Hunter Douglas N.V.

Unaudited interim condensed consolidated financial statements

30 June 2012

Contents

Chairman's letter

To our shareholders

Sales: USD 1,242.8 million, 3.2% lower compared with USD 1,283.3 million in the first half of 2011.

Earnings before interest, tax, depreciation and amortization - EBITDA (before non-recurring restructuring expenses): USD 109.6 million, 10.0% lower than USD 121.8 million in the first half of 2011.

Income from Operations (before non-recurring restructuring expenses): USD 68.1 million, 10.6% lower than USD 76.2 million in the first half of 2011. Results were better in North America and Australia and lower in all other areas.

Non-recurring restructuring expenses: USD 3.2 million mainly in Europe and Australia compared with USD 4.3 million in North America and Europe in the first half of 2011.

Net Result Investment Portfolio: USD 5.2 million (after deduction of imputed interest and expenses) compared with USD 0.2 million in the first half of 2011.

Income before Tax: USD 66.0 million, 2.8% lower than USD 67.9 million in the first half of 2011.

Total Net Profit: USD 57.7 million (per share EUR 1.25), 24.2% lower than USD 76.1 million in the first half of 2011 (per share EUR 1.52).

Net Result Investment Portfolio: The Portfolio's return in U.S. dollars (before imputed interest and expenses) was 4.1% compared with 1.0% in the first half of 2011. The Portfolio had a fair value per June 30, 2012 of USD 160 million compared with USD 192 million on December 31, 2011. Management of these assets is delegated to a widely diversified range of independent managers. The portfolio is being wound down over the course of this year and the proceeds will be used to reduce debt.

Capital expenditures were USD 32 million compared with USD 46 million in the first half of 2011, while depreciation was USD 39 million compared with USD 43 million in the first half of 2011. For the full year capital expenditures are expected to be approximately USD 100 million and depreciation USD 80 million.

Outlook

The outlook remains cautious for Europe and North America where the business environment is expected to remain challenging until housing markets and consumer confidence recover. Modest growth is expected in Asia and Latin America.

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

Sensitivity to External Factors

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

- Overall economic activity and particularly consumer confidence which affects demand for consumer durables;
- Prices for raw materials, in particular: aluminum, steel, fabric, synthetics and other oil based products;
- Exchange rates: The majority of the Company's sales and profits are realized outside the Euro zone. Euro rates against the dollar and other currencies can therefore affect the Company's results. Hunter Douglas' policy is to generally hedge transactional exposures, to selectively hedge translation of earnings, and generally not to hedge balance sheet exposures.

Financial reporting

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

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

Amounts in millions	USD 2012 (unaudited)	USD 2011 (unaudited)
Net sales	**1,242.8**	1,283.3
Cost of sales	**-748.0**	-780.1
Gross profit	**494.8**	503.2
Gross profit metals trading	**9.5**	8.0
Total gross profit	**504.3**	511.2
Selling and marketing expense	**-269.1**	-269.7
General and administrative expense	**-170.3**	-169.6
Income from operations (EBIT)	**64.9**	71.9
Finance costs	**-8.8**	-7.3
Finance income	**9.9**	3.3
Income before taxes	**66.0**	67.9
Taxes on income	**-8.1**	8.5
Net profit for the year	**57.9**	76.4
Net profit attributable to minority interest	**0.2**	0.3
Net profit attributable to equity shareholders	**57.7**	76.1
Earnings per share attributable to equity shareholders		
- basic for profit for the year	**1.63**	2.15
- fully diluted for profit for the year	**1.63**	2.15

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

Amounts in millions	USD 2012 (unaudited)	USD 2011 (unaudited)
Net profit for the year	**57.9**	76.4
Other comprehensive income		
Currency translation differences	**-12.6**	37.5
Net movement in treasury shares	**-5.6**	
Net movement in cash flow hedges	**-3.1**	0.6
Total comprehensive income for the year, net of tax	**36.6**	114.5
Attributable to equity shareholders	**36.5**	114.9
Attributable to minority interest	**0.1**	-0.4

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

Amounts in millions	USD 2012 (unaudited)	USD 2011 (unaudited)
Net sales	**655.3**	694.5
Cost of sales	**-387.1**	-413.9
Gross profit	**268.2**	280.6
Gross profit metals trading	**5.9**	4.1
Total gross profit	**274.1**	284.7
Selling and marketing expense	**-135.0**	-140.3
General and administrative expense	**-85.4**	-83.0
Income from operations (EBIT)	**53.7**	61.4
Finance costs	**-12.2**	-5.4
Finance income	**3.7**	0.8
Income before taxes	**45.2**	56.8
Taxes on income	**-8.9**	4.1
Net profit for the year	**36.3**	60.9
Net profit attributable to minority interest	**0.1**	0.3
Net profit attributable to equity shareholders	**36.2**	60.6
Earnings per share attributable to equity shareholders		
- basic for profit for the year	**1.02**	1.72
- fully diluted for profit for the year	**1.02**	1.72

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

Amounts in millions	USD 2012 (unaudited)	USD 2011 (unaudited)
Net profit for the year	**36.3**	60.9
Other comprehensive income		
Currency translation differences	**-35.0**	10.8
Net movement in treasury shares	**-1.6**	
Net movement in cash flow hedges	**-1.3**	-1.4
Total comprehensive income for the year, net of tax	**-1.6**	70.3
Attributable to equity shareholders	**-1.5**	70.2
Attributable to minority interest	**-0.1**	0.1

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

Amounts in millions	USD **2012** **(unaudited)**	2011 (unaudited)
Net profit attributable to equity shareholders	**57.7**	76.1
Adjustments for:		
Depreciation property, plant & equipment	**38.5**	42.6
Amortization patents & trademarks	**2.9**	3.0
Decrease provisions	**-14.3**	-5.9
Non-cash items	**-3.3**	-2.0
Unrealized result investment portfolio	**-6.8**	-1.9
Operating cash flow before working capital changes	**74.7**	111.9
Changes in working capital:		
-increase trade and other receivables and prepayments	**-1.4**	-52.5
-increase inventories	**-7.2**	-46.5
-decrease trade and other payables	**-30.3**	-22.2
Operating cash flow	**35.8**	-9.3
Dividend paid	**-55.3**	-63.0
Net cash from operations	**-19.5**	-72.3
Cash flow from investing activities		
Investments subsidiaries, net of cash acquired	**-4.7**	
Investment intangible fixed assets	**-0.3**	-1.1
Investment property, plant and equipment	**-32.3**	-45.6
Divestment property, plant and equipment	**2.0**	4.7
Decrease (increase) investment portfolio	**25.1**	-79.7
Decrease other financial non-current assets	**0.1**	1.7
Net cash from investing activities	**-10.1**	-120.0
Cash flow from financing activities		
Treasury shares	**-5.6**	
Increase interest-bearing loans and borrowings	**34.0**	197.0
Net cash from financing activities	**28.4**	197.0
Net (decrease) increase in cash and cash equivalents	**-1.2**	**4.7**
Change in cash and cash equivalents		
Balance at 1 January	**41.8**	60.5
Net (decrease) increase in cash and cash equivalents	**-1.2**	4.7
Exchange difference cash and cash equivalents	**-1.9**	1.0
Balance at 30 June	**38.7**	66.2

Interim consolidated balance sheet as per

Assets

Amounts in millions	USD **30-jun-12** **(unaudited)**	31-dec-11
Non-current assets		
Intangible fixed assets	**307.3**	308.9
Property, plant and equipment	**571.6**	584.9
Deferred income tax asset	**89.3**	89.6
Other financial non-current assets	**24.7**	18.2
Other non current assets	**992.9**	1,001.6
Current assets		
Inventories	**644.8**	640.8
Trade and other receivables	**443.0**	397.7
Prepaid income tax	**17.2**	31.2
Prepayments	**112.5**	115.3
Currency derivatives	**0.8**	13.3
Metal derivatives	**11.5**	17.0
Investment portfolio	**159.8**	192.1
Cash and short-term deposits	**38.7**	41.8
Total current assets	**1,428.3**	1,449.2
TOTAL ASSETS	**2,421.2**	2,450.8

Interim consolidated balance sheet as per

Shareholders'equity and liabilities

Amounts in millions	USD **30-jun-12** **(unaudited)**	 31-dec-11
Equity attributable to equity shareholders		
Issued capital	**10.7**	11.0
Share premium	**88.9**	91.4
Treasury shares	**-21.2**	-15.6
Cash flow hedge reserve	**-17.3**	-14.2
Foreign currency translation	**-51.5**	-32.6
Retained earnings	**1,109.0**	1,097.4
Total equity attributable to equity shareholders of the parent	**1,118.6**	1,137.4
Minority interest	**2.6**	2.5
Total equity	**1,121.2**	1,139.9
Non-current liabilities		
Interest-bearing loans and borrowings	**327.0**	318.5
Preferred shares	**10.4**	10.7
Provisions	**30.9**	36.1
Deferred income tax liabilities	**11.8**	12.6
Total non-current liabilities	**380.1**	377.9
Current liabilities		
Trade and other payables	**511.3**	538.4
Income tax payable	**10.7**	18.5
Restructuring provisions	**5.1**	10.1
Currency derivatives	**17.7**	13.5
Metal derivatives	**0.7**	1.0
Interest-bearing loans and borrowings	**374.4**	351.5
Total current liabilities	**919.9**	933.0
TOTAL LIABILITIES	**1,300.0**	1,310.9
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**2,421.2**	2,450.8

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

Amounts in USD x millions	Attributable to equity shareholders of the parent								
	Issued capital	Share premium	Treasury shares	Cashflow hedge reserve	Foreign currency translation	Retained earnings	Total	Minority interest	Total Equity
At 1 January 2012	11.0	91.4	-15.6	-14.2	-32.6	1,097.4	1,137.4	2.5	1,139.9
Net profit						57.7	57.7	0.2	57.9
Other comprehensive income (expense)	-0.3	-2.5	-5.6	-3.1	-18.9	9.2	-21.2	-0.1	-21.3
Total comprehensive income (expense)	-0.3	-2.5	-5.6	-3.1	-18.9	66.9	36.5	0.1	36.6
Equity dividends						-55.3	-55.3		-55.3
At 30 June 2012 (unaudited)	10.7	88.9	-21.2	-17.3	-51.5	1,109.0	1,118.6	2.6	1,121.2

Interim consolidated statement of changes in equity for the first half year 2011

Amounts in USD x millions	Attributable to equity shareholders of the parent								
	Issued capital	Share premium	Treasury shares	Cashflow hedge reserve	Foreign currency translation	Retained earnings	Total	Minority interest	Total Equity
At 1 January 2011	11.4	94.6	-3.8	-9.2	-13.0	1,079.3	1,159.3	4.2	1,163.5
Net profit						76.1	76.1	0.3	76.4
Other comprehensive income (expense)	0.9	7.7		0.6	38.2	-8.6	38.8	-0.7	38.1
Total comprehensive income (expense)	0.9	7.7		0.6	38.2	67.5	114.9	-0.4	114.5
Equity dividends						-63.0	-63.0		-63.0
At 30 June 2011 (unaudited)	12.3	102.3	-3.8	-8.6	25.2	1,083.8	1,211.2	3.8	1,215.0

Notes to the interim condensed consolidated financial statements

USD (millions, unless indicated otherwise)

1. Corporate information

The consolidated financial statements of Hunter Douglas N.V. for the half year ended 30 June 2012 were authorized for issue in accordance with a resolution of the Directors on 7 August 2012.

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

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

2. Basis of preparation and significant accounting policies

Basis of preparation

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

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2011.

IFRS accounting standards effective as from 2012

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

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

* IAS 19 Employee benefits – the changes range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. Specifically, the amendment removes from IAS 19 the option that allows a company to defer some gains and losses that arise from defined benefit plans. The amendment will require companies to recognize service and finance cost in profit or loss and remeasurements in other comprehensive income. The amended standard applies to financial years beginning on or after 1 January 2013. The amended standard has not yet been endorsed by the EU. The financial impact after tax as per January 1, 2013 on the company's equity is estimated at approx. 90 million negative, based on the latest assumptions.

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

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

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

* IFRS 13 Fair value measurement - IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The standard applies to financial years beginning on or after 1 January 2013. The standard has not yet been endorsed by the EU. The standard is expected not to have a financial impact on the company.

3. Segment information

The Group's primary reporting format is business segments and its secondary format is geographical segments. The business segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The window coverings segment relates to sales and manufacturing of window coverings and architectural products for commercial and residential use. The investment segment relates to the Group's investment portfolio which is invested in marketable securities in a variety of asset classes, including hedged equities, arbitrage, financial trading and fixed income. The metal trading segment represents trading in metals mainly in contracts on bulk metals. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. The Group's geographical segments are determined by the location of the Group's assets and operations.

Business segments

The following table presents revenue and income information and certain asset information regarding the Group's business segments:

First half year 2012	Window Coverings	Investment Portfolio	Metals Trading	Total
Revenue				
Sales to external customers	**1,242.8**			**1,242.8**
Total revenue	**1,242.8**			**1,242.8**
Results				
Segment profit before tax	**56.9**	**5.2**	**3.9**	**66.0**

First half year 2011	Window Coverings	Investment Portfolio	Metals Trading	Total
Revenue				
Sales to external customers	1,283.3			1,283.3
Total revenue	1,283.3			1,283.3
Results				
Segment profit before tax	63.6	0.2	4.1	67.9
Segment assets				
At 30 June 2012	**2,100.9**	**159.8**	**157.7**	**2,418.4**
At 31 December 2011	2,080.4	192.1	175.1	2,447.6

4. Business combination

In 2012 Hunter Douglas acquired the following company:
-100% of W.H. Produkter, a leading Danish manufacturer of made-to-measure window covering products in April. W.H. Produkter is based in Odense, has annual sales of about EUR 8 million and employs 60 people.

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

Amounts in millions	**Recognized on acquisition 2012**
Property, plant and equipment	**0.5**
Inventories	**2.3**
Trade and other receivables	**1.2**
Cash and short-term deposits	**0.2**
Trade and other payables	**-1.6**
Fair value of net assets	**2.6**
Goodwill arising on acquisitions	**2.3**
Total consideration	**4.9**
Cash outflow on acquisition:	
Cash paid	**-4.9**
Net cash acquired with acquisition	**0.2**
	-4.7

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

An impairment analysis has been performed per the end of 2011. There are no impairment indicators that would require an updated calculation.

6. Cash and short-term deposits

Cash at bank and in hand earns interest at floating rates based on market conditions. Short-term deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents at 30 June 2012 is 38.7 (30 June 2011: 66.2).

At 30 June 2012 the Group had available 108.6 of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise the following at 30 June:

Amounts in millions	**2012**	2011
Cash at bank and in hand	**18.5**	30.2
Short-term deposits	**20.2**	36.0
	38.7	66.2

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

7. Investment portfolio

The investment portfolio with a fair value of 159.8 million is classified as level 3 (valuation techniques – non market observable) under IFRS 7 (Financial Instruments : Disclosure) in the Group's annual consolidated financial statements. This classification provides a reasonable basis to illustrate the nature and extent of risks associated with this financial instrument.
The investment portfolio is reported separately on the balance sheet at fair value. Net results of the investment portfolio are taken through the consolidated statement of income. The individual investments held by the various investment funds are valued at fair value by their administrators, independent third parties and the funds. The net asset values reported by the administrators are adjusted (discounted) by management as a function of the liquidity of the individual funds.

8. Dividends paid and proposed

Amounts in millions	**2012**	2011
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Final dividend for 2011: EUR 1.25 (2010: EUR 1.25)	**55.3**	63.0
	55.3	63.0

9. Capital commitments and other commitments

Capital commitments
At 30 June 2012, the Group has commitments for capital expenditures of 39 (31 December 2011: 3).

Rotterdam, 8 August 2012

Board of Directors