

HunterDouglas

THE MARKET

Not so long ago, window fashions were nothing more than just a way to dress a window. Then Hunter Douglas embarked on a long conversation with its customers, and from that dialogue a new idea was born. Window fashions must be more than window dressing; they should be a way to change the dynamics of a room.

Hunter Douglas provides everything the consumer needs in order to change the light in a way that best suits their needs. There are a number of key elements in the selection process – light source, privacy issues, style options and window shape. And with increased consumer awareness, energy efficiency, UV protection and child safety have also become important considerations for homeowners.

Hunter Douglas is the world market leader in window coverings and a major manufacturer of architectural products. With a head office in Rotterdam, the Netherlands, the Group comprises 161 companies in more than 100 countries. In 2005, the Hunter Douglas Group had sales of euro \$1,920 million.



Hunter Douglas employs over 16,000 people worldwide, with more than 9,000 in North America, which accounts for about one-half of total worldwide sales. Hunter Douglas operates in a highly decentralized mode to better serve each individual country and market.

Hunter Douglas Canada is the country's leading resource for custom window fashions and

serves more than 2,000 dealers nationwide. The company operates two plants, one in Brampton, Ontario and the other in Edmonton, Alberta in order to provide outstanding service to all markets.

ACHIEVEMENTS

Hunter Douglas has garnered numerous industry accolades and annual product awards that celebrate innovative style and design. Five notable introductions have assured the company's dominance as the world leader in superior window coverings, and all were developed in North America, primarily for the Canadian and U.S. markets.

- **1985** — Duette® honeycomb shades were launched, revolutionizing the window covering industry. By the end of 1988, Duette shades enjoyed a 60 percent share of the pleated shade market. The patented honeycomb construction provides the consumer with the ultimate choice in light control, privacy options and energy efficiency.
- **1991** — Silhouette® window shadings were introduced and achieved rapid success. Unlike any other product on the market, Silhouette window shadings give the consumer the ability to transform harsh light into gentle, diffused beauty and create a sense of luminous calm, while still providing a view.

- **1994** — Vignette® Modern Roman Shades brought another innovative product into the marketplace. A unique and dramatically improved innovation on the traditional Roman shade, Vignette shades had an immediate impact and continue to enjoy strong sales.

- **1996** — Luminette® Privacy Sheers were introduced and provided a new option for a traditional window covering. They were created to completely manage the light in the home on large window expanses. The graceful folds recall traditional draperies but with a lighter and softer feel.

- **2003** — Alouette® LightLouvers product was launched. When fully opened, the elliptical louvers offer

the consumer a virtually unobstructed view of the outside and make an impressive architectural statement.

These top quality products are all backed by consistently superior service and a commitment to not only satisfy, but delight today's consumers.

Hunter Douglas is also a company that is committed to the highest safety and environmental



standards in its manufacturing processes. In addition, it offers employees outstanding benefits as well as platforms for growth through training and education initiatives. Employee retention is a priority and key employees boast an average of 17 years experience with Hunter Douglas.

HISTORY

The origins of the Hunter Douglas Group go back to 1919, when Henry Sonnenberg started a machinery distribution company in Düsseldorf, Germany. He later expanded his operations into machinery manufacturing and opened facilities in Holland and the United Kingdom. At the outbreak of WW II, he moved to the United States, where he founded the Douglas Machinery Corporation.

In 1946, Sonnenberg established the Hunter Douglas Corporation in association with Joe Hunter, a gifted inventor. Together, they developed a revolutionary continuous casting process for aluminium. With this manufacturing technology, they produced and commercialized the modern aluminium venetian blind. This revolutionary new product quickly gained leadership in the American market.

In 1956, policy differences led to the sale of the U.S. assets, but not the Hunter Douglas brand, and Henry Sonnenberg moved the company headquarters to Montreal, Canada.

In 1969, the Hunter Douglas Group headquarters were transferred from Montreal to Rotterdam, and Hunter Douglas N.V. became the worldwide Group holding company. In 1976, Hunter Douglas reacquired its former North American business, which is now Hunter Douglas Inc.

Over the last 25 years, Hunter Douglas has exploded in growth — with sales in North America increasing exponentially. The company's commitment to innovation has made it an unrivalled leader in new product development,

continually meeting — and exceeding — the expectations of today's discriminating consumer for on-trend style and superior functionality in home fashions.

New product innovations have gone hand in hand with a commitment to the highest standards in custom manufacturing and the development of a first rate network of fabricator partners.

Hunter Douglas also provides excellent service to its customers. Strategic investments in marketing and communications infrastructure as well as IT have made Hunter Douglas a company that effectively supports window fashions retail dealers and drives consumers to them.

Hunter Douglas has repeatedly won industry acclaim for its extensive dealer training and education programs — the first of their kind — as well as its merchandising initiatives and its ongoing communications and advertising to consumers. In fact, the company is the leading advertiser in the field and has been for over 20 years.

In the last quarter century, thanks to the efforts of Hunter Douglas, window coverings have been transformed from a commodity into fashion for the home.

THE PRODUCT

The company's strength is in its ability to develop and market innovative, high quality, proprietary window fashions targeted primarily to the upscale consumer and supported by outstanding customer service.

Exclusive Hunter Douglas fabric window coverings are consistently recognized for excellence in design, styling, features, quality and breadth of selection: Duette® honeycomb shades, Silhouette® window shadings, Vignette® Modern Roman Shades, Luminette® Privacy Sheers and Alouette® LightLouvers.

Hunter Douglas also offers additional fashion-forward and colour-coordinated window coverings at various price points. These include horizontal and vertical blinds, roman, roller and woven wood shades, pleated shades, wood and alternative wood blinds.

Each product is custom-made for each consumer's specific needs and tastes and delivered within days.

The proprietary operating systems are equally innovative and unique. They offer ease-of-use,



reliable performance and convenience, with essential child safety elements built into each product.

RECENT DEVELOPMENTS

The Alustra™ Collection. In 2004, The Alustra™ Collection was launched in Canada to a network of Hunter Douglas dealers who met certain sales and support criteria. This collection is a new line of high-end custom window coverings based on the company's best selling product categories. From luminous sheers to elegant woven textures at the window, The Alustra Collection offers the highest standard of style for discriminating homeowners.

This exclusive collection was recently named product of the year by the Window Covering Manufacturer Association (WCMA), the eighth consecutive year that Hunter Douglas products have won this prestigious award.

The Hunter Douglas Gallery. In 2006, the Hunter Douglas Gallery® program was introduced to a host of loyal and dedicated retailers across the nation. Gallery dealers are committed to Hunter Douglas products and receive extensive marketing support and sales training to ensure they are completely focused on the goal of providing consumers with a thoroughly satisfying shopping experience.

The Gallery program provides the consumer with a showroom featuring the full line of Hunter Douglas products showcased in a compelling display environment. The trained professionals in Hunter Douglas Gallery stores help guide the consumer to a solution and a choice that is distinctly theirs in a way that makes shopping and selecting a product stress-free.

Direct Connect. In late 2005, Hunter Douglas offered its dealers an online order entry system to place their custom orders. This Internet-based system allows them to access tools that enhance the selling process and helps them to effectively manage their business.

Direct Connect offers everything from flexible product option comparisons at the click of a button, to automated prospective client follow-up, to the flexibility of being able to order 24/7.

PROMOTION

Hunter Douglas strategically positions itself to the retail dealer and the consumer alike as a manufacturer of quality, high-end product for the home. Television and consumer print ads featuring the *Light Can Change Everything™* commitment captivate a homeowner's imagination with the idea that they can change the dynamics of their living spaces by using Hunter Douglas custom window coverings that "paint" rooms with light.

BRAND VALUES

Light Can Change Everything. The brand promise is the cornerstone of the company's commitment to the consumer. To shape the light as it enters, creating a mood, reflecting an attitude, personalizing the home with a luminous signature. In short, it is the company's belief that the product should bring not just beauty and privacy to the surroundings, but feelings of contentment and serenity as well.

Hunter Douglas products require the hands-on involvement of true artisans, piece-by-piece attention and a true pride in craftsmanship through every step of the production process. And that is exactly what goes into all Hunter Douglas custom window fashions.



THINGS YOU DIDN'T KNOW ABOUT HUNTER DOUGLAS

- Duette honeycomb shades can increase the energy efficiency of a single pane of glass by almost four times and more than double the energy efficiency of a double-glazed window.
- Every Habitat for Humanity house built in Canada includes custom window fashions donated by Hunter Douglas.