Annual Report 2019

HunterDouglas

Luxaflex

LEVOLOR

HILLARYS

3form

LUXALON

NBK ARCHITECTURAL TERRACOTTA

Operational Headquarters

- **Rotterdam, The Netherlands**
  World Headquarters and
  European Operations

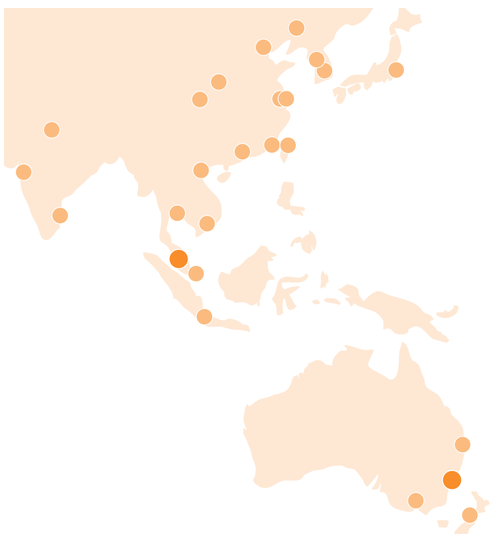
- **Lucerne, Switzerland**
  Management Office

- **Pearl River, NY, USA**
  North American Operations

- **São Paulo, Brazil**
  Latin American Operations

- **Kuala Lumpur, Malaysia**
  Asian Operations

- **Sydney, Australia**
  Australian 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 134 companies with 47 manufacturing and 87 assembly operations and marketing organizations in more than 100 countries.

Hunter Douglas employs about 25,000 people with sales in 2019 of $ 3.7 bln.

Operating Style

Professionally led by entrepreneurial managers who run our business as their own.

Focused on innovation

Decentralized organization structure
- Global network of specialized companies
- Guiding principle 'Maximum accountability with minimum interference'

Strong brands

- HunterDouglas® in North America, Latin America and Asia, and for architectural products worldwide
- Luxaflex® for residential window coverings in Europe and Australia
- Levolor® in North America
- Hillarys® in the United Kingdom

Contents

Financial highlights

Two-year summary

		USD millions			EUR per common share	
	Notes	2019	2018	Notes	2019	2018
Net Sales		**3,686**	3,634			
Earnings before interest, tax, depreciation and amortization (before other income/expense)	5	**504**	436	2	**12.91**	10.63
Income from operations (before other income/expense)		**340**	326			
Net profit from operations (before other income/expense)		**273**	223	2	**7.00**	5.43
Other income/expense		**5**	37			
Net profit from operations (after other income/expense)		**278**	260	2	**7.12**	6.34
Net result investment portfolio			1			
Total net profit	1	**278**	261	2	**7.12**	6.35
Operating cash flow		**546**	406	2	**14.00**	9.89
Investments in tangible fixed assets		**125**	122			
Depreciation tangible fixed assets		**141**	91			
Net assets employed	5	**2,669**	2,399			
Shareholders' equity attributable to equity shareholders		**1,798**	1,500	3	**46.10**	37.71
Return on equity		**16.8%**	18.1%			
Dividend				4	**2.10**	2.00
RONAE (Income from operations/net assets employed)	5	**13.4%**	13.5%			
Employees (at year-end)		**24,720**	23,618			

1 Net profit attributable to equity shareholders
2 Based on the average number of shares outstanding during the affected year
3 Based on the number of shares outstanding at year-end, adjusted for treasury shares
4 Proposed for 2019
5 Refer to note 31

Chairman's letter

To our shareholders

2019 was a year of record sales and profits.
Sales increased by 1.4% to $ 3.686 bln and profits by 6.6% to $ 278 mln (per share € 7.12)

Sales volume was level.
Acquisitions contributed 7.7%, decrease from divestments 3.7% and the currency impact was 2.6% negative.

Sales were:
1% higher in Europe

9% higher in North America

4% lower in Latin America

17% lower in Asia

11% higher in Australia

Earnings before interest, tax, depreciation and amortization - EBITDA (before other income/expense): Were $ 504 mln, 15.5% higher than $ 436 mln in 2018.

Income from Operations (before other income/expense): Was 4.1% higher at $ 340 mln compared with $ 326 mln in 2018, higher in all areas, except Asia and Australia.

Other income/expense: Were $ 5 mln positive compared with $ 37 mln positive in 2018.

Capital Expenditures in 2019 were $ 125 mln compared with $ 122 mln in 2018.
Investments were focused on new products and efficiency improvements. In 2020, capital expenditures will be about $ 100 mln and depreciation $ 140 mln.

Operating Cash Flow in 2019 was $ 546 mln compared with $ 406 mln in 2018.

Return on Net Assets Employed (RONAE) before other income/expense was 13.4% and on Equity 16.8%.

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

Dividend: The Directors propose a Dividend for 2019 of € 2.10 per Common share, with an option of a stock dividend from share premium, compared with € 2.00 for 2018.

Ralph Sonnenberg – Executive Chairman
David & Marko Sonnenberg – Co-Presidents & CEOs

Europe: Had record sales and profits driven mainly by acquisitions with modest autonomous growth. Window Coverings sales increased in the Benelux, Scandinavia, Germany, UK and France.

North America: Had higher sales and profits. Sales increased by 9% despite a 2% decline in stock products and continued challenging market conditions in Canada; with acquisitions providing the majority of this growth.

Latin America: Had lower sales but higher profits. Window coverings had lower sales and profits; while architectural products had higher sales and profits. Efficiency and productivity improved while challenging economic conditions continue to pressure margins.

Asia: Had lower sales and profits due mainly to project delays. Window Coverings had lower sales and profits due mainly to lower sales to independent fabricators and prefabricated house builders in Japan.

Australia: Had higher sales and lower profits due to difficult economic conditions and a decline in consumer confidence due to the record breaking draught and bush fires.

Acquisitions included:
- Stores-Discount, a leading French e-commerce retailer for window covering products (May).
- Copaco, a Belgium based weaver of sunscreen fabrics (May).
- Blindware, an Australian component supplier of primarily roller blind hardware (July).
- 3 Day Blinds, a California based in-home seller and manufacturer of its own branded line of blinds and shades (December).
- Select Blinds, 30% of a North American online retailer of its own branded window covering products, with an option to purchase the remainder (December).

Divestments:
- Hunter Douglas Metals trading business based in Chicago to a Management Group.
- Gardinia: Its 74% share of the leading German distributor of packaged window coverings and curtain track to its long-term Managers and Partners.

Outlook: Due to the corona virus the economic outlook is uncertain.

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

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
Executive Chairman

History

Global time line 1919 – 2017

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

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

1940 - Henry moved to the United States where he founded the Douglas Machinery Company.

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.
The business model was as innovative as the product. Hunter Douglas developed a vast network in the United States and Canada of more than 1,000 independent fabricators, who 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.

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

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

1976 - Hunter Douglas reacquired its former US business.

1980-2000 - Hunter Douglas began offering a complete range of window coverings and continued its global growth, expanding into Asia. The innovative spirit of the company led to the development of revolutionary new products.
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

At the same time, the company began developing a global network of fabrication companies to service dealers with consumer branded programs.

2000-2017
Hunter Douglas expanded further by developing multi-channel distribution capabilities around the world, while continuing to bring breakthrough products to market.

2000 - LiteRise® cordless system
2000 - EOS® hardware system
2003 - Techstyle® Acoustical Ceilings
2007 - Pirouette® Window Shadings
2010 - RB 500 Roller Shade system
2012 - Solera™ Soft Shades
2015 - PowerView® Motorization, Silhouette® Duolite® Shadings
2016 - Redesigned Duette® system
2017 - Sonnette™ Cellular Roller Shades, HeartFelt® ceiling system

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

Silhouette® Shades

Our Strengths

Culture

"Business is people" is our core guiding principle. We consider our culture of professional entrepreneurship a key competitive advantage, that drives our organization.

We are a decentralized federation of specialized companies, run by people who manage our companies as their own. This enables fast decision making with organizations that respond quickly to fast changing design trends. Many of our businesses today are still run by their founding entrepreneurs.

We run these businesses with a minimum of staff based on a second core principle of "minimum interference, maximum accountability".

We believe in strong brands, global product platforms and local management.

We provide our entrepreneurial managers with a network of like-minded companies and colleagues who support their development plans.

We pride ourselves on the long tenure and success of our in-house entrepreneurs, and our ability to invest with a long-term focus.

We excel at rewarding talent with long-term entrepreneurial incentives.

We encourage the application of our key principles in all our companies, with organizational structures that maximize front-line decision-making ability and accountability.

We encourage the rapid advancement of young talent to entrepreneurial roles in our business.

Research and Development

Hunter Douglas was founded on a tradition of bringing breakthrough products to market. Today, we lead the industry in our ability to successfully develop and establish completely new product concepts.

Our unparalleled scale and vertical integration enable us to innovate products end-to-end, from materials to equipment design, from component engineering to automated custom assembly, from industrial design to installation friendly components.

We are pioneers in forming fabrics into unique designs that can trap air for superior insulation, softly diffuse incoming light, and provide privacy while preserving outside views.

We foster a highly collaborative culture among our team of over 300 engineers located in R&D centres around the world where we excel at design for manufacturability and customization.

Our top priorities are achieving the right balance of form and function, managing the quality of light entering the window, combined with the safety and ease of operation of our products.

In 2020 we expect our R & D activities to remain at approximately the same level as in 2019.

Manufacturing & Customization

About 70 years ago Hunter Douglas pioneered the aluminum venetian blind with a unique continuous casting and aluminum fabrication process. Today we apply that willingness and ability to completely innovate the manufacturing process to all aspects of our operations.

We concentrate production of our principal materials in highly specialized global plants, while 87 fabricators located in our key markets ensure quick and efficient delivery of localized product ranges.

Make-to-order manufacturing of premium blinds is a highly complex undertaking. We offer the leading range of operating solutions fitting the very diverse range of window conditions around the world. We also offer a wide range of materials and colors to meet local consumer tastes. We do this around the world, custom made for standard delivery in 5 days.

Our key manufacturing and assembly processes are developed in-house, and we are leaders in the supply of assembly equipment and technology to fabricating customers around the world.

"Think in principles. Focus on the essentials but know your business in every detail"

Global, Multi-Channel Distribution

Another core strength of Hunter Douglas is our ability to service a variety of market opportunities using a portfolio of product designs, brands, and distribution channels most relevant to key consumer segments.

Around the world, consumers share a similar passion for innovative window treatments yet individual consumer style and shopping preferences as well as regional home and window construction details can vary dramatically.

Hunter Douglas satisfies these needs through distinct channel strategies informed by our local market knowledge, adaptation of globalized product designs and marketed through a portfolio of leading consumer brands.

Specialty Retail

The industry's most premium products are marketed under the leading HUNTER DOUGLAS® and LUXAFLEX® brand names, sold through our network of around 10,000 aligned independent specialty dealers around the world. These retailers serve as strategic partners for Hunter Douglas and provide the ultimate in customized, high-end window treatment design services for the most discriminating consumers.

We also service a wide range of specialty dealers through our network of trade brands, targeting more price oriented consumers.

Shop-at-Home

Many consumers appreciate the convenience of an in-home consultation experience. Hunter Douglas provides shop-at-home designers the products, tools and sales support to build their business and wow their clients.

Independent Fabrication

Hunter Douglas supplies a worldwide network of several thousand independent and 87 company-owned fabricators who sell, assemble, and distribute our products via their own networks of local window covering dealers.

Home Centers

The home center channel allows our company to bring its portfolio of window treatments to a more DIY oriented segment of home décor shoppers. Hunter Douglas accomplishes this through a portfolio of brands, including the American industry's best-known mainstream window treatment brand, LEVOLOR®.

Ecommerce

Online shopping is a highly relevant path-to-purchase for many consumers. Hunter Douglas connects with those consumers with a portfolio of unique product brands and designs, specifically crafted to the online shopping community and the associated ecommerce resale partners.

Consumer Marketing

As the global market leader, Hunter Douglas aims for the highest level of customer satisfaction throughout the process of selecting, purchasing and living with our products.

Our focus is on building brands with a reputation for great design and outstanding quality. We actively support our consumer brands with industry leading advertising, generally focused on building demand for our new and proprietary products.

We are increasingly focused on supporting our retail partners with direct response marketing capabilities, including digital marketing and online lead generation.

Our diverse marketing programs are delivered through many global channels including;

- Brand awareness through Radio, Television, Video and Magazine Advertizing Campaigns.
- Inspiring websites with interactive tools that show how our products look in a room or a window, helping consumers pre-select products before visiting our retailers' showrooms.
- Demand generation through digital marketing – reaching consumers through search engine marketing and targeted social media programs.
- Innovative tools to support our architectural clients with technical information on light control, motorization and climate control.

"The only certainty is change. The ability to thrive and flourish depends on flexibility and the willingness to constantly adapt to a changing world"

Retail Development

Hunter Douglas created the industry's first global Retail Alliance Program.

Approximately 90% of our branded products are sold through our Retail Alliance programs.

We offer a very attractive business model for retailers, with turn key support including sales and marketing programs; advertizing and promotional campaigns; sampling, displays and signage; product education and business-building programs; technical service and store management systems. Our products require minimal retail floor space and offer a very high return per square foot of display.

Creating an attractive retail environment is critical for consumers to experience our products. Many of our products and features are completely new to consumers with unique form, function and control options. We help dealers present these products in inspiring and informative settings.

Our training programs help our retailers skilfully demonstrate our products to consumers and select the best product solutions for each window.

Most of our retail dealers offer shop-at-home consultations to help the consumer make their final product selection in the home, as well as taking final measurements. We support our dealers with specialized tools and technology to aid this process.

Proper installation of our products is key to lifetime performance and customer satisfaction. We have extensive training and specialized tools to assist the thousands of professional Hunter Douglas installers around the world.

Community Engagement

We actively support the communities in which we live, work and do business. Decisions of which causes to support and the form that support takes, are made local by our management teams in each country.

We have a 25-year partnership with Habitat for Humanity, whose goal is to eliminate poverty housing and homelessness from the world, and to make decent shelter a matter of conscience and action. We have donated close to 300,000 window coverings to low-income families, and our employees have invested thousands of hours of their "sweat-equity" helping to build hundreds of these homes.

We participate in disaster relief efforts that provide critical assistance in times of tragedy. With the support of our employees and customers, we make substantial donations to organizations aiding in the recovery and relief of those impacted by disasters.

We donate window coverings to hospitals, research centres and healthcare facilities around the world to help create a more comfortable and comforting environment for patients.

Through our 3form® brand, our Full Circle program supports environmental and economic initiatives including education, skills training and microfinance initiatives that help create sustainable communities who collaborate with 3form® to develop highly regarded handcrafted materials.

Our GreenScreen Sea-Tex™ yarns are made from trash collected by the Waterkeeper Alliance, an international group with 300 chapters in 35 countries. The local Waterkeeper Alliance chapters manage beach clean-up events and almost 100% of the plastic shoreline trash they collect is used to make GreenScreen Sea-Tex™ yarns.

Window Coverings

Our strength is our ability to develop and market innovative products, targeted primarily at upscale consumers. Our success is based upon trusted brand names recognized around the world: HunterDouglas®, Luxaflex®, Levolor® and Hillarys®.

Our proprietary fabric shades are consistently recognized for excellence in design, styling, features, quality and breadth of selection: Duette® Honeycomb Shades, Silhouette® and Pirouette® Shades, Luminette® Privacy Sheers, Vignette® and Modern Roman Shades. Our latest innovation - Sonnette™ Cellular Roller Shades - combine the clean lines of a standard roller shade with the innovative design of our original energy-efficient honeycomb shades.

In addition to our proprietary design innovations, we offer a fully integrated and premium line of traditional window covering styles. These include venetian and vertical blinds, roman, roller, pleated and woven wood shades, wood and alternative wood blinds and custom shutters, exterior venetian blinds, sun screen blinds, shutters and awnings.

Our products are designed to offer a range of light control and privacy options with a broad selection of fabrics and materials from sheer to room darkening to opaque. The innovative design of our products can deflect and redirect sunlight precisely. Our specially engineered translucent fabrics diffuse harsh sunlight and draw it deeper into the room – dispersing the light to help illuminate homes naturally and reduce the need for artificial light.

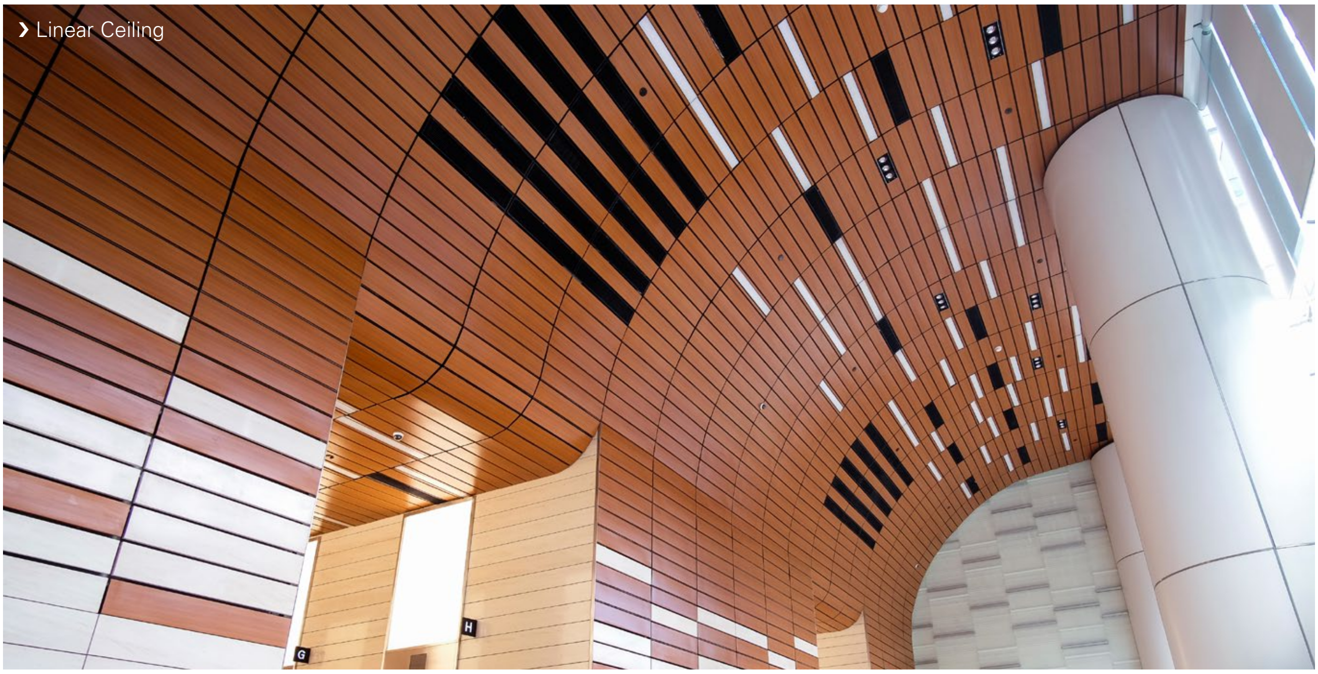
We customize each window covering to the individual consumer's specific needs and typically deliver the manufactured product within a week of ordering.

Our proprietary operating systems make our window treatments easy to use with reliable performance, convenience and improved safety features - as communicated to our customers via our "Designed with Safety in Mind" logo.

Our innovations include the award-winning LiteRise® and SmartCord® lift systems as well as the revolutionary PowerView® Motorization system. PowerView® is an advanced home automation system that allows Hunter Douglas' window treatments to be conveniently operated via a smart phone, tablet or remote control based on personalized settings. The system automatically moves the shades throughout the home to the desired positions at pre-set times. PowerView® also integrates with popular third-party whole-home automation systems.

› Luminette® & Pirouette® Shades

Architectural Products



› Linear Ceiling

At Hunter Douglas, we are continuously developing product solutions that improve building performance and indoor environmental quality, while helping to reduce energy consumption. We focus on high-performance architectural materials with proprietary characteristics in design, comfort and sustainability for both interior and exterior applications.

Our strength is our ability to develop customizable product systems with reliable installation and 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.

Sun-Control Solutions
Hunter Douglas is at the forefront of the emerging field of architectural solar-control products, offering an unparalleled breadth of solutions and expertise to manage heat and light inside and outside the windowed wall, reducing the need for artificial lighting, cooling and heating. With world-class engineering, versatility, durability and style, Hunter Douglas is at the forefront of advanced motorization technology for sun control.

Suspended Ceilings
Luxalon® metal and wood 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. Our latest innovation "HeartFelt®" is a Cradle to Cradle modular felt ceiling system with outstanding acoustics and a unique appearance that has sustainability at its core.

Translucent Architectural Solutions
3form® is the leading manufacturer of decorative translucent resin and glass. Architects and interior designers can play with color, shape, texture, and transparency in a wide range of interior and exterior applications, including back-lit wall features, partitions, ceiling elements, horizontal surfaces, canopies, building accents and signage. Through its LightArt® division, 3form® designs a range of custom lighting fixtures based on these materials.

Terracotta façades
NBK® brand is a pioneering manufacturer of terracotta façades. NBK® is the market and quality leader in size, flatness, and design options for large terracotta panels. The unique design and performance of NBK® solutions can be seen in some of the world's most visually dynamic buildings.

QuadroClad Façade Systems
Our QuadroClad® ventilated façade system features lightweight skins fused to a honeycomb aluminium core that provides extreme strength and flatness. Engineered to deliver both outstanding performance and aesthetics in even the most severe environmental conditions.

Through our global network of specialized manufacturing facilities, we deliver a broad, consistent range of solutions that can be adapted to local design requirements.

Corporate Governance

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

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. The Board has four regular meetings per year and additional meetings as required.
Mr. Ralph Sonnenberg is Executive Chairman.

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, financing, budgets, acquisitions, divestments, capital expenditures, currency hedging, results and other 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.

Officers
The Board annually appoints the Officers of the Company ie the Executive Chairman, Co-Presidents & CEOs and the Regional Presidents and 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 Presidents, has clearly defined Authority Limits.

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

Compensation
Compensation of Directors and Officers is reviewed by the Compensation Committee of the Board. The Company also follows the 'best practices' as far as practical.

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.

Risk Management

For risk management objectives and policies in relation to the financial instruments reference is made to note 27 of the financial statements.

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;
- Have 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:

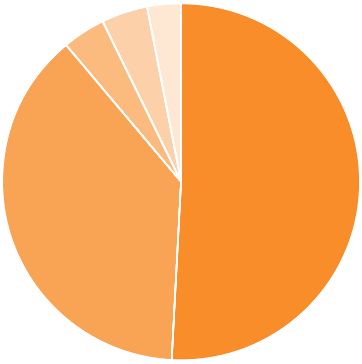
- Overall economic activity and particularly consumer confidence which affects demand for consumer durables. Our decentralized entrepreneurial organization manages these market risks as effectively as possible;
- Prices for raw materials, in particular: aluminum, steel, fabric, synthetics and other oil 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 Metals Trading business are substantially hedged;
- Exchange rates: rates of non US dollar currencies can affect the Company's results. Hunter Douglas' policy is to selectively hedge transactional earnings exposures and generally not to hedge balance sheet exposures.

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

Rotterdam, 11 March 2020

Board of Directors

Worldwide sales



Financial information by region*

USD millions	Europe		North America		Latin America		Asia		Australia		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Net sales												
Window Coverings	**1,344**	1,291	**1,730**	1,573	**86**	92	**54**	67	**128**	115	**3,342**	3,138
Architectural Products	**70**	111	**131**	137	**61**	61	**82**	97			**344**	406
Other		90									**0**	90
Total**	**1,414**	1,492	**1,861**	1,710	**147**	153	**136**	164	**128**	115	**3,686**	3,634
Net assets employed	**1,196**	1,099	**1,150**	824	**90**	103	**124**	154	**109**	93	**2,669**	2,273
of which												
Non-current assets**	**965**	776	**819**	673	**43**	46	**75**	79	**69**	66	**1,971**	1,640
Additions to tangible fixed assets	**37**	34	**79**	74	**3**	6	**3**	4	**3**	4	**125**	122
Depreciation tangible fixed assets	**46**	31	**75**	47	**7**	4	**8**	7	**5**	2	**141**	91
Employees per year-end***	**7,588**	8,133	**13,690**	11,894	**1,467**	1,524	**1,419**	1,517	**556**	550	**24,720**	23,618

(*) This table excludes the net assets employed of nil (2018: 126) of Metals Trading.
(**) Net sales in the Netherlands were 136 (2018: 151) and non-current assets 54 (2018: 40).
(***) Of which 23,518 (2018: 22,213) employed outside the Netherlands.
Relative distribution of employees per business segment per area is in line with net sales per area.

Europe

Record sales and profits.

Aad Kuiper
President & CEO
European Operations

European Operations had another year of record sales and profits, driven by acquisitions, with modest autonomous growth.

Window Covering Products
Our business grew in the Benelux, Scandinavia, Germany, UK and France, as we continued to develop a strong position across our channels.

Specialty Retail, Luxaflex®
Luxaflex® sales continued to increase as product innovations and trade support programs continued to attract more gallery dealers.

In 2019 we introduced 3 new collections: Roller Blinds with stylish looks for every décor, Twist® Roller Blinds with Clearview™ fabric, and a new Wooden Venetian Blind program, with PowerView® Motorisation.

We continued our brand and promotional campaigns for the unique PowerView® Motorisation range which continued to grow. PowerView® won an excellence award from the British Blinds and Shutters Association in the category "best new product or service".

We continued our focus on digital marketing.

Amounts in millions	USD 2019	2018
Net sales		
Window Coverings	**1,344**	1,291
Architectural Products	**70**	111
Other		90
Total	**1,414**	1,492
Net assets employed	**1,196**	1,099
Employees per year-end	**7,588**	8,133

Trade Brands
Our trade brands, which focus on servicing the value oriented consumer through specialty dealers, had another good year with increased sales and profits, to record levels.

Shop-at-Home
Hillarys had a strong start to the year. However, as consumer confidence fell due to political uncertainty, sales momentum slowed towards the end of the year.

Good progress was made with the integration of Thomas Sanderson as several factories and head office were consolidated, alongside increased investment in new products and website.

Arena continued to perform well gaining market share on the back of new products and an improved website and service.

Our Norwegian Shop-at-Home business had level sales and profits, maintaining its strong position.

› Duette® Shades


› Venetian Blinds

Components & Fabrics
Components and fabrics sales to independent fabricators remained a core strength with a continued strong performance.

Benthin and Blöcker, our Germany based manufacturers of vertical, roller blind and pleated blind systems, and Eclipse, our UK distributor of fabrics and components, all continued to perform strongly.

Duette® Shades continued to grow, benefiting from consumer campaigns in Germany and the UK, and increased attention to energy saving.

Home Centers
Sunflex, supplier of packaged products to home centres in the UK, had lower sales but improved profits.

Debel, the leading Danish supplier to the mass merchant channel, performed well and integrated the Kirsch Scandinavian curtain track business.

Gardinia, our distributor of packaged window coverings and curtain tracks to DIY chains in Germany and Eastern Europe in which we held a 74% interest, was divested in a management buy-out in November.

Ecommerce
Blinds2go, the leading online blinds retailer in the UK in which we have a 65% share, had strong sales and profit growth.

In May we acquired Stores-Discount, the leading online blinds retailer in France.

In the Netherlands, we launched Tuiss, an online blinds retailer.

Architectural and Project Market
Sales decreased, mainly as a consequence of our focus on specialty ceilings and challenging market conditions in the Middle East. In most other countries business improved with higher sales and margins.

Heartfelt®, our new modular felt ceiling system, continued its significant growth.

We relocated our specialty ceilings operations in Italy, to the Netherlands.

Our Benelux and Scandinavian project blinds businesses performed strongly and had significant sales and profit growth.

Our NBK terracotta façade business continued its strong performance. We expanded the product portfolio and added a new production line.

Hunter Douglas now offers a wide range of Cradle-to-Cradle Certified™ products for architectural interiors, creating a leadership position in sustainability.

Manufacturing
Our aluminum manufacturing facilities had stable performance, despite lower volumes

Our honeycomb manufacturing business performed well, and we added additional capacity.

Artex, our textile development and production centre in the Netherlands, performed well.

Mermet (FR) and Helioscreen (BE), manufacturing sunscreen fabrics, had strong growth in sales and profits.

Copaco, a Belgian manufacturer of sunscreen fabrics, was acquired in May.

North America

Higher sales and profits.

Ron Kass
President & CEO
North American Operations

2019 was another good year for North America with sales increasing by 9% driven by 11% growth from acquisitions. Our acquisition of 3 Day Blinds, an in-home seller of its own branded window coverings, and our 30% ownership of Select Blinds, an on-line retailer of its own branded window coverings, broadened our reach to consumers.

We completed the implementation of One HD, a new enterprise-wide ERP system. This project, which has spanned the last three years, touched almost every aspect of our operations. The new system, designed to provide much higher levels of information and integration across our divisions, enables us to achieve increases in operational excellence and consumer experience. Even with our successful implementation, we experienced disruptions to service levels in the third quarter, which had a negative effect on sales and profitability.

Our Mexican operations were affected by a government-mandated large increase in minimum wage rates, which increased all wage rates in these facilities. We also experienced increased costs on our Chinese sourced materials due to government-imposed tariffs. While we worked to mitigate a substantial portion of these negative effects through price increases and the resourcing of components from other countries, it still negatively affected profitability.

With the functionality provided by our new ERP system, we set up two teams - the Supply Chain Team - to help coordinate the purchasing, materials planning, and logistics functions and the Business Optimization Team, to drive up service levels and drive down costs. These teams will drive our company-wide operational excellence initiatives.

We entered the soft drapery market with the launch of the new Hunter Douglas Design Studio

Amounts in millions	USD 2019	2018
Net sales		
Window Coverings	**1,730**	1,573
Architectural Products	**131**	137
Other		
Total	**1,861**	1,710
Net assets employed	**1,150**	824
Employees per year-end	**13,690**	11,894

› Sonnette® Shades

› Pirouette® Shades

Collection. This features new fabrics, PowerView® enabled drapery hardware, roman shades, and digitally printed roller shades. Our objective is to offer dealers an easy one-stop resource for high-end soft products to complement our core window coverings products.

PowerView® Motorisation continued to be an engine for growth. We introduced product enhancements, including a 16 Shade PowerSupply Unit, for the wired segment of the market, which is often applicable in new home construction.

Levolor® had a challenging year in which new custom blind product launches significantly increased sales, while profit declined sharply as this top-line improvement was more than offset by unexpected mandated Mexican wage increases and slower than anticipated reorders following the successful transition to cordless stock blinds in 2018.

We continue to support Habitat for Humanity at the national level, and added the option of allowing our dealers to participate with us in home builds in their local markets. Dealers were thrilled to join us to provide new homes to many who could not otherwise afford them.

2019 was a productive year building our internal capabilities and our reach into all of the major channels of the window coverings market.

Latin America

Lower sales but higher profits.

Renato Rocha
President & CEO
Latin American Operations

Our Latin American Operations had lower sales but higher US dollar total profit, while operational profit (excluding translational currency effects) was significantly higher.

Sales were flat in Brazil, Colombia, Argentina, and Venezuela; lower in Chile, Mexico, and Panama; and higher in Peru. Operational profits were higher in all countries except Argentina and Venezuela.

Our window covering business had lower sales, lower US dollar total profit, but higher operational profits. Efficiency and productivity improved while challenging economic conditions continued to pressure margins. Our selective and exclusive Hunter Douglas branded dealer network remained strongly positioned. We continue to focus on a high-end clientele, in part through interior designers.

Sales and profits were higher in the mass merchant channel, where we sell stock window coverings under the leading regional Reggia® brand.

Our strength is in providing tailored merchandising and local service.

Amounts in millions	USD 2019	USD 2018
Net sales		
Window Coverings	**86**	92
Architectural Products	**61**	61
Other		
Total	**147**	153
Net assets employed	**90**	103
Employees per year-end	**1,467**	1,524

Our architectural products business had slightly higher sales and higher operational and total profit. Our strategy is to have local manufacturing capabilities to improve our competitive position while complementing our offer with innovative products from our Chilean operation. This is proving effective in providing better service to leading architects and construction firms.

Brazil
- Flat sales and higher profits, affected by a slow economy and currency devaluation.
- Window coverings had lower sales but higher profits.
- Architectural products had higher sales and profits. Our recently acquired access floor business continued to underperform due to low volumes and a competitive environment.

Mexico
- Lower sales, higher operational but lower total profit.
- Our window covering businesses had lower sales but higher profits.
- Our Reggia® mass merchant program had lower sales and higher profits.
- Our architectural products business had lower sales and profits.

Chile
- Lower sales, higher operational but lower total profit.
- Window coverings had lower sales and profits.
- Architectural Products had flat sales, higher operational but lower total profits.

Colombia
- Lower sales and higher profits.
- Window coverings had lower sales and profits.
- Architectural products had higher sales and profits.
- Stock window coverings had flat sales and lower profits.

Argentina
- Flat sales and operational profits while total profits were lower, affected by significant currency devaluation.
- Window coverings had lower sales and profits.
- Architectural products had higher sales and profits.

Panama, Peru & Venezuela
- Panama had lower sales but higher profits.
- Peru had higher sales and profits.
- Venezuela had flat sales and higher profits, in an economy that remains in crisis.

Asia

Lower sales and profits.

G.C. Neoh
President & CEO
Asian Operations

Asian operations had lower sales and profits mainly due to project delays.

Our window covering business had lower sales and profits mainly due to lower material sales to independent fabricators and a major prefabricated house builder in Japan. Our residential business had slightly lower sales and profits as we pared down our distribution network to exclusive dealers and focus the business on servicing upscale design firms. We upgraded some galleries to design centers with a fresh unified look. We also set up Inspiration Centers in Shanghai and Kuala Lumpur to better serve the designer community. Two inspiration centers are planned in India and one in Singapore. Our commercial project business had lower sales due to project delays but higher profits.

China
- Architectural products had lower sales and profits due to project delays.
- Window covering products had lower sales but higher profits. The residential business had lower sales but higher profits as we revamped our distribution network. The commercial project business had lower sales amid project delays but higher profits.

India
- Architectural products had slightly lower sales but higher profits. We are focusing on several upcoming big airport and MRT projects and some good orders have been secured.
- Window covering products had higher sales and profits.

Japan
- Window covering business had lower sales and profits due to the drop in material sales to house builders. Residential business had higher sales and profits. We upgraded a gallery in central Tokyo to a design centre which can serve as a model for other locations.
- We plan to appoint a suitable licensee to take over the distribution of our architectural products business

Korea
- Lower sales and profits after the sale of the polyester sunscreen manufacturing operation.

Taiwan
- Lower sales and profits.

Southeast Asia
- Level sales but higher profits.

Amounts in millions	USD 2019	2018
Net sales		
Window Coverings	**54**	67
Architectural Products	**82**	97
Other		
Total	**136**	164
Net assets employed	**124**	154
Employees per year-end	**1,419**	1,517

DC Shanghai - Huafu

Australia

Higher sales and lower profits.

Tony Politis
Managing Director
Australia & New Zealand

- Unfavourable economic conditions, falling house prices, record breaking drought and bushfires lead to a five year low in consumer confidence.
- Our Luxaflex® branded window covering busines, supported by a network of 150 aligned retailers, had lower sales and profits across most product categories. This reflected market conditions, however, the decline was not as significant as experienced across the industry.
- Our window covering components business had improved profits as it focussed heavily on lowering expenses and selling more higher margin hardware versus commodity fabrics.
- Vertilux, our specialised commercial fabricator, relocated to new premises which impacted sales in Q1 but recovered strongly for the balance of the year. Sales and profits were lower overall.
- Victory, our shop-at-home business, had lower results as we began a restructuring to lower costs and better align the business with Group practices and resources in this channel.
- Blinds Online, our ecommerce business, had strong sales growth and higher profits. The extension of their curtain range was a significant contributor to the improvement in this category.
- We acquired Blindware in July 2019, a components supplier of primarily roller blind hardware at a mid price point. Q4 sales were strong and this acquisition will provide excellent opportunities both locally and overseas.
- New Zealand Window Shades had a strong second half as delayed commercial projects were delivered and installed. Sales were flat but profits slightly higher.

Amounts in millions	USD 2019	2018
Net sales		
Window Coverings	**128**	115
Architectural Products		
Other		
Total	**128**	115
Net assets employed	**109**	93
Employees per year-end	**556**	550

Luminette® Sheers

› HeartFelt® Ceiling

› Façade

› Linear Ceiling

› 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 2019	2018*
Continuing operations			
Net sales	3	**3,686**	3,634
Cost of sales	4	**-2,163**	-2,172
Gross profit		**1,523**	1,462
Selling and marketing expense	3	**-780**	-708
General and administrative expense	3	**-412**	-447
Income from operations before other income/expense		**331**	307
Other income	4	**81**	75
Other expense	4	**-54**	-36
Income from operations (EBIT)		**358**	346
Finance income	4	**4**	13
Finance costs	4	**-18**	-18
Income before taxes from continuing operations		**344**	341
Taxes on income	20	**-52**	-98
Net profit for the year from continuing operations		**292**	243
Discontinued operations			
Net profit after tax for the year from discontinued operations		**-14**	17
Net profit for the year		**278**	260
Net profit attributable to non-controlling interest			-1
Net profit attributable to equity shareholders		**278**	261
Earnings per share	22		
- Basic, profit for the year attributable to ordinary equity holders of the parent		**7.98**	7.49
- Diluted, profit for the year attributable to ordinary equity holders of the parent		**7.98**	7.49
Earnings per share for continuing operations			
- Basic, profit from continuing operations attributable to ordinary equity holders of the parent		**8.38**	7.00
- Diluted, profit from continuing operations attributable to ordinary equity holders of the parent		**8.38**	7.00

* Refer to note 2

The accounting policies and explanatory notes on pages 32 through 59 form an integral part of the financial statements.

Consolidated statement of comprehensive income for the year

Amounts in millions	USD 2019	USD 2018
Net profit for the year	**278**	260
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods		
Recycle of foreign exchange to P/L	**6**	
Currency translation differences	**32**	-77
Tax effect on other comprehensive income		
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**38**	-77
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		
Actuarial (losses) gains	**-32**	16
Tax effect on other comprehensive income	**6**	9
Other		-6
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**-26**	19
Total comprehensive income for the year, net of tax	**290**	202
Attributable to non-controlling interest	**1**	-2
Attributable to equity shareholders	**289**	204

The accounting policies and explanatory notes on pages 32 through 59 form an integral part of the financial statements.

Consolidated balance sheet as per 31 December

Assets

Amounts in millions	Notes	USD 2019	2018*
Non-current assets			
Intangible fixed assets	7	**1,409**	1,069
Tangible fixed assets	8	**506**	492
Right-of-use tangible fixed assets	9	**145**	
Deferred income tax assets	20	**142**	131
Other financial non-current assets	10	**56**	81
Total non-current assets		**2,258**	1,773
Current assets			
Inventories	11	**618**	771
Trade and other receivables	12	**421**	568
Prepaid income tax		**37**	35
Prepayments	13	**101**	97
Metal derivatives			15
Currency derivatives	27		4
Investment portfolio			1
Cash and short-term deposits	14	**39**	31
Total current assets		**1,216**	1,522
TOTAL ASSETS		**3,474**	3,295

* Refer to note 2

The accounting policies and explanatory notes on pages 32 through 59 form an integral part of the financial statements.

Consolidated balance sheet as per 31 December

Shareholders’ equity and liabilities

Amounts in millions	Notes	USD 2019	2018*
Equity attributable to equity shareholders			
Issued capital	15	**10**	10
Share premium		**167**	81
Treasury shares			-35
Foreign currency translation		**-284**	-321
Legal reserve		**134**	43
Retained earnings		**1,771**	1,722
Total equity attributable to equity shareholders of the parent		**1,798**	1,500
Non-controlling interest	16	**1**	9
Total equity		**1,799**	1,509
Non-current liabilities			
Interest-bearing loans and borrowings	17	**442**	531
Preferred shares	17	**9**	9
Lease liabilities	9	**109**	
Provisions	18	**295**	267
Deferred income tax liabilities	20	**33**	9
Total non-current liabilities		**888**	816
Current liabilities			
Trade and other payables	19	**630**	728
Lease liabilities	9	**42**	
Income tax payable		**29**	30
Restructuring provisions		**3**	6
Currency derivatives	28	**1**	
Interest-bearing loans and borrowings	17	**82**	206
Total current liabilities		**787**	970
TOTAL LIABILITIES		**1,675**	1,786
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,474**	3,295

* Refer to note 2

The accounting policies and explanatory notes on pages 32 through 59 form an integral part of the financial statements.

Consolidated cash flow statement for the year

Amounts in millions	Notes	USD 2019	2018
Net profit from continuing operations		**292**	244
Net profit from discontinued operations		**-14**	17
Adjustments for:			
Depreciation tangible fixed assets	8	**99**	91
Depreciation right-of-use tangible fixed assets		**42**	
Amortization patents & trademarks	7	**23**	19
Increase (decrease) provisions		**18**	-31
Other non-cash items		**-85**	58
Unrealized result investment portfolio			-1
Operating cash flow before working capital changes		**375**	397
Changes in working capital:			
- decrease trade and other receivables and prepayments		**175**	60
- decrease (increase) inventories		**169**	-69
- (decrease) increase trade and other payables		**-173**	18
Operating cash flow		**546**	406
Dividend paid	23	**-79**	-76
Net cash from operations		**467**	330
Cash flow from investing activities			
Investments in subsidiaries, net of cash acquired	5	**-112**	-73
Investments in tangible fixed assets	8	**-125**	-122
Divestment tangible fixed assets	8	**28**	18
Investments in intangible fixed assets	7	**-1**	-3
Decrease investment portfolio		**1**	35
Increase other financial non-current assets		**-1**	
Net cash from investing activities		**-210**	-145
Cash flow from financing activities			
Decrease interest-bearing loans and borrowings	17	**-210**	-184
Payment of lease liabilities	9	**-39**	
Net cash from financing activities		**-249**	-184
Net increase in cash and cash equivalents		**8**	1
Change in cash and cash equivalents			
Balance at 1 January		**31**	32
Net increase in cash and cash equivalents		**8**	1
Exchange difference cash and cash equivalents			-2
Balance at 31 December	14	**39**	31

Income tax paid 84 (2018: 86), interest paid 19 (2018: 22) and interest received 1 (2018: 6) are included in net cash from operations.

The accounting policies and explanatory notes on pages 32 through 59 form an integral part of the financial statements.

Consolidated statement of changes in equity for the year

Amounts in millions	Attributable to equity shareholders of the parent								
	Issued capital	Share premium	Treasury shares	Foreign currency translation	Legal reserve	Retained earnings	Total	Non-controlling interest	Total equity
At 1 January 2018	10	85	-29	-245	0	1,563	1,384	11	1,395
Restatement (see note 2)						-6	-6		-6
At 1 January 2018 (restated)	10	85	-29	-245	0	1,557	1,378	11	1,389
Net profit						261	261	-1	260
Other comprehensive income (expense)				-76		19	-57	-1	-58
Total comprehensive income (expense)	0	0	0	-76	0	280	204	-2	202
Exchange on capital and share premium		-4				4	0		0
Mutation in treasury shares			-6				-6		-6
Addition to legal reserve					43	-43	0		0
Equity dividends						-76	-76		-76
At 31 December 2018 (restated)	10	81	-35	-321	43	1,722	1,500	9	1,509
Net profit						278	278		278
Recycle of foreign exchange to P/L				6			6		6
Other comprehensive income (expense)				31		-26	5	1	6
Total comprehensive income (expense)	0	0	0	37	0	252	289	1	290
Exchange on capital and share premium		-2				2	0		0
Cancellation of shares			35			-35	0		0
Addition to legal reserve					91	-91	0		0
Capital contribution		88					88		88
Disposal							0	-9	-9
Equity dividends						-79	-79		-79
At 31 December 2019	10	167	0	-284	134	1,771	1,798	1	1,799

The accounting policies and explanatory notes on pages 32 through 59 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 2019 were authorized for issue on 11 March 2020. These financial statements will be adopted by the Annual General Meeting of Shareholders on 3 June 2020.

Hunter Douglas N.V is incorporated 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).

Hunter Douglas N.V. is registered at the Chamber of Commerce number 24117994.

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

2. Summary of significant accounting policies

Basis of presentation

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

Statement of compliance

The consolidated financial statements of Hunter Douglas N.V. and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards as issued by the IASB and title 9 of Book 2 of the Civil Code.

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.

Summary of significant accounting policies

As part of the 2019 financial statement closing process, the Company identified that the earn-out arrangement under the so-called put/call options and dividend obligations to non-controlling shareholders were not correctly accounted for in 2018 and prior years. Although the impact was not material for 2018 and before, management adjusted the matter in 2019 retrospectively. As a result, the 2018 closing goodwill decreased by USD 9.3 mln (2018 opening by USD 9.4 mln), the earn-out provisions increased by USD 7.2 mln (2018 opening decreased by USD 3.4 mln), other liabilities decreased by USD 1.5 mln (2018 opening nil effect), equity decreased by USD 15.1 mln (2018 opening by USD 6.0 mln), and profit before tax decreased by USD 8.1 mln.

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. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. 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 Parent 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 Company (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.

Discontinued operations

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 21. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Intangible 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.

Notes to consolidated financial statements

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 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.

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. 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. Non-controlling interests in the acquiree are measured at the proportionate share of the acquiree's identifiable net assets. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized.

Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

In case of the finalization of a purchase price allocation in the following year of the acquisition certain balances, which were based on a provisional assessment of their fair value, will be adjusted in line with IFRS 3.45.

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 and derivatives, 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.

Tangible fixed assets
Tangible fixed assets 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 tangible fixed assets	3 – 10 years
Land is not depreciated	

The carrying values of tangible fixed assets 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. Investments in unconsolidated associates are recorded at equity value.

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 impairment. Under IFRS 9, a forward-looking expected credit loss model must be applied when assessing impairment. In making impairment assessments, the Company applies the standard simplified approach to estimate the lifetime expected credit losses and considers its historical credit loss experience, adjusted for forward-looking factors specific to the nature of the Company 's receivables and economic environment. If any such evidence exists, an impairment allowance is recognized.

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 three months. 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
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.
IAS 23 requires capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Provisions
Provisions are recognized when the Company 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 Company 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 Company operates two 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 Company, nor can they be paid directly to the Company. 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 Company 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 23 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.

Put-call option agreement
A put/call option is initially recognized as a financial asset or liability at its fair value of the underlying redemption amount, with any subsequent changes in its fair value recognized in profit or loss (see note 5 Business combinations).

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 Company's own equity instruments.

Leases
Accounting policy prior to 1 January 2019 - Leases which do not transfer to the Company 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.

Accounting policy as from 1 January 2019 - The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land & buildings	3-50 years
Machinery & equipment	3-5 years
Other	3-5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. See also the policy about tangible fixed assets.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Non-lease components, such as maintenance services, have been combined with the lease components, in accordance with IFRS 16.15.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are reported separately.

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term. All lease liabilities with an initial contract value equal or less than USD 5,000 have been threatened as low-value assets.

Net sales
Net sales are recognized when control over a product is transferred to a customer. This is usually when the product is send to the customer. Revenue is measured at the transaction price which is based on the amount of consideration that the Company expects to receive in exchange for transferring the promised goods to the customer net of freight, returns, allowances and sales tax. 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 aluminum delivered to clients net of direct acquisition and trading costs. This business has been sold on September 13, 2019 (see also note 21).

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 Company 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 Company 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 for hedges except for net investments.

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, with movements in fair value recorded through profit and loss. 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.

New and amended standards and interpretations effective as from 2019
The Company applied IFRS 16 – Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The effect of adoption of IFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

Assets	
Right-of-use tangible fixed assets	122
Total assets	122
Liabilities	
Lease liabilities (non-current)	86
Lease liabilities (current)	36
Total liabilities	122

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

The Company recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:
- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 January 2019:
- Right-of-use assets of 122 were recognized and presented separately in the statement of financial position.
- Additional lease liabilities of 122 (included in lease liabilities (current and non-current)) were recognized.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

Assets	
Operating lease commitments as at 31 December 2018	140
Weighted average incremental borrowing rate as at 1 January 2019	3.6%
Discounted operating lease commitments as at 1 January 2019	122
Lease liabilities as at 1 January 2019	122

IFRIC23
The Company applied IFRIC 23 for the first time in 2019. The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:
- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances.

The interpretation did not have a measurement and presentation impact on the consolidated financial statements of the Company.

IFRS accounting standards issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards and interpretations, if applicable, when they become effective.
- Amendments to References to the Conceptual Framework in IFRS Standards, effective 1 January 2020
- Amendments to IFRS 3 Business Combinations – Definition of a business, effective 1 January 2020
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Interest Rate Benchmark Reform
- Amendments to IAS 39 Financial Instruments: Recognition and measurement and IFRS 7 Financial Instruments: Disclosures - Interest Rate Benchmark Reform
- IFRS 17 Insurance Contracts, effective 1 January 2021
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of material, effective 1 January 2020

The Company does not expect a material impact on its consolidated financial statements from the adoption of these standards.

3. Segment information

The Company has determined its reportable segments based on its internal reporting practices and on how the Company's management evaluates the performance of operations and allocates resources. The segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The window coverings segment relates to sales and manufacturing of window coverings for commercial and residential use. The architectural products segment relates to sales and manufacturing of architectural products mainly for commercial use. Up to 2019, the Metals Trading segment represents trading in metals mainly in contracts on bulk aluminum. During September 2019, the Metals Trading business unit has been disposed of. The Metals Trading segment information has been provided in this note to provide the full picture of the Company and has been presented as discontinued operations. Going forward the remaining reportable segments will be window coverings and architectural products. 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 Company's geographical segments are determined by the location of the Company's assets and operations.

Financial information by region*

USD millions	Europe		North America		Latin America		Asia		Australia		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Net sales												
Window Coverings	**1,344**	1,291	**1,730**	1,573	**86**	92	**54**	67	**128**	115	**3,342**	3,138
Architectural Products	**70**	111	**131**	137	**61**	61	**82**	97			**344**	406
Other		90									**0**	90
Total**	**1,414**	1,492	**1,861**	1,710	**147**	153	**136**	164	**128**	115	**3,686**	3,634
Net assets employed	**1,196**	1,099	**1,150**	824	**90**	103	**124**	154	**109**	93	**2,669**	2,273
of which												
Non-current assets**	**965**	776	**819**	673	**43**	46	**75**	79	**69**	66	**1,971**	1,640
Additions to tangible fixed assets	**37**	34	**79**	74	**3**	6	**3**	4	**3**	4	**125**	122
Depreciation tangible fixed assets	**46**	31	**75**	47	**7**	4	**8**	7	**5**	2	**141**	91
Employees per year-end***	**7,588**	8,133	**13,690**	11,894	**1,467**	1,524	**1,419**	1,517	**556**	550	**24,720**	23,618

(*) This table excludes the net assets employed of nil (2018: 126) of Metals Trading.
(**) Net sales in the Netherlands were 136 (2018: 151) and non-current assets 54 (2018: 40).
(***) Of which 23,518 (2018: 22,213) employed outside the Netherlands.
Relative distribution of employees per business segment per area is in line with net sales per area.

3. Segment information (continued)

Business segments
The following table presents revenue and income information and certain asset and liability information regarding the Company's business segments for the years ended 31 December 2019 and 2018.

Amounts in millions	Window Coverings		Architectural Products		Metals Trading		Total	
	2019	2018	2019	2018	2019	2018	2019	2018*
Continuing operations								
Revenue								
Sales to external customers	**3,342**	3,138	**344**	496			**3,686**	3,634
Segment revenue	**3,342**	3,138	**344**	496			**3,686**	3,634
Total gross profit	**1,384**	1,302	**139**	160			**1,523**	1,462
Selling and marketing expense	**-701**	-618	**-79**	-90			**-780**	-708
General and administrative expense	**-381**	-409	**-31**	-38			**-412**	-447
Income from operations before other income/expense	**302**	275	**29**	32			**331**	307
Other income	**81**			75			**81**	75
Other expense	**-54**	-36					**-54**	-36
Income from operations (EBIT)	**329**	239	**29**	107			**358**	346
Finance income	**4**	13					**4**	13
Finance costs	**-17**	-15	**-1**	-3			**-18**	-18
Income before taxes	**316**	237	**28**	104			**344**	341
Taxes on income	**-48**	-71	**-4**	-27			**-52**	-98
Net profit from continuing operations	**268**	166	**24**	77			**292**	243
Discontinued operations								
Net profit after tax from discontinued operations					**-14**	17	**-14**	17
Net profit for the year	**268**	166	**24**	77	**-14**	17	**278**	260
Net profit attributable to non-controlling interest		-1						-1
Net profit attributable to equity shareholders	**268**	167	**24**	77	**-14**	17	**278**	261
Assets and liabilities								
Segment assets	**3,158**	2,717	**307**	347		205	**3,465**	3,269
Investment in an associate	**9**	26					**9**	26
Total assets	**3,167**	2,743	**307**	347		205	**3,474**	3,295
Segment liabilities	**1,479**	1,462	**196**	224		100	**1,675**	1,786
Total liabilities	**1,479**	1,462	**196**	224		100	**1,675**	1,786
Net assets employed	**2,466**	2,035	**203**	238		126	**2,669**	2,399
Other segment information								
Additions tangible fixed assets	**115**	111	**10**	11			**125**	122
Depreciation tangible fixed assets	**126**	73	**15**	18			**141**	91
Intangibles	**1,377**	1,033	**32**	36			**1,409**	1,069
Amortization patents and trademarks	**20**	16	**3**	3			**23**	19
Non-recurring restructuring expenses	**8**	12	**1**	7			**9**	19

* Refer to note 2

4. Revenues and expenses

Amounts in millions	2019	2018
Finance income		
Bank interest receivable		1
Net result investment portfolio		1
Other financial income	**4**	11
Total finance income	**4**	13
Finance costs		
Bank loans and overdraft	**-6**	-5
Lease liabilities	**-3**	
Other loans (including non-cumulative redeemable preference shares)	**-9**	-13
Total finance costs	**-18**	-18
Other income		
This relates to step-up acquisition of 3 Day Blinds (2018: sale of the US Ceilings' business and divestment of Nedal)	**81**	75
Other expense		
This relates to losses on divestments and adjustments of put/call options over the non-controlling interest (also refer to Note 18) (2018: impairment of goodwill)	**-54**	-36
Non-recurring restructuring expenses are included in the consolidated income statement as follows:		
Cost of sales	**4**	11
Selling and marketing expense	**4**	5
General and administrative expense	**1**	3
	9	19
Non-recurring restructuring expenses mainly relate to the reduction of employees caused by changes of the business per company		
Depreciation, amortization and costs of inventories included in consolidated income statement		
Included in cost of sales:		
Depreciation of tangible fixed assets	**66**	48
Employee benefits expense	**471**	483
Costs of inventories recognized as an expense	**1,626**	1,641
	2,163	2,172
Included in selling and marketing expense:		
Depreciation of tangible fixed assets	**14**	7
Employee benefits expense	**326**	289
Included in general and administrative expense:		
Depreciation of tangible fixed assets	**61**	36
Employee benefits expense	**254**	253
Lease payments		13
Amortization other intangibles	**23**	19
Employee benefits expense		
Wages and salaries	**842**	816
Social security costs	**170**	172
Pension costs	**39**	37
	1,051	1,025

Research costs

Research costs consist of 47 (2018: 47) charged directly to general and administrative expense in the income statement.

5. Business combination

In 2019 Hunter Douglas acquired the following businesses:
- Stores-Discount, a leading e-commerce retailer in France for window covering products since May 2019 with 2019 sales of EUR 15 mln and employs 125 people.
- Copaco Screenweavers, a leading European manufacturer of sunscreen fabrics since May 2019 with 2019 sales of EUR 19 mln and employs 125 people.
- 3 Day Blinds, a North American in-home seller and manufacturer of its own branded line of shades, blinds and draperies since December 2019 with 2019 sales of USD 191 mln and employs about 1,200 people.

The above subsidiaries have been accounted for as 100% acquired as the Company has put/call options over the non-controlling interest. Refer to note 18 for further details.
- 30% of Select Blinds, a North American online retailer of its own branded window covering products since December 2019 with 2019 sales of USD 123 mln.

In 2018 Hunter Douglas acquired the following businesses:
- 51% of New Zealand Window Shades Ltd., the leading window covering fabricator in New Zealand since January, increasing our interest to full ownership, with 2018 sales of NZD 19 mln and employs 96 people.
- 80% of Deco Group Nordic ApS, the leading Danish supplier of window coverings to the mass merchant market since January, with 2018 sales of € 19 mln and employs 75 people.
- 70% of Akant Spzoo, a leading Polish supplier of window coverings since July, with 2018 sales of € 18 mln and employs 266 people.
- Vertilux Corporation Pty. Ltd., the leading commercial fabricator in Australia since August, with 2018 sales of AUD 32 mln and employs 107 people.
- 70% of Victory Curtains & Blinds No. 2 Pty. Ltd., a well-known direct marketing company in Victoria, Australia since August, with 2018 sales of AUD 20 mln and employs 56 people.

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

Recognized on acquisitions	**2019**			**2018**			
Amounts in millions	**US Shop-at-home**	**European Window covering**	**Total**	**European Blind-makers**	**Australian Blind-makers**	**All other**	**Total**
Inventories	**11**	**8**	**19**	8	**3**	3	14
Trade and other receivables	**5**	**23**	**28**	5	**5**	3	13
Cash and short-term deposits	**8**	**11**	**19**	1	**1**		2
Trade and other payables	**-65**	**-23**	**-88**	-7	**-10**	-6	-23
Tangible fixed assets	**8**	**11**	**19**	1	**1**	12	14
Intangible fixed assets	**64**		**64**				
Other non-current assets	**1**		**1**				
Short-term loans		**-3**	**-3**				
Long-term loans		**-9**	**-9**			-6	-6
Deferred income tax provision	**-1**		**-1**				
Other long-term provision	**-7**	**-1**	**-8**	-22	**-3**		-25
Fair value of net assets	**24**	**17**	**41**	-14	**-3**	6	-11
Goodwill arising on acquisitions	**213**	**67**	**280**	62	**24**		86
Total consideration	**237**	**84**	**321**	48	**21**	6	75
Consideration							
Cash paid	**47**	**84**	**131**	48	**21**	6	75
Step-up gain	**81**		**81**				
Equity adjustment	**88**		**88**				
Previous financial interest	**21**		**21**				
	237	**84**	**321**	48	**21**	6	75
Cash outflow on acquisitions:							
Cash paid	**-47**	**-84**	**-131**	-48	**-21**	-6	-75
Net cash acquired with acquisitions	**8**	**11**	**19**	1	**1**		2
	-39	**-73**	**-112**	-47	**-20**	-6	-73

The acquisition of 3 Day Blinds led to a gain of 81. The gain relates to the initial gain on the participation previously held by the Company and is based on an EBITDA multiple of 8. The majority of the shares of 3 Day Blinds was acquired by the Company from a related party at an upfront agreed price of 16. As a result, the Company recorded the difference between the transaction price and the fair value of the remaining shares of 88 directly to goodwill and increased equity by the same amount. Goodwill arising on acquisitions mainly relates to the increase in market share as well as the assembled workforce and are not tax deductible in the future.

6. Impairment testing of indefinitely lived goodwill

The carrying amount of goodwill is allocated to the cash-generating units within the window coverings or 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 9.6% (2018: 9.7%) 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, that no reasonably possible change in any of the above key variables would result in an impairment. For Hillarys' impairment testing of goodwill a longer period up to 2025 is used to calculate the value in use. This includes a combined average growth rate of 9.3%, up to 2025 a growth rate of 3% is applied to determine the terminal value. The pre-tax WACC for Hillarys was set at 8.9%.

7. Intangible fixed assets

Amounts in millions	Goodwill		Patents & Trademarks		Total	
	2019	**2018***	**2019**	**2018**	**2019**	**2018***
At 1 January	**909**	876	**160**	199	**1,069**	1,075
Acquisitions	**280**	86	**64**		**344**	86
Additions	**1**	3			**1**	3
Amortization			**-23**	-19	**-23**	-19
Impairment		-34			**0**	-34
Reclass		12		-12	**0**	0
Exchange	**18**	-34		-8	**18**	-42
At 31 December	**1,208**	909	**201**	160	**1,409**	1,069
At 1 January						
Cost	**909**	879	**275**	295	**1,184**	1,174
Accumulated amortization			**-115**	-96	**-115**	-96
Net carrying amount	**909**	879	**160**	199	**1,069**	1,078
At 31 December						
Cost	**1,208**	909	**339**	275	**1,547**	1,184
Accumulated amortization			**-138**	-115	**-138**	-115
Net carrying amount	**1,208**	909	**201**	160	**1,409**	1,069

* Refer to note 2

Goodwill is not amortized but is subject to annual impairment testing (see note 6). Any impairment on goodwill is recorded in profit or loss through other expenses (see note 4). Patents and trademarks are amortized between 10 and 20 years. For the 2018 acquisitions the fair value amounts were provisional. These have been finalized in 2019 with changes to the provisional amounts (see note 2). For the 2019 acquisitions the fair value amounts and the valuation of the put call options are provisional. This will be finalized in 2020.

The carrying amount of goodwill of 1,208 (2018: 909) exists mainly of goodwill paid for the following 4 (2018: 4) cash generating units:

- The pleated blind systems distribution in Europe (WCP segment) is mainly handled by Benthin and Blöcker in Germany and Thomas Sanderson in the UK. For those companies, acquired in the past, the Company has per balance sheet date an amount of 20 (2018: 20) for goodwill.
- As the US window covering business is very much integrated, we see this business as one cash generating unit. For these companies, acquired in this segment, the Company has per balance sheet date an amount of 419 (2018: 205) for goodwill.
- The acquired online retailer business has per balance sheet date an amount of 175 (2018: 121) for goodwill.
- The acquired Hillarys business has per balance sheet date an amount of 351 (2018: 337) for goodwill.

8. Tangible fixed assets

Amounts in millions	Land & Buildings		Machinery & Equipment		Other fixed assets		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
At 1 January	**211**	226	**257**	270	**24**	26	**492**	522
Additions	**21**	12	**102**	108	**2**	2	**125**	122
Acquisitions	**10**	12	**9**	2			**19**	14
Disposals	**-19**	-12	**-9**	-43		-1	**-28**	-56
Depreciation charge for the year	**-23**	-17	**-74**	-72	**-2**	-2	**-99**	-91
Exchange	**-2**	-10	**-1**	-8		-1	**-3**	-19
At 31 December, net of accumulated depreciation	**198**	211	**284**	257	**24**	24	**506**	492
At 1 January								
Cost	**469**	493	**1,100**	1,210	**60**	63	**1,629**	1,766
Accumulated depreciation	**-258**	-267	**-843**	-940	**-36**	-37	**-1,137**	-1,244
Net carrying amount	**211**	226	**257**	270	**24**	26	**492**	522
At 31 December								
Cost	**470**	469	**1,121**	1,100	**59**	60	**1,650**	1,629
Accumulated depreciation	**-272**	-258	**-837**	-843	**-35**	-36	**-1,144**	-1,137
Net carrying amount	**198**	211	**284**	257	**24**	24	**506**	492

Included in tangible fixed assets at 31 December 2019 is an amount of 37 (2018: 90) relating to expenditure in construction.

9. Right-of-use tangible fixed assets

Amounts in millions	Right-of-use tangible fixed assets				
	Land & Buildings	Machinery & Equipment	Other fixed assets	Total	Lease Liabilities*
At 1 January 2019	101	4	17	**122**	**122**
Additions	59	1	9	**69**	**69**
Disposals	-2		-2	**-4**	**-4**
Depreciation expense	-32	-2	-8	**-42**	
Interest expense				**0**	**3**
Payments				**0**	**-39**
At 31 December 2019	126	3	16	**145**	**151**

* Refer to note 28

The Company has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. Leases of plant and machinery generally have lease terms between 3 and 10 years, while motor vehicles and other equipment generally have lease terms between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of office equipment with low value. The Company applies the 'lease of low-value assets' recognition exemptions for these leases. The lease expense for low-value assets for 2019 were not material.
The Company does not have leases with a lease terms of 12 months or less for which the company applied the 'short-term lease' recognition exemptions for these leases.
The Company had total cash outflows for leases of 39 in 2019.

10. Other financial non-current assets

Amounts in millions	Receivables from key management employees	Other long-term receivables	Investments in associates	Other	2019 Total	2018 Total
At 1 January		43	26	12	**81**	**73**
Additions	1		9	2	**12**	**13**
Deductions		-11	-26		**-37**	**-5**
At 31 December	1	32	9	14	**56**	**81**

11. Inventories

Amounts in millions	2019	2018
Raw materials (at cost)	**433**	475
Work-in-progress (at cost)	**34**	75
Finished goods:		
- At cost	**299**	351
- Provision	**-148**	-130
	618	771

12. Trade and other receivables (current)

Amounts in millions	2019	2018
Trade receivables	**398**	514
Financial institutions	**15**	18
Other receivables	**4**	31
Short-term advances	**4**	5
	421	568

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

As at 31 December 2019, trade receivables at nominal value of 24 (2018: 24) were impaired and fully provided for and relate to the past due trade receivables.

Movements in the provision for impairment of trade receivables were as follows:

Amounts in millions	2019	2018
At 1 January	**24**	24
Additions	**13**	11
Utilized	**-12**	-10
Exchange	**-1**	-1
At 31 December	**24**	24

As at 31 December the ageing of trade receivables is as follows:

Amounts in millions	Not due < 30 days	Not due 30-60 days	Past due 60-90 days	Past due 90-120 days	Past due > 120 days
2019	**299**	**48**	**19**	**16**	**16**
2018	382	69	26	18	19

The company has 347 (2018: 451) of not yet due trade receivables.

Financial institutions

Amounts in millions	2019	2018
Deposits	**15**	14
Redeemed investments		4
	15	18

13. Prepayments

Amounts in millions	2019	2018
Prepaid expenses	**84**	76
Prepaid taxes (no income tax)	**11**	7
Other	**6**	14
	101	97

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.

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 3 months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. At 31 December 2019 the fair value of cash and cash equivalents is 39 (2018: 31).

At 31 December 2019, the Company had available 540 (2018: 469) of undrawn committed borrowing facilities. For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise the following at 31 December:

Amounts in millions	2019	2018
Cash at bank and in hand	**38**	31
Short-term deposits	**1**	
	39	31

Funds in certain countries in which the Company 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 Company.

15. Issued capital and reserves

Numbers x 1,000	Ordinary shares 2019	Ordinary shares 2018
	€ 0.24 each	€ 0.24 each
Issued and fully paid-in		
At 1 January	**35,432**	35,432
Cancellation	**-642**	
At 31 December	**34,790**	35,432
Treasury shares		
At 1 January	**642**	642
At 31 December		642

On 9 January 2019 all Treasury shares were cancelled.

The Sonnenberg Family owns at year-end 2019 28,764,039 (2018: 28,764,039) common shares of Hunter Douglas N.V. representing 82.68% (2018: 81.18%) of the common shares of the Company.

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/positive, the retained earnings cannot be distributed for this amount.

Retained earnings: this reserve is freely distributable.

There are no external capital requirements.

16. Non-controlling interest

Amounts in millions	2019	2018
Gardinia GmbH & Co. KG, Germany		8
Other	**1**	1
	1	9

17. Interest-bearing loans and borrowings

Amounts in millions	Currency	Interest rate	Maturity date	2019	2018
Current					
Bank overdraft		Various *	N/A	**31**	47
Short-term bank loans		Various *	N/A	**51**	45
Current portion of long-term debt	EUR	Various *	N/A		114
				82	206
Non-current					
ABN AMRO	EUR	Various *	N/A		34
Agricultural Bank of China	EUR	Various *	2021	**34**	34
CIC	EUR	Various *	2021		57
Agricultural Bank of China	EUR	Various *	2021	**56**	57
ING Bank	EUR	Various *	2022	**140**	205
Svenska Handelsbanken	EUR	Various *	2022	**112**	115
Bayerische Landesbank	EUR	Various *	2024	**28**	29
Commerzbank	EUR	Various *	2024	**72**	
				442	531
Preferred shares					
Preferred shares	EUR	Various *	N/A	**9**	9

* Mostly at Interbank rates plus a margin

Average life of long-term loans is 2.56 years (2018: 3.04 years); all loans are at variable rates of interest. The balance consists mainly of Euro lines of credit at Interbank interest rates with varying spreads. 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.

The decrease in total interest bearing loans and borrowings of 213 is almost totally caused by positive cash flow .

18. Provisions

Amounts in millions	Pensions (note 24)	Other Employee Benefits	Put / Call Options	Other	Total
At 1 January	67	65	112	23	**267**
Additions from income statement	4	15	21		**40**
Additions from acquisitions			1	7	**8**
Actuarial losses	32				**32**
Utilized	-3	-29	-14	-9	**-55**
Exchange			3		**3**
At 31 December	100	51	123	21	**295**
Non-current 2019	100	51	123	21	**295**
Non-current 2018	67	65	112	23	267

The provision for put/call options relates to options for minority shares in consolidated subsidiaries that have been accounted for as 100% acquired. The maturity of these options is presented in the liquidity risk table in Note 28. The options mature between 2021 and 2027. The options have variable exercise prices based on forecasted results of the subsidiaries against a multiple up to maturity date and are valued as such in the provision. The forecasted results have an element of uncertainty as they relate to the future performance of the related subsidiaries.

19. Trade and other payables (current)

Amounts in millions	2019	2018
Trade payables	**164**	227
Accrued wages, social charges and other compensation	**164**	182
Other payables and accrued expenses	**175**	204
Commissions, discounts and allowances	**27**	45
Other	**100**	70
	630	728

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.

20. Income tax

Major components of income tax expense for the years ended 31 December 2019 and 2018 are:

Amounts in millions	2019	2018
Consolidated income statement		
Current income tax		
Current income tax charge	**35**	59
Adjustments in respect of current income tax of previous years	**-2**	-3
Deferred income tax		
Relating to origination and reversal of temporary differences and recognition of tax losses	**19**	42
	52	98

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 Company's effective income tax rate for the years ended 31 December 2019 and 2018 is as follows:

Amounts in millions	2019	2018
Accounting profit before income tax	**344**	341
At Dutch statutory income tax rate of 25% (2018: 25%)	**86**	85
Tax losses not recognized in prior years	**-13**	-6
Tax losses not recognized in the year		5
Adjustments to previous years	**-2**	-3
Impact different tax rates per country	**-14**	2
Permanent differences	**-1**	2
Effect of NL tax rate change on DTA	**-3**	12
Other	**-1**	1
At effective income tax rate of 15.1% (2018: 28.7%)	**52**	98
Income tax expense reported in consolidated income statement	**52**	98

Deferred tax assets have been only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available, against which the temporary differences can be utilized.
The Company has unused tax losses of 40 (2018: 132), of which 10 expires within 5 years and the remaining 30 has no expiry date. The unused tax losses are available for offset against future taxable profits of the companies in which the losses arose.

20. Income tax (continued)

Amounts in millions	Consolidated Balance Sheet		Consolidated Income Statement		Via O.C.I.	
	2019	2018	2019	2018	2019	2018
Deferred income tax assets						
Losses available for offset against future taxable income	**33**	27	**6**	-9		
Temporary valuation differences:						
Tangible fixed assets				-3		
Inventories	**4**	3	**1**	1		
Pensions	**25**	15	**4**	-14	**6**	7
Trademarks	**53**	60	**-7**	-25		
Other	**27**	26	**1**	8		2
	142	131				
Deferred income tax liabilities						
Temporary valuation differences						
on IP from Hillarys acquisition	**9**	9				
on IP from 3 Day Blinds acquisition	**9**		**-9**			
Other	**15**		**-15**			
	33	9				
Deferred income tax income (expense)			**-19**	-42	**6**	9

21. Metals Trading business

The Company has sold its Metals Trading business on 13 September 2019 to a management group under the leadership of its long-time President, George Ribet.
The results of Metals Trading are presented below:

Amounts in millions	2019 Jan to Sept	Total year 2018
Net sales	**392**	640
Expenses	**-5**	-6
Operating income	**9**	24
Profit (loss) before tax	**-12**	21
Tax	**-2**	-4
Profit (loss) after tax	**-14**	**17**

The net cash flow incurred by Metals Trading is as follows:

Amounts in millions	2019 Jan to Sept	Total year 2018
Operating	**39**	25
Investing	**-3**	
Financing	**-36**	-25
Net cash inflow (outflow)	**0**	0
Earnings per share		
Basic, profit (loss) for the year from discontinued operations	**-0.40**	0.49
Diluted, profit (loss) for the year from discontinued operations	**-0.40**	0.49

22. 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	2019	2018
Net profit attributable to equity shareholders	**278**	261

Numbers x 1,000	2019	2018
Weighted average number of ordinary shares for basic earnings per share	**34,790**	34,790

On January 9, 2019 the company has cancelled 642,089 ordinary shares which were held as Treasury shares.

23. Dividends paid and proposed

Amounts in millions	2019	2018
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Final dividend for 2018: EUR 2.00 (2017: EUR 1.85)	**79**	76
	79	76
Proposed for approval at AGM (not recognized as a liability as at 31 December):		
Equity dividends on ordinary shares:		
Final dividend for 2019: EUR 2.10 (2018: EUR 2.00)	**82**	80
	82	80

24. Employee benefits

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 minority of employees in the United Kingdom and North America are covered by defined benefit plans. The defined benefit plan in North America is 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 as necessary, to provide assets sufficient to meet the benefits payable to defined benefit pension plan participants. These contributions are determined based upon various factors, including funded status, legal and tax considerations as well as local customs. The UK pension plan was frozen as of 1 January 2000. The US pension plan was frozen as of 31 December 2012. No future benefits accruals and no new participants are allowed.

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			
%	US		UK	
	2019	2018	2019	2018
Discount rate	**3.20**	4.30	**2.00**	2.80
Future salary increase	**NA**	NA	**2.90**	3.20
Inflation assumption	**NA**	NA	**2.90**	3.20

Sensitivity analysis: If the discount rate in the US increases (decreases) with 0.25% the pension provision will decrease (increase) with around 11, for the other plans changes are not expected to have a material effect on equity or profit-and-loss.

24. Employee benefits (continued)

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

Amounts in millions	Pension plans			
	US		UK	
	2019	2018	2019	2018
Defined benefit obligations	**-310**	-268	**-70**	-63
Fair value of plan assets	**224**	214	**56**	50
Funded status	**-86**	**-54**	**-14**	**-13**
Net liability in balance sheet	**-86**	-54	**-14**	-13

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

Amounts in millions	Pension plans			
	US		UK	
	2019	2018	2019	2018
Current service cost	**1**	1		1
Interest cost on benefit obligation	**11**	11	**2**	2
Interest return on plan assets	**-9**	-8	**-1**	-1
Net benefit expense	**3**	4	**1**	2
Actual return on plan assets	**28**	-5	**6**	0

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

Amounts in millions	Pension plans			
	US		UK	
	2019	2018	2019	2018
Opening defined benefit obligations	**268**	295	**63**	71
Current service cost and received employee contributions	**1**	1		1
Interest cost on benefit obligation	**11**	11	**2**	2
Benefits paid	**-13**	-13	**-3**	-2
Actuarial loss (gain)	**43**	-26	**5**	-4
Exchange differences on plans			**3**	-5
Closing defined benefit obligations	**310**	268	**70**	63

24. Employee benefits (continued)

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

Amounts in millions	Pension plans US 2019	Pension plans US 2018	Pension plans UK 2019	Pension plans UK 2018
Opening fair value of plan assets	**214**	219	**50**	55
Interest return on plan assets	**9**	8	**1**	1
Contributions	**2**	13	**1**	1
Benefits paid	**-13**	-13	**-3**	-2
Actuarial gain (loss)	**12**	-13	**4**	-1
Exchange differences			**3**	-4
Closing fair value of plan assets	**224**	214	**56**	50
Of which:				
Bonds	**49**	40	**20**	12
Equities	**130**	129	**34**	37
Other	**45**	45	**2**	1
The actual return on plan assets amounts	**12.7%**	-1.5%	**13.3%**	0.3%

For the next years we expect the contributions to remain at the same level as in 2019.

The plan assets do not include any of the Company's own financial instruments, nor any property occupied or other assets used by the Company and exists mainly of hedge funds. The Company expects to contribute approximately 1 to its defined benefit plans in 2020. Contribution by employer will not materially differ from previous years.

Defined contribution plans
The expense of the defined contribution plans for 2019 amounts to 35 (2018: 33).

25. Commitments and contingencies

Capital commitments
At 31 December 2019, the Company has commitments for capital expenditures of 18 (2018: 17).

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 2019:

- The Company is contingently liable for guarantees given mainly for its subsidiaries (guarantees under article 2:403 of Dutch Civil Code), 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.

26. 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.

Amounts in millions	2019	2018
Short-term employee benefits	**21**	20
Total compensation paid to key management employees	**21**	20

As per year-end loans and advances amounted to associates nil (2018: 20) and key management employees amounted to 1 (2018: nil), bearing market interest.

27. Capital management and risk management objectives and policies

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

c. *Commodity derivatives*
Commodity derivatives all relate to aluminum 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.

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 qualify under the normal purchase, sale or usage requirements and are therefore not accounted for as derivatives.

27. Capital management and risk management objectives and policies (continued)

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 Company'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
2019			
Euro	**50**	**2**	
US dollar	**50**		
2018			
Euro	50	3	
US dollar	50		

Foreign currency risk
As a result of significant operations in Europe, the Company's balance sheet can be affected significantly by movements in the US dollar / Euro exchange rates. The Company seeks to mitigate the effect of its structural currency exposure by borrowing in Euros. Between 20% and 50% of the Company'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 Company's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Company's equity (due to changes in the net investments, 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
2019	**5%**	**0**	**151**
	-5%	**-2**	**-151**
2018	5%	0	41
	-5%	0	-41

28. Financial instruments

Derivative financial instruments

Amounts in millions	Face amount	Fair value
Currency forward		
Buy	106	-3
Sell	-23	2
	83	**-1**

Currency forwards are valued at existing forward rates at the balance sheet date.

28. Financial instruments (continued)

Fair values
Set out below is a comparison by category of carrying amounts and fair values of all the Company'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. For financial instruments at fair value, the fair value hierarchy is indicated.

Amounts in millions	Carrying amount		Fair value	
	2019	**2018**	**2019**	**2018**
Financial assets				
Non-current				
Other financial assets - amortized cost	**32**	43	**32**	43
Current				
Trade receivables - amortized cost	**398**	514	**398**	514
Financial institutions and brokers - amortized cost	**15**	18	**15**	18
Metal derivatives - fair value through P&L (level 1 & 2)		15		15
Currency derivatives - fair value through P&l (level 2)		4		4
Investment portfolio - fair value through P&L (level 3)		1		1
Cash and short-term deposits - amortized cost	**39**	31	**39**	31
	452	583	**452**	583
Financial liabilities				
Non-current - amortized cost				
Preferred shares - floating rate*	**9**	9	**9**	9
Other borrowings - floating rate*	**442**	531	**442**	531
	451	540	**451**	540
Current				
Trade payables - amortized cost	**164**	227	**164**	227
Currency derivatives - fair value through P&l (level 2)	**1**		**1**	
Bank overdraft - floating rate* - amortized cost	**31**	47	**31**	47
Short-term bank loans - floating rate* - amortized cost	**51**	45	**51**	45
Current portion of long-term debt - floating rate* - amortized cost		114		114
	247	433	**247**	433

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

28. Financial instruments (continued)

Liquidity risk

Amounts in millions	Within 1 year 2019	Within 1 year 2018	1-2 years 2019	1-2 years 2018	2-3 years 2019	2-3 years 2018	3-4 years 2019	3-4 years 2018	4-5 years 2019	4-5 years 2018	More than 5 years 2019	More than 5 years 2018	Total 2019	Total 2018
Trade payables	**164**	227											**164**	227
Other payables	**498**	538											**498**	538
Lease liabilities	**45**		**32**		**23**		**17**		**12**		**44**		**173**	0
Currency derivatives	**1**												**1**	0
Put/call options	**5**		**37**		**3**	32	**3**		**5**		**70**	77	**123**	109
Floating rate														
Bank loans	**82**	206	**118**	34	**252**	177		320	**72**				**524**	737
Preferred shares											**9**	9	**9**	9
	795	971	**187**	34	**278**	209	**20**	320	**89**	0	**123**	86	**1,492**	1,620

Amounts in millions	Within 1 year 2019	Within 1 year 2018	1-2 years 2019	1-2 years 2018	2-3 years 2019	2-3 years 2018	3-4 years 2019	3-4 years 2018	4-5 years 2019	4-5 years 2018	More than 5 years 2019	More than 5 years 2018	Total 2019	Total 2018
Interest	**5**	6	**3**	5	**2**	4	**1**	2					**11**	17

Assets measured at fair value

Amounts in millions	2019 Fair value measurement at the end of the reporting period using:				2018 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				**0**			1	1
Trading derivatives				**0**	15	4		19
Total	**0**	**0**	**0**	**0**	15	4	1	20

28. Financial instruments (continued)

Liabilities measured at fair value

Amounts in millions	2019 Fair value measurement at the end of the reporting period using:			2018 Fair value measurement at the end of the reporting period using:		
	Level 1	Level 2	**Total**	Level 1	Level 2	**Total**
Description						
Financial liabilities at fair value through profit and loss						
Trading derivatives		**1**	**1**			
Total	**0**	**1**	**1**	0	0	0

Assets measured at fair value based on Level 3

Amounts in millions	2019 Fair value measurement at the end of the reporting period		2018 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	**1**	**1**	34	34
Total gain in profit or loss			1	1
Redemption	**-1**	**-1**	-34	-34
Closing balance	**0**	**0**	1	1

29. Events after balance sheet date

There are no material subsequent events after balance sheet date.

30. Significant subsidiaries

The consolidated financial statements include the assets and liabilities of more than 200 legal entities. The subsidiaries as listed below are the most important operational legal entities including the country in which their main operation is located and the percentage of ownership.

Hunter Douglas Holdings Ltd.	100.0%	
Hunter Douglas Europe B.V.	100.0%	
Hillarys Blinds (Holdings) Ltd.	98.2%	
Blinds2go Ltd.	65.2%	(2018: 60.2%)
Levolor Inc.	100.0%	
3form LLC	100.0%	
Hunter Douglas Fabrication Company	100.0%	
3 Day Blinds LLC	98.2%	

The disclosed subsidiaries represent an approximate total revenue of 2.2 bln (2018: 1.8 bln) and total asset value of 1.3 bln (2018: 0.9 bln).

The principal operating companies are listed on page 70 and 71.

31. Alternative performance measures (APM)

Net assets employed (NAE)

This consists of total assets (excl. investment portfolio and deferred income tax assets) minus non-interest bearing current liabilities.

Amounts in millions	2019	2018
Total assets	**3,474**	3,295
Investment portfolio		-1
Deferred income tax assets	**-142**	-131
Current liabilities (non-interest bearing)	**-663**	-764
Net assets employed	**2,669**	2,399

31. Alternative performance measures (APM) (continued)

Earnings before interest, tax, depreciation and amortization (before other income/expense (EBITDA)

Amounts in millions	2019	2018
Income from operations (before other income/expense)	**331**	307
Non-recurring restructuring expenses	**9**	19
Depreciation	**141**	91
Amortization	**23**	19
EBITDA (before other income/expense)	**504**	436

Return on net assets employed (RONAE)

This represents income from operations (before other income/expense) divided by the 2x average net assets employed.

Amounts in millions	2019	2018
Income from operations (before other income/expense)	**331**	307
Non-recurring restructuring expenses	**9**	19
Income from operations (before other income/expense)	**340**	326
Average net assets employed	**2,533**	2,416

To facilitate the understanding of the economic and financial performance of the Company, management has identified a number of Alternative Performance Measures (APM), which are used to identify operational trends and to make investment and resource allocation decisions. To ensure that the APM are correctly interpreted it is emphasized that these measures are not indicative of the future performance of the Group. The APM are not part of international reporting standards (IFRS) and are unaudited. They should not be taken as replacements of the measures required under the reference financial reporting standards.

The APM should be read together with the consolidated financial information. Since they are not based on the reference financial reporting standards, the APM used by the Company may not be consistent and comparable with those used by other companies or groups. The APM used by the Company have been consistently calculated and presented for all the reporting periods for which financial information is presented in these financial statements.

Set out below are the main APM's identified by the Company:
- Net Assets Employed (NAE)
- Earnings before interest, tax, depreciation and amortization (before other income/expense) (EBITDA)
- Return on Net Assets Employed (RONAE)

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

Amounts in millions	Notes	USD 2019	2018
ASSETS			
Non-current assets			
Financial fixed assets			
- Investments in subsidiaries	2	**2,660**	214
- Advances to subsidiaries	3	**300**	2,648
- Other	4	**68**	67
Total non-current assets		**3,028**	2,929
Current assets			
Accounts receivable		**43**	49
Accounts receivable - affiliated companies		**312**	143
Cash and short-term deposits			
Total current assets		**355**	192
TOTAL ASSETS		**3,383**	3,121
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	5	**10**	10
Share premium		**167**	81
Treasury shares			-35
Foreign currency translation		**-284**	-321
Legal reserve		**134**	43
Retained earnings		**1,493**	1,461
Net result for the year		**278**	261
Total shareholders' equity		**1,798**	1,500
Provisions			
Provision for pensions		**4**	4
Total provisions		**4**	4
Non-current liabilities			
Long-term loans - other	6	**451**	540
Long-term loans - affiliated companies		**295**	297
Total non-current liabilities		**746**	837
Current liabilities			
Short-term borrowings		**47**	178
Accounts payable - other		**9**	7
Accounts payable - affiliated companies		**779**	595
Total current liabilities		**835**	780
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,383**	3,121
STATEMENT OF INCOME			
Income from subsidiaries and affiliates after taxation		**301**	360
Other expense, net		**-23**	-99
Net profit		**278**	261

* 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.

For intercompany receivables the expected credit loss (ECL) would be applicable as well. The ECL on intercompany receivables are recognized in profit and loss, however this could cause differences between equity recognized in the consolidated and separate financial statements. For this reason, the Company will eliminate these differences (if any) through the respective receivable account by reversing the ECL recognized in profit and loss.

2. Financial fixed assets - investment in subsidiaries

Amounts in millions	2019	2018
Beginning of the year	**214**	2,167
Change during the year		
Share in results, net	**301**	360
Actuarial (losses) gains	**-32**	16
Received dividends	**-182**	-338
Increase, net	**2,347***	399
Disposal		-2,354
Exchange differences	**12**	-36
Net change	**2,446**	-1,953
End of year	**2,660**	214

* The loan of EUR 1,964 to Buismetaal IV was converted into capital

3. Financial fixed assets - advances to subsidiaries

Amounts in millions	2019	2018
Beginning of the year	**2,648**	364
Change during the year		
Additions	**13**	2,304
Deductions	**-2,361***	-20
Net change	**-2,348**	2,284
End of year	**300**	2,648

* The loan of EUR 1,964 to Buismetaal IV was converted into capital

4. Financial fixed assets - other non-current assets

Amounts in millions	2019	2018
Beginning of the year	**67**	101
Change during the year		
Additions	**3**	
Deductions		-30
Exchange	**-1**	-4
Net change	**2**	-34
End of year	**69**	67

Other non-current mainly relate to Dutch deferred income tax assets.

5. Shareholders' equity
Details are given in note 15 to the consolidated financial statements.

6. Long-term loans - other

Amounts in millions	2019	2018
Unsecured loans maturing in various installments through 2024	**442**	531

Average life of long-term loans is 2.56 years (2018: 3.04 years); all loans are at variable rates of interest. Maturities until 2024 are 2021: 118, 2022: 252 and 2024: 72.

Amounts in millions	2019	2018
Preferred shares	**9**	9

For the conditions in respect of preferred shares: see page 68.

7. 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.

8. Employee benefits

Compensation* paid to directors was: R. Sonnenberg nil (2018: nil), J.T. Sherwin 909 (2018: 942) as compensation and all other directors total 134 (2018: 142) as directors fee. No pension contributions were paid.

* Amounts in thousands

9. Remuneration of the auditor

	2019	2018
Audit of financial statements	**2.9**	2.4
Non-audit services	**0.3**	0.4
	3.2	2.8

The renumeration for Ernst & Young Accountants LLP in the Netherlands was 0.4 (2018: 0.5) for audit of financial statements and nil (2018: nil) for non-audit services.

10. Employees

The number of employees at year-end amounts 18 (2018: 20), all employed in the Netherlands.

Rotterdam, 11 March 2020

Board of Directors

1. Independent auditor's report

To: the shareholders of Hunter Douglas N.V.

Report on the audit of the financial statements 2019 included in the annual report

Our opinion
We have audited the financial statements 2019 of Hunter Douglas N.V. (the Company), Curaçao. The financial statements include the consolidated financial statements and the company financial statements (collectively referred to as the financial statements).

In our opinion:
- The accompanying consolidated financial statements give a true and fair view of the financial position of Hunter Douglas N.V. as at 31 December 2019, and of its result and its cash flows for 2019 in accordance with International Financial Reporting Standards as adopted by the European Union (EU IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Hunter Douglas N.V. as at 31 December 2019 and of its result for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:
- The consolidated balance sheet as per 31 December 2019
- The following statements for 2019: the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated cash flow statement and consolidated statement of changes in equity
- The notes comprising a summary of the significant accounting policies and other explanatory information

The Company financial statements comprise:
- The balance sheet as per 31 December 2019
- The statement of income for 2019
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in our responsibilities for the audit of the financial statements section of our report.

We are independent of Hunter Douglas N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Our audit approach

Our understanding of the business
Hunter Douglas N.V. operates as a highly decentralized, global federation of small and medium-sized companies that manufacture and market window coverings and architectural products. The group is structured in components and we tailored our group audit approach accordingly. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment. We refer to the key audit matters in this audit opinion for more information.

We start by determining materiality and identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud, non-compliance with laws and regulations or error in order to design audit procedures responsive to those risks, and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Materiality

Materiality
USD 25 mln (2018: USD 22 mln).

Benchmark applied
Approximately 7% of profit before tax, excluding one-off other income and expense as disclosed on the face of the consolidated statement of income.

Explanation
Based on perspectives and expectations of the users of the financial statements in the context of our understanding of the entity and the environment in which it operates we determined the materiality for the financial statements as a whole at USD 25 mln. As Hunter Douglas N.V. is profitable, we consider an earnings based measure to be an appropriate basis to determine our materiality.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.
We agreed with the audit committee that misstatements in excess of USD 1.25 mln, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility
Although we are not responsible for preventing fraud or non-compliance and cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. Non-compliance with laws and regulations may result in fines, litigation or other consequences for the company that may have a material effect on the financial statements.

Our audit response related to fraud risks
In order to identify and assess the risks of material misstatements of the financial statements due to fraud, we obtained an understanding of the entity and its environment, including the entity's internal control relevant to the audit and in order to design audit procedures that are appropriate in the circumstances. As in all of our audits, we addressed the risk of management override of internal control. We do not audit internal control per se for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We considered available information and made enquiries of relevant executives, directors (including internal audit, legal, human resources and area directors) and the audit committee. As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption and have involved forensic experts.

We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls that mitigate fraud risks. In addition, we performed procedures to evaluate key accounting estimates for management bias in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 2 to the financial statements. We have also used data analysis to identify and address high-risk journal entries to the extent possible. For audit procedures performed on manual journal entries in the financial statement close process we refer to the key audit matters in this audit report for more information.

Additional information

We incorporated elements of unpredictability in our audit. We considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance. If so, we reevaluate our assessment of fraud risk and its resulting impact on our audit procedures.

Our audit response related to risks of non-compliance with laws and regulations
We assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of internal audit reports, and through performing substantive tests of details of classes of transactions, account balances or disclosures

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Going concern
In order to identify and assess the risks of going concern and to conclude on the appropriateness of management's use of the going concern basis of accounting, we consider based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Scope of the group audit
Hunter Douglas N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Hunter Douglas N.V.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected 31 group reporting entities for which an audit or review had to be carried out on the complete set of financial information or specific items.
Our group audit mainly focused on significant group reporting entities. We identified 6 group reporting entities which, in our view, required an audit of their complete financial information, either due to their overall size or their risk characteristics. Specific scope audit procedures on certain balances and transactions were performed on 18 group reporting entities. Limited scope procedures are performed on the remaining seven entities.

In establishing the overall approach to the audit, we determined the nature of work that is performed centrally, as group auditors, or by component auditors from Ernst & Young Global member firms or by component auditors not from Ernst & Young Global member firms all operating under our instructions. We have performed the following procedures:

- The group consolidation, financial statements and disclosures and the audit of the following key audit matters, valuation of goodwill and financial statements consolidation process are audited centrally by the group engagement team in addition to the other procedures the group team is responsible for.
- The group audit team further performs specific scope audit procedures for the Dutch reporting entities, Hunter Douglas Europe Unconsolidated and Luxaflex Nederland. The group engagement team visited local management and the auditors of the component which is significant based on size and/or their related risk: Hunter Douglas North America (US). For this location we reviewed the audit files of the component auditor and determined the sufficiency and appropriateness of the work performed. In addition, the group engagement team visited local management and the auditors of the component of Copaco (Belgium) and Stores-discount.com (France), both were acquired by the Company in 2019.
- All component audit teams included in the group scope received detailed instructions from the group audit team including key risk areas and the group engagement team reviewed their deliverables.

In total these procedures represent 77% of the group's total assets, 68% of profit before tax and 70% of gross revenues.

Total Assets

Profit before tax

Gross revenue

- Full scope
- Specific scope
- Limited scope
- Other procedures

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Teaming, use of specialists
We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client. We included specialists in the areas of IT audit, forensics and income tax and

have made use of our own experts in the areas of acquisitions and goodwill impairment analysis.

General audit procedures
Our audit further included among others:
- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Our key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the audit committee. The key audit matters are not a comprehensive reflection of all matters discussed.

In comparison with previous year, we added acquisition accounting as a result of the large impact of the step acquisition of 3 Day Blinds in 2019.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Risk
The Company has a total revenue of USD 3,686 mln in 2019.

Net sales are recognized when control over a product is transferred to a customer. Revenue is measured at the transaction price which is based on the amount of consideration that the Company expects to receive in exchange for transferring the promised goods to the customer net of freight, returns, allowances and sales tax.

Considering the nature of the business and size of net sales, we have determined that revenue recognition with regard to cut-off, constitutes a significant risk.

The disclosures for revenue recognition and sales commitments are included in the financial statements in note 3.

Our audit approach
We performed a combination of internal control and substantive audit procedures to be responsive to this risk.
We obtained an understanding of the processes related to revenue recognition and evaluated the design and implementation of internal control procedures and, when efficient and effective, tested the controls related to the fraud risks identified in this area.
Our procedures included examining contracts with significant customers, performing extensive sales cut-off testing, performing analytical procedures over key revenues streams and comparisons with prior periods. For our procedures we made use of data analytics if and when possible and effective.
Finally, we evaluated the adequacy of the disclosures of the Company in this area.

Key observations
Based on the audit procedures performed, we did not identify any material misstatements in the revenue reported and conclude that the disclosures in the financial statements are adequate.

Valuation of goodwill

Risk
At 31 December 2019 the total carrying value of goodwill amounted to USD 1,208 mln.

Goodwill is allocated to (groups of) Cash Generating Units (CGU) within the window coverings or architectural products segment, which represent the lowest level within the Group at which goodwill is monitored for internal management purposes in accordance with IAS 36.

Impairment tests are performed by group management annually, or more frequently if impairment indicators are present, by comparing the carrying amount and the recoverable amount of the CGU to which non-current assets are allocated. The recoverable amount is the higher of the CGU's fair value less costs of disposal and its value in use. In assessing the recoverable amount, the pre-tax estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

The assumptions used in the impairment test represent management's best estimate for the period under consideration.

Considering the level of uncertainty and subjectivity in the assumptions used in estimating the recoverable amount we have determined that this area constitutes a significant risk. The Company disclosed the nature and value of the assumptions used in the impairment analyses in note 6.

Our audit approach
We designed our audit procedures to be responsive to this risk.
- We obtained an understanding of the impairment assessment process and evaluated the design and implementation of controls related to the significant risk identified in this area
- We validated that the CGUs identified continue to be appropriate in the current year and tested the allocation of assets and liabilities to each CGU
- Our focus included evaluating and testing key assumptions used in the valuation, challenging projected future cash flows and we performed sensitivity analyses
- The forecasted cash flows are an important input for the assessment of the recoverability. We have reconciled these forecasts for the CGUs to the Group's 2020 approved budgets. Considering the nature of the business the 2020 budget is the most accurate forecast for future cash flows and this is extrapolated to future years. We also assessed the forecasting quality by comparing forecasts as included in prior years impairment test to the actual results

We have involved EY valuation experts to support us in these procedures
Finally, we reviewed the adequacy of the disclosures made by the Company in this area

Key observations
The assumptions relating to the impairment model are within acceptable ranges and we agree with management's conclusions. Furthermore, we concluded the disclosures in the consolidated financial statements being appropriate and adequate.

Financial statements consolidation process

Risk
As part of the consolidation process, the Company uses spreadsheets to determine and record eliminations and process numerous manual adjustments and other consolidation entries, which include IFRS adjustments, acquisition accounting (including options), accounting for taxes and leases.

The use of spreadsheets and the numerous manual entries are inherently more prone to errors. We consider this, in combination with the limited number of people involved in the consolidation process, to be a significant risk.

Our audit approach
We designed and performed the following audit procedures to be responsive to this risk:
- We updated our understanding of the consolidation process, performed a walkthrough of the process and the corresponding controls, and evaluated the design of the controls related to the significant risks identified in this area

- We tested the elimination and consolidation adjustments. We performed testing procedures on all material manual journal entries recorded, with additional emphasis on entries with a direct impact on the Company's results. We verified that the adjustments are in line with the accounting policies.

Key observations
Based on our procedures performed, we concluded that the eliminations, manual entries and other consolidation entries are materially correct.

Business combinations — acquisition accounting

Risk
In 2018 the company announced the completion of the acquisitions of Debel, Akant and Vertilux for which the purchase price allocation was provisional in the consolidated financial statements of 2018. The purchase price allocations of these acquisitions have been finalized during 2019.

The 2019 acquisitions of Copaco, Stores-Discount.com and 3 Day Blinds are provisional as per 31 December 2019 in accordance with IFRS 3.

Given the complexity and judgment applied in acquisition accounting, we have identified this as a significant risk as the accumulated impact is material.

Our audit approach
We designed and performed the following audit procedures to be responsive to the significant risk for the 2018 acquisitions:
- We audited the finalization of the purchase price allocation of prior year acquisitions by verifying whether the provisional amounts recognized at the acquisition date reflect new information about the facts and circumstances that existed as of the acquisition date.

We designed and performed the following audit procedures to be responsive to the significant risk for the 2019 acquisitions:
- We updated our understanding of the transaction and the purchase price allocation processes, performed a walkthrough of the process and the corresponding controls, and evaluated the design of the controls related to the significant risks identified in this area.
- We reviewed the board write ups of each new acquisition
- We challenged and verified the existence and valuation of all material assets and liabilities acquired, including intangible assets.
- We inspected the agreements for any additional (contingent) liabilities (or assets) that should be accounted for or disclosed separately.
- We performed procedures on the opening balance sheet and the PPA calculations
- We independently calculated for each acquisition a preliminary valuation for brand names, customers and/or IT platforms to assess if these were individually or in the aggregate material to the Group's financial statements.
- We involved an EY TAS specialist in our team to evaluate the major assumptions and the model applied.
- We evaluated the adequacy of the disclosures made by the Company in this area.

Key observations
The acquisition have been adequately accounted for. We refer to note 5 for the disclosures on the step acquisition of 3 Day Blinds in 2019, which had a positive income statement impact of USD 81 mln.

Report on other information included in the annual report
In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:
- The directors' report
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:
- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.
Management is responsible for the preparation of the other information, including the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code and the other information required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement
We were engaged by the audit committee as auditor of Hunter Douglas N.V. as of the audit for the year 2004 and have operated as statutory auditor ever since that date.

Description of responsibilities for the financial statements

Responsibilities of management and the audit committee for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The audit committee is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Our audit approach section above includes a summary of our responsibilities and the work performed as the basis for our opinion.

Additional information

Communication
We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 20 March 2020

Ernst & Young Accountants LLP

signed by 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 2.10 per common share, with an option of a stock dividend from share premium.

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 3 June 2020 at the Dokweg 19, Maduro Plaza, 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, except to those shareholders who have given written notice of election to receive stock dividends; whereby cash will be distributed in lieu of fractional shares. Such election must be received prior to 22 June 2020, by the depositaries and dividend disbursement agents for bearer shares and by the company for registered shares. Dividends declared pursuant to the preceding paragraphs will be distributed on 25 June 2020.

5. Audit and Compensation Committees

The members for both committees are:

A. Nühn
A. Ruys
F. Wagener

Five-year summary

Millions, except per share data	Notes	2019	2018	USD 2017	2016	2015
Net sales		**3,686**	3,634	3,226	2,821	2,552
Earnings before interest, tax, depreciation and amortization						
(before other income/expense)		**504**	436	391	365	317
Income from operations (before other income/expense)		**340**	326	289	279	237
Net profit from operations						
(before other income/expense)		**273**	223	233	221	175
Other income/expense		**5**	37	-20	-16	-14
Net profit from operations						
(after other income/expense)		**278**	260	213	205	161
Net result investment portfolio			1	6	1	-5
Total net profit		**278**	261	219	206	156
Extraordinary tax gain					65	
Total net profit (after extraordinary tax gain)		**278**	261	219	271	156
Operating cash flow		**546**	406	181	197	210
Investments in tangible fixed assets		**125**	122	130	84	60
Depreciation of tangible fixed assets		**141**	91	82	71	74
Net assets employed	1	**2,669**	2,399	2,434	1,772	1,315
Shareholders' equity		**1,798**	1,500	1,378	1,246	1,065
Per common share						
- Total net profit (before extraordinary tax gain)	2	**7.98**	7.49	6.28	5.91	4.49
- Operating cash flow	2	**15.69**	11.66	5.22	5.67	6.03
- Shareholders' equity	3	**51.69**	43.11	39.62	35.84	30.60
- Dividend in EUR (proposed for 2019)		**2.10**	2.00	1.85	1.75	1.50
Average annual exchange rate EUR/USD		**1.12**	1.18	1.13	1.10	1.11
Year-end exchange rate EUR/USD		**1.12**	1.14	1.20	1.05	1.09
Average number of outstanding common shares (thousands)	4	**34,790**	34,790	34,790	34,786	34,786
Year-end number of outstanding common shares (thousands)	4	**34,790**	34,790	34,790	34,786	34,786

1 Refer to note 31
2 Based on average number of shares outstanding during affected year, adjusted for stock dividends and treasury shares, where applicable.
3 Based on number of shares outstanding at year-end, adjusted for stock dividends and treasury shares, where applicable.
4 Adjusted for stock dividends and treasury shares, where applicable.

Hunter Douglas Principal Operating Companies

Europe, Middle East and Africa
www.hunterdouglasgroup.com

Belgium
Copaco, Harelbeke
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
Debel, Randers (80%)
Luxaflex Scandinavia, Aarhus, Hornum
W.H. Produkter, Odense

France
Hunter Douglas, Paris
Luxalon Plafonds France, Bonneuil
Filtersun, La Loupe
Luxaflex France, Tourcoing
Mermet, Veyrins-Thuellin
Stores-Discount, Villeneuve d'Ascq

Germany
Benthin, Bremerhaven
Blöcker, Bremen
Hunter Douglas, Düsseldorf, Bremerhaven, Kassel
Hunter Douglas Architektur-Systeme, Düsseldorf
NBK, Emmerich

Ireland
T.M. Blinds, Newcastle

Israel
Holis, Afula

Italy
Hunter Douglas Italia, Milan

Netherlands
Hunter Douglas, Rotterdam
Hunter Douglas Europe, Rotterdam, Leek, Oudenbosch
Buismetaal IV, Rotterdam
ABZ Zonwering, 's-Gravenhage
Artex, Aarle-Rixtel
Asco, Roermond
HCI Holland Coating Industries, Hoogeveen
Luxaflex Nederland, Hardinxveld-Giessendam
Luxaflex Outdoor, Eindhoven
Multisol Raambekleding, Nijmegen
Schellekens en Schellekens, Beuningen
Sunway (Benelux), Nieuwegein
Tuiss, Rotterdam

Norway
Hunter Douglas Norge, Gjövik, Oslo
HD Solskjerming, Molde
Luxaflex Scandinavia, Oslo

Poland
Akant, Koszalin (70%)
Hunter Douglas Fabrication, Chludowo
Hunter Douglas Polska, Warsaw
Magnum Metal, Zdunska Wola

Portugal
Luxaflex Portugal, Albergaria-a-Velha, Fajozes
NBK, Figueira da Foz

Romania
Hunter Douglas Romania, Bucharest

Russia
Hunter Douglas, Moscow

Serbia
Hunter Douglas, Belgrade

South Africa
Aluvert, Johannesburg (88.26%)
Luxaflex South Africa, Johannesburg
Hunter Douglas Architectural South Africa, Johannesburg

Spain
Hunter Douglas España, Llagostera, Madrid
Louverdrape, Madrid

Sweden
Hunter Douglas Scandinavia, Alingsås, Hillerstorp
Hunter Douglas Assembly Automation, Stenungsund
Nibrol, Angered
Luxaflex Scandinavia, Helsingborg, Anderstorp, Falköping

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

Turkey
TKIS Blinds, Istanbul

United Arab Emirates
Hunter Douglas Middle East, Dubai

United Kingdom
Apollo Blinds, Glasgow
Blinds2go, Nottingham (65.2%)
Eclipse, Glasgow
Hillarys, Nottingham (98.2%)
Hunter Douglas, Sunninghill,
Luxaflex Stockport, Birmingham
Stevens, Brechin
Sunflex, Cannock
Thomas Sanderson Blinds, Waterlooville
Turnils, Glasgow

North America
www.hunterdouglas.com

Canada
Hunter Douglas Canada, Brampton (ON)
Levolor, Oakville (ON)
Select Blinds, Saint-Laurent (QC) (30%)
Shade-O-Matic, Brampton (ON)
Turnils, Oakville (ON)

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 Metals and Distribution Centre, Tupelo (MS)
Hunter Douglas Plastics and Casting Centre, Owensboro (KY)
Hunter Douglas Custom Shutter Division, Tempe (AZ)
Hunter Douglas Horizontal Blinds Division, Tempe (AZ)
Hunter Douglas Fabrication: Cumberland (MD), Salt Lake City (UT), West Sacramento (CA)
3form, Salt Lake City (UT)
Architectural Window Shades/Nysan Specialty Shades, El Monte (CA)
Carole Fabrics, Augusta (GA)
Century Blinds, Corona (CA)
Comfortex Window Fashions, Maplewood (NY)
Contract Window Coverings, Poway (CA)
Custom Brands Group, Cerritos (CA)
Eclipse Shutters, Suwanee (GA)
Flexo Solutions, Appleton (WI)
HD Hospitality, Las Vegas (NV)
Kirsch Drapery Hardware, Buford (GA)
Levolor, Atlanta (GA), High Point (NC), Ogden (UT)
LightArt, Seattle (WA)
Mermet, Cowpens (SC)
Nibrol/Julius Koch USA, Lancaster (SC)
Timber Blinds Manufacturing, McKinney (TX)
Select Blinds, Meza (AZ) (30%)
3 Day Blinds, Irvine (CA)
Turnils, Buford (GA)
Vista Products, Jacksonville (FL)

Hunter Douglas Principal Operating Companies

Latin America
www.hunterdouglas.cl

Argentina
Hunter Douglas Argentina, Buenos Aires

Brazil
Hunter Douglas do Brasil (99.78%), São Paulo, Campinas

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

Colombia
Hunter Douglas de Colombia (95%), Bogotá

Mexico
Hunter Douglas de Mexico, Mexico City
ILM, Playas de Rosarito

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, Suzhou, Xian, Chengdu, Shenzhen,
Hunter Douglas Window Covering Products, Shanghai, Beijing, Shenzhen
Turnils/Mermet, Shanghai

Hong Kong
Hunter Douglas China/Hong Kong

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

Indonesia
Hunter Douglas Indonesia, Jakarta, Cikarang

Japan
Hunter Douglas Japan, Tokyo, Ibaraki

Korea
Hunter Douglas Korea, Seoul, Gumi City

Malaysia
Hunter Douglas Malaysia, Kuala Lumpur
Turnils-Mermet Asia, Kuala Lumpur

Singapore
Hunter Douglas Singapore, Singapore

Taiwan
Hunter Douglas Taiwan, Taipei

Thailand
Hunter Douglas Thailand, Bangkok

Vietnam
Hunter Douglas Indochina, Ho Chi Minh City, Hanoi, Danang, Can Tho, Phnom Penh (Cambodia)
Blaze, Hanoi (49%)

Australia
www.hunterdouglas.com.au

Australia
Hunter Douglas Components, Sydney
Hunter Douglas Blindmaker, Sydney, Brisbane
Turnils, Sydney
Blinds Online, Melbourne (65.2%)
Blindware, Melbourne
Vertilux, Melbourne
Victory Curtains and Blinds, Melbourne

New Zealand
New Zealand Window Shades, Auckland

Hunter Douglas N.V.

Directors

R. Sonnenberg
Executive Chairman
Hunter Douglas N.V.

A. Nühn
Former Chairman Sara Lee/DE

A. Ruys
Chairman Heineken N.V. (retired)
(since January 2017)

J.T. Sherwin
Executive Vice President
Hunter Douglas N.V. (retired)

F.N. Wagener
Chairman Bourse Luxembourg

Officers

R. Sonnenberg
Executive Chairman

D.H. Sonnenberg
Co-President & CEO

M.H. Sonnenberg
Co-President & CEO

R.R. Kass
President & CEO
North American Operations

C. King
Vice President General Counsel

A. Kuiper
President & CEO European Operations

G.C. Neoh
President & CEO Asian Operations

T. Politis
Managing Director Hunter Douglas
Australia & New Zealand

L. Reijtenbagh
Vice President, CFO & Secretary

R. Rocha
President & CEO Latin American
Operations

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- Amsterdam (HUNDP)

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R. Sonnenberg
Executive Chairman

C. King
Vice President, General Counsel &
Secretary

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Depositaries and dividend disbursement agents
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- ING BANK: Amsterdam, Rotterdam - The Netherlands

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