have been published and are mandatory for the Company beginning on or after 1 January 2012 or later periods and are applicable to the Company. The Company has not early adopted them.

- IAS 1 Presentation of financial statements - the amendment changes the grouping of items presented in other comprehensive income. Items that could be reclassified ("or recycled") to profit or loss at a future point in time would be presented separately from items that will never be reclassified. The amendments apply to financial years beginning on or after 1 July 2012. The amendment has not yet been endorsed by the EU.

- IAS 19 Employee benefits - the changes range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. Specifically, the amendment removes from IAS 19 the option that allows a Company to defer some gains and losses that arise from defined benefit plans. The amendment will require companies to recognize service and finance cost in profit or loss and remeasurements in other comprehensive income. The amended standard applies to

financial years beginning on or after 1 January 2013. The amended standard has not yet been endorsed by the EU. The Company is currently assessing the net impact on profit and loss and equity

- IFRS 10 Consolidated financial statements - replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation – Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The standard applies to financial years beginning on or after 1 January 2013. The standard has not yet been endorsed by the EU. The standard is expected not to have a financial impact on the company.

- IFRS 11 Joint arrangements - replaces IAS 31 on interests in joint ventures. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. The standard applies to financial years beginning on or after 1 January 2013. The standard has not yet been endorsed by the EU. This standard will impact the Company's accounting for its joint venture Gardinia, which is currently proportionately consolidated.

- IFRS 12 Disclosures of interests in other companies - includes all of the disclosures that were previously in IAS 27 as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The standard applies to financial years beginning on or after 1 January 2013. The standard has not yet been endorsed by the EU. The standard is expected not to have a financial impact on the Company.

Notes to consolidated financial statements

3. Segment information

The Company has determined its reportable segments based on its internal reporting practices and on how the Company's management evaluates the performance of operations and allocates resources. The segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The window coverings segment relates to sales and manufacturing of window coverings and architectural products for commercial and residential use. The investment segment relates to the Group's investment portfolio which is invested in marketable securities in a variety of asset classes, including hedged equities, arbitrage, financial trading and fixed income. The metal trading segment represents trading in metals mainly in contracts on bulk metals. No operating segments have been aggregated to form the above reportable business segments. Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit and is measured consistently with net profit in the consolidated financial statements. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. The Group's geographical segments are determined by the location of the Group's assets and operations.

Business segments

The following table presents revenue and income information and certain asset and liability information regarding the Group's business segments for the years ended 31 December 2011 and 2010.

Amounts in millions	Window Coverings and Architectural Products		Investment Portfolio		Metals Trading		Reclassification		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue										
Sales to external customers	2,573	2,445							2,573	2,445
Segment revenue	2,573	2,445							2,573	2,445
Total gross profit	997	953			20	20			1,017	973
Selling and marketing expense	-544	-490			-1	-1			-545	-491
General and administrative expense	-355	-327	-1	-1	-5	-5	1	1	-360	-332
Income from operations	98	136	-1	-1	14	14	1	1	112	150
Finance costs	-24	-14	-2	-4	-2	-2	-16	4	-44	-16
Finance income	4	11						11	4	22
Gross result investment portfolio			-15	18			15	-18		
Third party interest in investment portfolio				-2				2		
Income before taxes	78	133	-18	11	12	12			72	156
Taxes on income	10	2			-4	-4			6	-2
Net profit	88	135	-18	11	8	8			78	154
Net profit attributable to non-controlling interest		1								1
Net profit attributable to equity shareholders	88	134	-18	11	8	8			78	153
Assets and liabilities										
Segment assets	2,081	2,130	192	143	175	156			2,448	2,429
Investment in an associate	3	5							3	5
Total assets	2,084	2,135	192	143	175	156			2,451	2,434
Segment liabilities	1,039	1,050	192	143	80	78			1,311	1,271
Total liabilities	1,039	1,050	192	143	80	78			1,311	1,271
Net assets employed	1,616	1,632			61	78			1,677	1,710
Other segment information										
Capital expenditure:										
Property, plant and equipment	111	71							111	71
Depreciation	81	85							81	85

The geographical segment information is reported separately on page 21.

Notes to consolidated financial statements

4. Revenues and expenses

Amounts in millions	2011	2010
Finance costs		
Bank loans and overdraft	-15	-9
Net result investment portfolio	-18	
Non-operational exchange result	-6	
Other loans (including non-cumulative redeemable preference shares)	-5	-7
Total finance costs	-44	-16
Finance income		
Bank interest receivable	4	8
Net result investment portfolio		11
Non-operational exchange result		2
Other financial income		1
Total finance income	4	22
Non-recurring restructuring expenses are included in the consolidated income statement as follows:		
Cost of sales	17	14
Selling and marketing expense	5	1
General and administrative expense	9	2
	31	17
Non-recurring restructuring expenses relate to Window Coverings and Architectural Products and consist mainly of reduction of employees		
Depreciation, amortization and costs of inventories included in consolidated income statement		
Included in cost of sales:		
Depreciation of property, plant and equipment	60	62
Costs of inventories recognized as an expense	1,516	1,430
	1,576	1,492
Included in general and administrative expenses:		
Minimum lease payments recognized as an operating lease expense	8	8
Amortization other intangibles	6	5
Employee benefits expense		
Wages and salaries	672	652
Social security costs	130	118
Pension costs	43	40
(Income) expense of share-based payments	-6	1
	839	811
Research costs		
Research costs consists of 34 (2010: 31) charged directly to general and administrative expense in the income statement.		

Notes to consolidated financial statements

5. Business combination

In 2011 Hunter Douglas acquired the following companies:

- 100% of ADO Benelux, a leading drapery brand since September. ADO Benelux has annual sales of around EUR 8.5 million.
- 80% of Bricos, an Australian distributor of window covering fabric and screen products since September. Bricos has annual sales of AUD 8 million and has 20 employees.
- 100% of Diflex, a Portuguese fabricator of window coverings since October. Diflex has annual sales of around EUR 6 million and employs 45 people.
- 100% of Integra, a British distributor of packaged window covering products and drapery hardware since November. Integra has annual sales of around GBP 9 million and employs 20 people.

In 2010 Hunter Douglas acquired the following companies:

- 100% of Hamstra, a Dutch manufacturer of insect screens since January. Hamstra, with sales of EUR 11 million, is the leading developer and manufacturer of insect screens in the Netherlands. The Company, which is based in Almere, employs around 50 employees.
- 100% of Faber-Benthin, a European manufacturer of window covering products since May. The Company manufactures both made-to-measure window covering products, under the Faber Brand, as well as components and machinery for the assembly of window covering products, under the Benthin brand. Faber-Benthin operates plants in Bremerhaven (Germany), Ryslinge (Denmark), Chludowo (near Poznan, Poland), St. Souplets (France) and Northampton (U.K.). Faber-Benthin has sales of around EUR 60 million and has 500 employees.

We also acquired:

- Warren Stevens: a Minnesota USA based fabricator of our products.
- Phonex: an Argentina based manufacturer of metal ceilings.

The fair value of the identifiable assets and liabilities of these companies determined as at the date of acquisition are:

Amounts in millions	Recognized on acquisitions	
	2011	2010
Property, plant and equipment	4	15
Patents and trademarks	2	10
Inventories	6	17
Trade and other receivables	6	20
Cash and short-term deposits	2	2
Trade and other payables	-7	-12
Short-term interest-bearing loans and borrowings	-1	-3
Fair value of net assets	12	49
Goodwill arising on acquisitions	9	-4
Total consideration	21	45
Cash outflow on acquisitions:		
Cash paid	-21	-45
Net cash acquired with acquisitions	2	2
	-19	-43

Relative profitability of the acquisitions is in line with the business segments.

Notes to consolidated financial statements

6. Impairment testing of indefinitely lived goodwill, patents and licenses

The carrying amount of goodwill is allocated to the cash-generating units within the window coverings and architectural products segment.

The recoverable amount of the units is based on value-in-use calculations. Those calculations use cash flow projections based on the budget for the coming year extrapolated with no growth to determine the termination value. A pre-tax Weighted Average Cost of Capital (WACC) of 10% (2010: 10%) has been used as a basis to discount the projected cash flows. Per unit local market conditions are accounted for in determining next year's budget. The budgets are founded on achieved results in the preceding years and expectations on local industry developments going forward. With regard to the assessment of value in use, management believes that, considering the assumptions used, no reasonably expected change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

7. Intangible fixed assets

Amounts in millions	Goodwill		Patents & Trademarks		Total	
	2011	2010	2011	2010	2011	2010
At 1 January	243	241	59	54	302	295
Acquisitions	9	6	5	10	16	16
Amortization			-6	-5	-6	-5
Exchange	-1	-4			-3	-4
At 31 December	251	243	58	59	309	302
At 1 January						
Cost	243	241	85	75	328	316
Accumulated amortization			-26	-21	-26	-21
Net carrying amount	243	241	59	54	302	295
At 31 December						
Cost	251	243	90	85	341	328
Accumulated amortization			-32	-26	-32	-26
Net carrying amount	251	243	58	59	309	302

Goodwill is not amortized but is subject to annual impairment testing (see note 6). Patents and trademarks are amortized between 5 and 10 years. For the 2010 acquisitions the fair value amounts were provisional. These have been finalized in 2011. For the 2011 acquisitions the fair value amounts are provisional. These will be finalized in 2012.

Notes to consolidated financial statements

8. Property, plant and equipment

Amounts in millions	Land & Buildings		Machinery & Equipment		Other fixed assets		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
At 1 January, net of accumulated depreciation	332	339	223	235	24	26	579	600
Additions	36	12	72	57	3	2	111	71
Disposals	-11	-11	-6	-8	-1	-2	-18	-21
Acquisitions		11	3	3	1	1	4	15
Depreciation charge for the year	-18	-16	-59	-66	-4	-3	-81	-85
Exchange	-3	-3	-7	2			-10	-1
At 31 December, net of accumulated depreciation	336	332	226	223	23	24	585	579
At 1 January								
Cost	541	536	1,059	1,037	67	78	1,667	1,651
Accumulated depreciation	-209	-197	-836	-802	-43	-52	-1,088	-1,051
Net carrying amount	332	339	223	235	24	26	579	600
At 31 December								
Cost	551	541	1,027	1,059	61	67	1,639	1,667
Accumulated depreciation	-215	-209	-801	-836	-38	-43	-1,054	-1,088
Net carrying amount	336	332	226	223	23	24	585	579

Included in Property, plant and equipment at 31 December 2011 is an amount of 60 (2010: 19) relating to expenditure in construction.

9. Other financial non-current assets

Amounts in millions	2011	2010
Receivables from key management employees	1	2
Other long-term receivables	13	21
Other	4	6
	18	29

10. Inventories

Amounts in millions	2011	2010
Raw materials (at cost)	410	420
Work-in-progress (at cost)	53	49
Finished goods:		
- At cost	304	290
- Provision	-126	-132
	641	627

Notes to consolidated financial statements

11. Trade and other receivables (current)

Amounts in millions	2011	2010
Trade receivables	370	385
Financial institutions	23	38
Short-term advances	5	7
	<u>398</u>	<u>430</u>

Trade receivables are non-interest bearing and are generally on 30-60 day terms.

As at 31 December 2011, trade receivables at nominal value of 32 (2010: 36) were impaired and fully provided for. Movements in the provision for impairment of trade receivables were as follows:

Amounts in millions	2011	2010
At 1 January	36	38
Additions	11	16
Deductions	-15	-18
At 31 December	<u>32</u>	<u>36</u>

As at 31 December the ageing of trade receivables that were not impaired is as follows:

Amounts in millions	Not due		Past due		
	< 30 days	30-60 days	60-90 days	90-120 days	> 120 days
2011	249	68	23	13	17
2010	248	83	24	15	15

12. Prepayments

Amounts in millions	2011	2010
Prepaid expenses	99	126
Prepaid taxes (no income tax)	12	10
Other	4	5
	<u>115</u>	<u>141</u>

The net amount of sales tax receivable and sales tax payable is non-interest bearing and is remitted to the appropriate taxation authorities on a monthly basis.

Notes to consolidated financial statements

13. Investment portfolio

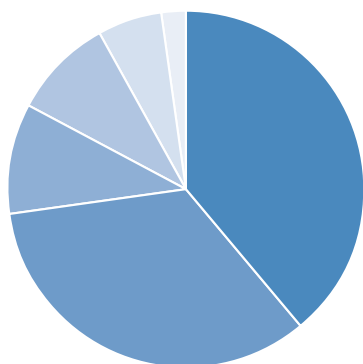
Hunter Douglas has had an investment portfolio since mid-1991. Management of the investments is delegated after screening to a widely diversified range of independent managers. Hunter Douglas does not control or influence the managers' investments. The Net Asset Value (NAV) of the investments is determined and advised each month by the funds' administrators. Hunter Douglas monitors each manager's results on a monthly basis. Hunter Douglas limits the portfolio's risk by initially generally investing less than 0.5% of the total portfolio in each fund. At year-end 2011, Hunter Douglas had investments in 78 (2010: 47) funds in a wide range of asset classes, industries, geographies and with differing risk profiles. The broad diversification of the portfolio reduces the risk per manager and mitigates the risk of fluctuations in markets and interest and exchange rates. The fair value of the investment portfolio at year-end 2011 was 192 million.

The investment portfolio has earned the gross percentage returns and had year-end book values as indicated in the table below:

Amounts in millions	2004	2005	2006	2007	2008	2009	2010	2011
Investment portfolio at year-end	590	680	771	849	265	144	143	192
Percent gross return (in USD) before attributed interest and expenses	16.1%	8.8%	16.9%	14.4%	-24.3%	5.4%	13.7%	-7.8%

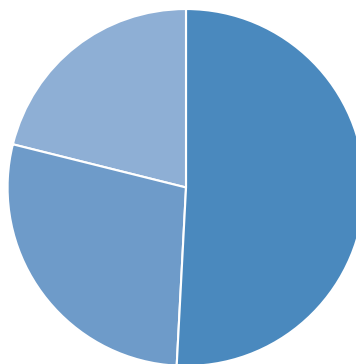
The breakdown of the investment portfolio per year-end 2011 by asset class and geography as well as its liquidity is shown below:

% Funds by Sector
(last year)



- Equity L/S 39% (29%)
- Fixed Income 34% (35%)
- Quants + CTA's 10% (13%)
- Macro 9% (7%)
- Arbitrage 6% (10%)
- Commodities 2% (6%)

% Funds Geographic Allocation
(last year)



- International 51% (63%)
- North America 28% (12%)
- Emerging Markets 21% (25%)

At year-end the investment portfolio of USD 192 million (2010: 143 million) had 78 managers (2010: 47), of which USD 8 million (2010: 12 million) with 5 managers (2010: 13) was suspended or gated. Of the remaining USD 184 million (2010: 131 million), 36 managers (2010: 29) with liquidity of 90 days or less represented 94.2% (2010: 92%), 32 managers (2010: nil) with liquidity between 91 and 180 days represented 2.1% (2010: 0%) and 5 managers (2010: 5) with liquidity over 180 days represented 3.7% (2010: 8%).

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14. Cash and short-term deposits

Cash at bank and in hand earns interest at floating rates based on market conditions. Short-term deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. At 31 December 2011 the fair value of cash and cash equivalents is 42 (2010: 61).

At 31 December 2011, the Group had available 157 (2010: 283) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise the following at 31 December:

Amounts in millions	2011	2010
Cash at bank and in hand	39	28
Short-term deposits	3	33
	<u>42</u>	<u>61</u>

Funds in certain countries in which the Group operates are subject to varying exchange regulations. No material restrictions exist for transfers of a current nature, such as dividends from subsidiaries. A few countries have more severe restrictions on remittances of a capital nature.

15. Issued capital and reserves

Numbers x 1,000	Ordinary shares	
	2011	2010
	€ 0.24 each	€ 0.24 each
Issued and fully paid-in		
At 1 January	35,432	35,432
At 31 December	<u>35,432</u>	<u>35,432</u>
Treasury shares		
At 1 January	66	66
At 31 December	366	66

Mr. R. Sonnenberg, indirectly or through trusts, owned or controlled at year-end 2011 28,764,039 (2010: 28,764,039) common shares of Hunter Douglas N.V. representing 81.18% (2010: 81.18%) of the common shares of the Company.

The Company has two share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees (note 22).

Share premium: under present Dutch Law, substantially all share premium may be distributed as stock dividend free from Dutch dividend withholding tax.

The foreign currency translation reserve and the cash flow hedge reserve are legal reserves and when negative the retained earnings cannot be distributed for this amount.

Retained earnings: this reserve is freely distributable.

There are no external capital requirements.

Notes to consolidated financial statements

16. Interest-bearing loans and borrowings

Amounts in millions	Currency	Interest rate	Maturity date	2011	2010
Current					
Bank overdraft		Various *	N/A	28	36
Short-term bank loans		Various *	N/A	34	48
Current Portion of long-term debt	EUR	Various *	N/A	127	45
Current Portion of long-term debt	USD	Various *	N/A	163	
				352	129
Non-current					
US notes	USD	5.01	2013	100	100
RBS Bank	JPY	Various *	2013	2	4
RBS Bank	USD	Various *	2013	180	33
RBS Bank	EUR	Various *	2013		100
RBS Bank	CAD	Various *	2013	14	
ING Bank	EUR	Various *	2012		100
ING Bank	EUR	Various *	2013 **	21	67
ABN AMRO Bank	EUR	Various *	2012		87
Long-term loans (fixed)	USD	Various *	2014	1	3
				318	494
Preferred shares					
Preferred shares	EUR	Various *	N/A	11	11

* Mostly at Interbank rates plus a margin

** Maturing in equal quarterly installments from July 2010 through March 2013

Average life of long-term loans is 1.50 years (2010: 2.03 years); 31.81% are at fixed rates of interest. Total weighted average of the effective interest of the fixed non-current loans is 5.01% in the year. The balance consists mainly of multi-currency lines of credit at Interbank interest rates with varying spreads. Almost all loans are unsecured.

Hunter Douglas N.V.'s Articles of Association fix the annual dividend on each preferred share at a percentage of the par value. This percentage amounts to 2.25% per annum over the European Central Bank's deposit rate on the last working day of May of the affected year.

Notes to consolidated financial statements

17. Provisions

	Pensions	Other Employee Benefits	Social Plan	Other	Total
Amounts in millions					
	(note 22)				
At 1 January 2011	6	16	9	2	33
Additions from income statement		9			9
Utilized	-1		-3	-1	-5
Exchange		-1			-1
At 31 December 2011	<u>5</u>	<u>24</u>	<u>6</u>	<u>1</u>	<u>36</u>
Non-current 2011	5	24	6	1	36
Non-current 2010	6	16	9	2	33

18. Trade and other payables (current)

Amounts in millions	2011	2010
Trade payables	157	170
Accrued wages, social charges and other compensation	190	191
Other payables and accrued expenses	109	100
Commissions, discounts and allowances	30	35
Other	<u>52</u>	<u>36</u>
	<u>538</u>	<u>532</u>

Terms and conditions of the above financial liabilities:

Trade payables are non-interest-bearing and are normally settled on 45-day terms.

Other payables are non-interest-bearing and have an average term of 6 months.

Notes to consolidated financial statements

19. Income tax

Major components of income tax expense for the years ended 31 December 2011 and 2010 are:

Amounts in millions	2011	2010
Consolidated income statement		
Current income tax		
Current income tax charge	6	9
Adjustments in respect of current income tax of previous years	3	8
Deferred income tax		
Relating to origination and reversal of temporary differences	-15	-15
Income tax expense reported in consolidated income statement	-6	2

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended 31 December 2011 and 2010 is as follows:

Amounts in millions	2011	2010
Accounting profit before income tax	72	155
At Dutch statutory income tax rate of 25% (2010: 25.5%)	18	40
Tax loss carry forward not valued in prior years	-13	-25
Impact different tax rates per country	-11	-13
At effective income tax rate of -8.3% (2010: 1.3%)	-6	2
Income tax expense reported in consolidated income statement	-6	2

Notes to consolidated financial statements

Deferred income tax at 31 December relates to the following:

Amounts in millions	Consolidated Balance Sheet		Consolidated Income Statement		Via Equity	
	2011	2010	2011	2010	2011	2010
Deferred income tax assets						
Losses available for offset against future taxable income	90	55	22	15	7	11
	<u>90</u>	<u>55</u>				
Deferred income tax liabilities						
Revaluation of foreign currency loan		3		1	-3	5
Fair value adjustment on acquisition	10	10				
Other	3	10	-7	-1		
	<u>13</u>	<u>23</u>				
Deferred income tax income			<u>15</u>	<u>15</u>	<u>4</u>	<u>16</u>

The Group has unused tax losses of 34 (2010: 64), of which 34 expires within 5 years, that are available for offset against future taxable profits of the companies in which the losses arose.

20. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options).

The income and share data used in the basic and diluted earnings per share computations is as follows:

Amounts in millions	2011	2010
Net profit attributable to equity shareholders	78	153
Numbers x 1,000	2011	2010
Weighted average number of ordinary shares for basic earnings per share	35,432	35,432
Effect of dilution:		
Adjusted weighted average number of ordinary shares for diluted earnings per share	<u>35,432</u>	<u>35,432</u>

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

Notes to consolidated financial statements

21. Dividends paid and proposed

Amounts in millions	2011	2010
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Final dividend for 2010: EUR 1.25 (2009: EUR 1.00)	63	43
Final extra dividend for 2010: EUR nil (2009: EUR 7.00)		302
	<u>63</u>	<u>345</u>
Proposed for approval at AGM		
(not recognized as a liability as at 31 December):		
Equity dividends on ordinary shares:		
Final dividend for 2011: EUR 1.25 (2010: EUR 1.25)	57	63
	<u>57</u>	<u>63</u>

22. Employee benefits

Employee share incentive plans

At year-end, directors and employees of the Hunter Douglas Group had the following options to buy common shares of Hunter Douglas N.V. The table below illustrates the number and prices of share options:

Issued in	Number of share options		Price per share (EUR)*	Year of expiration
	2011	2010		
2008	<u>526,667</u>	<u>530,000</u>	17.00	2013
	<u>526,667</u>	<u>530,000</u>		

* These prices equal the trading price of the common shares of Hunter Douglas N.V. on the Amsterdam Stock Exchange on the dates when these options were granted. One option represents the right to buy one common share.

Hunter Douglas has for many years operated a stock option plan. The purpose of the plan and of the stock options granted under it is to foster long-term employment of valued executives and employees of the Hunter Douglas Group, to associate them with the financial results of the Group and to interest them in the development of the public market for the shares of the Company. Under the plan, stock options are granted in each case for a period of five years with vesting starting after two years. Options granted which have vested are exercisable as long as the beneficiary of the option remains in the employment of the Hunter Douglas Group. In the event of death, the option remains exercisable by the executor of the decedent within a period of three months. Balance treasury shares at year-end 2011: 366,249 (2010: 66,089). The carrying amount of the liability relating to the cash-settled options at 31 December 2011 is 8 (2010: 14). During 2011 an amount of 6 is released from the provision and credited to the statement of income.

Notes to consolidated financial statements

22. Employee benefits (continued)

Year Option Grant	Year Option Expiry	Option Price per share	Option Shares (HDNV common shares)			
			Outstanding 1-1-2010	Balance 31-12-2010	Exercised	Balance 31-12-2011
Directors						
2008	2013	€ 17.00	520,000	520,000		520,000
			520,000	520,000		520,000
Officers						
2008	2013	€ 17.00	10,000	10,000	3,333	6,667
			10,000	10,000	3,333	6,667
			530,000	530,000	3,333	526,667

The fair value of the cash-settled options is calculated by using the Black-Scholes formula based on the following value input parameters:

Amounts in millions	2011	2010
Share price (in EUR)	29.02	39.57
Dividend yield (%)	6.90	7.65
Volatility (%)	46.00	44.96
Interest rates (%):		
1 month	NA	NA
1 year	NA	NA
2 years	NA	NA
3 years	NA	1.53
4 years	1.79	1.55
5 years	1.37	1.68
Average expected life of options (years)	1.08	1.87

Notes to consolidated financial statements

22. Employee benefits (continued)

Pension plans

Defined benefit plans

Employee pension plans have been established in many countries in accordance with the legal requirements, customs and the local situation in the countries involved. The majority of employees in the Netherlands, United Kingdom and North America are covered by defined benefit plans. The defined benefit plans in the Netherlands and North America are based on average wage earned, in the United Kingdom is the defined benefit plan based on last wage earned. The benefits provided by these plans are based on employees' years of service and compensation levels. The measurement date for defined benefit plans is 31 December.

Contributions are made by the Company, except for the Netherlands, as necessary, to provide assets sufficient to meet the benefits payable to defined benefit pension plan participants. These contributions are determined based upon various factors, including funded status, legal and tax considerations as well as local customs.

The following tables summarize the components of the net benefit expense recognized in the consolidated income statement and the funded status and amounts recognized in the consolidated balance sheet, as well as the principal assumptions applied.

The principal assumptions used for the purpose of the actuarial valuation are as follows:

%	Pension plans					
	NL		US		UK	
	2011	2010	2011	2010	2011	2010
Discount rate	4.31	4.69	4.75	5.50	4.70	5.40
Expected return on scheme assets	5.10	5.60	8.50	8.50	6.10	7.30
Future salary increase	2.00	2.00	4.00	4.00	3.00	3.30
Inflation assumption	2.00	2.00	3.00	3.00	3.00	3.30

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's portfolios. In accordance with IAS 19, paragraph 92, actuarial gains and losses are recognized only to the extent that they exceed the greater of 10% of the present value of the obligations or the fair value of plan assets at the beginning of the year. The excess amount is spread over the remaining working lives of the active employees and recognized as income or expense.

The amount recognized in the balance sheet in respect of the Group's defined benefit retirement plans is as follows:

Amounts in millions	NL Pension plan				
	2011	2010	2009	2008	2007
Defined benefit obligations	-366	-339	-327	-288	-317
Fair value of plan assets	290	308	313	288	358
Funded status	-76	-31	-14	0	41
Unrecognized actuarial loss	79	32	14		
Effect of asset cap	-3	-1			-41
Net asset in balance sheet	0	0	0	0	0

No economic benefits are available to the Company in the form of refunds from the NL pension plan or reduction in future contributions to the NL pension plan.

Notes to consolidated financial statements

22. Employee benefits (continued)

Amounts in millions	US Pension plan				
	2011	2010	2009	2008	2007
Defined benefit obligations	-266	-217	-191	-179	-151
Fair value of plan assets	170	178	171	162	174
Funded status	-96	-39	-20	-17	23
Unrecognized actuarial loss	101	52	42	47	1
Net asset in balance sheet	5	13	22	30	24

This asset is recorded under prepayments.

Amounts in millions	UK Pension plan				
	2011	2010	2009	2008	2007
Defined benefit obligations	-55	-51	-52	-41	-59
Fair value of plan assets	42	44	43	39	49
Funded status	-13	-7	-9	-2	-10
Unrecognized actuarial (gains)/losses	8	1	3	-3	2
Unrecognized past service cost					
Effect of asset cap					
Net liability in balance sheet	-5	-6	-6	-5	-8

Amounts recognized in profit or loss in respect of the defined benefit plans are as follows:

Amounts in millions	Pension plans					
	NL		US		UK	
	2011	2010	2011	2010	2011	2010
Current service cost	3	2	10	9	1	1
Interest cost on benefit obligation	17	15	11	11	3	3
Expected return on plan assets	-18	-15	-15	-14	-3	-3
Net actuarial losses recognized in year			4	3		
Net benefit expense	2	2	10	9	1	1
Actual return on plan assets	-1	23	-3	11	-1	3

Notes to consolidated financial statements

22. Employee benefits (continued)

Changes in the fair value of the defined benefit obligations are as follows:

Amounts in millions	Pension plans					
	NL		US		UK	
	2011	2010	2011	2010	2011	2010
Opening defined benefit obligations	339	327	217	191	51	52
Current service cost	3	2	10	9	1	1
Employee contribution	4	4				
Interest cost on benefit obligation	17	15	11	11	3	3
Benefits paid	-12	-13	-5	-4	-2	-2
Actuarial (gain)/loss	30	27	34	11	3	-1
Expenses paid			-1	-1		
Exchange differences on plans	-15	-23			-1	-2
Closing defined benefit obligations	366	339	266	217	55	51

The liability in respect of the pension obligations of Hunter Douglas Europe (NL) is based on and calculated pursuant to IAS 19. Pursuant to the Dutch Pension and Savings Law (Pensioen- en Spaarfondsenwet), Hunter Douglas Europe is required to provide all pension benefits through a regulated pension fund.

Hunter Douglas Europe has contracted with a single-employer fund (Stichting Pensioenfonds Hunter Douglas) to provide these benefits. As of the date of the financial statements, Hunter Douglas Europe has satisfied all its liabilities to the fund and has no further financial obligations to the fund.

Changes in the fair value of the plan assets are as follows:

Amounts in millions	Pension plans					
	NL		US		UK	
	2011	2010	2011	2010	2011	2010
Opening fair value of plan assets	308	313	178	171	44	43
Expected return on plan assets	18	15	15	14	3	3
Contributions	7	7	1	1	1	1
Benefits paid	-12	-13	-5	-4	-2	-2
Actuarial gain/(loss)	-21	8	-18	-3	-3	1
Expenses paid			-1	-1		
Exchange differences	-10	-22			-1	-2
Closing fair value of plan assets	290	308	170	178	42	44
Of which:						
Bonds	132	165	48	7	3	1
Equities	133	116	83	148	39	43
Other	25	27	39	23		
The actual return on plan assets amounts	-0.2%	8.6%	-1.0%	7.0%	-3.0%	7.3%

The plan assets do not include any of the Group's own financial instruments, nor any property occupied or other assets used by the Group. The Group expects to contribute approximately 5 to its defined benefit plans in 2012. Contribution by employer will not materially differ from previous years.

Defined contribution plans

The expense of the defined contribution plans for 2011 amounts to 29 (2010: 28).

Notes to consolidated financial statements

23. Commitments and contingencies

Operating lease commitments - Group as lessee

The Group has entered into commercial leases on certain premises, motor vehicles and items of small machinery. These leases have an average life of between 5 and 10 years with renewal terms included in the contracts. Renewals at market conditions are at the option of the specific entity that holds the lease. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancelable operating leases at 31 December are as follows:

Amounts in millions	2011	2010
Within one year	24	24
After one year but not more than five years	66	56
More than five years	4	

Capital commitments

At 31 December 2011, the Group has commitments for capital expenditures of 3 (2010: 5).

Legal claims

Legal claims have been filed against the Company in the course of its normal business. Management together with their legal counsel have assessed that the chances that any legal claim would have a material financial impact on the financial statements to be remote. As a result, no provision for any legal claim filed against the Company has been made in these financial statements.

Guarantees

Hunter Douglas N.V. has the following contingent liabilities at 31 December 2011:

- The Company is contingently liable for guarantees given mainly for its subsidiaries, on which no material losses are expected.
- The Company forms part of a fiscal unity for Dutch corporate income tax purposes, and as such is jointly and severally liable for the liabilities of the whole fiscal unity.

24. Related party disclosure

The consolidated financial statements include the financial statements of Hunter Douglas N.V. and the subsidiaries as listed on page 70 and 71.

Compensation of key management employees (directors and officers) of the Group

Amounts in millions	2011	2010
Short-term employee benefits	12	11
Share-based payments	-6	1
Total compensation paid to key management employees	6	12

As per year-end loans and advances to key management employees amounted to 1 (2010: 2), bearing market interest.

Notes to consolidated financial statements

25. Capital management and financial risk management objectives and policies

The financing of the Group is based on a conservative capital structure.

The Group has procedures and policies in place to control risks related to financial instruments. These policies and procedures include a clear segregation of duties between operating, settlement, accounting and controlling of all financial instruments used. The Group's senior management takes an active role in the risk management process. In addition, the geographical spread of the Company's activities limits the exposures to concentrations of credit or market risk.

The Company attempts to minimize the counterparty credit risk associated with the financial instruments used by selecting counterparties that it assumes to be creditworthy, given their high credit ratings.

The Company does not have significant credit risk exposure to any individual customer or counterparty. A substantial part of trade receivables is covered by securities obtained, credit insurance or letters of credit. The Company invests in an investment portfolio. Also, the Company has concluded netting arrangements with some counterparties to offset financial instruments. Given their credit ratings, the remaining credit exposure with these counterparties is not considered of significance.

The following instruments are used:

a. Interest derivatives

Interest derivatives are used to manage exposure to movements in interest rates and to assume trading positions.

b. Foreign exchange derivatives

Foreign exchange derivatives are used to manage the exposure of currency exchange rate risks resulting from cash flows from (anticipated) business activities and financing arrangements denominated in foreign currencies and to assume trading positions. The Company holds certain foreign currency borrowings which provide a hedge against net investments in subsidiaries.

c. Commodity derivatives

Commodity derivatives all relate to aluminium and are used to manage the exposure of the price and timing risks on underlying (anticipated) business activities and to assume trading positions. The contract amounts of financial instruments are indicative of the Company's use of derivatives but are not necessarily a measure for the exposure to market or credit risk through its use of financial instruments.

Interest, commodity and foreign exchange derivatives are carried at their fair value. The interest, commodity and foreign exchange derivatives generally mature within one year. All changes in the fair value of derivatives are taken directly to the income statement as no hedge accounting is applied, with the exception of interest derivatives for which cash flow hedge accounting is applied. The cash flow hedges of the expected future interest payments were assessed to be highly effective and a net unrealized loss of 5 (net of taxes) relating to the hedging instruments is included in other comprehensive income. The major part of the cash flow hedges expires in 2017.

The Company also enters into forward sales and purchase contracts for commodities that are settled by physical delivery of receipt of the commodity. These sales and purchases contracts do not qualify as derivatives under IAS 39.

Interest rate risk table

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variances held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

Amounts in millions	Increase/decrease in basis points	Effect on profit before tax	Effect on equity
2011			
Euro	50	1	1
U.S. dollar	50	2	
2010			
Euro	50	2	1
U.S. dollar	50		

Notes to consolidated financial statements

25. Capital management and financial risk management objectives and policies (continued)

Foreign currency risk

As a result of significant operations in Europe, the Group's balance sheet can be affected significantly by movements in the U.S. dollar / Euro exchange rates. The Group seeks to mitigate the effect of its structural currency exposure by borrowing in Euros. Between 20% and 50% of the Group's investment in non-USD operations will be hedged in this manner.

The following table demonstrates the sensitivity to a reasonably possible change in the Euro exchange rate, with all other variances held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to changes in the net investment hedges, excluding the effect on profit before tax which ends up in equity).

Amounts in millions	Increase/decrease Euro exchange rate	Effect on profit before tax	Effect on equity
2011	5%	-12	8
	-5%	-17	-8
2010	5%	11	7
	-5%	-17	-7

26. Financial instruments

Derivative financial instruments

Amounts in millions	Face amount	Fair value
Currency forward		
Buy	59	-3
Sell	-85	-1
	<u>-26</u>	<u>-4</u>
Currency options		
Buy - call	523	-6
Buy - put	491	-3
Sell - call	-707	8
Sell - put	-701	5
	<u>-394</u>	<u>4</u>

Currency forwards are valued at existing forward rates at the balance sheet date.
Currency options are valued at their market value at the balance sheet date.

Amounts in millions	Tonnage	Assets	Liabilities
Metal derivatives			
Physical forwards	-83,916	9	-1
Futures	-34,375	8	
		<u>17</u>	<u>-1</u>

The value of the metal derivatives is based on quoted metal market prices. Commodity contracts that are used for trading by Hunter Douglas Metals Inc. are also considered as derivatives and also valued based on quoted metal market prices.

Notes to consolidated financial statements

26. Financial instruments (continued)

Fair values

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments.

The fair value of borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates. The fair value of other financial assets has been calculated using the market interest rates.

Amounts in millions	Carrying amount		Fair value	
	2011	2010	2011	2010
Financial assets				
Non-current				
Other financial assets - loans and receivables	18	29	18	29
Current				
Trade receivables - loans and receivables	370	385	370	385
Financial institutions and brokers - fair value through P&L	23	38	23	38
Currency derivatives - held for trading	13	9	13	9
Metal derivatives - held for trading	17	23	17	23
Investment portfolio - fair value through P&L	192	143	192	143
Cash and short-term deposits - loans and receivables	42	61	42	61
Short-term advances - loans and receivables	5	7	5	7
	<u>662</u>	<u>666</u>	<u>662</u>	<u>666</u>
Financial liabilities				
Non-current - loans and receivables				
US Notes - fixed rates	100	100	105	107
Preferred shares - floating rate*	11	11	11	11
Other borrowings - floating rate*	218	394	218	394
	<u>329</u>	<u>505</u>	<u>334</u>	<u>512</u>
Current				
Trade payables - loans and receivables	157	170	157	170
Currency derivatives - held for trading	13	13	13	13
Metal derivatives - held for trading	1	8	1	8
Bank overdraft - floating rate* - loans and receivables	28	36	28	36
Short-term bank loans - floating rate* - loans and receivables	34	48	34	48
Current portion of long-term debt - floating rate* - loans and receivables	127	45	127	45
Current portion of long-term debt - floating rate* - loans and receivables	163		163	
	<u>523</u>	<u>320</u>	<u>523</u>	<u>320</u>

* For interest-bearing loans and borrowings with a floating rate their fair value approximates their carrying value.

Notes to consolidated financial statements

26. Financial instruments (continued)

Liquidity risk

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk as per 31 December:

Amounts in millions	Within 1 year		1-2 years		2-3 years		3-4 years		4-5 years		More than 5 years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Trade payables	157	170											157	170
Metal derivatives	1	8											1	8
Currency derivatives	13	13											13	13
Fixed rate														
Loan notes			100			100							100	100
Bank loans	2			2	1			1					3	3
Floating rate														
Bank loans	350	129	217	232		159							567	520
Preferred shares											11	11	11	11
Interest	13	15	3	9		4							16	28
	536	335	320	243	1	263	0	1	0	0	11	11	868	853

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year.

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

The other financial instruments of the Group that are not included in the above tables are non-interest-bearing and are therefore not subject to interest rate risk.

Assets measured at fair value

Description	2011 Fair value measurement at the end of the reporting period using:				2010 Fair value measurement at the end of the reporting period using:			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss								
Trading securities			192	192			143	143
Trading derivatives	17	13		30	23	9		32
Total	17	13	192	222	23	9	143	175

Notes to consolidated financial statements

26. Financial instruments (continued)

Liabilities measured at fair value

Amounts in millions	2011			2010		
	Fair value measurement at the end of the reporting period using:			Fair value measurement at the end of the reporting period using:		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Description						
Financial liabilities at fair value through profit and loss						
Trading derivatives	1	13	14	8	13	21
Total	<u>1</u>	<u>13</u>	<u>14</u>	<u>8</u>	<u>13</u>	<u>21</u>

Assets measured at fair value based on Level 3

Amounts in millions	2011		2010	
	Fair value measurement at the end of the reporting period		Fair value measurement at the end of the reporting period	
	Trading securities	Total	Trading securities	Total
Financial assets at fair value through profit and loss				
Opening balance	143	143	144	144
Total (loss) gain in profit or loss	-15	-15	18	18
Investments (settlements)	64	64	-19	-19
Closing balance	<u>192</u>	<u>192</u>	<u>143</u>	<u>143</u>
Total (loss) gain for the period included in profit or loss for assets held at the end of the reporting period	<u>-15</u>	<u>-15</u>	<u>18</u>	<u>18</u>

Balance sheet* & statement of income – Hunter Douglas N.V.

Amounts in millions	Notes	USD	
		2011	2010
ASSETS			
Non-current assets			
Financial fixed assets			
- Investments in subsidiaries	2	3,308	3,281
- Advances to subsidiaries		417	294
- Other		11	22
Total non-current assets		3,736	3,597
Current assets			
Accounts receivable		15	29
Accounts receivable - affiliated companies		44	74
Total current assets		59	103
TOTAL ASSETS		3,795	3,700
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	3	11	11
Share premium		91	95
Treasury shares		-16	-4
Cash flow hedge reserve		-14	-9
Foreign currency translation		-33	-13
Retained earnings		1,020	926
Net result for the year		78	153
Total shareholders' equity		1,137	1,159
Provisions			
Provision for pensions		4	3
Deferred income tax liabilities			3
Total provisions		4	6
Non-current liabilities			
Long-term loans - other	4	312	499
Long-term loans - affiliated companies		1,364	1,371
Total non-current liabilities		1,676	1,870
Current liabilities			
Short-term borrowings		43	47
Short-term portion of long-term loans	4	288	45
Accounts payable - other		34	35
Accounts payable - affiliated companies		613	538
Total current liabilities		978	665
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,795	3,700
STATEMENT OF INCOME			
Income from subsidiaries and affiliates after taxation		125	150
Other income (expense), net		-47	3
Net profit		78	153

* before appropriation of net profit

Notes to financial statements

1. Accounting policies

General

The Company's financial statements have been prepared in accordance with Title 9 of Book 2 of the Dutch Civil Code. As permitted by Article 2:362 paragraph 8 of this code, the Company's financial statements have been prepared applying the same IFRS accounting policies as used in the consolidated financial statements in order to maintain consistency between the figures in the consolidated and Company's financial statements. In accordance with Article 2:402 of the Civil Code, an abbreviated version of the income statement is presented. The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements except that investments in subsidiaries are stated at net asset value as the Company effectively exercises influence of significance over the operational and financial activities of these investments. The net asset value is determined on the basis of the accounting principles applied by the Company.

2. Financial fixed assets

Investment in subsidiaries

Amounts in millions	2011	2010
Beginning of the year	3,281	3,187
Change during the year		
Share in results, net	125	150
Received dividends	-11	-16
Exchange differences	-87	-40
Net change	27	94
End of year	3,308	3,281

Affiliated companies amount to 0.1 (2010: 0.1).

3. Shareholders' equity

Details are given in note 15 to the consolidated financial statements.

4. Long-term loans - other

Amounts in millions	2011	2010
Unsecured loans maturing in various installments through 2013	301	488

Average life of long-term loans is 1.50 years (2010: 2.03 years); 33.16% are at fixed rates of interest (weighted average 5.01% per year). Maturities until 2013 are: 2012 – 288 and 2013 – 301.

Amounts in millions	2011	2010
Preferred shares	11	11

For the conditions in respect of preferred shares: see page 67.

Notes to financial statements

5. Contingencies

The Company is contingently liable for guarantees given mainly for its subsidiaries, on which no material losses are expected.

The Company forms part of a fiscal unity for Dutch corporate income tax purposes, and as such is jointly and separately liable for the liabilities of the whole fiscal unity.

6. Employee benefits

	Year Option Grant	Year Option Expiry	Option Price per share	Option Shares (HDNV common shares) Outstanding 1 January	Balance 31 December
				see notes 1;2	see note 2
Directors					
2011					
R. Sonnenberg	2008	2013	€ 17.00	500,000	500,000
J.T. Sherwin	2008	2013	€ 17.00	20,000	20,000
				<u>520,000</u>	<u>520,000</u>
2010					
R. Sonnenberg	2008	2013	€ 17.00	500,000	500,000
J.T. Sherwin	2008	2013	€ 17.00	20,000	20,000
				<u>520,000</u>	<u>520,000</u>

Compensation* paid to directors was: R. Sonnenberg nil (2010: nil), J.T. Sherwin 559 (2010: 1,824) as compensation and all other directors 56 (2010: 40) as directors fee. No pension contributions were paid. The share option expense for the directors was -6 (2010: 1).

* Amounts in thousands

7. Remuneration of the auditor

The total costs related to the services provided by Ernst & Young in the Netherlands were as follows (amounts in thousands):

	2011	2010
Audit of financial statements	408	393
Other audit services	7	13
Non-audit services	38	32
	<u>453</u>	<u>438</u>

8. Employees

The number of employees at year-end amounts 20 (2010: 23).

Rotterdam, 13 March 2012

Board of Directors

Additional information

1. Independent auditor's report

To: The Board of Directors of Hunter Douglas N.V. and General Meeting of Shareholders

Report on the financial statements

We have audited the financial statements 2011 of Hunter Douglas N.V., Curaçao (as set out on pages 32 to 66). The financial statements include the consolidated financial statements and the Company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2011, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The Company financial statements comprise the Company balance sheet as at 31 December 2011, the Company statement of income for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards as adopted by IASB and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Hunter Douglas N.V. as at 31 December 2011 its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards as adopted by IASB and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the Company financial statements

In our opinion, the Company financial statements give a true and fair view of the financial position of Hunter Douglas N.V. as at 31 December 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, the Netherlands,
13 March 2012

Ernst & Young Accountants LLP

/s/ P.W.J. Laan

2. Appropriation of profits

Common shares

Hunter Douglas N.V.'s Articles of Association require the general meeting of common and preferred shareholders to determine the value of the annual common share dividend and the meeting of common shareholders to decide that the dividend will be distributed in cash or, alternatively, shares. The directors recommend a cash dividend of EUR 1.25 per common share.

Preferred shares

Hunter Douglas N.V.'s Articles of Association fix the annual dividend on each preferred share at a percentage of the par value. This percentage amounts to 2.25% per annum over the European Central Bank's deposit rate on the last working day of May of the affected year. The general meeting of preferred shareholders is to decide whether such dividend is distributed in cash or, alternatively, shares.

3. Shareholders' meetings

The shareholders' meetings will be held on 12 June 2012 at the Avila Beach Hotel, Penstraat 130, Willemstad, Curaçao, starting at 9.00 a.m. for the common shareholders, 9.30 a.m. for the preferred shareholders and 10.00 a.m. for the common and preferred shareholders.

4. Dividends

Cash dividends will be distributed on all shares. Dividends declared pursuant to the preceding paragraphs will be distributed on 21 June 2012.

5. Audit and Compensation Committees

The members for both committees are:

C. Boonstra
H.F. van den Hoven
A. van Tooren



Five-year summary

Millions, except per share data	Notes	USD				
		2011	2010	2009	2008	2007
Net sales		2,573	2,445	2,376	2,942	3,028
Earnings before interest, tax, depreciation and amortization						
(before non-recurring restructuring expenses)		230	257	213	285	416
Income from Operations						
(before non-recurring restructuring expenses)		143	167	120	198	325
Net Profit from Operations						
(before non-recurring restructuring expenses)		127	159	114	193	271
Non-recurring restructuring expenses		-31	-17	-27	-68	-24
Net Profit from Operations						
(after non-recurring restructuring expenses)		96	142	87	125	247
Net Result Investment Portfolio		-18	11	3	-160	62
Total Net Result		78	153	90	-35	309
Operating cash flow		180	159	234	138	187
Investments in tangible fixed assets		111	71	63	131	140
Depreciation of tangible fixed assets		81	85	88	80	85
Net Assets Employed		1,677	1,710	1,654	1,810	1,849
Shareholders' equity		1,137	1,159	1,372	1,272	1,964
Per common share						
- Total Net Result	1	2.19	4.31	2.54	-0.95	7.35
- Operating cash flow	1	5.10	4.49	6.61	3.67	4.44
- Shareholders' equity	2	32.42	32.78	38.80	35.90	46.54
- Dividend in EUR (proposed for 2011)		1.25	1.25	1.00	1.00	2.00
- Extra dividend in EUR				7.00		
Average annual exchange rate EUR/USD		1.39	1.33	1.40	1.48	1.38
Year-end exchange rate EUR/USD		1.29	1.34	1.44	1.40	1.47
Average number of outstanding common shares (thousands)	3	35,315	35,366	35,366	37,577	42,072
Year-end number of outstanding common shares (thousands)	3	35,066	35,366	35,366	35,366	42,204

1 Based on average number of shares outstanding during affected year, adjusted for stock dividends and treasury shares, where applicable.

2 Based on number of shares outstanding at year-end, adjusted for stock dividends and treasury shares, where applicable.

3 Adjusted for stock dividends and treasury shares, where applicable.

Hunter Douglas Principal Operating Companies

Europe, Middle East and Africa

www.hunterdouglas.nl

Belgium

Hunter Douglas Belgium, Lokeren
Luxaflex Belgium, Bruges
Helioscreen, Lokeren

Bulgaria

Hunter Douglas Bulgaria, Sofia

Croatia

Hunter Douglas Croatia, Zagreb

Czechia

Hunter Douglas Czechia, Prague
Hunter Douglas Kadan, Kadan

Denmark

Faber, Ryslinge
Luxaflex Scandinavia, Risskov, Hornum

Finland

Luxaflex Scandinavia, Helsinki

France

Hunter Douglas, Paris
Luxalon Plafonds France, Bonneuil, Lille
Filtersun, La Loupe
Luxaflex France, Tourcoing
Turnils, Brumath
Mermet, Veyrins-Thuellin

Germany

Benthin, Bremerhaven
Blöcker, Bremen
Hunter Douglas, Düsseldorf
Bremerhaven, Kassel
Hunter Douglas Produktion, Glauchau
Hunter Douglas Architektur-Systeme, Düsseldorf, Hohenbrunn
Gardinia, Isny (49%)
NBK, Emmerich

Hungary

Hunter Douglas Hungary, Budapest

Ireland

T.M. Blinds, Newcastle

Italy

Hunter Douglas Italia, Milan

Netherlands

3form, Schiedam
Hunter Douglas, Rotterdam
Hunter Douglas Europe, Rotterdam,
Leek, Oudenbosch
Hunter Douglas Construction Elements,
Leek
Industrie- en Handelsonderneming
"Buismetaal", Rotterdam
Artex, Aarle-Rixtel
Asco, Roermond
HCI Holland Coating Industries,
Hoogeveen
Luxaflex Nederland, Hardinxveld-
Giessendam, Tolbert
Limelight, Rotterdam
Mado, Eindhoven
Multisol Raambekleding, Nijmegen
Nedal, Utrecht

Schellekens en Schellekens, Beuningen
Sunway (Benelux), Nieuwegein

Norway

Hunter Douglas Norge, Gjøvik, Oslo
Luxaflex Scandinavia, Oslo

Poland

Hunter Douglas Fabrication, Chludowo
Hunter Douglas Polska, Warsaw
Turnils, Zdunska Wola
Magnum Metal, Zdunska Wola

Portugal

Hunter Douglas Portugal, Albergaria-a-
Velha, Fajozes
NBK, Figueira da Foz

Romania

Hunter Douglas Romania, Bucharest,
Cluj Pantelimon

Russia

Hunter Douglas, Moscow

Serbia

Hunter Douglas, Belgrade

South Africa

Hunter Douglas South Africa,
Johannesburg

Spain

Hunter Douglas España, Llagostera,
Madrid
Hunter Douglas Cataluña, Barcelona

Sweden

Hunter Douglas Scandinavia,
Gothenburg
Hunter Douglas Assembly Automation,
Stenungsund
Turnils, Alingsås, Hillerstorp,
AMA Produktions, Gothenburg
Nibrol, Angered
Luxaflex Scandinavia, Helsingborg,
Anderstorp, Falköping

Switzerland

Hunter Douglas Management, Lucerne
Hunter Douglas (Schweiz), Root, Wängi

Turkey

Hunter Douglas, Istanbul

United Arab Emirates

Hunter Douglas Middle East, Dubai

United Kingdom

AMO Blinds, Liversedge, Hartlepool
Apollo Blinds, Coventry
Faber Blinds, Northampton
Hunter Douglas, Sunninghill, Cannock,
Hartlepool, Stockport, Birmingham
Thomas Sanderson Blinds, Waterlooville
Turnils, Birmingham
Eclipse, Glasgow
Integra, Tamworth

North America

www.hunterdouglas.com

Canada

Hunter Douglas Canada, Brampton
Shade-O-Matic, Toronto
Turnils, Toronto
Vinylbilt, Toronto

U.S.A.

Hunter Douglas North America,
Pearl River (NY)
Hunter Douglas Window Fashions
Division, Broomfield (CO)
Hunter Douglas Window Designs
Division, Bessemer City (NC)
Hunter Douglas R&D Centre, Whitesville
(KY)
Hunter Douglas Metals and Distribution
Centre, Tupelo (MS)
Hunter Douglas Plastics and Casting
Centre, Owensboro (KY)
Hunter Douglas Custom Shutter
Division, Gilbert (AZ)
Hunter Douglas Horizontal Blinds
Division, Gilbert (AZ)
Hunter Douglas Fabrication: Calverton
(MD), Cumberland (MD), Milpitas
(CA), Pinellas Park (FL), Poway (CA),
Tukwila (WA), Salt Lake City (UT), West
Sacramento (CA), Itasca (IL), Plymouth
Meeting (PA), Minneapolis (MN),
Greenwood (CO)
3form, Salt Lake City (UT)
Architectural Window Shades/Nysan
Specialty Shades, Pasadena (CA)
Carole Fabrics, Augusta (GA)
Century Blinds, Corona (CA)
Comfortex Window Fashions,
Maplewood (NY)
Contract Window Coverings, Poway
(CA)
Custom Brands Group, Artesia (CA)
Eclipse Shutters, Suwanee (GA)
Electronic Solutions, Lafayette (CO)
Fashion Tech, Portland (OR)
Flexo Solutions, Appleton (WI)
HD Hospitality & Coast Drapery
Services, Las Vegas (NV)
Luxalon Metal Ceilings, Norcross (GA)
Mermet, Cowpens (SC)
Nibrol, Lancaster (SC)
Techstyle Ceilings, Thornton (CO)
Timber Blinds Manufacturing, McKinney
(TX)
Turnils, Suwanee (GA)
Vista Products, Jacksonville (FL)

Hunter Douglas Metals, Homewood (IL),
St. Ann (MO)

Hunter Douglas Principal Operating Companies

Latin America

www.hunterdouglas.cl

Argentina

Hunter Douglas Argentina, Buenos Aires

Brazil

Hunter Douglas do Brasil (98,5%), São Paulo, Campinas

Chile

Hunter Douglas Chile (95%), Santiago
Persianas Andina (95%), Santiago

Colombia

Hunter Douglas de Colombia (95%), Bogotá

Curaçao

Hunter Douglas International, Willemstad

Mexico

Hunter Douglas de Mexico, Mexico City
ILM, Playeas de Rosario (Mexico)

Panama

Hunter Douglas Panama, Panama City

Peru

Hunter Douglas Peru, Lima

Venezuela

Hunter Douglas Venezuela, Caracas

Asia

www.hunterdouglas.asia

China

Hunter Douglas Architectural Products, Shanghai, Beijing, Shenyang, Suzhou, Xian, Chengdu, Shenzhen, Xiamen, Wuhan
Hunter Douglas Window Covering Products, Shanghai, Guangzhou, Beijing, Shenzhen, Chengdu, Wuhan, Xian
Turnils/Mermet, Shanghai

Hong Kong

Hunter Douglas China/Hong Kong

India

Hunter Douglas India, Mumbai, New Delhi, Chennai, Bangalore, Silvassa, Bhiwandi

Indonesia

Hunter Douglas Indonesia, Jakarta, Cikarang

Japan

Hunter Douglas Japan, Tokyo, Ibaraki

Korea

Hunter Douglas Korea, Seoul, Eumseong, Gumi

Malaysia

Hunter Douglas Malaysia, Kuala Lumpur
Hunter Douglas Window Fashions, Kuala Lumpur

Philippines

Hunter Douglas Philippines, Manila

Singapore

Hunter Douglas Singapore, Singapore

Taiwan

Hunter Douglas Taiwan, Taipei

Thailand

Hunter Douglas Thailand, Bangkok

Vietnam

Hunter Douglas Vietnam, Ho Chi Minh City, Hanoi, Danang, Can Tho

Australia

www.hunterdouglas.com.au

Hunter Douglas, Sydney
Hunter Douglas Architectural Products, Sydney
Turnils, Melbourne
Mermet Australia, Melbourne

Hunter Douglas N.V.

Directors

R. Sonnenberg

Chairman & CEO
Hunter Douglas N.V.

C. Boonstra

President Philips Electronics N.V.
(retired)

H.F. van den Hoven

Chairman Unilever N.V. (retired)

J.T. Sherwin

Executive Vice President
Hunter Douglas N.V. (retired)

A. van Tooren

Former Senior Executive ING Group

Officers

R. Sonnenberg

Chairman & CEO

D.H. Sonnenberg

Co-President & COO

M.H. Sonnenberg

Co-President & COO

M.B. Hopkins

President & CEO
North American Operations

C. King

Vice President General Counsel

A. Kuiper

President & CEO European Operations

G.C. Neoh

President & CEO Asian Operations

L. Reijtenbagh

Vice President, CFO & Secretary

R. Rocha

President & CEO Latin American
Operations

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Fax: +31-10-485 03 55
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Stock listings

Common shares:

- › Amsterdam (HDG)
- › Frankfurt (HUD)

Preferred shares:

- › Amsterdam (HUNDP)

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R. Sonnenberg

President & CEO

C. King

Vice President, General Counsel &
Secretary

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Depositaries and dividend disbursement agents

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Rotterdam - The Netherlands
- › ING BANK: Amsterdam, Rotterdam -
The Netherlands

