

[www.steelcase.com](http://www.steelcase.com)  
NYSE: SCS



**steelcase** inc

March 28, 2013

# FOURTH QUARTER FISCAL 2013 RESULTS

Quarter ended February 22, 2013

**WEBCAST**

Thursday, March 28, 2013

**steelcase** inc

## Forward-looking statements

From time to time, in written and oral statements, the company discusses its expectations regarding future events and its plans and objectives for future operations. These forward-looking statements generally are accompanied by words such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "intend," "may," "possible," "potential," "predict," "project," or other similar words, phrases or expressions. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to vary from the company's expectations because of factors such as, but not limited to, competitive and general economic conditions domestically and internationally; acts of terrorism, war, governmental action, natural disasters and other Force Majeure events; changes in the legal and regulatory environment; restructuring activities; changes in raw materials and commodity costs; currency fluctuations; changes in customer demands; and the other risks and contingencies detailed in the company's most recent Annual Report on Form 10-K and its other filings with the Securities and Exchange Commission. Steelcase undertakes no obligation to update, amend or clarify forward-looking statements, whether as a result of new information, future events or otherwise.

## Updating of information

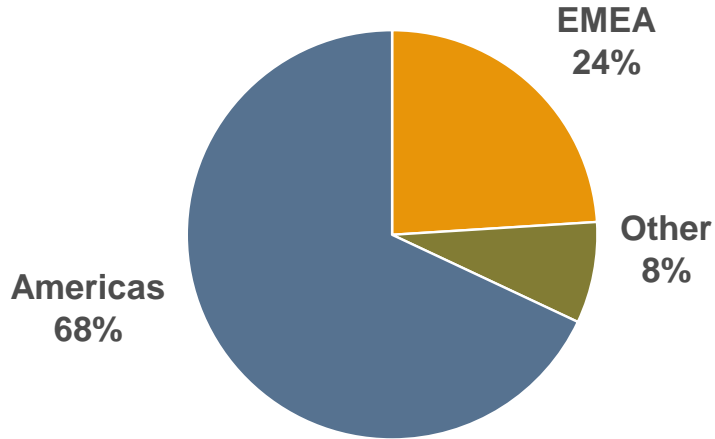
This presentation is provided as a supplement to our earnings release conference call and webcast on the date stated on the cover and is intended to be read in connection with the information provided therein and the related earnings press release. The information contained in this presentation is provided as of the date stated on the cover and may be superseded by information disclosed in our subsequent Form 10-Q, Form 10-K or other filings with the Securities and Exchange Commission. We undertake no obligation to update, amend or clarify this presentation, or any forward-looking statements included herein, whether as a result of new information, future events or otherwise.

## Basis of presentation

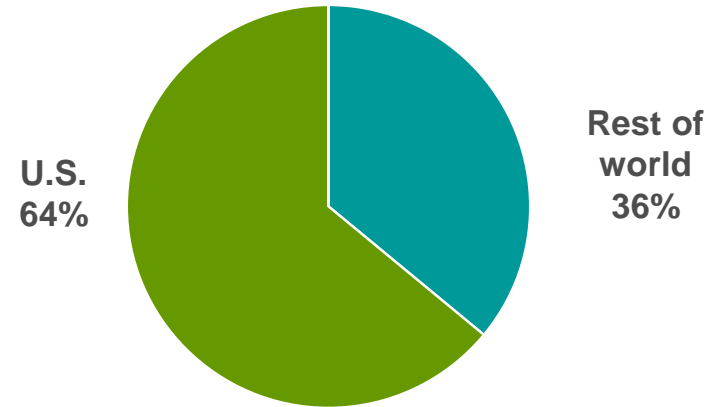
Reference to a year relates to the fiscal year, ended in February of the year indicated, rather than the calendar year, unless indicated by a specific date. Additionally, Q1, Q2, Q3 and Q4 reference the first, second, third and fourth quarter, respectively, of the fiscal year indicated. All amounts are in millions, except share and per share data, data presented as a percentage or as otherwise indicated.

<b>Q4 2013 results</b>	<b>slide</b>
• Steelcase Inc.	<b>4</b>
• Americas Segment	<b>10</b>
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Segment View



Geographic View



**BUSINESS SEGMENTS**

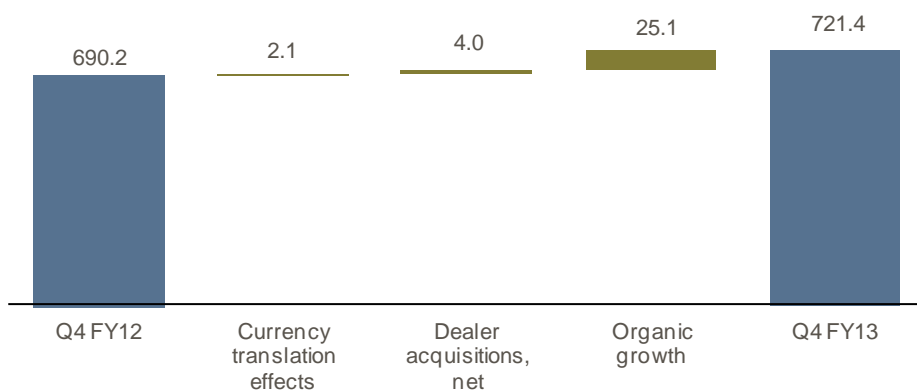
- The Americas segment serves customers in the U.S., Canada and Latin America with a portfolio of integrated architecture, furniture and technology products marketed to corporate, government, healthcare, education and retail customers through the Steelcase, Coalesse, Turnstone, Details and Nurture by Steelcase brands.
- The EMEA segment serves customers in Europe, the Middle East and Africa primarily under the Steelcase brand, with an emphasis on freestanding furniture systems, storage and seating solutions.
- The Other category includes Asia Pacific, Designtex and PolyVision.

	(Unaudited)				(Unaudited)	
	Three Months Ended				Three Months Ended	
	February 22, 2013		February 24, 2012		November 23, 2013	
Revenue	\$ 721.4	100.0%	\$ 690.2	100.0%	\$ 727.2	100.0%
Cost of sales	502.3	69.6	483.1	70.0	498.0	68.5
Restructuring costs	<u>3.1</u>	<u>0.5</u>	<u>1.5</u>	<u>0.2</u>	<u>3.3</u>	<u>0.4</u>
Gross profit	216.0	29.9	205.6	29.8	225.9	31.1
Operating expenses	184.5	25.6	184.1	26.7	184.8	25.4
Goodwill impairment charges	59.9	8.3	-	-	-	-
Restructuring costs	<u>16.8</u>	<u>2.3</u>	<u>3.0</u>	<u>0.4</u>	<u>2.7</u>	<u>0.4</u>
Operating income (loss)	(45.2)	(6.3)	18.5	2.7	38.4	5.3
Interest expense	(4.5)	(0.6)	(5.5)	(0.8)	(4.2)	(0.6)
Investment income	0.2	-	5.5	0.8	1.1	0.2
Other income, net	<u>2.4</u>	<u>0.4</u>	<u>2.1</u>	<u>0.3</u>	<u>1.8</u>	<u>0.2</u>
Income (loss) before income taxes	(47.1)	(6.5)	20.6	3.0	37.1	5.1
Income tax expense (benefit)	<u>(19.6)</u>	<u>(2.7)</u>	<u>5.7</u>	<u>0.8</u>	<u>13.5</u>	<u>1.9</u>
Net income (loss)	<u>\$ (27.5)</u>	<u>(3.8%)</u>	<u>\$ 14.9</u>	<u>2.2%</u>	<u>\$ 23.6</u>	<u>3.2%</u>
Basic earnings (loss) per share	\$ (0.22)		\$ 0.11		\$ 0.19	

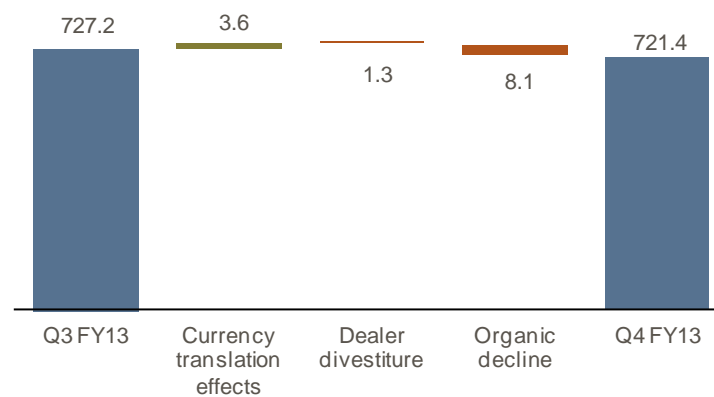
- **Net income (loss)** – We reported a net loss of \$27.5, or \$0.22 per share, including restructuring costs of approximately \$0.10 per share. Current quarter results included goodwill impairment charges, tax valuation allowance adjustments, foreign tax credit benefits and environmental reserve adjustments, which had the aggregate net effect of reducing earnings by approximately \$0.31 per share (see slide 17 for additional information).
- **Operating income (loss)** – Excluding goodwill impairment charges and restructuring costs, adjusted operating income of \$34.6 compares to prior year adjusted operating income of \$23.0. Restructuring costs in the current quarter totaled \$19.9 million, including a \$12.4 million real estate impairment charge and \$4.2 relating to restructuring activities in EMEA, compared to \$4.5 million in the prior year. Adjusted operating income was \$11.6 higher compared to the prior year driven by strength in the Americas, offset partially by higher Corporate costs (which included a \$3.6 increase in reserves for environmental remediation costs associated with a previously-owned manufacturing site) and lower profitability in the Other category.
  - Sequentially, adjusted operating income decreased \$9.8. The sequential comparison was impacted by higher Corporate costs, which included the additional environmental reserves, plus a higher mix of large project business and higher manufacturing overhead in the fourth quarter as compared to the third quarter.
- **Investment income, and income tax expense (benefit)** – Investment income decreased due to lower gains in the cash surrender value of variable life company-owned life insurance policies. The income tax benefit of \$19.6 in the current quarter reflects a \$56.7 benefit from foreign tax credits, a net unfavorable impact of \$42.4 of valuation allowance adjustments associated with deferred tax assets in EMEA, and the non-deductible nature of the EMEA goodwill impairment charge.

Revenue

Current year quarter over prior year quarter



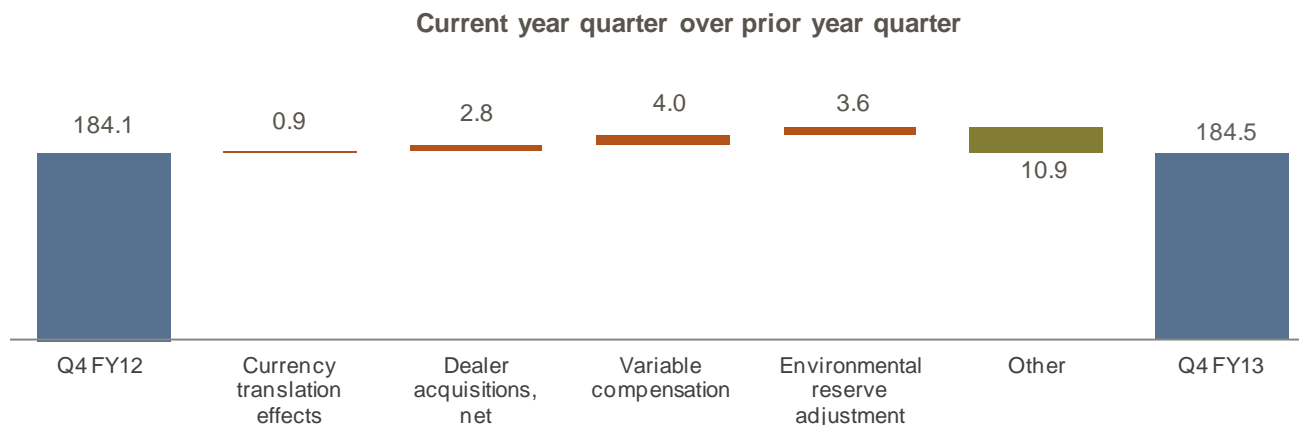
Sequential quarter over quarter



- Revenue** – Revenue increased \$31.2 or 4.5% in Q4 2013 compared to Q4 2012. The revenue comparison to the prior year was positively impacted by \$2.1 of favorable currency translation effects and \$4.0 from recent dealer acquisitions, net of a divestiture. After adjusting for these impacts, organic revenue growth was \$25.1 or 4%. We realized organic revenue growth of 5% in the Americas and 3% in EMEA, while the Other category had an organic decline of 7%.

  - On a sequential quarter basis, Q4 2013 revenue decreased \$5.8 or 0.8% compared to Q3 2013. After adjusting for \$3.6 of favorable currency translation effects and \$1.3 of revenue associated with a dealer divestiture, the organic revenue decline was \$8.1 or 1%.

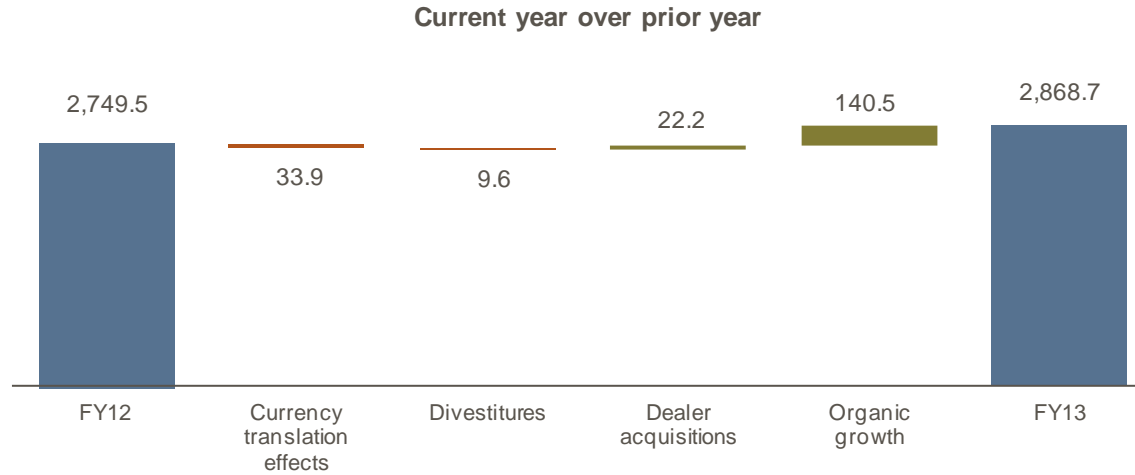
Operating expenses



- Operating expenses** – Current quarter operating expenses of \$184.5 represent an increase of \$0.4 compared to prior year operating expenses of \$184.1. The quarter over quarter comparison included \$0.9 of unfavorable currency translation effects, \$2.8 of additional operating expenses related to recent dealer acquisitions, net of a divestiture, \$4.0 of higher variable compensation (including expenses associated with our EVA-based bonus programs, the Steelcase Inc. Retirement Plan and stock-based compensation) and a \$3.6 increase in reserves for environmental remediation costs associated with a previously-owned manufacturing site. The remaining decrease of \$10.9 primarily relates to lower spending on product development and other initiatives as compared to the prior year.

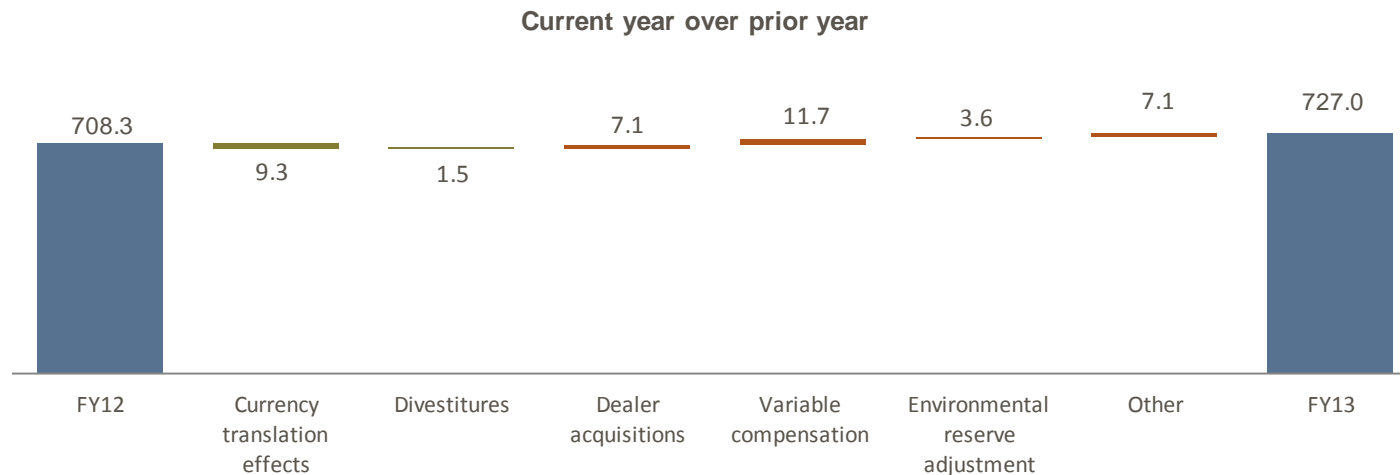


Revenue



- Revenue** – For fiscal 2013, the company recorded \$2.87 billion of revenue which compares to \$2.75 billion of revenue in fiscal 2012. The revenue comparison to the prior year was impacted by \$33.9 of unfavorable currency translation effects, \$9.6 of revenue associated with divestitures, and \$22.2 of revenue from recent dealer acquisitions. After adjusting for these impacts, organic revenue growth was \$140.5 or 5%. We realized organic revenue growth of 7% in the Americas and 1% in EMEA, while the Other category had an organic decline of 1%.

Operating expenses



- Operating expenses** – 2013 operating expenses of \$727.0 represent an increase of \$18.7 compared to prior year operating expenses of \$708.3. The year-over-year comparison included \$9.3 of favorable currency translation effects, \$1.5 of operating expenses related to divestitures, \$7.1 of operating expenses related to recent dealer acquisitions, \$11.7 due to an increase in variable compensation (including expenses associated with our EVA-based bonus programs, the Steelcase Inc. Retirement Plan and stock-based compensation) and a \$3.6 increase in reserves for environmental remediation costs associated with a previously-owned manufacturing site. The remaining increase of \$7.1 primarily relates to higher spending on product development and other initiatives as compared to the prior year.

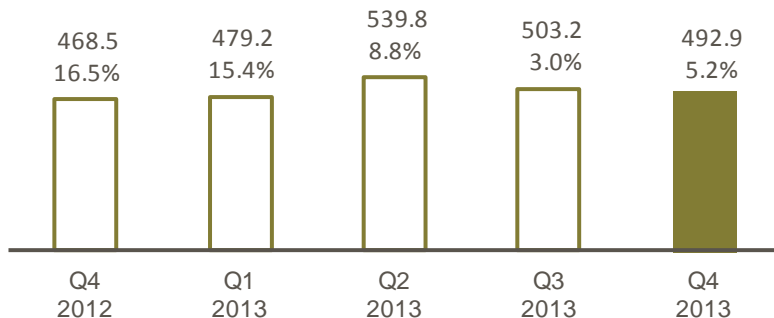
## Quarterly cash flow data (unaudited)

steelcase inc

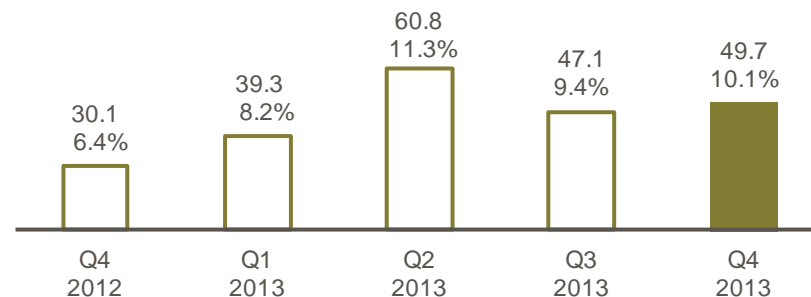
	<u>February 24,</u> <u>2012</u>	<u>May 25,</u> <u>2012</u>	<u>August 24,</u> <u>2012</u>	<u>November 23,</u> <u>2012</u>	<u>February 22,</u> <u>2013</u>
<b>OPERATING ACTIVITIES</b>					
Net income	\$ 14.9	\$ 13.2	\$ 29.5	\$ 23.6	\$ (27.5)
Depreciation and amortization	14.7	13.6	13.8	15.1	15.8
Changes in cash surrender value of company-owned life insurance	(5.4)	(1.7)	(2.8)	0.8	5.5
Goodwill impairment charges		-	-	-	59.9
Deferred income taxes	9.8	8.0	3.8	3.5	(23.4)
Restructuring charges	4.5	5.1	3.7	6.0	19.9
Non-cash stock compensation	1.5	5.0	1.4	1.4	1.8
Changes in accounts receivable, net, inventories and accounts payable	36.3	(32.7)	(1.0)	4.0	22.4
Changes in employee compensation liabilities	(8.5)	(36.7)	10.4	31.7	0.4
Changes in other operating assets and liabilities	(15.8)	(9.2)	7.1	13.6	(15.5)
Other, net	1.8	(1.5)	0.2	0.9	(1.8)
Net cash provided by (used in) operating activities	<u>53.8</u>	<u>(36.9)</u>	<u>66.1</u>	<u>100.6</u>	<u>57.5</u>
<b>INVESTING ACTIVITIES</b>					
Capital expenditures	(15.9)	(10.1)	(15.7)	(24.1)	(24.1)
Changes in investments, net	(28.1)	26.8	0.6	(25.2)	(18.2)
Proceeds from the disposal of fixed assets	3.6	14.1*	-	-	1.4
Acquisitions, net of cash acquired	(0.4)	-	(4.9)	(1.2)	-
Other, net	(2.8)	0.1	(6.1)	(4.0)	5.1
Net cash provided by (used in) investing activities	<u>(43.6)</u>	<u>30.9</u>	<u>(26.1)</u>	<u>(54.5)</u>	<u>(35.8)</u>
<b>FINANCING ACTIVITIES</b>					
Repayments of long-term debt	-	(0.7)	(0.8)	(0.5)	(0.6)
Dividends paid	(7.8)	(11.6)	(11.4)	(11.4)	(11.4)
Common stock repurchases	(6.7)	(11.8)	(7.6)	(0.5)	-
Other, net	0.3	0.2	1.7	(1.2)	3.4
Net cash used in financing activities	<u>(14.2)</u>	<u>(23.9)</u>	<u>(18.1)</u>	<u>(13.6)</u>	<u>(8.6)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>1.2</u>	<u>(1.7)</u>	<u>0.8</u>	<u>0.3</u>	<u>1.3</u>
Net increase (decrease) in cash and cash equivalents	(2.8)	(31.6)	22.7	32.8	14.4
Cash and cash equivalents, beginning of period	<u>114.9</u>	<u>112.1</u>	<u>80.5</u>	<u>103.2</u>	<u>136.0</u>
Cash and cash equivalents, end of period	<u>\$ 112.1</u>	<u>\$ 80.5</u>	<u>\$ 103.2</u>	<u>\$ 136.0</u>	<u>\$ 150.4</u>

\* Q1 2013 proceeds from the disposal of fixed assets included \$13.7 related to the sale of a corporate aircraft.

### Revenue (% change versus prior year)

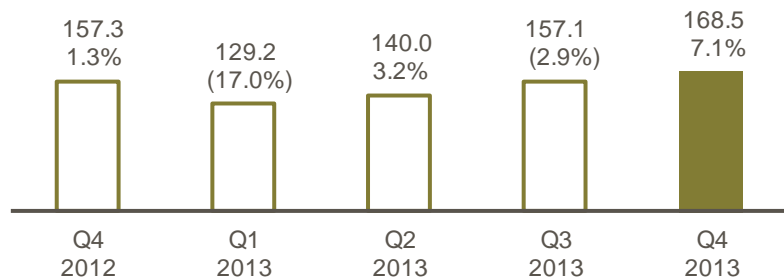


### Adjusted operating income (% of revenue)

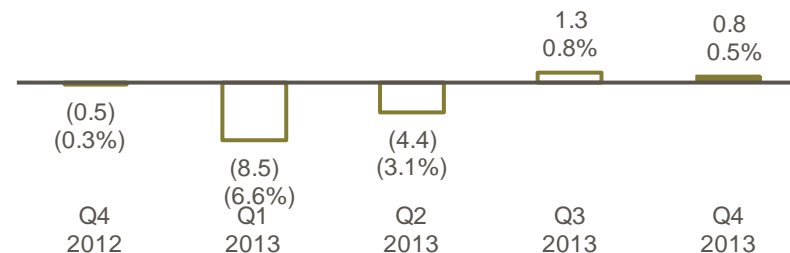


- **Operating income** – Current quarter operating income of \$34.3 represents an increase of \$9.8 compared to prior year operating income of \$24.5. Current quarter results included \$15.4 of restructuring costs compared to \$5.6 in the prior year. Excluding restructuring costs, adjusted operating income increased \$19.6. The improvement was driven largely by year-over-year benefits from improved pricing (net of commodity cost changes), lower operating expenses and benefits from restructuring actions (net of related disruption costs), but impacted by a higher mix of project business from some of the company's largest corporate customers.
- **Revenue** – Americas revenue increased \$24.4 or 5.2% in Q4 2013 compared to Q4 2012. After adjusting for \$0.5 of favorable currency translation effects, organic revenue growth was \$23.9 or 5%.
  - **Product categories** – Six of the nine product categories experienced growth, with notable growth rates in Technology, Details and Seating.
  - **Vertical markets** – Strength in the Manufacturing, Financial Services, and Information Technology sectors more than offset weakness in the Health Care and Federal Government sectors, and a tough prior year comparison in the Energy sector.
  - **Geographic regions** – Growth rates were the strongest in the West Business Group and the New York Business Group.
  - **Contract type** – Growth in project business continued to outpace growth in continuing business.

## Revenue (% change versus prior year)

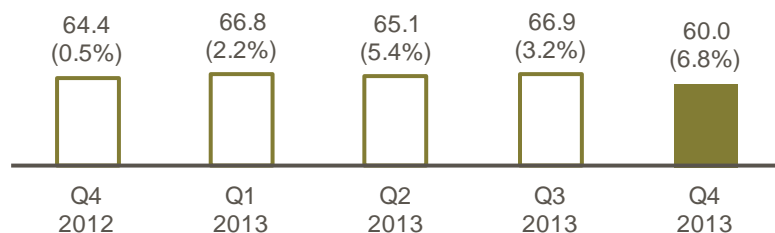


## Adjusted operating income (loss) (% of revenue)

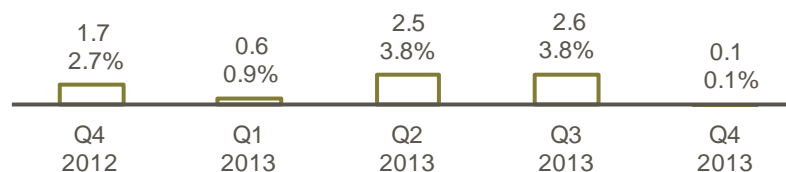


- Operating income (loss)** – Current quarter operating loss of \$38.5 represents a decline of \$39.2 compared to prior year operating income of \$0.7. Current year results include \$35.1 of goodwill impairment charges and \$4.2 of restructuring costs compared to \$1.2 of restructuring benefits in the prior year. Excluding goodwill impairment charges and restructuring items, adjusted operating income increased by \$1.3. The increase was driven largely by higher volume and lower operating expenses, offset in part by a higher mix of more heavily discounted project business.
- Revenue** – EMEA revenue increased \$11.2 or 7.1% in Q4 2013 compared to Q4 2012. After adjusting for \$1.7 of favorable currency translation effects, \$4.0 related to recent dealer acquisitions, net of a divestiture, organic revenue growth was \$5.5 or 3%. Growth in Germany, France and the Middle East and Africa (as a group) was partially offset by declines in Northern Europe and Iberia.

## Revenue (% change versus prior year)



## Adjusted operating income (% of revenue)



### Other

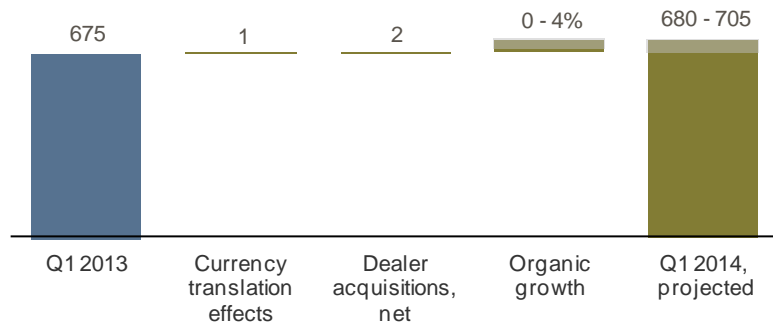
- Operating income (loss)** – Current quarter operating loss of \$25.0 represents a decrease of \$26.6 compared to prior year operating income of \$1.6. Current year results include \$24.8 of goodwill impairment charges related to Designtex and \$0.3 of restructuring costs compared to \$0.1 of restructuring costs in the prior year. Excluding goodwill impairment charges and restructuring costs, adjusted operating results declined by \$1.6 primarily due to lower revenue in Asia Pacific, as well as higher operating expenses across the category.
- Revenue** – Q4 2013 revenue decreased \$4.4 or 6.8% compared to the prior year. Organic revenue declines in Asia Pacific and at Designtex were partially offset by organic growth at PolyVision.

### Corporate

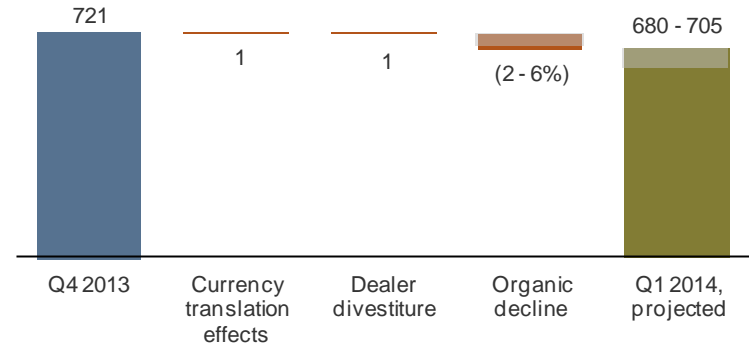
- Operating income (loss)** – Corporate costs increased by \$7.7 to \$16.0 in the current quarter compared to the prior year primarily due to increased reserves for environmental remediation costs associated with a previously-owned manufacturing site and increased spending on growth initiatives.

## Revenue

Forecast quarter over prior year quarter



Forecast sequential quarter over quarter



### Net income

Expect Q1 2014 net income in the range of \$0.09 - \$0.13 per share including restructuring costs of approximately \$0.02 per share.

- Reported net income in the prior year was \$0.10 per share including restructuring costs of approximately \$0.03 per share.

### Revenue

Expect Q1 2014 revenue in the range of \$680 - \$705. Adjusted for the items below, we project organic revenue growth in the range of 0% to 4% compared to the prior year. The company reported revenue of \$675.2 million in the first quarter of fiscal 2013, which included approximately \$20 million of revenue associated with two large projects in the energy sector.

- This revenue estimate is based on a euro to U.S. dollar exchange rate assumption of 1.32 as of the end of Q4 2013, which compares to an average exchange rate of 1.31 for Q1 2013 and 1.32 for Q4 2013. This and other currency assumptions included in our first quarter revenue estimate are expected to have positive effects on the year-over-year comparison of approximately \$1 and negative effects on the sequential comparison of approximately \$1.
- Q1 2014 is projected to have incremental year-over-year revenue of \$2 related to recent dealer acquisitions in France, net of a divestiture, and lower sequential revenue related to a recent dealer divestiture of approximately \$1.

# Supplemental Slides

## Non-GAAP financial measures

These webcast slides contain 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 so as to be 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, the company has provided a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measure.

The non-GAAP financial measures used within these webcast slides are: (1) organic revenue growth (decline), which represents the change in revenue excluding currency translation effects and the impacts of acquisitions and divestitures; and (2) adjusted operating income (loss), which represents operating income (loss), excluding restructuring costs and goodwill impairment charges. These measures are presented because management uses this information to monitor and evaluate financial results and trends. Therefore, management believes this information is also useful for investors.



## Reconciliation of non - GAAP measures – organic growth

### Year over year organic revenue growth (decline) by segment Q4 2013 vs. Q4 2012

	Steelcase Inc.	Americas	EMEA	Other category
Q4 2012 revenue, reported	\$ 690.2	\$ 468.5	\$ 157.3	\$ 64.4
Divestiture	(1.0)	-	(1.0)	-
Currency translation effects*	2.1	0.5	1.7	(0.1)
Adjusted Q4 2012 revenue	691.3	469.0	158.0	64.3
Q4 2013 revenue, reported	\$ 721.4	\$ 492.9	\$ 168.5	\$ 60.0
Dealer acquisitions	(5.0)	-	(5.0)	-
Adjusted Q4 2013 revenue	716.4	492.9	163.5	60.0
Organic growth (decline) \$	\$ 25.1	\$ 23.9	\$ 5.5	\$ (4.3)
Organic growth (decline) %	4%	5%	3%	(7%)

### Sequential organic revenue growth (decline) by segment Q4 2013 vs. Q3 2013

	Steelcase Inc.	Americas	EMEA	Other category
Q3 2013 revenue, reported	\$ 727.2	\$ 503.2	\$ 157.1	\$ 66.9
Divestiture	(1.3)	-	(1.3)	-
Currency translation effects*	3.6	(0.7)	4.2	0.1
Adjusted Q3 2013 revenue	729.5	502.5	160.0	67.0
Q4 2013 revenue, reported	721.4	492.9	168.5	60.0
Organic growth (decline) \$	\$ (8.1)	\$ (9.6)	\$ 8.5	\$ (7.0)
Organic growth (decline) %	(1%)	(2%)	5%	(10%)

### Projected organic revenue growth (decline)

	Year over year		Sequential	
	Q1 2014 vs. Q1 2013		Q1 2014 vs. Q4 2013	
Prior quarter revenue, reported	\$ 675	\$	721	
Divestiture	(2)		(1)	
Currency translation effects**	1		(1)	
Adjusted prior quarter revenue	674		719	
Q1 2014 revenue, projected	680 - 705		680 - 705	
Dealer acquisitions	\$ (4)	\$	-	
Adjusted Q1 2014 revenue	676 - 701		680 - 705	
Organic growth (decline) \$	\$ 2 - 27	\$	(39) - (14)	
Organic growth (decline) %	0% - 4%		(6%) - (2%)	

### Year over year organic revenue growth 2013 vs. 2012

	Steelcase Inc.
2012 revenue, reported	\$ 2,750
Divestitures	\$ (10)
Currency translation effects*	\$ (34)
Adjusted 2012 revenue	\$ 2,706
2013 revenue, reported	\$ 2,869
Dealer acquisitions	\$ (22)
Adjusted 2013 revenue	\$ 2,847
Organic growth \$	\$ 141
Organic growth %	5%

\* Currency translation effects represent the estimated net effect of translating prior quarter or year foreign currency revenues using the average exchange rate during the current quarter or year.

\*\* Currency translation effects represent the estimated net effect of translating prior quarter foreign currency revenues using the exchange rate at the end of the most recent quarter.

# Reconciliation of non - GAAP measures – adjusted operating income (loss) (\$ and % of revenue)

Steelcase Inc.	Q4 2012		Q1 2013		Q2 2013		Q3 2013		Q4 2013		FY13	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Operating income (loss)	\$ 18.5	2.7%	\$ 19.3	2.8%	\$ 46.8	6.3%	\$ 38.4	5.3%	\$ (45.2)	(6.3%)	\$ 59.3	2.1%
Add: restructuring costs	4.5	0.6%	5.1	0.8%	3.7	0.5%	6.0	0.8%	19.9	2.8%	34.7	1.2%
Add: goodwill impairment charges	-	-	-	-	-	-	-	-	59.9	8.3%	59.9	2.1%
Adjusted operating income	\$ 23.0	3.3%	\$ 24.4	3.6%	\$ 50.5	6.8%	\$ 44.4	6.1%	\$ 34.6	4.8%	\$153.9	5.4%

Americas segment	Q4 2012		Q1 2013		Q2 2013		Q3 2013		Q4 2013		FY13	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Operating income	\$ 24.5	5.2%	\$ 34.5	7.2%	\$ 57.4	10.6%	\$ 42.1	8.4%	\$ 34.3	7.0%	\$168.3	8.4%
Add: restructuring costs	5.6	1.2%	4.8	1.0%	3.4	0.7%	5.0	1.0%	15.4	3.1%	28.6	1.4%
Add: goodwill impairment charges	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted operating income	\$ 30.1	6.4%	\$ 39.3	8.2%	\$ 60.8	11.3%	\$ 47.1	9.4%	\$ 49.7	10.1%	\$196.9	9.8%

EMEA segment	Q4 2012		Q1 2013		Q2 2013		Q3 2013		Q4 2013		FY13	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Operating income (loss)	\$ 0.7	0.4%	\$ (8.8)	(6.9%)	\$ (4.4)	(3.1%)	\$ 0.8	0.5%	\$ (38.5)	(22.8%)	\$ (50.9)	(8.6%)
Add: restructuring costs (benefits)	(1.2)	(0.7%)	0.3	0.3%	-	-	0.5	0.3%	4.2	2.5%	5.0	0.9%
Add: goodwill impairment charges	-	-	-	-	-	-	-	-	35.1	20.8%	35.1	5.9%
Adjusted operating income (loss)	\$ (0.5)	(0.3%)	\$ (8.5)	(6.6%)	\$ (4.4)	(3.1%)	\$ 1.3	0.8%	\$ 0.8	0.5%	\$ (10.8)	(1.8%)

Other category	Q4 2012		Q1 2013		Q2 2013		Q3 2013		Q4 2013		FY13	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Operating income (loss)	\$ 1.6	2.5%	\$ 0.6	0.9%	\$ 2.2	3.4%	\$ 2.1	3.1%	\$ (25.0)	(41.7%)	\$ (20.1)	(7.8%)
Add: restructuring costs	0.1	0.2%	-	-	0.3	0.4%	0.5	0.7%	0.3	0.5%	1.1	0.4%
Add: goodwill impairment charges	-	-	-	-	-	-	-	-	24.8	41.3%	24.8	9.6%
Adjusted operating income	\$ 1.7	2.7%	\$ 0.6	0.9%	\$ 2.5	3.8%	\$ 2.6	3.8%	\$ 0.1	0.1%	\$ 5.8	2.2%

## Q4 2013 significant items – impact on earnings per share

	EMEA goodwill impairment charges	Designtex goodwill impairment charges	Tax valuation allowance adjustments	Foreign tax credit benefits	Environmental reserve adjustments	Impact of all items on variable compensation expense*	Total
Impact on income (loss) before income taxes	(35.1)	(24.8)			(3.6)	(1.8)	(65.3)
Impact on income tax benefit (expense)		9.6	(42.4)	56.7	1.3	0.6	25.8
Impact on net income (loss)	(35.1)	(15.2)	(42.4)	56.7	(2.3)	(1.2)	(39.5)
Impact on earnings per share							<u>\$ (0.31)</u>

\* For variable compensation purposes, the impact of the EMEA and Designtex goodwill impairment charges will be recognized over a five year period, beginning in fiscal 2013, consistent with prior practice.