



Herman Miller, Inc. Business Overview
NASDAQ: MLHR

Past

Present

Future

and whether you are a customer,
an employee, a shareholder,
or a member of our community—
we work hard to create
a better world around you.



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.



The Past



A history of bold innovation

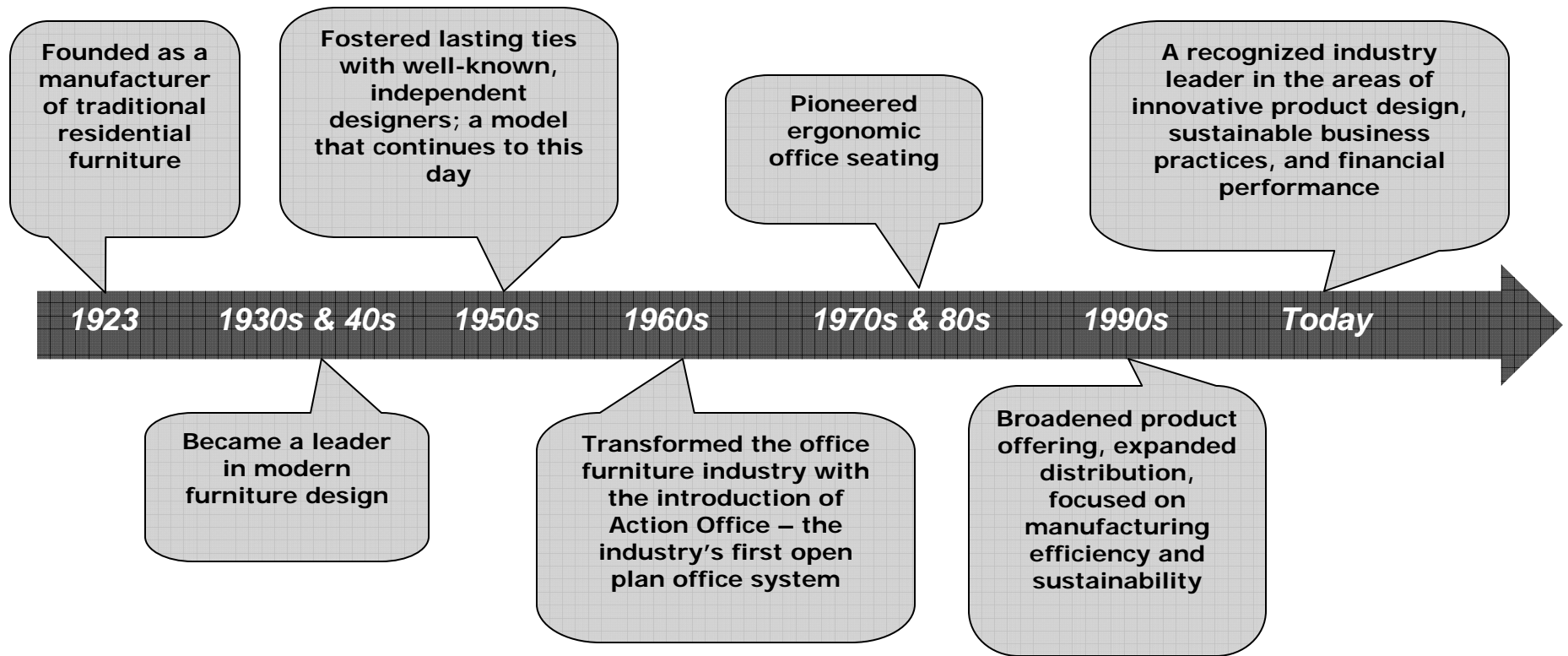
Constantly improving

Recognized leadership

Performance during tough times



A History of Bold Innovation



At Herman Miller, we value our rich legacy more for what it shows us we might become than as a picture of what we've been.



Constantly Improving

We operate under the assumption that there is always a path to improvement; a better way of addressing a problem. This attitude is foundational to everything we do. We call it, "Performance Innovation."

Operational Excellence



Independent Distribution



Solution Design



People & Culture

Social Responsibility

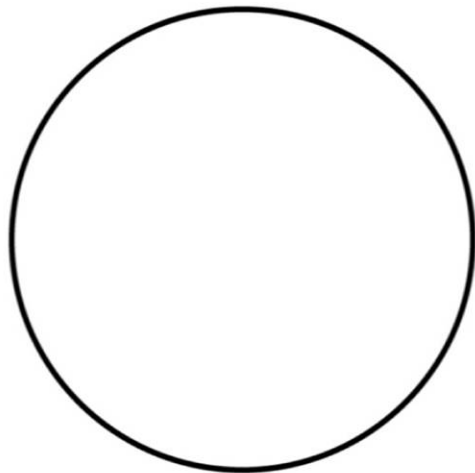


Recognized Leadership

In 2008, only 6 companies worldwide earned recognition on all 3 of these lists:

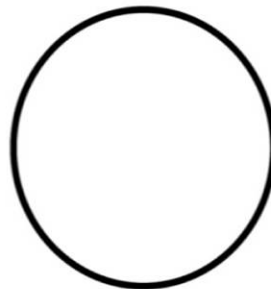


FastCompany

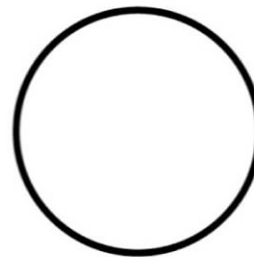


MICROSOFT

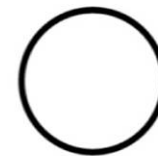
Here they are, ranked by size:



CISCO



APPLE



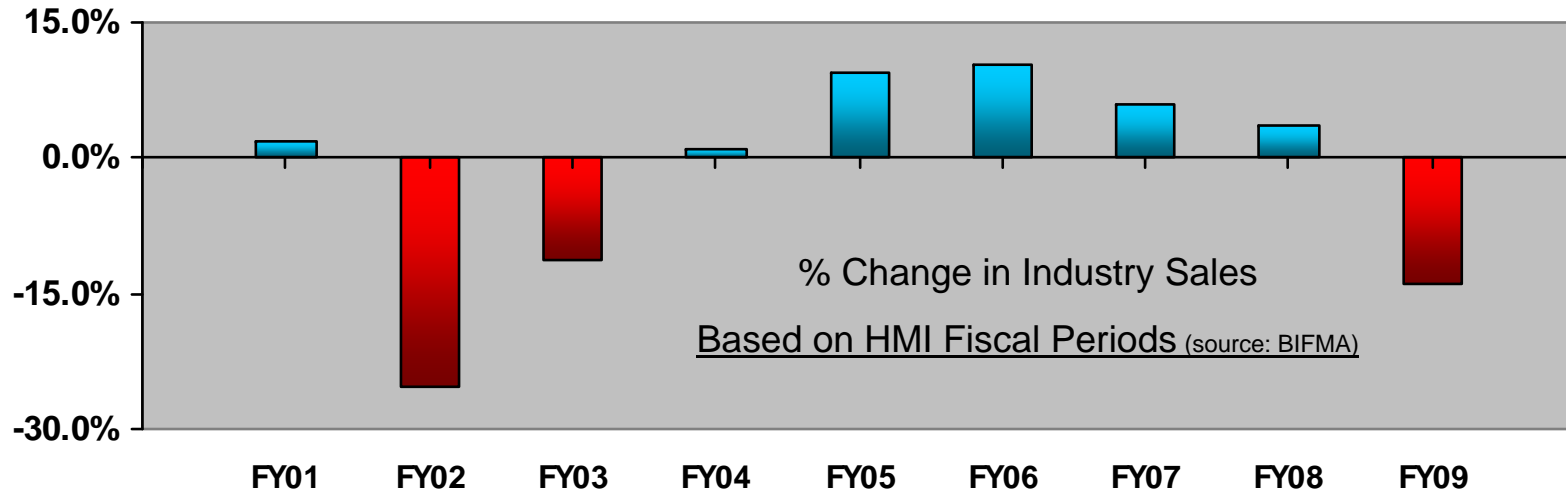
GOOGLE



WHOLE
FOODS



Performance During Tough Times



↑ Industry Performance ↑
↓ Company Performance ↓

FY02:		FY03:		FY09:	
HMI Net Sales	-34%	HMI Net Sales	-9%	HMI Net Sales	-19%
Restructuring Charge	\$82M	Restructuring Charge	\$16M	Restructuring Charge	\$28M
Adjusted Op-Income %*	0.1%	Adjusted Op-Income %*	4.8%	Adjusted Op-Income %*	9.3%
Design & Research Spend	\$39M	Design & Research Spend	\$39M	Design & Research Spend	\$46M
Operating Cash Flows	\$55M	Operating Cash Flows	\$145M	Operating Cash Flows	\$92M

Aggressive Restructuring

Continued Investment

Strong Cash Flow

* Represents a Non-GAAP Measure, see Appendix for reconciliation





The Present

Herman Miller around the world

A challenging economy

Balanced response

Variable cost structure

Commitment to innovation

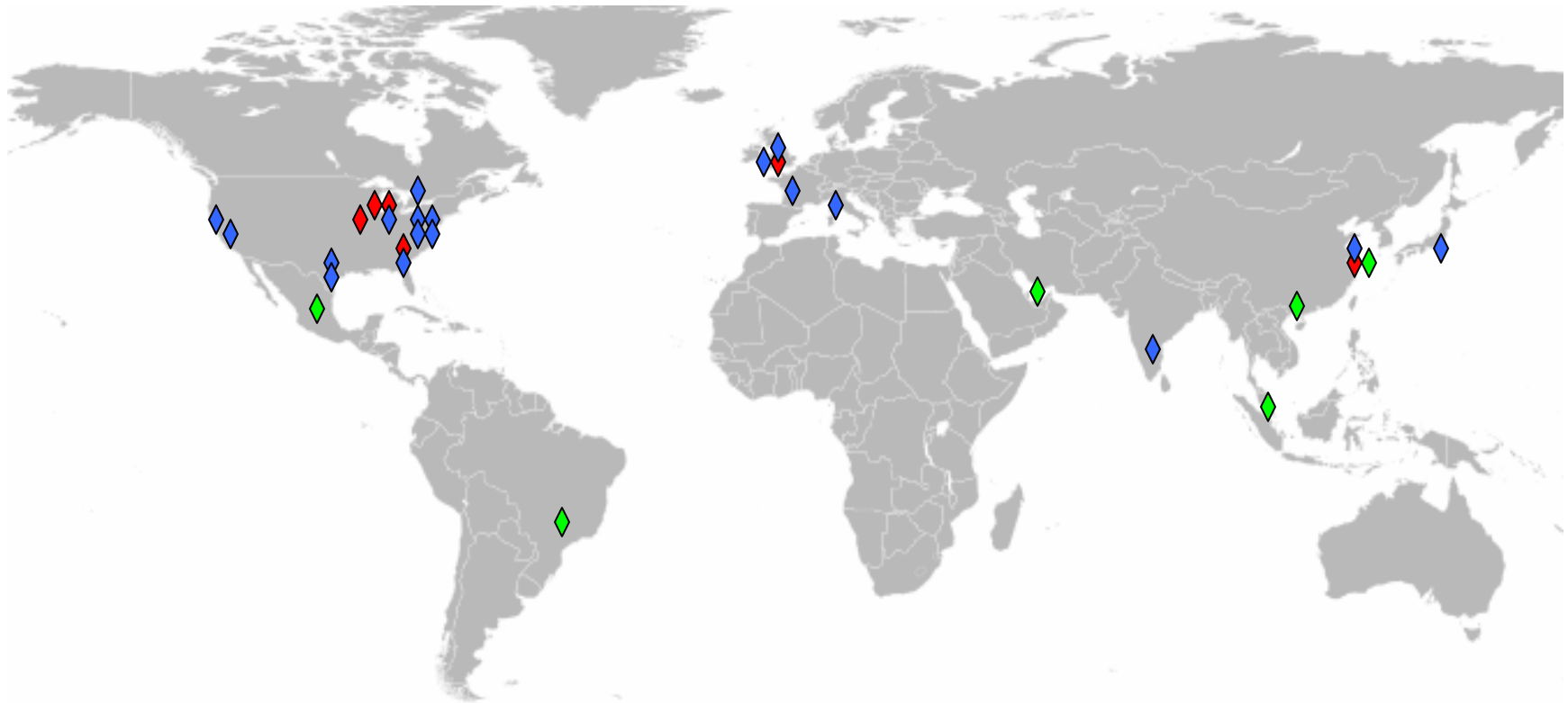
Diversified revenue base

Recent operating performance

Debt & liquidity profile



Herman Miller Around the World



Global Product Distribution:

North America: 260 Dealer Locations

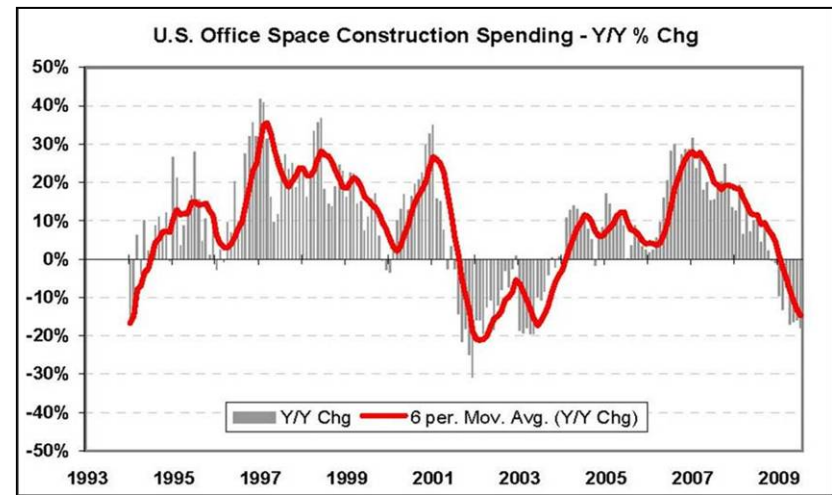
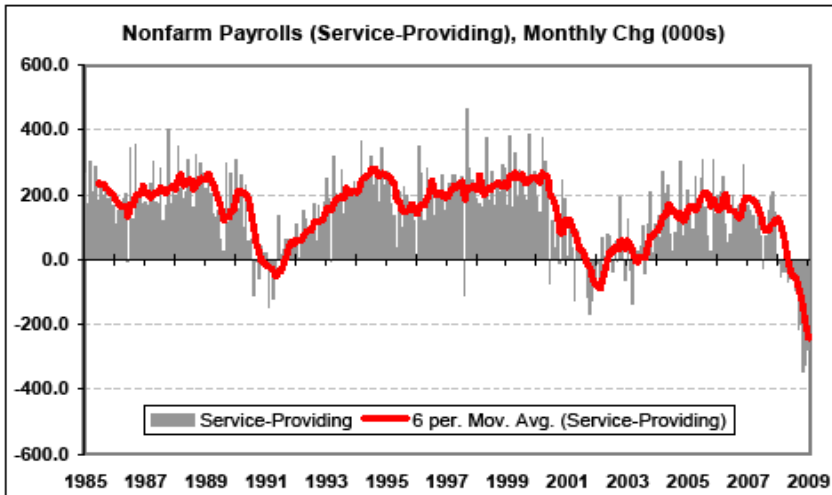
Worldwide*: 751 Dealer Locations

- ◆ Manufacturing Locations
- ◆ Design Center Showrooms
- ◆ Dealer Logistics & Support Centers

* Including Posh Alliance dealer locations



A Challenging Economy



Source: Bureau of Labor Statistics



Our Response Has Been Balanced

Near-Term Response

Aggressive cost reductions to maintain profitability

Amended credit facility to provided increased flexibility

Reduced balance sheet leverage by retiring \$75 million of public bonds

Conserve cash by reducing quarterly dividend and suspending share repurchases

Long-Term Growth Focus

Acquired Nemschoff in support of our healthcare growth strategy

Expanded Asian distribution through alliance with Posh Office Systems

\$45.7 million spent on Design & Research in 2009

9 new products introduced in June 2009



Variable Cost Structure

We have designed our cost structure to flex with the economic cycles we face as an industry.

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 third-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

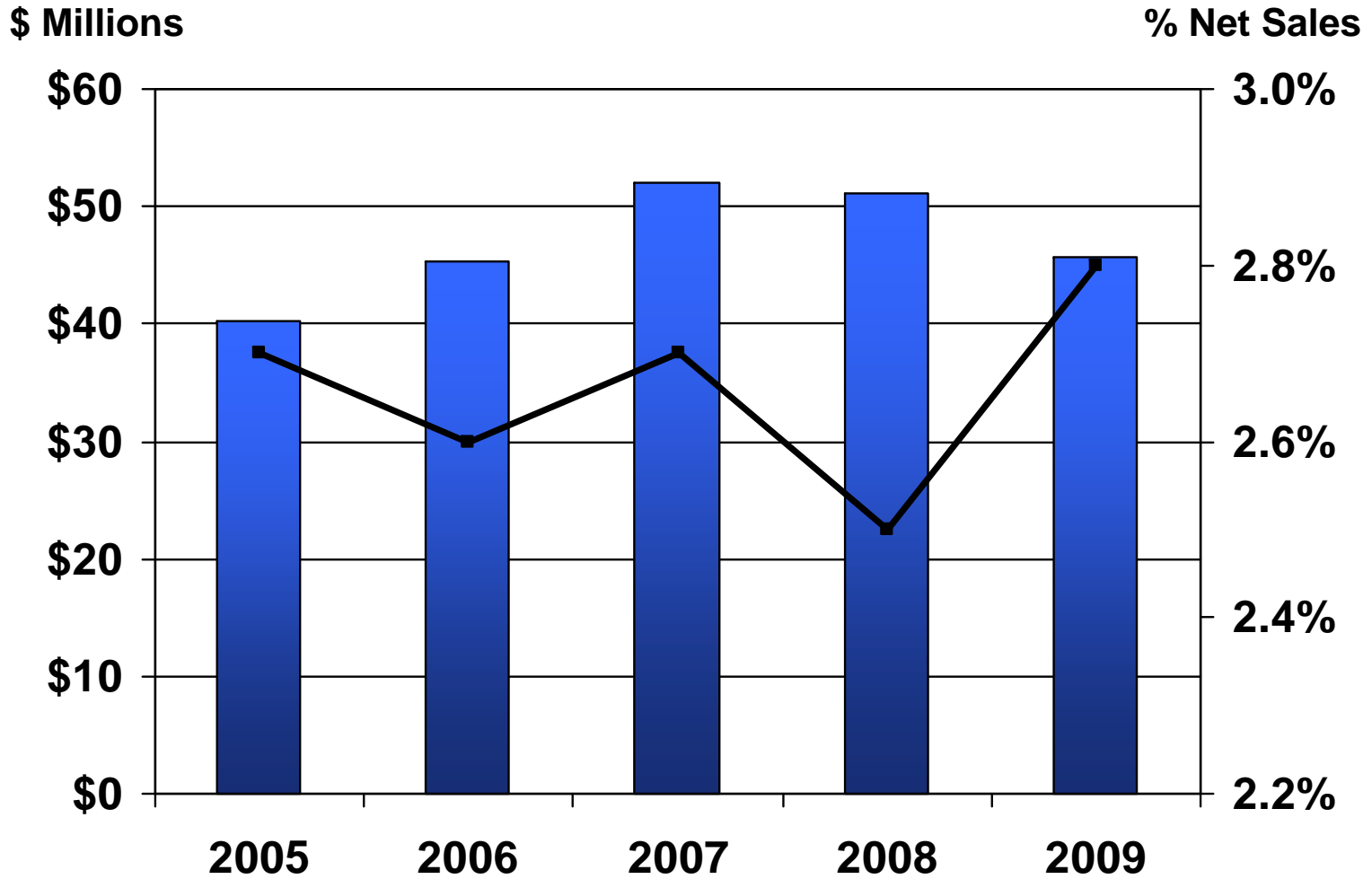
Early prepay discounts keeps accounts receivable balances low

EVA incentive systems focuses on balance sheet and income statement



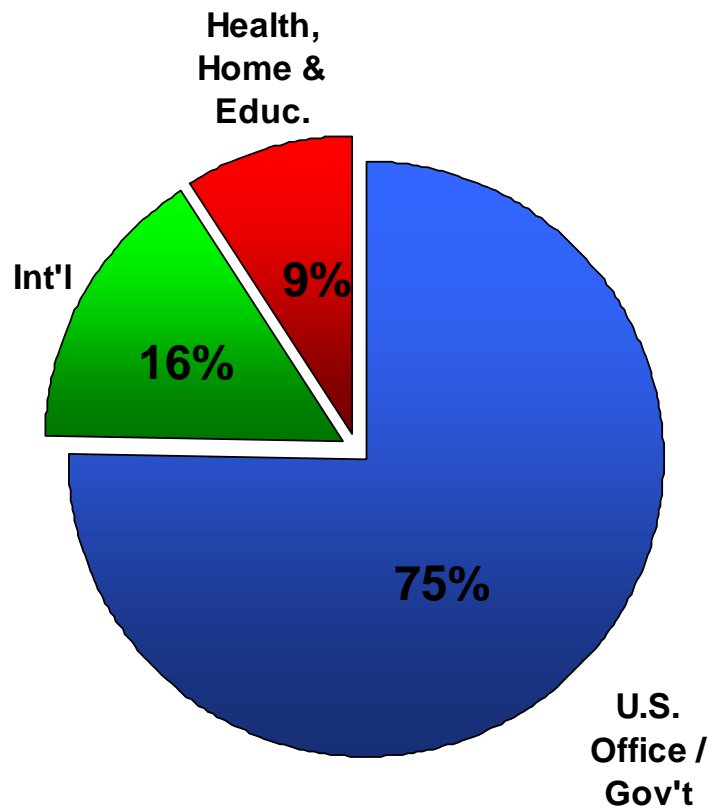
Commitment to Innovation

Design & Research Expenditures



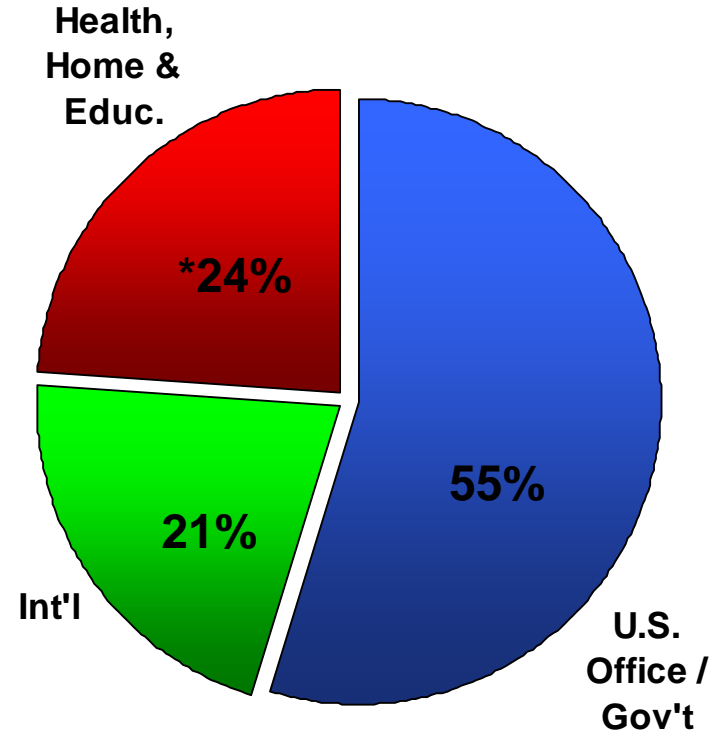
We Have Diversified Our Revenue Base

FY 2001



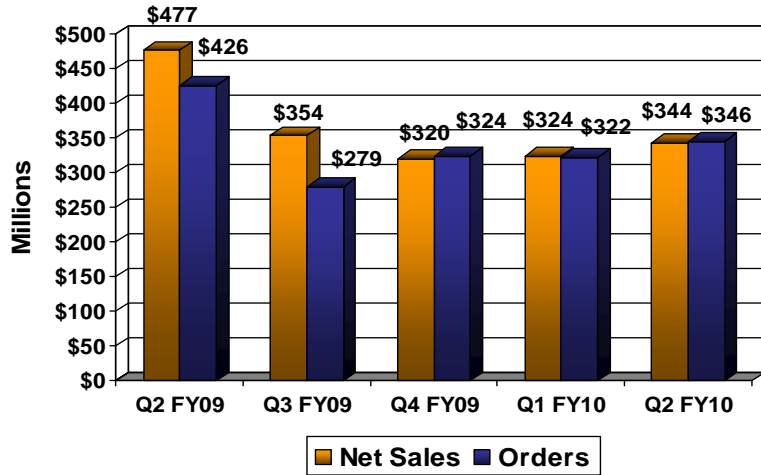
FY 2009*

*Pro Forma adjusted to reflect Nemschoff Sales in 2009

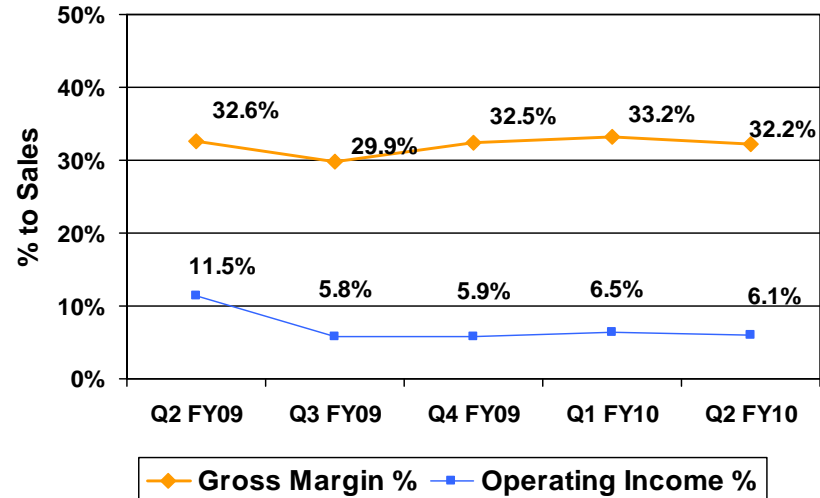


Recent Operating Performance

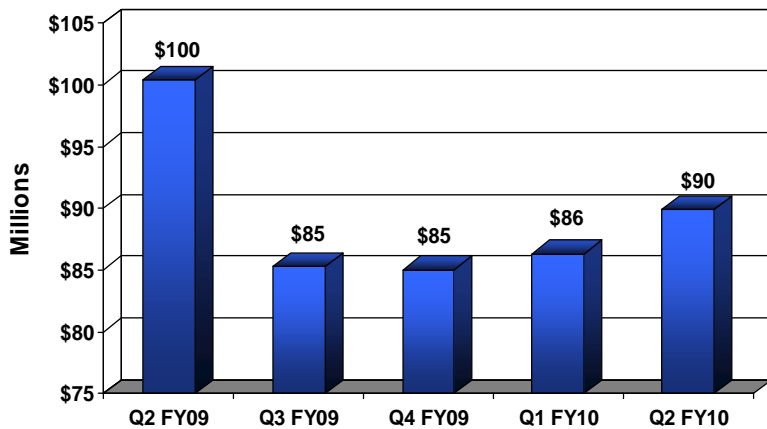
Quarterly Net Sales & Orders



Gross Margin and Operating Income % *



Quarterly Operating Expenses *



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

Q2 sales improved 6% sequentially from Q1 level

7% sequential improvement in orders over Q1

Gross margin decline from Q1 driven by higher discounting and wage recovery payout

Reduced operating expenses by \$10.5 million or 10.5% from the prior year... Q2 adjusted operating earnings total 6.1% of net sales

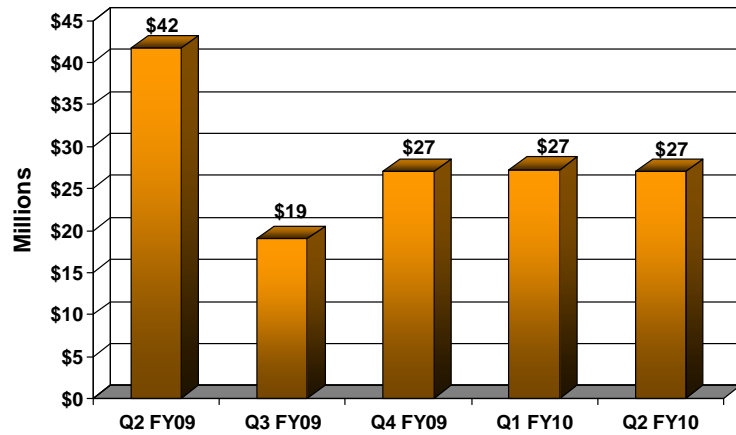
Operating expenses and operating income in Q2 exclude restructuring charges of \$2.2 million

Gross margins do not yet include the full impact of the announced restructuring

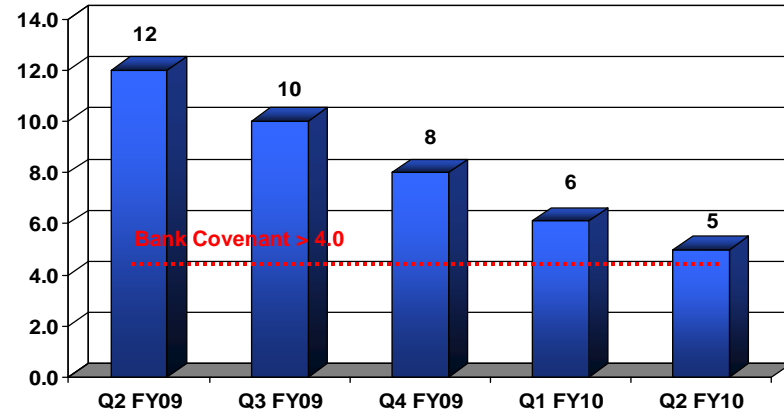


Debt & Liquidity Profile

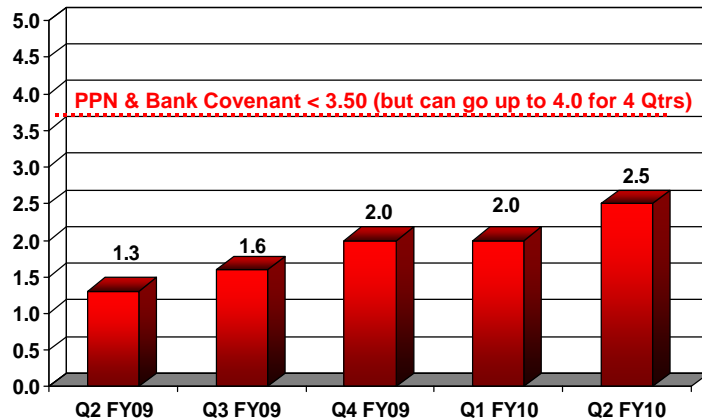
Quarterly Cash Flow from Operations



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



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



* Represents a Non-GAAP Measure, see Appendix for reconciliation

Q2 Ending Cash and Equivalents of \$121.7 million

Q2 cash flow from operations includes \$3.4 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

Lower interest expense in Q2 due to debt tender offer transaction completed during Q1

EBITDA* calculations for all covenants exclude restructuring charges



The Future

Strategic intent

Catalysts for growth

Why Herman Miller?



Strategic Intent

We will add value to our shareholders through the application of Performance Innovation in all areas of our business.

We will achieve best-in-class financial performance by serving our customers with a comprehensive offering of innovative products, knowledge, and services, all delivered with bullet-proof reliability.

We will achieve this by investing strategically in the following areas:

Primary Markets: Increase our share of the contract office furniture market

Adjacent Markets: Pursue growth opportunities in environments such as healthcare, higher education and retail

Developing Economies: Expand our geographic reach in areas of the world with significant growth potential

New Markets: Develop new products and technologies which serve new market opportunities



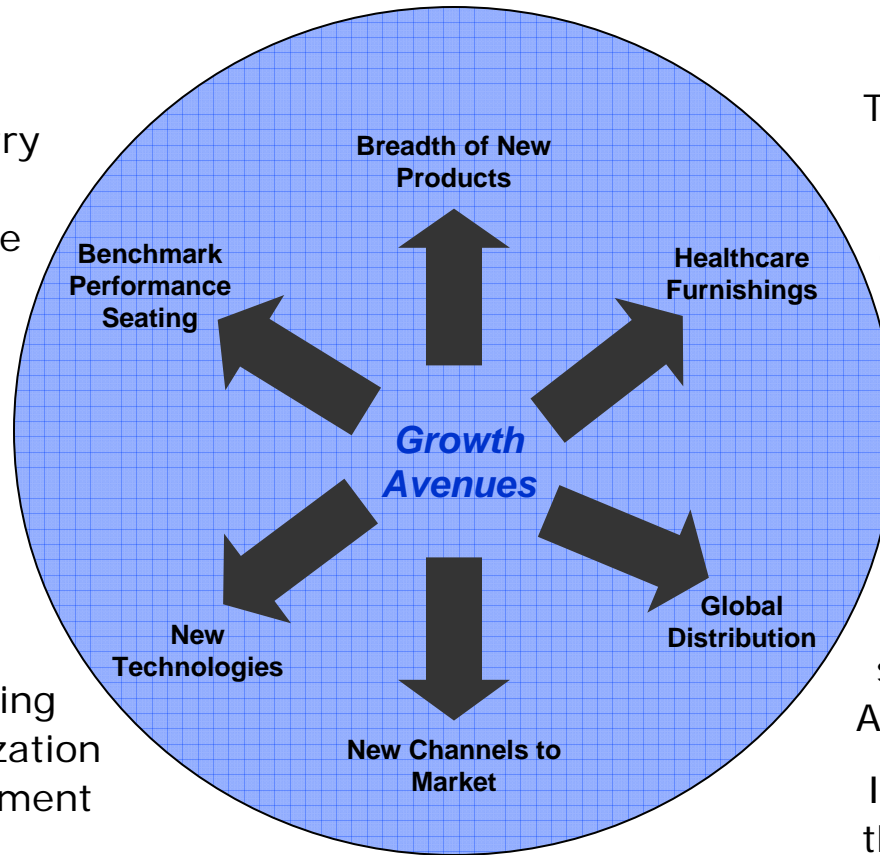
Catalysts for Growth

9 new products introduced this year

Broader price-point coverage

We are the industry leader in high-performance task seating

The acquisitions of Brandrud and Nemschoff give us the industry's most comprehensive healthcare furniture offering



Solutions addressing customer space utilization and energy management

Alliance with Posh significantly expands our Asian distribution presence

Improved dealer efficiency through the Herman Miller Performance System (HMPS)

Herman Miller for the Home has a growing retail and wholesale presence

e-Commerce





Why Herman Miller?

Bold

Proven record of taking swift action to align with business conditions

Innovative

Investments have us well positioned for growth

Stable

Strong performance during down cycles

Secure

Balance sheet strength and flexibility

Controlled

We are an EVA company focused on delivering results to investors

Recognized

Superior brand legacy

Improving

Performance Innovation model continues to drive value



Questions?



Appendix

This report contains references to Adjusted Operating Earnings and Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) which are both non-GAAP financial measures.

Table I
Herman Miller, Inc.
Reconciliation of Non-GAAP Measures
(values represent % of net sales)
(unaudited)

	<u>FY02</u>	<u>FY03</u>	<u>FY09</u>
Operating Earnings	-5.4%	3.6%	7.5%
Add: Restructuring Expenses	5.6%	1.2%	1.7%
Adjusted Operating Earnings	0.1%	4.8%	9.3%

Table II
Herman Miller, Inc.
Reconciliation of Non-GAAP Measures
(Calculation of EBITDA Ratios)
(\$ in millions)
(unaudited)

	<i>Trailing 4-Quarter Period Ended</i>				
	<u>Q2 FY09</u>	<u>Q3 FY09</u>	<u>Q4 FY09</u>	<u>Q1 FY10</u>	<u>Q2 FY10</u>
Earnings Before Income Taxes (EBT)	\$ 218.5	\$ 152.6	\$ 98.9	\$ 55.8	\$ 21.3
Add:					
Depreciation	40.8	40.5	39.5	39.0	39.1
Amortization	2.3	2.4	2.2	2.4	2.5
Interest	23.4	24.8	25.6	25.4	24.6
Other Adjustments ¹	6.1	27.9	31.4	35.6	36.7
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	<u>\$ 291.1</u>	<u>\$ 248.2</u>	<u>\$ 197.6</u>	<u>\$ 158.2</u>	<u>\$ 124.2</u>
Total Debt, End of Trailing Period	<u>\$ 386.0</u>	<u>\$ 385.8</u>	<u>\$ 385.8</u>	<u>\$ 309.1</u>	<u>\$ 309.1</u>
Rolling 4-Quarter Debt-to-EBITDA	1.3	1.6	2.0	2.0	2.5
Rolling 4-Quarter EBITDA-to-Interest	12	10	8	6	5

¹ "Other Adjustments" include, as applicable in the period, non-cash stock based compensation expenses, charges associated with business restructuring initiatives, changes in the value of the "Contingent Value Right" component of the Nemschoff purchase price, and pro-forma income statement adjustments associated with Nemschoff, as permitted under our lender covenant arrangements.



HermanMiller