ACCO United States Manufacturing and Distribution
U.S. Business Strategy

*Win share and improve profits in an evolving market*

1) Accelerate end-user demand with essential brands and innovative products
2) Make it easy for consumers/end-users to find, shop, and buy our products
3) Drive business results for our key customers by co-owning specific performance metrics and solutions
4) Maximize the use of our U.S. manufacturing assets to reduce total cost
5) Leverage technology to increase productivity and improve business results.
ACCO Booneville Manufacturing and Distribution
Board Manufacturing

Product Line - Cork Bulletin Boards and White Boards
Commercial (Office and School) Products
Size Range – 1 x 1.5ft through 4 x 16 ft
Automated, Semi-Automated, and Manual Assembly

Binder Manufacturing

Product Line – Polypropylene and Vinyl 3-Ring Binders
½” to 5” Round / Specialty / D- Ring
Automated, Semi-Automated, and Manual Assembly

Material Suppliers

Fiber Board – Europe    Aluminum Frames – US / Asia
Porcelain – US          MDF (Wood) Frames – US
Melamine – US           Packaging – US
Cork - Europe           PP/ Vinyl Film - US
                        Rings - Asia
                        Chipboard - US
1) In Order To Be Competitive – Our House Needed To Be In Order

**Safety**
Comprehensive system to evaluate and eliminate unsafe working conditions.
Pro-Active Culture vs. Re-Active Culture.
Incidents/lost-time accidents and workers compensation expense can trump many hours of hard work.

**Quality**
In our case, we needed to define our competitive value proposition (what the customer is willing to pay for) and then design the appropriate level of quality into our materials, manufacturing processes, production validation systems, and delivery model.

**Lean**
Eliminate Waste to Improve Cost Competitiveness
Leadership / Teamwork / Focus

2) What Were The Unique Product Characteristics That Could Give Us A Competitive Advantage?

**Boards**
Freight – Large Cube Product / Inventory Holding Cost / Quality (Expensive)
Assembly Process - Kaizen Events / Waste Identification and Elimination

**Binders**
Freight – “Shipping Air”
Manufacturing Process - Automated Equipment / Common Design Platform
Continuous Flow Manufacturing / Right the First Time / TPM

3) Aggressive Continuous Improvement
Cross-Functional Alignment – Operations / Sales / Marketing / Product Development
Robust Make vs. Buy Model – Variable Cost
Withstands Heavy Use and Abuse

Will Not Stain or Ghost

Quartet®

BOARD MANUFACTURING
### ACCO Board Manufacturing

<table>
<thead>
<tr>
<th>COGS %</th>
<th>2008</th>
<th>2014</th>
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<tbody>
<tr>
<td>Material</td>
<td>62.0%</td>
<td>70.0%</td>
</tr>
<tr>
<td>DL</td>
<td>13.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>OH</td>
<td>25.0%</td>
<td>23.0%</td>
</tr>
<tr>
<td>Total COGS</td>
<td>100.0%</td>
<td>100.0%</td>
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#### Booneville Board Production

<table>
<thead>
<tr>
<th>Year</th>
<th>In-Sourced Production</th>
<th>Retail</th>
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<tbody>
<tr>
<td>2009</td>
<td>40%</td>
<td></td>
</tr>
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<td>2010</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
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<td></td>
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#### COGS % Target

<table>
<thead>
<tr>
<th>COGS %</th>
<th>Retail Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material</td>
<td>75.0%</td>
</tr>
<tr>
<td>DL</td>
<td>5.0%</td>
</tr>
<tr>
<td>OH</td>
<td>20.0%</td>
</tr>
<tr>
<td>Total COGS</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
ACCBOONEVILLE

ACCO ADDING CALL CENTER AT BOONEVILLE LOCATION

Booneville, Miss. (April 22, 2014) — Gov. Phil Bryant and officials from office products supplier ACCO Brands announced today the company is adding call center operations at its location in Booneville, Miss. The project represents a corporate investment of $1.6 million and will create 162 full-time jobs.

ACCO Brands last expanded its operations in Booneville in 2008. That project was a $55 million corporate.