



4th Quarter Financial Results
February 7, 2012

Forward Looking Statements

Statements in this release that are not strictly historical, including statements as to plans, outlook, objectives and future financial performance, are "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements include, without limitation, expectations for (i) sales growth to be between 10 and 13 percent for the first quarter of fiscal 2012, (ii) non-GAAP earnings per diluted share (excluding restructuring charges and transition costs) to be in the range of (\$0.05) to \$0.00 for the first quarter of fiscal 2012, and (iii) non-GAAP earnings per diluted share (excluding restructuring charges and transition costs) to be in the range of \$1.30 to \$1.50 for fiscal 2012. In addition, 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 identify forward-looking statements. Forward-looking statements involve known and unknown risks, which may cause the Corporation's actual results in the future 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 for the entire Corporation, (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, including the recent credit crisis, 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; uncertainty related to disruptions of business by terrorism, military action, epidemic, acts of God or other Force Majeure events; competitive pricing pressure from foreign and domestic competitors; higher than expected costs and lower than expected supplies of materials (including steel and petroleum based materials); higher than expected 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, whether as a result of new information, future events or otherwise, except as required by applicable law.



- 4th Quarter Assessment
- Review of 4th Quarter Financials
- Outlook
- Q&A

Income Statement	4Q11	4Q10	\$ Change	% Change % Pt Change	Comments
Net Sales	500.3	466.1	34.1	7.3%	
Non-GAAP Gross Profit (excluding restructuring and transition costs)	178.3	164.4	13.9	8.4%	Increase in margin mainly due to higher volume and better price realization offset partially by increased material costs.
% of Net Sales	35.6%	35.3%		0.3% pts	
Restructuring and Impairment	0.1	0.3	(0.2)		4Q11 and 4Q10 include accelerated depreciation related to consolidation of office furniture production.
Transition Costs	0.2	0.2	(0.0)		4Q11 and 4Q10 include transition costs not classified as restructuring costs related to transitioning production to other office furniture facilities.
GAAP Gross Profit	178.0	163.9	14.1	8.6%	
% of Net Sales	35.6%	35.2%		0.4% pts	
Freight & Distribution	43.0	39.5	3.5	8.9%	Increased volume, higher fuel costs and mix of customers.
% of Net Sales	8.6%	8.5%		0.1% pts	
Non-GAAP Other SG&A (excluding F&D, restructuring & impairment costs and non-operating gains)	104.4	97.4	7.0	7.2%	Dollar increase due to volume related expenses, increased incentive-based compensation and costs associated with new acquisition.
% of Net Sales	20.9%	20.9%		-	
Restructuring and Impairment	1.1	6.6	(5.5)	N/M	4Q11 includes restructuring costs related to consolidation of office furniture facilities; 4Q10 includes restructuring costs for office furniture of \$1.4M and hearth products of \$5.2M.
Non-operating Gains	(0.4)	-	(0.4)	N/A	Gain on sale of excess land
GAAP SG&A	148.2	143.5	4.6	3.2%	
% of Net Sales	29.6%	30.8%		-1.2% pts	
Income from Continuing Operations	29.8	20.4	9.5	46.6%	Excluding restructuring, impairment and transition costs and non-operating gains non-GAAP OI from Cont Ops is \$30.8M compared to \$27.5M in prior year.
% of Net Sales	6.0%	4.4%		1.6% pts	
Interest Expense (Net)	2.6	3.2	(0.6)	-17.5%	
Income tax rate	33.7%	26.9%		6.8% pts	2010 reflects reinstatement of research tax credit for full year.
Net Income - Parent Company	18.1	12.5	5.6	44.6%	
% of Net Sales	3.6%	2.7%		0.9% pts	
EPS Cont Ops (diluted) - GAAP	\$ 0.40	\$ 0.27	\$ 0.13	48.1%	
EPS Cont Ops (diluted) - Non-GAAP	\$ 0.41	\$ 0.39	\$ 0.02	5.1%	
EPS (diluted) - GAAP	\$ 0.40	\$ 0.27	\$ 0.13	45.9%	
Shares (diluted)	45.8	45.7	0.0	0.0%	

4th Quarter Results – Segments

Segment Breakdown	4Q11	4Q10	\$ Change	% Change % Pt Change	Comments
Sales					
Office Furniture	402.4	374.8	27.6	7.4%	Acquisitions accounted for \$8.2M of increase; 2.2%. Organic growth of \$19.4M; 5.2%. Supplies driven channel up 3.0%; all other up 7.3%. New Construction Channel up 5.8%; Remodel/Retrofit up 7.7%.
Hearth Products	97.9	91.3	6.5	7.1%	
Total	500.3	466.1	34.1	7.3%	
Operating Profit					
Office Furniture	32.2	24.6	7.6	30.9%	Excluding restructuring and transition costs and non-operating gains non-GAAP operating profit is \$33.2M vs \$26.4M prior year. Margin positively impacted by higher volume, better price realization offset partially by higher input costs.
Office Furn Oper Margin	8.0%	6.6%		1.4% pts	
Hearth Products	9.4	5.4	4.0	74.0%	Excluding restructuring and impairment costs non-GAAP operating profit is \$9.4M vs \$10.7M prior year. Margin positively impacted by increased volume, better price realization and lower restructuring costs offset partially by higher input costs, selling/marketing investments and incentive-based compensation.
Hearth Oper Margin	9.6%	5.9%		3.7% pts	
Unalloc Corp Exp	(14.4)	(12.8)	1.6		
Income Before Taxes	27.2	17.2	10.0	58.4%	



Financial Outlook

1st Quarter

Net Sales – Consolidated	Up 10-13%
Office Furniture Sales	Up 12-15% (up 7-10% organically)
Hearth Sales	Flat to Up 4%
Interest Expense	\$2.6 million
Effective Tax Rate	36%
Non-GAAP Earnings Per Diluted Share ¹	\$(0.05) to \$0.00

Fiscal Year 2012

Non-GAAP Earnings per Diluted Share ¹	\$1.30 - \$1.50
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¹ Excludes restructuring and impairment charges, transition costs and non-operating gains

Non-GAAP Financial Measures

This earnings release contains certain non-GAAP financial measures. A "non-GAAP financial measure" is defined as 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. Pursuant to the requirements of Regulation G, 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, selling and administrative expense, operating income, operating profit and net income per diluted share from continuing operations (i.e., EPS), excluding restructuring and impairment charges, transition costs and non-operating gains. 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. We provide such non-GAAP measures to investors on a prospective basis for the same reasons (set forth above) 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. Such events 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

Fourth Quarter – Non-GAAP Financial Measures – Continuing Operations

(Reconciled with most comparable GAAP financial measures)

	Three Months Ended 12/31/2011				Three Months Ended 1/01/2011			
	Gross Profit	SG&A	Operating Income	EPS	Gross Profit	SG&A	Operating Income	EPS
Dollars in millions except per share data								
As reported (GAAP)	\$178.0	\$148.2	\$29.8	\$0.40	\$163.9	\$143.5	\$20.4	\$0.27
% of Net Sales	35.6%	29.6%	6.0%		35.2%	30.8%	4.4%	
Restructuring and impairment	\$0.1	(\$1.1)	\$1.2	\$0.02	\$0.3	(\$6.6)	\$6.9	\$0.11
Transition costs	\$0.2	-	\$0.2	\$0.00	\$0.2	-	\$0.2	\$0.01
Non-operating gain	-	\$0.4	(\$0.4)	(\$0.01)				
Results (non-GAAP)	\$178.3	\$147.4	\$30.8	\$0.41	\$164.4	\$136.9	\$27.5	\$0.39
% of Net Sales	35.6%	29.5%	6.2%		35.3%	29.4%	5.9%	

Additional Non-GAAP Reconciliations

Fourth Quarter – Non-GAAP Financial Measures

(Reconciled with most comparable GAAP financial measures)

	Office Furniture			Hearth Products		
	Three Months Ended		Percent	Three Months Ended		Percent
	<u>12/31/2011</u>	<u>1/1/2011</u>	<u>Change</u>	<u>12/31/2011</u>	<u>1/1/2011</u>	<u>Change</u>
Dollars in millions						
Operating profit as reported (GAAP)	\$32.2	\$24.6	30.9%	\$9.4	\$5.4	74.0%
% of Net Sales	8.0%	6.6%		9.6%	5.9%	
Restructuring and impairment	\$1.2	\$1.7		-	\$5.3	
Transition costs	\$0.2	\$0.2				
Non-operating gains	(\$0.4)	-				
Operating profit (non-GAAP)	\$33.2	\$26.4	25.4%	\$9.4	\$10.7	-11.7%
% of Net Sales	8.2%	7.1%		9.6%	11.7%	