HunterDouglas

Annual Report **2012**

HunterDouglas®

Luxaflex®

DUETTE®

SILHOUETTE®

LUMINETTE®

VIGNETTE®

PIROUETTE®

3form®

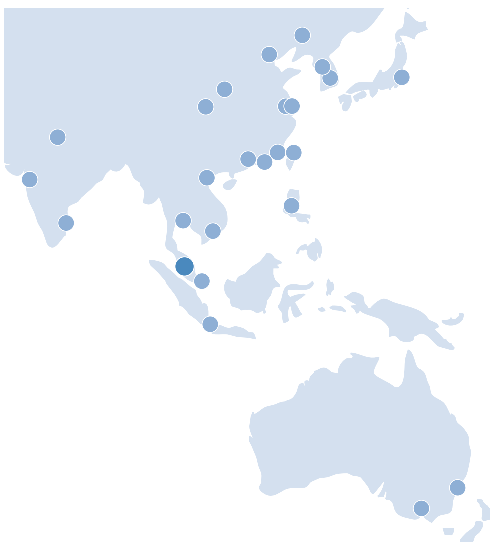
LUXALON®

™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 169 companies with 68 manufacturing and 101 assembly operations and marketing organizations in more than 100 countries.

Hunter Douglas employs about 16,500 people with sales in 2012 of USD 2.5 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

Contents

Financial highlights

Two-year summary

	Notes	USD millions 2012	USD millions 2011 (restated)	Notes	EUR per common share 2012	EUR per common share 2011 (restated)
Net Sales		2,529	2,573			
Earnings before interest, tax, depreciation and amortization (before non-recurring restructuring expenses)		254	230	3	5.63	4.65
Income from Operations (before non-recurring restructuring expenses)		164	143			
Net Profit from Operations (before non-recurring restructuring expenses)		131	127	3	2.90	2.58
Non-recurring restructuring expenses		-45	-31			
Net Profit from Operations (after non-recurring restructuring expenses)		86	96	3	1.91	1.95
Net Result Investment Portfolio		15	-18			
Total Net Result	1	101	78	3	2.24	1.57
Operating Cash flow		156	180	3	3.46	3.65
Investments in tangible fixed assets		76	111			
Depreciation property, plant and equipment		84	81			
Net Assets Employed	2	1,831	1,719			
Shareholders' equity		1,093	1,069	4	23.84	23.58
Return on equity		9.3%	7.1%			
Dividend				5	1.25	1.25
RONAE: (Return before interest/net assets employed)		9.8%	8.5%			
Employees (at year-end)		16,631	16,492			

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 2012

Chairman's letter

To our shareholders

2012 was a better but still difficult year for Hunter Douglas.

- Consumer demand and housing markets improved in the US, were steady in Latin America, but remained weak in Europe; while in Asia sales were lower due to delays in infrastructure projects.
- Our results were affected by further reorganization expenses of USD 45 mln as we implemented further restructurings of our European and North American operations to adjust them to current conditions; while in China we also incurred start-up expenses in two new operations of USD 10 mln.

Sales: were USD 2.529 bln; 1.7% lower than in 2011.

Sales volumes (excluding acquisitions and currency effects) were 2% lower in Europe, 6% higher in North America, 9% lower in Asia, 8% higher in Latin America and 10% lower in Australia.

Earnings before interest, tax, depreciation and amortization – EBITDA (before non-recurring restructuring expenses): were USD 254 mln, 10.6% higher than USD 230 mln in 2011.

Income from Operations (before non-recurring restructuring expenses): was 14.4% higher at USD 164 mln compared with USD 143 mln in 2011; in local currencies higher in North America, Latin America and Australia and lower in Europe and Asia.

Net Profit from Operations (before non-recurring restructuring expenses): 2.5% higher to USD 131 mln compared with USD 127 mln in 2011.

Non-recurring restructuring expenses: were USD 45 mln compared with USD 31 mln in 2011. These relate mainly to the European and North American operations.

Net profit from Operations (after non-recurring restructuring expenses): USD 86 mln compared with USD 96 mln in 2011.

Net Result Investment Portfolio: USD 15 mln positive (after deduction of imputed interest and expenses) compared with USD 18 mln negative in 2011.

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

Total Net Result: USD 101 mln (per share EUR 2.24), compared with USD 78 mln in 2011 (per share EUR 1.57).

Acquisitions included:

- Designer Blinds: an Omaha Nebraska based fabricator of our products.
- Gulf Coast Window Covering: a Houston, Texas based fabricator of our products.
- W.H. Produkter: a Danish fabricator of window coverings.

These were all integrated with existing operations.

Capital Expenditures in 2012 were USD 76 mln, while depreciation was USD 84 mln.
Investments were focused on new products and efficiency improvements as well as our 3 new plants in Asia which will be completed this year.
In 2013 capital expenditures will be about USD 75 mln and depreciation USD 85 mln.

Investment Portfolio: The Portfolio's return in US Dollars (before imputed interest and expenses) was 11.7% positive compared with 7.8% negative in 2011. The Portfolio had a fair value at year-end 2012 of USD 25 mln compared with USD 192 mln at year-end 2011. Management of these assets was delegated to a widely diversified range of independent managers.
We have wound down our Investment Portfolio over the course of the year.
Over the 21 years of the Portfolio's existence it has produced an average annual return of 11%.

Operating Cash flow in 2012 was USD 156 mln compared with USD 180 mln in 2011.

Dividend: The Directors propose a Dividend for 2012 of EUR 1.25 per Common share; the same as for 2011.

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

Board:

Mr. Cor Boonstra who has been on our Board since 1990 did not stand for re-election. We thank him most sincerely for his many years of support and contributions to our Company.

Mr. Frank Wagener a Luxembourg citizen, has joined our Board. His career has been with the Bank Internationale de Luxembourg, where he was CEO from 2006 to 2011. He is now Chairman of the BIL, the Luxembourg Stock Exchange and Chamber of Commerce as well as on the Board of several other leading Luxembourg companies and institutions.

Outlook: We expect improving economic conditions in the US, Latin America and Asia, but an ongoing challenging environment in Europe until consumer confidence and housing markets recover.

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 - 2012

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 US 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 US 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

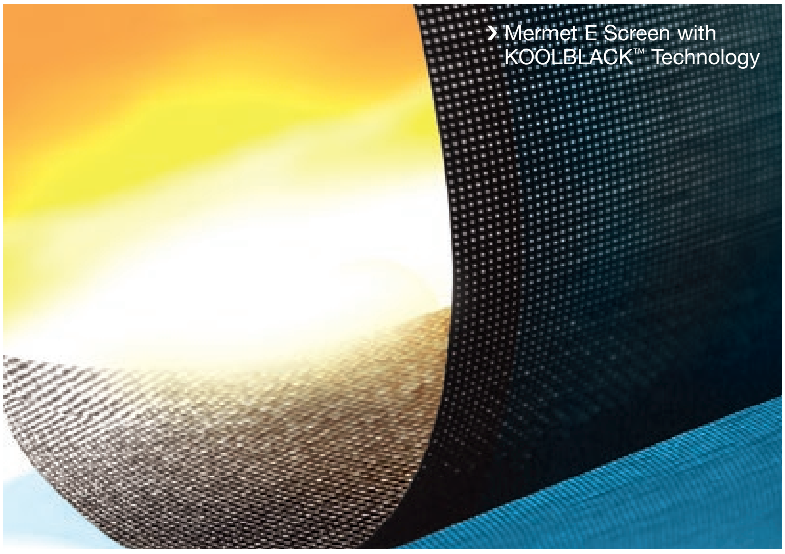
2000-2012

2000 - LiteRise® cordless system was launched in the US 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™
2012 - Duette® Architella® Trielle™ Honeycomb Shades, Platinum™ App, Solera™ Soft Shades

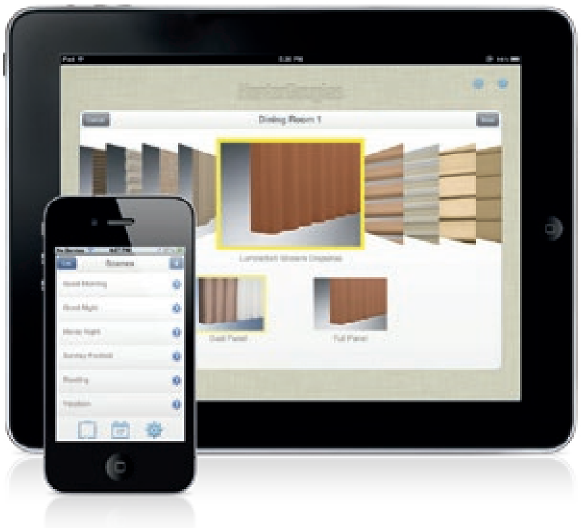
Innovations

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.



› Mermet E Screen with KOOLBLACK™ Technology



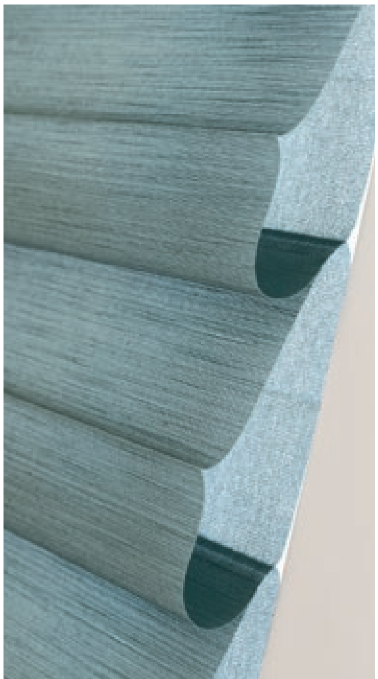
Platinum™ App

Create the perfect, personalized scene from morning light to movie night with our new Platinum™ App that controls select Hunter Douglas motorized window treatments over a wireless network using Apple® mobile devices. The Platinum™ App offers custom features specific to different Hunter Douglas products, controlling them individually, by room, or throughout your home for the ultimate in operating convenience!

Mermet E Screen with KOOLBLACK™ Technology

An industry first, KOOLBLACK™ Technology incorporates reflective properties into dark color screen fabrics. This feature provides enhanced comfort and energy savings along with the exceptional glare control and crisp outer view that are inherent with dark colored screen fabrics.

› Duette® Trielle™ Honeycomb Shades



› Solera™ Soft Shades

Duette® Architella® Trielle™ Honeycomb Shades

A new and proprietary design innovation, Duette® Architella® Trielle™ honeycomb shades are the most energy-efficient Hunter Douglas window treatment. Constructed with six layers of fabric that create five pockets of insulation, they significantly reduce energy loss at the window to help lower utility bills and create a more comfortable environment.

Solera™ Soft Shades

With the launch of this new proprietary product, Hunter Douglas introduces a unique cellular construction that provides for a more relaxed and softened fabric shade which still delivers significant energy savings. Through the use of innovative fabric constructions, Solera™ projects a simple yet elegant style.

“Gentle translucency for an endless variety of moods.”

Silhouette® Window Shadings

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

Luminette® Privacy Sheers

Window Coverings

Hunter Douglas is the world market leader in window coverings.

› Pirouette® Window Shadings

› 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.

› Duette® Architella® Trielle™ Honeycomb Shades

Duette® Architella® Trielle™ Honeycomb Shades

Another Hunter Douglas exclusive, the new Duette® Architella® Trielle™ option again raises the bar for energy-efficiency at the window. Designed with six layers of fabric forming five air-trapping pockets, they provide up to 20% more insulation than our original Architella® shades and are our most energy-efficient product to date. Although there are additional layers of fabric, Trielle™ maintains light transmission levels similar to standard Architella® shades, casting a beautiful glow of softly diffused light across the room.

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.

› NBK, Terrart - large

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 2013, 2014 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 2013 we expect our R & D activities to remain at approximately the same level as in 2012.

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 101 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; branded social media programs, 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.


Luxaflex®
window styling

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, movies, 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 increased from 16,492 to 16,631. This is not expected to materially change in 2013.

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

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'.

Sensitivity to External Factors

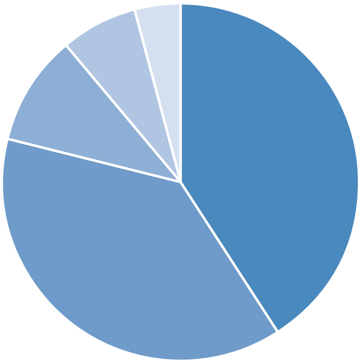
The Company's results are sensitive to external factors of which the following are most influential:

- Overall economic activity and particularly consumer confidence which affects demand for consumer durables;
- Prices for raw materials, in particular: aluminium, steel, fabric, synthetics and other oil based products;
- Exchange rates: the Company's reporting and functional currency is the US dollar. US 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, 12 March 2013

Board of Directors

Worldwide sales



Segment information*

Amounts in millions	Europe		North America		Latin America		Asia		Australia		Total	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Net sales												
Window Coverings	**789**	843	**915**	868	**182**	187	**72**	86	**91**	101	**2,049**	2,085
Architectural Products	**105**	113	**121**	107	**66**	60	**103**	106	**4**	4	**399**	390
Other	**81**	98									**81**	98
Total***	**975**	1,054	**1,036**	975	**248**	247	**175**	192	**95**	105	**2,529**	2,573
Net assets employed**	**829**	859	**499**	458	**133**	114	**227**	170	**61**	57	**1,749**	1,658
of which												
Non-current assets***	**390**	396	**451**	436	**61**	53	**132**	128	**27**	27	**1,061**	1,040
Additions to tangible fixed assets	**20**	25	**25**	24	**10**	10	**19**	49	**2**	3	**76**	111
Depreciation tangible fixed assets	**37**	37	**28**	28	**5**	5	**11**	8	**3**	3	**84**	81
Employees per year-end	**6,224**	6,477	**6,214**	6,067	**1,873**	1,727	**2,004**	1,855	**316**	366	**16,631**	16,492

(*) This table excludes the turnover of 431 (2011: 486) and net assets employed of 82 (2011: 61) of Metals Trading.
(**) Total assets (excl. Investment Portfolio) minus non-interest-bearing current liabilities.
(***) Net sales in the Netherlands were 158 (2011: 188) and non-current assets 99 (2011: 106).

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 lower sales and results.

Aad Kuiper
President & CEO
European Operations

Hunter Douglas Europe

Hunter Douglas Europe faced ongoing economic headwinds. Consumer and construction demand remained weak across Europe, except in Germany and Scandinavia. Our commercial businesses faced especially challenging market conditions in many European markets. In response, we further consolidated our operations, initiating restructurings which will result in a headcount reduction of 9% (excluding acquisitions). One time charges for restructurings significantly affected the results.

Window Covering Products

- Our company-owned blindmakers had lower sales and profits as a whole, whereby improved performance in the UK, Scandinavia and Portugal was more than offset by weak results in our other main markets.
- Despite difficult market conditions, sales of Duette® continue to grow, benefitting from increasing consumer interest in energy efficiency and textile products. We continued our marketing investments in Duette® to further increase growth.
- Component sales to independent blindmakers decreased somewhat; with continuing strong growth in Germany where we were able to further broaden the success of Duette®. We rolled out new venetian blind and Plissé / Duette® collections in this market segment.
- Turnils, our secondary branded component supplier, faced continued challenges as the commodity segment of venetian blind components declined further. Turnils successfully launched new collections for Plissé and Duette®, vertical and roller blinds, as well as new awning systems.
- Eclipse, our leading UK manufacturer and distributor of fabrics and window covering components achieved level sales and higher profits. Eclipse successfully launched new roller and vertical fabric collections.
- Benthin, the leading German based developer and supplier of vertical, roller blind and pleated systems, which we acquired in May 2010, continued to perform well.
- Blöcker, our market-leading supplier of pleated blind systems and fabrics achieved higher sales and profits.
- Gardinia, the leading distributor of packaged window coverings in Germany and Central Eastern Europe, in which Hunter Douglas has a substantial interest, had lower results, which were impacted by challenging market conditions in Eastern Europe and a sluggish DIY sector in Germany.
- In April we acquired W.H. Produkter, a successful fabricator in Denmark. We merged Faber, our Danish retail business, into W.H. Produkter to strengthen our position in this market.
- We completed the integration of Diflex, acquired in October 2011, with our Portuguese blindmaking operation. The combined company is the leading blindmaker in Portugal with an efficient, low-cost assembly operation.

Amounts in millions	EUR 2012	EUR 2011
Net sales		
Window coverings	**611**	605
Architectural products	**81**	81
Other	**63**	70
Total	**755**	756
Net assets employed	**629**	664
Employees per year-end	**6,224**	6,477

› Ellisse® Wood Blinds

› Twist™ Roller Blinds

› Integra, a UK packaged drapery hardware company, which we acquired in November 2011, was 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, product innovation and trade support programs continues to attract dealers to the brand.

› We introduced a major new collection of roller blinds with several important fabric and hardware innovations, and expect to gain share in this important and still underpenetrated product category.

› Duette® shades realized another year of continued strong growth with the support of a pan-European on-line campaign.

› We launched Twist™, a banded roller shade program, which was positively received by the market.

› We also launched Ellisse® wooden venetian blinds, which include a sleek new operating mechanism.

› We grew our Inspiration dealer base by 120 to 1175, and upgraded 280 existing locations.

› We added 14 dealers to our top tier Luxaflex® Gallery distribution base, which now numbers 68 in five countries.

› We continued to expand our on-line marketing presence by launching a new Luxaflex® website platform in 12 countries. Traffic to our website increased more than 20% for the 4th consecutive year.

Architectural and Project Market

› Market conditions remained difficult for our commercial business in most of our markets. Growth in our newer products offset a continued decline in our narrow width lineal metal ceilings, and we were able to stabilize our turnover in France and other European countries.

› XL panel, an innovative ceiling panel, with a unique combination of acoustical performance, flatness and large size was added to the product portfolio.

› The EOS® commercial roller blind system showed strong growth throughout Europe.

› Our façades and sun control systems businesses had lower results due to difficult market conditions for new office developments.

Operations/Manufacturing

› Our main manufacturing facilities in the Netherlands had stable performance, despite continued low volumes.

› Artex, our textile development and production center based in Aarle-Rixtel, the Netherlands, continued to perform well. ADO Benelux, acquired in 2011, is now fully integrated into Artex's existing Benelux drapery business.

› Our Fabrication plant in Poland continued to add assembly volumes from several of our Western European plants. This facility will help us load balance our Kadan plant in Czechia, which is nearing capacity.

› Significant quality and delivery improvements were achieved through "Lean Manufacturing" at our main assembly operations.

Nedal

Our Dutch based aluminium extrusion operation had lower sales and profits.

North America

Higher sales and profit.

Marvin B. Hopkins
President & CEO
North American Operations

In 2012, our US sales increased as the housing market began to rebound from its severe downturn of the past several years and our profits improved substantially as operating margins increased while expenses remained flat. Our Canadian sales were flat but profits improved significantly as a result of the major restructuring in 2011.

For 2013, our outlook for the US is cautiously optimistic as we expect continuing improvement in the housing sector and a slowly expanding economy. We are less optimistic about Canada where our business is being adversely affected by declining home sales in most markets.

- In 2012, Hunter Douglas received the window covering industry's Product of the Year award for our new Silhouette® with LiteRise® product innovation at the annual Window Covering Manufacturing Association (WCMA) presentations. This marked the 12th time in the past 14 years Hunter Douglas received this honor. The Company also captured more than 50% of all awards given to all companies at the annual industry event. Other notable awards included Best Marketing Technology for The Art of Window Dressing iPad App; Best Consumer Advertising Campaign for the Hunter Douglas TV commercial; Best Consumer Education for the Hunter Douglas Facebook page and Best Trade Education for the Premiers spring Hunter Douglas training program.
- Continued strong double digit sales growth of our proprietary Pirouette® Window Shadings product, as consumer awareness of and interest in this unique product increased.
- Achieved record sales and profits at 3form®, now the 4th most recognized commercial brand in the US, according to the leading commercial industry survey of architects and designers. The Company launched numerous new products, including a proprietary commercial lighting line based on its resin panels, and Edge, a modular wall treatment voted best new wall product of the year by Interior Design magazine.
- Introduced a new proprietary product at Mermet, our fiberglass sunscreen manufacturer. KOOLBLACK™ reduces solar heat gain in dark colored sunscreen fabrics. Sunscreens are a large and growing window coverings category in both the commercial and residential markets.

Amounts in millions	USD 2012	2011
Net sales		
Window coverings	**915**	868
Architectural products	**121**	107
Other		
Total	**1.036**	975
Net assets employed	**499**	458
Employees per year-end	**6,214**	6,067

› Hunter Douglas Gallery®

- Introduced five new sample books collections in the Hunter Douglas brand, including Pirouette® window shadings, Vignette® Modern Roman Shades, Palm Beach™ shutters, Designer Screen shades and EverWood® blinds. Additionally, we launched the Platinum™ App which allows consumers to control all our battery operated PowerRise® and PowerGlide® Shades from their iPhone, iPad or iPod Touch devices.
- Launched our first Hunter Douglas Facebook page for consumers and expanded the reach and frequency of our national consumer advertising program through both print and television. Also, an enhanced consumer print campaign was developed for introduction in early 2013.
- Provided our aligned dealers with a valuable online tool called My Hunter Douglas, which is personalized and provides the users with everything they need to know about Hunter Douglas products, programs and promotions. There were 450,000 dealer logins and 3.8 million page views in 2012. This allows them to create their own advertising materials and to quote product prices in the store or in the customer's home.
- Professionally trained more than 12,000 of our best dealers in more than 200 face-to-face, formal sessions over an eight-week period as we introduced them to our new products and programs for 2012. Also offered expanded online training programs to our retail dealers. They completed 77,000 online courses and viewed over 40,000 course module videos in 2012.
- Hosted more than 3,500 of our best dealers to destinations around the world through our Windows To The World travel incentive program. This was the 16th consecutive year for this popular program that has entertained more than 160,000 travelers.

› Duette® Architella® Honeycomb Shades

- Added 173 new Centurion Club™ members in the US and Canada in 2012 for a total of over 1,200 now in the program. These are our most loyal retail dealers who must commit to purchasing 100% of their products from Hunter Douglas.
- Added 29 new dealers to our Hunter Douglas Gallery® program for a total of more than 500. Dealers selected to join this top level alliance program must dedicate no less than 500 square feet of their retail floor space to our Gallery displays and also must commit at least 75% of their retail sales to Hunter Douglas products.
- Acquired two leading US independent fabricator companies, Designer Blinds of Omaha, Nebraska and Gulf Coast Window Covering of Houston, Texas. Both operations are being closed and the businesses merged with the Hunter Douglas Fabrication Division.
- Closed our US Fabrication headquarters in Poway, California and relocated it to our North America headquarters in Pearl River, New York.
- Closed and merged our Fashion Tech fabrication plants and our Nysan commercial shade division with existing operations.
- Substantially increased Return on Net Assets Employed (RONAE) for North America while maintaining strong cash flow. We also increased inventory turnover and sales per employee while reducing the receivables to sales ratio and the operating expense as a percent of sales. In addition, safety performance was improved and worker compensation claims were reduced for the fourth consecutive year.
- Provided the custom blinds for all new Habitat for Humanity® homes in the US and Canada and donated USD 425,000 for Hurricane Sandy recovery & relief through an employee match program.

Despite some economic uncertainties in North America, we expect to make further progress in 2013. To do so, we will continue to build our brands, improve our operational efficiencies, introduce innovative products and programs and strengthen our customer relationships.

Latin America

Level sales and profits.

Renato Rocha
President & CEO
Latin American Operations

Our Latin American operations had level USD sales and profits, though sales and profits grew in local currencies.

Our Window Covering business had lower sales and lower profits mainly due to the devaluation of the Brazilian currency. We continue to grow the market for our products through a core network of well merchandised dealers, who are focused exclusively on serving an upscale clientele with our main Hunter Douglas® and Luxaflex® brands. Our recently launched second brand programs which are tailored to the fast developing middle class segment are developing well.

Our stock window covering products business was affected by import restrictions in Venezuela, which disrupted our business there. In all other countries we achieved record sales and higher profits. Our Architectural Products business had record sales and higher profits despite the devaluation in Brazil.

Brazil

- We had slightly lower sales and lower profits; mostly due to the 25% devaluation of the local currency and start-up costs for our newly established NBK Terracotta façades distribution operation.
- Despite a slow economy in 2012, we expect the World Cup and Olympic Games to generate significant sales opportunities for our architectural products in the next two years.

Mexico

- Slightly higher sales and level profits, as upscale consumer demand remains sluggish.
- We acquired and consolidated the three remaining independent window covering licensees.

Chile

- We achieved higher sales and record profits.
- All our operations performed well, benefitting from good economic conditions.

Colombia

- We achieved higher sales and flat profits at near record levels, as we pushed down margins in our opening price point window covering programs to recapture market share.
- We will build a new and expanded manufacturing plant on the outskirts of Bogota, to relocate from the city centre.

Argentina

- Higher sales and profits.
- Our strong results are under threat of import restrictions and currency devaluation

Venezuela

- Sharply lower sales but sharply increased profits, as we were able to remit retained local profits.
- Our operations continue to be constrained by the ongoing difficulty in obtaining US dollars to finance imports. Our stock window covering products business was disrupted by restrictions, which forced us to allocate the limited amount of dollars to our branded custom window covering business. In view of these restrictions, we transferred our local architectural business to our export department in Chile.

Peru & Panama

- Both of these start-up operations had higher sales and improved results.

Amounts in millions	USD 2012	2011
Net sales		
Window coverings	**182**	187
Architectural products	**66**	60
Other		
Total	**248**	247
Net assets employed	**133**	114
Employees per year-end	**1,873**	1,727

Dealer showroom, Brazil

Asia

Lower sales and results

G.C. Neoh
President & CEO
Asian Operations

Our Asian Operations had lower sales and results. Results were impacted by start-up losses from the new NBK Terracotta plant in Suzhou and our new architectural products plant in Xian.

Economic uncertainties and financing difficulties caused wide-spread project delays, which affected both our architectural and commercial window covering businesses, especially in China.

Our residential window coverings achieved higher sales but lower profits as we invested in expanding our distribution network and brand building activities.

China

- Architectural Products had lower sales and profits due to a slowdown in infrastructure projects and increased competition. Profits were also affected by start-up losses of the two new manufacturing plants.
- Window coverings had lower sales and results due to the slowdown in commercial building completions. Our residential business continued to grow strongly – albeit off a low base – as we invested in the expansion of our Gallery store network, and in reaching the fast developing Chinese interior design community.

Amounts in millions	USD 2012	2011
Net sales		
Window coverings	**72**	86
Architectural products	**103**	106
Other		
Total	**175**	192
Net assets employed	**227**	170
Employees per year-end	**2,004**	1,855

Dalian International Conference Center, 3D QuadroClad® façade system

India

- Architectural products had higher sales but lower profits mainly due to the weakening of the local currency.
- We are building an architectural products manufacturing plant in Chennai, a major step forward in developing the local market.
- Window covering products had lower sales and profits due to project delays. Our residential business is still in an early stage of development.

Japan

- Window coverings had higher sales and profits, as our residential business continues to gain traction with our proprietary products.
- Architectural products had lower sales but higher profits.

Korea

- Architectural products had strong sales and profits benefiting from the successful introduction of NBK Terracotta façades.
- Window covering products had lower sales and profits, which were affected by the depressed housing market.

Taiwan, Philippines, Thailand

- Higher sales and profits.

Hong Kong, Vietnam, Malaysia, Singapore, Indonesia

- Lower sales and profits.

"Filtering light and insulating your home all year round."

Duette® Architella® Honeycomb Shades

1

2

3

4

5

6

1 | 3form® Varia
2 | 3form® Varia
3 | 3form® Exterior Chroma Fins
4 | 3form® Wovin Wall tiles
5 | Sun Louvres
6 | Sun Screens
7 | Linear ceiling
8 | Folding Shutters
9 | NBK Terracotta Façade
10 | NBK Terracotta Façade

Consolidated statement of income for the year

Leen Reijtenbagh
Vice President, CFO & Secretary

Chris King
Vice President General Counsel

Amounts in millions	Notes	USD 2012	2011
Net sales	3	**2,529**	2,573
Cost of sales	4	**-1,542**	-1,576
Gross profit		**987**	997
Gross profit metals trading	3	**18**	20
Total gross profit		**1,005**	1,017
Selling and marketing expense	3	**-527**	-545
General and administrative expense	3	**-359**	-360
Income from operations (EBIT)		**119**	112
Finance costs	4	**-20**	-44
Finance income	4	**22**	4
Income before taxes		**121**	72
Taxes on income	19	**-19**	6
Net profit for the year		**102**	78
Net profit attributable to non-controlling interest		**1**	
Net profit attributable to equity shareholders		**101**	78
Earnings per share attributable to equity shareholders	20		
- basic for profit for the year		**2.90**	2.19
- fully diluted for profit for the year		**2.90**	2.19

Consolidated statement of comprehensive income for the year

Amounts in millions	USD 2012	2011 (restated)
Net profit for the year	**102**	78
Other comprehensive income		
Actuarial losses	**-17**	-56
Currency translation differences	**11**	-27
Net movement in cash flow hedges	**-7**	-5
Tax effect on other comprehensive income	**3**	27
Total comprehensive income for the year, net of tax	**92**	17
Attributable to equity shareholders	**92**	18
Attributable to non-controlling interest		-1

Restatement: In 2012, the Company has changed its accounting policy to apply the amended IAS 19. There is no resulting impact on the 2011 profit and loss from this change.
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	2012 USD	2011 USD
Net profit attributable to equity shareholders		101	78
Adjustments for:			
Depreciation property, plant & equipment	8	84	81
Amortization patents & trademarks	7	7	6
(Decrease) increase provisions	9	-5	8
Non-cash items		-20	-40
Unrealized result investment portfolio		-18	15
Operating cash flow before working capital changes		149	148
Changes in working capital:			
- decrease trade and other receivables and prepayments		53	58
- increase inventories		-22	-21
- decrease trade and other payables		-24	-5
Operating cash flow		156	180
Dividend paid	21	-55	-63
Net cash from operations		101	117
Cash flow from investing activities			
Investments subsidiaries, net of cash acquired	5	-15	-19
Investment intangible fixed assets		-1	-5
Investment property, plant and equipment	8	-76	-111
Divestment property, plant and equipment	8	8	18
Decrease (increase) investment portfolio		89	-64
(Increase) decrease other financial non-current assets		-5	4
Net cash from investing activities		0	-177
Cash flow from financing activities			
Treasury shares		-12	-12
(Decrease) increase interest-bearing loans and borrowings		-79	52
Net cash from financing activities		-91	40
Net increase (decrease) in cash and cash equivalents		10	-20
Change in cash and cash equivalents			
Balance at 1 January		42	61
Net increase (decrease) in cash and cash equivalents		10	-20
Exchange difference cash and cash equivalents		-2	1
Balance at 31 December	14	50	42

Income tax paid 26 (2011: 34), interest paid 19 (2011: 20) and interest received 3 (2011: 5) 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	2012	2011
		USD	
			(restated)
Non-current assets			
Intangible fixed assets	7	**316**	309
Property, plant and equipment	8	**578**	585
Deferred income tax assets	19	**144**	131
Other financial non-current assets	9	**23**	18
Other non current assets		**1,061**	1,043
Current assets			
Inventories	10	**676**	641
Trade and other receivables	11	**471**	398
Prepaid income tax		**29**	31
Prepayments	12	**121**	115
Currency derivatives	26	**2**	13
Metal derivatives	26	**5**	17
Investment portfolio	13	**25**	192
Cash and short-term deposits	14	**50**	42
Total current assets		**1,379**	1,449
TOTAL ASSETS		**2,440**	2,492

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

Restatement: In 2012, the Company has changed its accounting policy to apply the amended IAS 19. As a result of this change the deferred tax assets (41, of which 20 in the 2011 opening balance), provision for pensions (109, of which 53 in the 2011 opening balance) and equity (-68, of which -33 in the 2011 opening balance) are restated in 2011, with no impact on profit and loss.

Consolidated balance sheet as per 31 December

Shareholders' equity and liabilities

Amounts in millions	Notes	USD 2012	2011 (restated)
Equity attributable to equity shareholders			
Issued capital	15	**11**	11
Share premium		**93**	91
Treasury shares		**-28**	-16
Cash flow hedge reserve		**-21**	-14
Foreign currency translation		**-25**	-33
Retained earnings		**1,063**	1,030
Total equity attributable to equity shareholders of the parent		**1,093**	1,069
Non-controlling interest		**3**	3
Total equity		**1,096**	1,072
Non-current liabilities			
Interest-bearing loans and borrowings	16	**392**	318
Preferred shares	16	**11**	11
Provisions	17	**153**	145
Deferred income tax liabilities	19	**3**	13
Total non-current liabilities		**559**	487
Current liabilities			
Trade and other payables	18	**548**	538
Income tax payable		**14**	19
Restructuring provisions		**18**	10
Currency derivatives	26	**4**	13
Metal derivatives	26		1
Interest-bearing loans and borrowings	16	**201**	352
Total current liabilities		**785**	933
TOTAL LIABILITIES		**1,344**	1,420
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,440**	2,492

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

Restatement: In 2012, the Company has changed its accounting policy to apply the amended IAS 19. As a result of this change the deferred tax assets (41, of which 20 in the 2011 opening balance), provision for pensions (109, of which 53 in the 2011 opening balance) and equity (-68, of which -33 in the 2011 opening balance) are restated in 2011, with no impact on profit and loss.

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 2011	11	95	-4	-9	-13	1,079	1,159	4	1,163
Change in accounting policies (see note 22)						-33	-33		-33
At 1 January 2011 (restated)	11	95	-4	-9	-13	1,046	1,126	4	1,130
Net profit						78	78		78
Other comprehensive expense		-4		-5	-20	-31	-60	-1	-61
Total comprehensive income (expense)	0	-4	0	-5	-20	47	18	-1	17
Purchase shares			-12				-12		-12
Equity dividends						-63	-63		-63
At 31 December 2011 (restated)	11	91	-16	-14	-33	1,030	1,069	3	1,072
Net profit						101	101		101
Other comprehensive income (expense)		2		-7	8	-13	-10		-10
Total comprehensive income (expense)	0	2	0	-7	8	88	91	0	91
Purchase shares			-12				-12		-12
Equity dividends						-55	-55		-55
At 31 December 2012	11	93	-28	-21	-25	1,063	1,093	3	1,096

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 2012 were authorized for issue on 12 March 2013. These financial statements will be adopted by the Annual General Meeting of Shareholders on 11 June 2013.

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 US 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 US 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 (US 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 not 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 2012, 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 for the defined benefit plans are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods.

The defined benefit asset or liability comprises the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value is based on market price information and, in the case of quoted securities, it is the published bid price. The value of any defined benefit asset recognized is restricted to 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.

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.

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 2012
The accounting policies as set out above have been applied consistently to all periods presented in the consolidated financial statements, with the exception of the voluntary early application of IAS 19 Revised (Pensions and other post employment benefits). The Group voluntarily changed its accounting policy for the defined benefit plan to IAS 19 Revised. The accounting policy is changed to recognize all actuarial gains and losses in the period in which the occur in other comprehensive income. Previously, the Group recognized the net cumulative unrecognized actuarial gains and losses, which exceeded the greater of 10% of the defined benefit obligation and the fair value of the plan assets at the closing date of the previous reporting period over the remaining working periods of the employees, in accordance with IAS 19.93. This is sometimes referred to as the 'corridor approach'. Under the amended standard, the expected return on plan assets will be calculated using the same interest rate as applied for the purpose of discounting the benefit obligation. Further details are disclosed in note 22.

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. This standard is not expected to impact the Company's financial statements.

- 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 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. 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. IFRS 12 is expected to extend the disclosures in the financial statements of interests in other entities, such as Gardinia.

- 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 is not expected to impact the Company's financial statements.

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 & architectural products 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 2012 and 2011.

Amounts in millions	Window Coverings and Architectural Products		Investment Portfolio		Metals Trading		Reclassification		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue										
Sales to external customers	2,529	2,573							2,529	2,573
Segment revenue	2,529	2,573							2,529	2,573
Total gross profit	987	997			18	20			1,005	1,017
Selling and marketing expense	-527	-544				-1			-527	-545
General and administrative expense	-353	-355	-1	-1	-6	-5	1	1	-359	-360
Income from operations	107	98	-1	-1	12	14	1	1	119	112
Finance costs	-18	-24	-2	-2	-2	-2	2	-16	-20	-44
Finance income	7	4					15		22	4
Gross result investment portfolio			18	-15			-18	15		
Third party interest in investment portfolio										
Income before taxes	96	78	15	-18	10	12			121	72
Taxes on income	-16	10			-3	-4			-19	6
Net profit	80	88	15	-18	7	8			102	78
Net profit attributable to non-controlling interest	1								1	
Net profit attributable to equity shareholders	79	88	15	-18	7	8			101	78
Assets and liabilities										
Segment assets	2,252	2,122	25	192	161	175			2,438	2,489
Investment in an associate	2	3							2	3
Total assets	2,254	2,125	25	192	161	175			2,440	2,492
Segment liabilities	1,239	1,148	25	192	80	80			1,344	1,420
Total liabilities	1,239	1,148	25	192	80	80			1,344	1,420
Net assets employed	1,749	1,658			82	61			1,831	1,719
Other segment information										
Capital expenditure:										
Property, plant and equipment	76	111							76	111
Depreciation	84	81							84	81

The geographical segment information is reported separately on page 21.

Notes to consolidated financial statements

4. Revenues and expenses

Amounts in millions	2012	2011
Finance costs		
Bank loans and overdraft	**-15**	-15
Net result investment portfolio		-18
Non-operational exchange result		-6
Other loans (including non-cumulative redeemable preference shares)	**-5**	-5
Total finance costs	**-20**	-44
Finance income		
Bank interest receivable	**4**	4
Net result investment portfolio	**15**	
Non-operational exchange result	**2**	
Other financial income	**1**	
Total finance income	**22**	4
Non-recurring restructuring expenses are included in the consolidated income statement as follows:		
Cost of sales	**27**	17
Selling and marketing expense	**9**	5
General and administrative expense	**9**	9
	45	31

Non-recurring restructuring expenses relate to Window Coverings and Architectural Products and consist mainly of reduction of employees

Included in Cost of sales is 10 as a result on the sale of LME shares.

	2012	2011
Depreciation, amortization and costs of inventories included in consolidated income statement		
Included in cost of sales:		
Depreciation of property, plant and equipment	**60**	60
Costs of inventories recognized as an expense	**1,482**	1,516
	1,542	1,576
Included in general and administrative expenses:		
Minimum lease payments recognized as an operating lease expense	**7**	8
Amortization other intangibles	**7**	6
Employee benefits expense		
Wages and salaries	**675**	672
Social security costs	**127**	130
Pension costs	**17**	43
Expense (Income) of share-based payments	**1**	-6
	820	839

Research costs

Research costs consists of 32 (2011: 34) charged directly to general and administrative expense in the income statement.

5. Business combination

In 2012 Hunter Douglas acquired the following companies:
- 100% of W.H. Produkter, a leading Danish manufacturer of made-to-measure window covering products since April. W.H. Produkter has annual sales of about EUR 8 million and employs 60 people.
- 100% of Gulf Coast Window Coverings, a Houston, Texas based fabricator of window covering products since October. Gulf Coast Window Coverings has annual sales of USD 24 million and employs 130 people.
- 100% of Designer Blinds, an Omaha Nebraska based fabricator of window covering products since December. Designer Blinds has annual sales of USD 27 million and employs 103 people.

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.

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	
	2012	**2011**
Property, plant and equipment		4
Patents and trademarks		2
Inventories	**5**	6
Trade and other receivables	**6**	6
Cash and short-term deposits	**1**	2
Trade and other payables	**-5**	-7
Short-term interest-bearing loans and borrowings		-1
Fair value of net assets	**7**	12
Goodwill arising on acquisitions	**9**	9
Total consideration	**16**	21
Cash outflow on acquisitions:		
Cash paid	**-16**	-21
Net cash acquired with acquisitions	**1**	2
	-15	-19

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 9.7% (2011: 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 goodwill to materially exceed its recoverable amount.

7. Intangible fixed assets

Amounts in millions	Goodwill		Patents & Trademarks		Total	
	2012	2011	2012	2011	2012	2011
At 1 January	**251**	243	**58**	59	**309**	302
Acquisitions	**9**	9		7	**9**	16
Amortization			**-7**	-6	**-7**	-6
Exchange	**5**	-1		-2	**5**	-3
At 31 December	**265**	251	**51**	58	**316**	309
At 1 January						
Cost	**251**	243	**90**	85	**341**	328
Accumulated amortization			**-32**	-26	**-32**	-26
Net carrying amount	**251**	243	**58**	59	**309**	302
At 31 December						
Cost	**265**	251	**90**	90	**355**	341
Accumulated amortization			**-39**	-32	**-39**	-32
Net carrying amount	**265**	251	**51**	58	**316**	309

Goodwill is not amortized but is subject to annual impairment testing (see note 6). Patents and trademarks are amortized between 10 and 20 years.
For the 2011 acquisitions the fair value amounts were provisional. These have been finalized in 2012 with no changes to the provisional amounts.
For the 2012 acquisitions the fair value amounts are provisional. These will be finalized in 2013.

Notes to consolidated financial statements

8. Property, plant and equipment

Amounts in millions	Land & Buildings		Machinery & Equipment		Other fixed assets		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
At 1 January, net of accumulated depreciation	**336**	332	**226**	223	**23**	24	**585**	579
Additions	**15**	36	**58**	72	**3**	3	**76**	111
Disposals	**-4**	-11	**-3**	-6	**-1**	-1	**-8**	-18
Acquisitions				3		1		4
Depreciation charge for the year	**-21**	-18	**-60**	-59	**-3**	-4	**-84**	-81
Exchange	**5**	-3	**3**	-7	**1**		**9**	-10
At 31 December, net of accumulated depreciation	**331**	336	**224**	226	**23**	23	**578**	585
At 1 January								
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
At 31 December								
Cost	**568**	551	**1,065**	1,027	**62**	61	**1,695**	1,639
Accumulated depreciation	**-237**	-215	**-841**	-801	**-39**	-38	**-1,117**	-1,054
Net carrying amount	**331**	336	**224**	226	**23**	23	**578**	585

Included in Property, plant and equipment at 31 December 2012 is an amount of 22 (2011: 60) relating to expenditure in construction.

9. Other financial non-current assets

Amounts in millions	2012	2011
Receivables from key management employees	**5**	1
Other long-term receivables	**10**	13
Other	**8**	4
	23	18

10. Inventories

Amounts in millions	2012	2011
Raw materials (at cost)	**443**	410
Work-in-progress (at cost)	**48**	53
Finished goods:		
- At cost	**322**	304
- Provision	**-137**	-126
	676	641

Notes to consolidated financial statements

11. Trade and other receivables (current)

Amounts in millions	2012	2011
Trade receivables	**354**	370
Redemption investment portfolio	**107**	18
Financial institutions	**4**	5
Short-term advances	**6**	5
	471	398

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

As at 31 December 2012, trade receivables at nominal value of 31 (2011: 32) were impaired and fully provided for. Movements in the provision for impairment of trade receivables were as follows:

Amounts in millions	2012	2011
At 1 January	**32**	36
Additions	**15**	11
Utilized	**-16**	-15
At 31 December	**31**	32

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

	Not due		Past due		
Amounts in millions	< 30 days	30-60 days	60-90 days	90-120 days	> 120 days
2012	**232**	**72**	**19**	**12**	**19**
2011	249	68	23	13	17

12. Prepayments

Amounts in millions	2012	2011
Prepaid expenses	**99**	99
Prepaid taxes (no income tax)	**11**	12
Other	**11**	4
	121	115

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

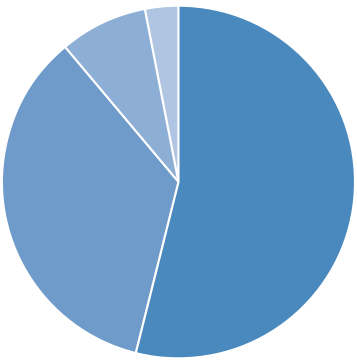
Hunter Douglas has had an investment portfolio since mid-1991. Management of the investments is delegated after screening to a widely diversified range of independent managers. Hunter Douglas does not control or influence the managers' investments. The Net Asset Value (NAV) of the investments is determined 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 2012, Hunter Douglas had investments in 13 (2011: 78) 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 2012 was 25 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	2005	2006	2007	2008	2009	2010	2011	2012
Investment portfolio at year-end	680	771	849	265	144	143	192	**25**
Percent gross return (in USD) before attributed interest and expenses	8.8%	16.9%	14.4%	-24.3%	5.4%	13.7%	-7.8%	**11.7%**

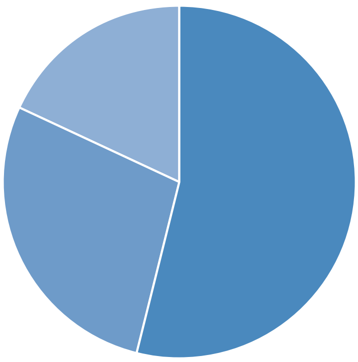
The breakdown of the investment portfolio per year-end 2012 by asset class and geography as well as its liquidity is shown below:

% Funds by Sector
(last year)



Fixed Income 54% (34%)
Equity L/S 35% (39%)
Arbitrage 8% (6%)
Macro 3% (9%)

% Funds Geographic Allocation
(last year)



North America 54% (28%)
International 28% (51%)
Emerging Markets 18% (21%)

At year-end the Investment Portfolio of USD 25 million (2011: 192 million) had 13 managers (2011: 78), of which USD 7 million (2011: 8 million) with 5 managers (2011: 5) was suspended or gated. Of the remaining USD 18 million (2011: 184 million), 1 manager (2011: 36) with liquidity of 90 days or less represented 11.3% (2011: 94.2%), 4 managers (2011: 32) with liquidity between 91 and 180 days represented 63.1% (2011: 2.1%) and 3 managers (2011: 5) with liquidity over 180 days represented 25.6% (2011: 3.7%).

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 2012 the fair value of cash and cash equivalents is 50 (2011: 42).

At 31 December 2012, the Group had available 222 (2011: 157) 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	2012	2011
Cash at bank and in hand	45	39
Short-term deposits	5	3
	50	42

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

	Ordinary shares	
Numbers x 1,000	2012	2011
	€ 0.24 each	€ 0.24 each
Issued and fully paid-in		
At 1 January	35,432	35,432
At 31 December	35,432	35,432
Treasury shares		
At 1 January	366	66
At 31 December	649	366

The Sonnenberg Family owns at year-end 2012 28,764,039 (2011: 28,764,039) common shares of Hunter Douglas N.V. representing 81.18% (2011: 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	2012	2011
Current					
Bank overdraft		Various *	N/A	**47**	28
Short-term bank loans		Various *	N/A	**32**	34
Current Portion of long-term debt	EUR	0.66	N/A	**22**	127
Current Portion of long-term debt	USD	5.01	N/A	**100**	163
				201	352
Non-current					
US notes	USD	5.01	2013		100
ING Bank	EUR	Various *	2013		21
Rabobank	EUR	Various *	2015	**33**	
RBS Bank	USD	Various *	2015	**89**	180
RBS Bank	CAD	Various *	2013		14
RBS Bank	JPY	Various *	2013		2
NIBC	EUR	Various *	2016	**66**	
ING Bank	EUR	Various *	2017	**124**	
ABN AMRO Bank	EUR	Various *	2017	**79**	
Long-term loans (fixed)	USD	4.70	2014	**1**	1
				392	318
Preferred shares					
Preferred shares	EUR	Various *	N/A	**11**	11

* *Mostly at Interbank rates plus a margin*

Average life of long-term loans is 3.70 years (2011: 1.50 years); 0.33% are at fixed rates of interest. Total weighted average of the effective interest of the fixed non-current loans is 4.57% 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

Amounts in millions	Pensions	Other Employee Benefits	Social Plan	Other	Total
	(note 22)				
At 1 January 2012	109	29	6	1	**145**
Additions (release) from income statement	-6	4	5	10	**13**
Actuarial losses	17				**17**
Utilized	-6	-9	-7		**-22**
At 31 December 2012	114	24	4	11	**153**
Non-current 2012	114	24	4	11	**153**
Non-current 2011	109	29	6	1	**145**

18. Trade and other payables (current)

Amounts in millions	2012	2011
Trade payables	**155**	157
Accrued wages, social charges and other compensation	**181**	190
Other payables and accrued expenses	**110**	109
Commissions, discounts and allowances	**32**	30
Other	**70**	52
	548	538

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.

19. Income tax

Major components of income tax expense for the years ended 31 December 2012 and 2011 are:

Amounts in millions	2012	2011
Consolidated income statement		
Current income tax		
Current income tax charge	30	6
Adjustments in respect of current income tax of previous years	9	3
Deferred income tax		
Relating to origination and reversal of temporary differences	-20	-15
	19	-6

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 2012 and 2011 is as follows:

Amounts in millions	2012	2011
Accounting profit before income tax	121	72
At Dutch statutory income tax rate of 25% (2011: 25%)	30	18
Tax loss carry forward not valued in prior years	-1	-13
Impact different tax rates per country	-10	-11
At effective income tax rate of 15.7% (2011: -8.3%)	19	-6
Income tax expense (income) reported in consolidated income statement	19	-6

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 O.C.I.	
	2012	2011	2012	2011	2012	2011
Deferred income tax assets						
Losses available for offset against future taxable income	**100**	89	**21**	22		28
Temporary valuation differences	**44**	42	**-1**		**3**	
	144	131				
Deferred income tax liabilities						
Revaluation of a foreign currency loan						-3
Fair value adjustment on acquisition		10				
Other	**3**	3		-7		
	3	13				
Deferred income tax income (expense)			**20**	15	**3**	25

The Group has unused tax losses of 34 (2011: 34), of which 17 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	2012	2011
Net profit attributable to equity shareholders	**101**	78

Numbers x 1,000	2012	2011
Weighted average number of ordinary shares for basic earnings per share	**34,917**	35,315
Effect of dilution:		
Adjusted weighted average number of ordinary shares for diluted earnings per share	**34,917**	35,315

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	2012	2011
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Final dividend for 2011: EUR 1.25 (2010: EUR 1.25)	**55**	63
	55	63
Proposed for approval at AGM (not recognized as a liability as at 31 December):		
Equity dividends on ordinary shares:		
Final dividend for 2012: EUR 1.25 (2011: EUR 1.25)	**57**	57
	57	57

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 2012	Number of share options 2011	Price per share (EUR)*	Year of expiration
2008	**523,334**	526,667	**17.00**	2013
	523,334	526,667		

** 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 2012: 649,423 (2011: 366,249). The carrying amount of the liability relating to the cash-settled options at 31 December 2012 is 9 (2011: 8). During 2012 an amount of 1 is added to the provision and charged 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 1-1-2011	Excercised	Balance 31-12-2011	Excercised	Balance 31-12-2012
Directors							
2008	2013	€ 17.00	520,000		520,000		520,000
			520,000		520,000		520,000
Officers							
2008	2013	€ 17.00	10,000	3,333	6,667	3,333	3,334
			10,000	3,333	6,667	3,333	3,334
			530,000	**3,333**	**526,667**	**3,333**	**523,334**

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	2012	2011
Share price (in EUR)	**29.49**	29.02
Dividend yield (%)	**5.00**	6.90
Volatility (%)	**45.00**	46.00
Interest rates (%):		
1 month	**NA**	NA
1 year	**0.33**	NA
2 years	**NA**	NA
3 years	**NA**	NA
4 years	**NA**	1.79
5 years	**NA**	1.37
Average expected life of options (years)	**0.43**	1.08

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. For the Netherlands the annual contribution is limited to a maximum of 35% of the pension basis combined for the employer and employees and with no obligations to make up a deficit.

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		Pension plans US		Pension plans UK	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Discount rate	**2.83**	4.31	**4.50**	4.75	**4.50**	4.70
Future salary increase	**2.00**	2.00	**4.00**	4.00	**2.90**	3.00
Inflation assumption	**0.00**	0.00	**3.00**	3.00	**2.90**	3.00

Sensitivity analysis: If the discount rate in the US increases (decreases) with 0.25% the pension provision will decrease (increase) with around 13, for the other plans changes are not expected to be material.

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				
	2012	**2011**	**2010**	**2009**	**2008**
Defined benefit obligations	**-338**	-290	-308	-313	-288
Fair value of plan assets	**332**	290	308	313	288
Funded status	**-6**	0	0	0	0
Net liability in balance sheet	**-6**	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.

22. Employee benefits (continued)

Amounts in millions	US Pension plan				
	2012	2011	2010	2009	2008
Defined benefit obligations	**-274**	-266	-217	-191	-179
Fair value of plan assets	**183**	170	178	171	162
Funded status	**-91**	-96	-39	-20	-17
Net liability in balance sheet	**-91**	-96	-39	-20	-17

Amounts in millions	UK Pension plan				
	2012	2011	2010	2009	2008
Defined benefit obligations	**-62**	-55	-51	-52	-41
Fair value of plan assets	**45**	42	44	43	39
Funded status	**-17**	-13	-7	-9	-2
Net liability in balance sheet	**-17**	-13	-7	-9	-2

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

Amounts in millions	Pension plans					
	NL		US		UK	
	2012	2011	2012	2011	2012	2011
Current service cost	**5**	3	**9**	9	**1**	1
Curtailment gain			**-22**			
Interest cost on benefit obligation	**13**	14	**10**	11	**3**	3
Interest return on plan assets	**-13**	-14	**-9**	-10	**-3**	-3
Net benefit expense	**5**	3	**-12**	10	**1**	1
Actual return on plan assets	**42**	-1	**18**	-3	**3**	-1

22. Employee benefits (continued)

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

Amounts in millions	Pension plans NL 2012	NL 2011	US 2012	US 2011	UK 2012	UK 2011
Opening defined benefit obligations	**290**	308	**266**	217	**55**	51
Current service cost	**5**	3	**9**	9	**1**	1
Curtailment gain			**-22**			
Employee contribution	**4**	4				
Interest cost on benefit obligation	**13**	14	**10**	11	**3**	3
Benefits paid	**-14**	-12	**-5**	-5	**-2**	-2
Actuarial loss (gain)	**36**	-17	**16**	34	**3**	3
Exchange differences on plans	**4**	-10			**2**	-1
Closing defined benefit obligations	**338**	290	**274**	266	**62**	55

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.
The US pension plan was frozen as of December 31, 2012. No future benefits accruals and no new participants are allowed. This resulted in a curtailment gain of 22.

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

Amounts in millions	Pension plans NL 2012	NL 2011	US 2012	US 2011	UK 2012	UK 2011
Opening fair value of plan assets	**290**	308	**170**	178	**42**	44
Interest return on plan assets	**13**	14	**9**	14	**3**	3
Contributions	**9**	7		1	**1**	1
Benefits paid	**-14**	-12	**-5**	-5	**-2**	-2
Actuarial gain (loss)	**29**	-17	**9**	-18		-3
Exchange differences	**5**	-10			**1**	-1
Closing fair value of plan assets	**332**	290	**183**	170	**45**	42
Of which:						
Bonds	**149**	132	**50**	48		3
Equities	**158**	133	**73**	83	**44**	39
Other	**25**	25	**60**	39	**1**	
The actual return on plan assets amounts	**14.5%**	8.6%	**10.5%**	7.0%	**6.5%**	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 2013. Contribution by employer will not materially differ from previous years.

Defined contribution plans
The expense of the defined contribution plans for 2012 amounts to 30 (2011: 29).

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	2012	2011
Within one year	**22**	24
After one year but not more than five years	**42**	66
More than five years	**3**	4

Capital commitments

At 31 December 2012, the Group has commitments for capital expenditures of 13 (2011: 3).

Legal claims

Legal claims have been filed against the Company in the course of its normal business. Management together with their legal counsel have only recognized a provision if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Guarantees

Hunter Douglas N.V. has the following contingent liabilities at 31 December 2012:

- 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	2012	2011
Short-term employee benefits	**19**	12
Share-based payments	**1**	-6
Total compensation paid to key management employees	**20**	6

As per year-end loans and advances to key management employees amounted to 5 (2011: 1), bearing market interest.

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 7 (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). The effect on equity excludes the effect on profit before tax which ends up in equity.

Amounts in millions	Increase/decrease in basis points	Effect on profit before tax	Effect on equity
2012			
Euro	**50**	**2**	**1**
US dollar	**50**		
2011			
Euro	50	1	1
US dollar	50	2	

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 US 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
2012	**5%**	**12**	**17**
	-5%	**-14**	**-17**
2011	5%	-12	8
	-5%	-17	-8

26. Financial instruments

Derivative financial instruments

Amounts in millions	Face amount	Fair value
Currency forward		
Buy	312	
Sell	-49	-2
	263	**-2**
Currency options		
Buy - call	206	2
Buy - put	59	
Sell - call	-182	-1
Sell - put	-198	-1
	-115	**0**

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	42,987	4	
Futures	-59,967	1	
		5	**0**

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	
	2012	2011	2012	2011
Financial assets				
Non-current				
Other financial assets - loans and receivables	**23**	18	**23**	18
Current				
Trade receivables - loans and receivables	**354**	370	**354**	370
Financial institutions and brokers - fair value through P&L	**111**	23	**111**	23
Currency derivatives - held for trading	**2**	13	**2**	13
Metal derivatives - held for trading	**5**	17	**5**	17
Investment portfolio - fair value through P&L	**25**	192	**25**	192
Cash and short-term deposits - loans and receivables	**50**	42	**50**	42
Short-term advances - loans and receivables	**6**	5	**6**	5
	553	662	**553**	662
Financial liabilities				
Non-current - loans and receivables				
US Notes - fixed rates		100		105
Preferred shares - floating rate*	**11**	11	**11**	11
Other borrowings - floating rate*	**392**	218	**392**	218
	403	329	**403**	334
Current				
Trade payables - loans and receivables	**155**	157	**155**	157
Currency derivatives - held for trading	**4**	13	**4**	13
Metal derivatives - held for trading		1		1
Bank overdraft - floating rate* - loans and receivables	**47**	28	**47**	28
Short-term bank loans - floating rate* - loans and receivables	**32**	34	**32**	34
Current portion of long-term debt - fixed rate - loans and receivables	**122**	127	**124**	127
Current portion of long-term debt - floating rate* - loans and receivables		163		163
	360	523	**362**	523

** 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	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Trade payables	**155**	157											**155**	157
Metal derivatives		1											**0**	1
Currency derivatives	**4**	13											**4**	13
Fixed rate														
Loan notes	**122**			100									**122**	100
Bank loans		2	**1**			1							**1**	3
Floating rate														
Bank loans	**79**	350		217	**122**		**66**		**203**				**470**	567
Preferred shares											**11**	11	**11**	11
Interest	**16**	13	**9**	3	**9**		**5**		**2**				**41**	16
	376	536	**10**	320	**131**	1	**71**	0	**205**	0	**11**	11	**804**	868

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

Amounts in millions	2012 Fair value measurement at the end of the reporting period using:				2011 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**
Description								
Financial assets at fair value through profit and loss								
Trading securities			**25**	**25**			192	192
Trading derivatives	**5**	**2**		**7**	17	13		30
Total	**5**	**2**	**25**	**32**	17	13	192	222

26. Financial instruments (continued)

Liabilities measured at fair value

Amounts in millions	2012 Fair value measurement at the end of the reporting period using:			2011 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		4	4	1	13	14
Total	0	4	4	1	13	14

Assets measured at fair value based on Level 3

Amounts in millions	2012 Fair value measurement at the end of the reporting period		2011 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	**192**	**192**	143	143
Total gain (loss) in profit or loss	**18**	**18**	-15	-15
Investments (settlements)	**-185**	**-185**	64	64
Closing balance	**25**	**25**	192	192
Total profit (loss) for the period included in profit or loss for assets held at the end of the reporting period	**18**	**18**	-15	-15

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

Amounts in millions	Notes	USD 2012	2011 (restated)
ASSETS			
Non-current assets			
Financial fixed assets			
- Investments in subsidiaries	2	**3,384**	3,240
- Advances to subsidiaries		**340**	417
- Other		**11**	11
Total non-current assets		**3,735**	3,668
Current assets			
Cash		**3**	
Accounts receivable		**20**	15
Accounts receivable - affiliated companies		**100**	44
Total current assets		**123**	59
TOTAL ASSETS		**3,858**	3,727
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	3	**11**	11
Share premium		**93**	91
Treasury shares		**-28**	-16
Cash flow hedge reserve		**-21**	-14
Foreign currency translation		**-25**	-33
Retained earnings		**962**	952
Net result for the year		**101**	78
Total shareholders' equity		**1,093**	1,069
Provisions			
Provision for pensions		**4**	4
Total provisions		**4**	4
Non-current liabilities			
Long-term loans - other	4	**402**	312
Long-term loans - affiliated companies		**1,417**	1,364
Total non-current liabilities		**1,819**	1,676
Current liabilities			
Short-term borrowings		**61**	43
Short-term portion of long-term loans	4	**122**	288
Accounts payable - other		**40**	34
Accounts payable - affiliated companies		**719**	613
Total current liabilities		**942**	978
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,858**	3,727
STATEMENT OF INCOME			
Income from subsidiaries and affiliates after taxation		**112**	125
Other expense, net		**-11**	-47
Net profit		**101**	78

** 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	2012	2011 (restated)
Beginning of the year	**3,240**	3,248
Change during the year		
Share in results, net	**112**	125
Actuarial losses	**-11**	-35
Received dividends	**-6**	-11
Increase, net	**5**	
Exchange differences	**44**	-87
Net change	**144**	-8
End of year	**3,384**	3,240

Affiliated companies amount to 0.1 (2011: 0.1).

3. Shareholders' equity

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

4. Long-term loans - other

Amounts in millions	2012	2011
Unsecured loans maturing in various installments through 2017	**391**	301

Average life of long-term loans is 3.71 years (2011: 1.50 years); all loans are at unfixed rates of interest. Maturities until 2017 are 2015: 122, 2016: 66 and 2017: 203.

Amounts in millions	2012	2011
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					
2012					
R. Sonnenberg	2008	2013	€ 17.00	500,000	500,000
J.T. Sherwin	2008	2013	€ 17.00	20,000	20,000
				520,000	520,000
2011					
R. Sonnenberg	2008	2013	€ 17.00	500,000	500,000
J.T. Sherwin	2008	2013	€ 17.00	20,000	20,000
				520,000	520,000

Compensation* paid to directors was: R. Sonnenberg nil (2011: nil), J.T. Sherwin 1,351 (2011: 559) as compensation and all other directors 52 (2011: 56) as directors fee. No pension contributions were paid. The share option expense (income) for the directors was 1 (2011: -6).

** 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):

	2012	2011
Audit of financial statements	**419**	476
Other audit services	**2**	7
Non-audit services	**22**	38
	443	521

8. Employees

The number of employees at year-end amounts 19 (2011: 20).

Rotterdam, 12 March 2013

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 2012 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 2012, 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 2012, 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 2012 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 2012 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,
12 March 2013

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 11 June 2013 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 20 June 2013.

5. Audit and Compensation Committees

The members for both committees are:

H.F. van den Hoven
A. van Tooren
F. Wagener

Five-year summary

Millions, except per share data	Notes	2012	2011 (restated)	USD 2010 (restated)	2009*	2008*
Net sales		**2,529**	2,573	2,445	2,376	2,942
Earnings before interest, tax, depreciation and amortization (before non-recurring restructuring expenses)		**254**	230	257	213	285
Income from Operations (before non-recurring restructuring expenses)		**164**	143	167	120	198
Net Profit from Operations (before non-recurring restructuring expenses)		**131**	127	159	114	193
Non-recurring restructuring expenses		**-45**	-31	-17	-27	-68
Net Profit from Operations (after non-recurring restructuring expenses)		**86**	96	142	87	125
Net Result Investment Portfolio		**15**	-18	11	3	-160
Total Net Result		**101**	78	153	90	-35
Operating cash flow		**156**	180	159	234	138
Investments in tangible fixed assets		**76**	111	71	63	131
Depreciation of tangible fixed assets		**84**	81	85	88	80
Net Assets Employed		**1,831**	1,719	1,730	1,654	1,810
Shareholders' equity		**1,093**	1,069	1,126	1,372	1,272
Per common share						
- Total Net Result	1	**2.90**	2.19	4.31	2.54	-0.95
- Operating cash flow	1	**4.47**	5.10	4.49	6.61	3.67
- Shareholders' equity	2	**31.41**	30.50	32.78	38.80	35.90
- Dividend in EUR (proposed for 2012)		**1.25**	1.25	1.25	1.00	1.00
- Extra dividend in EUR					7.00	
Average annual exchange rate EUR/USD		**1.29**	1.39	1.33	1.40	1.48
Year-end exchange rate EUR/USD		**1.32**	1.29	1.34	1.44	1.40
Average number of outstanding common shares (thousands)	3	**34,917**	35,315	35,366	35,366	37,577
Year-end number of outstanding common shares (thousands)	3	**34,783**	35,066	35,366	35,366	35,366

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.

* These figures have not been restated for the change in accounting policies with regard to pensions.

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
W.H. Produkter, Odense

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, Gjövik, 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

Russia
Hunter Douglas, Moscow

Serbia
Hunter Douglas, Belgrade

South Africa
Hunter Douglas South Africa, Johannesburg

Spain
Hunter Douglas España, Llagostera, Madrid

Sweden
Hunter Douglas Scandinavia, Gothenburg
Hunter Douglas Assembly Automation, Stenungsund
Turnils, Alingsas, 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 Divison, Gilbert (AZ)
Hunter Douglas Horizontal Blinds Division, Gilbert (AZ)
Hunter Douglas Fabrication: Calverton (MD), Cumberland (MD), Milpitas (CA), St. Petersburg (FL), Tukwila (WA), Salt Lake City (UT), West Sacramento (CA), Plymouth Meeting (PA), Minneapolis (MN), Greenwood (CO), Omaha (NE), Houston (TX), St. Louis (MO), Kansas City (KS)
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)
Flexo Solutions, Appleton (WI)
HD Hospitality & Coast Drapery Services, Las Vegas (NV)
LightArt, Seattle (WA)
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, 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
Bricos, Yandina (80%)
Mermet Australia, Melbourne
Turnils, Melbourne

Hunter Douglas N.V.

Directors

R. Sonnenberg
Chairman & CEO
Hunter Douglas N.V.

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

F.N. Wagener
President
Banque Internationale à Luxembourg

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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- 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
- ABN AMRO BANK N.V.: Amsterdam, Rotterdam - The Netherlands
- ING BANK: Amsterdam, Rotterdam - The Netherlands

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