ACCO Brands Corporation Reports Third Quarter 2014 Results

October 29, 2014

LAKE ZURICH, Ill., Oct. 29, 2014 /PRNewswire/ -- ACCO Brands Corporation (NYSE: ACCO), a world leader in branded school and office products, today reported its third quarter results for the period ended September 30, 2014.



"We gained market share and had a strong back-to-school season in North America," said Boris Elisman, president and chief executive officer. "Disciplined expense management and ongoing productivity initiatives also contributed to our earnings growth. As a result of our strong third quarter, we are increasing our revenue and adjusted earnings guidance for the full year and reiterating our free cash flow guidance."

Third Quarter Results

Net sales increased 1% to $472.2 million compared to $469.2 million in the prior-year quarter. Net income was $34.2 million, or $0.29 per share. This compared to net income of $26.4 million, or $0.23 per share, in the prior-year quarter. Adjusted net income increased 21% to $35.2 million, or $0.30 per share, compared to $29.1 million, or $0.25 per share, in the prior-year quarter. The increase primarily was the result of cost savings and productivity improvements.

Business Segment Highlights

ACCO Brands North America - Sales increased to $297.4 million from $295.9 million in the prior-year quarter. On a constant currency basis, sales increased 1% driven by a strong back-to-school season, including market share gains in the mass channel, and pricing, which more than offset declines with a large customer that recently merged. Operating income was $50.5 million, compared to $36.1 million in the prior-year quarter. Adjusted operating income increased 29% to $50.0 million, from $38.7 million in the prior-year quarter, primarily due to cost savings and productivity improvements.

ACCO Brands International - Sales increased 3% to $140.7 million, from $136.0 million in the prior-year quarter, driven by growth in Brazil and Mexico. Operating income was $19.1 million compared to $17.8 million in the prior-year quarter. Adjusted operating income increased 3% to $19.2 million, compared to $18.7 million in the prior-year quarter, primarily due to the increase in sales.

Computer Products - Sales decreased 9% to $34.1 million, from $37.3 million in the prior-year quarter, due to lower tablet accessory sales resulting from our de-emphasis of commoditized products. Operating income decreased to $2.7 million from $3.4 million in the prior-year quarter. Adjusted operating income was $3.6 million compared to $3.4 million in the prior-year quarter. The improvement was due to favorable product mix and lower operating expenses.

Nine Month Results

Net sales decreased 2.5% to $1,229.3 million compared to $1,261.4 million in the prior-year nine-month period. On a constant currency basis sales decreased 1.2%. Net income was $47.7 million, or $0.41 per share, including restructuring costs. This compared to net income of $26.9 million, or $0.23 per share, in the prior-year period, including restructuring, debt refinancing and IT integration costs. Adjusted net income increased 20% to $51.6 million, or $0.44 per share, from $42.9 million, or $0.37 per share, in the prior year period. The improvement primarily was the result of cost savings and productivity improvements and lower interest expense.

Business Outlook

The company has increased its expectations for 2014 sales and adjusted earnings per share. The company now expects a lesser rate of sales decline, down 3-5%, and adjusted earnings per share of $0.79-$0.80. The company continues to expect 2014 free cash flow of approximately $140 million.

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.accobrands.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 on a GAAP basis in this earnings release, we provide investors with certain non-GAAP financial measures, including "adjusted" financial measures, earnings before interest, taxes and depreciation ("EBITDA"), and free cash flow. See our Reconciliations of Adjusted Results, Reconciliations of Operating Income to Adjusted Supplemental EBITDA from Continuing Operations, Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow and our Reported Supplemental Business Segment Information and Reconciliation, 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. 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.

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 tax items, restructuring and integration charges, goodwill or other intangible asset impairment charges, 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 generally accepted accounting principles in the United States. Investors should review the reconciliations 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 suppliers of branded school, office and consumer products and print finishing solutions. 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. We design, market and sell products in more than 100 countries around the world. More information about ACCO Brands can be found at www.accobrands.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, and the impact of the loss or bankruptcy of a major customer or a substantial reduction in business from a major customer due to their loss of market share or otherwise; the consolidation of our customers, including the merger of Office Depot and OfficeMax in late 2013; challenges related to the highly competitive business segments in which we operate, including, without limitation, decisions made by our major customers to expand the sourcing of their own private label products or otherwise change product assortments, decisions by our competitors to take advantage of low entry barriers to expand their production or lower prices, and decisions made by end-users of our products to purchase lowered-priced, substitute or alternative products; our ability to anticipate the changing needs of our customers and end-users in a market where many of our product categories are affected by continuous improvements in technology and shortened product life cycles and others are experiencing secular declines; our ability to meet the competitive challenges faced by our Computer Products business which is characterized by rapid change, including changes in technology, short product life cycles and a dependency on the introduction by third party manufacturers of new equipment to drive demand for the accessories it sells; commercial and consumer spending decisions during periods of economic uncertainty or weakness; our ability to realize the sales synergies, growth opportunities and other potential benefits of the acquisition of the Mead Consumer and Office Products business; our ability to successfully expand our business in new, developing and emerging markets and sales channels which could create exposure to unstable political conditions, civil unrest or economic uncertainty; any material failure, inadequacy or interruption in our information technology systems; our failure to remediate the material weakness in our information technology general controls; regulatory requirements, litigation, regulatory actions or other legal proceedings; the risks associated with outsourcing production of certain of our products to suppliers in China and other Asia-Pacific countries; the decline in the use of paper-based dated time management and productivity tools; material disruptions at one of our or our suppliers' major manufacturing or distribution facilities; risks associated with our substantial indebtedness, including limitations imposed by restrictive covenants and our ability to comply with financial ratios and tests; risks associated with seasonality, and foreign currency, interest rate and raw material and labor cost fluctuations; the impact of pension costs; any impairment of our goodwill or other intangible assets; our ability to secure, protect and maintain our intellectual property rights; our ability to retain key employees; 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, 2013 and in other reports we file with the SEC.

ACCO Brands Corporation and Subsidiaries
Condensed Consolidated Balance Sheets

(in millions of dollars)	September 30, 2014 (unaudited)	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	$ 72.5	$ 53.5
Accounts receivable, net	386.8	471.9
Inventories	286.2	254.7
Deferred income taxes	37.3	33.5
Other current assets	41.6	28.1
Total current assets	824.4	841.7
Total property, plant and equipment	552.1	548.5
Less accumulated depreciation	(309.4)	(295.2)
Property, plant and equipment, net	242.7	253.3
Deferred income taxes	30.9	37.3
Goodwill	558.2	568.3
Identifiable intangibles, net	584.7	607.0
Other non-current assets	68.6	75.3
Total assets	$ 2,309.5	$ 2,382.9
Liabilities and Stockholders' Equity		
Current liabilities:		
Notes payable	$ 0.8	$ —
Current portion of long-term debt	0.2	0.1
Accounts payable	150.9	177.9
Accrued compensation	34.2	32.0
Accrued customer program liabilities	96.9	123.6
Accrued interest	15.2	7.0
Other current liabilities	74.9	104.5
Total current liabilities	373.1	445.1
Long-term debt	895.6	920.8
Deferred income taxes	185.1	169.1
Pension and post-retirement benefit obligations	45.0	61.7
Other non-current liabilities	82.7	83.9
Total liabilities	1,581.5	1,680.6
Stockholders' equity:		
Common stock	1.1	1.1
Treasury stock	(5.4)	(3.5)
Paid-in capital	2,040.8	2,035.0
Accumulated other comprehensive loss	(211.5)	(185.6)
Accumulated deficit	(1,097.0)	(1,144.7)
Total stockholders' equity	728.0	702.3
Total liabilities and stockholders' equity	$ 2,309.5	$ 2,382.9

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

(in millions of dollars)	Nine Months Ended September 30, 2014	2013
Operating activities		
Net income	$ 47.7	$ 26.9
Loss (gain) on disposal of assets	0.6	(2.3)
Release of tax valuation allowance	—	(7.0)
Depreciation	26.8	30.4
Other non-cash charges	0.6	0.9
Amortization of debt issuance costs	2.9	4.3
Amortization of intangibles	16.9	18.7
Stock-based compensation	11.6	11.7
Loss on debt extinguishment	—	9.4
Equity in earnings of joint ventures, net of dividends received	(0.4)	(0.9)
Changes in balance sheet items:		
Accounts receivable	72.3	85.5
Inventories	(37.5)	(30.9)
Other assets	(10.1)	(5.8)
Accounts payable	(23.2)	20.7
Accrued expenses and other liabilities	(49.0)	(27.3)
Accrued income taxes	8.3	(9.1)
Net cash provided by operating activities	67.5	125.2
Investing activities		
Additions to property, plant and equipment	(21.1)	(30.2)

Payments related to the sale of discontinued operations	—	(1.4)
Proceeds from the disposition of assets	3.8	4.2
Net cash used by investing activities	(17.3)	(27.4)
Financing activities		
Proceeds from long-term borrowings	—	530.0
Repayments of long-term debt	(25.1)	(601.5)
Borrowings of notes payable, net	0.8	1.1
Payments for debt issuance costs	(0.3)	(4.3)
Repurchase of common stock	(2.9)	—
Other	(1.9)	(0.6)
Net cash used by financing activities	(29.4)	(75.3)
Effect of foreign exchange rate changes on cash and cash equivalents	(1.8)	(1.7)
Net increase in cash and cash equivalents	19.0	20.8
Cash and cash equivalents		
Beginning of the period	53.5	50.0
End of the period	$ 72.5	$ 70.8

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

	Three Months Ended September 30, 2014			Three Months Ended September 30, 2013				
	Reported	Adjusted Items (A)	Adjusted	Reported	Adjusted Items (A)	Adjusted	% Change Reported	% Change Adjusted
Net sales	**$ 472.2**	$ —	$ 472.2	**$ 469.2**	$ —	$ 469.2	1%	1%
Cost of products sold	**320.3**	—	320.3	**328.1**	—	328.1	(2)%	(2)%
Gross profit	**151.9**	—	151.9	**141.1**	—	141.1	8%	8%
Operating costs and expenses:								
Advertising, selling, general and administrative expenses	**84.2**	—	84.2	**82.6**	(1.3) (A.1)	81.3	2%	4%
Amortization of intangibles	**5.4**	—	5.4	**5.9**	—	5.9	(8)%	(8)%
Restructuring charges	**0.5**	(0.5) (A.2)	—	**2.3**	(2.3) (A.2)	—	(78)%	NM
Total operating costs and expenses	**90.1**	(0.5)	89.6	**90.8**	(3.6)	87.2	(1)%	3%
Operating income	**61.8**	0.5	62.3	**50.3**	3.6	53.9	23%	16%
Non-operating expense (income):								
Interest expense, net	**10.9**	—	10.9	**12.5**	(0.1) (A.3)	12.4	(13)%	(12)%
Equity in earnings of joint ventures	**(2.9)**	—	(2.9)	**(3.3)**	—	(3.3)	(12)%	(12)%
Other expense, net	**0.2**	—	0.2	**0.1**	—	0.1	100%	100%
Income from continuing operations before income tax	**53.6**	0.5	54.1	**41.0**	3.7	44.7	31%	21%
Income tax expense	**19.4**	(0.5) (A.4)	18.9	**14.6**	1.0 (A.4)	15.6	33%	21%
Income from continuing operations	**34.2**	1.0	35.2	**26.4**	2.7	29.1	30%	21%
Loss from discontinued operations, net of income taxes	**—**	—	—	**—**	—	—		
Net income	**$ 34.2**	$ 1.0	$ 35.2	**$ 26.4**	$ 2.7	$ 29.1	30%	21%
Per share:								
Basic income per share:								
Income from continuing operations	**$ 0.30**		$ 0.31	**$ 0.23**		$ 0.26	30%	19%
Loss from discontinued operations	**—**		—	**—**		—		
Basic income per share	**$ 0.30**		$ 0.31	**$ 0.23**		0.26	30%	19%
Diluted income per share:								
Income from continuing operations	**$ 0.29**		$ 0.30	**$ 0.23**		$ 0.25	26%	20%
Loss from discontinued operations	**—**		—	**—**		$ —		
Diluted income per share	**$ 0.29**		$ 0.30	**$ 0.23**		$ 0.25	26%	20%
Weighted average number of shares outstanding:								
Basic	**114.4**		114.4	**113.6**		113.6		
Diluted	**117.0**		117.0	**115.8**		115.8		

Statistics (as a % of Net sales, except Income tax rate)				
	Three Months Ended September 30, 2014		Three Months Ended September 30, 2013	
	Reported	Adjusted	Reported	Adjusted
Gross profit (Net sales, less Cost of products sold)	32.2%		30.1%	
Advertising, selling, general and administrative	17.8%		17.6%	17.3%
Operating income	13.1%	13.2%	10.7%	11.5%
Income from continuing operations before income tax	11.4%	11.5%	8.7%	9.5%
Income from continuing operations	7.2%	7.5%	5.6%	6.2%
Income tax rate	36.2%	35.0%	35.6%	35.0%

Reconciliation of Operating Income to Adjusted Supplemental EBITDA from Continuing Operations
(Unaudited)
(In millions of dollars)

"Adjusted Supplemental EBITDA" represents adjusted operating income after adding back depreciation, amortization of intangibles, stock-based compensation expense, and joint venture income. The following table sets forth a reconciliation of operating income in accordance with GAAP to Adjusted Supplemental EBITDA

	Three Months Ended September 30,		
	2014	2013	% Change
Operating income	$ 61.8	$ 50.3	23%
Integration charges	—	1.3	(100)%
Restructuring charges	0.5	2.3	(78)%
Adjusted operating income from continuing operations	62.3	53.9	16%
Depreciation	8.5	9.8	(13)%
Amortization of intangibles	5.4	5.9	(8)%
Stock-based compensation expense	3.9	4.3	(9)%
Joint venture income	2.9	3.3	(12)%
Adjusted supplemental EBITDA from continuing operations	$ 83.0	$ 77.2	8%
Adjusted supplemental EBITDA from continuing operations as a % of Net Sales	17.6%	16.5%	

Notes for Reported Consolidated Statements of Income and Reconciliation of Adjusted Reported Results

A."Adjusted" results exclude all unusual tax items, restructuring and integration charges, in order to provide a comparison of underlying results of operations; in addition, taxes have been recalculated at a normalized tax rate.

1. Represents integration charges.
2. Represents restructuring costs.
3. Primarily represents the adjustments related to accelerated amortization of debt origination costs resulting from bank debt repayments.
4. Adjustment primarily reflects the tax effect of the adjustments outlined in items A.1-3 above and adjusts the company's effective tax rate to a normalized rate of 35%. The Company incurred significant operating losses in several jurisdictions in prior periods. As a result, the operating results in these locations reflected no tax benefit or expense, which results in a high effective tax rate for the prior-year period. The Company's principal remaining tax valuation allowance for the Netherlands was reversed during the first quarter of 2013. 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
Consolidated Statements of Income and Reconciliation of Adjusted Results (Unaudited)
(In millions of dollars, except per share data)

	Nine Months Ended September 30, 2014			Nine Months Ended September 30, 2013				
	Reported	Adjusted Items (A)	Adjusted	Reported	Adjusted Items (A)	Adjusted	% Change Reported	% Change Adjusted
Net sales	**$ 1,229.3**	$ —	$ 1,229.3	**$ 1,261.4**	$ —	$ 1,261.4	(3) %	(3) %
Cost of products sold	**858.5**	—	858.5	**886.5**	—	886.5	(3) %	(3) %
Gross profit	**370.8**	—	370.8	**374.9**	—	374.9	(1) %	(1) %
Operating costs and expenses:								
Advertising, selling, general and administrative expenses	**247.2**	—	247.2	**259.3**	(4.4) (A.1)	254.9	(5)%	(3)%
Amortization of intangibles	**16.9**	—	16.9	**18.7**	—	18.7	(10)%	(10)%
Restructuring charges	**1.6**	(1.6) (A.2)	—	**17.9**	(17.9) (A.2)	—	(91)%	NM
Total operating costs and expenses	**265.7**	(1.6)	264.1	**295.9**	(22.3)	273.6	(10)%	(3)%

Operating income	**105.1**	1.6	106.7	**79.0**	22.3	101.3	33%	5%
Non-operating expense (income):								
Interest expense, net	**32.3**	0.1 (A.3)	32.4	**41.7**	(0.8) (A.3)	40.9	(23)%	(21)%
Equity in earnings of joint ventures	**(5.3)**	—	(5.3)	**(5.9)**	—	(5.9)	(10)%	(10)%
Other expense, net	**0.3**	—	0.3	**9.6**	(9.4)(A.4)	0.2	(97)%	50%
Income (loss) from continuing operations before income tax	**77.8**	1.5	79.3	**33.6**	32.5	66.1	132%	20%
Income tax expense (benefit)	**30.1**	(2.4) (A.5)	27.7	**6.6**	16.5 (A.5)	23.1	356%	20%
Income from continuing operations	**47.7**	3.9	51.6	**27.0**	16.0	43.0	77%	20%
Loss from discontinued operations, net of income taxes	**—**	—	—	**(0.1)**	—	(0.1)	100%	100%
Net income	**$ 47.7**	$ 3.9	$ 51.6	**$ 26.9**	$ 16.0	$ 42.9	77%	20%
Per share:								
Basic income per share:								
Income from continuing operations	**$ 0.42**		$ 0.45	**$ 0.24**		0.38	75%	18%
Loss from discontinued operations	**—**		—	**—**		—	100%	100%
Basic income per share	**$ 0.42**		$ 0.45	**$ 0.24**		0.38	75%	18%
Diluted income per share:								
Income from continuing operations	**$ 0.41**		$ 0.44	**$ 0.23**		0.37	78%	19%
Loss from discontinued operations	**—**		—	**—**		—	100%	100%
Diluted income per share	**$ 0.41**		$ 0.44	**$ 0.23**		0.37	78%	19%
Weighted average number of shares outstanding:								
Basic	**114.2**		114.2	**113.5**		113.5		
Diluted	**116.7**		116.7	**115.6**		115.6		

Statistics (as a % of Net sales, except Income tax rate)	**Nine Months Ended September 30, 2014**		**Nine Months Ended September 30, 2013**	
	Reported	**Adjusted**	**Reported**	**Adjusted**
Gross profit (Net sales, less Cost of products sold)	30.2%		29.7%	
Advertising, selling, general and administrative	20.1%		20.6%	20.2%
Operating income	8.5%	8.7%	6.3%	8.0%
Income (loss) from continuing operations before income tax	6.3%	6.5%	2.7%	5.2%
Income from continuing operations	3.9%	4.2%	2.1%	3.4%
Income tax rate	38.7%	35.0%	19.6%	35.0%

Reconciliation of Operating Income to Adjusted Supplemental EBITDA from Continuing Operations
(Unaudited)
(In millions of dollars)

"Adjusted Supplemental EBITDA" represents adjusted operating income after adding back depreciation, amortization of intangibles, stock-based compensation expense, and joint venture income. The following table sets forth a reconciliation of reported operating income in accordance with GAAP to Adjusted Supplemental EBITDA.

	Nine Months Ended September 30,		
	2014	**2013**	**% Change**
Operating income	$ 105.1	$ 79.0	33%
Integration charges	—	4.4	(100)%
Restructuring charges	1.6	17.9	(91)%
Adjusted operating income from continuing operations	106.7	101.3	5%
Depreciation	26.8	30.4	(12)%
Amortization of intangibles	16.9	18.7	(10)%
Stock-based compensation expense	11.6	11.7	(1)%
Joint venture income	5.3	5.9	(10)%
Adjusted supplemental EBITDA from continuing operations	$ 167.3	$ 168.0	—%
Adjusted supplemental EBITDA from continuing operations as a % of Net Sales	13.6%	13.3%	

Notes for Reported Consolidated Statements of Income and Reconciliation of Adjusted Reported Results

A."Adjusted" results exclude all unusual tax items, restructuring and integration charges, in order to provide a comparison of underlying results of operations; in addition, taxes have been recalculated at a normalized tax rate.

1.Represents integration charges.
2.Represents restructuring costs.
3.Primarily represents the adjustments related to accelerated amortization of debt origination costs resulting from bank debt repayments.
4.Represents the reversal of the loss on debt extinguishment and other costs associated with the Company's refinancing in Q2 of 2013.
5.Adjustment primarily reflects the tax effect of the adjustments outlined in items A.1-4 above and adjusts the company's effective tax rate to a normalized rate of 35%. The Company incurred significant operating losses in several jurisdictions in prior periods. As a result, the operating results in these locations reflected no tax benefit or expense, which results in a high effective tax rate for the prior-year period. The Company's principal remaining tax valuation allowance for the Netherlands was reversed during the first quarter of 2013. The Company's estimated long-term rate remains subject to variations from the mix of earnings across the Company's operating jurisdictions.

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 additions to property, plant and equipment, net of 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.

	Nine Months Ended September 30, 2014
Net cash provided by operating activities	$ 67.5
Net cash provided (used) by:	
Additions to property, plant and equipment	(21.1)
Proceeds from the disposition of assets	3.8
Free cash flow	50.2

ACCO Brands Corporation
Reported Supplemental Business Segment Information and Reconciliation (Unaudited)
(In millions of dollars)

	2014					2013					Changes				
	Net Sales	Reported Operating Income (Loss)	Adjusted Items	Adjusted Operating Income Loss(A)	Adjusted Operating Income (Loss) Margin	Net Sales	Reported Operating Income (Loss)	Adjusted Items	Adjusted Operating Income (Loss)(A)	Adjusted Operating Income (Loss) Margin	Net Sales $	Net Sales %	Adjusted Operating Income (Loss)$	Adjusted Operating Income (Loss)%	Adjusted Operating Income Margin Points
ACCO Brands North America	$ 171.4	$ (1.5)	$ 0.3	$ (1.2)	(0.7)%	$ 189.0	$ (8.2)	$ 5.7	$ (2.5)	(1.3)%	$ (17.6)	(9)%	$ 1.3	52%	60
ACCO Brands International	124.3	7.6	0.5	8.1	6.5%	126.2	4.0	4.6	8.6	6.8%	$ (1.9)	(2)%	(0.5)	(6)%	(30)
Computer Products	33.7	1.9	0.3	2.2	6.5%	36.8	2.8	0.6	3.4	9.2%	$ (3.1)	(8)%	(1.2)	(35)%	(270)
Corporate	—	(8.6)	—	(8.6)		—	(7.8)	—	(7.8)		—		(0.8)		
Total	$ 329.4	$ (0.6)	$ 1.1	$ 0.5	0.2%	$ 352.0	$ (9.2)	$ 10.9	$ 1.7	0.5%	$ (22.6)	(6)%	$ (1.2)	(71)%	(30)
Q2:															
ACCO Brands North America	$ 283.7	$ 49.0	$ 0.2	49.2	17.3%	$ 286.9	$ 33.7	$ 7.1	40.8	14.2%	$ (3.2)	(1)%	$ 8.4	21%	310
ACCO Brands International	111.3	5.2	—	5.2	4.7%	116.1	10.5	(0.2)	10.3	8.9%	$ (4.8)	(4)%	(5.1)	(50)%	(420)
Computer Products	32.7	0.4	—	0.4	1.2%	37.2	2.9	0.7	3.6	9.7%	$ (4.5)	(12)%	(3.2)	(89)%	(850)
Corporate	—	(10.7)	(0.2)	(10.9)		—	(9.2)	0.2	(9.0)		—		(1.9)		
Total	$ 427.7	$ 43.9	$ —	$ 43.9	10.3%	$ 440.2	$ 37.9	$ 7.8	$ 45.7	10.4%	$ (12.5)	(3)%	$ (1.8)	(4)%	(10)
Q3:															
ACCO Brands North America	$ 297.4	$ 50.5	$ (0.5)	$ 50.0	16.8%	$ 295.9	$ 36.1	$ 2.6	$ 38.7	13.1%	$ 1.5	1%	$ 11.3	29%	370
ACCO Brands International	140.7	19.1	0.1	19.2	13.6%	136.0	17.8	0.9	18.7	13.8%	$ 4.7	3%	0.5	3%	(20)

Computer Products	34.1	2.7	0.9	3.6	10.6%	37.3	3.4	—	3.4	9.1%	$ (3.2)	(9)%	0.2	6%	150
Corporate	—	(10.5)	—	(10.5)		—	(7.0)	0.1	(6.9)		—		(3.6)		
Total	$ 472.2	$ 61.8	$ 0.5	$ 62.3	13.2%	$ 469.2	$ 50.3	$ 3.6	$ 53.9	11.5%	$ 3.0	1%	$ 8.4	16%	170
Q4:															
ACCO Brands North America						$ 269.6	$ 36.6	$ 9.7	$ 46.3	17.2%					
ACCO Brands International						188.3	34.2	1.2	35.4	18.8%					
Computer Products						45.8	4.6	0.8	5.4	11.8%					
Corporate						—	(8.6)	0.5	(8.1)						
Total						$ 503.7	$ 66.8	$ 12.2	$ 79.0	15.7%					
Full Year:															
ACCO Brands North America	$ 752.5	$ 98.0	$ —	$ 98.0	13.0%	$ 1,041.4	$ 98.2	$ 25.1	$ 123.3	11.8%					
ACCO Brands International	376.3	31.9	0.6	32.5	8.6%	566.6	66.5	6.5	73.0	12.9%					
Computer Products	100.5	5.0	1.2	6.2	6.2%	157.1	13.7	2.1	15.8	10.1%					
Corporate	—	(29.8)	(0.2)	(30.0)		—	(32.6)	0.8	(31.8)						
Total	$ 1,229.3	$ 105.1	$ 1.6	$ 106.7	8.7%	$ 1,765.1	$ 145.8	$ 34.5	$ 180.3	10.2%					

(A) See "Notes for Reported Consolidated Statements of Income and Reconciliation of Adjusted Reported Results" for a description of adjusted items on pages 8 and 10.

ACCO Brands Corporation
Supplemental Net Sales Growth Analysis
(Unaudited)

	Percent Change - Sales				
	Net Sales Growth	Currency Translation	Comparable Sales Growth	Price $ Volume/Mix	
Q1 2014:					
ACCO Brands North America	(9.4)%	(1.3)%	(8.1)%	0.6%	(8.7)%
ACCO Brands International	(1.5)%	(7.3)%	5.8%	2.4%	3.4%
Computer Products	(8.4)%	0.3%	(8.7)%	(4.9)%	(3.8)%
Total	(6.4)%	(3.3)%	(3.1)%	0.7%	(3.8)%
Q2 2014:					
ACCO Brands North America	(1.1)%	(1.0)%	(0.1)%	1.4%	(1.5)%
ACCO Brands International	(4.1)%	(0.9)%	(3.2)%	4.1%	(7.3)%
Computer Products	(12.1)%	1.1%	(13.2)%	(3.0)%	(10.2)%
Total	(2.8)%	(0.8)%	(2.0)%	1.7%	(3.7)%
Q3 2014:					
ACCO Brands North America	0.5%	(0.7)%	1.2%	2.1%	(0.9)%
ACCO Brands International	3.5%	0.8%	2.7%	3.2%	(0.5)%
Computer Products	(8.6)%	(0.3)%	(8.3)%	(3.5)%	(4.8)%
Total	0.6%	(0.2)%	0.8%	2.0%	(1.2)%
2014 YTD:					
ACCO Brands North America	(2.5)%	(0.9)%	(1.6)%	1.5%	(3.1)%
ACCO Brands International	(0.5)%	(2.4)%	1.9%	3.2%	(1.3)%
Computer Products	(9.7)%	0.4%	(10.1)%	(3.8)%	(6.3)%
Total	(2.5)%	(1.3)%	(1.2)%	1.5%	(2.7)%

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SOURCE ACCO Brands Corporation

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