



3rd Quarter Financial Results
October 17, 2013

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 fourth quarter and full year fiscal 2013. 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 and the protracted decline 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.



- 3rd Quarter Assessment
- Review of 3rd Quarter Financials
- Outlook
- Q&A

Income Statement	3Q13	3Q12	\$ Change	% change Basis Pt Change	Comments
Net Sales	565.7	550.9	14.9	2.7%	
Non-GAAP Gross Profit (excluding restructuring and transition costs)	199.9	191.5	8.3	4.3%	Increase in margin mainly due to higher volume and better price realization offset partially by new product ramp up and operation reconfigurations to meet changing market demands.
% of Net Sales	35.3%	34.8%		50	
Transition Costs	-	0.2	(0.2)		3Q12 includes transition costs not classified as restructuring costs related to transitioning production to other office furniture facilities.
GAAP Gross Profit	199.9	191.3	8.5	4.5%	
% of Net Sales	35.3%	34.7%		60	
Freight & Distribution	50.0	49.4	0.7	1.4%	Increased volume offset by favorable cube utilization and network savings.
% of Net Sales	8.8%	9.0%		-20	
Non-GAAP Other SG&A (excluding F&D and restructuring & transition costs)	104.6	99.6	5.0	5.0%	Dollar increase due to volume related expenses, strategic investments and incentive-based compensation.
% of Net Sales	18.5%	18.1%		40	
Restructuring and Impairment	0.1	0.2	(0.1)	NM	3Q13 & 3Q12 include restructuring costs related to consolidation of office furniture facilities.
Transition Costs	-	0.4	(0.4)	NM	3Q12 includes transition costs related to consolidation of office furniture facilities.
GAAP SG&A	154.8	149.6	5.2	3.5%	
% of Net Sales	27.4%	27.2%		20	
Operating Income	45.1	41.7	3.4	8.1%	Excluding restructuring and transition costs non-GAAP OI is \$45.2M compared to \$42.5M in prior year
% of Net Sales	8.0%	7.6%		40	
Interest Expense (Net)	2.7	2.5	0.2	6.6%	
Income tax rate	33.9%	38.0%		-410	
Net Income - Parent Company	28.1	24.5	3.6	14.7%	
% of Net Sales	5.0%	4.4%		60	
EPS (diluted) - GAAP	\$ 0.61	\$ 0.53	\$ 0.08	15.1%	
EPS (diluted) - Non-GAAP	\$ 0.61	\$ 0.55	\$ 0.06	10.9%	
Shares (diluted)	46.1	45.8	0.3	0.6%	



3rd Quarter Results – Segments

Segment Breakdown	3Q13	3Q12	\$ Change	% change Basis Pt Change	Comments
Sales					
Office Furniture	466.2	467.8	(1.6)	-0.3%	Organic growth of \$10.9M; 2.3%. Supplies driven channel up 0.5%; all other up 4.9%. Acquisitions net of divestitures (\$12.5M); -2.7%
Hearth Products	99.5	83.1	16.4	19.8%	
Total	565.7	550.9	14.9	2.7%	New Construction Channel up 29.9%; Remodel/Retrofit up 13.0%
Operating Profit					
Office Furniture	40.7	38.4	2.3	5.9%	Excluding restructuring and transition costs non-GAAP operating profit is \$40.8M vs \$39.2M prior year Margin positive impacted by higher volume, better price realization and distribution network savings offset partially by new product ramp up and operation reconfigurations to meet changing market demands.
Office Furn Oper Margin	8.7%	8.2%		50	
Hearth Products	14.4	9.1	5.3	58.7%	Margin positively impacted by higher volume, better price realization and lower input costs offset partially by investments in growth initiatives and higher incentive based compensation.
Hearth Oper Margin	14.5%	10.9%		360	
Unalloc Corp Exp	(12.7)	(8.3)	(4.4)		Increase due to investments in BST, increased incentive based compensation and timing of expenses.
Income Before Taxes	42.4	39.2	3.2	8.2%	



Financial Outlook

4th Quarter

Net Sales – Consolidated	Flat to up 3% (up 2-5% organically)
Office Furniture Sales	Down 2% to up 1% (Flat to up 3% organically)
Hearth Sales	Up 8-11%
Interest Expense	\$2.5 million
Annual Effective Tax Rate	34%
Non-GAAP Earnings Per Diluted Share ¹	\$0.43 to \$0.48

Fiscal Year 2013

Non-GAAP Earnings per Diluted Share ¹	\$1.35 - \$1.40
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¹ Excludes restructuring and transition costs. Full year also excludes loss on sale of business.

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: gross profit, operating income, operating profit and net income per diluted share (i.e., EPS), excluding restructuring and impairment charges, transition costs and loss on sale of a business. 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 earnings release also contains a forward-looking estimate of non-GAAP earnings per diluted share for the full fiscal year 2013. 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 Reconciliation

Third Quarter – Non-GAAP Financial Measures

(Reconciled with most comparable GAAP financial measures)

	Three Months Ended 09/28/2013			Three Months Ended 09/29/2012		
	Gross Profit	Operating Income	EPS	Gross Profit	Operating Income	EPS
Dollars in millions except per share data						
As reported (GAAP)	\$199.9	\$45.1	\$0.61	\$191.3	\$41.7	\$0.53
% of Net Sales	35.3%	8.0%		34.7%	7.6%	
Restructuring and impairment	-	\$0.1	\$0.00	-	\$0.2	\$0.00
Transition costs	-	-	-	\$0.2	\$0.6	\$0.01
Results (non-GAAP)	\$199.9	\$45.2	\$0.61	\$191.5	\$42.5	\$0.55
% of Net Sales	35.3%	8.0%		34.8%	7.7%	



Additional Non-GAAP Reconciliations

Third Quarter – Non-GAAP Financial Measures

(Reconciled with most comparable GAAP financial measures)

Dollars in millions	Office Furniture		Percent <u>Change</u>
	<u>09/28/2013</u>	<u>09/29/2012</u>	
Operating profit as reported (GAAP)	\$40.7	\$38.4	5.9%
% of Net Sales	8.7%	8.2%	
Restructuring and impairment	\$0.1	\$0.2	
Transition costs	-	\$0.6	
Operating profit (non-GAAP)	\$40.8	\$39.2	4.0%
% of Net Sales	8.8%	8.4%	