



ACCO Brands Corporation Reports Second Quarter 2016 Results

August 2, 2016

LAKE ZURICH, Ill., Aug. 2, 2016 /PRNewswire/ -- ACCO Brands Corporation (NYSE: ACCO), one of the world's largest designers, marketers and manufacturers of branded business, academic and consumer products, today reported its second quarter results for the period ended June 30, 2016.



"Our strong second quarter results were driven by sales growth and continued effective operational execution," said Boris Elisman, Chairman, President and Chief Executive Officer, ACCO Brands. "With the completion of the Pelikan Artline acquisition and strong back-to-school sell-in, I'm optimistic that profitable sales growth will continue despite the challenging macro and industry environments. After a solid first half, we are raising our 2016 earnings and free cash flow guidance."

Second Quarter Results

Net sales increased 4% to \$410.1 million from \$394.7 million in the prior-year quarter. The acquisition of the remaining 50% interest of the company's Pelikan Artline joint venture, which was completed May 2, 2016, added 4% to sales. Foreign exchange reduced sales by 2%. The comparable sales growth of 1% was driven by strong back-to-school sell-in in North America. Operating income decreased to \$45.4 million from \$49.2 million in the prior-year quarter due primarily to restructuring and one-time charges of \$5.7 million in the current quarter versus \$0.2 million in the prior-year quarter. Adjusted operating income increased to \$51.1 million from \$49.4 million in the prior year primarily due to sales growth and gross margin expansion. Net income was \$61.9 million, or \$0.57 per share, and included a \$35.2 million gain from the revaluation to fair value of the company's previously held equity investment in Pelikan Artline. This compared to a net income of \$27.7 million, or \$0.25 per share, in the prior-year quarter. Adjusted net income increased 1% to \$27.1 million, or \$0.25 per share, from \$26.8 million, or \$0.24 per share, in the prior-year quarter. The improvement was primarily driven by sales growth and improved gross margin.

Business Segment Highlights

ACCO Brands North America - Sales increased 4% to \$279.1 million from \$268.6 million in the prior-year quarter. Sales increased 5% on a constant currency basis driven by strong back-to-school sell-in, notably with mass merchant and e-tail customers. Operating income increased to \$51.6 million from \$50.1 million in the prior-year quarter and adjusted operating income increased to \$52.8 million from \$50.1 million in the prior-year quarter, primarily due to sales growth, cost savings and productivity improvements.

ACCO Brands International - Sales increased 5% to \$101.3 million from \$96.7 million in the prior-year quarter. The Pelikan Artline acquisition added 17% to International sales, or \$16.8 million, and foreign exchange reduced sales by 5%. On a comparable basis, sales decreased 8% due to volume declines as a result of overall market softness and the non-repeating pre-buys in some markets ahead of mid-year price increases taken in 2015. Operating income decreased to \$2.9 million from \$6.2 million in the prior-year quarter due to \$3.8 million of restructuring and other items related to the Pelikan Artline acquisition. Adjusted operating income was \$6.7 million compared to \$6.2 million in the prior-year quarter as the addition of \$1.8 million

from Pelikan Artline largely offset the non-repeating \$2.3 million tax recovery in the prior year.

Computer Products - Sales increased 1% to \$29.7 million from \$29.4 million in the prior-year quarter. On a constant currency basis, sales increased 2% due to increased sales of desktop accessories. Operating income increased to \$3.2 million from \$2.2 million in the prior-year quarter and adjusted operating income increased to \$3.1 million from \$2.4 million in the prior-year quarter due to improved gross margin and lower selling, general and administrative expenses.

Six Month Results

Net sales increased 1% to \$688.2 million compared to \$684.7 million in the prior-year six-month period. The Pelikan Artline acquisition contributed 3% and foreign currency reduced sales by 3%. On a comparable basis, sales increased 1%. Net income was \$66.7 million, or \$0.61 per share, compared to net income of \$21.9 million, or \$0.19 per share, in the prior-year period. The increase was due to the \$35.2 million gain from the revaluation to fair value of the company's previously held equity investment in Pelikan Artline, as well as a tax benefit of \$10.7 million. Adjusted net income increased 15% to \$26.2 million, or \$0.24 per share, from \$22.8 million, or \$0.20 per share, in the prior-year period. The improvement was primarily the result of sales growth and gross margin expansion, offset by the negative impact of foreign currency translation of \$0.02 per share.

Business Outlook

As a result of the strong performance in the first six months of the year, the company is increasing its 2016 outlook for adjusted earnings per share and free cash flow. The company now expects 2016 sales to increase low single-digits, adjusted earnings per share of \$0.80-\$0.84 and free cash flow of approximately \$140 million, inclusive of the Pelikan Artline acquisition.

Webcast

At 8:30 a.m. Eastern Time today, ACCO Brands Corporation will host a conference call to discuss the company's results. The call will be broadcast live via webcast. The webcast can be accessed through the Investor Relations section of www.accobrand.com. The webcast will be in listen-only mode and will be available for replay for one month following the event.

Non-GAAP Financial Measures

To supplement our consolidated financial statements presented in accordance with generally accepted accounting principles in the U.S. ("GAAP"), in this earnings release, we provide investors with certain non-GAAP financial measures, including "adjusted" financial measures, earnings before interest, taxes and depreciation ("EBITDA"), free cash flow and net sales at constant currency. See our Reconciliation of GAAP to Adjusted Non-GAAP Information (Unaudited), Reconciliation of Net Income to Adjusted EBITDA (Unaudited), Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow (Unaudited), Supplemental Business Segment Information and Reconciliation (Unaudited) and Supplemental Net Sales Change Analysis (Unaudited), for a description of each of these non-GAAP financial measures and a reconciliation to the most directly comparable GAAP financial measure for each of the periods presented herein. However, other than with respect to total revenue, the Company only provides guidance on a non-GAAP basis and does not provide reconciliations of such forward-looking non-GAAP measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, including adjustments that could be made for restructuring, integration and acquisition-related expenses, and other charges reflected in our reconciliation of historical numbers, the amount of which, based on historical experience, could be significant.

We believe these non-GAAP financial measures are appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future, as well as to facilitate comparisons with our historical operating results. Adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of our underlying operational results and trends. For example, the non-GAAP results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside our core operating results. In addition, these non-GAAP financial measures are among the primary indicators management uses as a basis for our planning and forecasting of future periods and senior management's incentive compensation is derived, in part, using certain of these non-GAAP financial measures.

There are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results such as unusual income tax items, restructuring and integration charges, goodwill or other asset impairment charges, foreign currency fluctuation, and other one-time or non-recurring items. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. Investors should review the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures as provided in the tables accompanying this press release.

About ACCO Brands Corporation

ACCO Brands Corporation is one of the world's largest designers, marketers and manufacturers of branded business, academic and consumer products. Our widely recognized brands include AT-A-GLANCE®, Day-Timer®, Five Star®, GBC®, Hilroy®, Kensington®, Marbig, Mead®, NOBO, Quartet®, Rexel, Swingline®, Tilibra®, Wilson Jones® and many others. Our products are sold in more than 100 countries around the world. More information about ACCO Brands can be found at www.accobrand.com.

Forward-Looking Statements

This press release contains statements, which may be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are subject to certain risks and uncertainties, are made as of the date hereof and we undertake no obligation to update them. In particular, our business outlook is based on certain assumptions, which we believe to be reasonable under the circumstances. These include, without limitation, assumptions regarding changes in the macro environment, fluctuations in foreign currency rates, changes in the competitive landscape and consumer behavior and the effect of consolidation in the office products industry, as well as other factors described below.

Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Because actual results may differ from those predicted by such forward-looking statements, you should not place undue reliance on them when deciding whether to buy, sell or hold the Company's

securities.

Among the factors that could affect our results or cause our plans, actions and results to differ materially from current expectations are: the concentration of our business with a relatively limited number of large and sophisticated customers; the consolidation of our customers, including the merger of Office Depot and OfficeMax in late 2013; risks associated with foreign currency fluctuations; our ability to realize the synergies, growth opportunities and other potential benefits of the Pelikan Airline acquisition and successfully combine it with our existing Australian business; shifts in the channels of distribution of our products; challenges related to the highly competitive business segments in which we operate, including, low barriers to entry, customers who have the ability to source their own private label products, limited retail space, competitors' strong brands, competition from imports from a range of countries, including countries with lower production costs, competitors' ability to source lower cost products in local currencies and competition from a wide range of products and services, including electronic, digital and web-based products that can render obsolete or less desirable some of our products; our ability to develop and market innovative products that meet end-user demands; commercial and consumer spending decisions during periods of economic uncertainty or weakness; a failure of our information technology systems or supporting infrastructure or an information security breach; our ability to successfully expand our business in emerging markets which generally involve more financial, operational, legal and compliance risks and create exposure to unstable political conditions, civil unrest and economic volatility; our ability to grow profitably through acquisitions; our ability to meet the competitive challenges faced by our Computer Products Group which is rapidly changing and highly competitive; the impact of regulatory and self-regulatory requirements, litigation, regulatory actions or other legal claims or proceedings; the risks associated with outsourcing production of certain of our products, information systems and other administrative functions; the continued decline in the use of certain of our products, especially paper-based dated time management and productivity tools; risks associated with seasonality, raw material, labor and transportation cost fluctuations; the impact of pension costs; any impairment of our goodwill or other intangible assets; risks associated with our substantial indebtedness, including our significant debt service obligations, limitations imposed by restrictive covenants and our ability to comply with financial ratios and tests; our failure to comply with customer contracts; the insolvency, bankruptcy or financial instability of our customers and suppliers; our ability to secure, protect and maintain our intellectual property rights; our ability to attract and retain key employees; the volatility of our stock price; material disruptions at one of our or our suppliers' major manufacturing or distribution facilities resulting from circumstances outside our control; and other risks and uncertainties described in "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2015, in "Part II, Item 1A. Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016 and in other reports we file with the SEC.

ACCO Brands Corporation and Subsidiaries
Condensed Consolidated Balance Sheets

	(unaudited)	
	June 30, December 31,	
(in millions of dollars)	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 96.2	\$ 55.4
Accounts receivable, net	350.8	369.3
Inventories	303.2	203.6
Other current assets	42.1	25.3
Total current assets	792.3	653.6
Total property, plant and equipment	539.8	526.1
Less: accumulated depreciation	(333.4)	(317.0)
Property, plant and equipment, net	206.4	209.1
Deferred income taxes	27.5	25.1
Goodwill	598.6	496.9
Identifiable intangibles, net	583.0	520.9
Other non-current assets	16.7	47.8
Total assets	<u>\$ 2,224.5</u>	<u>\$ 1,953.4</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Notes payable	\$ 45.0	—
Current portion of long-term debt	3.9	—
Accounts payable	181.7	147.6
Accrued compensation	30.6	34.0
Accrued customer program liabilities	75.5	108.7
Accrued interest	7.2	6.3
Other current liabilities	57.8	58.7
Total current liabilities	401.7	355.3
Long-term debt, net	827.4	720.5
Deferred income taxes	140.6	142.3
Pension and post-retirement benefit obligations	80.1	89.1
Other non-current liabilities	76.0	65.0
Total liabilities	1,525.8	1,372.2
Stockholders' equity:		
Common stock	1.1	1.1
Treasury stock	(16.9)	(11.8)
Paid-in capital	1,998.7	1,988.3
Accumulated other comprehensive loss	(383.7)	(429.2)
Accumulated deficit	(900.5)	(967.2)

Total stockholders' equity	698.7	581.2
Total liabilities and stockholders' equity	<u>\$ 2,224.5</u>	<u>\$ 1,953.4</u>

ACCO Brands Corporation and Subsidiaries
Consolidated Statements of Income (Unaudited)
(In millions of dollars, except per share data)

	<u>Three Months Ended</u> <u>June 30,</u>			<u>Six Months Ended</u> <u>June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>% Change</u>	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Net sales	\$ 410.1	\$ 394.7	4%	\$ 688.2	\$ 684.7	1%
Cost of products sold	275.3	268.0	3%	471.0	477.8	(1)%
Gross profit	134.8	126.7	6%	217.2	206.9	5%
Operating costs and expenses:						
Advertising, selling, general and administrative expenses	79.6	72.4	10%	150.8	145.3	4%
Amortization of intangibles	5.4	4.9	10%	10.1	10.1	—%
Restructuring charges (credits)	4.4	0.2	NM	4.4	(0.3)	NM
Total operating costs and expenses	89.4	77.5	15%	165.3	155.1	7%
Operating income	45.4	49.2	(8)%	51.9	51.8	—%
Non-operating expense (income):						
Interest expense	12.8	11.3	13%	23.5	22.5	4%
Interest income	(1.9)	(2.3)	(17)%	(3.3)	(3.4)	(3)%
Equity in earnings of joint venture	(0.8)	(1.2)	(33)%	(2.1)	(2.6)	(19)%
Other (income) expense, net	(36.6)	2.3	NM	(35.5)	1.9	NM
Income before income tax	71.9	39.1	84%	69.3	33.4	107%
Income tax expense	10.0	11.4	(12)%	2.6	11.5	(77)%
Net income	<u>\$ 61.9</u>	<u>\$ 27.7</u>	123%	<u>\$ 66.7</u>	<u>\$ 21.9</u>	205%
Per share:						
Basic income per share	\$ 0.58	\$ 0.25	132%	\$ 0.63	\$ 0.20	215%
Diluted income per share	\$ 0.57	\$ 0.25	128%	\$ 0.61	\$ 0.19	221%
Weighted average number of shares outstanding:						
Basic	107.1	109.1		106.6	110.6	
Diluted	109.0	110.6		108.6	112.5	

	<u>Three Months Ended</u> <u>June 30,</u>		<u>Six Months Ended</u> <u>June 30,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	Gross profit (Net sales, less Cost of products sold)	32.9%	32.1%	31.6%
Advertising, selling, general and administrative	19.4%	18.3%	21.9%	21.2%
Operating income	11.1%	12.5%	7.5%	7.6%
Income before income tax	17.5%	9.9%	10.1%	4.9%
Net income	15.1%	7.0%	9.7%	3.2%
Income tax rate	13.9%	29.2%	3.8%	34.4%

ACCO Brands Corporation and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	<u>Six Months Ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
<i>(in millions of dollars)</i>		
Operating activities		
Net income	\$ 66.7	\$ 21.9
Revaluation gain on previously held joint-venture equity interest	(35.2)	—
Amortization of inventory step-up	0.2	—
Loss on disposal of assets	0.2	0.3
Depreciation	15.5	16.8
Amortization of debt issuance costs	1.8	1.7
Amortization of intangibles	10.1	10.1
Stock-based compensation	7.9	7.6
Loss on debt extinguishment	—	1.9
Equity in earnings of joint ventures, net of dividends received	(1.6)	1.2
Changes in balance sheet items:		
Accounts receivable	60.6	59.4

Inventories	(70.7)	(91.7)
Other assets	(8.7)	(9.1)
Accounts payable	24.4	37.3
Accrued expenses and other liabilities	(65.4)	(52.5)
Accrued income taxes	(5.0)	4.0
Net cash provided by operating activities	0.8	8.9
Investing activities		
Additions to property, plant and equipment	(6.9)	(15.6)
Proceeds from the disposition of assets	0.1	0.1
Cost of acquisitions, net of cash acquired	(85.4)	—
Net cash used by investing activities	(92.2)	(15.5)
Financing activities		
Proceeds from long-term borrowings	187.4	300.0
Repayments of long-term debt	(90.3)	(304.1)
Borrowings of notes payable, net	32.8	94.5
Payments for debt issuance costs	(0.8)	(1.7)
Repurchases of common stock	—	(40.0)
Payments related to tax withholding for share-based compensation	(5.0)	(5.7)
Excess tax benefit from share-based compensation	0.9	—
Proceeds from the exercise of stock options	1.6	0.3
Net cash provided by financing activities	126.6	43.3
Effect of foreign exchange rate changes on cash and cash equivalents	5.6	(3.0)
Net increase in cash and cash equivalents	40.8	33.7
Cash and cash equivalents		
Beginning of the period	55.4	53.2
End of the period	\$ 96.2	\$ 86.9

ACCO Brands Corporation and Subsidiaries
Reconciliation of GAAP to Adjusted Non-GAAP Information (Unaudited)
(In millions of dollars, except per share data)

	Three Months Ended June 30, 2016				Three Months Ended June 30, 2015				Change %	
	Reported GAAP	% of Sales	Adjusted Items	Adjusted Non-GAAP Sales	Reported GAAP	% of Sales	Adjusted Items	Adjusted Non-GAAP Sales		
Gross profit	\$ 134.8	32.9%	\$ 0.2 (A.1)	\$ 135.0	32.9%	\$ —	\$ 126.7	32.1%	7%	
Advertising, selling, general and administrative expenses	79.6	19.4%	(1.1) (A.2)	78.5	19.1%	—	72.4	18.3%	8%	
Restructuring charges (credits)	4.4		(4.4) (A.3)	—		(0.2) (A.3)	—		NM	
Operating income	45.4	11.1%	5.7	51.1	12.5%	0.2	49.4	12.5%	3%	
Interest expense	12.8		(0.9) (A.4)	11.9		(0.1) (A.5)	11.2		6%	
Other (income) expense, net	(36.6)		36.8 (A.6)	0.2		(1.9) (A.5)	0.4		(50)%	
Income before income tax	71.9	17.5%	(30.2)	41.7	10.2%	2.2	41.3	10.5%	1%	
Income tax expense	10.0		4.6 (A.7)	14.6		3.1 (A.7)	14.5		1%	
Income tax rate	13.9%			35.0%			35.0%			
Net income	\$ 61.9	15.1%	\$ (34.8)	\$ 27.1	6.6%	\$ (0.9)	\$ 26.8	6.8%	1%	
Diluted income per share	\$ 0.57		\$ (0.32)	\$ 0.25		\$ (0.01)	\$ 0.24		4%	
Weighted average number of shares outstanding:	109.0			109.0			110.6			
Six Months Ended June 30, 2016										
Six Months Ended June 30, 2015										
Gross profit	\$ 217.2	31.6%	\$ 0.2 (A.1)	\$ 217.4	31.6%	\$ —	\$ 206.9	30.2%	5%	
Advertising, selling, general and administrative expenses	150.8	21.9%	(1.7) (A.2)	149.1	21.7%	—	145.3	21.2%	3%	
Restructuring charges (credits)	4.4		(4.4) (A.3)	—		0.3 (A.3)	—		NM	
Operating income	51.9	7.5%	6.3	58.2	8.5%	(0.3)	51.5	7.5%	13%	
Interest expense	23.5		(0.9) (A.4)	22.6		(0.1) (A.5)	22.4		1%	
Other (income) expense, net	(35.5)		36.2 (A.6)	0.7		(1.9) (A.5)	—		NM	
Income before income tax	69.3	10.1%	(29.0)	40.3	5.9%	1.7	35.1	5.1%	15%	
Income tax expense	2.6		11.5 (A.7)	14.1		0.8 (A.7)	12.3		15%	
Income tax rate	3.8%			35.0%			35.0%			
Net income	\$ 66.7	9.7%	\$ (40.5)	\$ 26.2	3.8%	\$ 0.9	\$ 22.8	3.3%	15%	
Diluted income per share	\$ 0.61		\$ (0.37)	\$ 0.24		\$ 0.01	\$ 0.20		20%	
Weighted average number of shares outstanding:	108.6			108.6			112.5			

Notes for Reconciliation of GAAP to Adjusted Non-GAAP Information (Unaudited)

A. "Adjusted" results exclude restructuring (credits) charges, amortization of the step-up in value of finished goods, transaction and integration expenses associated with the acquisition of Pelikan Artline, other one-time or non-recurring items and all unusual income tax items, including income taxes related to the aforementioned items, in order to provide a comparison of underlying results of operations; in addition, income taxes have been recalculated at a normalized tax rate.

1. Represents the adjustment related to the amortization of step-up in the value of finished goods inventory associated with the acquisition of Pelikan Artline.
2. Represents the elimination of transaction and integration expenses associated with the acquisition of Pelikan Artline.
3. Represents restructuring charges (credits).
4. Represents a loan breakage fee of \$0.5 million incurred in the acquisition of Pelikan Artline and the write-off debt issuance costs of \$0.4 million due to a debt swap of part of our USD term loan for the new Australian dollar revolving loan.
5. Represents the write-off of debt issuance costs and other costs associated with the Company's refinancing in the second quarter of 2015.
6. Represents:
 - a. Fair value gain upon acquisition of Pelikan Artline of \$35.2 million and
 - b. The foreign currency losses/(gains), net related to the settlement of certain intercompany transactions.
7. Primarily reflects the tax effect of the adjustments outlined in items A.1-6 above and adjusts the company's effective tax rate to a normalized rate of 35%. The Company's estimated long-term rate remains subject to variations from the mix of earnings across the Company's operating jurisdictions.

ACCO Brands Corporation and Subsidiaries Reconciliation of Net Income to Adjusted EBITDA (Unaudited) (In millions of dollars)

The following table sets forth a reconciliation of reported net income (loss) in accordance with GAAP to Adjusted EBITDA.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2016	2015	% Change	2016	2015	% Change
Net income	\$ 61.9	\$ 27.7	123%	\$ 66.7	\$ 21.9	205%
Inventory step-up amortization	0.2	—	NM	0.2	—	NM
Transaction and integration expenses	1.1	—	NM	1.7	—	NM
Restructuring charges (credits)	4.4	0.2	NM	4.4	(0.3)	NM
Depreciation	7.7	8.3	(7)%	15.5	16.8	(8)%
Stock-based compensation	4.6	4.6	—%	7.9	7.6	4%
Amortization of intangibles	5.4	4.9	10%	10.1	10.1	—%
Interest expense, net	10.9	9.0	21%	20.2	19.1	6%
Other (income) expense, net	(36.6)	2.3	NM	(35.5)	1.9	NM
Income tax expense	10.0	11.4	(12)%	2.6	11.5	(77)%
Adjusted EBITDA (non-GAAP)	<u>\$ 69.6</u>	<u>\$ 68.4</u>	<u>2%</u>	<u>\$ 93.8</u>	<u>\$ 88.6</u>	<u>6%</u>
<i>Adjusted EBITDA as a % of Net Sales</i>	17.0%	17.3%		13.6%	12.9%	

Notes for Reconciliation of Net Income to Adjusted EBITDA

"Adjusted EBITDA" represents net income after adding back depreciation; stock-based compensation expense; amortization of intangibles; interest expense, net; other (income) expense, net and income tax expense. Adjusted EBITDA also excludes the amortization of step-up in value of finished goods inventory, transaction and integration expenses and restructuring charges (credits).

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow (Unaudited) (In millions of dollars)

"Free Cash Flow" represents cash flow from operating activities less cash used for additions to property, plant and equipment and plus cash proceeds from the disposition of assets. The following table sets forth a reconciliation of reported net cash provided by operating activities in accordance with GAAP to Free Cash Flow.

	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Net cash provided by operating activities	\$ 0.8	\$ 8.9
Net cash (used) provided by:		
Additions to property, plant and equipment	(6.9)	(15.6)

Full Year:

ACCO Brands North America	\$ 444.8	\$ 61.9	\$ 1.2	\$ 63.1	14.2%	\$ 963.3	\$ 147.6	\$(0.6)	\$ 147.0	15.3%
ACCO Brands International	186.6	6.7	3.8	10.5	5.6%	426.9	40.8	(0.1)	40.7	9.5%
Computer Products	56.8	4.9	(0.1)	4.8	8.5%	120.2	10.3	0.3	10.6	8.8%
Corporate	—	(21.6)	1.4	(20.2)		—	(35.2)	—	(35.2)	
Total	\$ 688.2	\$ 51.9	\$ 6.3	\$ 58.2	8.5%	\$ 1,510.4	\$ 163.5	\$(0.4)	\$ 163.1	10.8%

(A) See "Notes for Reconciliation of GAAP to Adjusted Non-GAAP Information (Unaudited)" for a description of adjusted items on page 8.

**ACCO Brands Corporation and Subsidiaries
Supplemental Net Sales Change Analysis (Unaudited)**

	Percent Change - Sales					
	GAAP	Non-GAAP				
	Net Sales Change	Currency Translation	Acquisition	Comparable Net Sales Change (A)	Price	Volume/Mix
Q1 2016:						
ACCO Brands North America	(0.6)%	(1.2)%	—%	0.6%	1.0%	(0.4)%
ACCO Brands International	(9.8)%	(11.6)%	—%	1.8%	9.3%	(7.5)%
Computer Products	(5.6)%	(2.1)%	—%	(3.5)%	3.8%	(7.3)%
Total	(4.1)%	(4.7)%	—%	0.6%	4.0%	(3.4)%
Q2 2016:						
ACCO Brands North America	3.9%	(0.7)%	—%	4.6%	1.8%	2.8%
ACCO Brands International	4.8%	(4.8)%	17.4%	(7.8)%	10.2%	(18.0)%
Computer Products	1.0%	(0.7)%	—%	1.7%	2.0%	(0.3)%
Total	3.9%	(1.7)%	4.3%	1.3%	3.9%	(2.6)%
2016 YTD:						
ACCO Brands North America	2.2%	(0.9)%	—%	3.1%	1.5%	1.6%
ACCO Brands International	(2.5)%	(8.2)%	8.8%	(3.1)%	9.8%	(12.9)%
Computer Products	(2.2)%	(1.4)%	—%	(0.8)%	2.9%	(3.7)%
Total	0.5%	(3.0)%	2.5%	1.0%	3.9%	(2.9)%

(A) Sales excluding acquisitions and with current period foreign operation sales translated at prior year currency rates.

Logo - <http://photos.pnewswire.com/prnh/20130114/CG416111LOGO-b>

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