

# **Hunter Douglas N.V.**

**Unaudited interim condensed consolidated financial statements**

**30 June 2018**

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## Chairman's letter

### To our shareholders

**Sales:** USD 1,792.6 million, 18.5% higher, compared with USD 1,512.8 million in the first half of 2017.

**Earnings before interest, tax, depreciation and amortization - EBITDA:**  
USD 211.7 million, 20.4% higher than USD 175.8 million in the first half of 2017.

**Income from Operations:**  
USD 161.0 million, 26.4% higher than USD 127.4 million in the first half of 2017.  
Results in local currencies were higher in North America and Europe and lower in all other areas.

**Profit before Tax:** USD 156.6 million, 22.5% higher than USD 127.8 million in the first half of 2017.

**Total Net Profit:** USD 122.7 million (per share EUR 2.93), 23.3% higher than USD 99.5 million in the first half of 2017 (per share EUR 2.63).

**Acquisitions: Included:**  
Debel: 80% of a leading Danish supplier of window coverings to the mass merchant channel (January).

**Capital expenditures** were USD 67 million, compared with USD 60 million in the first half of 2017, while depreciation was USD 40 million compared with USD 40 million in the first half of 2017. For the full year capital expenditures are expected to be approximately USD 140 million and depreciation USD 85 million.

**Operating cash flow:** USD 68 million compared with USD 19 million in the first half of 2017.

**Shareholder's equity** was USD 1,380 million, compared with USD 1,485 million at the end of 2017, reflecting the first half year results offset by negative exchange translation and the payment of the dividend of EUR 1.85, totalling USD 76 million.

**RONAE (Return before interest/net assets employed) excluding Metals Trading and Investment Portfolio** was 12.9% compared with 16.5% in the first half of 2017.

### Outlook

We expect continued growth in Europe, the US and Asia, and improving economic conditions in Latin America.

Hunter Douglas is in a strong position in terms of its brands, products, distribution and finances.

### **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. Our decentralized entrepreneurial organization manages these market risks as effectively as possible;
- Prices for raw materials, in particular: aluminium, steel, fabric, synthetics and other oil based products. Changes in material prices for our window covering and architectural products are normally passed on in our product prices. Base commodity price risks in our Metal Trading business are substantially hedged;
- The Investment Portfolio risks are limited by the wide diversification of the funds;
- Exchange rates: rates of non US dollar currencies can affect the Company's results. Hunter Douglas' policy is to selectively hedge transactional exposures and generally not to hedge balance sheet exposures.

The company has a low risk appetite to the above mentioned factors.

### **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                        |                            |
|---|----------------------------|----------------------------|
|   | <u>2018</u><br>(unaudited) | <u>2017</u><br>(unaudited) |
| <b>Net sales</b>  | 1,792.6                    | 1,512.8                    |
| Cost of sales   | -1,084.5                   | -916.9                     |
| <b>Gross profit</b>   | 708.1                      | 595.9                      |
| Gross profit metals trading                                   | 9.8                        | 7.9                        |
| <b>Total gross profit</b>                                     | 717.9                      | 603.8                      |
| Selling and marketing expense                                 | -359.3                     | -296.9                     |
| General and administrative expense                            | -197.6                     | -179.5                     |
| <b>Income from operations (EBIT)</b>                          | 161.0                      | 127.4                      |
| Finance costs   | -9.9                       | -7.5                       |
| Finance income  | 5.5                        | 7.9                        |
| <b>Income before taxes</b>                                    | 156.6                      | 127.8                      |
| Taxes on income   | -34.1                      | -23.8                      |
| <b>Net profit for the year</b>                                | 122.5                      | 104.0                      |
| Net profit attributable to minority interest                  | -0.2                       | 4.5                        |
| <b>Net profit attributable to equity shareholders</b>         | 122.7                      | 99.5                       |
| <b>Earnings per share attributable to equity shareholders</b> |                            |                            |
| - basic for profit for the year                               | 3.53                       | 2.86                       |
| - fully diluted for profit for the year                       | 3.53                       | 2.86                       |

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

| Amounts in millions  | USD                        |                            |
|--|----------------------------|----------------------------|
|  | <u>2018</u><br>(unaudited) | <u>2017</u><br>(unaudited) |
| <b>Net profit for the year</b>                             | 122.5                      | 104.0                      |
| <b>Other comprehensive income</b>                          |                            |                            |
| Currency translation differences *)                        | -52.5                      | -6.5                       |
| Net movement in cash flow hedges *)                        |                            | 2.1                        |
| <b>Total comprehensive income for the year, net of tax</b> | 70.0                       | 99.6                       |
| Attributable to equity shareholders                        | 71.0                       | 98.1                       |
| Attributable to minority interest                          | -1.0                       | 1.5                        |

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

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

| Amounts in millions   | USD                        |                            |
|---|----------------------------|----------------------------|
|   | <u>2018</u><br>(unaudited) | <u>2017</u><br>(unaudited) |
| <b>Net sales</b>  | 974.2                      | 809.1                      |
| Cost of sales   | <b>-583.6</b>              | <b>-481.5</b>              |
| <b>Gross profit</b>   | <b>390.6</b>               | 327.6                      |
| Gross profit metals trading                                   | 5.7                        | 4.1                        |
| <b>Total gross profit</b>                                     | <b>396.3</b>               | 331.7                      |
| Selling and marketing expense                                 | <b>-182.7</b>              | <b>-149.9</b>              |
| General and administrative expense                            | <b>-96.7</b>               | <b>-94.8</b>               |
| <b>Income from operations (EBIT)</b>                          | <b>116.9</b>               | 87.0                       |
| Finance costs   | <b>-5.0</b>                | <b>-4.0</b>                |
| Finance income  | 4.1                        | 3.0                        |
| <b>Income before taxes</b>                                    | <b>116.0</b>               | 86.0                       |
| Taxes on income   | <b>-27.7</b>               | <b>-16.7</b>               |
| <b>Net profit for the year</b>                                | <b>88.3</b>                | 69.3                       |
| Net profit attributable to minority interest                  | <b>-1.3</b>                | 4.5                        |
| <b>Net profit attributable to equity shareholders</b>         | <b>89.6</b>                | 64.8                       |
| <b>Earnings per share attributable to equity shareholders</b> |                            |                            |
| - basic for profit for the year                               | <b>2.58</b>                | 1.86                       |
| - fully diluted for profit for the year                       | <b>2.58</b>                | 1.86                       |

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

| Amounts in millions  | USD                        |                            |
|--|----------------------------|----------------------------|
|  | <u>2018</u><br>(unaudited) | <u>2017</u><br>(unaudited) |
| <b>Net profit for the year</b>                             | <b>88.3</b>                | 69.3                       |
| <b>Other comprehensive income</b>                          |                            |                            |
| Currency translation differences *)                        | <b>-62.1</b>               | <b>-11.8</b>               |
| Net movement in cash flow hedges *)                        |                            | 1.0                        |
| <b>Total comprehensive income for the year, net of tax</b> | <b>26.2</b>                | 58.5                       |
| Attributable to equity shareholders                        | <b>28.3</b>                | 52.5                       |
| Attributable to minority interest                          | <b>-2.1</b>                | 6.0                        |

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

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

| Amounts in millions                                       | USD                        |                            |
|---|----------------------------|----------------------------|
|   | <u>2018</u><br>(unaudited) | <u>2017</u><br>(unaudited) |
| <b>Net profit attributable to equity shareholders</b>     | <b>122.7</b>               | 99.5                       |
| <b>Adjustments for:</b>                                   |                            |                            |
| Depreciation property, plant & equipment                  | <b>39.8</b>                | 39.7                       |
| Amortization patents & trademarks                         | <b>10.9</b>                | 8.7                        |
| Increase (decrease) provisions                            | <b>7.0</b>                 | -2.1                       |
| Other non-cash items                                      | <b>-21.9</b>               | -1.6                       |
| Unrealized result investment portfolio                    | <b>-0.4</b>                | -5.7                       |
| <b>Operating cash flow before working capital changes</b> | <b>158.1</b>               | 138.5                      |
| <b>Changes in working capital:</b>                        |                            |                            |
| -increase trade and other receivables and prepayments     | <b>-21.8</b>               | -105.1                     |
| -increase inventories                                     | <b>-15.6</b>               | -23.9                      |
| -(decrease) increase trade and other payables             | <b>-53.1</b>               | 9.9                        |
| <b>Operating cash flow</b>                                | <b>67.6</b>                | 19.4                       |
| Dividend paid   | <b>-75.8</b>               | -68.1                      |
| <b>Net cash from operations</b>                           | <b>-8.2</b>                | -48.7                      |
| <b>Cash flow from investing activities</b>                |                            |                            |
| Investments subsidiaries, net of cash acquired            | <b>-30.0</b>               |                            |
| Investment property, plant and equipment                  | <b>-66.7</b>               | -60.2                      |
| Divestment property, plant and equipment                  | <b>5.4</b>                 | 2.2                        |
| Increase intangible fixed assets                          | <b>-7.9</b>                |                            |
| Decrease investment portfolio                             | <b>22.0</b>                | 90.5                       |
| Increase other financial non-current assets               | <b>-7.3</b>                | -12.6                      |
| <b>Net cash from investing activities</b>                 | <b>-84.5</b>               | 19.9                       |
| <b>Cash flow from financing activities</b>                |                            |                            |
| Increase interest-bearing loans and borrowings            | <b>85.9</b>                | 24.0                       |
| <b>Net cash from financing activities</b>                 | <b>85.9</b>                | 24.0                       |
| <b>Net decrease in cash and cash equivalents</b>          | <b>-6.8</b>                | -4.8                       |
| <b>Change in cash and cash equivalents</b>                |                            |                            |
| <b>Balance at 1 January</b>                               | <b>32.0</b>                | 41.4                       |
| Net decrease in cash and cash equivalents                 | <b>-6.8</b>                | -4.8                       |
| Exchange difference cash and cash equivalents             | <b>-0.9</b>                | 1.4                        |
| <b>Balance at 30 June</b>                                 | <b>24.3</b>                | 38.0                       |

## Interim consolidated balance sheet as per

### Assets

| Amounts in millions                | USD                             |                  |
|------------------------------------|---------------------------------|------------------|
|                                    | <u>30-jun-18</u><br>(unaudited) | <u>31-dec-17</u> |
| <b>Non-current assets</b>          |                                 |                  |
| Intangible fixed assets            | 1,083.8                         | 1,062.0          |
| Property, plant and equipment      | 539.9                           | 521.5            |
| Deferred income tax assets         | 161.1                           | 164.2            |
| Other financial non-current assets | 78.6                            | 73.4             |
| <b>Total non-current assets</b>    | <b>1,863.4</b>                  | <b>1,821.1</b>   |
| <b>Current assets</b>              |                                 |                  |
| Inventories                        | 732.1                           | 727.0            |
| Trade and other receivables        | 605.6                           | 547.1            |
| Prepaid income tax                 | 35.1                            | 59.3             |
| Prepayments                        | 112.1                           | 102.8            |
| Metal derivatives                  | 27.6                            | 43.1             |
| Currency derivatives               | 1.0                             | 8.3              |
| Investment portfolio               | 13.0                            | 33.5             |
| Cash and short-term deposits       | 24.3                            | 32.1             |
| <b>Total current assets</b>        | <b>1,550.8</b>                  | <b>1,553.2</b>   |
| <b>TOTAL ASSETS</b>                | <b>3,414.2</b>                  | <b>3,374.3</b>   |

## Interim consolidated balance sheet as per

### Shareholders' equity and liabilities

| Amounts in millions   | USD                             |                  |
|---|---------------------------------|------------------|
|   | <u>30-jun-18</u><br>(unaudited) | <u>31-dec-17</u> |
| <b>Equity attributable to equity shareholders</b>                     |                                 |                  |
| Issued capital  | 9.9                             | 10.2             |
| Share premium   | 82.6                            | 84.9             |
| Treasury shares   | -28.5                           | -28.5            |
| Cash flow hedge reserve   | 0.5                             | 0.5              |
| Foreign currency translation  | -296.9                          | -245.2           |
| Retained earnings   | 1,612.2                         | 1,562.7          |
| <b>Total equity attributable to equity shareholders of the parent</b> | <b>1,379.8</b>                  | <b>1,384.6</b>   |
| Non-controlling interest  | 10.0                            | 23.5             |
| <b>Total equity</b>   | <b>1,389.8</b>                  | <b>1,408.1</b>   |
| <b>Non-current liabilities</b>  |                                 |                  |
| Interest-bearing loans and borrowings                                 | 730.5                           | 801.1            |
| Preferred shares  | 9.7                             | 9.9              |
| Provisions  | 271.9                           | 234.6            |
| Deferred income tax liabilities                                       | 9.3                             | 9.4              |
| <b>Total non-current liabilities</b>                                  | <b>1,021.4</b>                  | <b>1,055.0</b>   |
| <b>Current liabilities</b>  |                                 |                  |
| Trade and other payables  | 712.0                           | 711.6            |
| Income tax payable  | 33.3                            | 26.6             |
| Restructuring provisions  | 1.2                             | 5.1              |
| Metal derivatives   |                                 | 3.7              |
| Currency derivatives  |                                 | 8.3              |
| Interest-bearing loans and borrowings                                 | 256.5                           | 155.9            |
| <b>Total current liabilities</b>                                      | <b>1,003.0</b>                  | <b>911.2</b>     |
| <b>TOTAL LIABILITIES</b>  | <b>2,024.4</b>                  | <b>1,966.2</b>   |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>                     | <b>3,414.2</b>                  | <b>3,374.3</b>   |



## Interim consolidated statement of changes in equity for the first half year 2018

Amounts in millions

|                                      | Attributable to equity shareholders of the parent |               |                 |                        |                              |                   | Total   | Non-controlling interest | Total Equity |
|--------------------------------------|---|---------------|-----------------|------------------------|------------------------------|-------------------|---------|--------------------------|--------------|
|                                      | Issued capital                                    | Share premium | Treasury shares | Cashflow hedge reserve | Foreign currency translation | Retained earnings |         |                          |              |
| <b>At 1 January 2018</b>             | 10.2  | 84.9          | -28.5           | 0.5                    | -245.2                       | 1,562.7           | 1,384.6 | 23.5                     | 1,408.1      |
| Net profit                           |   |               |                 |                        |                              | 122.7             | 122.7   | -0.2                     | 122.5        |
| Other comprehensive income (expense) | -0.3  | -2.3          |                 |                        | -51.7                        | 2.6               | -51.7   | -0.8                     | -52.5        |
| Total comprehensive income (expense) | -0.3  | -2.3          | 0.0             | 0.0                    | -51.7                        | 125.3             | 71.0    | -1.0                     | 70.0         |
| Movement to provisions               |   |               |                 |                        |                              |                   | 0.0     | -12.5                    | -12.5        |
| Equity dividends                     |   |               |                 |                        |                              | -75.8             | -75.8   |                          | -75.8        |
| <b>At 30 June 2018 (unaudited)</b>   | 9.9   | 82.6          | -28.5           | 0.5                    | -296.9                       | 1,612.2           | 1,379.8 | 10.0                     | 1,389.8      |

## Interim consolidated statement of changes in equity for the first half year 2017

|                                      | Attributable to equity shareholders of the parent |               |                 |                        |                              |                   | Total   | Non-controlling interest | Total Equity |
|--------------------------------------|---|---------------|-----------------|------------------------|------------------------------|-------------------|---------|--------------------------|--------------|
|                                      | Issued capital                                    | Share premium | Treasury shares | Cashflow hedge reserve | Foreign currency translation | Retained earnings |         |                          |              |
| <b>At 1 January 2017</b>             | 9.0   | 74.6          | -28.5           | -2.9                   | -251.2                       | 1,442.9           | 1,243.9 | 21.6                     | 1,265.5      |
| Net profit                           |   |               |                 |                        |                              | 99.5              | 99.5    | 4.5                      | 104.0        |
| Other comprehensive income (expense) | 0.7   | 6.0           |                 | 2.1                    | -3.5                         | -6.7              | -1.4    | -3.0                     | -4.4         |
| Total comprehensive income (expense) | 0.7   | 6.0           | 0.0             | 2.1                    | -3.5                         | 92.8              | 98.1    | 1.5                      | 99.6         |
| Equity dividends                     |   |               |                 |                        |                              | -68.1             | -68.1   |                          | -68.1        |
| <b>At 30 June 2017 (unaudited)</b>   | 9.7   | 80.6          | -28.5           | -0.8                   | -254.7                       | 1,467.6           | 1,273.9 | 23.1                     | 1,297.0      |

## Notes to the interim condensed consolidated financial statements

USD (millions, unless indicated otherwise)

### 1. Corporate information

The interim condensed consolidated financial statements of Hunter Douglas N.V. for the half year ended 30 June 2018 were authorized for issue in accordance with a resolution of the Directors on 31 July 2018.

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

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

### 2. Basis of preparation and significant accounting policies

#### Basis of preparation

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

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2017. The same accounting policies are followed in the interim condensed consolidated financial statements as compared with the Group's annual financial statements as at 31 December 2017.

#### IFRS accounting standards effective as from 2018

In July 2014 the IASB issued *IFRS 9 - Financial Instruments*. The improvements introduced by the new standard includes a logical approach for classification and measurement of financial instruments driven by cash flow characteristics and the business model in which an asset is held, a single "expected loss" impairment model for financial assets and a substantially reformed approach for hedge accounting. The standard is effective, retrospectively with limited exceptions, for annual periods beginning on or after January 1, 2018 with earlier application permitted. The Group expects that there will be no material impact on the Group's consolidated financial statements upon initial adoption of the standard.

In May 2014, the IASB issued IFRS 15 - Revenue from Contracts with Customers. The standard requires a company to recognize revenue upon transfer of control of goods or services to a customer at an amount that reflects the consideration it expects to receive. The impact on metals trading is still under investigation by the group.

The standard and amendments are effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Group is currently quantifying the impact of adoption and determining the implementation approach. However based on currently available information, the Group does not expect a material impact on its Consolidated Financial Statements from the adoption of this standard and related amendments.

IFRS 16 is effective from January 1, 2019 with early adoption allowed only if IFRS 15 - Revenue from Contracts with Customers is also applied. The Group is currently evaluating the method of implementation and impact of adoption on its Consolidated Financial Statements. Refer to note 23 for expected balance sheet impact of recording the former operational leases as financial lease as required by IFRS 16. Based on currently available information, the Group does expect a material impact on its Consolidated Financial Statements from the adoption of this standard and related amendments, however the Group is currently evaluating the impact so no exact quantification can currently be made.

### 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 covering products segment relates to sales and manufacturing of window coverings for commercial and residential use. The architectural products segment relates to sales and manufacturing of architectural products mainly for commercial use. The metal trading segment represents trading in metals mainly in contracts on bulk aluminium. 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. 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:

| <b>First half year 2018</b>              | <b><u>Window Coverings</u></b> | <b><u>Architectural Products</u></b> | <b><u>Metals Trading</u></b> | <b><u>Investment Portfolio</u></b> | <b><u>Total</u></b> |
|--|--------------------------------|--------------------------------------|------------------------------|------------------------------------|---------------------|
| <b>Revenue</b>                           |                                |                                      |                              |                                    |                     |
| Sales to external customers              | 1,538.6                        | 254.0                                |                              |                                    | 1,792.6             |
| <b>Total revenue</b>                     | <b>1,538.6</b>                 | <b>254.0</b>                         |                              |                                    | <b>1,792.6</b>      |
| <b>Results</b>                           |                                |                                      |                              |                                    |                     |
| Segment profit before tax                | 138.2                          | 13.1                                 | 4.9                          | 0.4                                | 156.6               |
| <b>First half year 2017</b>              |                                |                                      |                              |                                    |                     |
|  | <b><u>Window Coverings</u></b> | <b><u>Architectural Products</u></b> | <b><u>Metals Trading</u></b> | <b><u>Investment Portfolio</u></b> | <b><u>Total</u></b> |
| <b>Revenue</b>                           |                                |                                      |                              |                                    |                     |
| Sales to external customers              | 1,282.5                        | 230.3                                |                              |                                    | 1,512.8             |
| <b>Total revenue</b>                     | <b>1,282.5</b>                 | <b>230.3</b>                         |                              |                                    | <b>1,512.8</b>      |
| <b>Results</b>                           |                                |                                      |                              |                                    |                     |
| Segment profit before tax                | 108.9                          | 10.1                                 | 3.1                          | 5.7                                | 127.8               |
| <b>Assets and liabilities</b>            |                                |                                      |                              |                                    |                     |
| Segment assets                           | 2,719.8                        | 457.9                                | 199.4                        | 13.0                               | 3,390.1             |
| Investment in an associate               | 24.1                           |                                      |                              |                                    | 24.1                |
| <b>Total assets at 30 June 2018</b>      | <b>2,743.9</b>                 | <b>457.9</b>                         | <b>199.4</b>                 | <b>13.0</b>                        | <b>3,414.2</b>      |
| Segment liabilities                      | 1,649.8                        | 283.3                                | 91.3                         |                                    | 2,024.4             |
| <b>Total liabilities at 30 June 2018</b> | <b>1,649.8</b>                 | <b>283.3</b>                         | <b>91.3</b>                  | <b>0.0</b>                         | <b>2,024.4</b>      |
| <b>Assets and liabilities</b>            |                                |                                      |                              |                                    |                     |
| Segment assets                           | 2,116.3                        | 413.0                                | 172.0                        | 121.5                              | 2,822.8             |
| Investment in an associate               | 18.6                           |                                      | 0.5                          |                                    | 19.1                |
| <b>Total assets at 30 June 2017</b>      | <b>2,134.9</b>                 | <b>413.0</b>                         | <b>172.5</b>                 | <b>121.5</b>                       | <b>2,841.9</b>      |
| Segment liabilities                      | 1,215.2                        | 270.4                                | 59.3                         |                                    | 1,544.9             |
| <b>Total liabilities at 30 June 2017</b> | <b>1,215.2</b>                 | <b>270.4</b>                         | <b>59.3</b>                  | <b>0.0</b>                         | <b>1,544.9</b>      |

#### 4. Business combination

##### In the first half year of 2018 Hunter Douglas acquired the following business:

80% of Debel, a leading Danish supplier of window coverings to the mass merchant channel since January.

In the first half year of 2017 Hunter Douglas did not acquire new businesses.

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

An impairment analysis has been performed per the end of 2017. 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 3 months 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 2018 is 24.3 (30 June 2017: 38.0).

At 30 June 2018 the Group had available 391 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      | <u>2018</u> | <u>2017</u> |
|--------------------------|-------------|-------------|
| Cash at bank and in hand | 24.1        | 37.3        |
| Short-term deposits      | <u>0.2</u>  | <u>0.7</u>  |
|                          | <u>24.3</u> | <u>38.0</u> |

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

#### 7. Dividends paid

| Amounts in millions                                | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|
| <b>Declared and paid during the year:</b>          |             |             |
| Equity dividends on ordinary shares:               |             |             |
| Final dividend for 2017: EUR 1.85 (2016: EUR 1.75) | <u>75.8</u> | <u>68.1</u> |
|  | <u>75.8</u> | <u>68.1</u> |

#### 8. Capital commitments and other commitments

##### Capital commitments

At 30 June 2018, the Group has commitments for capital expenditures of 46 (31 December 2017: 34).

#### 9. Events after balance sheet date

- **Acquisitions**  
Akant, 70% of a leading Polish supplier of custom window coverings (July).  
Vertilux, a leading commercial window covering fabricator in Australia (July).
- **Divestments**  
North American ceilings business: It has been agreed to sell the North American ceilings business to CertainTeed, a division of Saint Gobian (July).

Rotterdam, 31 July 2018

Board of Directors