

Valspar Reports Fourth-Quarter and Fiscal-Year Results

Contributed by Administrator
Monday, 26 November 2007
Last Updated Monday, 26 November 2007

The Valspar Corporation (NYSE: VAL) today reported its results for the fourth-quarter and fiscal-year ended October 26, 2007.

NOV-19-2007 Valspar Reports Fourth-Quarter and Fiscal-Year Results

The Valspar Corporation (NYSE: VAL) today reported its results for the fourth-quarter and fiscal-year ended October 26, 2007.

Fourth-quarter sales totaled \$852.8 million, an 8.8 percent increase from the fourth quarter of 2006. Net income for the fourth quarter was \$48.8 million. Adjusted earnings per share were \$0.48 for the quarter, which includes a \$0.10 per share after-tax gain from the sale of assets offset by a \$0.02 per share charge for an unfavorable tax adjustment, and excludes a non-cash adjustment of \$0.03 per share for the Huarun minority interest shares. Reported earnings per share were \$0.45. In 2006, fourth-quarter earnings were \$52.1 million, or \$0.51 per share, which included a \$0.01 per share charge for manufacturing rationalization and a net gain of \$0.03 per share resulting from favorable income tax adjustments.

Sales for fiscal year 2007 increased 9.1 percent to \$3,249.3 million. Net income for the year totaled \$172.1 million. Adjusted earnings per share for the year were \$1.68, excluding an \$0.18 per share non-cash adjustment for the Huarun minority interest shares and including an after-tax gain of \$0.10 per share from the sale of assets. Reported earnings per share for the year were \$1.50. 2006 net income was \$175.3 million, or \$1.71 per share.

"2007 was a challenging year, with difficult economic conditions in the U.S. housing sector significantly impacting our results," said William L. Mansfield, Valspar chairman, president and chief executive officer. "Our businesses in markets outside of the U.S., including our recent acquisitions, performed well, and we made significant progress with our branding and other growth initiatives."

Mansfield also commented on the outlook for 2008. "On an operational basis, our adjusted earnings per share in 2007 were \$1.58. We currently expect our 2008 adjusted earnings per share to be in the range of \$1.65 to \$1.75, excluding a non-cash adjustment of approximately \$0.13 per share for Huarun minority interest shares. We expect the weak domestic sales environment to continue through 2008, and have taken actions to position the company for improved results. We are aggressively managing employment levels, expenses and capital spending, and in the fourth quarter took steps to reduce inventory and further improve our manufacturing operations. We are confident that our strengthened global presence and growing brand equity, combined with our increased focus on operational execution, new business development and cash flow generation, will improve Valspar's shareholder returns."

William L. Mansfield and Paul C. Reyelts, executive vice president and chief financial officer, will conduct a conference call for investors at 10:00 a.m. Central Time (11:00 a.m. Eastern Time) today. The call can be heard live over the Internet at Valspar's website at www.valsparglobal.com under Investor Relations. Those unable to participate during the live broadcast can access an archive of the call on the Valspar website. A taped delay of the call will also be available from 1:30 p.m. Central Time November 19 through Midnight on December 3 by dialing 1-800-475-6701 from within the U.S. or 320-365-3844 from outside of the U.S., using access code 894063.

Investor Contact: Lori A. Walker, (612) 375-7350

Media Contact: Mike Dougherty, (612) 375-7802

Balance Sheet

Key Data

The Valspar Corporation (NYSE: VAL) is a global leader in the paint and coatings industry. Since 1806, Valspar has been dedicated to bringing customers the latest innovations, the finest quality and the best customer service in the coatings industry. For more information, visit www.valsparglobal.com.