



1st Quarter Financial Results
April 17th, 2014

Forward Looking Statements

This presentation contains "forward-looking" statements that refer to future events and expectations. These statements address future plans, outlook, objectives and financial performance including expectations for future sales growth and earnings per diluted share (GAAP and non-GAAP) for the second 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.



- 1st Quarter Assessment
- Review of 1st Quarter Financials
- Outlook
- Q&A

Income Statement	1Q14	1Q13	\$ change	% change Basis Pt Change	Comments
Net Sales	452.2	442.3	9.9	2.2%	
GAAP Gross Profit	155.2	147.8	7.4	5.0%	Increase in margin mainly due to higher hearth products volume and increased price realization offset partially by lower office furniture volume and unfavorable mix in the office furniture segment.
% of Net Sales	34.3%	33.4%		90	
Freight & Distribution	41.0	41.8	(0.7)	-1.8%	Improved cube utilization
% of Net Sales	9.1%	9.4%		-30	
Non-GAAP Other SG&A (excluding F&D, restructuring costs and gain on sale)	104.2	102.8	1.4	1.4%	Dollar increase due to strategic initiatives and increased incentive-based compensation.
% of Net Sales	23.0%	23.2%		-20	
Restructuring and Impairment	(0.0)	0.2	(0.2)	NM	1Q14 and 1Q13 include restructuring costs related to closure and consolidation of previously announced office furniture facilities.
Gain on Sale	(8.4)	-	(8.4)		1Q14 includes gain on sale of vacated facility
GAAP SG&A	136.8	144.7	(7.9)	-5.5%	
% of Net Sales	30.2%	32.7%		-250	
Operating Income	18.4	3.1	15.3	499.0%	Excluding restructuring costs and gain on sale of facility non-GAAP OI is \$10.0M compared to \$3.2M in prior year
% of Net Sales	4.1%	0.7%		340	
Interest Expense (Net)	2.1	2.5	(0.4)	-15.3%	
Net Income -HNI	11.1	1.4	9.7	688.2%	
% of Net Sales	2.5%	0.3%		220	
EPS (diluted) - GAAP	\$ 0.24	\$ 0.03	\$ 0.21	700.0%	
EPS (diluted) - Non-GAAP	\$ 0.12	\$ 0.03	\$ 0.09	300.0%	
Shares (diluted)	45.8	45.7	0.1	0.3%	

1st Quarter Results – Segments

Segment Breakdown	1Q14	1Q13	\$ change	% change Basis Pt Change	Comments
Sales					
Office Furniture	358.4	365.8	(7.5)	-2.0%	Organic decreased \$0.7M; -0.2%. Supplies driven channel down 5.9%; all other up 6.3%. Divestitures \$(6.8)M ; -1.9%.
Hearth Products	93.8	76.5	17.4	22.7%	New Construction Channel up 12.2%; Remodel/Retrofit up 31.7%
Total	452.2	442.3	9.9	2.2%	
Operating Profit					
Office Furniture	16.5	8.7	7.8	89.6%	Excluding restructuring costs and gain on sale of vacated facility non-GAAP operating profit is \$8.1M vs \$8.9M prior year
Office Furn Oper Margin	4.6%	2.4%		220	Margin positively impacted by increased price realization, freight efficiencies and gain on sale of vacated facility offset partially by lower volume and unfavorable mix.
Hearth Products	11.7	3.6	8.1	226.0%	
Hearth Oper Margin	12.5%	4.7%		780	Margin positively impacted by increased volume and higher price realization offset partially by higher incentive based compensation.
Unalloc Corp Exp	(11.9)	(11.7)	0.2	-1.8%	
Income Before Taxes	16.3	0.6	15.7	2834.5%	



Financial Outlook

2nd Quarter

Net Sales – Consolidated	Flat to up +4% (Up +2% to +6% Organically)
Office Furniture Sales	Down -2% to Up +2% (Down +1% to Up +3% Organically)
Hearth Sales	Up +15% to +19%
Interest Expense	\$2.3 million
Annual Effective Tax Rate	35%
Non-GAAP Earnings Per Diluted Share ¹	\$0.32 to \$0.37

Fiscal Year 2014

Non-GAAP Earnings per Diluted Share ¹	\$1.70 to \$1.85
--	------------------

¹ Excludes restructuring and transaction costs. Full year also excludes gain on the sale of a vacated facility.

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 earnings release are: operating income, operating profit, SG&A and net income per diluted share (i.e., EPS), excluding restructuring and impairment charges, transition costs and gain on sale of a vacated facility. 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 second 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.



First Quarter – Non-GAAP Financial Measures
(Reconciled with most comparable GAAP financial measures)

Dollars in millions except per share data as reported (GAAP)	Three Months Ended 3/29/2014		Three Months Ended 3/30/2013	
	Operating <u>Income</u>	Diluted <u>EPS</u>	Operating <u>Income</u>	Diluted <u>EPS</u>
	\$18.4	\$0.24	\$3.1	\$0.03
<i>% of Net Sales</i>	4.1%		0.7%	
Restructuring and impairment	-	-	\$0.2	-
Gain on Sale	(\$8.4)	(\$0.12)	-	-
Results (non-GAAP)	\$10.0	\$0.12	\$3.2	\$0.03
<i>% of Net Sales</i>	2.2%		0.7%	



Additional Non-GAAP Reconciliations

First 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
Gain on Sale

Operating profit (non-GAAP)
% of Net Sales

Office Furniture		
Three Months Ended		Percent
<u>3/29/2014</u>	<u>3/30/2013</u>	<u>Change</u>
\$16.5	\$8.7	89.6%
4.6%	2.4%	
-	\$0.2	
\$8.4	-	
\$8.1	\$8.9	-8.9%
2.3%	2.4%	