Hunter Douglas N.V.

Unaudited interim condensed consolidated financial statements

30 June 2013

Contents

Chairman's letter

To our shareholders

Sales: USD 1,282.9 million, 1.6% higher compared with USD 1,262.9 million in the first half of 2012.

Earnings before interest, tax, depreciation and amortization - EBITDA (before non-recurring restructuring expenses): USD 120.3 million, 8.2% higher than USD 111.2 million in the first half of 2012.

Income from Operations (before non-recurring restructuring expenses): USD 75.5 million, 9.4% higher than USD 69.0 million in the first half of 2012. Results were better in all areas except in Europe where they were lower.

Non-recurring restructuring expenses: nil compared with USD 3.2 million mainly in Europe and Australia in the first half of 2012.

Net Result Investment Portfolio: USD 1.1 million compared with USD 5.2 million in the first half of 2012. The portfolio has been wound down.

Income before Tax: USD 68.2 million compared with USD 67.0 million in the first half of 2012.

Total Net Profit: USD 59.8 million (per share EUR 1.31), 3.6% higher than USD 57.7 million in the first half of 2012 (per share EUR 1.25).

Capital expenditures were USD 30 million compared with USD 32 million in the first half of 2012, while depreciation was USD 41 million compared with USD 39 million in the first half of 2012. For the full year capital expenditures are expected to be approximately USD 75 million and depreciation USD 85 million.

Outlook
Hunter Douglas expects improving economic conditions in the US, Latin America and Asia, but an ongoing challenging economic environment in Europe.

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

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;
- Prices for raw materials, in particular: aluminum, steel, fabric, synthetics and other oil based products;
- Exchange rates: The majority of the Company's sales and profits are realized outside the Euro zone. Euro rates against the dollar 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.

Financial reporting
To the best of our knowledge and in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.
The Chairman's letter gives a true and fair view of the important events of the past six-months' period and their impact on the half year financial statements, as well as the principal risks and uncertainties for the six-months' period to come.

Interim consolidated statement of income for the first half year ended 30 June

Amounts in millions	USD **2013** **(unaudited)**	 2012 **1)** (unaudited)
Net sales	**1,282.9**	1,262.9
Cost of sales	**-774.9**	-758.4
Gross profit	**508.0**	504.5
Gross profit metals trading	**10.8**	9.6
Total gross profit	**518.8**	514.1
Selling and marketing expense	**-266.3**	-275.8
General and administrative expense	**-177.0**	-172.5
Income from operations (EBIT)	**75.5**	65.8
Finance costs	**-9.1**	-8.8
Finance income	**1.8**	10.0
Income before taxes	**68.2**	67.0
Taxes on income	**-8.3**	-8.3
Net profit for the year	**59.9**	58.7
Net profit attributable to non-controlling interest	**0.1**	1.0
Net profit attributable to equity shareholders	**59.8**	57.7
Earnings per share attributable to equity shareholders		
- basic for profit for the year	**1.72**	1.63
- fully diluted for profit for the year	**1.72**	1.63

Interim consolidated statement of comprehensive income for the first half year ended 30 June

Amounts in millions	USD **2013** **(unaudited)**	 2012 **1)** (unaudited)
Net profit for the year	**59.9**	58.7
Other comprehensive income		
Currency translation differences ***)**	**-29.0**	-12.6
Net movement in treasury shares	**-0.9**	-5.6
Net movement in cash flow hedges ***)**	**4.1**	-3.1
Total comprehensive income for the year, net of tax	**34.1**	37.4
Attributable to equity shareholders	**34.7**	36.5
Attributable to non-controlling interest	**-0.6**	0.9

1) Restatement: Until financial year 2012, the Company's joint venture Gardinia (49% owned) was proportionately consolidated under IAS 27/31. As of financial year 2013, the joint venture Gardinia is fully consolidated based on the additional guidance on protective versus substantive rights under the new IFRS 10 applicable as per 1 January 2013. The impact on the balance sheet, statement of income and equity is not material.
The 2012 comparative figures have been restated accordingly.

***)** These items will be recycled thru statement of income at a future point in time.

Interim consolidated statement of income for the second quarter ended 30 June

Amounts in millions	USD **2013** **(unaudited)**	 2012 **1)** (unaudited)
Net sales	**702.0**	668.8
Cost of sales	**-419.5**	-396.0
Gross profit	**282.5**	272.8
Gross profit metals trading	**6.4**	6.0
Total gross profit	**288.9**	278.8
Selling and marketing expense	**-135.2**	-138.3
General and administrative expense	**-90.3**	-86.0
Income from operations (EBIT)	**63.4**	54.5
Finance costs	**-5.8**	-12.1
Finance income	**0.2**	3.9
Income before taxes	**57.8**	46.3
Taxes on income	**-8.5**	-9.0
Net profit for the year	**49.3**	37.3
Net profit attributable to non-controlling interest	**-0.1**	1.1
Net profit attributable to equity shareholders	**49.4**	36.2
Earnings per share attributable to equity shareholders		
- basic for profit for the year	**1.42**	1.02
- fully diluted for profit for the year	**1.42**	1.02

Interim consolidated statement of comprehensive income for the second quarter ended 30 June

Amounts in millions	USD **2013** **(unaudited)**	 2012 **1)** (unaudited)
Net profit for the year	**49.3**	37.3
Other comprehensive income		
Currency translation differences ***)**	**-1.1**	-36.9
Net movement in treasury shares	**-0.8**	-1.6
Net movement in cash flow hedges ***)**	**1.8**	-1.3
Total comprehensive income for the year, net of tax	**49.2**	-2.5
Attributable to equity shareholders	**49.1**	-1.5
Attributable to non-controlling interest	**0.1**	-1.0

1) Restatement: Until financial year 2012, the Company's joint venture Gardinia (49% owned) was proportionately consolidated under IAS 27/31. As of financial year 2013, the joint venture Gardinia is fully consolidated based on the additional guidance on protective versus substantive rights under the new IFRS 10 applicable as per 1 January 2013. The impact on the balance sheet, statement of income and equity is not material.
The 2012 comparative figures have been restated accordingly.

***)** These items will be recycled thru statement of income at a future point in time.

Interim consolidated cash flow statement for the first half year ended 30 June

Amounts in millions	USD **2013** **(unaudited)**	 2012 **1)** (unaudited)
Net profit attributable to equity shareholders	**59.8**	57.7
Adjustments for:		
Depreciation property, plant & equipment	**41.3**	38.5
Amortization patents & trademarks	**3.6**	2.9
Increase (decrease) provisions	**3.6**	-14.3
Non-cash items	**-6.3**	-3.4
Unrealized result investment portfolio	**-1.1**	-6.8
Operating cash flow before working capital changes	**100.9**	74.6
Changes in working capital:		
-increase trade and other receivables and prepayments	**-42.5**	-3.6
-decrease (increase) inventories	**1.3**	-7.8
-decrease trade and other payables	**-52.5**	-29.8
Operating cash flow	**7.2**	33.4
Dividend paid	**-58.2**	-55.3
Net cash from operations	**-51.0**	-21.9
Cash flow from investing activities		
Investments subsidiaries, net of cash acquired		-4.7
Investment intangible fixed assets		-0.3
Investment property, plant and equipment	**-29.6**	-32.0
Divestment property, plant and equipment	**3.7**	2.0
Decrease investment portfolio	**115.7**	25.1
(Increase) decrease other financial non-current assets	**-3.8**	0.9
Net cash from investing activities	**86.0**	-9.0
Cash flow from financing activities		
Treasury shares	**-0.8**	-5.6
(Decrease) increase interest-bearing loans and borrowings	**-45.8**	35.1
Net cash from financing activities	**-46.6**	29.5
Net decrease in cash and cash equivalents	**-11.6**	**-1.4**
Change in cash and cash equivalents		
Balance at 1 January	**49.7**	42.1
Net decrease in cash and cash equivalents	**-11.6**	-1.4
Exchange difference cash and cash equivalents	**-1.4**	-1.9
Balance at 30 June	**36.7**	38.8

1) Restatement: Until financial year 2012, the Company's joint venture Gardinia (49% owned) was proportionately consolidated under IAS 27/31. As of financial year 2013, the joint venture Gardinia is fully consolidated based on the additional guidance on protective versus substantive rights under the new IFRS 10 applicable as per 1 January 2013. The impact on the balance sheet, statement of income and equity is not material.
The 2012 comparative figures have been restated accordingly.

Interim consolidated balance sheet as per

Assets

Amounts in millions	USD **30-jun-13** **(unaudited)**	 31-dec-12 **1)**
Non-current assets		
Intangible fixed assets	**306.3**	315.8
Property, plant and equipment	**568.1**	592.2
Deferred income tax asset	**152.9**	146.7
Other financial non-current assets	**21.2**	20.1
Other non current assets	**1,048.5**	1,074.8
Current assets		
Inventories	**671.5**	685.2
Trade and other receivables	**448.2**	489.4
Prepaid income tax	**29.8**	29.1
Prepayments	**102.7**	121.4
Currency derivatives	**3.3**	2.3
Metal derivatives	**0.7**	5.2
Investment portfolio	**3.4**	25.1
Cash and short-term deposits	**36.7**	49.7
Total current assets	**1,296.3**	1,407.4
TOTAL ASSETS	**2,344.8**	2,482.2

1) Restatement: Until financial year 2012, the Company's joint venture Gardinia (49% owned) was proportionately consolidated under IAS 27/31. As of financial year 2013, the joint venture Gardinia is fully consolidated based on the additional guidance on protective versus substantive rights under the new IFRS 10 applicable as per 1 January 2013. The impact on the balance sheet, statement of income and equity is not material.
The 2012 comparative figures have been restated accordingly.

Interim consolidated balance sheet as per

Shareholders' equity and liabilities

Amounts in millions	USD **30-jun-13** **(unaudited)**	 31-dec-12 **1)**
Equity attributable to equity shareholders		
Issued capital	**11.1**	11.2
Share premium	**92.3**	93.2
Treasury shares	**-28.0**	-27.1
Cash flow hedge reserve	**-17.4**	-21.5
Foreign currency translation	**-53.1**	-24.8
Retained earnings	**1,064.3**	1,061.7
Total equity attributable to equity shareholders of the parent	**1,069.2**	1,092.7
Non-controlling interest	**28.9**	29.5
Total equity	**1,098.1**	1,122.2
Non-current liabilities		
Interest-bearing loans and borrowings	**485.1**	392.5
Preferred shares	**10.8**	10.9
Provisions	**157.2**	155.2
Deferred income tax liabilities	**2.1**	2.6
Total non-current liabilities	**655.2**	561.2
Current liabilities		
Trade and other payables	**494.1**	558.0
Income tax payable	**8.6**	14.6
Restructuring provisions	**9.8**	18.1
Currency derivatives	**15.9**	4.2
Metal derivatives		
Interest-bearing loans and borrowings	**63.1**	203.9
Total current liabilities	**591.5**	798.8
TOTAL LIABILITIES	**1,246.7**	1,360.0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**2,344.8**	2,482.2

1) Restatement: Until financial year 2012, the Company's joint venture Gardinia (49% owned) was proportionately consolidated under IAS 27/31. As of financial year 2013, the joint venture Gardinia is fully consolidated based on the additional guidance on protective versus substantive rights under the new IFRS 10 applicable as per 1 January 2013. The impact on the balance sheet, statement of income and equity is not material.
The 2012 comparative figures have been restated accordingly.

Interim consolidated statement of changes in equity for the first half year 2013

Amounts in millions	Attributable to equity shareholders of the parent								
	Issued capital	Share premium	Treasury shares	Cashflow hedge reserve	Foreign currency translation	Retained earnings	Total	Non-controlling interest	Total Equity
At 1 January 2013	11.2	93.2	-27.1	-21.5	-24.8	1,061.7	1,092.7	29.5	1,122.2
Net profit						59.8	59.8	0.1	59.9
Other comprehensive income (expense)	-0.1	-0.9	-0.9	4.1	-28.3	1.0	-25.1	-0.7	-25.8
Total comprehensive income (expense)	-0.1	-0.9	-0.9	4.1	-28.3	60.8	34.7	-0.6	34.1
Equity dividends						-58.2	-58.2		-58.2
At 30 June 2013 (unaudited)	11.1	92.3	-28.0	-17.4	-53.1	1,064.3	1,069.2	28.9	1,098.1

Interim consolidated statement of changes in equity for the first half year 2012

Amounts in millions	Attributable to equity shareholders of the parent								
	Issued capital	Share premium	Treasury shares	Cashflow hedge reserve	Foreign currency translation	Retained earnings	Total	Non-controlling interest	Total Equity
At 1 January 2012 1)	11.0	91.4	-15.6	-14.2	-32.6	1,029.4	1,069.4	27.9	1,097.3
Net profit						57.7	57.7	1.0	58.7
Other comprehensive income (expense)	-0.3	-2.5	-5.6	-3.1	-12.5	2.8	-21.2	-0.1	-21.3
Total comprehensive income (expense)	-0.3	-2.5	-5.6	-3.1	-12.5	60.5	36.5	0.9	37.4
Equity dividends						-55.3	-55.3		-55.3
At 30 June 2012 (unaudited)	10.7	88.9	-21.2	-17.3	-45.1	1,034.6	1,050.6	28.8	1,079.4

1) Restatement: Until financial year 2012, the Company's joint venture Gardinia (49% owned) was proportionately consolidated under IAS 27/31. As of financial year 2013, the joint venture Gardinia is fully consolidated based on the additional guidance on protective versus substantive rights under the new IFRS 10 applicable as per 1 January 2013. The impact on the balance sheet, statement of income and equity is not material.
The 2012 comparative figures have been restated accordingly.

Notes to the interim condensed consolidated financial statements
USD (millions, unless indicated otherwise)

1. Corporate information
The interim condensed consolidated financial statements of Hunter Douglas N.V. for the half year ended 30 June 2013 were authorized for issue in accordance with a resolution of the Directors on 14 August 2013.

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

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

2. Basis of preparation and significant accounting policies

Basis of preparation
The consolidated financial statements of Hunter Douglas N.V. and all its subsidiaries have been prepared in accordance with IAS 34 *Interim Financial Reporting.*

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2012.

IFRS accounting standards effective as from 2013
The following standards and amendments to existing standards have been published and are mandatory for the company beginning on or after 1 January 2013. 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 presentation has been amended accordingly.

* 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. This standard has an impact on the company's accounting for its joint venture Gardinia, which is now fully consolidated and was proportionately consolidated till 2012.

* 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. This standard has an impact on the company's accounting for its joint venture Gardinia, which is now fully consolidated and was proportionately consolidated till 2012.

* 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 no financial impact on the company.

* IFRS 13 Fair value measurement – aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required by other standards within IFRS. This standard has no impact on the company's financial statements.

3. Segment information

The Group's primary reporting format is business segments and its secondary format is geographical segments. The business 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. 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 information regarding the Group's business segments:

First half year 2013	**Window Coverings**	**Investment Portfolio**	**Metals Trading**	**Total**
Revenue				
Sales to external customers	**1,282.9**			**1,282.9**
Total revenue	**1,282.9**			**1,282.9**
Results				
Segment profit before tax	**60.1**	**1.1**	**6.9**	**68.1**

First half year 2012	**Window Coverings**	**Investment Portfolio**	**Metals Trading**	**Total**
Revenue				
Sales to external customers	**1,262.9**			**1,262.9**
Total revenue	**1,262.9**			**1,262.9**
Results				
Segment profit before tax	**54.9**	**5.2**	**5.9**	**66.0**
Assets and liabilities				
Segment assets	**2,179.4**	**3.4**	**157.4**	**2,340.2**
Investment in an associate	**4.6**			**4.6**
Total assets at 30 June 2013	**2,184.0**	**3.4**	**157.4**	**2,344.8**
Segment liabilities	**1,187.5**	**3.4**	**55.8**	**1,246.7**
Total liabilities at 30 June 2013	**1,187.5**	**3.4**	**55.8**	**1,246.7**
Segment assets	**2,293.3**	**25.1**	**161.5**	**2,479.9**
Investment in an associate	**2.3**			**2.3**
Total assets at 31 December 2012	**2,295.6**	**25.1**	**161.5**	**2,482.2**
Segment liabilities	**1,255.3**	**25.1**	**79.6**	**1,360.0**
Total liabilities at 31 December 2012	**1,255.3**	**25.1**	**79.6**	**1,360.0**

4. Business combination

There were no acquisitions during the first half year of 2013.

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

An impairment analysis has been performed per the end of 2012. There are no impairment indicators that would require an updated calculation.

6. 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. The fair value of cash and cash equivalents at 30 June 2013 is 36.7 (30 June 2012: 38.8).

At 30 June 2013 the Group had available 121 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 30 June:

Amounts in millions	**2013**	2012
Cash at bank and in hand	**33.1**	18.6
Short-term deposits	**3.6**	20.2
	36.7	38.8

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.

7. Investment portfolio

The investment portfolio with a fair value of 3.4 million is classified as level 3 (valuation techniques – non market observable) under IFRS 7 (Financial Instruments : Disclosure) in the Group's annual consolidated financial statements. This classification provides a reasonable basis to illustrate the nature and extent of risks associated with this financial instrument.
The investment portfolio is reported separately on the balance sheet at fair value. Net results of the investment portfolio are taken through the consolidated statement of income. The individual investments held by the various investment funds are valued at fair value by their administrators, independent third parties and the funds. The net asset values reported by the administrators are adjusted (discounted) by management as a function of the liquidity of the individual funds.

8. Dividends paid and proposed

Amounts in millions	**2013**	2012
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Final dividend for 2012: EUR 1.25 (2011: EUR 1.25)	**58.2**	55.3
	58.2	55.3

9. Capital commitments and other commitments

Capital commitments
At 30 June 2013, the Group has commitments for capital expenditures of 38 (31 December 2012: 13).

Rotterdam, 14 August 2013

Board of Directors