

03 / Profit

Introduction /

Fiscal year 2008 was another year of steady progress for Steelcase.

The company grew to \$3.4 billion in annual sales, an increase of 10.4 percent over the prior year. Net income of \$133.2 million was a 24.6 percent gain over the prior year. This resulted in earnings per share of \$0.93.

Steelcase returned nearly \$500 million to shareholders during the year. We did this through regular quarterly dividends, a special cash dividend and share repurchases, and still finished the year with a strong balance sheet. We invite you to explore the details of our financial performance in the company's 10-K report.

Steelcase remains passionately committed to its mission of providing people with a great work experience. We begin by understanding the nature of work. As we extend our reach into vertical markets such as healthcare (where our Nurture brand continues to thrive) and higher education, we are learning more about the impact of the experience on everyone who enters a particular space.

We believe continued success will come from combining our insights and innovation with a sharp focus on process excellence and a global reach that is unmatched in our industry.



Wood Turnaround /

A robust wood furniture offering helps Steelcase provide a broad array of solutions for our customers,

but the wood product category has long been a lower-performing part of our business. Fiscal year 2008, however, saw a dramatic turnaround as Steelcase Wood approached breakeven compared to a \$27.5 million operating loss in the prior year.

There's no single element that contributed to this significant improvement. Rather, it's the combination of the right portfolio and the right execution that made this a watershed year for Wood—and established a direction that we expect to continue.

The relaunch of our EE6 product, combined with new research on private offices, resonated with customers and resulted in increased sales. The introduction of a durable water-borne finish called Clarity™ helped minimize the use of solvents in the manufacturing process and gives customers another reason to consider Steelcase.

In operations, we began to realize the efficiencies from consolidating wood manufacturing from three locations to one—our LEED-certified (U.S. Green Building Council's LEED Program—Leadership in Energy and Environmental Design) Wood Plant in Grand Rapids. With the help of resources from our steel manufacturing facilities, the Wood team improved the yield on raw materials and reduced scrap, improved quality and on-time delivery performance and made meaningful gains in gross margins.

Emerging markets /

There are more than 150 cities in China with a population of one million or more.

And as China's rapid development continues, there will be more and more opportunities for Steelcase to serve Chinese companies as well as the Western companies that also see great opportunity in the Asia Pacific market.

Steelcase has been making measured investments in China and India, building the infrastructure necessary to compete in this region. Unlike its North America distribution model with an emphasis on a strong dealer network, Steelcase sells direct to many of its Asian customers.

Steelcase made a strategic acquisition in fiscal year 2008 that had an immediate impact on market share in China and India. We've purchased Ultra, a thriving office furniture company with a strong reputation for service and project management. Ultra's product portfolio complements the Steelcase offering at lower price points, providing an expanded menu of solutions for an expanding marketplace.

What's Next / Reinvention

Fiscal year 2009 will be a year of reinvention on the white-collar side of our company.

We'll be looking at processes that can be improved, work that can be consolidated and other efficiencies that can reduce operating expenses.

As part of this initiative, Steelcase is developing new office space in Kuala Lumpur for a service center that will continue to support our Asian business while adding resources to support other geographies as well.

Data /

\$3.4

Billion

Steelcase serves customers through a network of over 600 dealers and approximately 13,500 employees worldwide. Fiscal year 2008 revenue was \$3.4 billion.

AR

2008

Read the full fiscal year 2008 Steelcase Annual Report and Proxy in the Investor Relations section of our corporate website.

SCS

NYSE

Steelcase's stock symbol is SCS on the New York Stock Exchange.

03 / Profit

Data continued /

Stock Performance

(\$ DOLLARS)

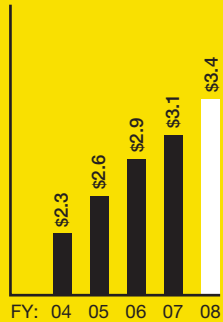


NOTES:

1. S&P 500 is used as a performance indicator of the overall stock market
2. The peer group consists of three companies that manufacture office furniture and have industry characteristics that we believe to be similar to Steelcase's. The peer group consists of Herman Miller, Inc., HNI Corporation (f/k/a HON Industries Inc.), and Kimball International.

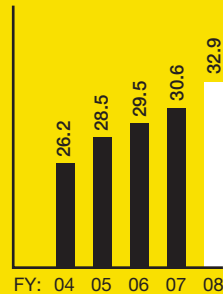
Revenue

(\$ BILLIONS)



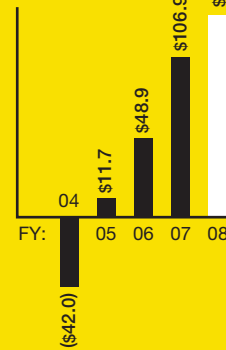
Gross Profit

(% OF REVENUE)



Income From Continuing Operations After Tax

(\$ MILLIONS)



Dividends Paid

(\$ MILLIONS)

