

Q2 2007 Earnings Call Presentation

July 26, 2007



Forward Looking Statements

The statements in this presentation that are not historical in nature constitute forward-looking statements. These forward-looking statements relate to information or assumptions about the effects of Project Acceleration, sales, income/(loss), earnings per share, operating income or gross margin improvements, capital and other expenditures, cash flow, dividends, restructuring costs, costs and cost savings, debt ratings, and management's plans, projections and objectives for future operations and performance. These statements are accompanied by words such as "expect," "project," "will," "believes," "estimate" and similar expressions. Actual results could differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, our dependence on the strength of retail economies; competition with other manufacturers and distributors of consumer products; major retailers' strong bargaining power; changes in the prices of raw materials; our ability to develop innovative new products and to develop, maintain and strengthen our end-user brands; our ability to expeditiously close facilities and move operations while managing foreign regulations and other impediments; our ability to implement successfully information technology solutions throughout our organization; our ability to improve productivity and streamline operations; the risks inherent in our foreign operations and those factors listed in the company's first quarter 2007 Form 10-Q, including Exhibit 99.1 thereto, filed with the Securities and Exchange Commission.

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Q2 2007 Transformation Progress

- » Formed Office Technology Business Unit to support the development of innovative and integrated solutions for small and medium sized businesses
- » Project Acceleration savings and timing remain on track and will be completed in 2009
- » Building long term consumer driven branding and marketing capabilities supported by the newly created role of Senior Vice President of Marketing and Brand Management

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Q2 2007 Financial Summary

- » Net sales growth of 3.6% led by improvements in the Home & Family and Cleaning, Organization and Décor segments
- » Expanded gross margins to 35.8%, a 130 basis point improvement over the prior year
- » Continued our investment in demand creation initiatives in an effort to stimulate future sales growth and income
- » Improved operating income, excluding Project Acceleration charges, by \$28 million or 12.5%
- » Increased “Normalized” EPS by \$0.09 or about 20%

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EPS Walk: Previous Guidance and Prior Year to Q207

Previous Guidance to Q207 Actual [1]

Mid Point of Range [2]	\$0.51
Operating Improvement	\$0.01
SG&A:	
Structural Cost Savings & Timing	\$0.03
2007 Actual	<u>\$0.55</u>

Q206 Actual to Q207 Actual [1]

2006 Actual	\$0.54
Tax Benefit	<u>(\$0.08)</u>
2006 "Normalized" EPS	\$0.46
Operating Improvement	\$0.07
Interest, Taxes and Other	\$0.02
2007 Actual	<u>\$0.55</u>

[1] Reconciliation excludes Project Acceleration restructuring costs

[2] Reflects the mid point of the range communicated in the Q1 2007 Earnings Press Release

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Front Half/Back Half

	Front Half Actual	Back Half Guidance
Internal Sales Growth	+3.4%	+4 to +6%
Gross Margin Expansion	+ 170 bps	+125 to +175 bps
SG&A Investment Increase	+\$40 million	+\$55M to +\$65M
EPS [1]	\$0.84	\$0.89 - \$0.94
"Normalized" EPS [1]	\$0.83	\$0.89 - \$0.94

[1] Excludes Project Acceleration restructuring costs



EPS Reconciliation: Q3 2007 Earnings Per Share Estimate

<u>2006 Actual</u> [1]		<u>2007 Estimate</u> [1]	
Continuing EPS	\$0.46	Continuing EPS - Mid Point	\$0.44
Tax Benefit	(\$0.05)		
2006 "Normalized" EPS	<u>\$0.41</u>	Continuing EPS - Mid Point [2]	<u>\$0.44</u>
<i>Quarter over Quarter % EPS Improvement</i>			7%

[1] Excludes Project Acceleration restructuring costs

[2] Reflects the mid point of the range communicated in the Q2 2007 Earnings Press Release

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EPS Walk: Previous Guidance and Prior Year to FY 2007

Previous Guidance to Current [1]

Mid Point of EPS Range [2] \$1.76

Mid Point of EPS Range [3] \$1.76

2006 Actual to 2007 Estimate [1]

2006 Actual \$1.88

Operating Improvement \$0.23

Tax Benefit **(\$0.35)**

Mid Point of EPS Range [3] \$1.76

[1] Excludes Project Acceleration restructuring costs

[2] Reflects the mid point of the range communicated in the Q1 2007 Earnings Press Release

[3] Reflects the mid point of the range communicated in the Q2 2007 Earnings Press Release



Q3 2007 Guidance

Internal Sales Growth	+5 to +7%
Gross Margin Expansion	+75 to +125 bps
SG&A Investment Increase	Between \$35 and \$45 million
Earnings Per Share [1]	\$0.43 - \$0.45

[1] Excludes Project Acceleration restructuring costs



FY 2007 Guidance

Internal Sales Growth	+3 to +5%
Gross Margin Expansion	+150 to +200 bps
SG&A Investment Increase	~ 60% of Gross Margin Expansion
Earnings Per Share [1]	\$1.73 - \$1.78
"Normalized" EPS [1], [2]	\$1.72 - \$1.77

[1] Excludes Project Acceleration restructuring costs

[2] Excludes Q1 2007 tax benefit of \$0.01 per share



Appendix



Reconciliation: Q206 and Q207 “Normalized” EPS

	<u>Q2 2006</u>	<u>Q2 2007</u>
Diluted earnings per share from continuing operations (as reported)	\$0.49	\$0.51
Restructuring costs	<u>\$0.05</u>	<u>\$0.04</u>
Continuing EPS	\$0.54	\$0.55
Tax benefit	<u>(\$0.08)</u>	<u>\$0.00</u>
"Normalized" EPS	<u>\$0.46</u>	<u>\$0.55</u>
<i>% Improvement</i>		20%

Reconciliation: 1'H06 and 1'H07 "Normalized" EPS

	<u>Front Half 2006</u>	<u>Front Half 2007</u>
Diluted earnings per share from continuing operations (as reported)	\$0.96	\$0.75
Restructuring costs	<u>\$0.08</u>	<u>\$0.09</u>
Continuing EPS	\$1.04	\$0.84
Tax benefit	<u>(\$0.36)</u>	<u>(\$0.01)</u>
"Normalized" EPS	<u>\$0.68</u>	<u>\$0.83</u>
<i>% Improvement</i>		22%

Reconciliation: Q306 and Q307 “Normalized” EPS

	<u>Q3 2006</u>	<u>Q3 2007 [1]</u>
Diluted earnings per share from continuing operations (as reported)	\$0.41	\$0.31 - \$0.33
Restructuring costs	<u>\$0.05</u>	<u>\$0.09 - \$0.15</u>
Continuing EPS	\$0.46	\$0.43 - \$0.45
Tax benefit	<u>(\$0.05)</u>	<u>\$0.00</u>
"Normalized" EPS	<u>\$0.41</u>	<u>\$0.43 - \$0.45</u>
<i>% Improvement</i>		<i>5% to 10%</i>

[1] Reflects the range communicated in the Q2 2007 Earnings Press Release

Reconciliation: 2'H06 and 2'H07 "Normalized" EPS

	<u>Back Half 2006</u>	<u>Back Half 2007</u>
Diluted earnings per share from continuing operations (as reported)	\$0.75	\$0.64 - \$0.69
Restructuring costs	<u>\$0.09</u>	<u>\$0.21 - \$0.30</u>
Continuing EPS	\$0.84	\$0.89 - \$0.94
Tax benefit	<u>\$0.00</u>	<u>\$0.00</u>
"Normalized" EPS	<u><u>\$0.84</u></u>	<u><u>\$0.89 - \$0.94</u></u>
<i>% Improvement</i>		<i>6% to 12%</i>

Reconciliation: FY 2006 and 2007 "Normalized" EPS

	FY 2006	FY 2007 [1]
Diluted earnings per share from continuing operations (as reported)	\$1.71	\$1.39 - \$1.44
Restructuring costs	\$0.17	\$0.30 - \$0.39
Continuing EPS	\$1.88	\$1.73 - \$1.78
Tax benefit	(\$0.36)	(\$0.01)
"Normalized" EPS	\$1.52	\$1.72 - \$1.77
<i>% Improvement</i>		<i>13% to 16%</i>

[1] Reflects the range communicated in the Q2 2007 Earnings Press Release

