STEELCASE INC
Form 10-K
April 17, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

þ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended February 28, 2014

OR

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-13873

STEELCASE INC.
(Exact name of registrant as specified in its charter)

Michigan	38-0819050
(State or other jurisdiction of incorporation or organization)	(IRS employer identification number)
901 44th Street SE Grand Rapids, Michigan	49508
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (616) 247-2710
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock	New York Stock Exchange

Securities registered pursuant to 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No þ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company ¨

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ¨ No þ

The aggregate market value of the voting and non-voting common equity of the registrant held by non-affiliates, computed by reference to the closing price of the Class A Common Stock on the New York Stock Exchange, as of August 23, 2013 (the last day of the registrant's most recently completed second fiscal quarter) was approximately $1,288 million. There is no quoted market for registrant's Class B Common Stock, but shares of Class B Common Stock may be converted at any time into an equal number of shares of Class A Common Stock.

As of April 11, 2014, 90,617,740 shares of the registrant's Class A Common Stock and 32,660,726 shares of the registrant's Class B Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's definitive proxy statement for its 2014 Annual Meeting of Shareholders, to be held on July 16, 2014, are incorporated by reference in Part III of this Form 10-K.

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PART I

Item 1. Business:

The following business overview is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference in this Annual Report on Form 10-K ("Report"). As used in this Report, unless otherwise expressly stated or the context otherwise requires, all references to "Steelcase," "we," "our," "Company" and similar references are to Steelcase Inc. and its subsidiaries in which a controlling interest is maintained. Unless the context otherwise indicates, reference to a year relates to the fiscal year, ended in February of the year indicated, rather than a calendar year. Additionally, Q1, Q2, Q3 and Q4 reference the first, second, third and fourth quarter, respectively, of the fiscal year indicated. All amounts are in millions, except share and per share data, data presented as a percentage or as otherwise indicated.

Overview

At Steelcase, our purpose is to unlock human promise by creating great experiences at work, wherever work happens, and in environments that include education and healthcare. Through our family of brands that include Steelcase®, Nurture®, Coalesse®, Details®, Designtex®, PolyVision® and Turnstone®, we offer a comprehensive portfolio of solutions inspired by the insights gained from our human-centered research process and support the social, economic and sustainable needs of people. We are a globally integrated enterprise, headquartered in Grand Rapids, Michigan, U.S.A., with approximately 10,700 employees. Steelcase was founded in 1912, became publicly-traded in 1998 and our stock is listed on the New York Stock Exchange under the symbol "SCS".

Our growth strategy is to continue to translate our insights into products, applications and experiences that will help the world's leading organizations amplify the performance of their people, teams and enterprise and to leverage our global scale. While continuing to build our own globally integrated enterprise, we also intend to grow our presence in emerging markets.

Over the past several years, we have continued to invest in research and product development and have launched new products, applications and experiences designed to address the significant trends that are impacting the workplace, such as global integration, disruptive technologies, worker mobility, distributed teams and the need for enhanced collaboration and innovation. We help our customers create workplace destinations that augment human interaction by supporting the physical, cognitive and emotional needs of their people, while also optimizing the value of their real estate investments.

Our global scale allows us to provide local differentiation, as we serve customers around the globe through significant sales, manufacturing and administrative operations in the Americas, Europe and Asia. We market our products and services primarily through a network of independent and company-owned dealers and also sell directly to end-use customers. We extend our reach with a limited presence in retail and web-based sales channels.

Our Offerings

Our brands provide an integrated portfolio of furniture settings, user-centered technologies and interior architectural products across a range of price points. Our furniture portfolio includes panel-based and freestanding furniture systems and complementary products such as storage, tables and ergonomic worktools. Our seating products include chairs which are highly ergonomic, seating that can be used in collaborative or casual settings and specialty seating for specific vertical markets such as healthcare and education. Our technology solutions support group collaboration by integrating furniture and technology. Our interior architectural products include full and partial height walls and doors. We also offer services designed to reduce costs and enhance the performance of people, wherever they work. Among these services are workplace strategy consulting, lease origination services, furniture and asset management and hosted spaces.

Steelcase—Insight-led performance in an interconnected world

The Steelcase brand takes our insights and delivers high performance, sustainable work environments while striving to be a trusted partner. Being a trusted partner means understanding and helping our customers and partners who truly seek to elevate their performance. The Steelcase brand's core customers are leading organizations (such as corporations, healthcare organizations, colleges/universities and government entities) that are often large with complex needs and have an increasingly global reach. We strive to meet their diverse needs

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while minimizing complexity by using a platform approach - from product components to common processes - wherever possible.

Steelcase sub-brands include:

- Details, which researches, designs and markets worktools, personal lighting and furniture that provide healthy and productive connections between people, their technology, their workplaces and their work.
- Nurture, which is focused on healthcare environments that can help make patients more comfortable, caregivers more efficient and partners in care more receptive to healthcare delivery. Nurture brings a holistic viewpoint to healthcare environments and works with patients and healthcare professionals to develop valuable insights into environments that promote healing.

Coalesse—Insight-led inspiration

Coalesse is an award-winning brand of furnishings that expresses the new freedom of work. It is part of the rapidly growing crossover market — homes and offices, meeting rooms and social spaces, private retreats and public places — and is addressing the fluid intersections of work and life where boundaries are collapsing and creativity is roaming.

Turnstone—Insight-led simplicity

Turnstone was created based on the belief that the world needs more successful entrepreneurs and small businesses, and that great spaces to work can help that happen. Turnstone makes it easier for these companies to create insight-led places to work using web-based tools or through our dealer channel.

Designtex

Designtex offers applied surface solutions that enhance environments and is a leading resource for applied surface knowledge, innovation and sustainability. Designtex products are premium surface materials designed to enhance seating, walls, work stations, floors and ceilings and can provide privacy, way-finding, motivation, communications and artistic expression.

PolyVision

PolyVision is the world's leading supplier of ceramic steel surfaces to educational institutions and architectural panels or special applications for commercial or infrastructure applications.

Reportable Segments

We operate on a worldwide basis within our Americas and EMEA reportable segments plus an “Other” category. Additional information about our reportable segments, including financial information about geographic areas, is contained in Item 7: Management’s Discussion and Analysis of Financial Condition and Results of Operations and Note 18 to the consolidated financial statements.

Americas Segment

Our Americas segment serves customers in the United States (“U.S.”), Canada and Latin America. Our portfolio of integrated architecture, furniture and technology products is marketed to corporate, government, healthcare, education and retail customers through the Steelcase, Nurture, Coalesse, Details and Turnstone brands.

We serve Americas customers mainly through approximately 400 independent and company-owned dealer locations and we also sell directly to end-use customers. Our end-use customers are distributed across a broad range of industries and vertical markets, including healthcare, higher education, insurance, financial services and technology, but no industry or vertical market individually represented more than 13% of the Americas segment revenue in 2014. Each of our dealers maintains its own sales force which is complemented by our sales representatives who work closely with our dealers throughout the selling process. The largest independent dealer in the Americas accounted for approximately 6% of the segment’s revenue in 2014, and the five largest independent dealers collectively accounted for approximately 18% of the segment’s revenue in 2014.

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In 2014, the Americas segment recorded revenue of $2,154.4, or 72.1% of our consolidated revenue, and as of the end of the year had approximately 6,800 employees, of which approximately 4,600 related to manufacturing.

The Americas office furniture industry is highly competitive, with a number of competitors offering similar categories of products. The industry competes on a combination of insight, product performance, design, price and relationships with customers, architects and designers. Our most significant competitors in the U.S. are Haworth, Inc., Herman Miller, Inc., HNI Corporation and Knoll, Inc. Together with Steelcase, domestic revenue from these companies represents approximately one-half of the U.S. office furniture industry.

EMEA Segment

Our EMEA segment serves customers in Europe, the Middle East and Africa primarily under the Steelcase and Coalesse brands, with an emphasis on freestanding furniture systems, storage and seating solutions. Our largest presence is in Western Europe, where we believe we have the leading market share in Germany, France and Spain. In 2014, approximately 83% of EMEA revenue was from Western Europe. The remaining revenue was from other parts of Europe, the Middle East and Africa. No individual country in the EMEA segment represented more than 6% of our consolidated revenue in 2014.

We serve EMEA customers through approximately 400 independent and company-owned dealer locations. In certain geographic markets, we sell directly to end-use customers. Our end-use customers are larger multinational, regional or local companies spread across a broad range of industries and vertical markets, including financial services, higher education, healthcare, government and technology. No single independent dealer in the EMEA segment accounted for more than 3% of the segment’s revenue in 2014. The five largest independent dealers collectively accounted for approximately 8% of the segment’s revenue in 2014.

In 2014, our EMEA segment recorded revenue of $566.9, or 19.0% of our consolidated revenue, and as of the end of the year had approximately 2,200 employees, of which approximately 1,100 related to manufacturing.

The EMEA office furniture market is highly competitive and fragmented. We compete with many local and regional manufacturers in many different markets. In several cases, these competitors focus on specific product categories.

Other Category

The Other category includes Asia Pacific, Designtex and PolyVision.

Asia Pacific serves customers in the People’s Republic of China (including Hong Kong), India, Japan, Australia, and other countries in southeast Asia, primarily under the Steelcase brand with an emphasis on furniture systems and seating solutions. We sell directly and through approximately 50 independent and company-owned dealer locations to end-use customers. Our end-use customers are larger multinational or regional companies spread across a broad range of industries and are located in both established and emerging markets. Our competition is fragmented and includes large global competitors as well as many regional and local manufacturers.

Designtex primarily sells textiles and wall covering products specified by architects and designers directly to end-use customers through a direct sales force primarily in North America.

PolyVision manufactures ceramic steel surfaces for use in multiple applications, but primarily for sale to third-party fabricators and distributors to create static whiteboards and chalkboards sold in the primary and secondary education markets globally.

In 2014, the Other category accounted for $267.6, or 8.9% of our consolidated revenue, and as of the end of the year had approximately 1,700 employees, of which approximately 900 related to manufacturing.

Corporate

Corporate expenses include unallocated portions of shared service functions such as information technology, human resources, finance, executive, corporate facilities, legal and research.

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Joint Ventures and Other Equity Investments
We enter into joint ventures and other equity investments from time to time to expand or maintain our geographic presence, support our distribution network or invest in new business ventures, complementary products and services. As of February 28, 2014, our investment in these unconsolidated joint ventures and other equity investments totaled $53.0. Our share of the earnings from joint ventures and other equity investments is recorded in Other income (expense), net on the Consolidated Statements of Income.

Customer and Dealer Concentrations
Our largest customer accounted for 1.0% of our consolidated revenue in 2014, and our five largest customers collectively accounted for 3.1% of our consolidated revenue. However, these percentages do not include revenue from various U.S. federal government agencies. In 2014, our sales to U.S. federal government agencies represented approximately 3% of our consolidated revenue. We do not believe our business is dependent on any single or small number of end-use customers, the loss of which would have a material adverse effect on our business.

No single independent dealer accounted for more than 4% of our consolidated revenue in 2014. The five largest independent dealers collectively accounted for approximately 13% of our consolidated revenue in 2014. We do not believe our business is dependent on any single dealer, the loss of which would have a sustained material adverse effect upon our business.

Working Capital
Our accounts receivable are from our dealers and direct-sale customers. Payment terms vary by country and region. The terms of our Americas segment, and certain markets within the EMEA segment, encourage prompt payment from dealers by offering an early settlement discount. Other international markets have, by market convention, longer payment terms. We are not aware of any special or unusual practices or conditions related to working capital items, including accounts receivable, inventories and accounts payable, which are significant to understanding our business or the industry at large.

Backlog
Our products are generally manufactured and shipped within two to six weeks following receipt of order; therefore, we do not view the amount of backlog at any particular time as a meaningful indicator of longer-term shipments.

Global Manufacturing and Supply Chain

Manufacturing and Logistics
We have manufacturing operations throughout North America (in the United States and Mexico), Europe (in France, Germany and Spain) and Asia (in China, Malaysia and India). Our global manufacturing operations are centralized under a single organization to serve our customers' needs across multiple brands and geographies.

Our manufacturing model is predominately make-to-order with lead times typically ranging from two to six weeks. We manufacture our products using lean manufacturing principles, which allow us to maintain efficiencies and cost savings by minimizing the amount of inventory on hand. As a result, we largely purchase direct materials and components as needed to meet demand. We have evolved our manufacturing and supply chain systems significantly over the last decade by implementing continuous one-piece flow, platforming our processes and product offerings and developing a global network of integrated suppliers.

These changes to our manufacturing model have reduced the capital needs of our business, inventory levels and the footprint of our manufacturing space and have allowed us to improve quality, delivery performance and the customer experience. We continue to identify opportunities to improve the fitness of our business and strengthen our long-term competitiveness. In 2014, we initiated procedures related to the closure of a manufacturing facility in Germany and the establishment of a new manufacturing facility in the Czech Republic. In 2013, we substantially completed a two-year project to close three North American manufacturing facilities and move production within those facilities to other Steelcase locations in North America.

In addition to our ongoing focus on enhancing the efficiency of our manufacturing operations, we also seek to reduce costs through our global sourcing effort. We have capitalized on raw material and component cost savings

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available through lower cost suppliers around the globe. This global view of potential sources of supply has enhanced our leverage with domestic supply sources, and we have been able to reduce cycle times through improvements with our partners throughout the supply chain.

Our physical distribution system utilizes commercial transport, company-owned and dedicated fleet delivery services. We have implemented a network of regional distribution centers to reduce freight costs and improve service to our dealers and customers. Some of these distribution centers are located within our manufacturing facilities, and we have engaged third-party logistics providers to operate some of these regional distribution centers.

Raw Materials

We source raw materials and components from a significant number of suppliers around the world. Those raw materials include petroleum-based products, steel, other metals, wood, particleboard and other materials and components. To date, we have not experienced any significant difficulties in obtaining these raw materials.

The prices for certain commodities such as steel, aluminum and other metals, wood, particleboard and petroleum-based products have fluctuated in recent years due to changes in global supply and demand. Our global supply chain team continually evaluates current market conditions, the financial viability of our suppliers and available supply options on the basis of cost, quality and reliability of supply.

Research, Design and Development

Our extensive global research — a combination of user observations, feedback sessions and sophisticated analysis — has helped us develop social, spatial and informational insights into work effectiveness. We maintain collaborative relationships with external world-class innovators, including leading universities, think tanks and knowledge leaders, to expand and deepen our understanding of how people work.

Understanding patterns of work enables us to identify and anticipate user needs across the globe. Our design teams explore and develop prototypical solutions to address these needs. These solutions vary from furniture, architecture and technology solutions to single products or enhancements to existing products, and across different vertical market applications such as healthcare, higher education and professional services. Organizationally, global design leadership directs strategy and project work, which is distributed to design studios around the world and often involves external design services.

Our marketing team evaluates product concepts using several criteria, including financial return metrics, and chooses which products will be developed and launched. Designers then work closely with engineers and suppliers to co-develop products and processes that incorporate innovative user features with efficient manufacturing practices. Products are tested for performance, quality and compliance with applicable standards and regulations.

Exclusive of royalty payments, we invested $35.9, $36.0 and $35.8 in research, design and development activities in 2014, 2013 and 2012, respectively. We continue to invest approximately one to two percent of our revenue in research, design and development each year. Royalties are sometimes paid to external designers of our products as the products are sold. These costs are not included in research and development expenses.

Intellectual Property

We generate and hold a significant number of patents in a number of countries in connection with the operation of our business. We also hold a number of trademarks that are very important to our identity and recognition in the marketplace. We do not believe that any material part of our business is dependent on the continued availability of any one or all of our patents or trademarks or that our business would be materially adversely affected by the loss of any of such, except the "Steelcase," "Nurture," "Coalesse," "Details," "Designtex," "PolyVision" and "Turnstone" trademarks.

We occasionally enter into license agreements under which we pay a royalty to third parties for the use of patented products, designs or process technology. We have established a global network of intellectual property licenses with our subsidiaries.

Employees

As of February 28, 2014, we had approximately 10,700 employees, of which approximately 6,600 work in manufacturing. Additionally, we had approximately 1,600 temporary workers who primarily work in manufacturing. Approximately 100 employees in the U.S. are covered by collective bargaining agreements. Internationally, 2,000

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employees are represented by workers' councils that operate to promote the interests of workers. Management promotes positive relations with employees based on empowerment and teamwork.

Environmental Matters

We are subject to a variety of federal, state, local and foreign laws and regulations relating to the discharge of materials into the environment, or otherwise relating to the protection of the environment ("Environmental Laws"). We believe our operations are in substantial compliance with all Environmental Laws. We do not believe existing Environmental Laws and regulations have had or will have any material effects upon our capital expenditures, earnings or competitive position.

Under certain Environmental Laws, we could be held liable, without regard to fault, for the costs of remediation associated with our existing or historical operations. We could also be held responsible for third-party property and personal injury claims or for violations of Environmental Laws relating to contamination. We are a party to, or otherwise involved in, proceedings relating to several contaminated properties being investigated and remediated under Environmental Laws, including as a potentially responsible party in several Superfund site cleanups. Based on our information regarding the nature and volume of wastes allegedly disposed of or released at these properties, the total estimated cleanup costs and other financially viable potentially responsible parties, we do not believe the costs to us associated with these properties will be material, either individually or in the aggregate. We have established reserves that we believe are adequate to cover our anticipated remediation costs. However, certain events could cause our actual costs to vary from the established reserves. These events include, but are not limited to: a change in governmental regulations or cleanup standards or requirements; undiscovered information regarding the nature and volume of wastes allegedly disposed of or released at these properties; and other factors increasing the cost of remediation or the loss of other potentially responsible parties that are financially capable of contributing toward cleanup costs.

Available Information

We file annual reports, quarterly reports, proxy statements and other documents with the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934 (the "Exchange Act"). The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Also, the SEC maintains an Internet website at www.sec.gov that contains reports, proxy and information statements and other information regarding issuers, including Steelcase, that file electronically with the SEC.

We also make available free of charge through our internet website, www.steelcase.com, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to these reports, as soon as reasonably practicable after we electronically file such reports with or furnish them to the SEC. In addition, our Corporate Governance Principles, Code of Ethics, Code of Business Conduct and the charters for the Audit, Compensation and Nominating and Corporate Governance Committees are available free of charge through our website or by writing to Steelcase Inc., Investor Relations, GH-3E-12, PO Box 1967, Grand Rapids, Michigan 49501-1967.

We are not including the information contained on our website as a part of, or incorporating it by reference into, this Report.

Item 1A. Risk Factors:

The following risk factors and other information included in this Report should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we do not know about currently, or that we currently believe are less significant, may also adversely affect our business, operating results, cash flows and financial condition. If any of these risks actually occur, our business, operating results, cash flows and financial condition could be materially adversely affected.

Our industry is influenced significantly by cyclical macroeconomic factors and secular changes that are difficult to predict.

Our revenue is generated predominantly from the office furniture industry, and demand for office furniture is influenced heavily by a variety of factors, including macroeconomic factors such as corporate profits, non-residential fixed investment, white-collar employment and commercial office construction and vacancy rates. Increasingly, advances in technology, the globalization of business, changing workforce demographics and shifts in work styles and behaviors are changing the world of work and may have a significant impact on the types of workplace products and services purchased by our customers, the level of revenue associated with our offerings and the geographic location of the demand.

According to the U.S.-based Business and Institutional Furniture Manufacturers Association and European-based Centre for Industrial Studies, the U.S. and European office furniture industries have gone through two major downturns in recent history. Consumption declined by more than 30% and 20% from calendar year 2000 to 2003, and again by over 30% and 23% from 2007 to 2009, in the U.S. and Europe, respectively. While the U.S. office furniture industry has been recovering over the past four years, the European industry has remained in recession. During these downturns, our revenue declined in similar proportion and our profitability was significantly reduced. Although we have made a number of changes to adapt our business model to these cycles, our profitability could be impacted in the future by cyclical downturns. In addition, the pace of industry recovery, by geography or vertical market, may vary after a cyclical downturn. These macroeconomic factors are difficult to predict, and if we are unsuccessful in adapting our business as economic cyclical changes occur, our results may be adversely affected.

Our continuing efforts to improve our business model could result in additional restructuring costs and may result in customer disruption.

Over the past decade, we have implemented a number of restructuring actions to transform our business through the reinvention of our industrial system and white collar processes and have significantly reduced our manufacturing footprint. While we believe we have made substantial progress, we continue to evolve and optimize our business model to be more flexible and agile in meeting changing demand, and incremental restructuring actions may be necessary. We are engaged in a multi-year strategy in EMEA to improve revenue and the fitness of our business model, which includes negotiations with regard to the closure of a manufacturing location in Germany and the establishment of a new manufacturing facility in the Czech Republic. The success of our restructuring initiatives is dependent on several factors, including our ability to negotiate with related works councils and manage these actions without disrupting existing customer commitments or impacting operating efficiency. Further, these actions may take longer than anticipated and may distract management from other activities, and we may not fully realize the expected benefits of our restructuring activities, either of which would have a negative impact on our profitability.

Failure to respond to changes in workplace trends and the competitive landscape may adversely affect our revenue and profits.

Advances in technology, the globalization of business, changing workforce demographics and shifts in work styles and behaviors are changing the world of work and may have a significant impact on the types of workplace products and services purchased by our customers, the level of revenue associated with our offerings and the geographic location of the demand. For example, in recent years, these trends have resulted in a reduction in the amount of office floor space allocated per employee, a reduction in the number, size (and price) of typical workstations and an increase in work occurring in more collaborative settings and in a variety of locations beyond the traditional office. The confluence of these factors could attract new competitors from outside the traditional office furniture industry, such as real estate management service firms, technology-based firms or general construction contractors, offering products and services which compete with those offered by us and our dealers. In addition, the traditional office furniture industry is highly competitive, with a number of competitors offering similar categories of products. We compete on a variety of factors, including: brand recognition and reputation, insight from our research, product design and features, price, lead time, delivery and service, product quality, strength of dealers and other distributors and relationships with customers and key influencers, such as architects, designers and facility managers. If we are unsuccessful in developing and offering products and services which respond to changes in workplace trends and generate revenue to offset the impact of reduced numbers, size (and price) of typical workstations, or we or our dealers are unsuccessful in competing with existing competitors and new competitive offerings which could arise from outside our industry, our revenue and profits may be adversely affected.

We may not be able to successfully develop, implement and manage our diversification and growth strategies.

Our longer-term success depends on our ability to successfully develop, implement and manage strategies that will preserve our position as the world’s largest office furniture manufacturer, as well as expand our offerings into adjacent and emerging markets. In particular, our diversification and growth strategies include:

- translating our research regarding the world of work into innovative solutions which address market needs,

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- continuing our expansion into adjacent markets such as healthcare clinical spaces and classrooms, libraries and other educational settings and smaller companies,
- growing our market share in markets such as China, India, Brazil, eastern, central and southern Europe, Africa and the Middle East,
- investing in acquisitions and new business ventures and
- developing new alliances and additional channels of distribution.

If these strategies to diversify and increase our revenues are not sufficient, or if we do not execute these strategies successfully, our profitability may be adversely affected.

We have been and expect to continue making investments in strategic growth initiatives and new product development. If our return on these investments is lower, or develops more slowly, than we anticipate, our profitability may be adversely affected.

We may be adversely affected by changes in raw material and commodity costs.

We procure raw materials (including petroleum-based products, steel, aluminum, other metals, wood and particleboard) from a significant number of sources globally. These raw materials are not rare or unique to our industry. The costs of these commodities, as well as fuel and energy costs, have fluctuated significantly in recent years due to changes in global supply and demand, which can also cause supply interruptions. In the short-term, rapid increases in raw material and commodity costs can be very difficult to offset with price increases because of existing contractual commitments with our customers, and it is difficult to find effective financial instruments to hedge against such changes. As a result, our gross margins can be adversely affected by short-term increases in these costs. Also, if we are not successful in passing along higher raw material and commodity costs to our customers over the longer-term because of competitive pressures, our profitability could be negatively impacted.

Our global presence subjects us to risks that may negatively affect our profitability and financial condition.

We have manufacturing facilities and sales, administrative and shared services offices in many countries, and as a result, we are subject to risks associated with doing business globally. Our success depends on our ability to manage the complexity associated with designing, developing, manufacturing and selling our solutions in a variety of countries. Our global presence is also subject to market risks, which in turn could have an adverse effect on our results of operations and financial condition, including:

- differing business practices, cultural factors and regulatory requirements,
- fluctuations in currency exchange rates and currency controls,
- political, social and economic instability, natural disasters, security concerns, including terrorist activity, armed conflict and civil or military unrest, and global health issues and
- intellectual property protection challenges.

We are increasingly reliant on a global network of suppliers.

Our migration to a less vertically integrated manufacturing model has increased our dependency on a global network of suppliers. We are reliant on the timely flow of raw materials, components and finished goods from third-party suppliers. The flow of such materials, components and goods may be affected by:

- fluctuations in the availability and quality of raw materials,
- the financial solvency of our suppliers and their supply chains,
- disruptions caused by labor activities and
- damage and loss of production from accidents, natural disasters and other causes.

Any disruptions in the supply and delivery of raw materials, component parts and finished goods or deficiencies in our ability to manage our global network of suppliers could have an adverse impact on our business, operating results or financial condition.

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Disruptions within our dealer network could adversely affect our business.

We rely largely on a network of more than 800 independent dealer locations to market, deliver and install our products to end-use customers. From time to time, we or a dealer may choose to terminate our relationship, or the dealer could face financial insolvency or difficulty in transitioning to new ownership. Our business is influenced by our ability to initiate and manage new and existing relationships with dealers, and establishing new dealers in a market can take considerable time and resources. Disruption of dealer coverage within a specific local market could have an adverse impact on our business within the affected market. The loss or termination of a significant number of dealers or the inability to establish new dealers could cause difficulties in marketing and distributing our products and have an adverse effect on our business, operating results or financial condition. In the event that a dealer in a strategic market experiences financial difficulty, we may choose to make financial investments in the dealership, which would reduce the risk of disruption but increase our financial exposure.

We may be required to record impairment charges related to goodwill and indefinite-lived intangible assets which would adversely affect our results of operations.

We have net goodwill of $108.1 as of February 28, 2014. Goodwill and other acquired intangible assets with indefinite lives are not amortized but are evaluated for impairment annually and whenever an event occurs or circumstances change such that it is more likely than not that an impairment may exist. Poor performance in portions of our business where we have goodwill or intangible assets, or declines in the market value of our equity, may result in impairment charges, which would adversely affect our results of operations.

There may be significant limitations to our utilization of net operating loss carryforwards to offset future taxable income.

We have deferred tax asset values related to net operating loss carryforwards (“NOLs”) residing primarily in various non-U.S. jurisdictions totaling $90.9, against which valuation allowances totaling $76.2 have been recorded. We may be unable to generate sufficient taxable income from future operations in the applicable jurisdictions, or implement tax, business or other planning strategies, to fully utilize the recorded value of our NOLs. We have NOLs in various currencies that are also subject to foreign exchange risk, which could reduce the amount we may ultimately realize. Additionally, future changes in tax laws or interpretations of such tax laws may limit our ability to fully utilize our NOLs.

Costs related to our participation in a multi-employer pension plan could increase.

Our subsidiary SC Transport Inc. contributes to the Central States, Southeast and Southwest Areas Pension Fund, a multi-employer pension plan, based on obligations arising under a collective bargaining agreement with our SC Transport Inc. employees. The plan is not administered by or in any way controlled by us. We have relatively little control over the level of contributions we are required to make to the plan, and it is currently underfunded. As a result, contributions are scheduled to increase, and we expect that contributions to the plan may be subject to further increases. The amount of any increase or decrease in our required contributions to the multi-employer pension plan will depend upon the outcome of collective bargaining, actions taken by trustees who manage the plan, governmental regulations, the actual return on assets held in the plan, the continued viability and contributions of other employers which contribute to the plan, and the potential payment of a withdrawal liability, among other factors.

Under current law, an employer that withdraws or partially withdraws from a multi-employer pension plan may incur a withdrawal liability to the plan, which represents the portion of the plan’s underfunding that is allocable to the withdrawing employer under very complex actuarial and allocation rules. We could incur a withdrawal liability if we substantially reduce the number of SC Transport Inc. employees. The most recent estimate of our potential withdrawal liability is $24.7 as of February 28, 2014.

Item 1B. Unresolved Staff Comments:

None.

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Item 2. Properties:

We have operations at locations throughout the U.S. and around the world. None of our owned properties are mortgaged or are held subject to any significant encumbrance. We believe our facilities are in good operating condition and, at present, are in excess of that needed to meet volume needs currently and for the foreseeable future. Our global headquarters is located in Grand Rapids, Michigan, U.S.A. Our owned and leased principal manufacturing and distribution center locations with greater than 100,000 square feet are as follows:

Segment/Category Primarily Supported	Number of Principal Locations	Owned	Leased
Americas	12	5	7
EMEA	5	4	1
Other	4	2	2
Total	21	11	10

In 2014, we added one leased distribution facility and exited one owned manufacturing facility in the Americas.

Item 3. Legal Proceedings:

We are involved in litigation from time to time in the ordinary course of our business. Based on known information, we do not believe we are a party to any lawsuit or proceeding that is likely to have a material adverse effect on the Company.

Item 4. Mine Safety Disclosures:

Not applicable.

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Supplementary Item. Executive Officers of the Registrant:

Our executive officers are:

Name	Age	Position
Guillaume M. Alvarez	54	Senior Vice President, EMEA
Sara E. Armbruster	43	Vice President, Strategy, Research and New Business Innovation
Ulrich H. E. Gwinner	50	President, Asia Pacific
Nancy W. Hickey	62	Senior Vice President, Chief Administrative Officer
James P. Keane	54	President and Chief Executive Officer, Director
Hamid Khorramian	65	Senior Vice President, Global Operations
James N. Ludwig	50	Vice President, Global Design and Product Engineering
Mark T. Mossing	56	Corporate Controller and Chief Accounting Officer
Gale Moutrey	55	Vice President, Communications
Lizbeth S. O’Shaughnessy	52	Senior Vice President, Chief Legal Officer and Secretary
Eddy F. Schmitt	42	Senior Vice President, Americas
Allan W. Smith, Jr.	46	Vice President, Global Marketing
David C. Sylvester	49	Senior Vice President, Chief Financial Officer

Guillaume M. Alvarez has been Senior Vice President, EMEA since March 2014. Mr. Alvarez was Senior Vice President, Sales, EMEA from October 2011 to March 2014, Vice President, Global Client Collaboration from May 2010 to October 2011 and Vice President, Global Alliances from May 2008 to May 2010. Mr. Alvarez has been employed by Steelcase since 1984.

Sara E. Armbruster has been Vice President, Strategy, Research and New Business Innovation since January 2014. Ms. Armbruster was Vice President, WorkSpace Futures and Corporate Strategy from May 2009 to January 2014 and Vice President, Corporate Strategy from when she joined Steelcase in 2007 to May 2009.

Ulrich H. E. Gwinner has been President, Asia Pacific since March 2014. Mr. Gwinner was President, Steelcase Asia Pacific from May 2007 to March 2014 and has been employed by Steelcase since 2000.

Nancy W. Hickey has been Senior Vice President, Chief Administrative Officer since November 2001 and has been employed by Steelcase since 1986.

James P. Keane has been President and Chief Executive Officer since March 2014. Mr. Keane was President and Chief Operating Officer from April 2013 to March 2014, Chief Operating Officer from November 2012 to April 2013 and President, Steelcase Group from October 2006 to November 2012. Mr. Keane became a member of the Board of Directors of Steelcase in April 2013 and has been employed by Steelcase since 1997.

Hamid Khorramian has been Senior Vice President, Global Operations since March 2014. Mr. Khorramian was Senior Vice President, Global Operations Officer from April 2012 to March 2014, Vice President, North American Operations from June 2009 to April 2012 and Vice President, Manufacturing-North America from June 2004 to June 2009. Mr. Khorramian has been employed by Steelcase since 1977.

James N. Ludwig has been Vice President, Global Design and Product Engineering since March 2014. Mr. Ludwig was Vice President, Global Design from March 2008 to March 2014 and has been employed by Steelcase since 1999.

Mark T. Mossing has been Corporate Controller and Chief Accounting Officer since April 2008. Mr. Mossing was Vice President, Corporate Controller from 1999 to April 2008 and has been employed by Steelcase since 1993.

Gale Moutrey has been Vice President, Communications since March 2014. Ms. Moutrey was Vice President, Brand Communications from March 2001 to March 2014 and has been employed by Steelcase since 1984.

Lizbeth S. O’Shaughnessy has been Senior Vice President, Chief Legal Officer and Secretary since April 2011. Ms. O’Shaughnessy was Vice President, Chief Legal Officer and Secretary from 2007 to April 2011 and has been employed by Steelcase since 1992.

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Eddy F. Schmitt has been Senior Vice President, Americas since March 2014. Mr. Schmitt was Senior Vice President, Sales and Distribution, Americas from February 2011 to March 2014 and Vice President, Sales, France from June 2006 to February 2011. Mr. Schmitt has been employed by Steelcase since 2003.

Allan W. Smith, Jr. has been Vice President, Global Marketing since September 2013. Mr. Smith was Vice President, Applications & Product Marketing-Steelcase Brand from January 2011 to September 2013, General Manager, Furniture and Technology from June 2009 to January 2011 and Vice President, Marketing, Research & Product Development-Europe from July 2006 to June 2009. Mr. Smith has been employed by Steelcase since 1991.

David C. Sylvester has been Senior Vice President, Chief Financial Officer since April 2011. Mr. Sylvester was Vice President, Chief Financial Officer from 2006 to April 2011 and has been employed by Steelcase since 1995.

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PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities:

Common Stock

Our Class A Common Stock is listed on the New York Stock Exchange under the symbol "SCS." Our Class B Common Stock is not registered under the Exchange Act or publicly traded. See Note 14 to the consolidated financial statements for additional information. As of the close of business on April 11, 2014, we had outstanding 123,278,466 shares of common stock with 7,162 shareholders of record. Of these amounts, 90,617,740 shares are Class A Common Stock with 7,077 shareholders of record and 32,660,726 shares are Class B Common Stock with 85 shareholders of record.

Class A Common Stock Per Share Price Range	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Fiscal 2014				
High	$15.60	$15.89	$16.95	$16.77
Low	$12.16	$13.23	$13.76	$13.60
Fiscal 2013				
High	$9.81	$9.82	$11.25	$13.95
Low	$7.96	$7.63	$9.17	$10.98

Dividends

The declaration of dividends is subject to the discretion of our Board of Directors and to compliance with applicable laws. Dividends in 2014 and 2013 were declared and paid quarterly. The amount and timing of future dividends depends upon our results of operations, financial condition, cash requirements, future business prospects, general business conditions and other factors that our Board of Directors may deem relevant at the time.

Our unsecured revolving syndicated credit facility includes a restriction on the aggregate amount of cash dividend payments and share repurchases we may make in any fiscal year. As long as our leverage ratio is less than 2.50 to 1.00, there is no restriction on cash dividends and share repurchases. If our leverage ratio is between 2.50 to 1.00 and the maximum permitted under the facility, our ability to fund more than $35.0 in cash dividends and share repurchases in aggregate in any fiscal year may be restricted, depending on our liquidity. As of February 28, 2014, our leverage ratio was less than 2.50 to 1.00. See Note 12 to the consolidated financial statements for additional information. During 2014 and 2013, we were in compliance with the covenants under the facility in place as of the respective dates.

Total Dividends Paid

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2014	$12.5	$12.6	$12.5	$12.6	$50.2
2013	$11.6	$11.4	$11.4	$11.4	$45.8

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Fourth Quarter Share Repurchases

The following is a summary of share repurchase activity during Q4 2014:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	(d) Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (1)
11/23/2013 - 12/27/2013	3,398	$14.80	—	$109.9
12/28/2013 - 01/24/2014	18,591	$14.98	16,790	$109.7
01/25/2014 - 02/28/2014	1,164,744	$14.32	1,164,744	$93.0
Total	1,186,733	(2)	1,181,534	

(1) In December 2007, our Board of Directors approved a share repurchase program permitting the repurchase of up to $250 of shares of our common stock. This program has no specific expiration date.

(2) 5,199 shares were repurchased to satisfy participants’ tax withholding obligations upon the vesting of restricted stock unit grants, pursuant to the terms of our Incentive Compensation Plan.

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Item 6. Selected Financial Data:

Financial Highlights	Year Ended February 28, 2014	February 22, 2013	February 24, 2012	February 25, 2011	February 26, 2010
Operating Results:					
Revenue	$2,988.9	$2,868.7	$2,749.5	$2,437.1	$2,291.7
Gross profit	945.2	866.0	809.7	717.5	649.8
Operating income (loss)	165.9	59.3	97.1	51.5	(11.5)
Income (loss) before income tax expense (benefit)	147.2	54.9	82.0	51.4	(31.1)
Net income (loss)	87.7	38.8	56.7	20.4	(13.6)
Supplemental Operating Data:					
Restructuring costs	$(6.6)	$(34.7)	$(30.5)	$(30.6)	$(34.9)
Goodwill and intangible asset impairment charges	(12.9)	(59.9)	—	—	—
Share Data:					
Basic earnings (loss) per common share	$0.70	$0.30	$0.43	$0.15	$(0.10)
Diluted earnings (loss) per common share	$0.69	$0.30	$0.43	$0.15	$(0.10)
Weighted average shares outstanding - basic	126.0	127.4	131.9	132.9	132.9
Weighted average shares outstanding - diluted	127.3	129.1	131.9	132.9	132.9
Dividends paid per common share	$0.40	$0.36	$0.24	$0.16	$0.20
Balance Sheet Data:					
Cash and cash equivalents	$201.8	$150.4	$112.1	$142.2	$111.1
Short-term investments	119.5	100.5	79.1	350.8	68.2
Company-owned life insurance ("COLI")	154.3	225.8	227.6	223.1	209.6
Working capital (1)	351.7	293.8	240.2	275.5	222.9
Total assets	1,726.7	1,689.6	1,678.9	1,974.4	1,655.1
Total debt	287.0	289.0	291.5	546.8	300.8
Total liabilities	1,049.6	1,021.6	992.4	1,278.1	979.6
Total shareholders’ equity	677.1	668.0	686.5	696.3	675.5
Statement of Cash Flow Data:					
Net cash provided by (used in):					
Operating activities	$178.8	$187.3	$101.7	$72.7	$(10.9)
Investing activities	(25.2)	(85.5)	203.2	(254.3)	(10.0)
Financing activities	(101.6)	(64.2)	(334.3)	211.1	13.0

(1) Working capital equals current assets minus current liabilities, as presented in the Consolidated Balance Sheets.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations:

The following review of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and accompanying notes thereto included elsewhere within this Report.

Non-GAAP Financial Measures

This item contains certain non-GAAP financial measures. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the consolidated statements of income, balance sheets or statements of cash flows of the company. Pursuant to the requirements of Regulation G, we have provided a reconciliation below of non-GAAP financial measures to the most directly comparable GAAP financial measure.

The non-GAAP financial measures used are: (1) organic revenue growth (decline), which represents the change in revenue over the prior year excluding estimated currency translation effects, the impacts of acquisitions and divestitures and an additional week of revenue in 2014; and (2) adjusted operating income (loss), which represents operating income (loss) excluding restructuring costs (benefits) and goodwill and intangible asset impairment charges. These measures are presented because management uses this information to monitor and evaluate financial results and trends. Therefore, management believes this information is also useful for investors.

Financial Summary

Results of Operations

Our reportable segments consist of the Americas segment, the EMEA segment and the Other category. Unallocated corporate expenses are reported as Corporate.

Statement of Operations Data—Consolidated	Year Ended February 28, 2014			February 22, 2013			February 24, 2012		
Revenue	$2,988.9	100.0	%	$2,868.7	100.0	%	$2,749.5	100.0	%
Cost of sales	2,046.5	68.5		1,987.8	69.3		1,913.6	69.6	
Restructuring costs (benefits)	(2.8)	(0.1)		14.9	0.5		26.2	1.0	
Gross profit	945.2	31.6		866.0	30.2		809.7	29.4	
Operating expenses	757.0	25.3		727.0	25.3		708.3	25.8	
Goodwill and intangible asset impairment charges	12.9	0.4		59.9	2.1		—	—	
Restructuring costs	9.4	0.3		19.8	0.7		4.3	0.1	
Operating income	165.9	5.6		59.3	2.1		97.1	3.5	
Interest expense, investment income (loss) and other income (expense), net	(18.7)	(0.6)		(4.4)	(0.2)		(15.1)	(0.5)	
Income before income tax expense	147.2	5.0		54.9	1.9		82.0	3.0	
Income tax expense	59.5	2.0		16.1	0.5		25.3	0.9	
Net income	$87.7	3.0	%	$38.8	1.4	%	$56.7	2.1	%
Earnings per share:									
Basic	$0.70			$0.30			$0.43		
Diluted	$0.69			$0.30			$0.43		

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Organic Revenue Growth—Consolidated	Year Ended February 28, 2014	February 22, 2013
Prior year revenue	$2,868.7	$2,749.5
Divestitures	(6.3)	(9.6)
Currency translation effects*	7.4	(33.9)
Prior year revenue, adjusted	2,869.8	2,706.0
Current year revenue	2,988.9	2,868.7
Dealer acquisitions	(11.4)	(22.2)
Impact of additional week **	(42.0)	—
Current year revenue, adjusted	2,935.5	2,846.5
Organic growth $	$65.7	$140.5
Organic growth %	2%	5%

* Currency translation effects represent the net effect of translating prior year foreign currency revenues using the average exchange rate on a quarterly basis during the current year.
** 2014 included 53 weeks of revenue in the Americas and Other category. EMEA always ends its fiscal year on the last day of February, so the comparison to the prior year is generally consistent.

Adjusted Operating Income — Consolidated	Year Ended February 28, 2014		February 22, 2013		February 24, 2012	
Operating income	$165.9	5.6%	$59.3	2.1%	$97.1	3.5%
Add: goodwill and intangible asset impairment charges	12.9	0.4	59.9	2.1	—	—
Add: restructuring costs	6.6	0.2	34.7	1.2	30.5	1.1
Adjusted operating income	$185.4	6.2%	$153.9	5.4%	$127.6	4.6%

Overview

During 2014, organic revenue growth was 2% compared to the prior year, which represented the fourth consecutive year of organic growth. This growth is generally consistent with or better than global trends in our industry and was driven in part by increased project business. We believe that our investments in research, product development and other growth initiatives have helped drive our revenue growth faster than the rest of our industry over the past three years. The Americas and the Other category posted organic revenue growth of 5%, and 2%, respectively, while EMEA experienced an 8% organic revenue decline. The organic revenue growth in the Americas represented the fourth consecutive year of organic revenue growth, while EMEA remains challenged by the macroeconomic environment in Western Europe. The organic revenue growth in the Other category was primarily driven by PolyVision.

Our consolidated adjusted operating income margin improved to 6.2% in 2014, compared to 5.4% in 2013 and 4.6% in 2012. The improvement was driven by strength in our Americas segment, which increased its adjusted operating income margin over each of the past three years to a high of 11.5% in 2014, while our EMEA segment reported an increase in adjusted operating losses in 2014. The Other category had a slight decline in its adjusted operating income margin, as improvements at PolyVision were more than offset by declines in Asia Pacific and Designtex.

In 2014, we continued taking steps to improve our operating fitness and our global competitiveness. This included implementation of a number of restructuring actions in EMEA, the most significant of which was the initiation of actions to close a manufacturing facility in Germany and the establishment of a new manufacturing location in the Czech Republic.

2014 compared to 2013

We recorded net income of $87.7 in 2014 compared to net income of $38.8 in 2013. The increase in 2014 was driven in large part by improved operating results. The increase was also a result of year-over-year declines in

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goodwill and other intangible asset impairment charges and restructuring costs, partially offset by higher non-operating charges and a higher effective tax rate in 2014.

Operating income grew to $165.9 in 2014 compared to $59.3 in 2013. The 2014 adjusted operating income of $185.4 represented an increase of $31.5 compared to the prior year. The improvement was driven by strength in the Americas, partially offset by higher adjusted operating losses in EMEA and lower adjusted operating income in the Other category.

Revenue for 2014 was $2,988.9 compared to $2,868.7 for 2013, representing organic revenue growth of 2%. We realized organic growth of 5% in the Americas segment and 2% in the Other category while the EMEA segment experienced an organic decline of 8%. Revenue continued to include a higher mix of project business from some of our largest corporate customers.

Cost of sales decreased to 68.5% of revenue in 2014, an 80 basis point improvement compared to 2013. The improvement was primarily driven by benefits associated with organic revenue growth, net pricing adjustments and various other cost reductions in the Americas, partially offset by costs associated with the changes to the EMEA manufacturing footprint and higher competitive discounting in EMEA and Asia Pacific.

Operating expenses of $757.0 increased by $30.0 in 2014 compared to 2013 but remained flat as a percentage of sales. The year-over-year comparison included the following:

- unfavorable foreign currency translation effects of $3.0,
- costs of $3.7 related to dealer acquisitions, net of a divestiture,
- approximately $10.3 of costs related to the additional week,
- higher variable compensation expense of $2.9,
- a reduction of $1.6 in environmental charges, and
- other costs of $11.7 related to increased spending on marketing, product development and other initiatives in the Americas, net of benefits from restructuring activities and other cost reduction efforts in EMEA.

Goodwill and intangible asset impairment charges in 2014 totaled $12.9 and related to Asia Pacific within the Other category. Goodwill impairment charges in 2013 totaled $59.9 and related to the EMEA segment and Designtex within the Other category. See further details on these items in Note 10 to the consolidated financial statements.

We recorded net restructuring costs of $6.6 in 2014 compared to $34.7 in 2013. The 2014 net charges included the following:

- severance and business exit costs of $7.9 associated with actions in the EMEA segment,
- a gain of $4.5 related to the sale of a facility in the EMEA segment in connection with previously announced restructuring actions and
- business exit costs of $0.9 associated with the completion of the integration of PolyVision's global technology business into the Steelcase Education Solutions group.

See further discussion and detail of these items in the Business Segment Disclosure analysis below and in Note 20 to the consolidated financial statements.

Our 2014 effective tax rate was 40.4%, which is higher than the U.S. federal statutory tax rate of 35%. The higher tax rate is being driven by the losses in EMEA, for which no tax benefit is recognized due to full valuation allowances. Income taxes also reflect unfavorable adjustments to valuation allowances associated with deferred tax assets, including tax loss carryforwards (primarily in EMEA) and the non-deductible nature of the goodwill impairment charges in Asia Pacific, largely offset by an $8.5 benefit associated with a tax strategy in Asia Pacific. See Note 15 to the consolidated financial statements for additional information.

2013 compared to 2012

We recorded net income of $38.8 in 2013 compared to net income of $56.7 in 2012. The results in 2013 reflected 5% organic revenue growth compared to 2012 and lower interest expense but included significant goodwill impairment charges, tax valuation allowance adjustments and foreign tax credit benefits.

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Operating income of $59.3 in 2013 compared to operating income of $97.1 in 2012. The 2013 adjusted operating income of $153.9 represented an increase of $26.3 compared to the prior year, due to strength in the Americas. partially offset by lower profitability in EMEA and the Other category.

Revenue for 2013 was $2,868.7 compared to $2,749.5 for 2012, representing organic revenue growth of 5%. We realized organic growth of 7% in the Americas segment and 1% in the EMEA segment while the Other category experienced a modest decline of 1%. Revenue continued to include a higher mix of project business from some of our largest corporate customers.

Cost of sales decreased to 69.3% of revenue in 2013, a 30 basis point improvement compared to 2012. Benefits from organic revenue growth, recent pricing adjustments (net of commodity cost changes) and restructuring actions (net of related disruption costs) and other cost reductions in the Americas were partially offset by an increase in lower-margin project business and higher competitive discounting in EMEA.

Operating expenses of $727.0 increased by $18.7 in 2013 compared to 2012 but decreased as a percentage of sales to 25.3% in 2013 from 25.8% in 2012. The year-over-year comparison included the following:

- higher variable compensation expense of $11.7,
- favorable foreign currency translation effects of $9.3,
- costs of $7.1 related to dealers acquired in 2013,
- increased spending of approximately $7 on product development and other initiatives,
- increased reserves of $3.6 for environmental remediation costs associated with a previously-owned manufacturing site, and
- $1.5 related to dealer divestitures.

Goodwill impairment charges in 2013 totaled $59.9 and related to the EMEA segment and Designtex within the Other category. See further detail of these items in Note 10 to the consolidated financial statements.

We recorded restructuring costs of $34.7 in 2013 compared to $30.5 in 2012. The 2013 charges included the following:

- severance and business exit costs of $13.0 from the previously-announced closure of three manufacturing facilities in North America (which are now substantially complete),
- real estate impairment charges of $12.4 associated with the previously announced closure of our Corporate Development Center,
- severance and business exit costs of $3.8 associated with the EMEA headcount reductions and owned dealer consolidations in Q4 2013 and
- severance and business exit costs of $2.0 associated with the integration of PolyVision's global technology business into the Steelcase Education Solutions group.

See further discussion and detail of these items in the Business Segment Disclosure analysis below and in Note 20 to the consolidated financial statements.

Our 2013 effective tax rate was 29.3%, which is below the U.S. federal statutory tax rate of 35%. The difference was primarily driven by a foreign tax benefit totaling $56.7, partially offset by unfavorable adjustments to our valuation allowances associated with tax loss carry-forwards and other deferred tax assets and the non-deductible nature of the goodwill impairment charges in EMEA. See Note 15 to the consolidated financial statements for additional information.

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Interest Expense, Investment Income (Loss) and Other Income (Expense), Net

Interest Expense, Investment Income (Loss) and Other Income (Expense), Net	Year Ended February 28, 2014	February 22, 2013	February 24, 2012
Interest expense	$(17.8)	$(17.8)	$(25.6)
Investment income (loss)	(0.3)	3.7	5.2
Other income (expense), net:			
Equity in income of unconsolidated ventures	10.2	9.4	8.3
Miscellaneous, net	(10.8)	0.3	(3.0)
Total other income (expense), net	(0.6)	9.7	5.3
Total interest expense, investment income (loss) and other income (expense), net	$(18.7)	$(4.4)	$(15.1)

Miscellaneous other expense of $10.8 in 2014 included $6.0 of charges related to a minority equity investment and $5.1 of foreign exchange losses compared to small foreign exchange gains in 2013. An investment loss in 2014 compared to an investment gain in 2013. The decline was driven by reductions in the cash surrender value of variable life COLI in 2014 compared to gains in 2013. Interest expense in 2012 includes $7.7 associated with $250 of senior notes which matured and were repaid in Q2 2012.

Business Segment Disclosure

See Note 18 to the consolidated financial statements for additional information regarding our business segments.

Americas

The Americas segment serves customers in the U.S., Canada and Latin America with a portfolio of integrated architecture, furniture and technology products marketed to corporate, government, healthcare, education and retail customers through the Steelcase, Nurture, Coalesse, Details and Turnstone brands.

Statement of Operations Data—Americas	Year Ended February 28, 2014		February 22, 2013		February 24, 2012	
Revenue	$2,154.4	100.0 %	$2,015.1	100.0 %	$1,868.4	100.0 %
Cost of sales	1,438.2	66.8	1,384.4	68.7	1,302.3	69.7
Restructuring costs	0.7	—	13.9	0.7	20.0	1.1
Gross profit	715.5	33.2	616.8	30.6	546.1	29.2
Operating expenses	467.1	21.7	433.8	21.5	421.8	22.6
Goodwill and intangible asset impairment charges	—	—	—	—	—	—
Restructuring costs	1.0	0.1	14.7	0.7	1.5	—
Operating income	$247.4	11.4 %	$168.3	8.4 %	$122.8	6.6 %

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Organic Revenue Growth—Americas	Year Ended February 28, 2014	February 22, 2013
Prior year revenue	$2,015.1	$1,868.4
Divestitures	—	—
Currency translation effects*	(6.3)	(0.6)
Prior year revenue, adjusted	2,008.8	1,867.8
Current year revenue	2,154.4	2,015.1
Dealer acquisitions	—	(10.5)
Impact of additional week **	(36.2)	—
Current year revenue, adjusted	2,118.2	2,004.6
Organic growth $	$109.4	$136.8
Organic growth %	5%	7%

* Currency translation effects represent the net effect of translating prior year foreign currency revenues using the average exchange rate on a quarterly basis during the current year.
** 2014 included 53 weeks of revenue.

Adjusted Operating Income—Americas	Year Ended February 28, 2014		February 22, 2013		February 24, 2012	
Operating income	$247.4	11.4%	$168.3	8.4%	$122.8	6.6%
Add: goodwill and intangible asset impairment charges	—	—	—	—	—	—
Add: restructuring costs	1.7	0.1	28.6	1.4	21.5	1.1
Adjusted operating income	$249.1	11.5%	$196.9	9.8%	$144.3	7.7%

2014 compared to 2013

Operating income in the Americas grew to $247.4 in 2014, compared to $168.3 in 2013. Adjusted operating income in 2014 grew to $249.1 from $196.9 in 2013, an increase of $52.2 or 26.5%. The improvement was driven by organic revenue growth, improved customer mix, various cost reduction efforts in manufacturing and logistics and net benefits from pricing adjustments and previous restructuring actions, offset in part by increased spending on marketing, product development and other initiatives and the impact of a higher mix of lower margin project business.

The Americas revenue represented 72.1% of consolidated revenue in 2014. Revenue for 2014 was $2,154.4 compared to $2,015.1 in 2013, an increase of $139.3 or 6.9%. After adjusting for currency translation effects and the approximate impact of an additional week, organic revenue growth was $109.4 or 5%. Revenue growth in 2014 is categorized as follows:

- Product categories — Seven out of nine product categories grew in 2014, led by Architectural Solutions, Details and Turnstone. The Wood and Nurture categories declined compared to the prior year.
- Vertical markets — Information Technology, Insurance, Technical and Professional and Education experienced strong growth rates, while Energy, Federal Government and Financial Services declined.
- Geographic regions — All regions showed growth over 2013, led by the East Business Group.
- Contract type — The strongest growth came from project sales, while continuing business grew modestly and marketing programs declined year-over-year.

Cost of sales improved to 66.8% of revenue in 2014 compared to 68.7% of revenue in 2013. The improvement was largely driven by the benefits of organic revenue growth, improved customer mix, various cost reduction efforts in manufacturing and logistics and net benefits from pricing adjustments and previous restructuring actions.

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Operating expenses increased by $33.3 in 2014 compared to 2013 primarily due to higher spending on marketing, product development and other initiatives and the impact of the additional week. Operating expenses increased slightly as a percentage of sales to 21.7% in 2014 from 21.5% in 2013.

Restructuring costs of $1.7 incurred in 2014 were primarily related to the completion of the integration of PolyVision's global technology business into the Steelcase Education Solutions group.

2013 compared to 2012

Operating income in the Americas grew to $168.3 in 2013, compared to $122.8 in 2012. Adjusted operating income in 2013 grew to $196.9 from $144.3 in 2012, an increase of $52.6 or 36.5%. This increase was primarily driven by organic revenue growth, year-over-year benefits from improved pricing (net of commodity cost changes) and benefits from restructuring actions (net of related disruption costs) but impacted by a higher mix of lower-margin project business from some of our largest corporate customers.

The Americas revenue represented 70.2% of consolidated revenue in 2013. Revenue for 2013 was $2,015.1 compared to $1,868.4 in 2012, an increase of $146.7 or 7.9%. After adjusting for currency translation effects and a dealer acquisition, organic revenue growth was $136.8 or 7%. Revenue growth in 2013 is categorized as follows:

- Product categories—Substantially all product categories grew in 2013. Revenue growth rates were strongest in the Technology and Details categories, while Seating and Coalesse also exceeded the overall average for the year.
- Vertical markets—Strength in the Energy, Insurance Services, Manufacturing and Information Technology sectors more than offset continued weakness in the U.S. Federal Government sector.
- Geographic regions—All regions showed growth over 2012, with notable strength in the West Business Group.
- Contract type—The strongest growth came from our project sales, but revenue from continuing agreements and marketing programs also grew over the prior year.

Cost of sales decreased to 68.7% of revenue in 2013 compared to 69.7% of revenue in 2012. Benefits from organic revenue growth, improved pricing (net of commodity cost increases) and restructuring actions (net of related disruption costs) were partially offset by a higher mix of lower-margin project business (which was somewhat offset by a lower mix of federal government business in the U.S.).

Operating expenses increased by $12.0 in 2013 compared to 2012 primarily due to higher variable compensation expense of $12.8. Operating expenses decreased as a percentage of sales to 21.5% in 2013 from 22.6% in 2012.

Restructuring costs of $28.6 incurred in 2013 included $13.0 associated with the North America plant closures announced in Q4 2011 and a $12.4 impairment charge in conjunction with the previously announced closure of our Corporate Development Center.

EMEA

The EMEA segment serves customers in Europe, the Middle East and Africa primarily under the Steelcase and Coalesse brands, with an emphasis on freestanding furniture systems, seating and storage solutions.

Statement of Operations Data—EMEA	Year Ended February 28, 2014		February 22, 2013		February 24, 2012	
Revenue	$566.9	100.0 %	$594.8	100.0 %	$610.5	100.0 %
Cost of sales	429.5	75.8	434.0	73.0	432.9	70.9
Restructuring costs (benefits)	(3.6)	(0.6)	1.0	0.2	5.0	0.8
Gross profit	141.0	24.8	159.8	26.8	172.6	28.3
Operating expenses	164.2	29.0	171.6	28.8	179.5	29.4
Goodwill and intangible asset impairment charges	—	—	35.1	5.9	—	—
Restructuring costs	8.2	1.4	4.0	0.7	3.0	0.5
Operating loss	$(31.4)	(5.6)%	$(50.9)	(8.6)%	$(9.9)	(1.6)%

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Organic Revenue Growth (Decline)—EMEA	Year Ended February 28, 2014	February 22, 2013
Prior year revenue	$594.8	$610.5
Dealer divestiture	(6.3)	(1.0)
Currency translation effects*	15.9	(33.4)
Prior year revenue, adjusted	604.4	576.1
Current year revenue	566.9	594.8
Dealer acquisitions	(11.4)	(11.7)
Impact of additional week**	—	—
Current year revenue, adjusted	555.5	583.1
Organic growth (decline) $	$(48.9)	$7.0
Organic growth (decline) %	(8)%	1%

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* Currency translation effects represent the net effect of translating prior year foreign currency revenues using the average exchange rate on a quarterly basis during the current year.

** EMEA always ends its fiscal year on the last day of February, so the comparison to the prior year is generally consistent.

Adjusted Operating Income (Loss)—EMEA	Year Ended February 28, 2014		February 22, 2013		February 24, 2012	
Operating loss	$(31.4)	(5.6)%	$(50.9)	(8.6)%	$(9.9)	(1.6)%
Add: goodwill and intangible asset impairment charges	—	—	35.1	5.9	—	—
Add: restructuring costs	4.6	0.8	5.0	0.9	8.0	1.3
Adjusted operating loss	$(26.8)	(4.8)%	$(10.8)	(1.8)%	$(1.9)	(0.3)%

2014 compared to 2013

EMEA reported an operating loss of $31.4 in 2014 compared to an operating loss of $50.9 in 2013. The 2013 operating loss included goodwill impairment charges of $35.1. The adjusted operating loss of $26.8 in 2014 represented an increase of $16.0 compared to 2013. Overall, the increased loss was primarily driven by the organic revenue decline (including higher levels of competitive discounting) and costs associated with the changes in the EMEA manufacturing footprint, offset in part by benefits from restructuring activities and other cost reduction efforts.

EMEA revenue represented 19.0% of consolidated revenue in 2014. Revenue for 2014 was $566.9 compared to $594.8 in 2013. Organic revenue declined 8% after adjusting for currency translation effects and dealer acquisitions, net of a divestiture. During 2014, growth in the export markets of the central, eastern and southern parts of Europe (as a group) was more than offset by declines across Western Europe, most notably France and Germany.

Cost of sales increased to 75.8% of revenue in 2014, a 280 basis point deterioration compared to 2013. The deterioration was driven by lower absorption of fixed costs associated with the organic revenue decline (including higher levels of competitive discounting), costs associated with the changes in the EMEA manufacturing footprint and various inefficiencies in manufacturing and logistics.

Operating expenses decreased by $7.4 in 2014 as $4.1 of additional operating expenses related to dealer acquisitions, net of a divestiture, and unfavorable currency translation effects were more than offset by the benefits from recent restructuring activities and other cost reduction efforts. Operating expenses as a percentage of sales rose slightly to 29.0% in 2014 from 28.8% in 2013.

Net restructuring costs of $4.6 incurred in 2014 were primarily associated with the reorganization of the sales, marketing and support functions in France, partially offset by a gain on the sale of a facility in connection with previously announced restructuring actions.

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2013 compared to 2012

EMEA reported an operating loss of $50.9 in 2013 compared to an operating loss of $9.9 in 2012. The 2013 results included $35.1 of goodwill impairment charges. The adjusted operating loss of $10.8 represented an increase of $8.9 compared to 2012. Overall, the increased loss was primarily driven by a higher mix of lower-margin project business and higher competitive discounting.

EMEA revenue represented 20.8% of consolidated revenue in 2013. Revenue for 2013 was $594.8 compared to $610.5 in 2012. Organic revenue growth was 1% after adjusting for currency translation effects and dealer acquisitions, net of a divestiture. During 2013, all regions achieved mid-single digit organic growth except for Iberia and Northern Europe which declined 12% and 1%, respectively.

Cost of sales increased to 73.0% of revenue in 2013, a 210 basis point deterioration compared to 2012. The deterioration was mainly due to a higher mix of lower-margin project business and higher competitive discounting.

Operating expenses decreased by $7.9 in 2013, primarily driven by $9.6 of favorable foreign currency translation effects and benefits from restructuring activities and other cost reduction efforts, partially offset by the impact of net acquisitions and higher employee expenses, including variable compensation expense.

Restructuring costs of $5.0 incurred in 2013 primarily related to local headcount reductions and owned dealer consolidations.

Other

The Other category includes Asia Pacific, Designtex and PolyVision. Asia Pacific serves customers in Asia and Australia primarily under the Steelcase brand with an emphasis on freestanding furniture systems, storage and seating solutions. Designtex designs and sells surface materials including textiles and wall coverings which are specified by architects and designers directly to end-use customers primarily in North America. PolyVision manufactures ceramic steel surfaces for use in multiple applications, but primarily for sale to third-party fabricators and distributors to create static whiteboards and chalkboards sold in the primary and secondary education markets globally.

Statement of Operations Data—Other	Year Ended February 28, 2014		February 22, 2013		February 25, 2011	
Revenue	$267.6	100.0 %	$258.8	100.0 %	$270.6	100.0 %
Cost of sales	178.8	66.8	169.4	65.5	178.4	65.9
Restructuring costs	0.1	—	—	—	1.2	0.4
Gross profit	88.7	33.2	89.4	34.5	91.0	33.7
Operating expenses	84.3	31.5	83.6	32.3	76.6	28.3
Goodwill and intangible asset impairment charges	12.9	4.8	24.8	9.6	—	—
Restructuring costs (benefits)	0.2	0.1	1.1	0.4	(0.2)	—
Operating income (loss)	$(8.7)	(3.2)%	$(20.1)	(7.8)%	$14.6	5.4 %

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Organic Revenue Growth (Decline)—Other	Year Ended February 28, 2014	February 22, 2013
Prior year revenue	$258.8	$270.6
Divestiture	—	(8.6)
Currency translation effects*	(2.2)	0.1
Prior year revenue, adjusted	256.6	262.1
Current year revenue	267.6	258.8
Dealer acquisitions	—	—
Impact of additional week **	(5.8)	—
Current year revenue, adjusted	261.8	258.8
Organic growth (decline) $	$5.2	$(3.3)
Organic growth (decline) %	2 %	(1)%

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* Currency translation effects represent the net effect of translating prior year foreign currency revenues using the average exchange rate on a quarterly basis during the current year.
** 2014 included 53 weeks of revenue.

Adjusted Operating Income—Other	Year Ended February 28, 2014		February 22, 2013		February 25, 2011	
Operating income (loss)	$(8.7)	(3.2)%	$(20.1)	(7.8)%	$14.6	5.4 %
Add: goodwill and intangible asset impairment charges	12.9	4.8	24.8	9.6	—	—
Add: restructuring costs	0.3	0.1	1.1	0.4	1.0	0.4
Adjusted operating income	$4.5	1.7 %	$5.8	2.2 %	$15.6	5.8 %

2014 compared to 2013

The Other category reported an operating loss of $8.7 in 2014 compared to an operating loss of $20.1 in 2013. The 2014 results included goodwill and intangible asset impairment charges of $12.9, compared to a goodwill impairment charge of $24.8 in 2013. Adjusted operating income decreased by $1.3 primarily driven by a higher operating loss in Asia Pacific and lower operating income at Designtex, partially offset by higher operating income at PolyVision.

Revenue of $267.6 in 2014 increased by $8.8 compared to revenue of $258.8 in 2013. Excluding currency translation effects and the approximate impact of the additional week, organic revenue grew $5.2 or 2%, driven by PolyVision.

Cost of sales increased to 66.8% of revenue in 2014, a 130 basis point deterioration compared to 2013. The erosion in 2014 was primarily driven by higher competitive discounting in Asia Pacific.

Operating expenses increased by $0.7 to $84.3 in 2014 compared to $83.6 in 2013. The increase was primarily driven by sales and marketing investments at Designtex, partially offset by cost reduction efforts in Asia Pacific.

2013 compared to 2012

The Other category reported an operating loss of $20.1 in 2013 compared to operating income of $14.6 in 2012. The 2013 results included a goodwill impairment charge of $24.8. Adjusted operating income decreased by $9.8 primarily due to lower revenue in Asia Pacific, as well as higher operating expenses across the category.

Revenue of $258.8 in 2013 decreased by $11.8 compared to revenue of $270.6 in 2012. Excluding the decrease in revenue due to the divestiture of a small division at PolyVision and currency translation effects, organic revenue declined $3.3, or 1%, driven by a slowdown in demand in the Asia Pacific region.

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Cost of sales as a percent of revenue decreased by 40 basis points in 2013 compared to 2012. The improvement was primarily due to growth in higher-margin continuing business at Designtex, partially offset by a higher mix of lower-margin project business in Asia Pacific.

Operating expenses increased by $7.0 to $83.6 in 2013 compared to $76.6 in 2012. The increase was driven by higher variable compensation and employee-related costs across the category.

Corporate

Corporate expenses include unallocated portions of shared service functions such as information technology, human resources, finance, executive, corporate facilities, legal and research.

Statement of Operations Data—Corporate	Year Ended February 28, 2014	February 22, 2013	February 24, 2012
Operating expenses	$41.4	$38.0	$30.4

The increase of $3.4 in 2014 was primarily due to higher earnings associated with deferred compensation and higher variable compensation expense. Operating expenses in 2013 included a $3.6 increase in reserves for environmental remediation costs associated with a previously-owned manufacturing site. The remaining increase in 2013 primarily related to higher variable compensation expense.

Liquidity and Capital Resources

Liquidity

Based on current business conditions, we target a range of $75 to $150 in cash and cash equivalents and short-term investments to fund day-to-day operations, including seasonal disbursements, particularly the annual payment of accrued variable compensation and retirement plan contributions in Q1 of each fiscal year, when applicable. In addition, we may carry additional liquidity for potential investments in strategic initiatives and as a cushion against economic volatility.

Liquidity Sources	February 28, 2014	February 22, 2013
Cash and cash equivalents	$201.8	$150.4
Short-term investments	119.5	100.5
Company-owned life insurance	154.3	225.8
Availability under credit facilities	163.6	174.2
Total liquidity	$639.2	$650.9

As of February 28, 2014, we held a total of $321.3 in cash and cash equivalents and short-term investments. The majority of our short-term investments are located in the U.S. Of our total $201.8 cash and cash equivalents, 69% was located in the U.S. and the remaining 31%, or $63.5, was located outside of the U.S., primarily in France, China, Hong Kong and Malaysia. The amounts located outside the U.S. would be taxable if repatriated to the U.S., but we do not anticipate repatriating such amounts or needing them for operations in the U.S. Such amounts are considered available to repay intercompany debt, available to meet local working capital requirements or permanently reinvested in foreign subsidiaries.

The majority of our short-term investments are maintained in a managed investment portfolio, which primarily consists of U.S. agency debt securities and corporate debt securities.

Our investments in COLI policies are intended to be utilized as a long-term funding source for long-term benefit obligations. However, COLI can be used as a source of liquidity if needed. We believe the financial strength of the issuing insurance companies associated with our COLI policies is sufficient to meet their obligations. COLI investments are recorded at their net cash surrender value. See Note 9 to the consolidated financial statements for more information.

Availability under credit facilities may be reduced by the use of cash and cash equivalents and short-term investments for purposes other than the repayment of debt as a result of constraints related to our maximum leverage ratio covenant. See Liquidity Facilities for more information.

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The following table summarizes our consolidated statements of cash flows:

Cash Flow Data	Year Ended February 28, 2014	February 22, 2013	February 24, 2012
Net cash flow provided by (used in):			
Operating activities	$178.8	$187.3	$101.7
Investing activities	(25.2)	(85.5)	203.2
Financing activities	(101.6)	(64.2)	(334.3)
Effect of exchange rate changes on cash and cash equivalents	(0.6)	0.7	(0.7)
Net increase (decrease) in cash and cash equivalents	51.4	38.3	(30.1)
Cash and cash equivalents, beginning of period	150.4	112.1	142.2
Cash and cash equivalents, end of period	$201.8	$150.4	$112.1

Cash provided by operating activities

Cash Flow Data—Operating Activities	Year Ended February 28, 2014	February 22, 2013	February 24, 2012
Net income	$87.7	$38.8	$56.7
Depreciation and amortization	60.0	58.3	56.4
Goodwill and intangible asset impairment charges	12.9	59.9	—
Deferred income taxes	14.1	(3.0)	13.6
Restructuring costs	6.6	34.7	30.5
Non-cash stock compensation	16.8	9.6	11.6
Changes in accounts receivable, inventories and accounts payable	(16.1)	(7.3)	(11.1)
Changes in employee compensation liabilities	5.5	5.8	(32.5)
Changes in other operating assets and liabilities	(6.8)	(9.1)	(23.1)
Other	(1.9)	(0.4)	(0.4)
Net cash provided by operating activities	$178.8	$187.3	$101.7

Cash provided by operating activities decreased slightly in 2014 when compared to 2013. The change in cash provided by operating activities in 2013 compared to 2012 was primarily due to an increase in cash generated from operating results after consideration of the non-cash goodwill impairment charges.

Cash provided by (used in) investing activities

Cash Flow Data—Investing Activities	Year Ended February 28, 2014	February 22, 2013	February 24, 2012
Capital expenditures	$(86.8)	$(74.0)	$(64.9)
Proceeds from disposal of fixed assets	9.5	15.5	11.7
Purchases of investments	(146.7)	(78.6)	(195.8)
Liquidations of investments	122.3	62.6	466.1
Liquidations of COLI	74.5	—	—
Acquisitions, net of cash acquired	—	(6.2)	(20.9)
Other	2.0	(4.8)	7.0
Net cash provided by (used in) investing activities	$(25.2)	$(85.5)	$203.2

Capital expenditures in 2014 were primarily related to investments in manufacturing operations, product development, corporate facilities and showrooms. During 2014, we reduced our COLI investments by withdrawing basis of $74.5 (tax-free), and we reinvested the proceeds in short term investments.

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In 2012, purchases and liquidations of investments activity increased due to our use of the proceeds from the issuance of $250 in senior notes in Q4 2011 and the subsequent repayment of $250 in senior notes in Q2 2012.

Cash used in financing activities

Cash Flow Data—Financing Activities	Year Ended February 28, 2014	February 22, 2013	February 24, 2012
Repayments of short-term and long-term debt	$(2.0)	$(2.3)	$(256.0)
Dividends paid	(50.2)	(45.8)	(31.7)
Common stock repurchases	(49.9)	(19.9)	(47.7)
Excess tax benefit from vesting of stock awards	0.5	3.8	1.1
Net cash used in financing activities	$(101.6)	$(64.2)	$(334.3)

We paid dividends of $0.10, $0.09 and $0.06 per common share during each quarter in 2014, 2013 and 2012, respectively. On March 25, 2014, our Board of Directors declared a dividend of $0.105 per common share to be paid in Q1 2015.

During 2014, 2013 and 2012, we made common stock repurchases of $49.9, $19.9, and $47.7, respectively, all of which related to our Class A Common Stock. As of February 28, 2014, we had $93.0 of remaining availability under the $250 share repurchase program approved by our Board of Directors in Q4 2008.

Share repurchases of Class A Common Stock to enable participants to satisfy tax withholding obligations upon vesting of restricted stock and restricted stock units, pursuant to the terms of our Incentive Compensation Plan, were $6.6, $3.0 and $0.1 in 2014, 2013 and 2012, respectively.

In Q2 2012, we repaid $250.0 of senior notes at face value.

Capital Resources

Off-Balance Sheet Arrangements

We are contingently liable under loan and lease guarantees for certain Steelcase dealers in the event of default or non-performance of the financial repayment of a liability. In certain cases, we also guarantee completion of contracts by our dealers. Due to the contingent nature of guarantees, the full value of the guarantees is not recorded on our Consolidated Balance Sheets; however, when necessary, we record reserves to cover potential losses. As of February 28, 2014 and February 22, 2013, there were no reserves for guarantees recorded on our Consolidated Balance Sheets.

Contractual Obligations

Our contractual obligations as of February 28, 2014 were as follows:

Contractual Obligations	Payments Due by Period Total	Less than 1 Year	1-3 Years	3-5 Years	After 5 Years
Long-term debt and short-term borrowings	$287.0	$2.6	$33.9	$0.2	$250.3
Estimated interest on debt obligations	115.4	17.2	34.2	31.9	32.1
Operating leases	170.9	37.5	54.4	37.6	41.4
Committed capital expenditures	34.4	34.4	—	—	—
Purchase obligations	55.6	41.0	7.6	6.6	0.4
Other liabilities	3.2	3.2	—	—	—
Employee benefit and compensation obligations	266.9	109.3			