



SECOND QUARTER FISCAL 2014 RESULTS

July 17, 2014



Forward Looking Statements

This presentation contains "forward-looking" statements that refer to future events and expectations. This presentation addresses future plans, outlook, objectives and financial performance including expectations for future sales growth and earnings per diluted share (GAAP and non-GAAP) for the third quarter and full year fiscal 2014. In addition, forward-looking statements may be identified by words such as "anticipate," "believe," "could," "confident," "estimate," "expect," "forecast," "hope," "intend," "likely," "may," "plan," "possible," "potential," "predict," "project," "should," "will," "would" and variations of such words and similar expressions. Forward-looking statements involve known and unknown risks, which may cause the Corporation's actual future results to differ materially from expected results. These risks include, without limitation: the Corporation's ability to realize financial benefits from its (a) price increases, (b) cost containment and business simplification initiatives, (c) investments in strategic acquisitions, new products and brand building, (d) investments in distribution and rapid continuous improvement, (e) ability to maintain its effective tax rate, (f) repurchases of common stock and (g) consolidation and logistical realignment initiatives; uncertainty related to the availability of cash and credit, and the terms and interest rates on which credit would be available, to fund operations and future growth; lower than expected demand for the Corporation's products due to uncertain political and economic conditions; slow or negative growth rates in global and domestic economies or in the domestic housing market; lower industry growth than expected; major disruptions at key facilities or in the supply of any key raw materials, components or finished goods; competitive pricing pressure from foreign and domestic competitors; higher than expected costs and lower than expected supplies of materials; higher costs for energy and fuel; changes in the mix of products sold and of customers purchasing; relationships with distribution channel partners, including the financial viability of distributors and dealers; restrictions imposed by the terms of the Corporation's revolving credit facility and note purchase agreement; currency fluctuations and other factors described in the Corporation's annual and quarterly reports filed with the Securities and Exchange Commission on Forms 10-K and 10-Q. The Corporation undertakes no obligation to update, amend or clarify forward-looking statements.

Conference Call Agenda

2nd Quarter Assessment

Review of 2nd Quarter Financials

Outlook

Q&A

Income Statement	2Q14	2Q13	\$ change	% change / Basis Point Change
Net Sales	\$509.1	\$510.7	(\$1.6)	-0.3%
Non-GAAP Gross Profit (excluding restructuring & impairment and transition costs) ⁽¹⁾	\$184.6	\$174.7	\$9.9	5.7%
% of Net Sales	36.3%	34.2%		210
Restructuring and Impairment ⁽²⁾	\$2.6	-	\$2.6	
Transition Costs ⁽³⁾	\$0.8	-	\$0.8	
GAAP Gross Profit	\$181.1	\$174.7	\$6.5	3.7%
% of Net Sales	35.6%	34.2%		140
Freight & Distribution ⁽⁴⁾	\$46.7	\$45.3	\$1.4	3.2%
% of Net Sales	9.2%	8.9%		30
Non-GAAP Other SG&A (excluding F&D; restructuring & impairment costs and gain/loss on sale of assets) ⁽⁵⁾	\$108.6	\$106.8	\$1.8	1.7%
% of Net Sales	21.3%	20.9%		40
Restructuring and Impairment ⁽⁶⁾	\$10.3	(\$0.0)	\$10.3	N/A
(Gain) loss on sale ⁽⁷⁾	(\$1.3)	\$2.5	(\$3.8)	N/A
GAAP SG&A	\$164.2	\$154.5	\$9.7	6.3%
% of Net Sales	32.3%	30.3%		200
Operating Income ⁽⁸⁾	\$16.9	\$20.2	(\$3.2)	-16.1%
% of Net Sales	3.3%	3.9%		-60
Interest Expense (Net)	\$2.0	\$2.6	(\$0.5)	-20.5%
Net Income - Parent Company	\$9.7	\$11.4	(\$1.7)	-15.0%
% of Net Sales	1.9%	2.2%		-30
EPS (diluted) - GAAP	\$0.21	\$0.25	(\$0.04)	-16.0%
EPS (diluted) - Non-GAAP	\$0.39	\$0.28	\$0.11	39.3%
Shares (diluted)	45.9	46.1	(0.2)	-0.5%

(1) Increase in margin mainly due to better price realization, strong operational performance, and higher hearth volume offset partially by lower office furniture volume

(2) 2Q14 includes accelerated depreciation related to consolidation of office furniture facilities

(3) 2Q14 includes transition costs not classified as restructuring costs related to transitioning production to other office furniture facilities

(4) Higher carrier rates and distribution investments partially offset by increased cube utilization

(5) Dollar increase mainly due to increased incentive-based compensation

(6) 2Q14 includes restructuring costs related to closure and consolidation of office furniture facilities

(7) 2Q14 reflects gain on sale of CA air emission credits; 2Q13 reflects loss on sale of a small non-core office furniture business

(8) Excluding restructuring and transition costs and non-operating gains/losses non-GAAP OI is \$29.3M compared to \$22.6M prior year

2nd Quarter Results – Segments

Segment Breakdown	2Q14	2Q13	\$ change	% change / Basis Point Change
Sales				
Office Furniture ⁽¹⁾	\$423.4	\$436.2	(\$12.7)	-2.9%
Hearth Products ⁽²⁾	\$85.7	\$74.5	\$11.2	15.0%
Total	\$509.1	\$510.7	(\$1.6)	-0.3%
Operating Profit				
Office Furniture ⁽³⁾	\$18.2	\$22.1	(\$3.9)	-17.6%
Office Furn Oper Margin ⁽⁴⁾	4.3%	5.1%		-80
Hearth Products	\$8.5	\$5.7	\$2.8	48.8%
Hearth Oper Margin ⁽⁵⁾	9.9%	7.6%		230
Unalloc Corp Exp	(\$11.9)	(\$10.2)	\$1.6	
Income Before Taxes	\$14.9	\$17.6	(\$2.7)	-15.5%

(1) Organic decreased \$4.6M; -1.1%. Supplies driven channel up 2.3%; all other down 4.6%. Divestitures (\$8.1)M; -1.9%

(2) New Construction Channel up 13.1%; Remodel/Retrofit up 17.7%

(3) Excluding restructuring and transition costs, impairment charges and gain/loss on sale of assets, non-GAAP operating profit is \$32.0M vs. \$24.6M prior year

(4) Margin negatively impacted by lower volume, unfavorable mix and restructuring, transition and impairment charges offset partially by better price realization, strong operational performance and loss on sale of small non-core business in prior year.

(5) Margin positively impacted by increased volume and better price realization offset partially by increased warranty expense and higher incentive-based compensation.

3rd Quarter

Net Sales – Consolidated	Up +2% to +6% (Up +3% to +7% Organically)
Office Furniture Sales	Up +1% to +5% (Up +2% to +6% Organically)
Hearth Sales	Up +9% to +13%
Interest Expense	\$2.1 Million
Annual Effective Tax Rate	35%
Non-GAAP Earnings Per Diluted Share ⁽¹⁾	\$0.68 - \$0.73

Fiscal Year 2014

Non-GAAP Earnings Per Diluted Share ⁽¹⁾	\$1.75 - \$1.85
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(1) Excludes restructuring and impairment charges, transition costs and gain/loss on sale of assets.



Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures. A "non-GAAP financial measure" is a numerical measure of a company's financial performance that excludes or includes amounts different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets or statements of cash flow of the company. We have provided a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measure.

The non-GAAP financial measures used within this presentation are: operating income, operating profit and net income per diluted share (i.e., EPS), excluding restructuring and impairment charges, transition costs and gain/loss on sale. Non-GAAP EPS is calculated using the Corporation's overall effective tax rate for the period. We present these measures because management uses this information to monitor and evaluate financial results and trends. Management believes this information is also useful for investors. This presentation also contains a forward-looking estimate of non-GAAP earnings per diluted share for the third quarter and full fiscal year 2014. We provide such non-GAAP measures to investors on a prospective basis for the same reasons we provide them to investors on a historical basis. We are unable to provide a reconciliation of our forward-looking estimate of non-GAAP earnings per diluted share to a forward-looking estimate of GAAP earnings per diluted share because certain information needed to make a reasonable forward-looking estimate of GAAP earnings per diluted share for the full fiscal year is difficult to predict and estimate and is often dependent on future events which may be uncertain or outside of our control. These may include unanticipated charges related to asset impairments (fixed assets, intangibles or goodwill), unanticipated acquisition related costs and other unanticipated non-recurring items not reflective of ongoing operations.

Non-GAAP Reconciliations

Second Quarter – Non-GAAP Financial Measures

(Reconciled with most comparable GAAP financial measures)

	Three Months Ended 6/28/2014		
Dollars in millions except per share data as reported (GAAP)	Gross Profit	Operating Income	Diluted EPS
	\$181.1	\$16.9	\$0.21
<i>% of Net Sales</i>	35.6%	3.3%	
Restructuring and impairment	\$2.6	\$12.9	\$0.18
Transition Costs	\$0.8	\$0.8	\$0.01
Gain on Sale	-	(\$1.3)	(\$0.02)
Results (non-GAAP)	\$184.6	\$29.3	\$0.39
<i>% of Net Sales</i>	36.3%	5.8%	

	Three Months Ended 6/29/2013		
Dollars in millions except per share data as reported (GAAP)	Gross Profit	Operating Income	Diluted EPS
	\$174.7	\$20.2	\$0.25
<i>% of Net Sales</i>	34.2%	3.9%	
Restructuring and impairment	-	(\$0.0)	(\$0.00)
Transition Costs	-	-	-
Gain on Sale	-	\$2.5	\$0.03
Results (non-GAAP)	\$174.7	\$22.6	\$0.28
<i>% of Net Sales</i>	34.2%	4.4%	

Non-GAAP Reconciliations (Cont.)

Second Quarter – Non-GAAP Financial Measures

(Reconciled with most comparable GAAP financial measures)

Dollars in millions

Operating profit as reported (GAAP)

% of Net Sales

Restructuring and impairment

Transition Costs

Loss on sale

Operating profit (non-GAAP)

% of Net Sales

Office Furniture			Percent Change
Three Months Ended			
6/28/2014	6/29/2013		
\$18.2	\$22.1		-17.6%
4.3%	5.1%		
\$12.9	(\$0.0)		
\$0.8	-		
-	\$2.4		
\$32.0	\$24.6		30.2%
7.6%	5.6%		