
Herman Miller, Inc.

Investor Relations
Q1 FY2010



Financial reports available at HermanMiller.com

Forward Looking Statements

This information contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act, as amended, that are based on management's beliefs, assumptions, current expectations, estimates, and projections about the office furniture industry, the economy, and the company itself. Words like "anticipates," "believes," "confident," "estimates," "expects," "forecasts," "likely," "plans," "projects," "should," variations of such words, and similar expressions identify such forward-looking statements. These statements do not guarantee future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict with regard to timing, extent, likelihood, and degree of occurrence. These risks include, without limitation, employment and general economic conditions, the pace of economic recovery in the U.S, and in our International markets, the increase in white-collar employment, the willingness of customers to undertake capital expenditures, the types of products purchased by customers, competitive-pricing pressures, the availability and pricing of raw materials, our reliance on a limited number of suppliers, currency fluctuations, the ability to increase prices to absorb the additional costs of raw materials, the financial strength of our dealers and the financial strength of our customers, the mix of our products purchased by customers, our ability to attract and retain key executives and other qualified employees, our ability to continue to make product innovations, the success of newly introduced products, our ability to serve all of our markets, possible acquisitions, divestitures or alliances, the outcome of pending litigation or governmental audits or investigations, political risk in the markets we serve, and other risks identified in our filings with the Securities and Exchange Commission. Therefore, actual results and outcomes may materially differ from what we express or forecast. Furthermore, Herman Miller, Inc. undertakes no obligation to update, amend or clarify forward-looking statements.

Our Formula: Performance Innovation



Operational Excellence



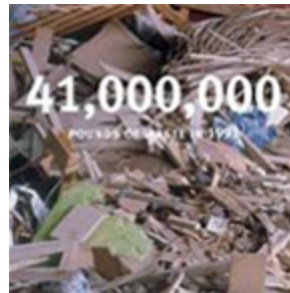
Solution Design



Independent Distribution

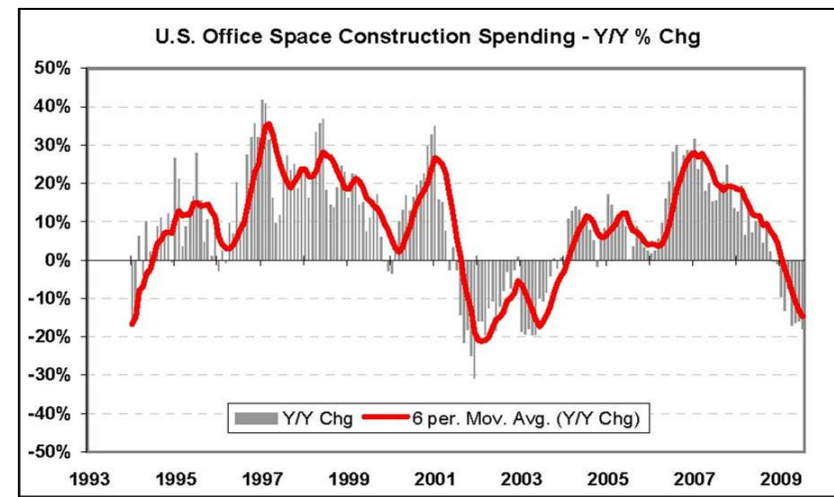
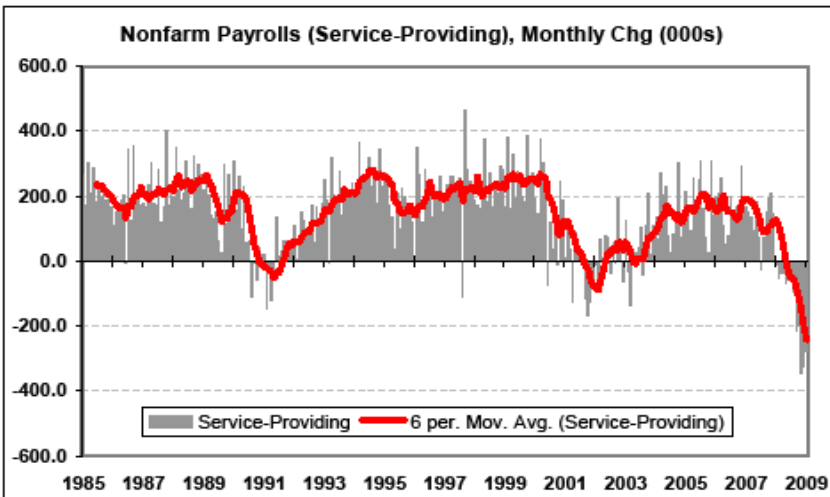
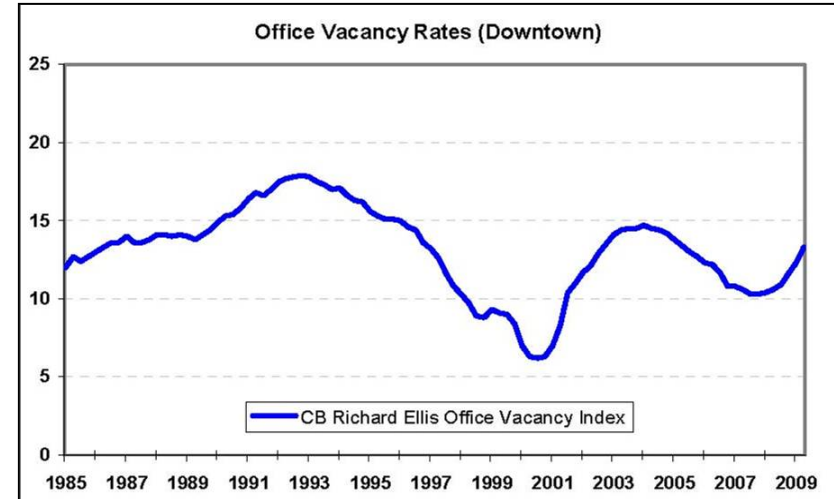


People & Culture



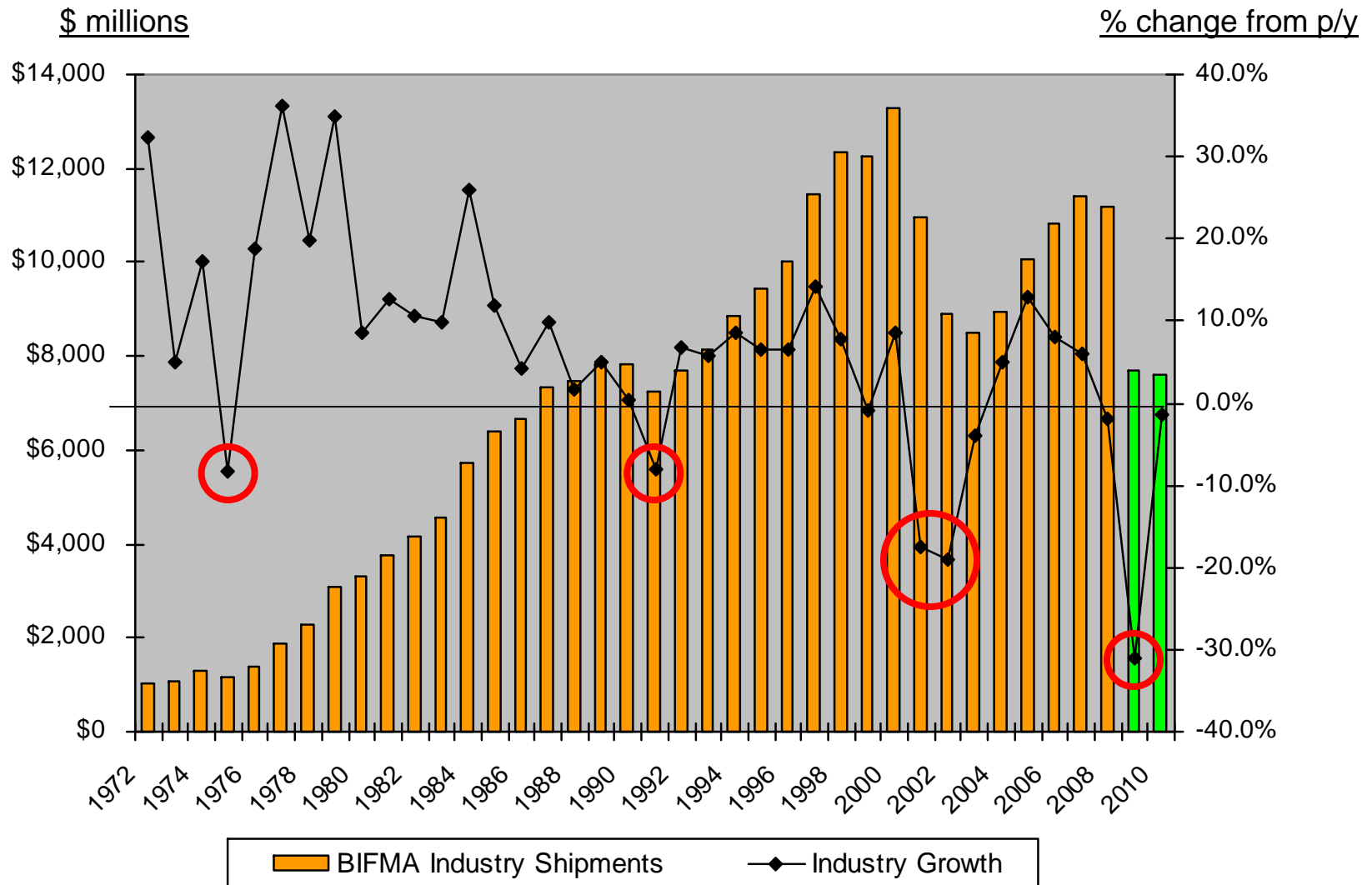
Social Responsibility

A "Challenging" Business Environment



Source: Bureau of Labor Statistics

But We've Been Here Before.....



That's Why We Have A Variable Cost Structure....

■ Manufacturing Costs

- Direct labor – use temps and overtime which can be quickly flexed with volume
- Direct materials – assembly based model (subassemblies outsourced)
- Overhead – assembly based model (only 12-14% of sales)
- Freight & Distribution – Utilize 3rd party outside freight haulers

■ SG&A Costs

- Incentive compensation – EVA based on continuous improvement
- Sales costs – Variable commissions
- Distribution costs – Variable cost independent dealers
- Designer royalties – Variable cost independent designers

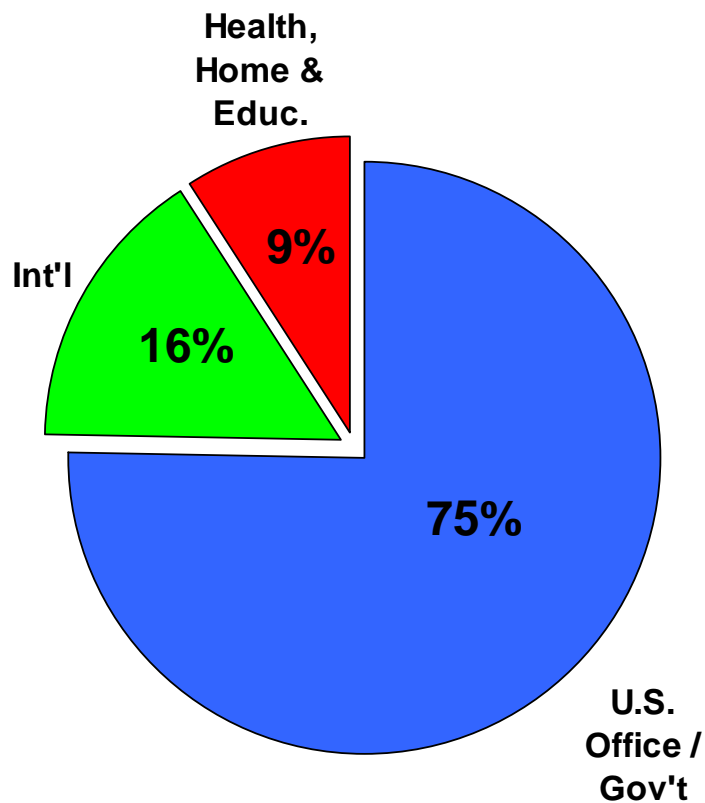
■ Capital Base

- Assembly based manufacturing model keeps asset costs low
- Build to order keeps inventory costs low
- Early prepay discounts keeps accounts receivable balances low
- EVA incentive systems focuses on balance sheet and income statement

All purposely designed to flex with volumes

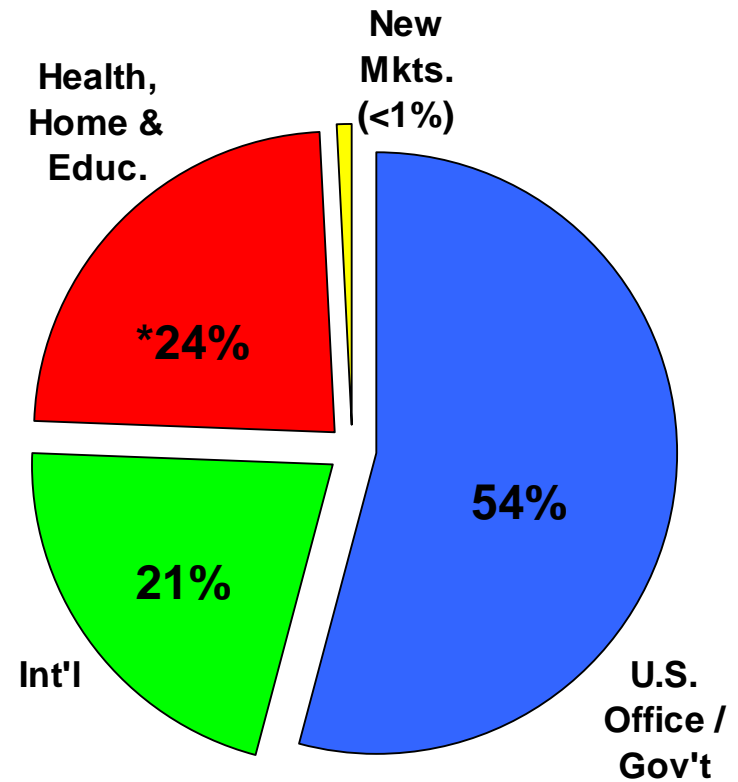
Although Now We're Even More Diversified.....

FY 2001



FY 2009*

**Adjusted to Reflect Nemschoff Sales in 2009*

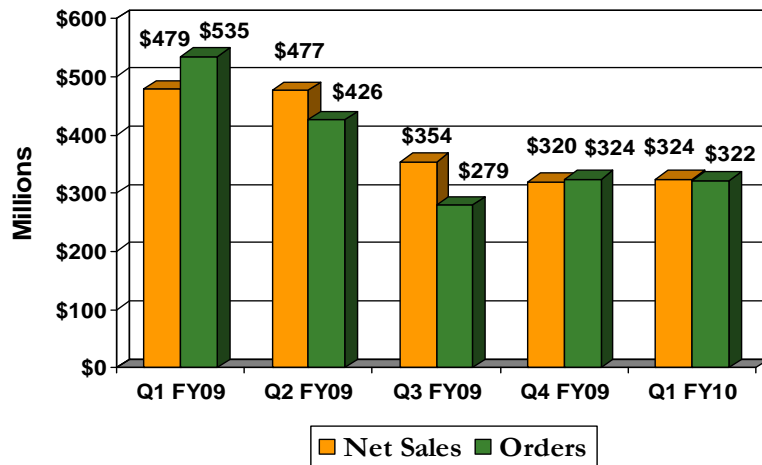


And Have Taken Additional Steps to....

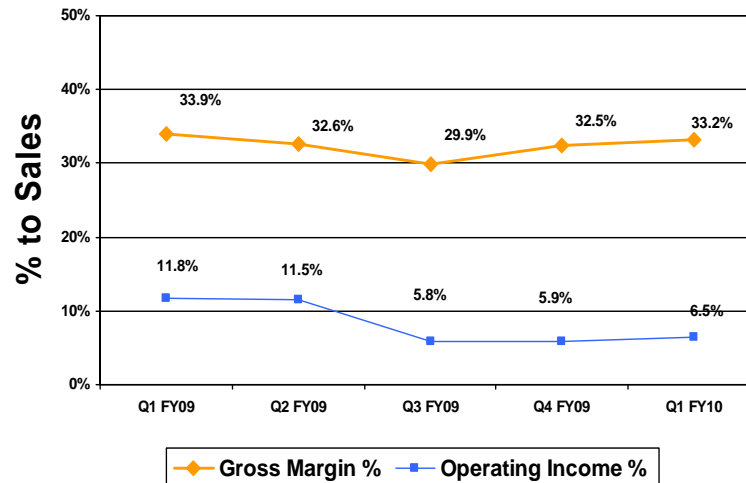
- Align the organization
 - Curt Pullen leading North American Work and Learning organizations
 - Steve Gane leading Fine Goods organization
 - Marketing established as a Corporate resource
- Adjust our spending levels (over \$105 million in annual cost reductions)
 - December 2008 – implemented a combination of voluntary and involuntary North American job eliminations, layoffs, and facility closures that will drive over \$65 million in overhead and operating expense reductions
 - March 2009 – implemented additional cost actions including a reduced work week, 401k matching contribution eliminations, and International operating expense reductions that will drive an additional \$35 million in overhead and operating expense savings
 - May 2009 – announced our Spring Lake Campus consolidation resulting in the closure of the IMT facility which will drive annual savings of \$5-\$7 million by FY 2011
- Reinforce our balance sheet
 - Suspended all share repurchases
 - Reduced capital spending (Estimating approximately \$28 to \$30 million in Cap Ex this year... Down from \$41 million in 2008)
 - Filed a Universal Equity Shelf Registration to provide flexibility
 - Amended our revolver to increase our leverage covenant to provide additional flexibility
 - Tender offer for \$75m of public bonds to reduce our debt levels

Q1 Results – Solid Operating Performance

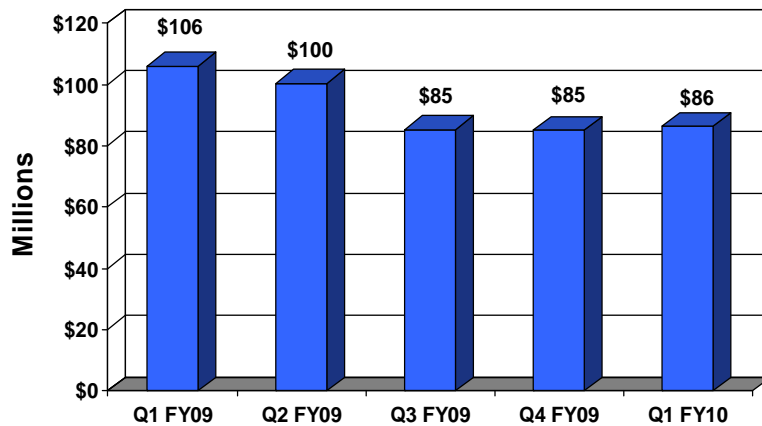
Quarterly Net Sales & Orders



Gross Margin and Operating Income % *



Quarterly Operating Expenses *

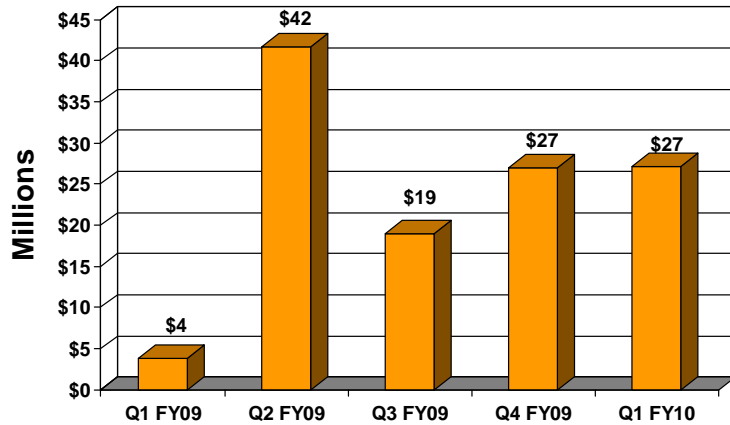


- Q1 Year over Year Net Sales decline of 32% - but order rates showed signs of stability
- Improved margins by 70 bps from prior quarter due to efficiencies and commodity cost declines
- Reduced operating expenses by \$20 million or 18% from the prior year
- Operating expenses and operating income exclude one time restructuring and debt tender offer charges of \$2.6 million and \$4.5 million, respectively
- Gross margins do not yet include the full impact of the announced restructuring

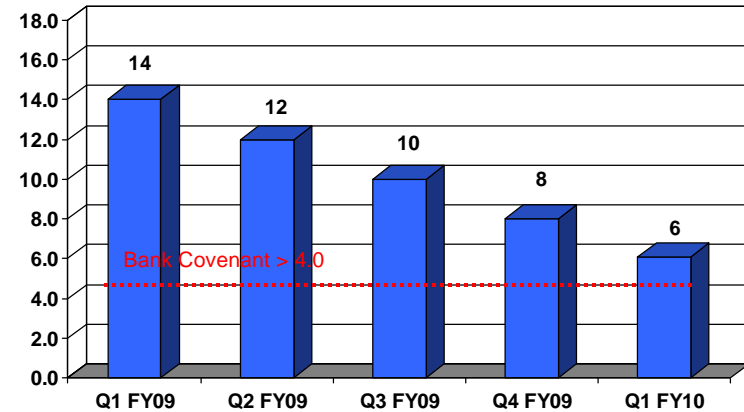
* Note: Excludes one-time restructuring and debt tender offer charges

Current Capital Structure Metrics – Still Strong

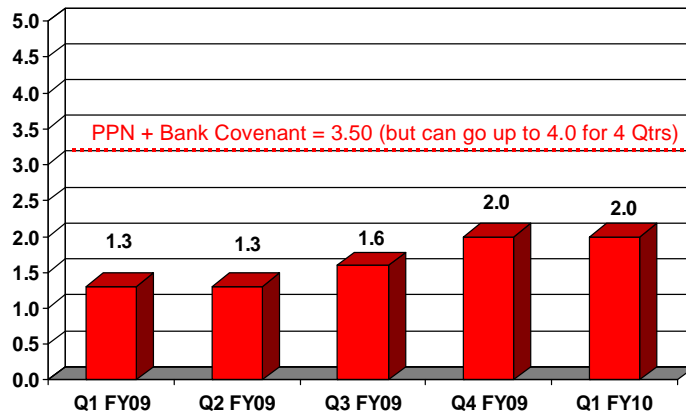
Quarterly Cash Flow from Operations



Rolling 4Qtr Coverage Ratio
(EBITDA to Interest - excluding restructure)



Rolling 4Qtr Leverage Ratio
(Debt to EBITDA - excluding restructure)



- Q1 Ending Cash and Investments of \$100.3 million
- Q1 cash flow from operations includes \$6.2 million outflow for restructure costs
- \$139 million unused revolver capacity
- No current debt maturities:
 - Public Bonds (100 million) due 3/2011
 - PPN (\$50 million) due 2014
 - PPN (\$150 million) due 2017
- EBITDA calculations for all covenants exclude restructuring charges

Still Investing to Grow the Business....

Nemschoff / Brandrud

- Consolidating Manufacturing
- Aligning Representation



Convia

- Alliance with Wiremold
- Energy Manager



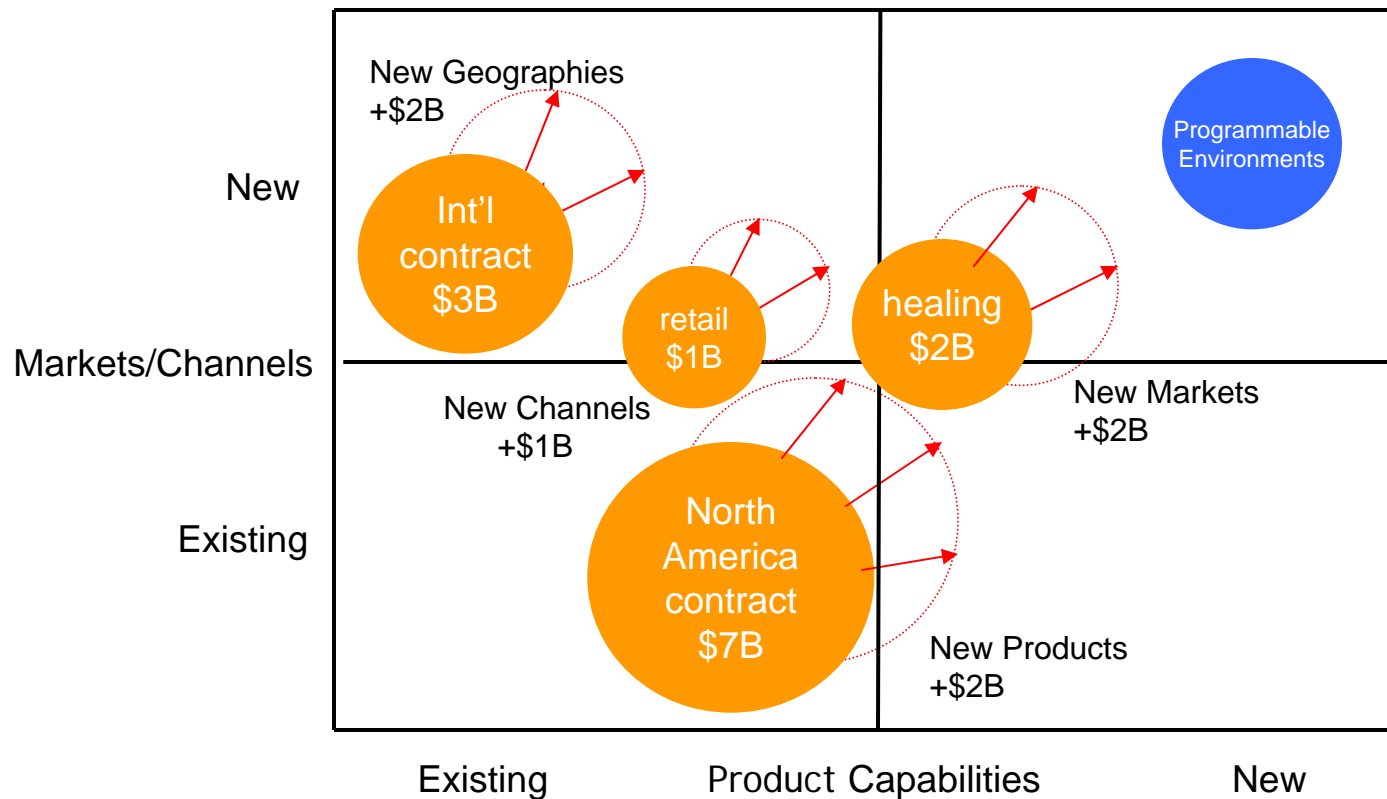
New Products

- Robust Development Queue
- Broader Price Points



Our Strategy going forward.....

..... same formula, new boundary, leaner cost structure



Questions