Company Update

November 2016

LEG (NYSE)

www.leggett.com

Leggett & Platt INCORPORATED

Forward Looking Statements

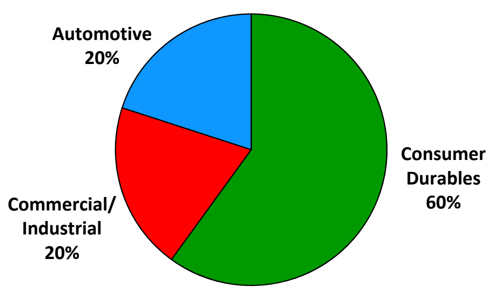
Statements in this presentation that are not historical in nature are "forward-looking." These statements about targets, plans, goals, objectives, strategies, and future stock price involve uncertainties and risks, including changes in demand for the company's products, cost and availability of raw materials and labor, price and product competition from foreign and domestic competitors, the company's ability to improve operations and realize cost savings, general economic conditions, fuel and energy costs, foreign currency fluctuation, litigation risks, and other factors described in the company's Form 10-K. Any forward-looking statement reflects only the company's beliefs when the statement is made. Actual results could differ materially from expectations, and the company undertakes no duty to update these statements.

TSR Focused Mid-Cap Manufacturer

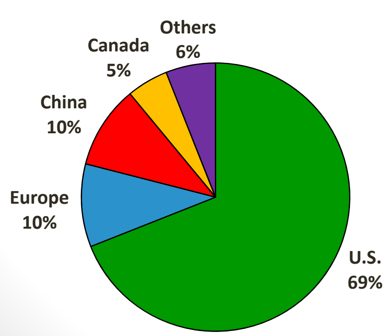
- Targeting **Total Shareholder Return in top third** of S&P 500
- **~3%** dividend **yield**; 45 consecutive annual increases
- **Strong** balance sheet and cash flow
- **Leader** in most markets; few/no large competitors
- Poised for **continued growth**
  - From internal initiatives and market recovery
- Management has “**skin in the game**”
  - Significant stock owners; forego comp in exchange for shares
  - Incentive comp aligned with TSR focus

Our Markets

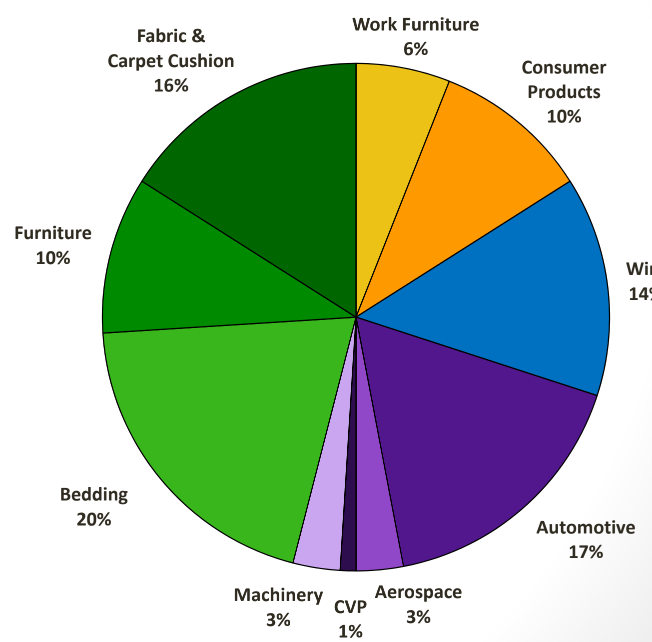
Macro Market Exposure



Geographic Split
(based on production)



Product Mix
% of 2016 est. total sales



4 segments; 10 groups

Strategy

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Strategic Shift Outlined in 2007

What We Said:

Goal = TSR in top third of S&P 500

Sources: Growth, Margin Improvement, Dividend Yield, and Share Buybacks

3 STEPS:

1. **FOCUS** by divesting low performing businesses
2. **IMPROVE** margins & returns on assets we keep
3. **GROW** revenue, long-term, at 4-5% annually

- Successfully executed **"Focus"** and **"Improve"**
- Now turning more attention to **Growth**

TSR in Top Third of S&P 500

Sources of TSR: Growth, Margin Improvement, Dividend Yield, and Share Buybacks

Total Shareholder Return = (Δ Stock Price + Dividends) / Initial Price

Revenue Growth Target:	6-9% annually
Margin Improvement:	Growth in attractive markets, product development, cost savings, efficiency impr.
Dividend Payout Target:	50-60% of earnings
Excess Cash Use:	Stock Buyback

Moderately higher revenue growth required with less margin improvement opportunity

TSR Performance

3-year CAGR

	07-16 Target	11-14	12-15	13-16[2]	16-19e[4]	Revised Target
Revenue Change	4-5	5	5	3	8	6-9
ex divest/deflation/currency		*5*	*7*	*7*		
Margin Change	2-3	6	11	11	--	1
Change in Multiple	--	12	(2)	(2)	--	--
Dividend Yield	3-4	4	4	3	3	3
Stock Buyback	2-4	1	2	2	1	1
Annual TSR	12-15	28	20	17	12	11-14
% Rank in S&P 500[1]		25%	31%	13%[3]		

[1] 1% is best.
[2] TSR estimate based on mid-point of 2016 guidance and assumes a $46 year-end share price.
[3] Relative TSR performance through October 2016.
[4] TSR estimate based on 2019 operating targets.

Growth Framework

- Targeting 6-9% average annual revenue growth; organic + acquisition
- Three avenues of growth:
  1. **Recent Growth Sources** should continue for next few years
  2. **Growth Identification Process** → used to generate profitable growth initiatives in current markets
  3. **Styles of Competition** → used longer term to uncover new attractive markets

Enhancing framework for consistent, disciplined long-term profitable growth

1. Recent Growth Sources

- Unit volume growth in recent years supported by recovering market demand + **Other Sources**
  - Organic unit volume **+6% in 2014/2015**; guiding **+2% in 2016**
- **Other Sources** of growth should continue:
  - Content gains in Automotive & Bedding businesses
  - Adjustable Bed market growth
  - Powered motion growth in Home Furniture
- Program awards, customer focus, consumer preference trends provide good visibility for next few years
- Acquisitions should also contribute to growth
  - Averaged ~3% acquisition growth over past 3 years

2. Growth Identification Process

- Implementing **Growth Toolkit** to generate profitable growth initiatives in current markets
- Toolkit framework:
  1. Understand where we are starting and define potentially attractive spaces for growth
  2. Identify specific opportunities for profitable growth within spaces of interest
  3. Prioritize opportunities based on value creation
  4. Determine action plans
- Initiatives should be **Organic & Acquisition**

3. Styles of Competition

- Defines and measures **"fit"** based on fundamentals of where and how we currently compete
- Lens used longer term to identify, screen, and pursue opportunities across **more diverse spaces**
- Guides growth identification process in current markets
- Leggett's predominant style is **Critical Components**
  - ~60% of sales; typically higher margins/returns
  - Majority of recent sales growth

Critical Components Style Defined

		Dimension	Characteristic
Where we compete	Product / service / Solution	1. Role in value chain	**Translate RM or components** into critical component
		2. Functional role	**Functionally essential** to end product
		3. % of finished COGS	**<25%** of finished COGS
	Industry Structure	4. Customer set	Concentrated in **few large customers**
		5. Competitive set	**Small private** companies w/ single focus
	Econ-omics	6. Gross margin	Earns **attractive returns** at ~20-30% GM
		7. Asset intensity	**Light manufacturing** ~2x asset turns
How we compete		8. Deep customer engagements	**Deep understanding of customer** design, production pain points, long-term relationships
		9. Collaborative design	**Co-design** products/components for **better functionality** and lower total cost
		10. Flexible mfg	**Long-run SKUs** that can be adjusted to deliver **custom specs** w/minimal additional capital
		11. Continuous cost improvement	**Continuous cost improvement** throughout life of long run-length SKU

Acquisition Criteria Unchanged

- Strategy: clear strategic rationale; sustainable competitive advantage; strong **"fit"** with L&P
- Financials: TSR accretive; IRR > 10%
- **New Platforms**: revenue > $50m; strong management; subsequent growth opportunity
  - Mkt size > $250m; growing > GDP
  - Industry EBIT margin approximates Leggett's average
- **Add-on** businesses: revenue > $15m; significant synergy; strategic fit in an existing BU

Sources of Margin Improvement

- Incremental **unit volume**
  - **25-35%** contribution margin in businesses with spare capacity
- **Portfolio management**
  - Investing in attractive businesses
  - Improve or exit low-margin ops
- **New products** with higher margins
- **Continuous improvement**
  - Management tools
  - Cost reduction, efficiency, etc

Priorities for Use of Cash

1. Fund capital expenditures
   - Support organic growth in attractive businesses
2. Increase dividends
   - **45 year history** of dividend increases
     - Member of S&P Dividend Aristocrats
3. Fund selective growth (acquisitions, new growth platforms)
4. Excess cash (if any) used to repurchase stock

Operating Cash has exceeded Dividends & Capital Expenditures every year for over 25 years

3-Year Targets and Capital Structure

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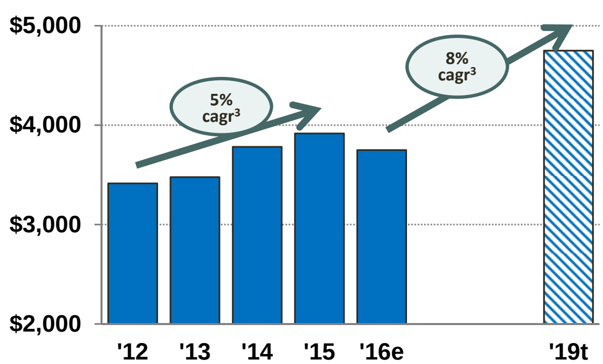
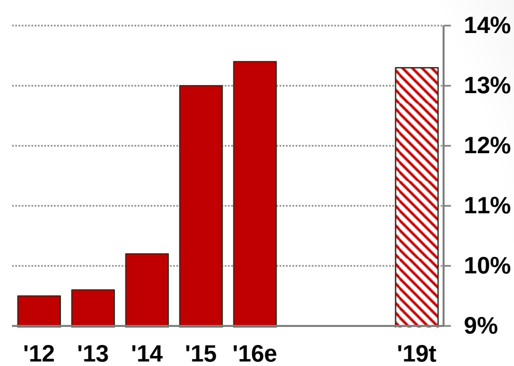
2019 Operating Targets

Sales, (mln $'s)



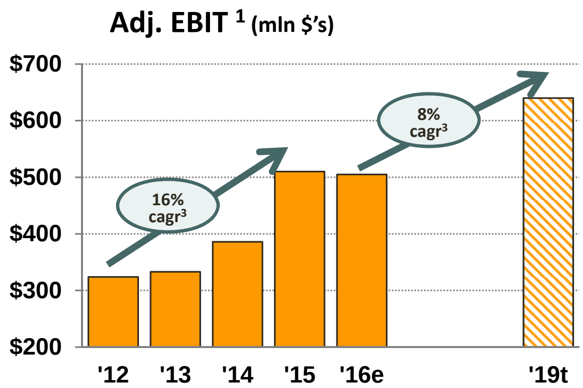
Adj. EBIT Margin [1]

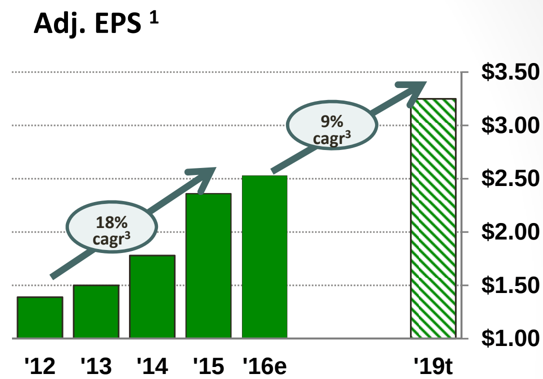


- Sales growth assumptions through 2019:
  - Macro environment should support reasonable strength in market demand
  - Sales should continue to benefit from content gains and new program awards
  - Organic sales growth should be augmented by strategic acquisitions
  - No significant impact from deflation, currency, or divestitures

[1] Amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP reconciliations.
[2] 2016 estimates based on mid-point of guidance.
[3] CAGRs are 3-year.

2019 Operating Targets



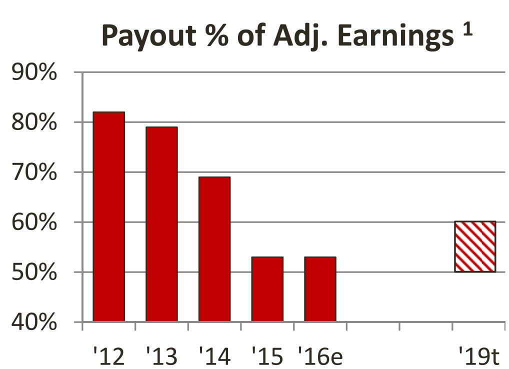


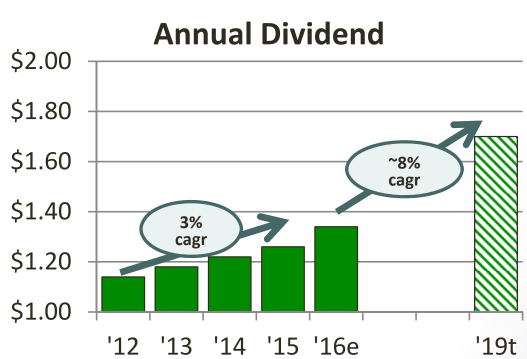
- EBIT is based on sales and margin targets
- EPS also assumes slight annual reduction in outstanding shares; no significant change in tax rate; slight increase in interest expense

[1] Amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP reconciliations.
[2] 2016 estimates based on mid-point of guidance.
[3] CAGRs are 3-year.

Dividend Growth

- Dividend payout target is **50-60% of earnings**
- Recent earnings growth moved dividend payout into the target range
- Expect future dividend growth more closely aligned with earnings growth



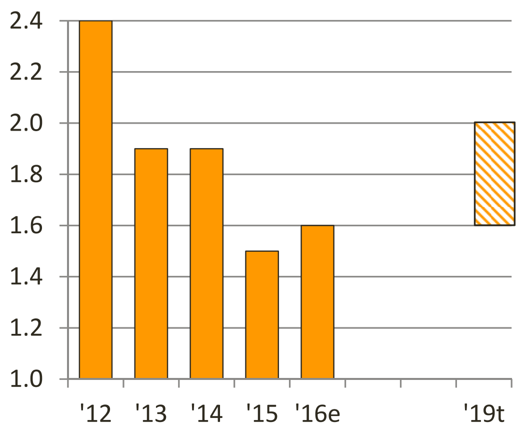


[1] Earnings from continuing ops exclude unusual items. See appendix for non-GAAP reconciliations.
[2] 2016 estimates based on mid-point of guidance.
[3] 2019 dividend target based on combination of EPS target and target payout range.

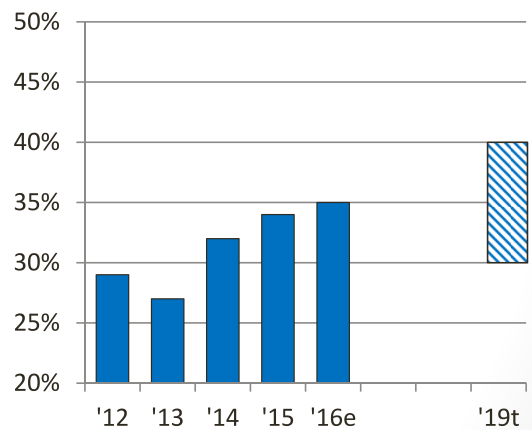
Strong Balance Sheet

- Maintaining long-held priority on financial strength
- Flexibility to capture attractive investment opportunities

Debt to Adj. EBITDA [1]



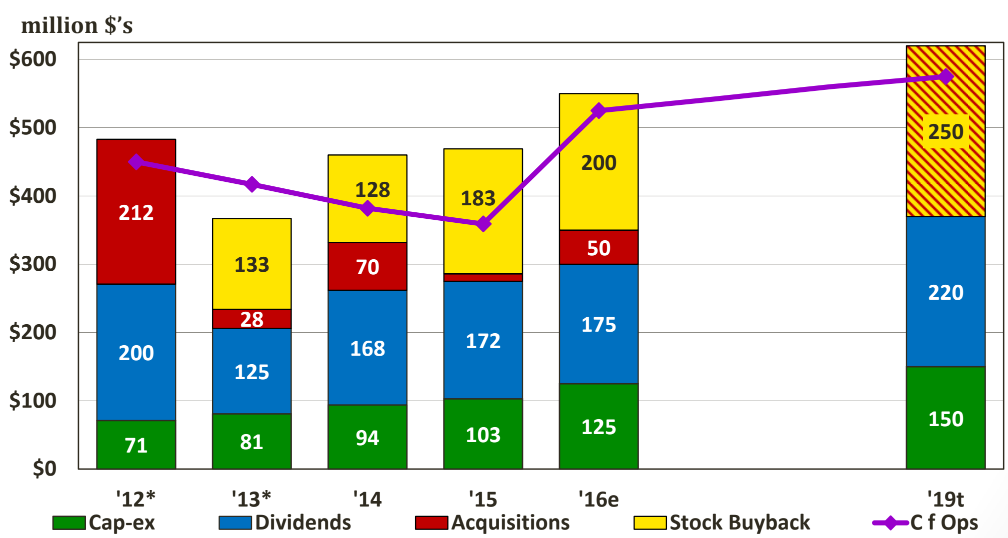
Net Debt to Net Capital [2]



[1] EBITDA amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP reconciliations.
[2] See appendix for calculation of Net Debt to Net Capital.

Operating Cash & Uses

- Continued strong cash from operations
- Cash use consistent with stated priorities



* 5 qtr dividends paid in 2012 and 3 qtr dividends paid in 2013; accelerated the Jan-2013 dividend payment of $41 million into Dec 2012 in anticipation of higher tax rates.

Current Topics

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Q3-16 Highlights

- EPS from cont. ops. of $.67, flat vs. Q3-15
- Sales down 6%, to $949 million
  - Same location sales down 2%, from slightly lower unit volume, raw material-related deflation, and currency impact
  - Divestitures reduced sales by 4%
- EBIT of $130 million, down 8% vs. Q3-15
- EBIT margin of 13.7%, vs 14.0% in Q3-15
- Strong operating cash flow of $124 million
- Net debt to net capital at 35.8% (target is 30-40%)
  - Debt to TTM adjusted EBITDA of 1.7x

2016 Guidance (Issued 10/27/16; not updated since)

- **Continuing Ops** EPS of \$2.55-\$2.62
  - Prior range was \$2.45-\$2.60
  - <u>Includes \$.06 benefit from unusual items in 2Q16</u>
- Sales of approx. \$3.75 billion; down 4% vs. 2015
  - Assumes +2% unit volume; -3% divestitures; -3% commodity deflation/currency
  - Prior sales guidance of approx. \$3.9 billion assumed mid-single-digit unit volume growth and -2% from deflation
- Adjusted full-year EBIT margin of ~13.3%-13.7%
- Implied 4Q EPS of \$.53-\$.60 on sales of ~\$900 million
- Operating cash should exceed \$525 million
- Cap-ex of ~\$125 million
- Full-year tax rate of ~25%, unchanged vs. prior guidance
  - 1Q =23%; 2Q=27%; 3Q=23%; 4Q ~25%
- Diluted shares of ~140 million

Macro Indicators

- **Consumer confidence**
  - More crucial than home sales since majority (~2/3rds) of bedding/furniture purchases are replacement of existing product
  - “Large ticket” purchases that are highly deferrable
- Total **housing** turnover
  - Combination of **new and existing** home sales
- Employment levels
- Consumer discretionary income
- Interest rate levels

Key Take-Aways

- **TSR in top-third of S&P 500** remains key financial goal
- Enhancing framework for **profitable growth**
- Maintaining vigilant **capital discipline**
- **Dividend growth** remains a top priority
- **Excess cash** used for **stock buybacks**

Leggett & Platt®

FOR ADDITIONAL INFORMATION

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Find our Fact Book at www.leggett.com.

Susan McCoy — VP, Investor Relations
Dave DeSonier — Sr VP, Corporate Strategy & IR

ADDITIONAL INFORMATION

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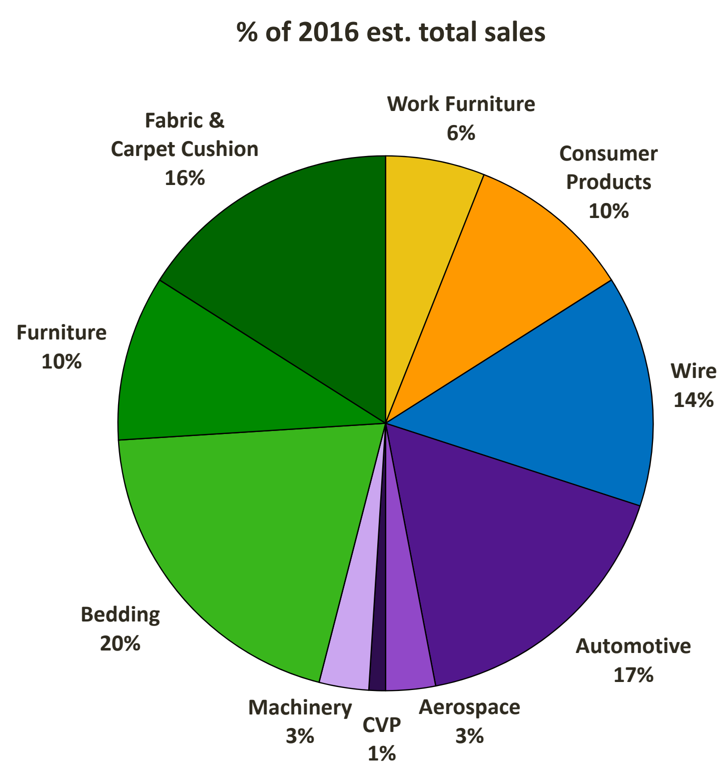
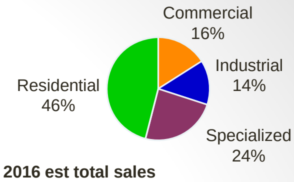
Product Mix



4 segments; 10 groups; 17 business units

Segments



2016 est total sales

Residential

Bedding
- Mattress springs
- Foundations

Furniture
- Recliner mechanisms
- Seating and sofa sleeper components

Fabric & Carpet Cushion
- Textile converting
- Carpet cushion
- Geo components



Commercial

Work Furniture
- Chair controls, bases, frames
- Private-label finished seating

Consumer Products
- Adjustable beds
- Fashion beds
- Bed frames



Industrial

Wire
- Drawn steel wire
- Steel rod
- Wire products
- Transportation



Specialized

Automotive
- Auto seat support and lumbar systems
- Motors, actuators & cables

Aerospace
- Tubing
- Fabricated tube components

Machinery
- Quilting and sewing machinery for bedding mfg.

Commercial Vehicle Products
- Service van interiors


Customers Include

In North America:

Aaron's	Herman Miller	Lincoln Electric	Serta
Airbus	HNI	Lowe's	Simmons
Ashley Furniture	Johnson Controls	Mattress Firm	Steelcase
Best Home Furniture	Knoll	Overhead Door	Tempur Sealy
Berkshire Hathaway	La-Z-Boy	Sanyo	Toyota Boshoku
Boeing	Lear	Select Comfort	Many Others…

In Europe and Asia:

Hilding Anders	Steinhoff	Loeffler	Dauphin
Silentnight Beds	Eurasia	Orangebox	Profim
Dreams	Koinor	Fritz Hansen	Faurecia
Nestledown	Premier	Voelke	Volkswagen

Diverse Customer Base – Low Concentration

Cost Structure

Cost of Goods Sold composition (approximate):

- 55% Materials, composed of:
  - Steel ~25% of RMs
  - Woven & non-woven fabrics ~15% of RMs
  - Foam scrap, fibers, chemicals ~10% of RMs
  - Titanium, nickel, stainless ~2% of RMs
  - Others, including sub-assemblies, hardware, components, finished products purchased for resale, etc. ~50% of RMs
- 20% Labor (includes all burden and overhead)
- 25% Other, composed of:
  - Depreciation, utilities, maintenance, supplies -- each ~3% of COGS
  - Shipping/transportation ~10% of COGS
  - Other also includes rent, insurance, property tax, etc.
- Costs are roughly 75% variable, 25% fixed
- $100 million of incremental unit volume (produced utilizing spare capacity) yields ~$25-$35 million of additional EBIT

Commodity Impact

- Primary commodity exposure is steel; ~25% of RM's
- Main categories are scrap, rod, and flat-rolled
  - Many grades of scrap, market data is generally available
  - Limited credible data to track moves in other types of steel
- Impact from inflation/deflation
  - Typically pass through and maintain/improve margin; lag is ~90 days
  - Majority of our customer pricing is negotiated vs contractual
  - Residential & Industrial segments are most impacted by steel
- LIFO accelerates earnings impact from inflation/deflation
- Changes in metal margin (mkt price for rod - mkt price for scrap) also impact earnings
  - Our scrap cost and rod pricing moves with the market; large swings cause Industrial segment earnings volatility

Vertical Integration in Steel

Melt Furnace

Steel Rod

Steel Billets

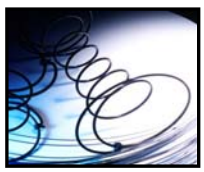
Each year at our Sterling, Illinois Rod Mill, roughly 550,000 tons of steel scrap are melted and formed into billets. The billets are then used to make approximately 500,000 tons of steel rod. The majority of this rod goes to our three domestic wire mills to be drawn into various gauges of wire.

Leggett also purchases certain types of steel rod on the open market to meet the raw material requirements of our wire mills.

Drawing the Wire

Wire on Spools

Spring-Making Plant



Wire Innerspring

Approximately 70% of the wire we produce goes to other Leggett operations, including our spring-making operations. The remaining wire is sold externally.

Strong Peer Group

Diversified Manufacturers

w/ Ticker & Fortune 1000 Ranking (May 2016)

Leggett Ranking = 601

CSL	**Carlisle**	**639**	**ITW**	**Illinois Tool Works**	**211**
DHR	**Danaher**	**133**	**IR**	**Ingersoll Rand**	**n/a**
DOV	**Dover**	**377**	**MAS**	**Masco**	**345**
ETN	**Eaton Corp**	**n/a**	**PNR**	**Pentair**	**n/a**
EMR	**Emerson**	**128**	**PPG**	**PPG Industries**	**182**

Characteristics of the Group

Multiple Business Segments
Sell Mainly to Other Manufacturers
Low Customer Concentration
Stamp, Cast, & Machine Materials
Moderate Labor & Capital Intensity

Primarily Manufacturers
In "Old Economy" Markets
Complex; Hard to Grasp
Old, Established Firms
Diverse Products

Governance/Directors

November 2016

- 7 Non-Management Directors (out of 9 total)
- Only Non-Mgmt Directors on Key Board Committees

Non-Mgmt		Age	Joined	Position	Firm
Robert Brunner	⌑ ◆	**59**	**2009**	**Retired EVP**	**ITW**
Robert Culp	⌑ ⚹	**70**	**2013**	**Chairman**	**Culp, Inc.**
Robert Enloe †	⌑ ◆ ⚹	**78**	**1969**	**Managing Partner**	**Balquita Partners**
Manuel Fernandez	◆ ⚹	**70**	**2014**	**Ret. Managing Director**	**SI Ventures**
Joe McClanathan	⌑ ◆ ⚹	**64**	**2005**	**Retired President & CEO**	**Energizer Household Products**
Judy Odom	⌑ ◆ ⚹	**64**	**2002**	**Retired Chmn, CEO**	**Software Spectrum**
Phoebe Wood	⌑ ◆	**63**	**2005**	**Principal**	**CompaniesWood**
Management					
Karl Glassman		**58**	**2002**	**President & CEO**	**Leggett & Platt**
Matthew Flanigan		**54**	**2010**	**EVP & CFO**	**Leggett & Platt**

† Independent Board Chair
Committees: ⌑ Audit ◆ Compensation ⚹ Nominating & Corporate Governance

Compensation Rewards Strong Performance

- Annual Incentive
  - Based on current year **ROCE, free cash flow**, and individual goals
- Profitable Growth Incentive
  - Based on **revenue growth & EBITDA margin** over a 2-year period
  - Replaced annual option grants for **execs** beginning 2013
- Performance Stock Units
  - Based on 3-year **relative TSR performance** (vs. peer group of ~320 companies)
  - Initiated in 2008 to align with change in strategy
  - Payout based on sliding scale; significant portion of total comp for top execs
- Deferred Comp Program
  - Opportunity (in December) to **forego** a portion of next year's cash salary and bonus to **buy** stock units

STRATEGY

Leggett & Platt INCORPORATED

Role-Based Portfolio Management

- Strategic Planning Process
  - Assess market attractiveness and Leggett's advantages
  - 3-year plan to achieve ≥ 10% TBR/year
  - Used to determine portfolio role
  - Identify new areas in which to grow
- Place each BU into Portfolio Category
  - Grow, core, fix, or divest
  - Different goals for each
    - Grow: profitable **Growth**
    - Core: maximize **Cash**
    - Fix: rapidly **Improve**
  - Allocate capital based on role

Criteria for Role Assignments

	GROW	CORE	FIX / DIVEST
1. COMPETITIVE POSITION	Advantaged	Solid, Stable	Tenuous or Disadvantaged
2. MARKET ATTRACTIVE?	Strong, Growing	Attractive, But With Lower Growth Potential	Poor Or Declining
3. FIT w/ LEGGETT	Strong	Strong	Limited
4. RETURN (ROGI)	Consistently > 12%	Stable, 9-12%	Erratic or < WACC
5. BU SIZE & MATERIALITY	Large, Significant	Large, Significant	Inconsequential, Distracting

Expectations by Portfolio Role

- All: Credible Path to ≥ 10% TBR Required, else Exit

- Grow: Provide Profitable **Growth**; Return > WACC
  - Invest capital in competitively advantaged positions
  - Identify major organic, M&A, or rollup investments

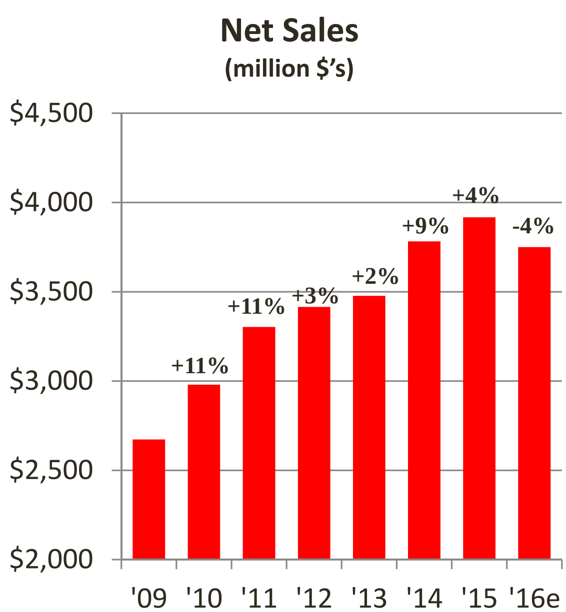
- Core: **Generate Cash**; Return ≥ WACC
  - Maintain stable, competitive positions to generate cash
  - Aggressively improve EBITDA and free cash flow
  - Profitably grow market share, but with minimal capex
  - Enhance productivity; reduce costs, overhead, working capital

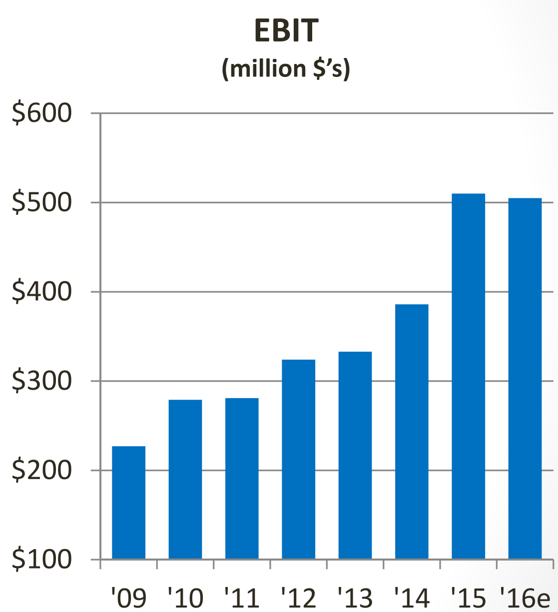
- Fix: **Rapidly** Restructure, else Exit
  - Limited time to achieve return ≥ WACC, else divest / liquidate

FINANCIAL INFORMATION

Leggett & Platt® INCORPORATED

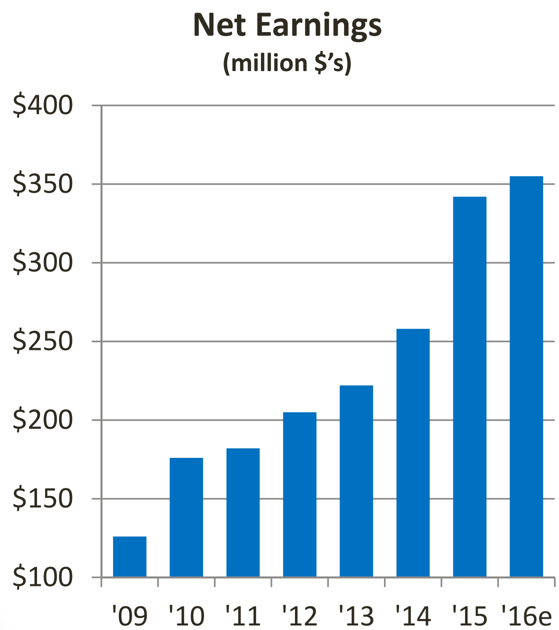
Sales and EBIT

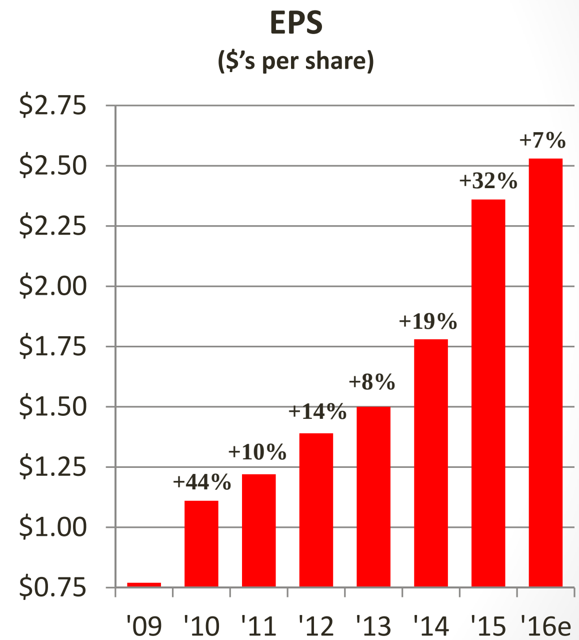




- **Amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP recon.**
- **2016 estimates are based on mid-point of guidance.**

Net Earnings and EPS





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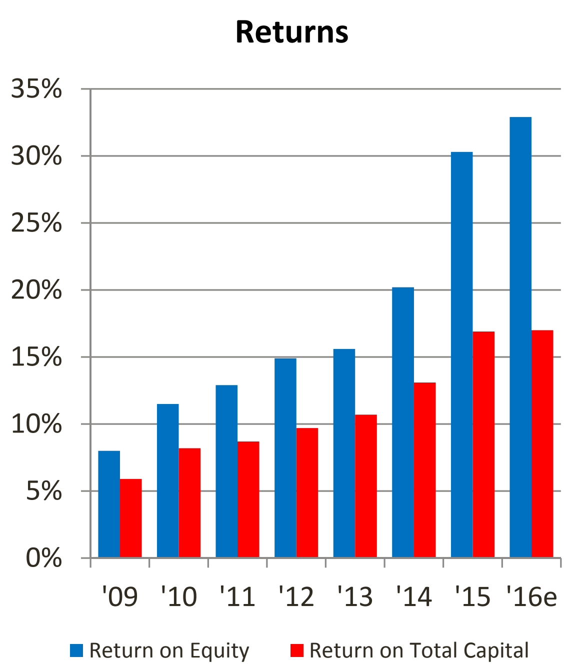
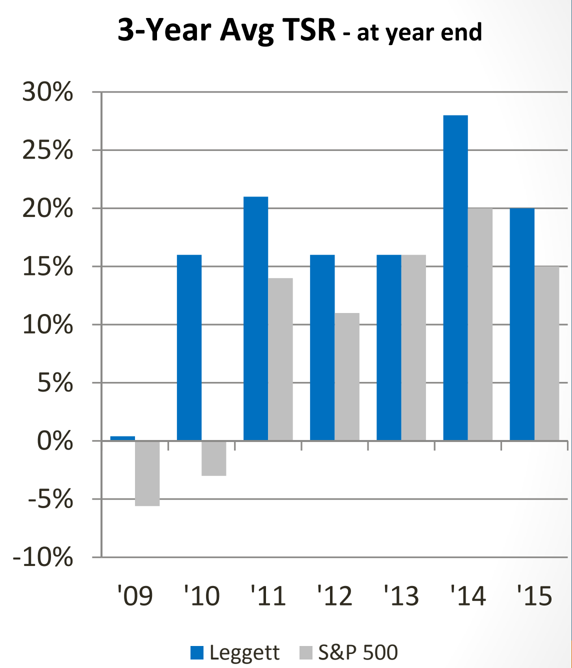
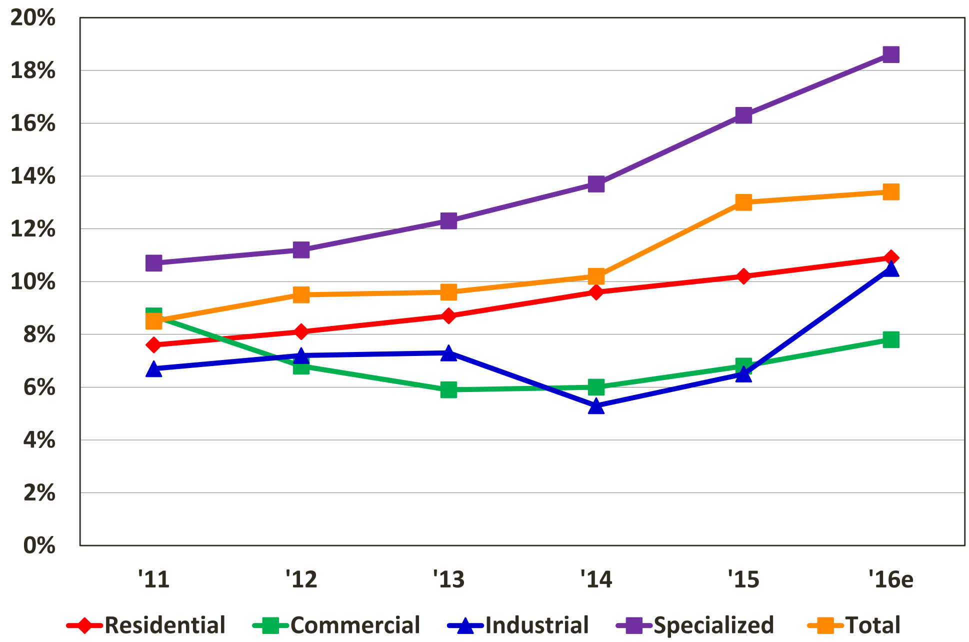
Returns and TSR





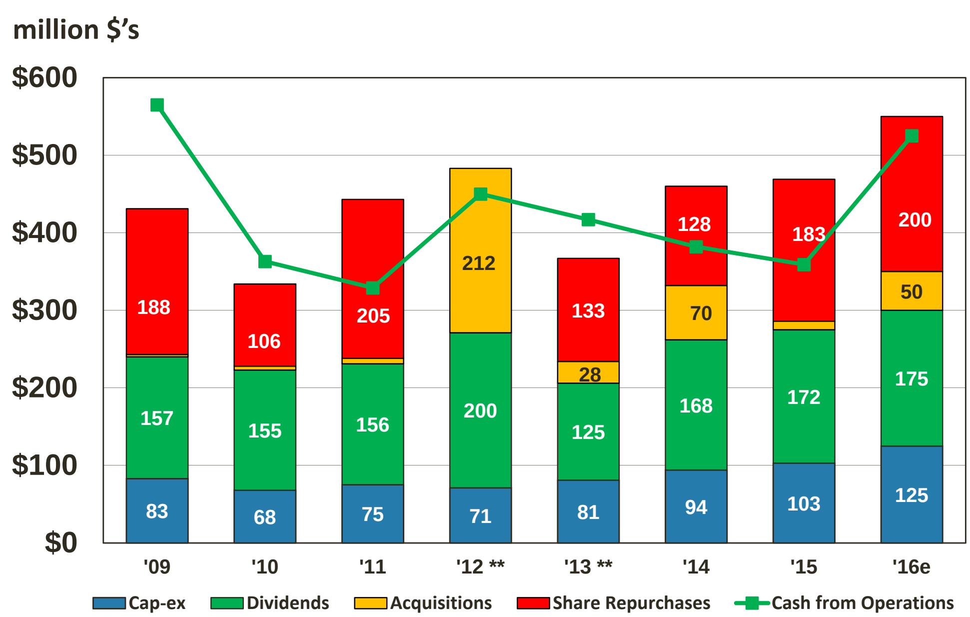
- See appendix for return calculations.
- 2016 estimates based on mid-point of guidance.
- TSR assuming dividends continually reinvested.

Segment EBIT Margins



- Amounts exclude unusual items.
- 2016 estimates are based on mid-point of guidance.

Uses of Cash Flow



** 5 qtr dividends paid in 2012 and 3 qtr dividends paid in 2013; accelerated the Jan-2013 dividend payment of $41 million into Dec 2012 in anticipation of higher tax rates.

- **Operating Cash > Capital expenditures + Dividends for over 25 years**

Cash Flow Details

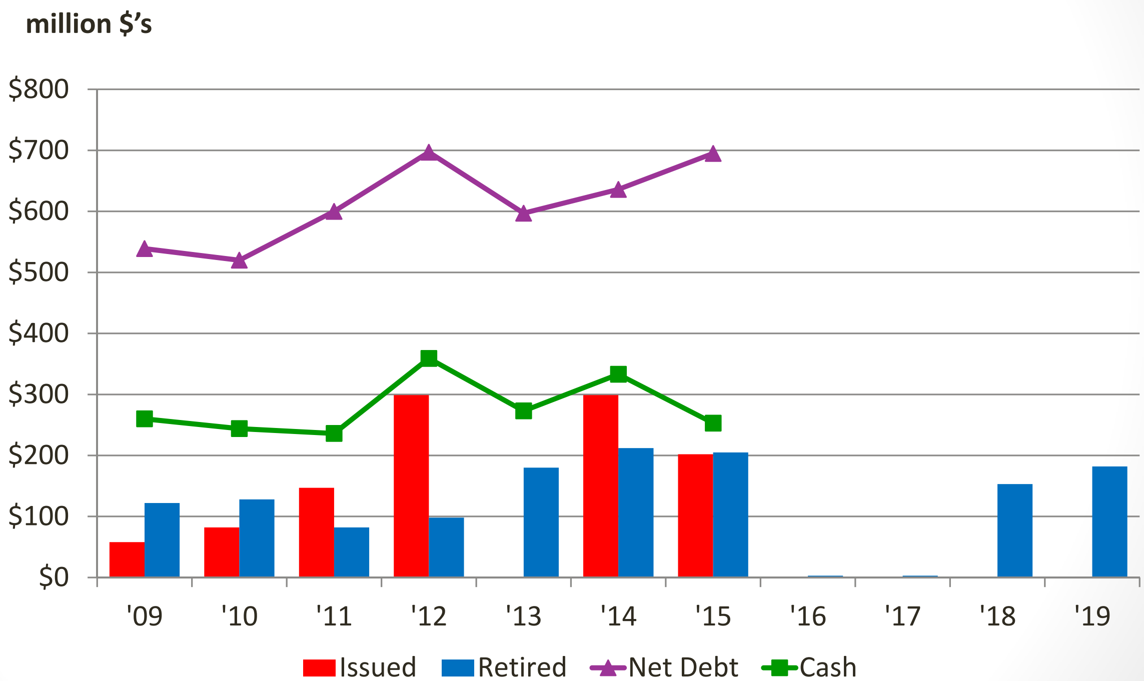
$'s in millions	'09	'10	'11	'12	'13	'14	'15	'16e[1]
Net Income	115	183	156	251	200	101	329	365
Deprec & Amort	130	123	117	116	123	118	113	115
Def Income Taxes	44	30	(1)	(22)	(33)	(40)	24	-
Impairment & Other	52	22	54	17	83	124	19	-
Working Capital	186	(17)	(14)	57	26	54	(171)	(10)
Other Non-Cash	38	22	17	31	18	25	45	55
Cash from Operations	**565**	**363**	**329**	**450**	**417**	**382**	**359**	**525**
Uses of Cash								
Capital Expenditures	(83)	(68)	(75)	(71)	(81)	(94)	(103)	(125)
Dividends **	(157)	(155)	(156)	(200)	(125)	(168)	(172)	(175)
Acquisitions	(3)	(5)	(7)	(212)	(28)	(70)	(11)	(50)
Share Repurchases	(188)	(106)	(205)	6	(133)	(128)	(183)	(200)

[1] 2016 estimated net income is based on mid-point of guidance.
**** 5 qtr dividends paid in 2012 and 3 qtr dividends paid in 2013; accelerated the Jan-2013 dividend payment of $41 million into Dec-2012 in anticipation of higher tax rates.**

Debt Structure (at 9/30/16)

- $1,056 million total debt
  - 3.7% avg. rate, 6.1 years avg. maturity
  - $739 million net debt ($1,056m debt less $317m cash)
- $456 million available commercial paper
  - Backed by $750 million revolver
    - 14 participating banks
    - Matures in May 2021

Debt Issued and Retired



- 2016-2019 retirements are scheduled maturities of fixed term debt.

Financial Metrics Defined

- TSR: Total Shareholder Return
  - Total benefit investor realizes from owning our stock
  - (Δ stock price + dividends) / initial stock price
- ROCE: Return on Capital Employed
  - Drives ~60-70% of annual bonus at operating level & corporate
  - EBIT / (working capital (ex cash & current debt) + net PP&E)
- FCF: Free Cash Flow
  - Drives ~20-30% of annual bonus at operating level and corporate
  - EBITDA – capex +/– Δ working capital (ex cash & current debt)

Appendix
Non-GAAP Reconciliations

Leggett & Platt® INCORPORATED

Non-GAAP Adjustments, Continuing Ops

($ millions, except EPS)	2009	2010	2011	2012	2013	2014	2015	2016e
Non-GAAP Adjustments ($'s)								
Customer bankruptcy	8	-	-	-	-	-	-	-
Divestiture note write-down	11	-	-	-	-	-	-	-
Restructuring-related charges	-	-	15	-	-	-	-	-
Impairment charges	-	-	-	-	67	-	5	4
Litigation accruals	-	-	-	-	-	54	6	-
Acq-related bargain purchase gain	-	-	-	-	(9)	-	-	-
Pension lump-sum buyout charge	-	-	-	-	-	-	12	-
Gain from sale of business	-	-	-	-	-	-	-	(11)
Litigation settlement gain	-	-	-	-	-	-	-	(7)
Non-GAAP adjustments (pre-tax $'s)	**19**	**-**	**15**	**-**	**58**	**54**	**23**	**(14)**
Income tax impact	(6)	-	(6)	-	(22)	(21)	(9)	5
Unusual tax items	6	-	-	(27)	-	-	-	-
Non-GAAP adjustments (after tax $'s)	**19**	**-**	**9**	**(27)**	**36**	**33**	**14**	**(9)**
Diluted shares outstanding	160.0	153.3	147.0	146.0	147.2	143.2	142.9	140.0
EPS impact of non-GAAP adjustments	**$ .12**	**$ -**	**$ .06**	**$ (.18)**	**$ .25**	**$ .23**	**$ .09**	**$ (.06)**

Reconciliation of Adj EBIT, Adj EBIT Margin, Adj Earnings, and Adj EPS

($ millions, except EPS)	2009	2010	2011	2012	2013	2014	2015	2016e[2]
EBIT (continuing operations)	$208	$279	$266	$324	$275	$332	$487	$519
Non-GAAP adjustments, pre-tax [1]	19	-	15	-	58	54	23	(14)
Adjusted EBIT (cont. operations)	**$227**	**$279**	**$281**	**$324**	**$333**	**$386**	**$510**	**$505**
Net sales	$2,673	$2,980	$3,303	$3,415	$3,477	$3,782	$3,917	$3,750
Adjusted EBIT margin	**8.5%**	**9.4%**	**8.5%**	**9.5%**	**9.6%**	**10.2%**	**13.0%**	**13.5%**
Earnings from cont. operations	$107	$176	$173	$232	$186	$225	$328	$364
Non-GAAP adjustments, after tax [1]	19	-	9	(27)	36	33	14	(9)
Adj Earnings from cont. operations	**$126**	**$176**	**$182**	**$205**	**$222**	**$258**	**$342**	**$355**
Diluted EPS from cont. operations	$.65	$1.11	$1.16	$1.57	$1.25	$1.55	$2.27	$2.59
EPS impact from non-GAAP adjs [1]	.12	-	.06	(.18)	.25	.23	.09	(.06)
Adjusted EPS from cont. operations	**$.77**	**$1.11**	**$1.22**	**$1.39**	**$1.50**	**$1.78**	**$2.36**	**$2.53**

[1] See slide 54 for adjustment details.
[2] 2016 estimate based on mid-point of guidance

Calculation of Return on Equity and Return on Total Capital

($ millions)	2009	2010	2011	2012	2013	2014	2015	2016e[2]
Return on Equity								
Earnings from cont. operations	$107	$176	$173	$232	$186	$225	$328	$364
Non-GAAP adjustments, after tax [1]	19	-	9	(27)	36	33	14	(9)
Adj Earnings from cont. operations	$126	$176	$182	$205	$222	$258	$342	$355
Avg shareholder equity	$1,567	$1,530	$1,416	$1,375	$1,421	$1,277	$1,127	$1,080
Return on Equity	**8.0%**	**11.5%**	**12.9%**	**14.9%**	**15.6%**	**20.2%**	**30.3%**	**32.9%**
Return on Total Capital								
Adj Earnings from cont. operations	$126	$176	$182	$205	$222	$258	$342	$355
Plus: After-tax interest expense	24	27	28	31	34	31	30	30
	$150	$203	$210	$236	$256	$289	$372	$385
Avg total capital [3]	$2,535	$2,482	$2,404	$2,427	$2,402	$2,214	$2,207	$2,260
Return on Total Capital	**5.9%**	**8.2%**	**8.7%**	**9.7%**	**10.7%**	**13.1%**	**16.9%**	**17.0%**

[1] See slide 54 for adjustment details.
[2] 2016 estimate based on mid-point of guidance
[3] Total capital = long-term debt + shareholder equity + d. taxes + other LT liabilities

Calculation of Dividend Payout % of Adjusted EPS

	2012	2013	2014	2015	2016e[2]
Diluted EPS from cont. operations	**$1.57**	**$1.25**	**$1.55**	**$2.27**	**$2.59**
EPS impact from non-GAAP adjs [1]	(.18)	.25	.23	.09	(.06)
Adjusted EPS from cont. operations	**$1.39**	**$1.50**	**$1.78**	**$2.36**	**$2.53**
Annual dividend per share	**$1.14**	**$1.18**	**$1.22**	**$1.26**	**$1.34**
Dividend payout % of diluted EPS from continuing operations	**73%**	**94%**	**79%**	**56%**	**52%**
Dividend payout % of adjusted EPS	**82%**	**79%**	**69%**	**53%**	**53%**

[1] See slide 54 for adjustment details.
[2] 2016 estimate based on mid-point of guidance

Calculation of Debt to Adjusted EBITDA

($ millions)	2012	2013	2014	2015	2016e[2]
EBIT (cont. operations)	**$324**	**$275**	**$332**	**$487**	**$519**
Non-GAAP adjustments, pre-tax [1]	-	58	54	23	(14)
Adjusted EBIT (cont. operations)	**324**	**333**	**386**	**510**	**505**
Depreciation and amortization [3]	111	116	118	113	115
Adjusted EBITDA	**$435**	**$449**	**$504**	**$623**	**$620**
Total Debt (long-term + current)	**$1,056**	**$870**	**$968**	**$949**	**$1,000**
Debt to Adjusted EBITDA	**2.4**	**1.9**	**1.9**	**1.5**	**1.6**

[1] See slide 54 for adjustment details.
[2] 2016 estimate based on mid-point of guidance.
[3] D&A is from continuing operations.

Calculation of Net Debt to Net Capital

Net Debt *($ millions)*	2012	2013	2014	2015	2016e
Current Maturities of Long-Term Debt	$202	$181	$202	$3	$3
Long-Term Debt	854	689	766	946	997
Total Debt	**1,056**	**870**	**968**	**949**	**1,000**
Less:					
Cash and Cash Equivalents	(359)	(273)	(333)	(253)	(300)
Net Debt	**$697**	**$597**	**$635**	**$696**	**$700**

Net Capital *($ millions)*	2012	2013	2014	2015	2016e
Long-Term Debt	$854	$689	$766	$946	$997
Plus:					
Deferred Income Taxes	70	63	42	39	40
Other Long-Term Liabilities	158	128	185	185	185
Total Equity	1,442	1,399	1,155	1,098	1,070
Total Capital	**2,524**	**2,279**	**2,148**	**2,268**	**2,292**
Add:					
Current Maturities of Long-Term Debt	202	181	202	3	3
Less:					
Cash and Cash Equivalents	(359)	(273)	(333)	(253)	(300)
Net Capital	**$2,367**	**$2,187**	**$2,017**	**$2,018**	**$1,995**
Long-term Debt to Total Capital	**34%**	**30%**	**36%**	**42%**	**43%**
Net Debt to Net Capital	**29%**	**27%**	**32%**	**34%**	**35%**

Non-GAAP Financial Measures

While we report financial results in accordance with accounting principles generally accepted in the U.S. (“GAAP”), this presentation includes non-GAAP measures. These include **adjusted EBIT**, **adjusted EBIT margin**, **adjusted earnings,** and **adjusted EPS**. We believe these non-GAAP measures are useful to investors in that they assist investors’ understanding of underlying operational profitability. Management uses these non-GAAP measures as supplemental information to assess the company’s operational performance.

Other non-GAAP measures included in this presentation are **net debt**, **net capital**, and **adjusted EBITDA**. We believe the presentation of net debt to net capital provides investors a useful way to evaluate the company’s debt leverage if we were to use cash to pay down debt. Our cash has fluctuated, sometimes significantly, from period to period. We use this ratio as supplemental information to track leverage trends across time periods with variable levels of cash. Because we may not be able to use our cash to reduce our debt on a dollar-for-dollar basis, the net debt to net capital ratio may have material limitations.

We also believe the presentation of debt to adjusted EBITDA provides investors a useful way to assess the time it would take the Company to pay off all of its debt, ignoring various factors including interest and taxes. Management uses this ratio as supplemental information to assess its ability to pay off its incurred debt.

The above non-GAAP measures may not be comparable to similarly titled measures used by other companies and should not be considered a substitute for, or more meaningful than, their GAAP counterparts.