ACCO BRANDS CORP

10-K

Annual report pursuant to section 13 and 15(d)
Filed on 02/23/2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

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

For the Fiscal Year Ended December 31, 2011

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

For the transition period from to

Commission File Number 001-08454

ACCO Brands Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**36-2704017**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

300 Tower Parkway
Lincolnshire, Illinois 60069
(Address of Registrant's Principal Executive Office, Including Zip Code)

(847) 541-9500
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange on Which Registered**
Common Stock, par value $.01 per share	New York Stock Exchange

Securities registered pursuant to Section 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 ☐ 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 ☑

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 ☑ No ☐

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K 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 (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer ☐ Accelerated filer ☑ Non-accelerated filer ☐ 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 ☑

As of June 30, 2011, the aggregate market value of the shares of Common Stock held by non-affiliates of the registrant was approximately $282 million.

As of February 1, 2012, the registrant had outstanding 55,480,751 shares of Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be issued in connection with registrant's annual stockholder's meeting expected to be held on May 15, 2012 are incorporated by reference into Part III of this report.

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PART I

Cautionary Statement Regarding Forward-Looking Statements*. Certain statements made in this Annual Report on Form 10-K are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of invoking these safe harbor provisions. These forward-looking statements, which are based on certain assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words "will," "believe," "expect," "intend," "anticipate," "estimate," "forecast," "project," "plan," or similar expressions. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Because actual results may differ from those predicted by such forward-looking statements, you should not place undue reliance on such forward-looking statements when deciding whether to buy, sell or hold the Company's securities. We undertake no obligation to update these forward-looking statements in the future. The factors that could affect our results or cause plans, actions and results to differ materially from current expectations are detailed in this report, including under "Item 1. Business," "Item 1A. Risk Factors" and the financial statement line item discussions set forth in "Item 7. Management's Discussion and Analysis of Financial Conditions and Results of Operations" and from time to time in our other SEC filings.*

Website Access to Securities and Exchange Commission Reports

The Company's Internet website can be found at www.accobrands.com. The Company makes available free of charge on or through its website its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as practicable after the Company files them with, or furnishes them to, the Securities and Exchange Commission. We also make available the following documents on our Internet website: the Audit Committee Charter; the Compensation Committee Charter; the Corporate Governance and Nominating Committee Charter; our Corporate Governance Principles; and our Code of Business Conduct and Ethics. The Company's Code of Business Conduct and Ethics applies to all of our directors, officers (including the Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer) and employees. You may obtain a copy of any of the foregoing documents, free of charge, if you submit a written request to ACCO Brands Corporation, 300 Tower Parkway, Lincolnshire, IL. 60069, Attn: Investor Relations.

ITEM 1. *BUSINESS*

Overview

ACCO Brands is one of the world's largest suppliers of branded office products (excluding furniture, computers, printers and bulk paper) to the office products resale industry. We design, develop, manufacture and market a wide variety of traditional and computer-related office products, supplies, binding and laminating equipment and related consumable supplies, personal computer accessory products, paper-based time management products and presentation aids and products. Through a focus on research, marketing and innovation, we seek to develop new products that meet the needs of our consumers and commercial end-users, which we believe will increase the product positioning of our brands. We compete through a balance of innovation, a low-cost operating model and an efficient supply chain. We sell our products primarily to markets located in North America, Europe and Australia. Our brands include GBC®, Kensington®, Quartet®, Rexel, Swingline®, Wilson Jones®, Marbig, NOBO and Day-Timer ®, among others.

The majority of our office products are used by businesses. Most of these end-users purchase our products from our reseller customers, which include commercial contract stationers, retail superstores, wholesalers, mail order and internet catalogs, mass merchandisers, club stores and dealers. We also supply our products directly to

commercial and industrial end-users and to the educational market. Historically we have targeted the premium-end of the product categories in which we compete. However, we also supply private label products for our customers where we believe we have an economic advantage or where it is necessary to merchandise a complete category.

Our leading brand positions provide the scale to enable us to invest in product innovation and drive market growth across our product categories. In addition, the expertise we use to satisfy the exacting technical specifications of our more demanding commercial customers is in many instances the basis for expanding our products and innovations to consumer products.

Our strategy centers on a combination of growing sales and market share and generating acceptable profitability and returns. Specifically, we have substantially reduced our operating expenses and seek to leverage our platform for organic growth through greater consumer understanding, product innovation, marketing and merchandising, disciplined category expansion including broader product penetration and possible strategic transactions, and continued cost realignment. To achieve these goals, we plan to continue to execute the following strategies: (1) invest in research, marketing and innovation, (2) penetrate the full product spectrum of our categories and (3) opportunistically pursue strategic transactions.

We utilize a combination of manufacturing and third-party sourcing to procure our products, depending on transportation costs, service needs and direct labor costs associated with each product.

Our priority for cash flow use over the near term, after internal growth, is to fund the reduction of debt and invest in new products through both organic development and acquisitions. For a description of certain factors that may have had, or may in the future have, a significant impact on our business, financial condition or results of operations, see Item 1A, "*Risk Factors*".

Reportable Segments

Our Company is organized into three business segments: ACCO Brands Americas, ACCO Brands International and Computer Products Group.

The following table shows the percentages of consolidated revenue from continuing operations derived from each of our reportable segments in the years indicated:

Segment	2011	2010	2009
ACCO Brands Americas	52%	53%	55%
ACCO Brands International	34%	33%	32%
Computer Products Group	14%	14%	13%

ACCO Brands Americas and ACCO Brands International

These two segments manufacture, source and sell traditional office products and supplies and document finishing solutions. ACCO Brands Americas comprises the North, Central and South American markets, and ACCO Brands International comprises the rest of the world, principally Europe, Australia and Asia-Pacific.

Examples of our traditional office products and supplies are staplers, staples, punches, ring binders, trimmers, sheet protectors, hanging file folders, clips and fasteners, dry-erase boards, dry-erase markers, easels, bulletin boards, overhead projectors, transparencies, laser pointers and screens. These products are sold under leading brands including Quartet®, Rexel, Swingline®, Wilson Jones®, Marbig, NOBO, ACCO®, Derwent and Eastlight. Examples of our document finishing solutions are binding, lamination and punching equipment, binding and lamination supplies, report covers, archival report covers and shredders. These products are sold primarily under the GBC® brand. We also provide machine maintenance and repair services sold under the GBC brand. Included in the ACCO Brands Americas segment are our personal organization tools, including time management products, primarily under the Day-Timer® brand name.

The customer base to which our products are sold is made up of large global and regional resellers of our products. It is through these large resellers that the Company's products reach the end consumer. Our customer base includes commercial contract stationers, office products superstores, wholesalers, distributors, mail order and internet catalogs, mass merchandisers, club stores and independent dealers. The majority of sales by our customers are to business end-users, which generally seek office products that have added value or ease of use features and a reputation for reliability, performance and professional appearance. Some of our document finishing products are sold directly to high volume end-users and commercial reprographic centers and indirectly to lower-volume consumers worldwide. Approximately two-thirds of the Day-Timer® business is sold through the direct channel, which markets product through the internet and periodic sales catalogs and ships product directly to our end-user customers. The remainder of the business sells to large resellers and commercial dealers.

Computer Products Group

The Computer Products Group designs, distributes, markets and sells accessories for laptop and desktop computers, smart phones and tablets. These accessories primarily include security locks, power adapters, input devices such as mice and keyboards, laptop computer carrying cases, hubs and docking stations, ergonomic devices and technology accessories for smart phones and tablets. The Computer Products Group sells mostly under the Kensington®, Microsaver® and ClickSafe® brand names, with the majority of its revenue coming from the U.S. and Western Europe.

All of our computer products are manufactured by third-party suppliers, principally in Asia, and are stored in and distributed from our regional facilities. Our computer products are sold primarily to consumer electronics retailers, information technology value-added resellers, original equipment manufacturers and office products retailers.

For further information on the Company's business segments see Note 15, *Information on Business Segments*, to our consolidated financial statements contained in Item 8 of this report.

Discontinued Operations

On June 14, 2011, the Company announced the disposition of GBC-Fordigraph Pty Ltd ("GBC-Fordigraph Business"). The Australia-based business was formerly part of the ACCO Brands International segment and the results of operations are included in the financial statements as a discontinued operation for all periods presented. The GBC-Fordigraph Business represented $45.9 million in annual net sales for the year ended December 31, 2010. The Company has received final proceeds of $52.9 million inclusive of working capital adjustments and selling costs. In connection with this transaction, in 2011, the Company recorded a gain on sale of $41.9 million ($36.8 million after- tax).

In June 2009, the Company completed the sale of its commercial print finishing business for final gross proceeds of $16.2 million. The results of operations and loss on sale of this business are reported in discontinued operations for all periods presented.

For further information on the Company's discontinued operations see Note 18, *Discontinued Operations*, to our consolidated financial statements contained in Item 8 of this report.

Acquisition

On November 17, 2011, the Company announced the signing of a definitive agreement to merge MeadWestvaco Corporation's Consumer and Office Products business ("Mead C&OP Business") into the Company in a transaction that was valued at approximately $860 million as of the date the transaction was announced. The Mead C&OP Business is a leading manufacturer and marketer of school supplies, office products, and planning and organizing tools – including the Mead®, Five Star®, Trapper Keeper®, AT-A-GLANCE®, Cambridge®, Day Runner®, Hilroy, Tilibra and Grafons brands in the U.S., Canada and

Brazil. Upon completion of the transaction, MeadWestvaco shareholders will own 50.5% of the combined company. The transaction is subject to approval by the Company's shareholders and the satisfaction of customary closing conditions and regulatory approvals, including a ruling from the U.S. Internal Revenue Service on the tax-free nature of the transaction for MeadWestvaco. The transaction is expected to be completed in the first half of 2012. The Company will be the accounting acquirer in the merger and will apply purchase accounting to the assets and liabilities acquired upon consummation of the merger.

Customers/Competition

Our sales are generated principally in North America, Europe and Australia. For the fiscal year ended December 31, 2011, these markets represented 59%, 25% and 11% of our net sales, respectively. Our top ten customers are Staples, Office Depot, OfficeMax, BPGI, United Stationers, S.P. Richards, Wal-Mart/Sam's Club, Coles Group, Lyreco and Spicers, together accounting for 51% of our net sales for the fiscal year ended December 31, 2011. Sales to Staples, Inc. and subsidiaries amounted to approximately 13% of consolidated net sales for each of the three years ended 2011, 2010 and 2009. Sales to Office Depot, Inc. and subsidiaries amounted to approximately 11% of consolidated net sales for each of the three years ended 2011, 2010 and 2009. Sales to no other customer exceeded 10% of consolidated sales for any of these periods.

Current trends among our customers include fostering high levels of competition among suppliers, demanding innovative new products and requiring suppliers to maintain or reduce product prices and deliver products with shorter lead times and in smaller quantities. Other trends are for retailers to import generic products directly from foreign sources and sell those products, which compete with our products, under the customers' own private-label brands. The combination of these market influences, along with a recent and continuing trend of consolidation among resellers, has created an intensely competitive environment in which our principal customers continuously evaluate which products they will offer to their customers. This results in pricing pressures, the need for stronger end-user brands, broader product penetration within categories, the ongoing introduction of innovative new products and continuing improvements in customer service.

Competitors of the ACCO Brands Americas and ACCO Brands International segments include Avery Dennison, Esselte, 3M, Newell Rubbermaid, Hamelin, Smead, Fellowes, MeadWestvaco, Tops Products, Franklin Covey, House of Doolittle, Dominion BlueLine, Carolina Pad, Ampad, Blue Sky, Spiral Binding and numerous private label suppliers and importers. Competitors of the Computer Products Group include Belkin, Logitech, Targus and Fellowes.

Certain financial information for each of our business segments and geographic regions is incorporated by reference to Note 15, *Information on Business Segments*, to our consolidated financial statements contained in Item 8 of this report.

Product Development and Product Line Rationalization

Our strong commitment to understanding our consumers and defining products that fulfill their needs drives our product development strategy, which we believe is and will continue to be a key contributor to our success in the office products industry. Our new products are developed from our own consumer understanding, our own research and development or through partnership initiatives with inventors and vendors. Costs related to consumer research and product research when paid directly by ACCO Brands are included in marketing costs and research and development expenses, respectively. Research and development expenses amounted to $20.5 million, $24.0 million and $18.6 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Significant product developments include the Computer Products Group development of smart phone and tablet accessory products that now represent 22% of 2011 segment revenue. With respect to office products, the "Stack and Shred" range of shredders was an innovative product line launched at a time when there was disruption in the product market resulting from supply chain limitations suffered by a major competitor. Total shredder sales increased by approximately 74% in 2011. Market acceptance of "Stack and Shred" shredders continues to be favorable.

In 2011 the Computer Products Group also launched a new proprietary computer security lock product under the brand name "ClickSafe®" to supplement its well recognized MicroSaver® product line for which most patent protection expired in January 2012. By the end of 2011, ClickSafe® product sales accounted for approximately 12% of our computer security product sales. The ClickSafe® solution has patent protection through 2029.

Our product line strategy emphasizes the divestiture of businesses and rationalization of product offerings that do not meet our long-term strategic goals and objectives. We consistently review our businesses and product offerings, assess their strategic fit and seek opportunities to divest non-strategic businesses. The criteria we use in assessing the strategic fit include: the ability to increase sales for the business; the ability to create strong, differentiated brands; the importance of the business to key customers; the business relationship with existing product lines; the impact of the business to the market; and the business's actual and potential impact on our operating performance.

As a result of this review process, during 2011 we completed the sale of the GBC-Fordigraph Business, the Company's former Australian direct sales business that sold mailroom and binding and laminating equipment and supplies. This business represented approximately $46 million in annual net sales for the year ended December 31, 2010. In addition, during 2009 we completed the sale of our former commercial print finishing business. This business represented approximately $100 million in annual net sales for the year ended December 31, 2008.

Raw Materials

The primary materials used in the manufacturing of many of our products are plastics, resin, polyester and polypropylene substrates, paper, steel, wood, aluminum, melamine, zinc and cork. These materials are available from a number of suppliers, and we are not dependent upon any single supplier for any of these materials. In general, our gross profit may be affected from time to time by fluctuations in the prices of these materials because our customers require advance notice and negotiation to pass through raw material price increases, giving rise to a delay before cost increases can be passed on to our customers. See Item 1A, "Risk Factors." The raw materials and labor costs we incur are subject to price increases that could adversely affect our profitability. Based on experience, we believe that adequate quantities of these materials will be available in the foreseeable future. In addition, a significant portion of the products we sell in our international markets are sourced from China and other Asia-Pacific countries and are paid for in U.S. dollars. Thus, movements of their local currency to the U.S. dollar have the same impacts as raw material price changes and we adjust our pricing in these markets to reflect these currency changes.

Supply

Our products are either manufactured or sourced to ensure that we supply our customers with appropriate customer service, quality products, innovative solutions and attractive pricing. We have built a customer-focused business model with a flexible supply chain to ensure that these factors are appropriately balanced. Using a combination of manufacturing and third-party sourcing also enables us to reduce our costs and effectively manage our production assets by lowering our capital investment and working capital requirements. Our strategy is to manufacture those products that would incur a relatively high freight expense or have high service needs and source those products that have a high proportion of direct labor cost. Low-cost sourcing mainly comes from China, but we also source from other Asian countries and Eastern Europe. Where freight costs or service issues are significant, we source from factories located in or near to our domestic markets.

Seasonality

Our business, as it concerns both historical sales and profit, has experienced increased sales volume in the third and fourth quarters of the calendar year. Two principal factors have contributed to this seasonality: the

office products industry, its customers and ACCO Brands specifically are major suppliers of products related to the "back-to-school" season, which occurs principally during June, July, August and September for our North American business and during November, December and January for our Australian business; and our offering includes several products which lend themselves to calendar year-end purchase timing, including Day-Timer planners, paper organization and storage products (including bindery) and Kensington computer accessories, which increase with traditionally strong fourth-quarter sales of personal computers.

Intellectual Property

We have many patents, trademarks, brand names and trade names that are, in the aggregate, important to our business. The loss of any individual patent or license, however, would not be material to us taken as a whole, even though there can be no assurance that the royalty income we have received pursuant to license agreements covering patents that have expired can be replaced, or that we will not experience a decline in gross profit margin on related products that no longer have patent protection. Many of our trademarks are only important in particular geographic markets or regions. Our principal registered trademarks are: GBC®, Kensington®, Quartet®, Rexel, Swingline®, Wilson Jones®, Marbig, NOBO, Day-Timer®, Microsaver®, ClickSafe® and ACCO®.

Certain of our patents covering MicroSaver branded products in the computer security category expired in January 2012. We recognized approximately $5.4 million, $7.5 million and $4.6 million in royalty revenue related to these patents in the years ended December 31, 2011, 2010 and 2009, respectively. As these patents have expired, competitors may be able to legally utilize the technology that was protected by those patents and competition could increase, resulting in the Company realizing lower gross margin from the loss of royalty receipts and possibly lower gross margin for MicroSaver branded products. The development of the ClickSafe® product will enable the Company to continue to offer a proprietary computer security product although no license agreements have yet been entered into for the patents related to ClickSafe®. See "Product Development and Product Line Rationalization."

Environmental Matters

We are subject to federal, state and local laws and regulations concerning the discharge of materials into the environment and the handling, disposal and clean-up of waste materials and otherwise relating to the protection of the environment. It is not possible to quantify with certainty the potential impact of actions regarding environmental matters, particularly remediation and other compliance efforts that we may undertake in the future. In the opinion of our management, compliance with the present environmental protection laws, before taking into account estimated recoveries from third parties, will not have a material adverse effect upon our capital expenditures, financial condition, results of operations or competitive position. See Item 1A, "Risk Factors."

Employees

As of December 31, 2011, the Company had approximately 3,800 full-time and part-time employees. There have been no strikes or material labor disputes at any of our facilities during the past five years. We consider our employee relations to be good.

ITEM 1A. ***RISK FACTORS***

The factors that are discussed below, as well as the matters that are generally set forth in this report on Form 10-K and the documents incorporated by reference herein, could materially and adversely affect the Company's business, results of operations and financial condition.

Risks Related to Our Business

Sales of our products may be adversely affected by issues that affect business, commercial and consumer spending decisions during periods of economic uncertainty or weakness.

Sales of our products can be very sensitive to uncertain U.S. and global economic conditions, particularly in categories where we compete against private label, other branded and/or generic products that are competitive on price, quality, service or other grounds. In periods of economic uncertainty or weakness, the demand for our products may be adversely affected, as businesses and consumers may seek or be forced to purchase more lower cost, private label or other economy brands, may more readily switch to electronic, digital or web-based products serving similar functions, or may forego certain purchases altogether. As a result, adverse changes in the U.S. or global economy or sustained periods of economic uncertainty or weakness could negatively affect our earnings and could have a material adverse effect on our business, results of operations, cash flows and financial position.

Challenges related to the highly competitive business segments in which we operate could have a negative effect on our ongoing operations, revenues, results, cash flows or financial position.

We operate in highly competitive business segments that face a number of challenges, including competitors with strong brands or brand recognition, significant private label producers, imports from a range of countries, low entry barriers, sophisticated and large buyers of office products, and potential substitution from a range of products and services including electronic, digital or web-based products that can replicate or render obsolete or less desirable some of the products we sell. In particular, our business is likely to be affected by: (1) the decisions and actions of our major customers, including their decisions on whether to increase their purchases of private label products; (2) decisions of current and potential suppliers of competing products on whether to take advantage of low entry barriers to expand their production; and (3) the decisions of end-users of our products to expand their use of substitute products and, in particular, to shift their use of time management and planning products toward electronic and other substitutes. In addition, our competitive position depends on continued investment in innovation and product development, manufacturing and sourcing, quality standards, marketing and customer service and support. Our success will depend in part on our ability to anticipate and offer products that appeal to the changing needs and preferences of our customers in a market where many of our product categories are affected by continuing improvements in technology and shortened product lifecycles. We may not have sufficient resources to make the investments that may be necessary to anticipate those changing needs and may not anticipate, identify, develop and market products successfully or otherwise be successful in maintaining their competitive position.

Our business depends on a limited number of large and sophisticated customers, and a substantial reduction in sales to these customers could significantly impact our operating results.

The office products industry is characterized by a small number of major customers, principally office products superstores (which combine contract stationers, retail and mail order), office products resellers and mass merchandisers. A relatively limited number of customers account for a large percentage of our total net sales. Our top ten customers accounted for 51% of our net sales for the fiscal year ended December 31, 2011. Sales to Staples, Inc. and Office Depot, Inc. and subsidiaries during the same period amounted to approximately 13% and 11%, respectively, of our 2011 net sales. Our large customers have the ability to obtain favorable terms, to directly source their own private label products and to create and support new and competing suppliers. The loss of, or a significant reduction in, business from one or more of our major customers could have a material adverse effect on our business, financial condition and results of operations.

Our substantial indebtedness may adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate debt, prevent us from meeting our obligations under our indebtedness and otherwise adversely affect our results of operations and financial condition.

As of December 31, 2011, we had $669.0 million of outstanding debt. This indebtedness could have negative consequences to us, such as:

- requiring us to dedicate a substantial portion of our cash flow from operating activities to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, research and development efforts, potential strategic acquisitions and other general corporate purposes;
- limiting our ability to obtain additional financing to fund growth, working capital or capital expenditures, or to fulfill debt service requirements or other cash requirements;
- increasing our vulnerability to economic downturns and changing market conditions;
- limiting our operational flexibility due to the covenants contained in our debt agreements;
- placing us at a competitive disadvantage relative to competitors that have less debt;
- to the extent that our debt is subject to floating interest rates, increasing our vulnerability to fluctuations in market interest rates; and
- limiting our ability to buy back our stock or pay cash dividends

The agreements governing our indebtedness contain financial and other restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. Our ability to meet our expense and debt service obligations will depend on our future performance, which will be affected by financial, business, economic and other factors, including potential changes in customer preferences, the success of product and marketing innovation and pressure from competitors. Should our sales decline, we may not be able to generate sufficient cash flow to pay our debt service obligations when due. If we are unable to meet our debt service obligations or should we fail to comply with our financial and other restrictive covenants, we may be required to refinance all or part of our existing debt (in all likelihood on terms less favorable than our current terms), sell important strategic assets at unfavorable prices or borrow more money. We may not be able to, at any given time, refinance our debt, sell assets or borrow more money on terms acceptable to us or at all. The inability to refinance our debt could have a material adverse effect on our financial condition and results from operations.

Our failure to comply with certain restrictive debt covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debts.

Certain covenants we have made in connection with our existing borrowings restrict our ability to, among other things, incur additional indebtedness, incur certain liens on our assets, issue preferred stock or certain disqualified stock, pay dividends on capital stock, make other restricted payments, including investments, sell our assets, and enter into consolidations or mergers or other transactions with affiliates. Our asset-based revolving credit facility also requires us to maintain specified financial ratios under certain conditions and satisfy financial condition tests. Our ability to meet those financial ratios and tests and otherwise comply with our financial covenants may be affected by events beyond our control, and we may not be able to continue to meet those ratios, tests and covenants. Our ability to generate sufficient cash from operations to meet our debt obligations will depend upon our future operating performance, which will be affected by general economic, financial, competitive, legislative, regulatory, business and other factors beyond our control. A breach of any of these covenants, ratios, tests or restrictions, as applicable, or any inability to pay interest on, or principal of, our outstanding debt as it becomes due could result in an event of default under any of the agreements governing any

of our debt obligations, in which case our lenders could elect to declare all amounts outstanding to be immediately due and payable. If the lenders accelerate the payment of any of our indebtedness, our assets may not be sufficient to repay in full such indebtedness and any other indebtedness that would become due as a result of such acceleration and, if we were unable to obtain replacement financing or any such replacement financing was on terms that were less favorable than the indebtedness being replaced, our liquidity and results of operations would be materially and adversely affected. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

We require a significant amount of cash to service our debt. Our ability to meet our cash requirements and service our debt could be impacted by many factors that are outside our control, including global economic conditions and access to credit markets.

Our future operating performance is dependent on many factors, some of which are beyond our control, including prevailing economic, financial and industry conditions. Worsening global economic conditions would adversely impact commercial spending and our sales would likely decline or become increasingly concentrated in lower margin products, and our business, financial condition, results of operations and/or cash flows could be materially adversely affected.

The impact of any negative global economic conditions and the ability of our suppliers and customers to access credit markets is also unpredictable, and may create additional risks for us, both directly and indirectly. The inability of suppliers to access financing or the insolvency of one or more of our suppliers could lead to disruptions in our supply chain, which could adversely impact our sales and/or increase our costs. Our suppliers may require us to pay cash in advance or obtain letters of credit for their benefit as a condition to selling us their products and services. If one or more of our principal customers were to file for bankruptcy, our sales could be adversely impacted and our ability to collect outstanding accounts receivable from any such customer could be limited. Any of these risks and uncertainties could have a material adverse effect on our business, financial condition, results of operations and/or cash flows.

Our operating performance and ability to comply with covenants under our borrowing arrangements are dependent on our continued ability to access funds under our credit and loan agreements, including under our asset-based revolving credit facility, and from cash on hand, maintain sales volumes, drive profitable growth, realize cost savings and generate cash from operations. The financial institutions that fund our asset-based revolving credit facility are also impacted by any volatility in the credit markets, and if one or more of them cannot fulfill our revolving credit requests, our operations may be adversely impacted.

During the third quarter of 2009, the Company completed a series of transactions to refinance its indebtedness. These transactions resulted in both an increased amount of indebtedness as well as an increase to the weighted average interest rate on our indebtedness. As such, these transactions have increased the cost of servicing our debt, which has negatively impacted our results of operations and cash flows.

Despite current indebtedness levels, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future because the terms of our existing indebtedness do not prohibit us or our subsidiaries from doing so, within certain limits. Based on our borrowing base, as of December 31, 2011 our revolving credit facility permitted borrowing of up to an additional $165.5 million. If new indebtedness is added to our and our subsidiaries' current debt levels, the related risks that we and they now face could intensify.

Failure to maintain our credit ratings could limit our access to the capital markets, adversely affect the cost and terms upon which we are able to obtain additional financing and negatively impact our business.

Although we believe existing cash, funds generated by operations and amounts available under our asset-based revolving credit facility will collectively provide adequate resources to fund our ongoing operating

requirements, we may be required to seek additional financing to compete effectively in our market. In light of the current difficulties in the financial markets, there can be no assurance that we will be able to maintain our credit ratings. We have experienced downgrades in the past and may experience further downgrades. Failure to maintain these credit ratings could, among other things, limit our access to the capital markets and adversely affect the cost and terms upon which we are able to obtain additional financing, including any financing from our suppliers, which could negatively impact our business.

A bankruptcy of one or more of our major customers could have a material adverse effect on our financial condition and results of operations.

Our concentrated customer base increases our customer credit risk. Were any of our major customers to make a bankruptcy filing, we could be adversely impacted due to not only a reduction in future sales but also losses associated with the potential inability to collect any outstanding accounts receivable from such customer. Such a result could negatively impact our financial results and cash flows.

Our pension costs could substantially increase as a result of volatility in the equity markets or interest rates.

The difference between plan obligations and assets, or the funded status of our defined benefit pension plans, is a significant factor in determining the net periodic benefit costs of our pension plans and the ongoing funding requirements of those plans. Changes in interest rates and the market value of plan assets impact the funded status of these plans and cause volatility in the net periodic benefit cost and future funding requirements of these plans. The exact amount of cash contributions made to pension plans in any year is dependent upon a number of factors, including the investment returns on pension plan assets, and a significant increase in our pension funding requirements could have a negative impact on our cash flow and financial condition.

Impairment charges could have a material adverse effect on our financial results.

In prior years we have recorded significant amounts of goodwill and other asset impairment charges adversely affecting financial results. Future events may occur that may also adversely affect the reported value of our assets and require impairment charges, which could further adversely affect our financial results. Such events may include, but are not limited to, a sustained decline in our stock price, strategic decisions made in response to changes in economic and competitive conditions, the impact of the economic environment on our customer base or a material adverse change in our relationship with significant customers.

Our customers may further consolidate, which could adversely impact our margins and sales.

Customers within our customer base have steadily consolidated over the last two decades. If that trend continues, it is likely to result in further pricing pressures on us that could result in reduced margin and sales. Further, there can be no assurance that following consolidation large customers will continue to buy from us across different product segments or geographic regions, which could negatively impact our financial results.

Our business is subject to risks associated with seasonality, which could adversely affect our cash flow, financial condition or results of operations.

Our business, as it concerns both historical sales and profit, has experienced higher sales volume in the third and fourth quarters of the calendar year. Two principal factors have contributed to this seasonality: the office products industry's customers and our product line. We are major suppliers of products related to the "back-to-school" season, which occurs principally during June, July, August and September for our North American business and November, December and January for our Australian business; and our product line includes several products that lend themselves to calendar year-end purchase timing. If either of these typical seasonal increases in sales of certain portions of our product line does not materialize, we could experience a material adverse effect on our business, financial condition and results of operations.

The raw materials and labor costs we incur are subject to price increases that could adversely affect our profitability.

The primary materials used in the manufacturing of many of our products are resin, plastics, polyester and polypropylene substrates, paper, steel, wood, aluminum, melamine, zinc and cork. In general, our gross profit may be affected from time to time by fluctuations in the prices of these materials because our customers require advance notice and negotiation to pass through raw material price increases, giving rise to a delay before cost increases can be passed to our customers. We attempt to reduce our exposure to increases in these costs through a variety of measures, including periodic purchases, future delivery contracts and longer-term price contracts together with holding our own inventory; however, these measures may not always be effective. Inflationary and other increases in costs of materials and labor have occurred in the past and may recur, and raw materials may not continue to be available in adequate supply in the future. Shortages in the supply of any of the raw materials we use in our products and other factors, such as inflation, could result in price increases that could have a material adverse effect on our financial condition or results of operations.

We are subject to supplier credit and order fulfillment risk.

We purchase products for resale under credit arrangements with our vendors. In weak global markets, vendors may seek credit insurance to protect against non-payment of amounts due to them. During any period of declining operating performance, or should we experience severe liquidity challenges, vendors may demand that we accelerate our payment for their products. Also, credit insurers may curtail or eliminate coverage to the vendors. If vendors begin to demand accelerated payment of amounts due to them or if they begin to require advance payments or letters of credit before goods are shipped to us, these demands could have a significant adverse impact on our operating cash flow and result in a severe drain on our liquidity. In addition, if our vendors are unable to access liquidity or become insolvent, they could be unable to supply us with product. Also, some of our vendors are dependent upon other industries for raw materials and other products and services necessary to produce and provide the products they supply to us. Any adverse impacts to those industries could have a ripple effect on these vendors, which could adversely impact their ability to supply us at levels we consider necessary or appropriate for our business, or at all. Any such disruptions could negatively impact our ability to deliver products and services to our customers, which in turn could have an adverse impact on our business, operating results, financial condition or cash flow.

Risks associated with currency volatility could harm our sales, profitability and cash flows.

Approximately 53% of our net sales for the fiscal year ended December 31, 2011 were from foreign sales. While the recent relative volatility of the U.S. dollar to other currencies has impacted our businesses' sales, profitability and cash flows as the results of non-U.S. operations have increased when reported in U.S. dollars, we cannot predict the rate at which the U.S. dollar will trade against other currencies in the future. If the U.S. dollar were to substantially strengthen, making the dollar significantly more valuable relative to other currencies in the global market, such an increase could harm our ability to compete, and therefore, materially and adversely affect our financial condition and our results of operations. More specifically, a significant portion of the products we sell are sourced from China and other Asia-Pacific countries and are paid for in U.S. dollars. Thus, movements of their local currency to the U.S. dollar have the same impacts as raw material price changes in addition to the currency translation impact noted above.

Risks associated with outsourcing the production of certain of our products could materially and adversely affect our business, financial condition and results of operations.

Historically, we have outsourced certain manufacturing functions to third-party service providers in China and other Asia-Pacific countries. Outsourcing generates a number of risks, including decreased control over the manufacturing process potentially leading to production delays or interruptions, inferior product quality control and misappropriation of trade secrets. In addition, performance problems by these third-party service providers

could result in cost overruns, delayed deliveries, shortages, quality issues or other problems, which could result in significant customer dissatisfaction and could materially and adversely affect our business, financial condition and results of operations.

If one or more of these third-party service providers becomes insolvent or unable or unwilling to continue to provide services of acceptable quality, at acceptable costs, in a timely manner or any combination thereof, our ability to deliver our products to our customers could be severely impaired. Furthermore, the need to identify and qualify substitute service providers or increase our internal capacity could result in unforeseen operational problems and additional costs. Substitute service providers might not be available or, if available, might be unwilling or unable to offer services on acceptable terms. Moreover, if customer demand for our products increases, we may be unable to secure sufficient additional capacity from our current service providers, or others, on commercially reasonable terms, if at all.

Any inability to secure, protect and maintain rights to intellectual property could have material adverse impact on our business.

We own and license many patents, trademarks, brand names and trade names that are, in the aggregate, important to our business. The loss of any individual patent or license may not be material to us taken as a whole, but the loss of a number of patents or licenses that represent principal portions of our business, or expenses related to defending or maintaining the patents or licenses, could have a material adverse effect on our business.

We may become involved in intellectual property claims being asserted against us that could cause us to incur substantial costs, divert the efforts of our management, and require us to pay substantial damages or require us to obtain a license, which might not be available on reasonable terms, if at all. We could also incur substantial costs to pursue legal actions relating to the unauthorized use by third parties of our intellectual property, which could have a material adverse effect on our business, results of operation or financial condition. If our brands become diluted, if our patents are infringed or if our competitors introduce brands and products that cause confusion with our brands in the marketplace, the value that our consumers associate with our brands may become diminished, which could negatively impact our sales. If third parties assert claims against our intellectual property rights and we are not able to successfully resolve those claims, or our intellectual property becomes invalidated, we could lose our ability to use the technology, brand names or other intellectual property that were the subject of those claims, which, if such intellectual property is material to the operation of our business or our financial results, could have a material adverse effect on our business, financial condition and results from operations.

Our success depends on our ability to attract and retain qualified personnel.

Our success will depend on our ability to attract and retain qualified personnel, including executive officers and other key management personnel. We may not be able to attract and retain qualified management and other personnel necessary for the development, manufacture and sale of our products, and key employees may not remain with us in the future. If we fail to retain our key employees, we may experience substantial disruption in our businesses. The loss of key management personnel or other key employees or our potential inability to attract such personnel may adversely affect our ability to manage our overall operations and successfully implement our business strategy.

We are subject to global environmental regulation and environmental risks.

We and our operations, both in the U.S. and abroad, are subject to national, state, provincial and/or local environmental laws and regulations that impose limitations and prohibitions on the discharge and emission of, and establish standards for the use, disposal and management of, certain materials and waste. We are also subject to laws regulating the content of toxic chemicals and materials in the products we sell. Environmental and product content laws and regulations can be complex and may change often. Capital and operating expenses required to comply with environmental and product content laws and regulations can be significant, and violations may result in substantial fines, penalties and civil damages. The costs of complying with

environmental and product content laws and regulations and any claims concerning noncompliance, or liability with respect to contamination in the future could have a material adverse effect on our financial condition or results of operations.

Product liability claims or regulatory actions could adversely affect our financial results or harm our reputation or the value of our end-user brands.

Claims for losses or injuries purportedly caused by some of our products arise in the ordinary course of our business. In addition to the risk of substantial monetary judgments, product liability claims or regulatory actions could result in negative publicity that could harm our reputation in the marketplace or the value of our end-user brands. We also could be required to recall and possibly discontinue the sale of possible defective or unsafe products, which could result in adverse publicity and significant expenses. Although we maintain product liability insurance coverage, potential product liability claims are subject to a self-insured deductible or could be excluded under the terms of the policy.

We may not consummate our acquisition of the Mead C&OP Business or realize the anticipated benefits if we do complete the acquisition.

Our proposed acquisition of the Mead C&OP Business may not be consummated in a timely manner or at all. If we are unable to complete the proposed acquisition, we will have incurred substantial expenses and diverted significant management time and resources from our ongoing business. Even if we consummate the proposed acquisition, we will still have incurred substantial expenses but may not realize the anticipated cost synergies and other benefits of the acquisition. Given the size and significance of the acquisition, we may encounter difficulties in the integration of the operations of the Mead C&OP Business, which could adversely affect our combined business and financial performance.

If the proposed transaction is not completed the price of the our common stock may decline to the extent that the market price of the Company's common stock reflects positive market assumptions that the proposed acquisition will be completed and the related anticipated benefits will be realized. We also may be subject to additional risks if the proposed transaction is not completed, including, depending on the reasons for termination of the merger agreement, the requirement that we pay MeadWestvaco Corporation a termination fee of $15.0 million or reimburse MeadWestvaco Corporation for their expenses in connection with the transactions in an amount up to $5.0 million.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

None.

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ITEM 2. *PROPERTIES*

We have manufacturing facilities in North America, Europe and Australia, and maintain distribution centers in relation to the regional markets we service. We lease our principal U.S. headquarters in Lincolnshire, Illinois. The following table indicates the principal manufacturing and distribution facilities of our subsidiaries as of December 31, 2011:

Location	Functional Use	Owned/Leased
U.S. Properties:		
Ontario, California	Distribution/Manufacturing	Leased
Booneville, Mississippi	Distribution/Manufacturing	Owned/Leased
Ogdensburg, New York	Distribution/Manufacturing	Owned/Leased
East Texas, Pennsylvania	Distribution/Manufacturing/Office	Owned
Pleasant Prairie, Wisconsin	Distribution/Manufacturing	Leased
Non-U.S. Properties:		
Sydney, Australia	Distribution/Manufacturing	Owned
Brampton, Canada	Distribution/Manufacturing/Office	Leased
Tabor, Czech Republic	Manufacturing	Owned
Denton, England	Manufacturing	Owned
Halesowen, England	Distribution	Owned
Lillyhall, England	Manufacturing	Leased
Tornaco, Italy	Distribution	Leased
Lerma, Mexico	Manufacturing/Office	Owned
Born, Netherlands	Distribution	Leased
Wellington, New Zealand	Distribution/Office	Owned
Arcos de Valdevez, Portugal	Manufacturing	Owned

We believe that the properties are suitable to the respective businesses and have production capacities adequate to meet the needs of the businesses.

ITEM 3. *LEGAL PROCEEDINGS*

We are, from time to time, involved in routine litigation incidental to our operations. None of the legal proceedings in which we are currently involved, individually or in the aggregate, is material to our consolidated financial condition or results of operations nor are we aware of any material pending or contemplated proceedings. We intend to vigorously defend, or resolve by settlement, any such matters as appropriate.

ITEM 4. *(REMOVED AND RESERVED)*

PART II

ITEM 5. *MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES*

Our common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "ABD." The following table sets forth, for the periods indicated, the high and low sales prices for our common stock as reported on the NYSE for 2010 and 2011:

	High	Low
2010		
First Quarter	$ 8.62	$ 5.92
Second Quarter	$ 9.47	$ 4.93
Third Quarter	$ 6.81	$ 4.63
Fourth Quarter	$ 8.89	$ 5.52
2011		
First Quarter	$ 9.66	$ 7.77
Second Quarter	$ 10.39	$ 6.91
Third Quarter	$ 8.89	$ 4.62
Fourth Quarter	$ 10.20	$ 4.33

As of February 1, 2012, the Company had approximately 11,459 registered holders of its common stock.

Dividend Policy

We have not paid any dividends on our common stock since becoming a public company. We intend to retain any future earnings to fund the development and growth of our business and reduce our indebtedness. Currently our debt agreements restrict our ability to make dividend payments and we do not anticipate paying any cash dividends in the foreseeable future. Any determination as to the declaration of dividends is at our board of directors' sole discretion based on factors it deems relevant.

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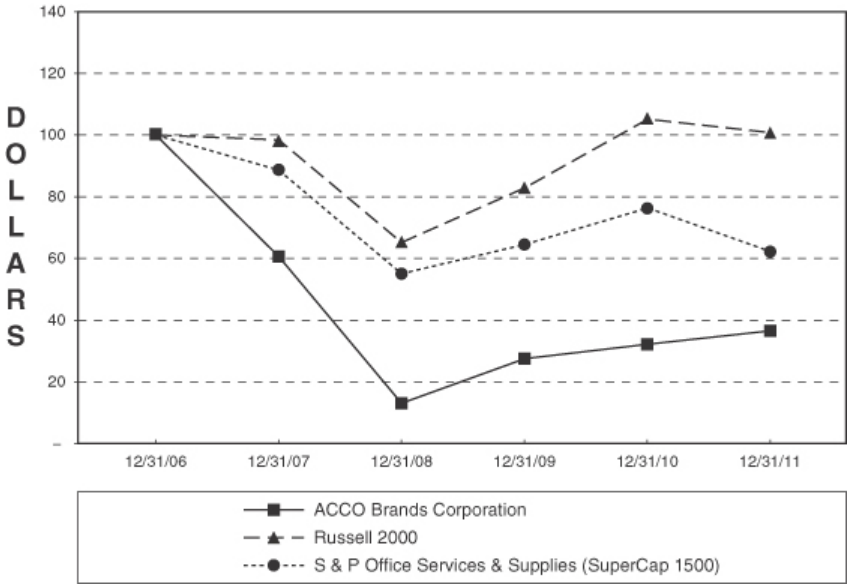
STOCK PERFORMANCE GRAPH

The following graph compares the cumulative total stockholder return on our common stock to that of the S&P Office Services and Supplies (SuperCap1500) Index and the Russell 2000 Index assuming an investment of $100 in each from December 31, 2006 through December 31, 2011.



	Cumulative Total Return					
	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11
ACCO Brands Corporation.	$100.00	$60.60	$13.03	$27.50	$32.19	$36.46
Russell 2000	100.00	98.43	65.18	82.89	105.14	100.75
S & P Office Services & Supplies (SuperCap1500)...	100.00	88.69	54.96	64.56	76.41	62.19

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ITEM 6. ***SELECTED FINANCIAL DATA***

SELECTED HISTORICAL FINANCIAL DATA

The following table sets forth our selected consolidated financial data. The selected consolidated financial data as of and for the five fiscal years ended December 31 are derived from our consolidated financial statements. The data should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this annual report.

	Year Ended December 31,				
	2011	2010	2009	2008	2007
(in millions of dollars, except per share data)					
Income Statement Data:					
Net sales	$ 1,318.4	$ 1,284.6	$ 1,233.3	$ 1,539.2	$ 1,798.5
Cost of products sold (1)	903.7	887.5	868.7	1,071.4	1,241.2
Gross profit	414.7	397.1	364.6	467.8	557.3
Operating costs and expenses:					
Advertising, selling, general and administrative expenses (1)	293.9	281.2	263.0	367.6	422.5
Amortization of intangibles	6.3	6.7	7.1	7.5	7.8
Restructuring (income) charges	(0.7)	(0.5)	17.4	28.8	21.0
Goodwill and asset impairment charges (2)	—	—	1.7	263.8	2.3
Total operating costs and expenses	299.5	287.4	289.2	667.7	453.6
Operating income (loss)	115.2	109.7	75.4	(199.9)	103.7
Interest expense, net	77.2	78.3	67.0	63.7	64.1
Income (loss) from continuing operations (3)	18.6	7.8	(118.6)	(255.1)	31.3
Per common share:					
Income (loss) from continuing operations (3)					
Basic	$ 0.34	$ 0.14	$ (2.18)	$ (4.71)	$ 0.58
Diluted	$ 0.32	$ 0.14	$ (2.18)	$ (4.71)	$ 0.57
Balance Sheet Data (at year end):					
Total assets	$ 1,116.7	$ 1,149.6	$ 1,106.8	$ 1,282.2	$ 1,898.5
External debt	669.0	727.6	725.8	708.7	775.3
Total stockholders' equity (deficit)	(61.9)	(79.8)	(117.2)	(3.4)	438.3
Other Data:					
Cash provided by operating activities	$ 61.8	$ 54.9	$ 71.5	$ 37.2	$ 81.2
Cash provided (used) by investing activities	40.0	(14.9)	(3.9)	(18.7)	(55.2)
Cash used by financing activities	(63.1)	(0.1)	(44.5)	(37.7)	(35.4)

(1) Income (loss) from continuing operations for the years 2009, 2008 and 2007 was impacted by certain other charges that have been recorded within cost of products sold, and advertising, selling, general and administrative expenses. These charges are incremental to the cost of the Company's underlying restructuring actions and do not qualify as restructuring. These charges include redundant warehousing or storage costs during the transition to new distribution centers, equipment and other asset move costs, ongoing facility overhead and maintenance costs after exit, gains on the sale of exited facilities, certain costs associated with the Company's debt refinancing and employee retention incentives. Within cost of products sold on the Consolidated Statements of Operations for the years ended December 31, 2009, 2008, and 2007, these charges totaled $3.4 million, $7.5 million, and $17.2 million, respectively. Within advertising, selling, general and administrative expenses on the Consolidated Statements of Operations for the years ended December 31, 2009, 2008, and 2007, these charges totaled $1.2 million, $3.1 million, and $16.3 million, respectively. Included within the 2008 result, is a charge for $4.2 million related to the exit of the

Company's former CEO, a $3.5 million gain on the sale of a manufacturing facility and net gains of $2.4 million on the sale of three additional properties. The Company did not incur these other charges in 2011 and 2010.

(2) The following table sets forth the Company's pre-tax impacts of the non-cash goodwill and asset impairment charges recorded during 2009, 2008 and 2007, respectively.

(in millions of dollars)	2009	2008	2007
Continuing Operations			
Segment:			
ACCO Brands Americas	$ 0.9	$ 160.6	$ 1.6
ACCO Brands International	0.8	100.4	0.7
Computer Products Group	—	2.8	—
Total Continuing Operations	$ 1.7	$ 263.8	$ 2.3

(3) During 2009, the Company recorded a non-cash charge of $108.1 million to establish a valuation allowance against its U.S. deferred taxes. For a further discussion of the valuation allowance, see Note 10, *Income Taxes*, to our consolidated financial statements, contained in Item 8 of this report.

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

INTRODUCTION

ACCO Brands is one of the world's largest suppliers of branded office products (excluding furniture, computers, printers and bulk paper) to the office products resale industry. We design, develop, manufacture and market a wide variety of traditional and computer-related office products, supplies, binding and laminating equipment and related consumable supplies, personal computer accessory products, paper-based time management products and presentation aids and products. Through a focus on research, marketing and innovation, we seek to develop new products that meet the needs of our consumers and commercial end-users, which we believe will increase the product positioning of our brands. We compete through a balance of innovation, a low-cost operating model and an efficient supply chain. We sell products in highly competitive markets, and compete against large international and national companies, regional competitors and against our own customers' direct sourcing of private-label products. We sell our products primarily to markets located in North America, Europe and Australia. Our brands include GBC®, Kensington®, Quartet®, Rexel, Swingline®, Wilson Jones®, Marbig, NOBO and Day-Timer®, among others.

The majority of our office products are used by businesses. Most of these end-users purchase our products from our reseller customers, which include commercial contract stationers, retail superstores, wholesalers, mail order and internet catalogs, mass merchandisers, club stores and dealers. We also supply our products directly to commercial and industrial end-users and to the educational market. Historically we have targeted the premium-end of the product categories in which we compete. However, we also supply private label products for our customers where we believe we have an economic advantage or where it is necessary to merchandise a complete category.

Our leading brand positions provide the scale to enable us to invest in product innovation and drive market growth across our product categories. In addition, the expertise we use to satisfy the exacting technical specifications of our more demanding commercial customers is in many instances the basis for expanding our product range to include consumer products.

Our strategy centers on a combination of growing sales and market share and generating acceptable profitability and returns. Specifically, we have substantially reduced our operating expenses and seek to leverage our platform for organic growth through greater consumer understanding, product innovation, marketing and merchandising, disciplined category expansion including broader product penetration and possible strategic transactions, and continued cost realignment. To achieve these goals, we plan to continue to execute the following strategies: (1) invest in research, marketing and innovation, (2) penetrate the full product spectrum of our categories and (3) opportunistically pursue strategic transactions.

On November 17, 2011, the Company announced the signing of a definitive agreement to merge the Mead C&OP Business into the Company in a transaction valued at approximately $860 million as of the date the transaction was announced. The Mead C&OP Business is a leading manufacturer and marketer of school supplies, office products, and planning and organizing tools – including the Mead®, Five Star®, Trapper Keeper®, AT-A-GLANCE®, Cambridge®, Day Runner®, Hilroy, Tilibra and Grafons brands in the U.S., Canada and Brazil. Upon completion of the transaction, MeadWestvaco shareholders will own 50.5% of the combined company. The transaction is subject to approval by the Company's shareholders and the satisfaction of customary closing conditions and regulatory approvals, including a ruling from the U.S. Internal Revenue Service on the tax-free nature of the transaction for MeadWestvaco. The transaction is expected to be completed in the first half of 2012. The Company will be the accounting acquirer in the merger and will apply purchase accounting to the assets and liabilities acquired upon consummation of the merger. In connection with this transaction, in the year ended December 31, 2011, the Company has incurred expenses of $5.6 million.

On June 14, 2011, the Company announced the disposition of GBC-Fordigraph Business. The Australia-based business was formerly part of the ACCO Brands International segment and the results of operations are

included in the financial statements as a discontinued operation for all periods presented. The GBC-Fordigraph Business represented $45.9 million in annual net sales for the year ended December 31, 2010. The Company has received final proceeds of $52.9 million inclusive of working capital adjustments and selling costs. In connection with this transaction, in 2011, the Company recorded a gain on sale of $41.9 million ($36.8 million after-tax).

In June 2009, the Company completed the sale of its commercial print finishing business for final gross proceeds of $16.2 million, after final working capital adjustments. As a result of the adjustments, the Company received net cash proceeds before expenses of $12.5 million and a $3.65 million note due from the buyer payable in installments, $1.325 million of which was paid in June, 2011 and $2.325 million that is due June, 2012. Interest on the unpaid balance is payable at the rate of 4.9 percent per annum. The gross proceeds received are before fees and expenses related to the transactions and provisions arising from continuing litigation related to the transaction. The commercial print finishing business has been classified as a discontinued operation in our consolidated financial statements for all periods presented.

For further information on the Company's discontinued operations see Note 18, *Discontinued Operations*, to our consolidated financial statements contained in Item 8 of this report.

Management's discussion and analysis of financial condition and results of operations should be read in conjunction with the consolidated financial statements of ACCO Brands Corporation and the accompanying notes contained therein. Unless otherwise noted, the following discussion pertains only to our continuing operations.

Overview of Company Performance

ACCO Brands' results are dependent upon a number of factors affecting sales, including pricing and competition. Historically, key drivers of demand in the office products industry have included trends in white collar employment levels, gross domestic product (GDP) and growth in the number of small businesses and home offices together with usage of personal computers. Pricing and demand levels for office products have also reflected a substantial consolidation within the global resellers of office products. This consolidation has led to multiple years of industry pricing pressure and a more efficient level of asset utilization by customers, resulting in lower sales volumes for suppliers of office products.

With 53% of revenues for the fiscal year ended December 31, 2011 arising from foreign operations, exchange rate fluctuations can play a major role in our reported results. Foreign currency fluctuations impact our business in two important ways. The first and more obvious foreign exchange impact comes from the translation of our foreign operations results into U.S. dollars: a weak U.S. dollar therefore benefits ACCO Brands and a strong U.S. dollar will diminish the contribution from our foreign operations. The second, but potentially larger and less obvious impact is from foreign currency fluctuations on our cost of goods sold. A significant portion of the products we sell worldwide are sourced from Asia (approximately 70%) and paid for in U.S. dollars. However, our international operations sell in their local currency, and are exposed to their domestic currency movements against the U.S. dollar. A strong U.S. dollar, therefore, increases our cost of goods sold and a weak U.S. dollar decreases our cost of goods sold for our international operations.

We respond to these market changes by adjusting our sales prices, but this response can be difficult during periods of rapid fluctuation. A significant portion of our foreign-currency cost of goods purchases is hedged with forward foreign currency contracts, which delays the economic effect of a fluctuating U.S. dollar helping us align market pricing changes. The financial impact on our business from foreign exchange movements for cost of goods is also further delayed until we sell the inventory. The two foreign exchange exposures impact the business at different times: the translation of results is impacted immediately when the exchange rates move, whereas the impact on our cost of goods is typically delayed due to a combination of currency hedging and the inventory cycle.

During the second half of 2010 and into 2011, the cost of certain commodities used to make our products increased significantly, negatively impacting our cost of goods. We continue to monitor commodity costs and work with our suppliers and customers to negotiate balanced and fair pricing that best reflect the current economic environment. Select price increases took effect during the third quarter of 2010 and the Company implemented additional price increases in the first and third quarters of 2011. These increases are intended to further help offset our additional cost increases.

The Company did not incur restructuring charges in 2011 and 2010, but adjusted outstanding reserve estimates as necessary. Cash payments related to prior years' restructuring and integration activities amounted to $3.4 million during 2011. It is expected that additional disbursements of $1.0 million will be completed by the end of 2013 as the Company spends amounts accrued on its balance sheet. Any residual cash payments beyond 2011 are anticipated to be offset by expected proceeds from real estate held for sale. Additionally, in the first quarter of 2011, the Company initiated plans to rationalize its European operations. The associated costs primarily related to employee terminations, which were accounted for as regular business expenses and were primarily incurred in the first half of 2011; these were largely offset by associated savings realized in the second half of 2011. These costs totaled $4.5 million during the year December 31, 2011.

The Company funds liquidity needs for capital investment, working capital and other financial commitments through cash flow from continuing operations and its $175.0 million revolving credit facility. Based on our borrowing base, as of December 31, 2011, approximately $165.5 million remained available for borrowing under our revolving credit facility.

During 2009, the Company determined that it was no longer more likely than not that its U.S. deferred tax assets would be realized, and as a result, the Company recorded a non-cash charge of $108.1 million to establish a valuation allowance against its U.S. deferred tax assets. In addition, during 2009, the Company recorded a non-cash impairment charge of $1.7 million on certain of its trade names.

Refinancing Transactions

On September 30, 2009, the Company issued $460.0 million aggregate principal amount of its 10.625% Senior Secured Notes due March 15, 2015 (the "Senior Secured Notes"), and entered into a four-year senior secured asset-based revolving credit facility ("ABL Facility") providing for borrowings of up to $175.0 million subject to borrowing base limitations including a $40 million sub-limit for letters of credit and an optional $50 million accordion feature (available to fund working capital growth if needed). Initial borrowings under the ABL Facility were $16.1 million. These funds, together with the $453.1 million in proceeds from the issuance of the Senior Secured Notes, were used to (i) repay all outstanding borrowings under and terminate the Company's prior senior secured credit agreements, (ii) repay all outstanding borrowings under and terminate the Company's accounts receivable securitization program, (iii) terminate the Company's cross-currency swap agreement, (iv) repurchase approximately $29.1 million aggregate principal amount of its 7 5/8% senior subordinated notes due August 15, 2015 ("Senior Subordinated Notes") and (v) pay the fees, expenses and other costs relating to such transactions.

On November 17, 2011, the Company announced the signing of a definitive agreement to merge the Mead C&OP Business into the Company. Subject to this transaction closing, the Company has underwritten financing that will fund a $460 million dividend to MeadWestvaco and refinance the Company's Senior Secured Notes, which had a principal amount outstanding of $425.1 million as of December 31, 2011, and its $175.0 million revolving credit facility, together with transaction and refinancing expenses.

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Fiscal 2011 versus Fiscal 2010

The following table presents the Company's results for the years ended December 31, 2011 and 2010.

	Twelve Months Ended			
	December 31,		Amount of Change	
(in millions of dollars)	2011	2010	$	%
Net sales	$ 1,318.4	$ 1,284.6	$ 33.8	3%
Cost of products sold	903.7	887.5	16.2	2%
Gross profit	414.7	397.1	17.6	4%
Gross profit margin	*31.5%*	*30.9%*		*0.6 pts*
Advertising, selling, general and administrative expenses	293.9	281.2	12.7	5%
Amortization of intangibles	6.3	6.7	(0.4)	(6)%
Restructuring income	(0.7)	(0.5)	(0.2)	40%
Operating income	115.2	109.7	5.5	5%
Operating income margin	*8.7%*	*8.5%*		*0.2 pts*
Interest expense, net	77.2	78.3	(1.1)	(1)%
Equity in earnings of joint ventures	(8.5)	(8.3)	(0.2)	2%
Other expense, net	3.6	1.2	2.4	200%
Income tax expense	24.3	30.7	(6.4)	(21)%
Effective tax rate	*56.6%*	*79.7%*		*(23.1)pts*
Income from continuing operations	18.6	7.8	10.8	138%
Income from discontinued operations, net of income taxes	38.1	4.6	33.5	728%
Net income	56.7	12.4	44.3	357%

Net Sales

Net sales increased $33.8 million, or 3%, to $1.32 billion, primarily due to translation gains from the U.S. dollar weakening relative to the prior year, which favorably impacted sales by $39.8 million, or 3%. Underlying sales declined modestly as lower volume in the International and Americas segments were partially offset by higher pricing and volumes gains in the Computer Products segment.

Cost of Products Sold

Cost of products sold includes all product sourcing, manufacturing and distribution costs, including depreciation related to assets used in the manufacturing and distribution process, inbound and outbound freight, shipping and handling costs, purchasing costs associated with materials and packaging used in the production processes. Cost of products sold increased $16.2 million to $903.7 million. The increase reflects the impact of unfavorable currency translation of $25.6 million as well as higher commodity and fuel costs, which were partially offset by lower sales volume and improved manufacturing, freight and distribution efficiencies.

Gross Profit

Management believes that gross profit and gross profit margin provide enhanced shareholder appreciation of underlying profit drivers. Gross profit increased $17.6 million, or 4%, to $414.7 million. The increase in gross profit was primarily due to the benefit from favorable currency translation of $14.2 million. Gross profit margin increased to 31.5% from 30.9%, primarily due to improved freight and distribution efficiencies, particularly in Europe.

SG&A (Advertising, selling, general and administrative expenses)

SG&A expenses include advertising, marketing, selling (including commissions), research and development, customer service, depreciation related to assets outside the manufacturing and distribution processes and all other general and administrative expenses outside the manufacturing and distribution functions (e.g., finance, human resources, information technology, etc.). SG&A increased $12.7 million, or 5%, to $293.9 million, of which currency translation contributed $7.0 million of the increase. SG&A as a percentage of sales increased to 22.3% from 21.9%. This increase was due to $5.6 million in costs associated with the pending acquisition of the Mead C&OP Business. Business rationalization charges of $4.5 million, primarily incurred in the first quarter of 2011, were offset by savings during the rest of the 2011.

Operating Income

Operating income increased $5.5 million, or 5%, to $115.2 million, and as a percentage of sales, operating income increased modestly to 8.7% from 8.5%. The increase in operating income was driven by $7.0 million of favorable currency translation and improved gross margins, partly offset by the SG&A cost increases described above.

Interest Expense, Net, Equity in Earnings of Joint Ventures and Other Expense, Net

Interest expense was $77.2 million compared to $78.3 million in the prior-year. The decrease in interest was due to repurchases of the Company's Senior Secured Notes and Senior Subordinated Notes totaling $34.9 million and $25.0 million, respectively, as well as lower borrowings under its revolving credit facility during the year. This reduction was partly offset by the acceleration of debt origination amortization costs resulting from bond repurchases of $1.2 million.

Other expense was $3.6 million compared to $1.2 million in the prior-year period. The increase was due to $3.0 million of premium paid on the repurchase of $34.9 million of the Senior Secured Notes, partly offset by lower foreign exchange losses in the current year.

Income Taxes

For the year ended December 31, 2011, the Company recorded income tax expense from continuing operations of $24.3 million on income before taxes of $42.9 million, which compares to an income tax expense from continuing operations of $30.7 million on income before taxes of $38.5 million in the prior year. The high effective tax rates for 2011 and 2010 are due to no tax benefit being provided on losses incurred in the U.S. and certain foreign jurisdictions where valuation reserves are recorded against future tax benefits. Included in the 2011 amount is a $2.8 million benefit from the reversal of a valuation reserve in the U.K. Included in the 2010 amount is an $8.6 million expense recorded to reflect the tax impact of foreign currency fluctuations on an intercompany debt obligation, partially offset by the benefit of a $2.8 million out-of-period adjustment to increase deferred tax assets of a non-U.S. subsidiary.

Income from Continuing Operations

Income from continuing operations was $18.6 million, or $0.32 per diluted share, compared to income of $7.8 million, or $0.14 per diluted share in the prior-year.

Income from Discontinued Operations

Income from discontinued operations was $38.1 million, or $0.66 per diluted share, compared to income of $4.6 million, or $0.08 per diluted share in the prior-year.

Discontinued operations include the results of the Company's GBC-Fordigraph Business, which was sold during the second quarter of 2011, and the commercial print finishing business, which was sold during 2009. For a further discussion of the Company's discontinued operations see Note 18, *Discontinued Operations*, to our consolidated financial statements contained in Item 8 of this report.

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The components of discontinued operations for the years ended December 31, 2011 and 2010 are as follows:

(in millions of dollars)	2011	2010
Income from operations before income tax	$ 2.5	$ 6.6
Gain (loss) on sale before income tax	41.5	(0.1)
Income tax expense	5.9	1.9
Income from discontinued operations	$ 38.1	$ 4.6

Net Income

Net income was $56.7 million, or $0.98 per diluted share, compared to net income of $12.4 million, or $0.22 per diluted share, in the prior year.

Segment Discussion

	Year Ended December 31,		Amount of change	
	2011	2010		
(in millions of dollars)	Net Sales		$	%
ACCO Brands Americas	$ 684.9	$ 688.3	$ (3.4)	—
ACCO Brands International	443.2	419.3	23.9	6%
Computer Products	190.3	177.0	13.3	8%
Total segment sales	$ 1,318.4	$ 1,284.6	$ 33.8	

	Year Ended December 31,				Amount of change		
	2011		2010				
(in millions of dollars)	Operating Income	Operating Income Margin	Operating Income	Operating Income Margin	$	%	Margin Points
ACCO Brands Americas	$ 50.7	7.4%	$ 56.3	8.2%	$ (5.6)	(10)%	(80)
ACCO Brands International	45.6	10.3%	31.5	7.5%	14.1	45%	280
Computer Products	47.1	24.8%	43.0	24.3%	4.1	10%	50
Total segment operating income	$ 143.4		$ 130.8		$ 12.6		

Segment operating income excludes corporate costs; interest expense, net; equity in earnings of joint ventures and other expense, net. See Note 15, *Information on Business Segments***,** to our consolidated financial statements contained in Item 8 of this report for a reconciliation of total segment operating income to income from continuing operations before income taxes.

ACCO Brands Americas

Results

ACCO Brands Americas net sales decreased $3.4 million to $684.9 million. Foreign currency translation favorably impacted sales by $5.3 million. Sales volume declined 3%, primarily in the U.S. due to inventory management initiatives by certain customers. The decline was partially offset by higher pricing and increased volumes in Latin America and Canada.

Operating income decreased $5.6 million, or 10%, to $50.7 million and included favorable foreign currency translation of $0.9 million. Operating income margin decreased to 7.4% from 8.2% in the prior-year period primarily due to the deleveraging of fixed costs due to lower sales volume.

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ACCO Brands International

Results

ACCO Brands International net sales increased $23.9 million, or 6%, to $443.2 million. The increase was driven by foreign currency translation, which increased sales by $30.0 million, or 7%. Sales volume declined 4% due to weak European market demand, partially offset by European price increases and small volume gains in the Asia-Pacific region.

Operating income increased $14.1 million, or 45%, to $45.6 million, including a $4.6 million benefit from foreign currency translation. Operating income margin increased to 10.3% from 7.5%, mainly due to the substantial improvements in European operations, resulting from higher pricing, improved freight and distribution efficiencies, as well as SG&A savings. Included in the net SG&A savings were $4.5 million of business rationalization charges within Europe.

Computer Products Group

Results

Computer Products net sales increased $13.3 million, or 8%, to $190.3 million. The favorable impact from foreign currency translation increased sales by $4.5 million, or 3%. The remainder of the increase primarily reflects volume gains from sales of new accessory products for smart phones and tablets.

Operating income increased $4.1 million, or 10%, to $47.1 million, resulting from a $1.5 million benefit from foreign currency translation, higher volume and lower SG&A expenses, partially offset by lower security product sales, which adversely impacted both margin and royalty income. Operating income margins increased to 24.8% from 24.3% primarily due to the favorable benefit from increased sales, partially offset by the adverse sales mix.

Fiscal 2010 versus Fiscal 2009

The following table presents the Company's results for the years ended December 31, 2010 and 2009.

	Year Ended December 31,		Amount of Change	
(in millions of dollars)	2010	2009	$	%
Net sales	$ 1,284.6	$ 1,233.3	$ 51.3	4%
Cost of products sold	887.5	868.7	18.8	2%
Gross profit	397.1	364.6	32.5	9%
Gross profit margin	*30.9%*	*29.6%*		*1.3pts*
Advertising, selling, general and administrative expenses	281.2	263.0	18.2	7%
Amortization of intangibles	6.7	7.1	(0.4)	(6)%
Restructuring (income) charges	(0.5)	17.4	(17.9)	(103)%
Intangible asset impairment charges	—	1.7	(1.7)	(100)%
Operating income	109.7	75.4	34.3	45%
Operating income margin	*8.5%*	*6.1%*		*2.4pts*
Interest expense, net	78.3	67.0	11.3	17%
Equity in earnings of joint ventures	(8.3)	(4.4)	(3.9)	89%
Other expense, net	1.2	5.4	(4.2)	(78)%
Income taxes	30.7	126.0	(95.3)	(76)%
Effective tax rate	*79.7%*	*NM*		*NM*
Income (loss) from continuing operations	7.8	(118.6)	126.4	107%
Income (loss) from discontinued operations, net of income taxes	4.6	(7.5)	12.1	161%
Net income (loss)	12.4	(126.1)	138.5	110%

Net Sales

Net sales increased $51.3 million, or 4%, to $1.3 billion led by solid performance in the Computer Products Group and translation gains from the weaker U.S. dollar relative to the prior year, which favorably impacted sales by 2%, or $24.5 million. All segments reported volume increases. Sales growth was partially offset by reduced pricing in the International and Americas segments.

Cost of Products Sold

Cost of products sold includes all manufacturing, product sourcing and freight and distribution costs, including depreciation related to assets used in the manufacturing and distribution process, inbound and outbound freight, shipping and handling costs, purchasing costs associated with materials and packaging used in the production processes. Cost of products sold increased $18.8 million, or 2%, to $887.5 million. The increase principally reflects the impact of currency translation of $14.4 million, increased sales volume, and commodity and compensation cost increases, partially offset by improved sourcing and production efficiencies.

In addition, the prior-year period includes certain other charges that have been recorded within cost of products sold that did not qualify as restructuring. Those charges include redundant warehousing or storage costs during the transition to a new distribution center, equipment and other asset move costs, ongoing facility overhead and maintenance costs after exit and employee retention incentives. For the year ended December 31, 2009, those charges totaled $3.4 million.

Gross Profit

Gross profit increased $32.5 million, or 9%, to $397.1 million and gross profit margin increased to 30.9% from 29.6%. The increases in gross profit and margin were primarily due to increased sales volume, favorable product mix, sourcing, production, freight and distribution efficiencies compared to the period last year, partially offset by increased commodity costs and compensation costs. Product mix was favorable due to higher royalty income from security products and from both higher margin security products and new products. Gross profit also increased from favorable currency translation of $10.1 million.

SG&A (Advertising, selling, general and administrative expenses)

Advertising, selling, general and administrative expenses ("SG&A") include advertising, marketing, selling, research and development, customer service, depreciation related to assets outside the manufacturing and distribution processes and all other general and administrative expenses outside the manufacturing and distribution functions (e.g., finance, human resources, information technology, etc.). SG&A increased $18.2 million, or 7%, to $281.2 million, with currency translation contributing $3.2 million of the increase and, as a percentage of sales, SG&A increased to 21.9% from 21.3%. The 2010 year results include $24.2 million of additional salary, management incentive and employee benefits expense. The lower expense in 2009 was largely due to temporary reductions in salary and benefits.

In addition, certain other charges have been recorded within SG&A. These charges are incremental to the cost of the Company's underlying restructuring actions and do not qualify as restructuring. These charges include redundant costs during the transition to a new location, asset move costs, facility overhead and maintenance costs after exit, gains on the sale of exited facilities, certain costs associated with the Company's debt refinancing and employee retention incentives. For the year ended December 31, 2009, those charges totaled $1.2 million.

Operating Income

Operating income increased 45%, or $34.3 million, to $109.7 million principally as a result of favorable currency translation contributing $6.9 million, and the absence of $23.7 million in impairment, restructuring and other charges incurred in the prior year. As a percentage of sales, operating income improved to 8.5% from 6.1%.

The improvement in operating income margin was driven by improved gross margin, as discussed above, and the decrease in impairment, restructuring and other charges, which was partially offset by the SG&A increase as discussed above.

Interest Expense, Net, Equity in Earnings of Joint Ventures and Other Expense, Net

Interest expense was $78.3 million compared to $67.0 million in the prior-year period. The increase principally reflects higher average interest rates associated with the Company's refinancing, which was completed at the end of September 2009.

Equity in earnings of joint ventures increased $3.9 million to $8.3 million reflecting higher revenue and reduced expenses related to an acquisition made by one of our unconsolidated joint ventures in the prior year.

Other expense was $1.2 million, compared to $5.4 million in the prior-year period. In the prior year, in connection with the refinancing transactions, the Company recorded a $9.1 million loss on the early extinguishment of debt associated with the repayment of $403.0 million of borrowings outstanding under its senior secured credit agreements and accounts receivable securitization facility, partially offset by a $4.9 million gain on the early extinguishment of debt in connection with the repurchase of $29.1 million of Senior Subordinated Notes.

Income Taxes

For the year ended December 31, 2010, the Company recorded income tax expense from continuing operations of $30.7 million on income before taxes of $38.5 million. This compares to prior year income tax expense from continuing operations of $126.0 million on income before taxes of $7.4 million. During the second quarter of 2009, the Company recorded a non-cash charge of $108.1 million to establish a valuation allowance on its U.S. deferred tax assets. The high effective tax rate for 2010 is due to an increase in the valuation allowance of $15.7 million because no tax benefit is being provided on losses incurred in the U.S. and certain foreign jurisdictions where valuation allowances are recorded against future tax benefits, and because of an $8.6 million expense recorded to reflect the tax impact of foreign currency fluctuations on an intercompany debt obligation, partially offset by the benefit of a $2.8 million out-of-period adjustment recorded in the second quarter to increase deferred tax assets of a non-U.S. subsidiary.

Income (Loss) from Continuing Operations

Income from continuing operations was $7.8 million, or $0.14 per diluted share, compared to a loss of $118.6 million, or $2.18 per diluted share, in the prior year.

Income (Loss) from Discontinued Operations

Income from discontinued operations was $4.6 million, or $0.08 per diluted share, compared to a $7.5 million loss, or $0.14 per diluted share, in the prior-year period.

The financial statement caption "discontinued operations" includes the results of the Company's former commercial print finishing business, which supplied commercial laminating film and equipment to printers and packaging suppliers and represented approximately $100 million in annual net sales. During the fourth quarter of 2008, the Company's Board of Directors authorized management to sell its commercial print finishing business and in the first quarter of 2009, the Company announced it had reached a definitive agreement to sell this business and to exit from selling high volume laminating film and equipment.

In June 2009, the Company completed the sale of its commercial print finishing business for final proceeds of $16.2 million, after final working capital adjustments made during the third quarter. As a result of the adjustments, the Company received net cash proceeds before expenses of $12.5 million and a $3.65 million note

due from the buyer payable in installments of $1.325 million in June 2011 and $2.325 million in June 2012. Interest on the unpaid balance is payable at the rate of 4.9 percent per annum. The sale resulted in a pre-tax loss for the year 2009 of $0.8 million ($1.1 million after-tax), which included a pre-tax pension curtailment gain of $0.5 million. During the fourth quarter of 2010, the Company completed the sale of a property formerly occupied by its commercial print finishing business, resulting in a gain on sale of $1.7 million. Also in 2010, the Company recorded a loss on sale of $0.1 million ($0.2 million after-tax) related to the settlement of litigation attributable to the wind-down of the disposed operations.

During the year ended December 31, 2010 discontinued operations included $5.2 million in income from operations ($3.7 million after-tax) from the GBC-Fordigraph Business. During the year ended December 31, 2009 discontinued operations included $4.7 million of income from operations ($2.8 million after-tax) from the GBC-Fordigraph Business.

For a further discussion of the Company's discontinued operations see Note 18, *Discontinued Operations*, to our consolidated financial statements contained in Item 8 of this report.

The components of discontinued operations for the years ended December 31, 2010 and 2009 are as follows:

(in millions of dollars)	2010	2009
Income (loss) from operations before income taxes	$ 6.6	$ (4.3)
Loss on sale before income tax	(0.1)	(0.8)
Provision for income taxes	1.9	2.4
Income (loss) from discontinued operations	$ 4.6	$ (7.5)

Net Income (Loss)

Net income was $12.4 million, or $0.22 per diluted share, compared to a net loss of $126.1 million, or $2.32 per diluted share in the prior year.

Segment Discussion

	Year Ended December 31,		Amount of change	
	2010	2009		
(in millions of dollars)	Net Sales		$	%
ACCO Brands Americas	$ 688.3	$ 671.5	$ 16.8	3%
ACCO Brands International	419.3	398.8	20.5	5%
Computer Products	177.0	163.0	14.0	9%
Total segment sales	$ 1,284.6	$ 1,233.3	$ 51.3	

	Year Ended December 31,				Amount of change		
	2010		2009				
(in millions of dollars)	Operating Income	Operating Income Margin	Operating Income	Operating Income Margin	$	%	Margin Points
ACCO Brands Americas	$ 56.3	8.2%	$ 38.6	5.7%	$ 17.7	46%	250
ACCO Brands International	31.5	7.5%	23.0	5.8%	8.5	37%	170
Computer Products	43.0	24.3%	31.7	19.4%	11.3	36%	490
Total segment operating income	$ 130.8		$ 93.3		$ 37.5		

Segment operating income excludes corporate costs; interest expense net; equity in earnings of joint ventures and other expense, net. See Note 15, *Information on Business Segments*, to our consolidated financial statements contained in Item 8 of this report for a reconciliation of total segment operating income to income from continuing operations before income taxes.

ACCO Brands Americas

Results

ACCO Brands Americas net sales increased $16.8 million, or 3%, to $688.3 million. The favorable impact from foreign currency translation increased sales by $12.1 million, or 2%. Sales volume increased 2% driven by growth in all markets, partially offset by reduced pricing.

ACCO Brands Americas operating income increased $17.7 million, to $56.3 million, and operating income margin increased to 8.2% from 5.7% in the prior year period. The increase in operating income primarily reflects the impact of an improved gross margin resulting from improved customer channel mix and a favorable product mix due to increased sales in the higher margin stapling category and decreased sales in the lower margin bindery and accessories category. Also contributing were sourcing, production, freight and distribution efficiencies; the absence of $6.9 million in impairment, restructuring and other charges incurred in the 2009 period; and $2.0 million of foreign exchange benefit. This increase was partially offset by $17.3 million of higher compensation expense resulting primarily from temporary salary reductions and suspension of management incentive programs and retirement plan contributions in 2009 together with increased commodity costs in 2010.

ACCO Brands International

Results

ACCO Brands International net sales increased $20.5 million, or 5%, to $419.3 million. The favorable impact from foreign currency translation increased sales by $12.5 million, or 3%. All regions experienced volume growth, offset by lower pricing, principally in Australia where foreign exchange volatility required significant price increases in 2009, which were reversed in 2010.

ACCO Brands International operating income increased $8.5 million, to $31.5 million, and operating income margin increased to 7.5% from 5.8% in the prior-year period. The increase in operating income was primarily the result of the absence of $13.4 million in impairment, restructuring and other charges incurred in the 2009 period. Reduced operating performance came from our European operations, which suffered increases in its cost of goods sold due to higher commodity costs and weak local currencies versus the U.S. dollar together with increased customer program costs. This decrease in operating income was partially offset by improved operating performance from our other international regions.

Computer Products Group

Results

Computer Products net sales increased $14.0 million, or 9%, to $177.0 million. The increase reflects strong growth in sales mainly from security products in most regions. There was no net impact due to currency translation on the full year results.

Operating income increased 36%, or $11.3 million, to $43.0 million due to higher royalty income from security products, favorable product mix, higher sales volumes and the absence of $2.6 million in restructuring and other charges incurred in the 2009 period, partially offset by $4.0 million of higher compensation expense resulting primarily from temporary salary reductions, and the suspension of management incentive programs and retirement plan contributions in 2009. Operating income margins increased to 24.3% from 19.4% primarily due to higher royalty income from security products and favorable product mix from both higher margin security products and new products.

Liquidity and Capital Resources

Our primary liquidity needs are to service indebtedness, fund capital expenditures and support working capital requirements. Our principal sources of liquidity are cash flows from operating activities, cash and cash equivalents held and borrowings under our ABL Facility (defined below). Because of the seasonality of our business we typically carry greater cash balances in the third and fourth quarters of our fiscal year. Lower cash balances are typically carried during the first and second quarters due to the timing of payments made by the Company pursuant to customer rebate and management incentive programs. We maintain adequate financing arrangements at market rates. Our priority for cash flow use over the near term, after internal growth, is to invest in new products through both organic development and acquisitions and to fund the reduction of debt.

Any available overseas cash is repatriated on a continuous basis. Undistributed earnings of foreign subsidiaries that are expected to be permanently reinvested, aggregated to approximately $517 million at December 31, 2011 and $495 million at December 31, 2010. If these amounts were distributed to the U.S., in the form of a dividend or otherwise, the Company would be subject to additional U.S. income taxes.

On November 17, 2011, the Company announced the signing of a definitive agreement to merge the Mead C&OP Business into the Company. Subject to this transaction closing, the Company has underwritten financing that will fund a $460 million dividend to MeadWestvaco and refinance the Company's Senior Secured Notes, which had a principal amount outstanding of $425.1 million as of December 31, 2011, and its $175.0 million revolving credit facility, together with transaction and refinancing expenses.

Loan Covenants

The indentures governing our Senior Secured Notes and Senior Subordinated Notes do not contain quarterly or annual financial performance covenants. However, these indentures restrict, among other things, ACCO Brands' ability and the ability of ACCO Brands' restricted subsidiaries to, subject to certain exceptions, incur additional indebtedness, create liens, pay dividends, make certain investments, enter into certain types of transactions with affiliates and provide for limitations on any restricted subsidiary's ability to pay dividends, make loans, or transfer assets to ACCO Brands or other restricted subsidiaries.

The ABL Facility contains customary terms and conditions, including limitations on liens and indebtedness, asset sales, and intercompany transactions. A springing fixed charge financial covenant would be triggered if the excess availability under the ABL Facility falls below $20.0 million or 15% of total commitments. The ABL Facility also contains cash dominion provisions that apply in the event that the Company's excess availability fails to meet certain thresholds. Further, it limits the ability of the Company to repurchase Senior Subordinated Notes while the facility is utilized.

The Senior Secured Notes, Senior Subordinated Notes and the ABL Facility contain customary events of default, including payment default, breach of representation and warranties, covenant defaults, cross-defaults and cross-accelerations, certain bankruptcy or insolvency events, judgment defaults, certain ERISA-related events, changes in control or ownership and invalidity of any collateral or guarantee or other document. Any inability to pay interest on, or principal of, our outstanding debt as it becomes due could result in an event of default under any of the agreements governing any of our debt obligations, in which case our lenders could elect to declare all amounts outstanding to be immediately due and payable. If the lenders accelerate the payment of any of our indebtedness, our assets may not be sufficient to repay in full such indebtedness and any other indebtedness that would become due as a result of such acceleration and, if we were unable to obtain replacement financing or any such replacement financing was on terms that were less favorable than the indebtedness being replaced, our liquidity and results of operations would be materially and adversely affected.

Compliance with Loan Covenants

Based on our borrowing base, as of December 31, 2011, the amount available for borrowings under the Company's ABL Facility was $165.5 million (allowing for $9.5 million of letters of credit outstanding on that date). The Company's ABL Facility would not be affected by a change in its credit rating.

As of and for the period ended December 31, 2011, the Company was in compliance with all applicable loan covenants.

Guarantees and Security

The Senior Secured Notes are guaranteed on a senior secured basis by the Company's existing and future domestic subsidiaries, with certain exceptions, and are secured on a first-priority basis by a lien on substantially all of the Company's and guarantors' present and future assets (other than receivables and inventory and their related general intangibles and certain other assets), including equipment, certain owned and leased real property interests, trade names and certain other intellectual property, certain intercompany receivables and all present and future equity interests of each of the Company's and guarantors' directly owned domestic subsidiaries and up to 65% of the present and future equity interests of certain of the Company's and the guarantors' directly owned foreign subsidiaries, in each case subject to certain exceptions and customary permitted liens. The Senior Secured Notes and the related guarantees also are secured on a second-priority basis by a lien on the assets that secure the Company's and the guarantors' obligations under the ABL Facility, including accounts receivable, inventory and the other assets identified as excluded first-lien assets above.

The Company's obligations under the ABL Facility are guaranteed by the same subsidiaries that guarantee the Senior Secured Notes together with certain of the Company's foreign subsidiaries and are secured on a first-priority basis by a lien on substantially all of the Company's and such guarantors' accounts receivable, inventory and the other assets identified as excluded first-lien assets above with respect to the Notes.

Cash Flow

Fiscal 2011 versus Fiscal 2010

Cash Flow from Operating Activities

For the year ended December 31, 2011, cash provided by operating activities was $61.8 million, compared to $54.9 million in the prior year. Net income for 2011 was $56.7 million, compared to $12.4 million in 2010. Non-cash and non-operating adjustments to net income on a pre-tax basis in 2011 totaled $10.0 million, compared to $46.2 million in 2010. The 2011 net adjustments were substantially lower than 2010, largely due to the sale of the GBC-Fordigraph Business which resulted in a pre-tax net gain of $41.9 million.

The table below shows our cash flow from accounts receivable, inventories and accounts payable for the years ended December 31, 2011 and 2010, respectively:

	2011	2010
Accounts receivable	$ 0.6	$ (18.5)
Inventories	5.4	(9.8)
Accounts payable	16.8	14.8
Cash flow from net working capital	$ 22.8	$ (13.5)

Operating cash flow in 2011 of $61.8 million was the result of the realization of income from operations and net working capital, partly offset by the use of cash to fund income tax and interest payments and contributions to our pension plans. Compared to the prior year, accounts receivable levels reflect improved customer collections and increased sales in the early part of the fourth quarter, which allowed us to collect more of our receivables before the end of the quarter. Inventory levels demonstrate improved supply chain management. Payments associated with the 2010 annual incentive plan of approximately $9 million were made during the first quarter of 2011, compared to approximately $1 million in the prior year. Income tax payments were $27.7 million in 2011, compared to only $13.9 million in the 2010 period when the Company benefited from substantial refunds related to prior years and had lower operating profit. Interest payments of $71.9 million were slightly higher than the prior year, while contributions to the Company's pension plans of $13.5 million were slightly less than payments made during the prior year. Payments associated with the Company's wind-down of restructuring activities were $3.4 million, while European business rationalization activity resulted in payments of $4.2 million during 2011. In addition, the second half of 2011 included payments in pursuit of the Mead C&OP Business acquisition of $4.8 million.

During the 2010 year, a recurring pattern of strong sales during the final month of each quarter lead to high quarter-end accounts receivable balances. In addition, inventory levels increased due to higher commodity costs and in support of the sales growth anticipated during the first quarter of 2011.

Cash Flow from Investing Activities

Cash provided by investing activities was $40.0 million for the year ended December 31, 2011 and cash used was $14.9 million for the year ended December 31, 2010. The sale of the Company's GBC-Fordigraph Business during the second quarter of 2011 generated net proceeds of $52.9 million, and approximately $5.4 million of taxes associated with the sale are expected to be paid in 2012. The Company also received $0.6 million of net proceeds associated with the 2009 sale of the Company's former commercial print finishing business, and anticipates additional cash proceeds of $2.6 million and additional payments associated with the sale of approximately $1.1 million in the years 2012 and 2013. Gross capital expenditures were $13.5 million and $12.6 million for the periods ended December 31, 2011 and 2010, respectively. Additional cash payments of $1.4 million associated with the purchase of two minor product line acquisitions were also recognized during the first half of 2011.

Cash Flow from Financing Activities

Cash used by financing activities was $63.1 million and $0.1 million for the years ended December 31, 2011 and 2010, respectively. During 2011, principally during the third quarter, the Company repurchased $59.9 million of its Senior Subordinated Notes and Senior Secured Notes debt.

Fiscal 2010 versus Fiscal 2009

Cash Flow from Operating Activities

For the year ended December 31, 2010, cash provided from operating activities was $54.9 million, compared to $71.5 million in the prior year. Net income for 2010 was $12.4 million. The net loss for 2009 was $126.1 million, and was principally the result of a $108.1 million non-cash charge related to the impairment of U.S. deferred tax assets. Non-cash and non-operating adjustments to pre-tax net income in 2010 totaled $46.2 million, compared to $59.9 million in 2009.

The table below shows our cash flow from accounts receivable, inventories and accounts payable for the years ended December 31, 2010 and 2009, respectively:

	2010	2009
Accounts receivable	$ (18.5)	$ 41.5
Inventories	(9.8)	78.7
Accounts payable	14.8	(54.9)
Cash flow from net working capital	$ (13.5)	$ 65.3

Operating cash flow in 2010 of $54.9 million was the result of the realization of income from operations, partly offset by the use of cash to fund net working capital and contributions to our pension plans. During the 2010 year, a recurring pattern of strong sales during the final month of each quarter lead to higher quarter end accounts receivable balances. In addition, inventory levels increased in comparison to the prior year due to higher commodity costs and in support of the sales growth anticipated during the first quarter of 2011. Reduced cash payments associated with restructuring and integration activities of $30.8 million were partially offset by interest payments that were $16.2 million and cash contributions to our pension plans that were $7.7 million higher than the prior year, respectively. The operating cash flow of $71.5 million in 2009 was generated as we focused on right-sizing our net working capital. Significant inventory reductions were achieved across our global businesses and our accounts receivable remained well-controlled as we responded to sales volume declines due to the economic downturn. Because of the inability of some of our suppliers to obtain credit insurance, we were required to pay certain suppliers more promptly, offsetting some of our gains from working capital management.

Cash Flow from Investing Activities

Cash used by investing activities was $14.9 million and $3.9 million for the years ended December 31, 2010 and 2009, respectively. Gross capital expenditures were $12.6 million and $10.3 million for the years ended December 31, 2010 and 2009, respectively, with the increase related to investments in information technology projects, primarily in our foreign operations. Litigation settlements associated with discontinued operations resulted in payments of $3.7 million in 2010, in comparison to $9.2 million of net cash proceeds that were received in the prior year when the discontinued operations were sold. Proceeds from the disposition of assets were $2.5 million for the year ended 2010, an increase of $1.9 million from the prior year, principally due to the sale of a former property of our discontinued operations during the fourth quarter of 2010.

Cash Flow from Financing Activities

Cash used by financing activities was $0.1 million and $44.5 million for the years ended December 31, 2010 and 2009, respectively. The decrease in cash used by financing activities primarily reflects the impact of the Company's refinancing transactions, which were completed at the end of the third quarter of 2009 and included the settlement of a Euro debt cross-currency swap at a cost of $40.8 million and $20.6 million of debt issuance payments.

Capitalization

We had approximately 55.5 million common shares outstanding as of December 31, 2011.

Adequacy of Liquidity Sources

The Company is subject to credit risk relative to the ability of counterparties to meet their contractual payment obligations or the potential non-performance of counterparties to deliver contracted commodities or services at the contracted price. The impact of any global economic downturn and the ability of our suppliers and customers to access credit markets is also unpredictable, outside of our control and may create additional risks for us, both directly and indirectly. The inability of suppliers to access financing or the insolvency of one or more of our suppliers could lead to disruptions in our supply chain, which could adversely impact our sales and/or increase our costs. Our suppliers may require us to pay cash in advance or obtain letters of credit for their benefit as a condition to selling us their products and services. If one or more of our principal customers were to file for bankruptcy, our sales could be adversely impacted and our ability to collect outstanding accounts receivable from any such customer could be limited. Any of these risks and uncertainties could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Based on its 2012 business plan and latest forecasts, the Company believes that cash flow from operations, its current cash balance and other sources of liquidity, including borrowings available under our ABL Facility will be adequate to support requirements for working capital and capital expenditures to service indebtedness for the foreseeable future. Our future operating performance is dependent on many factors, some of which are beyond our control, including prevailing economic, financial and industry conditions (see Item 1A, "Risk Factors").

Our operating performance and ability to comply with restrictions under our borrowing arrangements are dependent on our continued ability to access funds under our credit and loan agreements, including under our ABL Facility and from cash on hand, maintain sales volumes, drive profitable growth, realize cost savings and generate cash from operations. The financial institutions that fund our ABL Facility could also be impacted by any volatility in the credit markets, and if one or more of them could not fulfill our revolving credit requests, our operations may be adversely impacted. If our revolving credit is unavailable due to a lender not being able to fund requested amounts, or because we have not maintained compliance with our covenants, or we do not meet our sales or growth initiatives within the time frame we expect, our cash flow could be materially adversely impacted. A material decrease in our cash flow could cause us to fail to meet our obligations under our borrowing arrangements. A default under our credit or loan agreements could restrict or terminate our access to borrowings and materially impair our ability to meet our obligations as they come due. If we do not comply with

any of our covenants and thereafter we do not obtain a waiver or amendment that otherwise addresses that non-compliance, our lenders may accelerate payment of all amounts outstanding under the affected borrowing arrangements, which amounts would immediately become due and payable, together with accrued interest. Such acceleration would cause a default under the indentures governing the Senior Secured Notes and the Senior Subordinated Notes and other agreements that provide us with access to funding. Any one or more defaults, or our inability to generate sufficient cash flow from our operations in the future to service our indebtedness and meet our other needs, may require us to refinance all or a portion of our existing indebtedness or obtain additional financing or reduce expenditures that we deem necessary to our business. There can be no assurance that any refinancing of this kind would be possible or that any additional financing could be obtained. The inability to obtain additional financing could have a material adverse effect on our financial condition and on our ability to meet our obligations to noteholders.

Our cash flows from operating activities are dependent upon a number of factors that affect our sales, including demand, pricing and competition. Historically, key drivers of demand in the office products industry have included economic conditions generally, and specifically trends in gross domestic product (GDP), which affects business confidence and the propensity to purchase consumer durables, white collar employment levels, and growth in the number of small businesses and home offices together with increasing usage of personal computers. Pricing and demand levels for office products have also reflected a substantial consolidation within the global resellers of office products. Those resellers are our principal customers. This consolidation has led to increased pricing pressure on suppliers and a more efficient level of asset utilization by customers, resulting in lower sales volumes and higher costs from more frequent small orders for suppliers of office products. We sell products in highly competitive markets, and compete against large international and national companies, regional competitors and against our own customers' direct and private-label sourcing initiatives.

Off-Balance-Sheet Arrangements and Contractual Financial Obligations

We do not have any material off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Our contractual obligations and related payments by period at December 31, 2011 were as follows:

(in millions of dollars)	Total	2012	2013 - 2014	2015 - 2016	Thereafter
Contractual obligations					
Long-term debt[1]	$ 673.2	$ 0.2	$ 0.5	$ 672.5	$ —
Interest on long-term debt	231.5	64.0	127.9	39.6	—
Operating lease obligations	63.6	19.7	22.9	14.2	6.8
Purchase obligations[2]	26.9	26.0	0.5	0.4	—
Other long-term liabilities[3]	16.3	16.3	—	—	—
Total	$ 1,011.5	$ 126.2	$ 151.8	$ 726.7	$ 6.8

(1) Debt obligations include an amount in excess of the carrying value of debt which reflects the original issue discount on the Senior Secured Notes ($4.2 million as of December 31, 2011).

(2) Purchase obligations primarily consist of contracts and non-cancelable purchase orders for raw materials and finished goods.

(3) Obligations related to the other long-term liabilities consist of payments for the Company's pension plans.

Due to the uncertainty with respect to the timing of future cash flows associated with our unrecognized tax benefits at December 31, 2011, we are unable to make reasonably reliable estimates of the period of cash

settlement with the respective taxing authorities. Therefore, $5.5 million of unrecognized tax benefits have been excluded from the contractual obligations table above. See Note 10, *Income Taxes*, to our consolidated financial statements contained in Item 8 of this report for a discussion on income taxes.

Critical Accounting Policies

Our financial statements are prepared in conformity with accounting principles generally accepted in the U.S. Preparation of our financial statements require us to make judgments, estimates and assumptions that affect the amounts of actual assets, liabilities, revenues and expenses presented for each reporting period. Actual results could differ significantly from those estimates. We regularly review our assumptions and estimates, which are based on historical experience and, where appropriate, current business trends. We believe that the following discussion addresses our critical accounting policies, which require more significant, subjective and complex judgments to be made by our management.

Revenue Recognition

We recognize revenue from product sales when earned, net of applicable provisions for discounts, returns and allowances. We consider revenue to be realized or realizable and earned when all of the following criteria are met: title and risk of loss have passed to the customer, persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable and collectability is reasonably assured. We also provide for our estimate of potential bad debt at the time of revenue recognition.

Allowances for Doubtful Accounts and Sales Returns

Trade receivables are recorded at the stated amount, less allowances for discounts, doubtful accounts and returns. The allowance for doubtful accounts represents estimated uncollectible receivables associated with potential customer defaults on contractual obligations, usually due to customers' potential insolvency. The allowance includes amounts for certain customers where a risk of default has been specifically identified. In addition, the allowance includes a provision for customer defaults on a general formula basis when it is determined the risk of some default is probable and estimable, but cannot yet be associated with specific customers. The assessment of the likelihood of customer defaults is based on various factors, including the length of time the receivables are past due, historical experience and existing economic conditions.

The allowance for sales returns represents estimated uncollectible receivables associated with the potential return of products previously sold to customers, and is recorded at the time that the sales are recognized. The allowance includes a general provision for product returns based on historical trends. In addition, the allowance includes a reserve for currently authorized customer returns that are considered to be abnormal in comparison to the historical basis.

Inventories

Inventories are priced at the lower of cost (principally first-in, first-out with minor amounts at average) or market. A reserve is established to adjust the cost of inventory to its net realizable value. Inventory reserves are recorded for obsolete or slow moving inventory based on assumptions about future demand and marketability of products, the impact of new product introductions and specific identification of items, such as product discontinuance or engineering/ material changes. These estimates could vary significantly, either favorably or unfavorably, from actual requirements if future economic conditions, customer inventory levels or competitive conditions differ from expectations.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Depreciation is provided, principally on a straight-line basis, over the estimated useful lives of the assets. Gains or losses resulting from dispositions are included in

operating income. Betterments and renewals, that improve and extend the life of an asset, are capitalized; maintenance and repair costs are expensed. Purchased computer software is capitalized and amortized over the software's useful life. The following table shows estimated useful lives of property, plant and equipment:

Buildings	40 to 50 years
Leasehold improvements	Lesser of lease term or the life of the asset
Machinery, equipment and furniture	3 to 10 years

Long-Lived Assets

We test long-lived assets for impairment whenever events or changes in circumstances indicate that the assets' carrying amount is not recoverable from its undiscounted cash flows. When such events occur, we compare the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset or asset group to the carrying amount of a long-lived asset or asset group. The cash flows are based on our best estimate at the time of future cash flow, derived from the most recent business projections. If this comparison indicates that there is an impairment, the amount of the impairment is typically calculated using discounted expected future cash flows. The discount rate applied to these cash flows is based on our weighted average cost of capital, computed by selecting market rates at the valuation dates for debt and equity that are reflective of the risks associated with an investment in the Company's industry as estimated by using comparable publicly traded companies.

Indefinite-Lived Intangibles

Indefinite-lived intangibles are tested for impairment on an annual basis and written down when impaired. An interim impairment test is performed if an event occurs or conditions change that would more likely than not reduce the fair value below the carrying value.

In addition, purchased intangible assets other than goodwill are amortized over their useful lives unless their lives are determined to be indefinite. Certain of our trade names have been assigned an indefinite life as we currently anticipate that these trade names will contribute cash flows to ACCO Brands indefinitely.

We review indefinite-lived intangibles for impairment annually, and whenever market or business events indicate there may be a potential adverse impact on a particular intangible. We consider the implications of both external factors (e.g., market growth, pricing, competition, and technology) and internal factors (e.g., product costs, margins, support expenses, and capital investment) and their potential impact on cash flows for each business in both the near and long term, as well as their impact on any identifiable intangible asset associated with the business. Based on recent business results, consideration of significant external and internal factors, and the resulting business projections, indefinite-lived intangible assets are reviewed to determine whether they are likely to remain indefinite-lived, or whether a finite life is more appropriate. In addition, based on events in the period and future expectations, management considers whether the potential for impairment exists.

Goodwill and Intangible Assets

We test goodwill for impairment at least annually, normally in the second quarter, and on an interim basis if an event or circumstance indicates that it is more likely than not that an impairment has been incurred. If the carrying amount of the goodwill exceeds its fair value, an impairment loss is recognized. In applying a fair-value-based test, estimates are made of the expected future cash flows to be derived from each reporting unit. The resulting fair value determination is significantly impacted by estimates of future prices for our products, capital needs, economic trends and other factors.

Given the current economic environment and the uncertainties regarding the impact on our business, there can be no assurance that our estimates and assumptions made for purposes of our impairment testing during 2011 will prove to be accurate predictions of the future. If our assumptions regarding forecasted revenue or margin

growth rates of certain reporting units are not achieved, we may be required to record additional impairment charges in future periods, whether in connection with our next annual impairment testing in the second quarter of fiscal year 2012 or prior to that, if any such change constitutes a triggering event outside of the quarter from when the annual impairment test is performed. It is not possible at this time to determine if any such future impairment charge would result or, if it does, whether such charge would be material.

Employee Benefit Plans

We provide a range of benefits to our employees and retired employees, including pensions, post-retirement, post-employment and health care benefits. We record annual amounts relating to these plans based on calculations specified by accounting principles generally accepted in the U.S., which include various actuarial assumptions, including discount rates, assumed rates of return, compensation increases, turnover rates and health care cost trend rates. Actuarial assumptions are reviewed on an annual basis and modifications to these assumptions are made based on current rates and trends when it is deemed appropriate. As required by accounting principles generally accepted in the U.S., the effect of our modifications are generally recorded and amortized over future periods. We believe that the assumptions utilized in recording our obligations under the plans are reasonable based on our experience. The actuarial assumptions used to record our plan obligations could differ materially from actual results due to changing economic and market conditions, higher or lower withdrawal rates or other factors which may impact the amount of retirement related benefit expense recorded by us in future periods.

The discount rate assumptions used to determine the postretirement obligations of the benefit plans is based on a spot-rate yield curve that matches projected future benefit payments with the appropriate interest rate applicable to the timing of the projected future benefit payments. The assumed discount rates reflect market rates for high-quality corporate bonds currently available. The Company's discount rates were determined by considering the average of pension yield curves constructed of a large population of high quality corporate bonds. The resulting discount rates reflect the matching of plan liability cash flows to the yield curves.

The expected long-term rate of return on plan assets reflects management's expectations of long-term average rates of return on funds invested based on our investment profile to provide for benefits included in the projected benefit obligations. The expected return is based on the outlook for inflation, fixed income returns and equity returns, while also considering historical returns over the last 10 years, and asset allocation and investment strategy.

Pension expenses were $6.9 million, $8.2 million and $6.3 million, respectively, in the years ended December 31, 2011, 2010 and 2009. Post-retirement expenses were $0.2 million, $0.0 million and $0.0 million, respectively, for the years ended December 31, 2011, 2010 and 2009. In 2012, we expect pension expenses of approximately $9.9 million and post-retirement expenses of approximately $0.2 million. On January 20, 2009, the Company's Board of Directors approved plan amendments to temporarily freeze the Company's U.S. pension and non-qualified supplemental retirement plans effective March 7, 2009. No additional benefits will accrue under these plans after that date until further action by the Board of Directors.

A 25-basis point change (0.25%) in our discount rate assumption would lead to an increase or decrease in our pension expense of approximately $1.7 million for 2012. A 25-basis point change (0.25%) in our long-term rate of return assumption would lead to an increase or decrease in pension expense of approximately $0.9 million for 2012.

Customer Program Costs

Customer programs and incentives are a common practice in the office products industry. We incur customer program costs to obtain favorable product placement, to promote sell-through of products and to maintain competitive pricing. Customer program costs and incentives, including rebates, promotional funds and volume allowances, are accounted for as a reduction to gross sales. These costs are recorded at the time of sale

based on management's best estimates. Estimates are based on individual customer contracts and projected sales to the customer in comparison to any thresholds indicated by contract. In the absence of a signed contract, estimates are based on historical or projected experience for each program type or customer. Management periodically reviews accruals for these rebates and allowances, and adjusts accruals when circumstances indicate (typically as a result of a change in sales volume expectations or customer contracts).

Income Taxes

Deferred tax liabilities or assets are established for temporary differences between financial and tax reporting bases and are subsequently adjusted to reflect changes in tax rates expected to be in effect when the temporary differences reverse. A valuation allowance is recorded to reduce deferred tax assets to an amount that is more likely than not to be realized. Facts and circumstances may change that cause the Company to revise the conclusions on its ability to realize certain net operating losses and other deferred tax attributes.

The amount of income taxes that we pay is subject to ongoing audits by federal, state and foreign tax authorities. Our estimate of the potential outcome of any uncertain tax position is subject to management's assessment of relevant risks, facts and circumstances existing at that time. We believe that we have adequately provided for reasonably foreseeable outcomes related to these matters. However, our future results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period the assessments are revised or resolved.

Deferred income taxes are not provided on certain undistributed earnings of foreign subsidiaries that are expected to be permanently reinvested in those companies, aggregating approximately $517 million at December 31, 2011 and $495 million at December 31, 2010. If these amounts were distributed to the U.S., in the form of a dividend or otherwise, the Company would be subject to additional U.S. income taxes. Determination of the amount of unrecognized deferred income tax liabilities on these earnings is not practicable.

Stock–Based Compensation

Stock-based compensation cost is estimated at the grant date based on the fair value of the award, and the cost is recognized as expense ratably over the vesting period. Determining the appropriate fair value model to use requires judgment. Determining the assumptions that enter into the model is highly subjective and also requires judgment, including long-term projections regarding stock price volatility, employee exercise, post-vesting termination, and pre-vesting forfeiture behaviors, interest rates and dividend yields. The grant date fair value of each award is estimated using the Black-Scholes option-pricing model.

We have utilized historical volatility for a pool of peer companies for a period of time that is comparable to the expected life of the option to determine volatility assumptions. The weighted average expected option term reflects the application of the simplified method, which defines the life as the average of the contractual term of the options and the weighted average vesting period for all option tranches. The risk-free interest rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant. Forfeitures are estimated at the time of grant in order to calculate the amount of share-based payment awards ultimately expected to vest. The forfeiture rate is based on historical rates.

The use of different assumptions would result in different amounts of stock compensation expense. Holding all other variables constant, the indicated change in each of the assumptions below increases or decreases the fair value of an option (and hence, expense), as follows:

Assumption	Change to Assumption	Impact on Fair Value of Option
Expected volatility	Higher	Higher
Expected life	Higher	Higher
Risk-free interest rate	Higher	Higher
Dividend yield	Higher	Lower

The pre-vesting forfeitures assumption is ultimately adjusted to the actual forfeiture rate. Therefore, changes in the forfeitures assumption would not impact the total amount of expense ultimately recognized over the vesting period. Different forfeitures assumptions would only impact the timing of expense recognition over the vesting period. Estimated forfeitures will be reassessed in subsequent periods and may change based on new facts and circumstances.

Management is not able to estimate the probability of actual results differing from expected results, but believes our assumptions are appropriate, based upon our historical and expected future experience.

Recent Accounting Pronouncements

In June 2011 the Financial Accounting Standards Board ("FASB") issued an update, Accounting Standards Update ("ASU") No. 2011-5, to existing standards on comprehensive income (Accounting Standards Codification ("ASC") Topic 220). ASU No. 2011-5 was issued to improve the comparability, consistency, and transparency of financial reporting and to increase the prominence of items reported in other comprehensive income. ASU No. 2011-5 is effective for annual and interim periods beginning after December 15, 2011, and early adoption is permitted. In December 2011 the FASB issued an update to ASU No. 2011-5, ASU No. 2011-12, which was issued to defer the effective date for amendments to the reclassifications of items out of accumulated other comprehensive income in ASU No. 2011-05. The Company has adopted these new standards as of December 2011. The Company has provided the required disclosure in its Consolidated Statements of Comprehensive Income (Loss).

In September 2011, the FASB issued an update, ASU No. 2011-08, to existing standards on intangibles – goodwill and other ASC Topic 350. ASU No. 2011-08 was issued to simplify the testing of goodwill for impairment by allowing an optional qualitative factors test to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test already included in ASC Topic 350. ASU No. 2011-08 is effective for annual and interim goodwill tests performed for fiscal years after December 15, 2011. The Company will adopt the standard in 2012, and it will not have a significant impact on its consolidated financial statements or results of operations.

In December 2011 the FASB issued an update, ASU No. 2011-11 to existing standards regarding the disclosures involving the offsetting of assets and liabilities relating to financial instruments. ASU No. 2011-11 was issued to improve disclosures regarding offsetting and related arrangements to enable users of financial statements to understand the effect of those arrangements on its financial position. ASU No. 2011-011 is effective for annual and interim periods beginning on or after January 1, 2013. The Company is currently assessing the impact on its current disclosures.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

The office products industry is concentrated in a small number of major customers, principally office products superstores, large retailers, wholesalers and contract stationers. Customer consolidation and share growth of private-label products continue to increase pricing pressures, which may adversely affect margins for the Company and its competitors. The Company is addressing these challenges through design innovations, value-added features and services, as well as continued cost and asset reduction.

The Company is exposed to various market risks, including changes in foreign currency exchange rates and interest rate changes. The Company enters into financial instruments to manage and reduce the impact of these risks, not for trading or speculative purposes. The counterparties to these financial instruments are major financial institutions.

Foreign Exchange Risk Management

The Company enters into forward foreign currency and option contracts principally to hedge currency fluctuations in transactions (primarily anticipated inventory purchases and intercompany loans) denominated in foreign currencies, thereby limiting the risk that would otherwise result from changes in exchange rates. The majority of the Company's exposure to local currency movements is in Europe, Australia, Japan and Canada. All of the existing foreign exchange contracts as of December 31, 2011 have maturity dates in 2012. Increases and decreases in the fair market values of the forward agreements are expected to be offset by gains/losses in recognized net underlying foreign currency transactions or loans. Notional amounts of outstanding foreign currency forward exchange contracts were $147.5 million and $185.6 million at December 31, 2011 and 2010, respectively. The net fair value of these foreign currency contracts was $2.5 million and $(1.8) million at December 31, 2011 and 2010, respectively. At December 31, 2011, a 10% unfavorable exchange rate movement in our portfolio of foreign currency forward contracts would have reduced our unrealized gains by $14.5 million. Consistent with the use of these contracts to neutralize the effect of exchange rate fluctuations, such unrealized losses or gains would be offset by corresponding gains or losses, respectively, in the remeasurement of the underlying transactions being hedged. When taken together, the Company believes these forward contracts and the offsetting underlying commitments do not create material market risk.

For more information related to outstanding foreign currency forward exchange contracts see Note 13, *Fair Value of Financial Instruments* and Note 12, *Derivative Financial Instruments*, to our consolidated financial statements contained in Item 8 of this report.

Interest Rate Risk Management

Our Senior Secured Notes and Senior Subordinated Notes have fixed interest rates and, accordingly, are not exposed to market risk resulting from changes in interest rates. However, the fair market value of our long-term fixed interest rate debt is subject to interest rate risk. Generally, the fair market value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. In addition, fair market values will also reflect the credit markets' view of credit risk spreads. These interest rate changes may affect the fair market value of the fixed interest rate debt and any repurchases of these notes, but do not impact our earnings or cash flows.

Interest rates under the ABL Facility are based on the London Interbank Offered Rate (LIBOR). Pricing is subject to quarterly adjustment based on the average availability under the ABL Facility during the prior quarter. The range of borrowing costs under the pricing grid is LIBOR plus 3.75% to LIBOR plus 4.25% with a LIBOR rate floor of 1.50%. The Company is required to pay a quarterly commitment fee on the unused portion of the ABL facility ranging from 0.5% to 1.0%. There were no borrowings outstanding under the Company's ABL Facility as of December 31, 2011.

The following table summarizes information about the Company's major fixed rate debt components as of December 31, 2011, including the principal cash payments (excluding the original issue discount on the Senior Secured Notes) and interest rates.

Debt Obligations

	Stated Maturity Date							Fair
	2012	2013	2014	2015	2016	Thereafter	Total	Value
(in millions)								
Long term debt:								
Fixed rate (U.S. dollars) Senior Secured Notes (U.S. dollars)	$ —	$ —	$ —	$ 425.1	$ —	$ —	$ 425.1	$ 472.9
Average fixed interest rate	10.63%	10.63%	10.63%	10.63%	10.63%	—	10.63%	
Senior Subordinated Notes (U.S. dollars)	$ —	$ —	$ —	$ 246.3	$ —	$ —	$ 246.3	$ 252.5
Average fixed interest rate	7.63%	7.63%	7.63%	7.63%	7.63%	—	7.63%	

ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of ACCO Brands Corporation:

We have audited the accompanying consolidated balance sheets of ACCO Brands Corporation and subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2011. In connection with our audits of the consolidated financial statements, we also audited the related consolidated financial statement schedule, Schedule II – Valuation and Qualifying Accounts and Reserves. We also have audited ACCO Brands Corporation's internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). ACCO Brands Corporation's management is responsible for these consolidated financial statements and financial statement schedule, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management report on internal control over financial reporting. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements and financial statement schedule referred to above present fairly, in all material respects, the financial position of ACCO Brands Corporation and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles. Also in our opinion, ACCO Brands Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ KPMG LLP

Chicago, Illinois
February 23, 2012

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of ACCO Brands Corporation and its subsidiaries is responsible for establishing and maintaining adequate internal controls over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed and effected by the Company's board of directors, management and other personnel to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required by Section 404 of the Sarbanes-Oxley Act of 2002, management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2011. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework.

Based on our assessment, management concluded that the Company maintained effective internal control over financial reporting as of December 31, 2011.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2011 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report that appears herein.

/s/ ROBERT J. KELLER	/s/ NEAL V. FENWICK
Robert J. Keller Chairman of the Board and Chief Executive Officer (principal executive officer) February 23, 2012	Neal V. Fenwick Executive Vice President and Chief Financial Officer (principal financial officer) February 23, 2012

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ACCO Brands Corporation and Subsidiaries

Consolidated Balance Sheets

(in millions of dollars, except share data)	December 31, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	$ 121.2	$ 83.2
Accounts receivable less allowances for discounts, doubtful accounts and returns of $13.9 and $15.6, respectively	269.5	274.8
Inventories	197.7	205.9
Deferred income taxes	7.6	9.1
Other current assets	26.9	24.0
Assets of discontinued operations	—	23.7
Total current assets	622.9	620.7
Total property, plant and equipment	463.3	474.1
Less accumulated depreciation	(316.1)	(310.9)
Property, plant and equipment, net	147.2	163.2
Deferred income taxes	16.7	10.6
Goodwill	135.0	136.9
Identifiable intangibles, net of accumulated amortization of $102.3 and $96.4, respectively	130.4	137.0
Other non-current assets	64.5	71.8
Assets of discontinued operation	—	9.4
Total assets	$ 1,116.7	$ 1,149.6
Liabilities and Stockholders' Deficit		
Current liabilities:		
Current portion of long-term debt	$ 0.2	$ 0.2
Accounts payable	127.1	110.3
Accrued compensation	24.2	23.9
Accrued customer program liabilities	66.8	72.8
Accrued interest	20.2	22.0
Other current liabilities	66.5	84.1
Liabilities of discontinued operations	1.1	14.6
Total current liabilities	306.1	327.9
Long-term debt	668.8	727.4
Deferred income taxes	85.6	81.2
Pension and post retirement benefit obligations	106.1	74.9
Other non-current liabilities	12.0	12.7
Liabilities of discontinued operations	—	5.3
Total liabilities	1,178.6	1,229.4
Stockholders' deficit:		
Preferred stock, $0.01 par value, 25,000,000 shares authorized; none issued and outstanding	—	—
Common stock, $0.01 par value, 200,000,000 shares authorized; 55,659,753 and 55,080,463 shares issued and 55,475,735 and 54,922,783 outstanding, respectively	0.6	0.6
Treasury stock, 184,018 and 157,680 shares, respectively	(1.7)	(1.5)
Paid-in capital	1,407.4	1,401.1
Accumulated other comprehensive loss	(131.0)	(86.1)
Accumulated deficit	(1,337.2)	(1,393.9)
Total stockholders' deficit	(61.9)	(79.8)
Total liabilities and stockholders' deficit	$ 1,116.7	$ 1,149.6

See notes to consolidated financial statements.

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ACCO Brands Corporation and Subsidiaries

Consolidated Statements of Operations

(in millions of dollars, except per share data)	Year Ended December 31, 2011	2010	2009
Net sales	$ 1,318.4	$ 1,284.6	$ 1,233.3
Cost of products sold	903.7	887.5	868.7
Gross profit	414.7	397.1	364.6
Operating costs and expenses:			
Advertising, selling, general and administrative expenses	293.9	281.2	263.0
Amortization of intangibles	6.3	6.7	7.1
Restructuring (income) charges	(0.7)	(0.5)	17.4
Intangible asset impairment charges	—	—	1.7
Total operating costs and expenses	299.5	287.4	289.2
Operating income	115.2	109.7	75.4
Non-operating expense:			
Interest expense, net	77.2	78.3	67.0
Equity in earnings of joint ventures	(8.5)	(8.3)	(4.4)
Other expense, net	3.6	1.2	5.4
Income from continuing operations before income taxes	42.9	38.5	7.4
Income tax expense	24.3	30.7	126.0
Income (loss) from continuing operations	18.6	7.8	(118.6)
Income (loss) from discontinued operations, net of income taxes	38.1	4.6	(7.5)
Net income (loss)	$ 56.7	$ 12.4	$ (126.1)
Per share:			
Basic earnings (loss) per share:			
Income (loss) from continuing operations	$ 0.34	$ 0.14	$ (2.18)
Income (loss) from discontinued operations	0.69	0.08	(0.14)
Basic earnings (loss) per share	$ 1.03	$ 0.23	$ (2.32)
Diluted earnings (loss) per share:			
Income (loss) from continuing operations	$ 0.32	$ 0.14	$ (2.18)
Income (loss) from discontinued operations	0.66	0.08	(0.14)
Diluted earnings (loss) per share	$ 0.98	$ 0.22	$ (2.32)
Weighted average number of shares outstanding:			
Basic	55.2	54.8	54.5
Diluted	57.6	57.2	54.5

See notes to consolidated financial statements.

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ACCO Brands Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income (Loss)

(in millions of dollars)	Year Ended December 31, 2011	2010	2009
Net income (loss)	$ 56.7	$ 12.4	$ (126.1)
Other comprehensive income (loss), before tax:			
Unrealized gains (losses) on derivative financial instruments:			
Losses arising during the period	(0.3)	(3.1)	(4.4)
Less: reclassification adjustment for losses included in net income (loss)	4.9	1.8	0.3
Foreign currency translation:			
Foreign currency translation adjustments	(8.9)	11.0	26.7
Less: reclassification adjustment for sale of GBC-Fordigraph Pty Ltd included in net income (loss)	(6.1)	—	—
Pension and other postretirement plans:			
Actuarial gain (loss) arising during the period	(46.3)	4.4	(9.7)
Other	0.9	3.0	(5.5)
Less: amortization of actuarial loss and prior service cost included in net income (loss)	7.8	7.0	4.1
Other comprehensive income (loss), before tax	(48.0)	24.1	11.5
Income tax (expense) benefit related to items of other comprehensive income (loss)	3.1	(3.2)	(1.0)
Comprehensive income (loss)	$ 11.8	$ 33.3	$ (115.6)

See notes to consolidated financial statements.

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ACCO Brands Corporation and Subsidiaries

Consolidated Statements of Cash Flows

(in millions of dollars)	Year Ended December 31, 2011	2010	2009
Operating activities			
Net income (loss)	$ 56.7	$ 12.4	$ (126.1)
Deferred income tax provision	3.9	12.3	112.7
(Gain) loss on sale of assets	(40.4)	(1.5)	0.8
Depreciation	26.5	29.6	32.1
Intangible impairment charges and other non-cash charges	0.1	0.7	6.3
Amortization of debt issuance costs and bond discount	8.2	6.3	6.5
Amortization of intangibles	6.4	6.9	7.2
Stock based compensation	6.3	4.2	3.0
Loss on debt repurchase	2.9	—	4.0
Changes in balance sheet items:			
Accounts receivable	0.6	(18.5)	41.5
Inventories	5.4	(9.8)	78.7
Other assets	0.2	(5.1)	10.2
Accounts payable	16.8	14.8	(54.9)
Accrued expenses and other liabilities	(27.8)	(2.2)	(37.5)
Accrued taxes	(1.1)	7.7	(8.8)
Equity in earnings of joint ventures, net of dividends received	(2.9)	(2.9)	(4.2)
Net cash provided by operating activities	61.8	54.9	71.5
Investing activities			
Additions to property, plant and equipment	(13.5)	(12.6)	(10.3)
Assets acquired	(1.4)	(1.1)	(3.4)
Proceeds (payments) from sale of discontinued operations	53.5	(3.7)	9.2
Proceeds from the disposition of assets	1.4	2.5	0.6
Net cash provided (used) by investing activities	40.0	(14.9)	(3.9)
Financing activities			
Proceeds from long-term borrowings	0.1	1.5	469.3
Repayments of long-term debt	(63.0)	(0.2)	(397.9)
Borrowings (repayments) of short-term debt, net	—	(0.5)	(54.2)
Payment of Euro debt hedge	—	—	(40.8)
Cost of debt issuance	—	(0.8)	(20.6)
Exercise of stock options and other	(0.2)	(0.1)	(0.3)
Net cash used by financing activities	(63.1)	(0.1)	(44.5)
Effect of foreign exchange rate changes on cash	(0.7)	(0.3)	2.4
Net increase in cash and cash equivalents	38.0	39.6	25.5
Cash and cash equivalents			
Beginning of year	83.2	43.6	18.1
End of period	$ 121.2	$ 83.2	$ 43.6
Cash paid during the year for:			
Interest	$ 71.9	$ 70.6	$ 54.4
Income taxes	$ 27.7	$ 13.9	$ 19.7

See notes to consolidated financial statements.

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ACCO Brands Corporation and Subsidiaries

Consolidated Statements of Stockholders' Equity (Deficit)

(in millions of dollars)	Common Stock	Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Accumulated Deficit	Total
Balance at December 31, 2008	$ 0.6	$ 1,394.8	$ (117.5)	$ (1.1)	$ (1,280.2)	$ (3.4)
Net loss	—	—	—	—	(126.1)	(126.1)
Loss on derivative financial instruments, net of tax	—	—	(3.3)	—	—	(3.3)
Translation impact, net of tax	—	—	26.7	—	—	26.7
Pension and postretirement adjustment, net of tax	—	—	(12.9)	—	—	(12.9)
Stock-based compensation activity	—	3.0	—	(0.3)	—	2.7
Other	(0.1)	(0.8)	—	—	—	(0.9)
Balance at December 31, 2009	0.5	1,397.0	(107.0)	(1.4)	(1,406.3)	(117.2)
Net income	—	—	—	—	12.4	12.4
Loss on derivative financial instruments, net of tax	—	—	(0.5)	—	—	(0.5)
Translation impact, net of tax	—	—	11.0	—	—	11.0
Pension and postretirement adjustment, net of tax	—	—	10.4	—	—	10.4
Stock-based compensation activity	0.1	4.2	—	(0.1)	—	4.2
Other	—	(0.1)	—	—	—	(0.1)
Balance at December 31, 2010	0.6	1,401.1	(86.1)	(1.5)	(1,393.9)	(79.8)
Net income	—	—	—	—	56.7	56.7
Income on derivative financial instruments, net of tax	—	—	3.7	—	—	3.7
Translation impact, net of tax	—	—	(15.0)	—	—	(15.0)
Pension and postretirement adjustment, net of tax	—	—	(33.6)	—	—	(33.6)
Stock-based compensation activity	—	6.3	—	(0.2)	—	6.1
Balance at December 31, 2011	$ 0.6	$ 1,407.4	$ (131.0)	$ (1.7)	$ (1,337.2)	$ (61.9)

Shares of Capital Stock

	Common Stock	Treasury Stock	Net Shares
Shares at December 31, 2008	54,382,762	(47,256)	54,335,506
Stock issuances—stock based compensation	336,534	(99,849)	236,685
Shares at December 31, 2009	54,719,296	(147,105)	54,572,191
Stock issuances—stock based compensation	361,167	(10,575)	350,592
Shares at December 31, 2010	55,080,463	(157,680)	54,922,783
Stock issuances—stock based compensation	579,290	(26,338)	552,952
Shares at December 31, 2011	55,659,753	(184,018)	55,475,735

See notes to consolidated financial statements.

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements

1. Basis of Presentation

The management of ACCO Brands Corporation is responsible for the accuracy and internal consistency of the preparation of the consolidated financial statements and notes contained in this annual report.

The consolidated financial statements include the accounts of ACCO Brands Corporation and its domestic and international subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation. Our investments in companies that are between 20% and 50% owned are accounted for using the equity method of accounting. ACCO Brands has equity investments in the following joint ventures: Pelikan-Artline Pty Ltd ("Pelikan-Artline") — 50% ownership; and Neschen GBC Graphic Films, LCC ("Neschen") — 50% ownership. The Company's share of earnings from equity investments is included on the line entitled "Equity in earnings of joint ventures" in the consolidated statements of operations. Companies in which our investment exceeds 50% have been consolidated.

The Company's former GBC-Fordigraph Pty Ltd ("GBC-Fordigraph Business") and commercial print finishing businesses are reported in discontinued operations in the consolidated financial statements and related notes for all periods presented in the consolidated financial statements. For further information on the Company's discontinued operations see Note 18, *Discontinued Operations*.

On November 17, 2011, the Company announced the signing of a definitive agreement to merge MeadWestvaco Corporation's Consumer and Office Products business ("Mead C&OP Business") into the Company in a transaction that was valued at approximately $860 million at the time the transaction was announced. The Mead C&OP Business is a leading manufacturer and marketer of school supplies, office products, and planning and organizing tools – including the Mead®, Five Star®, Trapper Keeper®, AT-A-GLANCE®, Cambridge®, Day Runner®, Hilroy, Tilibra and Grafons brands in the U.S., Canada and Brazil. Upon completion of the transaction, MeadWestvaco shareholders will own 50.5% of the combined company. The transaction is subject to approval by the Company's shareholders and the satisfaction of customary closing conditions and regulatory approvals, including a ruling from the U.S. Internal Revenue Service on the tax-free nature of the transaction for MeadWestvaco. The transaction is expected to be completed in the first half of 2012. The Company will be the accounting acquirer in the merger and will apply purchase accounting to the assets and liabilities acquired upon consummation of the merger. In connection with this transaction, for the year ended December 31, 2011, the Company has incurred expenses of $5.6 million, which are reported in advertising, selling, general and administrative expenses.

2. Significant Accounting Policies

Nature of Business

ACCO Brands is primarily involved in the manufacturing, marketing and distribution of office products —including traditional and computer-related office products, supplies, binding and laminating equipment and related consumable supplies, personal computer accessory products, paper-based time management products and presentation aids and products— selling primarily to large resellers. The Company's subsidiaries operate principally in the U.S, Australia, the U.K. and Canada.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Cash and Cash Equivalents

Highly liquid investments with an original maturity of three months or less are included in cash and cash equivalents.

Allowances for Doubtful Accounts, Discounts and Returns

Trade receivables are recorded at the stated amount, less allowances for discounts, doubtful accounts and returns. The allowance for doubtful accounts represents estimated uncollectible receivables associated with potential customer defaults on contractual obligations, usually due to customers' potential insolvency. The allowances include amounts for certain customers where a risk of default has been specifically identified. In addition, the allowances includes a provision for customer defaults on a general formula basis when it is determined the risk of some default is probable and estimable, but cannot yet be associated with specific customers. The assessment of the likelihood of customer defaults is based on various factors, including the length of time the receivables are past due, historical experience and existing economic conditions.

The allowance for sales returns represents estimated uncollectible receivables associated with the potential return of products previously sold to customers, and is recorded at the time that the sales are recognized. The allowance includes a general provision for product returns based on historical trends. In addition, the allowance includes a reserve for currently authorized customer returns that are considered to be abnormal in comparison to the historical basis.

Inventories

Inventories are priced at the lower of cost (principally first-in, first-out with minor amounts at average) or market. A reserve is established to adjust the cost of inventory to its net realizable value. Inventory reserves are recorded for obsolete or slow-moving inventory based on assumptions about future demand and marketability of products, the impact of new product introductions and specific identification of items, such as product discontinuance or engineering/ material changes. These estimates could vary significantly, either favorably or unfavorably, from actual requirements if future economic conditions, customer inventory levels or competitive conditions differ from expectations.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Depreciation is provided, principally on a straight-line basis, over the estimated useful lives of the assets. Gains or losses resulting from dispositions are included in operating income. Betterments and renewals, that improve and extend the life of an asset are capitalized; maintenance and repair costs are expensed. Purchased computer software is capitalized and amortized over the software's useful life. The following table shows estimated useful lives of property, plant and equipment:

Buildings	40 to 50 years
Leasehold improvements	Lesser of lease term or the life of the asset
Machinery, equipment and furniture	3 to 10 years

Long-Lived Assets

We test long-lived assets for impairment whenever events or changes in circumstances indicate that the assets' carrying amount is not recoverable from its undiscounted cash flows. When such events occur, we compare the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the

asset or asset group to the carrying amount of a long-lived asset or asset group. The cash flows are based on our best estimate at the time of future cash flow, derived from the most recent business projections. If this comparison indicates that there is impairment, the amount of the impairment is typically calculated using discounted expected future cash flows. The discount rate applied to these cash flows is based on our weighted average cost of capital, computed by selecting market rates at the valuation dates for debt and equity that are reflective of the risks associated with an investment in the Company's industry as estimated by using comparable publicly traded companies.

Intangible Assets

Intangible assets are comprised primarily of indefinite-lived intangible assets acquired and purchased intangible assets arising from the application of purchase accounting. Indefinite-lived intangible assets are not amortized, but are evaluated annually to determine whether the indefinite useful life is appropriate. Indefinite-lived intangibles are tested for impairment on an annual basis and written down where impaired. Certain of the Company's trade names have been assigned an indefinite life as these trade names are currently anticipated to contribute cash flows to the Company indefinitely.

We review indefinite-lived intangibles for impairment annually, and whenever market or business events indicate there may be a potential impact on a particular intangible. We consider the implications of both external factors (e.g., market growth, pricing, competition, and technology) and internal factors (e.g., product costs, margins, support expenses, capital investment) and their potential impact on cash flows for each business in both the near and long term, as well as their impact on any identifiable intangible asset associated with the business. Based on recent business results, consideration of significant external and internal factors, and the resulting business projections, indefinite lived intangible assets are reviewed to determine whether they are likely to remain indefinite lived, or whether a finite life is more appropriate. Finite lived intangibles are amortized over 15, 23 or 30 years.

Goodwill

Goodwill has been recorded on the Company's balance sheet and represents the excess of the cost of the acquisitions when compared to the fair value of the net assets acquired. The Company tests goodwill for impairment at least annually, normally in the second quarter and on an interim basis if an event or circumstance indicates that it is more likely than not that an impairment loss has been incurred. Recoverability of goodwill is evaluated using a two-step process. In the first step, the fair value of a reporting unit is compared to its carrying value. If the fair value of a reporting unit exceeds the carrying value of the net assets assigned to a reporting unit, goodwill is considered not impaired and no further testing is required. If the carrying value of the net assets assigned to a reporting unit exceeds the fair value of a reporting unit, the second step of the impairment test is performed in order to determine the implied fair value of a reporting unit's goodwill. Determining the implied fair value of goodwill requires valuation of a reporting unit's tangible and intangible assets and liabilities in a manner similar to the allocation of purchase price in a business combination. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, goodwill is deemed impaired and is written down to the extent of the difference. Similar to the review for impairment of other long-lived assets, the resulting fair value determination is significantly impacted by estimates of future sales for the Company's products, capital needs, economic trends and other factors.

Employee Benefit Plans

The Company and its subsidiaries provide a range of benefits to their employees and retired employees, including pension, postretirement, post-employment and health care benefits. The Company records annual

amounts relating to these plans based on calculations, which include various actuarial assumptions, including discount rates, assumed rates of return on plan assets, compensation increases, turnover rates and health care cost trend rates. The Company reviews its actuarial assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is deemed appropriate to do so. The effect of the modifications are generally recorded and amortized over future periods.

Income Taxes

Deferred tax liabilities or assets are established for temporary differences between financial and tax reporting bases and are subsequently adjusted to reflect changes in tax rates expected to be in effect when the temporary differences reverse. A valuation allowance is recorded to reduce deferred tax assets to an amount that is more likely than not to be realized. Facts and circumstances may change that cause the Company to revise the conclusions on its ability to realize certain net operating losses and other deferred tax attributes.

The amount of income taxes that we pay is subject to ongoing audits by federal, state and foreign tax authorities. Our estimate of the potential outcome of any uncertain tax position is subject to management's assessment of relevant risks, facts and circumstances existing at that time. We believe that we have adequately provided for reasonably foreseeable outcomes related to these matters. However, our future results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period the assessments are revised or resolved.

Revenue Recognition

We recognize revenue from product sales when earned, net of applicable provisions for discounts, return and allowances. We consider revenue to be realized or realizable and earned when all of the following criteria are met: title and risk of loss have passed to the customer, persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable and collectability is reasonably assured. We also provide for our estimate of potential bad debt at the time of revenue recognition.

Cost of Products Sold

Cost of products sold includes all manufacturing, product sourcing and distribution costs, including depreciation related to assets used in the manufacturing and distribution process, inbound and outbound freight, shipping and handling costs, purchasing costs associated with materials and packaging used in the production processes.

Advertising, Selling, General and Administrative Expenses

Advertising, selling, general and administrative expenses include advertising, marketing, selling (including commissions), research and development, customer service, depreciation related to assets outside the manufacturing and distribution processes and all other general and administrative expenses outside the manufacturing and distribution functions (e.g., finance, human resources, information technology, etc.).

Customer Program Costs

Customer program costs include, but are not limited to, sales rebates which are generally tied to achievement of certain sales volume levels, in-store promotional allowances, shared media and customer catalog allowances and other cooperative advertising arrangements, and freight allowance programs. The Company

generally recognizes customer program costs as a deduction to gross sales at the time that the associated revenue is recognized. Certain customer incentives that do not directly relate to future revenues are expensed when initiated.

In addition, accrued customer program liabilities principally include, but are not limited to, sales volume rebates, promotional allowances, shared media and customer catalog allowances and other cooperative advertising arrangements, and freight allowances as discussed above.

Shipping and Handling

The Company reflects all amounts billed to customers for shipping and handling in net sales and the costs incurred from shipping and handling product (including costs to ship and move product from the seller's place of business to the buyer's place of business, as well as costs to store, move and prepare products for shipment) in cost of products sold.

Warranty Reserves

The Company offers its customers various warranty terms based on the type of product that is sold. Estimated future obligations related to products sold under these warranty terms are provided by charges to operations in the period in which the related revenue is recognized.

Advertising Costs

Advertising costs amounted to $98.1 million, $92.9 million and $92.7 million for the years ended December 31, 2011, 2010 and 2009, respectively. These costs include, but are not limited to, cooperative advertising and promotional allowances as described in "Customer Program Costs" above, and are principally expensed as incurred.

Research and Development

Research and development expenses, which amounted to $20.5 million, $24.0 million and $18.6 million for the years ended December 31, 2011, 2010 and 2009, respectively, are classified as general and administrative expenses and are charged to expense as incurred.

Stock-Based Compensation

Our primary types of share-based compensation consist of stock options, stock-settled appreciation rights, restricted stock unit awards, and performance stock unit awards. Stock-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognized as expense over the requisite service period. Where awards are made with non-substantive vesting periods (for example, where a portion of the award vests upon retirement eligibility), we estimate and recognize expense based on the period from the grant date to the date on which the employee is retirement eligible.

Foreign Currency Translation

Foreign currency balance sheet accounts are translated into U.S. dollars at the rates of exchange at the balance sheet date. Income and expenses are translated at the average rates of exchange in effect during the period. The related translation adjustments are made directly to a separate component of accumulated other

comprehensive income (loss) in stockholders' equity. Some transactions are made in currencies different from an entity's functional currency. Gains and losses on these foreign currency transactions are included in income as they occur.

Derivative Financial Instruments

The Company recognizes all derivatives as either assets or liabilities on the balance sheet and measures those instruments at fair value. If the derivative is designated as a fair value hedge and is effective, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings in the same period. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in other comprehensive income and are recognized in the income statement when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings.

Certain forecasted transactions, assets and liabilities are exposed to foreign currency risk. The Company continually monitors its foreign currency exposures in order to maximize the overall effectiveness of its foreign currency hedge positions. Principal currencies hedged include the U.S. dollar, Euro and Pound sterling.

Recent Accounting Pronouncements

In June 2011 the Financial Accounting Standards Board ("FASB") issued an update, Accounting Standards Update ("ASU") No. 2011-5, to existing standards on comprehensive income (Accounting Standards Codification ("ASC") Topic 220). ASU No. 2011-5 was issued to improve the comparability, consistency, and transparency of financial reporting and to increase the prominence of items reported in other comprehensive income. ASU No. 2011-5 is effective for annual and interim periods ending beginning after December 15, 2011, and early adoption is permitted. In December 2011 the FASB issued an update to ASU No. 2011-5, ASU No. 2011-12, which was issued to defer the effective date for amendments to the reclassifications of items out of accumulated other comprehensive income in ASU No. 2011-05. The Company has adopted these new standards as of December 2011. The Company has provided the required disclosure in its Consolidated Statements of Comprehensive Income.

In September 2011, the FASB issued an update, ASU No. 2011-08, to existing standards on intangibles – goodwill and other ASC Topic 350. ASU No. 2011-08 was issued to simplify the testing of goodwill for impairment by allowing an optional qualitative factors test to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test already included in ASC Topic 350. ASU No. 2011-08 is effective for annual and interim goodwill tests performed for fiscal years beginning after December 15, 2011. The Company will adopt the standard in 2012, and it will not have a significant impact on its consolidated financial statements or results of operations.

In December 2011 the FASB issued an update, ASU No. 2011-11 to existing standards regarding the disclosures involving the offsetting of assets and liabilities relating to financial instruments. ASU No. 2011-11 was issued to improve disclosures regarding offsetting and related arrangements to enable users of financial statements to understand the effect of those arrangements on its financial position. ASU No. 2011-011 is effective for annual and interim periods beginning on or after January 1, 2013. The Company is currently assessing the impact on its current disclosures.

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

3. Long-term Debt and Short-term Borrowings

Notes payable and long-term debt consisted of the following at December 31, 2011 and 2010:

(in millions of dollars)	2011	2010
Senior Secured Notes, due March 2015, net of discount(1) (fixed interest rate of 10.625%)	$ 420.9	$ 454.3
U.S. Dollar Senior Subordinated Notes, due August 2015 (fixed interest rate of 7.625%)	246.3	271.3
Other borrowings	1.8	2.0
Total debt	669.0	727.6
Less: current portion	(0.2)	(0.2)
Total long-term debt	$ 668.8	$ 727.4

(1) Represents unamortized original issue discount of $4.2 million and $5.7 million, as of December 31, 2011 and 2010, respectively, which is amortizable through March 15, 2015.

During 2011, the Company repurchased $34.9 million of its Senior Secured Notes and $25.0 million of its Senior Subordinated Notes. The Company paid a $3.0 million premium on the repurchase of the Company's Senior Secured Notes, which is included in other expense, net in the Consolidated Statements of Operations.

Senior Secured Notes

On September 30, 2009, the Company issued an aggregate principal amount of $460.0 million of Senior Secured Notes with semi-annual interest payments payable March 15 and September 15 of each year. The Senior Secured Notes were issued at 98.5% of par value, equating to an effective yield to maturity of approximately 11%. The proceeds from the sale of the Senior Secured Notes were $453.1 million, after deducting an original issue discount of $6.9 million. The Senior Secured Notes were offered and sold in a private placement to qualified institutional buyers in the U.S. pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act") and to non-U.S. persons outside the U.S under Regulation S under the Securities Act. In May, 2010 the Company completed an exchange offer for the Senior Secured Notes sold in the private placement for new Senior Secured Notes that have been registered under the Securities Act of 1933. The new notes have terms that are substantially identical to the old notes.

The indenture governing the Senior Secured Notes does not contain financial performance covenants. However, that indenture does contain covenants limiting, among other things, the ability to incur additional debt, create liens, pay dividends on capital stock or repurchase capital stock or indebtedness, make certain investments, enter into certain types of transactions with affiliates, restrict or limit dividend or other payments by our restricted subsidiaries to the Company or other restricted subsidiaries, use assets as security in other transactions, sell certain assets or enter into consolidations with or into other companies.

Guarantees and Security

The Senior Secured Notes are unconditionally guaranteed, jointly and severally, on a senior secured basis by all of our existing and future domestic subsidiaries, with certain exceptions. The Senior Secured Notes and the related guarantees will rank equally in right of payment with all existing and future senior debt and will rank senior in right of payment to all existing and future subordinated debt.

The Senior Secured Notes and the guarantees are secured on a first-priority basis by a lien on substantially all of the Company's and the guarantors' present and future assets (other than accounts receivable, inventory,

deposit accounts and certain other assets) and up to 65% of the present and future equity interests of certain of the Company's and the guarantors directly owned foreign subsidiaries, in each case subject to certain exceptions and customary permitted liens. The Senior Secured Notes and the guarantees also are secured on a second-priority basis by a lien on the assets that secure the Company's and the guarantors' obligations under the ABL Facility, including accounts receivable, inventory, and other assets excluded as first-lien assets under the Senior Secured Notes.

Redemption Options

The Company may redeem the Senior Secured Notes, in whole or in part, at any time on or after (i) September 15, 2012, at a redemption price equal to 105.3% of the principal amount of the Senior Secured Notes redeemed, (ii) September 15, 2013, at a redemption price equal to 102.7% of the principal amount of the Senior Secured Notes redeemed, or (iii) September 15, 2014, at a redemption price equal to 100% of the principal amount of the Senior Secured Notes redeemed, in each case plus accrued and unpaid interest, including any additional interest. At any time on or before September 15, 2012, the Company may redeem up to 35% of the aggregate principal amount of the Senior Secured Notes with the net proceeds of qualified equity offerings at a redemption price of 110.6% plus accrued and unpaid interest, including any additional interest. At any time the Company may also repurchase the Senior Secured Notes through open market or privately negotiated repurchases.

Requirements to Offer to Repurchase

If the Company experiences certain change of control events, the Company must offer to repurchase the Senior Secured Notes at a repurchase price equal to 101% of the principal amount of the Senior Secured Notes repurchased plus accrued and unpaid interest to the repurchase date. If the Company or its subsidiaries sell assets under specified circumstances, the Company must offer to repurchase the Senior Secured Notes at a repurchase price equal to 100% of the principal amount of the Senior Secured Notes being repurchased, plus accrued and unpaid interest to the repurchase date.

Asset-Based Revolving Credit Facility (ABL Facility)

On September 30, 2009, the Company, and certain domestic and foreign subsidiaries (collectively, the "Borrowers") entered into a four-year senior secured asset-based revolving credit facility maturing in September 2013 with Deutsche Bank AG, as administrative agent, a co-collateral agent and a lender, and five other lenders, providing for revolving credit financing of up to $175.0 million, including a $40.0 million sub-limit for letters of credit and, subject to certain conditions, an optional $50.0 million additional credit capacity using an accordion feature. Amounts borrowed under the ABL Facility by the Company and its domestic subsidiaries are guaranteed by each of the Company's domestic subsidiaries that guarantee the Senior Secured Notes, and amounts borrowed under the ABL Facility by the Company's foreign subsidiaries are guaranteed by each of the Company, its domestic subsidiaries that guarantee the Senior Secured Notes and certain foreign subsidiaries.

The Borrowers' ability to borrow under the ABL Facility is limited to a borrowing base equal to 85% of eligible accounts receivable plus up to the lesser of (1) 65% of the lower of cost or fair market value of eligible inventory and (2) 85% of the net orderly liquidation value of eligible inventory, and is subject to other conditions, limitations and reserve requirements.

Interest rates under the ABL Facility are based on the London Interbank Offered Rate (LIBOR). Pricing is subject to quarterly adjustment based on the average availability under the ABL Facility during the prior quarter. The range of borrowing costs under the pricing grid is LIBOR plus 3.75% to LIBOR plus 4.25% with a LIBOR rate floor of 1.50%. The Company is required to pay a quarterly commitment fee on the unused portion of the ABL facility ranging from 0.5% to 1.0%.

Borrowings under the ABL Facility are secured on a first priority basis by all accounts receivable, inventory and cash of the Company and its subsidiaries organized in the U.S. and certain foreign subsidiaries, and on a second priority basis by property and equipment of the Company and its subsidiaries organized in the U.S. and the other assets that secure the Senior Secured Notes on a first priority basis.

The ABL Facility contains customary terms and conditions, including among other things, limitations on liens and indebtedness, asset sales, repurchase of Senior Subordinated Notes, and intercompany transactions. A springing fixed charge financial covenant would be triggered if the excess availability under the ABL Facility falls below $20.0 million or 15% of total commitments. The ABL Facility also contains bank account restrictions that apply in the event that the Company's excess availability fails to meet certain thresholds. As of December 31, 2011, the amount available for borrowings under the Company's ABL Facility was $165.5 million (allowing for $9.5 million of letters of credit outstanding on that date). There were no borrowings outstanding under the Company's ABL Facility as of December 31, 2011.

Senior Subordinated Notes

The indenture governing the Senior Subordinated Notes does not contain financial performance covenants. However, that indenture does contain covenants limiting, among other things, the Company's and its subsidiaries ability to, incur additional debt, pay dividends on capital stock or repurchase capital stock or indebtedness, make certain investments, enter into certain types of transactions with affiliates, make dividend or other payments by our restricted subsidiaries to ACCO Brands, use assets as security in other transactions, sell certain assets or enter into consolidations with or into other companies.

Compliance with Loan Covenants

As of and for the year ended December 31, 2011, the Company was in compliance with all applicable loan covenants.

The Company's ABL Facility would not be affected by a change in its credit rating.

4. Pension and Other Retiree Benefits

The Company has a number of pension plans, principally in the U.K. and the U.S. The plans provide for payment of retirement benefits, mainly commencing between the ages of 60 and 65, and also for payment of certain disability and severance benefits. After meeting certain qualifications, an employee acquires a vested right to future benefits. The benefits payable under the plans are generally determined on the basis of an employee's length of service and earnings. Cash contributions to the plans are made as necessary to ensure legal funding requirements are satisfied.

The Company provides postretirement health care and life insurance benefits to certain employees and retirees in the U.S. and certain employee groups outside of the U.S. These benefit plans have been frozen to new participants. Many employees and retirees outside of the U.S. are covered by government health care programs.

On January 20, 2009, the Company's Board of Directors approved plan amendments to temporarily freeze the Company's U.S. pension and non-qualified supplemental retirement plans effective March 7, 2009. No additional benefits will accrue under these plans after that date until further action by the Board of Directors. As a result, the Company recognized a curtailment gain of $1.0 million in operating income during 2009.

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

The following table sets forth the Company's defined benefit pension plans and other postretirement benefit plans funded status and the amounts recognized in the Company's consolidated balance sheets:

	Pension Benefits				Postretirement	
	U.S.		International			
(in millions of dollars)	2011	2010	2011	2010	2011	2010
Change in projected benefit obligation (PBO)						
Projected benefit obligation at beginning of year	$ 162.5	$ 154.4	$ 268.3	$ 271.1	$ 13.3	$ 13.4
Service cost	—	—	2.1	2.3	0.2	0.2
Interest cost	8.6	8.9	14.7	14.6	0.6	0.7
Actuarial loss	9.5	7.5	14.2	5.1	—	—
Participants' contributions	—	—	0.9	1.0	0.2	0.2
Benefits paid	(8.7)	(8.3)	(13.0)	(11.2)	(0.9)	(1.0)
Curtailment gain	—	—	(0.6)	—	—	—
Foreign exchange rate changes	—	—	(2.0)	(12.0)	—	(0.2)
Other items	—	—	—	(2.6)	—	—
Projected benefit obligation at end of year	171.9	162.5	284.6	268.3	13.4	13.3
Change in plan assets						
Fair value of plan assets at beginning of year	124.8	107.9	242.3	234.5	—	—
Actual return on plan assets	(3.2)	18.0	7.0	24.3	—	—
Employer contributions	6.2	7.2	6.6	6.5	0.7	0.8
Participants' contributions	—	—	0.9	1.0	0.2	0.2
Benefits paid	(8.7)	(8.3)	(13.0)	(11.2)	(0.9)	(1.0)
Foreign exchange rate changes	—	—	(1.1)	(10.2)	—	—
Other	—	—	—	(2.6)	—	—
Fair value of plan assets at end of year	119.1	124.8	242.7	242.3	—	—
Funded status (Fair value of plan assets less PBO)	$ (52.8)	$ (37.7)	$ (41.9)	$ (26.0)	$ (13.4)	$ (13.3)
Amounts recognized in the consolidated balance sheet consist of:						
Other current liabilities	$ 0.2	$ 0.2	$ 0.6	$ 0.6	$ 1.2	$ 1.3
Accrued benefit liability	52.6	37.5	41.3	25.4	12.2	12.0
Components of accumulated other comprehensive income, net of tax:						
Unrecognized prior service cost (benefit)	—	—	0.4	0.5	—	(0.1)
Unrecognized actuarial (gain) loss	56.1	36.9	62.2	48.4	(2.6)	(3.2)

All plans have projected benefit obligations in excess of plan assets.

Of the amounts included within accumulated other comprehensive income, the Company expects to recognize the following pre-tax amounts as components of net periodic benefit cost during 2012:

	Pension Benefits		
(in millions of dollars)	U.S.	International	Postretirement
Prior service cost	$ —	$ 0.2	$ —
Actuarial (gain) loss	6.2	5.4	(0.5)
	$ 6.2	$ 5.6	$ (0.5)

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

The accumulated benefit obligation for all defined benefit pension plans was $443.6 million and $428.8 million at December 31, 2011 and 2010, respectively.

The following table sets out information for pension plans with an accumulated benefit obligation in excess of plan assets:

	U.S.		International	
(in millions of dollars)	2011	2010	2011	2010
Projected benefit obligation	$ 171.9	$ 162.5	$ 272.8	$ 62.1
Accumulated benefit obligation	171.9	162.5	260.2	60.3
Fair value of plan assets	119.1	124.8	230.9	46.0

The following table sets out the components of net periodic benefit cost:

	Pension Benefits						Postretirement		
	U.S.			International					
(in millions of dollars)	2011	2010	2009	201 1	2010	2009	2011	2010	2009
Service cost	$ —	$ —	$ 1.3	$ 2.1	$ 2.3	$ 2.4	$ 0.2	$ 0.2	$ 0.1
Interest cost	8.6	8.9	9.1	14.7	14.6	13.7	0.6	0.7	0.8
Expected return on plan assets	(10.7)	(10.4)	(10.7)	(16.0)	(15.1)	(12.8)	—	—	—
Amortization of prior service cost	—	—	—	0.2	0.1	0.2	—	—	—
Amortization of net loss (gain)	4.3	3.0	1.2	3.9	4.8	3.4	(0.6)	(0.9)	(0.9)
Curtailment	—	—	(1.0)	(0.2)	—	(0.5)	—	—	—
Net periodic benefit cost	$ 2.2	$ 1.5	$ (0.1)	$ 4.7	$ 6.7	$ 6.4	$ 0.2	$ —	$ —

Other changes in plan assets and benefit obligations that were recognized in other comprehensive income during the years ended December 31, 2011, 2010 and 2009, respectively, were as follows:

	Pension Benefits						Postretirement		
	U.S.			International					
(in millions of dollars)	2011	2010	2009	2011	2010	2009	2011	2010	2009
Current year actuarial (gain)/loss	$ 23.5	$ (0.2)	$ (16.1)	$ 22.8	$ (4.2)	$ 26.1	$ —	$ —	$ (0.3)
Amortization of actuarial gain (loss)	(4.3)	(3.0)	(1.2)	(3.9)	(4.8)	(3.6)	0.6	0.9	1.0
Amortization of prior service cost	—	—	—	(0.2)	(0.1)	(0.3)	—	—	—
Curtailment gain	—	—	0.2	—	—	—	—	—	—
Exchange rate adjustment	—	—	—	(1.0)	(3.2)	5.8	—	0.1	(0.4)
Total recognized in other comprehensive income	$ 19.2	$ (3.2)	$ (17.1)	$ 17.7	$ (12.3)	$ 28.0	$ 0.6	$ 1.0	$ 0.3
Total recognized in net periodic benefit cost and other comprehensive income	$ 21.4	$ (1.7)	$ (17.2)	$ 22.4	$ (5.6)	$ 34.4	$ 0.8	$ 1.0	$ 0.3

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Assumptions

Weighted average assumptions used to determine benefit obligations for years ended December 31, 2011, 2010 and 2009 were:

	Pension Benefits						Postretirement		
	U.S.			International					
	2011	2010	2009	2011	2010	2009	2011	2010	2009
Discount rate	5.0%	5.5%	5.9%	4.7%	5.4%	5.8%	4.5%	5.0%	5.9%
Rate of compensation increase	N/A	N/A	N/A	3.6%	4.4%	4.5%	—	—	—

Weighted average assumptions used to determine net cost for years ended December 31, 2011, 2010 and 2009 were:

	Pension Benefits						Postretirement		
	U.S.			International					
	2011	2010	2009	2011	2010	2009	2011	2010	2009
Discount rate	5.5%	5.9%	6.5%	5.4%	5.8%	6.5%	5.0%	5.9%	6.5%
Expected long-term rate of return	8.2%	8.2%	8.2%	6.4%	6.8%	6.3%	—	—	—
Rate of compensation increase	N/A	N/A	4.0%	4.4%	4.5%	3.6%	—	—	—

Weighted average health care cost trend rates used to determine postretirement benefit obligations and net cost at December 31, 2011, 2010 and 2009 were:

	Postretirement Benefits		
	2011	2010	2009
Health care cost trend rate assumed for next year	7%	8%	7%
Rate that the cost trend rate is assumed to decline (the ultimate trend rate)	5%	5%	5%
Year that the rate reaches the ultimate trend rate	2020	2020	2020

Assumed health care cost trend rates may have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

(in millions of dollars)	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on total of service and interest cost	$ 0.2	$ (0.2)
Effect on postretirement benefit obligation	1.3	(1.1)

Plan Assets

The investment strategy for the Company is to optimize investment returns through a diversified portfolio of investments, taking into consideration underlying plan liabilities and asset volatility. Each plan has a different target asset allocation, which is reviewed periodically and is based on the underlying liability structure. The target asset allocation for our U.S. plan is 65% in equity securities, 20% in fixed income securities and 15% in alternate assets. The target asset allocation for non-U.S. plans is set by the local plan trustees.

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

The Company's pension plan weighted average asset allocations at December 31, 2011 and 2010 were as follows:

	2011		2010	
	U.S.	International	U.S.	International
Asset category				
Equity securities	63%	48%	68%	48%
Fixed income	32	42	32	42
Real estate	—	4	—	4
Other (1)	5	6	—	6
Total	100%	100%	100%	100%

(1) Insurance contracts, multi-strategy hedge funds and cash and cash equivalents for certain of our plans.

U.S. Pension Plan Assets

Fair value measurements of our U.S. pension plan assets by asset category at December 31, 2011 are as follows:

(in millions of dollars)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as of December 31, 2011
Common stocks	$ 6.9	$ —	$ —	$ 6.9
Mutual funds	68.3	—	—	68.3
Government debt securities	—	10.9	—	10.9
Corporate debt securities	—	8.0	—	8.0
Asset-backed securities	—	7.8	—	7.8
Multi-strategy hedge funds	—	5.4	—	5.4
Government mortgage-backed securities	—	4.0	—	4.0
Common collective trust funds, collateralized mortgage obligations, mortgage backed securities, and other fixed income securities	—	7.8	—	7.8
Total	$ 75.2	$ 43.9	$ —	$ 119.1

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Fair value measurements of our U.S. pension plan assets by asset category at December 31, 2010 are as follows:

(in millions of dollars)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as of December 31, 2010
Common stocks	$ 6.4	$ —	$ —	$ 6.4
Mutual funds	78.5	—	—	78.5
Common collective trust funds	—	11.5	—	11.5
Government debt securities	—	7.5	—	7.5
Corporate debt securities	—	7.4	—	7.4
Collateralized mortgage obligations	—	5.0	—	5.0
Asset-backed securities, mortgage backed securities, and other fixed income securities	—	8.5	—	8.5
Total	$ 84.9	$ 39.9	$ —	$ 124.8

Mutual funds and common stocks: The fair values of mutual fund and common stock fund investments are determined by obtaining quoted prices on nationally recognized securities exchanges (level 1 inputs).

Debt securities: Fixed income securities, such as corporate and government bonds, collateralized mortgage obligations, asset-backed securities, and other debt securities are valued using quotes from independent pricing vendors based on recent trading activity and other relevant information, including market interest rate curves, referenced credit spreads, and estimated prepayment rates, where applicable (level 2 inputs).

Multi-strategy hedge funds: The fair values of participation units held in multi-strategy hedge funds are based on their net asset values, as reported by the managers of the funds and are based on the daily closing prices of the underlying investments (level 2 inputs).

Common collective trusts: The fair values of participation units held in common collective trusts are based on their net asset values, as reported by the managers of the common collective trusts and as supported by the unit prices of actual purchase and sale transactions occurring as of or close to the financial statement date (level 2 inputs).

International Pension Plans Assets

Fair value measurements of our international pension plans assets by asset category at December 31, 2011 are as follows:

(in millions of dollars)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as of December 31, 2011
Cash and cash equivalents	$ 3.2	$ —	$ —	$ 3.2
Equity securities	116.6	—	—	116.6
Government debt securities	—	9.0	—	9.0
Corporate debt securities	—	82.6	—	82.6
Other debt securities	—	9.7	—	9.7
Real estate	—	10.0	—	10.0
Insurance contracts	—	9.7	—	9.7
Multi-strategy hedge funds	—	1.9	—	1.9
Total	$ 119.8	$ 122.9	$ —	$ 242.7

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Fair value measurements of our international pension plans assets by asset category at December 31, 2010 are as follows:

(in millions of dollars)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as of December 31, 2010
Cash and cash equivalents	$ 4.8	$ —	$ —	$ 4.8
Equity securities	116.8	—	—	116.8
Government debt securities	—	19.0	—	19.0
Corporate debt securities	—	74.5	—	74.5
Other debt securities	—	8.7	—	8.7
Real estate	—	9.7	—	9.7
Insurance contracts	—	8.8	—	8.8
Total	$ 121.6	$ 120.7	$ —	$ 242.3

Equity securities: The fair values of equity securities are determined by obtaining quoted prices on nationally recognized securities exchanges (level 1 inputs).

Debt securities: Fixed income securities, such as corporate and government bonds and other debt securities consisting of index linked securities. These debt securities are valued using quotes from independent pricing vendors based on recent trading activity and other relevant information, including market interest rate curves, referenced credit spreads, and estimated prepayment rates, where applicable (level 2 inputs).

Real estate: Real estate consists of managed real estate investment trust securities (level 2 inputs).

Insurance contracts: Valued at contributions made, plus earnings, less participant withdrawals and administrative expenses, which approximate fair value (level 2 inputs).

Multi-strategy hedge funds: The fair values of participation units held in multi-strategy hedge funds are based on their net asset values, as reported by the managers of the funds and are based on the daily closing prices of the underlying investments (level 2 inputs).

Cash Contributions

The Company expects to contribute $16.3 million to its pension plans in 2012.

The Company sponsors a number of defined contribution plans. Contributions are determined under various formulas. Costs related to such plans amounted to $6.6 million, $6.1 million and $3.6 million in 2011**,** 2010 and 2009, respectively. In January 2009, the Company's Board of Directors approved amendments to the Company's U.S. 401(k) plan to suspend employer matching contributions for all participants effective February 21, 2009. The Company reinstated its employer matching contributions for all 401(k) plan participants in October, 2009. This action resulted in pre-tax savings of approximately $3.2 million during 2009.

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

The following table presents estimated future benefit payments for the next ten fiscal years:

(in millions of dollars)	Pension Benefits	Postretirement Benefits
2012	$ 20.3	$ 1.2
2013	$ 20.9	$ 1.3
2014	$ 21.5	$ 1.2
2015	$ 22.1	$ 1.1
2016	$ 23.1	$ 1.1
Years 2017 — 2021	$ 127.9	$ 4.6

5. Stock-Based Compensation

The Company has two share-based compensation plans under which a total of 5,265,000 shares may be issued under awards to key employees and non-employee directors.

The following table summarizes the impact of all stock-based compensation on the Company's consolidated statements of operations for the years ended December 31, 2011, 2010 and 2009.

(in millions of dollars)	2011	2010	2009
Advertising, selling, general and administrative expense	$ 6.3	$ 4.2	$ 2.8
Restructuring charges	—	—	0.2
Operating income	$ 6.3	$ 4.2	$ 3.0

There was no capitalization of stock based compensation expense.

Stock-based compensation by award type (including stock options, stock-settled appreciation rights ("SSARs"), restricted stock units ("RSUs") and performance stock units ("PSUs")) for the years ended December 31, 2011, 2010 and 2009 are as follows:

(in millions of dollars)	2011	2010	2009
Stock option compensation expense	$ 0.6	$ 0.4	$ 0.8
SSAR compensation expense	0.2	0.2	0.2
RSU compensation expense	3.0	2.8	1.8
PSU compensation expense	2.5	0.8	0.2
Total stock-based compensation	$ 6.3	$ 4.2	$ 3.0

Stock Options and SSAR Awards

The exercise price of each stock option and SSAR equals or exceeds the market price of the Company's stock on the date of grant. Options/SSARs can generally be exercised over a maximum term of up to seven years. Stock options/SSARs outstanding as of December 31, 2011 generally vest ratably over three years. During 2009, the Company granted only SSAR awards. There were no SSAR or option awards issued during 2010. During 2011, the

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Notes to Consolidated Financial Statements (Continued)

Company granted only option awards. The fair value of each option/SSAR grant is estimated on the date of grant using the Black-Scholes option-pricing model using the weighted average assumptions as outlined in the following table:

	Year Ended December 31,	
	2011	2009
Weighted average expected lives	4.5 years	4.5 years
Weighted average risk-free interest rate	1.65%	2.1%
Weighted average expected volatility	50.7%	41.5%
Expected dividend yield	0.0%	0.0%
Weighted average grant date fair value	$ 3.85	$ 0.24

The Company has utilized historical volatility for a pool of peer companies for a period of time that is comparable to the expected life of the option/SSAR to determine volatility assumptions. The risk-free interest rate assumption is based upon the average daily closing rates during the quarter for U.S. treasury notes that have a life which approximates the expected life of the option/SSAR. The dividend yield assumption is based on the Company's expectation of dividend payouts. The expected life of employee stock options/SSARs represents the weighted-average period the stock options/SSARs are expected to remain outstanding. The weighted average expected lives reflect the application of the simplified method.

A summary of the changes in stock options/SSARs outstanding under the Company's stock compensation plans during the year ended December 31, 2011 is presented below:

	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2010	6,292,920	$ 11.56		
Granted	645,800	$ 8.90		
Exercised	(533,729)	$ 1.04		
Lapsed	(296,535)	$ 11.05		
Outstanding at December 31, 2011	6,108,456	$ 12.23	2.8 years	$ 16.2 million
Exercisable shares at December 31, 2011	4,686,445	$ 14.57	2.4 years	$ 8.9 million
Options/SSARs vested or expected to vest	5,988,270	$ 12.40	2.7 years	$ 15.5 million

The Company received cash of $0.1 million from the exercise of stock options for the year ended December 31, 2011 for which the aggregate intrinsic value of options exercised was $0.0 million. No stock options were exercised in 2010 and 2009. The aggregate intrinsic value of SSARs exercised during the years ended December 31, 2011, and 2010 totaled $3.0 million and $2.1 million, respectively. No SSARs were exercised in 2009. The fair value of options and SSARs vested during the years ended December 31, 2011, 2010 and 2009 was $0.6 million, $1.1 million and $1.7 million, respectively. As of December 31, 2011, the Company had unrecognized compensation expense related to stock options and SSARs of $1.9 million and $0.1 million, respectively. The unrecognized compensation expense related to stock options and SSARs will be recognized over a weighted-average period of 2.8 years and 0.6 years, respectively.

Stock Unit Awards

The ACCO Brands Corporation 2011 Amended and Restated Incentive Plan provides for stock based awards in the form of RSUs, PSUs, incentive and non-qualified stock options, and stock appreciation rights, any of which may be granted alone or with other types of awards and dividend equivalents. RSUs vest over a pre-determined period of time, generally three to four years from the date of grant. PSUs also vest over a

pre-determined period of time, minimally three years, but are further subject to the achievement of certain business performance criteria in future periods. Based upon the level of achieved performance, the number of shares actually awarded can vary from 0% to 150% of the original grant.

There were 1,242,672 RSUs outstanding at December 31, 2011. All outstanding RSUs as of December 31, 2011 vest within four years of the date of grant. Also outstanding at December 31, 2011 were 1,153,520 PSUs. All outstanding PSUs as of December 31, 2011 vest at the end of their respective performance periods subject to achievement of the performance targets associated with such awards. Upon vesting, all of the remaining PSU awards will be converted into the right to receive one share of common stock of the Company for each unit that vests. The cost of these awards is determined using the fair value of the shares on the date of grant, and compensation expense is recognized over the period during which the employees provide the requisite service to the Company. The Company generally recognizes compensation expense for its PSU awards ratably over the performance period based on management's judgment of the likelihood that performance measures will be attained. The Company generally recognizes compensation expense for its RSU awards ratably over the service period. A summary of the changes in the stock unit awards outstanding under the Company's equity compensation plans during 2011 is presented below:

	Stock Units	Weighted Average Grant Date Fair Value
Unvested at December 31, 2010	1,136,158	$ 14.41
Granted	1,624,316	$ 8.73
Vested	(131,329)	$ 18.73
Forfeited and cancelled	(237,785)	$ 8.15
Unvested at December 31, 2011	2,391,360	$ 8.80

The weighted-average grant date fair value of our stock unit awards was $8.73, $7.06, and $7.58 for the years ended December 31, 2011, 2010, and 2009, respectively. The fair value of stock unit awards that vested during the years ended December 31, 2011, 2010 and 2009 was $2.5 million, $1.3 million and $4.5 million, respectively. As of December 31, 2011, the Company had unrecognized compensation expense related to RSUs and PSUs of $4.9 million and $5.4 million, respectively. The unrecognized compensation expense related to RSUs and PSUs will be recognized over a weighted-average period of 3.0 years and 1.7 years, respectively. The Company will satisfy the requirement for delivering the common shares for stock-based plans by issuing new shares.

6. Inventories

Inventories are stated at the lower of cost or market value. The components of inventories were as follows:

	December 31,	
(in millions of dollars)	2011	2010
Raw materials	$ 23.9	$ 28.3
Work in process	3.6	4.5
Finished goods	170.2	173.1
Total inventories	$ 197.7	$ 205.9

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Notes to Consolidated Financial Statements (Continued)

7. Property, Plant and Equipment

Property, plant and equipment, net consisted of:

(in millions of dollars)	December 31, 2011	December 31, 2010
Land and improvements	$ 13.6	$ 13.7
Buildings and improvements to leaseholds	115.5	116.6
Machinery and equipment	321.7	333.1
Construction in progress	12.5	10.7
	463.3	474.1
Less: accumulated depreciation	(316.1)	(310.9)
Net property, plant and equipment (1)	$ 147.2	$ 163.2

(1) Net property, plant and equipment as of December 31, 2011 and 2010 contained $17.0 million and $25.6 million of computer software assets, which are classified within machinery and equipment. Amortization of software costs was $9.5 million, $10.1 million and $9.7 million for the years ended December 31, 2011, 2010 and 2009, respectively.

8. Goodwill and Identifiable Intangible Assets

Goodwill

Changes in the net carrying amount of goodwill by segment were as follows:

(in millions of dollars)	ACCO Brands Americas	ACCO Brands International	Computer Products Group	Total
Balance at December 31, 2009	$ 89.0	$ 40.8	$ 6.8	$ 136.6
Translation	1.2	(0.9)	—	0.3
Balance at December 31, 2010	90.2	39.9	6.8	136.9
Translation	(1.6)	(0.3)	—	(1.9)
Balance at December 31, 2011	$ 88.6	$ 39.6	$ 6.8	$ 135.0
Goodwill	$ 219.5	$ 123.8	$ 6.8	$ 350.1
Accumulated impairment losses	(130.9)	(84.2)	—	(215.1)
Balance at December 31, 2011	$ 88.6	$ 39.6	$ 6.8	$ 135.0

The authoritative guidance on goodwill and other intangible assets requires that goodwill be tested for impairment at a reporting unit level. The Company has determined that its reporting units are its ACCO Brands Americas, ACCO Brands International and Computer Products Group segments based on its organizational structure and the financial information that is provided to and reviewed by management. The Company tests goodwill for impairment annually and whenever events or circumstances make it more likely than not that an impairment may have occurred. Goodwill is tested for impairment using a two-step process. In the first step, the fair value of a reporting unit is compared to its carrying value. If the fair value of a reporting unit exceeds the carrying value of the net assets assigned to a reporting unit, goodwill is considered not impaired and no further testing is required. If the carrying value of the net assets assigned to a reporting unit exceeds the fair value of a

reporting unit, the second step of the impairment test is performed in order to determine the implied fair value of a reporting unit's goodwill. Determining the implied fair value of goodwill requires valuation of a reporting unit's tangible and intangible assets and liabilities in a manner similar to the allocation of purchase price in a business combination. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, goodwill is deemed impaired and is written down to the extent of the difference. Based upon our most recent annual impairment test completed during 2011, the fair value of goodwill of each of our reporting units was substantially in excess of its related carrying value.

Given the current economic environment and the uncertainties regarding the impact on our business, there can be no assurance that our estimates and assumptions made for purposes of our impairment testing in 2011 will prove to be accurate predictions of the future. If our assumptions regarding forecasted revenue or margin growth rates are not achieved, we may be required to record additional impairment charges in future periods, whether in connection with our next annual impairment testing in the second quarter of 2012 or prior to that, if any such change constitutes a triggering event outside of the quarter from when the annual impairment test is performed. It is not possible at this time to determine if any such future impairment charge would result or, if it does, whether such charge would be material.

Identifiable Intangibles

The gross carrying value and accumulated amortization by class of identifiable intangible assets as of December 31, 2011 and December 31, 2010 are as follows:

	As of December 31, 2011			As of December 31, 2010		
(in millions of dollars)	Gross Carrying Amounts	Accumulated Amortization	Net Book Value	Gross Carrying Amounts	Accumulated Amortization	Net Book Value
Indefinite-lived intangible assets:						
Trade names	$ 138.2	$ (44.5)(1)	$ 93.7	$ 138.5	$ (44.5)(1)	$ 94.0
Amortizable intangible assets:						
Trade names	58.0	(27.8)	30.2	58.2	(25.3)	32.9
Customer and contractual relationships	26.1	(21.5)	4.6	26.3	(19.5)	6.8
Patents/proprietary technology	10.4	(8.5)	1.9	10.4	(7.1)	3.3
Subtotal	94.5	(57.8)	36.7	94.9	(51.9)	43.0
Total identifiable intangibles	$ 232.7	$ (102.3)	$ 130.4	$ 233.4	$ (96.4)	$ 137.0

(1) Accumulated amortization prior to the adoption of authoritative guidance on goodwill and other intangible assets, at which time future amortization ceased.

The Company's intangible amortization was $6.3 million, $6.7 million and $7.1 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Estimated amortization expense for amortizable intangible assets for the next five years is as follows:

(in millions of dollars)	2012	2013	2014	2015	2016
Estimated amortization expense	$ 5.0	$ 3.9	$ 3.4	$ 3.1	$ 2.8

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Notes to Consolidated Financial Statements (Continued)

2009

As of the end of the second quarter of 2009, in connection with its annual goodwill impairment test, the Company tested its other indefinite-lived intangibles, consisting of its indefinite-lived trade names. The Company estimated the fair value of its trade names by performing discounted cash flow analyses based on the relief-from-royalty approach. This approach treats the trade name as if it were licensed by the Company rather than owned, and calculates its value based on the discounted cash flow of the projected license payments. A key assumption in our fair value estimate is the discount rate utilized. We selected a discount rate of 17.0 percent. The analysis resulted in an impairment charge of $1.7 million, of which $0.9 million was recorded in the ACCO Brands Americas segment and $0.8 million was recorded in the ACCO Brands International segment.

As discussed further in Note 10, *Income Taxes*, during 2009, the Company recorded a $108.1 million non-cash charge to establish a valuation allowance on the Company's U.S. deferred tax assets. In connection with this non-cash charge, the Company reviewed certain of its long-lived tangible and amortizable intangible assets and determined that the forecasted undiscounted cash flows related to these asset groups were in excess of their carrying values and, therefore, these assets were not impaired.

9. Restructuring and Other Charges

Restructuring

The Company had initiated significant restructuring actions associated with the merger of ACCO Brands Corporation and General Binding Corporation that resulted in the closure or consolidation of facilities that were engaged in manufacturing and distributing the Company's products, primarily in North America and Europe, or which resulted in a reduction in overall employee headcount. The Company's restructuring actions are now complete and no new initiatives were expensed in the years ended December 31, 2011 or 2010. During the year ended December 31, 2009, the Company recorded pre-tax restructuring and asset impairment charges of $17.4 million. Employee termination costs and termination of lease agreements include the release of reserves no longer required.

A summary of the activity in the restructuring accounts and a reconciliation of the liability for, and as of, the year ended December 31, 2011 is as follows:

(in millions of dollars)	Balance at December 31, 2010	Provision (Income)	Cash Expenditures	Non-cash Items/ Currency Change	Balance at December 31, 2011
Rationalization of operations					
Employee termination costs	$ 2.2	$ (0.6)	$ (1.4)	$ 0.1	$ 0.3
Termination of lease agreements	3.0	(0.5)	(1.9)	0.1	0.7
Sub-total	5.2	(1.1)	(3.3)	0.2	1.0
Asset impairments/net loss on disposal of assets resulting from restructuring activities	—	0.4	(0.1)	(0.1)	0.2
Total restructuring liability	$ 5.2	$ (0.7)	$ (3.4)	$ 0.1	$ 1.2

Management expects the $0.3 million employee termination costs balance to be substantially paid within the next six months. Cash payments associated with lease termination costs of $0.7 million are expected to continue until the last lease terminates in 2013.

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Notes to Consolidated Financial Statements (Continued)

A summary of the activity in the restructuring accounts and a reconciliation of the liability for, and as of, the year ended December 31, 2010 is as follows:

(in millions of dollars)	Balance at December 31, 2009	Provision (Income)	Cash Expenditures	Non-cash Items/ Currency Change	Balance at December 31, 2010
Rationalization of operations					
Employee termination costs	$ 8.0	$ (1.5)	$ (3.9)	$ (0.4)	$ 2.2
Termination of lease agreements	4.4	0.2	(1.5)	(0.1)	3.0
Sub-total	12.4	(1.3)	(5.4)	(0.5)	5.2
Asset impairments/net loss on disposal of assets resulting from restructuring activities	—	0.8	—	(0.8)	—
Total restructuring liability	$ 12.4	$ (0.5)	$ (5.4)	$ (1.3)	$ 5.2

A summary of the activity in the restructuring accounts and a reconciliation of the liability for, and as of, the year ended December 31, 2009 is as follows:

(in millions of dollars)	Balance at December 31, 2008	Provision	Cash Expenditures	Non-cash Items/ Currency Change	Balance at December 31, 2009
Rationalization of operations					
Employee termination costs	$ 21.8	$ 11.9	$ (26.4)	$ 0.7	$ 8.0
Termination of lease agreements	3.1	3.3	(2.3)	0.3	4.4
Other [1]	—	0.3	(0.1)	(0.2)	—
Sub-total	24.9	15.5	(28.8)	0.8	12.4
Asset impairments/net loss on disposal of assets resulting from restructuring activities	—	1.9	—	(1.9)	—
Total restructuring liability	$ 24.9	$ 17.4	$ (28.8)	$ (1.1)	$ 12.4

(1) Includes $0.2 million of stock-based compensation expense related to terminated employees.

In addition to the restructuring described above, in the first quarter of 2011 the Company initiated plans to rationalize its European operations. The associated costs primarily relate to employee terminations, which were accounted for as regular business expenses and were largely offset by associated savings realized during the remainder of the 2011 year. These costs totaled $4.5 million during the year ended December 31, 2011 and are included within advertising, selling, general and administrative expenses in the Consolidated Statements of Operations.

A summary of the activity in the rationalization charges and a reconciliation of the liability for, and as of, the year ended December 31, 2011 is as follows:

(in millions of dollars)	Balance at December 31, 2010	Provision	Cash Expenditures	Non-cash Items/ Currency Change	Balance at December 31, 2011
Employee termination costs/liability	$ —	$ 4.5	$ (4.2)	$ 0.1	$ 0.4

Management expects the $0.4 million of employee termination costs to be substantially paid within the next three months.

Other Charges

In addition to the recognition of restructuring costs, the Company also recognized other charges, incremental to the cost of its underlying restructuring actions that do not qualify as restructuring. These charges include redundant warehousing or storage costs during the transition to a new distribution center, equipment and other asset move costs, facility overhead and maintenance costs after exit, gains on the sale of exited facilities, certain costs associated with the Company's debt refinancing and employee retention incentives. The Company did not incur any other charges, as described above, during the years ended December 31, 2011 or 2010. Within cost of products sold on the Consolidated Statements of Operations for the year ended December 31, 2009, these charges totaled $3.4 million. Within advertising, selling, general and administrative expenses on the Consolidated Statements of Operations for the year ended December 31, 2009, these charges totaled $1.2 million.

10. Income Taxes

The components of income (loss) before income taxes from continuing operations are as follows:

(in millions of dollars)	2011	2010	2009
Domestic operations	$ (48.6)	$ (38.5)	$ (38.6)
Foreign operations	91.5	77.0	46.0
Total	$ 42.9	$ 38.5	$ 7.4

The reconciliation of income taxes computed at the U.S. federal statutory income tax rate to the Company's effective income tax rate for continuing operations is as follows:

(in millions of dollars)	2011	2010	2009
Income tax at US statutory rate	$ 15.0	$ 13.5	$ 2.5
State, local and other tax net of federal benefit	(1.3)	(0.8)	(1.0)
U.S. effect of foreign dividends and earnings	11.6	4.9	23.6
Unrealized foreign currency gain on intercompany debt	0.9	8.6	1.0
Foreign income taxed at a lower effective rate	(7.7)	(6.7)	(5.5)
Increase in valuation allowance	5.4	15.7	109.9
Correction of deferred tax error at foreign subsidiary	—	(2.8)	—
Change in prior year tax estimates	1.0	(1.3)	(1.6)
Miscellaneous	(0.6)	(0.4)	(2.9)
Income taxes as reported	$ 24.3	$ 30.7	$ 126.0

For 2011, the Company recorded income tax expense from continuing operations of $24.3 million on income before taxes of $42.9 million. This compares to income tax expense from continuing operations of $30.7 million on income before taxes of $38.5 million for 2010. Included in the results for 2010 is an out-of-period adjustment made to correct an error related to inaccurate calculations of deferred taxes at a foreign subsidiary. The correction of the error increased net income by $2.8 million through an increase in deferred tax assets and a corresponding reduction in income tax expense. The Company determined that the impact of the error was not significant to any current or prior individual period, and accordingly a restatement of prior period amounts was not determined to be necessary.

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The high effective rates for 2011 and 2010 are due to an increase in the valuation allowance of $5.4 million, including $2.8 million reversal of a valuation reserve in the U.K., and $15.7 million, respectively, because no tax benefit is being provided on losses incurred in the U.S. and certain foreign jurisdictions where valuation allowances are recorded against certain tax benefits. Also contributing to the high effective tax rate for 2010 is an $8.6 million expense recorded to reflect the income tax impact of foreign currency fluctuations on an intercompany debt obligation, partially offset by the benefit of the $2.8 million out-of-period adjustment recorded in the second quarter.

During 2009, the Company established a valuation allowance against its domestic deferred tax assets to reduce them to the value more likely than not to be realized with a corresponding non-cash charge of $108.1 million to the provision for income taxes.

The effective tax rates for discontinued operations were 13.4% and 29.6% in 2011 and 2010, respectively. The lower rate in 2011 reflects the benefit of the goodwill tax basis and prior year capital loss carry-forwards that reduced the taxable gain on the sale of the GBC–Fordigraph Business in Australia.

The U.S. federal statute of limitations remains open for the years 2008 and forward. Foreign and U.S. state jurisdictions have statutes of limitations generally ranging from 3 to 5 years. Years still open to examination by foreign tax authorities in major jurisdictions include Canada (2006 forward) and the U.K. (2008 forward). The Company is currently under examination in the U.S. and in certain foreign jurisdictions.

The components of the income tax expense from continuing operations are as follows:

(in millions of dollars)	2011	2010	2009
Current expense (benefit)			
Federal	$ 0.3	$ 0.6	$ (0.6)
Foreign	19.8	18.1	13.9
Total current income tax expense	20.1	18.7	13.3
Deferred expense (benefit)			
Federal and other	4.9	4.8	111.6
Foreign	(0.7)	7.2	1.1
Total deferred income tax expense	4.2	12.0	112.7
Total income tax expense	$ 24.3	$ 30.7	$ 126.0

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The components of deferred tax assets (liabilities) are as follows:

(in millions of dollars)	2011	2010
Deferred tax assets		
Compensation and benefits	$ 14.7	$ 10.0
Pension	34.2	25.1
Inventory	5.4	5.6
Other reserves	7.2	7.7
Accounts receivable	3.7	4.3
Capital loss carryforwards	10.3	10.3
Foreign tax credit carryforwards	20.5	20.5
Net operating loss carryforwards	129.3	128.2
Depreciation	—	0.4
Miscellaneous	3.3	2.3
Gross deferred income tax assets	228.6	214.4
Valuation allowance	(204,3)	(193.2)
Net deferred tax assets	24.3	21.2
Deferred tax liabilities		
Depreciation	(2.0)	—
Identifiable intangibles	(73.0)	(69.8)
Unrealized foreign currency gain on intercompany debt	(10.6)	(9.6)
Miscellaneous	—	(3.3)
Gross deferred tax liabilities	(85.6)	(82.7)
Net deferred tax liabilities	$ (61.3)	$ (61.5)

Deferred income taxes are not provided on certain undistributed earnings of foreign subsidiaries that are expected to be permanently reinvested in those companies, aggregating to approximately $517 million at December 31, 2011 and $495 million at December 31, 2010. If these amounts were distributed to the U.S., in the form of a dividend or otherwise, the Company would be subject to additional U.S. income taxes. Determination of the amount of unrecognized deferred income tax liabilities on these earnings is not practicable.

At December 31, 2011, $390.7 million of net operating loss carryforwards and $29.4 million of capital loss carryforwards are available to reduce future taxable income of domestic and international companies. These loss carryforwards expire in the years 2012 through 2030 or have an unlimited carryover period.

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of income taxes in its results of operations. As of December 31, 2011, the Company had $0.4 million accrued for interest and penalties.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

(in millions of dollars)	2011	2010
Balance at January 1	$ 5.7	$ 6.0
Additions for tax positions of prior years	0.1	0.2
Settlements	(0.3)	(0.5)
Balance at December 31	$ 5.5	$ 5.7

As of December 31, 2011 the amount of unrecognized tax benefits decreased to $5.5 million, of which $1.5 million would affect the Company's effective tax rate, if recognized. The Company expects the amount of unrecognized tax benefits to change within the next twelve months, but these changes are not expected to have a significant impact on the Company's results of operations or financial position. None of the positions included in the unrecognized tax benefit relate to tax positions for which the ultimate deductibility is highly certain, but for which there is uncertainty about the timing of such deductibility.

11. Earnings per Share

Total outstanding shares as of December 31, 2011 and 2010 were 55.5 million and 54.9 million, respectively. The calculation of basic earnings per common share is based on the weighted average number of common shares outstanding in the year, or period, over which they were outstanding. The Company's calculation of diluted earnings per common share assumes that any common shares outstanding were increased by shares that would be issued upon exercise of those stock units for which the average market price for the period exceeds the exercise price; less, the shares that could have been purchased by the Company with the related proceeds, including compensation expense measured but not yet recognized, net of tax.

(in millions)	2011	2010	2009
Weighted average number of common shares outstanding — basic	55.2	54.8	54.5
Employee stock options	0.1	0.1	—
Stock-settled stock appreciation rights	1.7	2.1	1.7
Restricted stock units	0.6	0.2	0.1
Adjusted weighted-average shares and assumed conversions — diluted	57.6	57.2	56.3

Awards of shares representing approximately 4.3 million, 4.1 million and 4.3 million as of December 31, 2011, 2010 and 2009, respectively, of potentially dilutive shares of common stock were outstanding and are not included in the computation of dilutive earnings per share as their effect would have been anti-dilutive because their exercise prices were higher than the average market price during the period.

12. Derivative Financial Instruments

The Company is exposed to various market risks, including changes in foreign currency exchange rates and interest rate changes. The Company enters into financial instruments to manage and reduce the impact of these risks, not for trading or speculative purposes. The counterparties to these financial instruments are major financial institutions. The Company continually monitors its foreign currency exposures in order to maximize the overall effectiveness of its foreign currency hedge positions. Principal currencies hedged include the U.S. dollar, Euro, Australian dollar, Canadian dollar and Pound sterling. The Company is subject to credit risk, which relates to the ability of counterparties to meet their contractual payment obligations or the potential non-performance by counterparties to financial instrument contracts. Management continues to monitor the status of the Company's counterparties and will take action, as appropriate, to further manage its counterparty credit risk. There are no credit contingency features in our derivative financial instruments.

On the date in which the Company enters into a derivative, the derivative is designated as a hedge of the identified exposure. The Company measures the effectiveness of its hedging relationships both at hedge inception and on an ongoing basis.

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Forward Currency Contracts

The Company enters into forward foreign currency contracts to reduce the effect of fluctuating foreign currencies, primarily on foreign denominated inventory purchases and intercompany loans. The majority of the Company's exposure to local currency movements is in Europe, Australia, Canada, Mexico and Japan.

Forward currency contracts used to hedge foreign denominated inventory purchases are designated as a cash flow hedge. Unrealized gains and losses on these contracts for inventory purchases are deferred in other comprehensive income until the contracts are settled and the underlying hedged transactions are recognized, at which time the deferred gains or losses will be reported in the "Cost of products sold" line in the consolidated statements of operations. As of December 31, 2011 and December 31, 2010, the Company had cash flow designated foreign exchange contracts outstanding with a U.S. dollar equivalent notional value of $71.9 million and $92.9 million, respectively.

Forward currency contracts used to hedge foreign denominated intercompany loans are not designated as hedging instruments. Gains and losses on these derivative instruments are recognized within other expense, net in the consolidated statements of operations and are largely offset by the changes in the fair value of the hedged item. The periods of the forward foreign exchange contracts correspond to the periods of the hedged transactions, and do not extend beyond 2012. As of December 31, 2011 and 2010, the Company had undesignated foreign exchange contracts outstanding with a U.S. dollar equivalent notional value of $75.6 million and $92.7 million, respectively.

The following table summarizes the fair value of the Company's derivative financial instruments as of December 31, 2011 and 2010, respectively.

	Fair Value of Derivative Instruments					
	Derivative Assets			Derivative Liabilities		
(in millions of dollars)	Balance Sheet Location	Dec. 31, 2011	Dec. 31, 2010	Balance Sheet Location	Dec. 31, 2011	Dec. 31, 2010
Derivatives designated as hedging instruments:						
Foreign exchange contracts	Other current assets	$ 3.0	$ 0.7	Other current liabilities	$ 0.2	$ 2.4
Derivatives not designated as hedging instruments:						
Foreign exchange contracts	Other current assets	0.8	1.4	Other current liabilities	1.2	0.8
Total derivatives		$ 3.8	$ 2.1		$ 1.4	$ 3.2

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

The following table summarizes the pre-tax effect of the Company's derivative financial instruments on the Consolidated Statements of Operations for the years ended December 31, 2011 and 2010, respectively.

	The Effect of Derivative Instruments in Cash Flow Hedging Relationships on the Consolidated Statements of Operations for the Years Ended December 31, 2011 and 2010							
	Amount of (Gain) Loss Recognized in OCI (Effective Portion)		Location of (Gain) Loss Reclassified from OCI to Income	Amount of (Gain) Loss Reclassified from AOCI to Income (Effective Portion)		Location of (Gain) Loss Recognized in Income	Amount of (Gain) Loss Recognized in Income (Ineffective Portion)	
(in millions of dollars)	2011	2010		2011	2010		2011	2010
Cash flow hedges:								
Foreign exchange contracts	0.3	$ 3.1	Cost of products sold	$ 4.4	$ 0.8	Cost of products sold	$ —	$ —
Total	$ 0.3	$ 3.1		$ 4.4	$ 0.8		$ —	$ —

	The Effect of Derivatives Not Designated as Hedging Instruments on the Consolidated Statements of Operations		
		Amount of (Gain) Loss Recognized in Income Year Ended Dec. 31,	
(in millions of dollars)	Location of (Gain) Loss Recognized in Income on Derivatives	2011	2100
Foreign exchange contracts	Other (income) expense	$ 0.9	$ (1.8)

13. Fair Value of Financial Instruments

The authoritative guidance for fair value measurements requires disclosure that establishes a framework for measuring fair value and expands disclosure about fair value measurements. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The guidance classifies the inputs used to measure fair value into the following hierarchy:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2	Unadjusted quoted prices in active markets for similar assets or liabilities, or Unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or Inputs other than quoted prices that are observable for the asset or liability
Level 3	Unobservable inputs for the asset or liability

The Company utilizes the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

The Company has determined that its financial assets and liabilities are Level 2 in the fair value hierarchy. The following table sets forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2011 and 2010, respectively:

	December 31, 2011	December 31, 2010
Assets:		
Forward currency contracts	$ 3.8	$ 2.1
Liabilities:		
Forward currency contracts	$ 1.4	$ 3.2

The Company's forward currency contracts are included in Other Current Assets or Other Current Liabilities and mature within 12 months. The forward foreign currency exchange contracts are primarily valued based on the foreign currency spot and forward rates quoted by the banks or foreign currency dealers. As such, these derivative instruments are classified within Level 2.

The fair values of cash and cash equivalents, notes payable to banks, accounts receivable and accounts payable approximate carrying amounts due principally to their short maturities. The carrying amount of total debt was $669.0 million and $727.6 million and the estimated fair value of total debt was $727.2 million and $794.5 million at December 31, 2011 and 2010, respectively. The fair values are determined from quoted market prices, where available, and from investment bankers using current interest rates considering credit ratings and the remaining terms of maturity.

14. Accumulated Other Comprehensive Income (Loss)

Comprehensive income is defined as net income (loss) and other changes in stockholders' equity from transactions and other events from sources other than stockholders. The components of, and changes in, accumulated other comprehensive income (loss) were:

(in millions of dollars)	Derivative Financial Instruments	Foreign Currency Adjustments	Unrecognized Pension and Other Postretirement Benefit Costs	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2009	$ (1.0)	$ (13.1)	$ (92.9)	$ (107.0)
Changed during the year (net of taxes of $(3.2))	(0.5)	11.0	10.4	20.9
Balance at December 31, 2010	(1.5)	(2.1)	(82.5)	(86.1)
Changed during the year (net of taxes of $3.1)	3.7	(15.0)	(33.6)	(44.9)
Balance at December 31, 2011	$ 2.2	$ (17.1)	$ (116.1)	$ (131.0)

15. Information on Business Segments

The Company's business segments are aligned along geographic markets. The Company's three business segments consist of ACCO Brands Americas, ACCO Brands International and Computer Products Group.

ACCO Brands Americas and ACCO Brands International

These two segments manufacture, source and sell traditional office products and supplies and document finishing solutions. ACCO Brands Americas comprises the North, Central and South American markets and ACCO Brands International comprises the rest of the world, principally Europe, Australia and Asia-Pacific.

Examples of our traditional office products and supplies are staplers, staples, punches, ring binders, trimmers, sheet protectors, hanging file folders, clips and fasteners, data binders, dry-erase boards, dry-erase markers, easels, bulletin boards, overhead projectors, transparencies, laser pointers and screens. These products are sold under leading brands including Quartet®, Rexel, Swingline®, Wilson Jones®, Marbig, NOBO, ACCO®, Derwent and Eastlight. Examples of our document finishing solutions are binding, lamination and punching equipment, binding and lamination supplies, report covers, archival report covers and shredders. These products are sold primarily under the GBC® brand. We also provide machine maintenance and repair services sold under the GBC brand. Included in the ACCO Brands Americas segment are personal organization tools, including time management products, primarily sold under the Day-Timer® brand name.

The customer base to which our products are sold is made up of large global and regional resellers of our products. It is through these large resellers that the Company's products reach the end consumer. Our customer base includes commercial contract stationers, office products superstores, wholesalers, distributors, mail order and internet catalogs, mass merchandisers, club stores and independent dealers. The majority of sales by our customers are to business end-users, which generally seek premium office products that have added value or ease of use features and a reputation for reliability, performance and professional appearance. Some of our document finishing products are sold directly to high volume end-users and commercial reprographic centers and indirectly to lower-volume consumers worldwide. Approximately two-thirds of the Day-Timer business is sold through the direct channel, which markets product through periodic sales catalogs and ships product directly to our end-user customers. The remainder of the business sells to large resellers and commercial dealers.

Computer Products Group

The Computer Product Group designs, distributes, markets and sells accessories for laptop and desktop computers and smart phones and tablets. These accessories primarily include security locks, power adapters, input devices such as mice and keyboards, laptop computer carrying cases, hubs and docking stations, ergonomic devices and technology accessories for smart phones and tablets. The Computer Products Group sells mostly under the Kensington, Microsaver® and ClickSafe® brand names, with the majority of its revenue coming from the U.S. and Western Europe.

All of our computer products are manufactured to our specifications by third-party suppliers, principally in Asia, and are stored and distributed from our regional facilities. Our computer products are sold primarily to consumer electronics retailers, information technology value-added resellers, original equipment manufacturers and office products retailers.

Financial information by reportable segment is set forth below.

Net sales by business segment for the years ended December 31, 2011, 2010 and 2009 are as follows:

(in millions of dollars)	2011	2010	2009
ACCO Brands Americas	$ 684.9	$ 688.3	$ 671.5
ACCO Brands International	443.2	419.3	398.8
Computer Products Group	190.3	177.0	163.0
Net sales	$ 1,318.4	$ 1,284.6	$ 1,233.3

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Operating income by business segment for the years ended December 31, 2011, 2010 and 2009 are as follows (a):

(in millions of dollars)	2011	2010	2009
ACCO Brands Americas (b)	$ 50.7	$ 56.3	$ 38.6
ACCO Brands International (b)	45.6	31.5	23.0
Computer Products Group	47.1	43.0	31.7
Segment operating income	143.4	130.8	93.3
Corporate	(28.2)	(21.1)	(17.9)
Operating income	115.2	109.7	75.4
Interest expense	77.2	78.3	67.0
Equity in earnings of joint ventures	(8.5)	(8.3)	(4.4)
Other expense, net	3.6	1.2	5.4
Income from continuing operations before income taxes	$ 42.9	$ 38.5	$ 7.4

(a) Operating income as presented in the segment table above is defined as: i) net sales; ii) less cost of products sold; iii) less advertising, selling, general and administrative expenses; iv) less amortization of intangibles; and v) less restructuring, and intangible asset impairment charges.

(b) The table below summarizes the intangible asset impairment charges during 2009. For further information of the impairment charges see Note 8, *Goodwill and Identifiable Intangible Assets*.

(in millions of dollars)	2009
Segment:	
ACCO Brands Americas	$ 0.9
ACCO Brands International	0.8
Computer Products Group	—
Total Continuing Operations	$ 1.7

Segment assets:

The following table presents the measure of segment assets used by the Company's chief operating decision maker.

	December 31,	
	2011	2010
(in millions of dollars)		
ACCO Brands Americas (c)	$ 304.8	$ 320.3
ACCO Brands International (c)	250.3	269.2
Computer Products Group (c)	85.5	82.7
Total segment assets	640.6	672.2
Assets of discontinued operations	—	33.1
Unallocated assets	468.9	437.3
Corporate (c)	7.2	7.0
Total assets	$ 1,116.7	$ 1,149.6

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(c) Represents total assets, excluding: goodwill and identifiable intangibles resulting from business acquisitions, intercompany balances, cash, deferred taxes, prepaid pension assets, prepaid debt issuance costs and joint ventures accounted for on an equity basis.

As a supplement to the presentation of segment assets presented above, the table below presents segment assets, including the allocation of identifiable intangible assets and goodwill resulting from business combinations (d).

	December 31,	
(in millions of dollars)	2011	2010
ACCO Brands Americas (d)	$ 476.7	$ 497.6
ACCO Brands International (d)	328.9	350.3
Computer Products Group (d)	100.4	98.3
Total segment assets	906.0	946.2
Assets of discontinued operations	—	33.1
Unallocated assets	203.5	163.3
Corporate (d)	7.2	7.0
Total assets	$ 1,116.7	$ 1,149.6

(d) Represents total assets, excluding: intercompany balances, cash, deferred taxes, prepaid pension assets, prepaid debt issuance costs and joint ventures accounted for on an equity basis.

Property, plant and equipment, net by geographic region are as follows:

(in millions of dollars)	2011	2010
U.S.	$ 76.2	$ 86.6
U.K.	23.8	24.2
Australia	17.5	18.3
Portugal	5.5	6.8
Other countries	24.2	27.3
Property, plant and equipment	$ 147.2	$ 163.2

Net sales by geographic region are as follows (e):

(in millions of dollars)	2011	2010	2009
U.S.	$ 621.3	$ 633.0	$ 619.6
Australia	143.0	137.0	120.1
U.K.	115.6	107.3	105.7
Canada	105.2	97.8	87.6
Other countries	333.3	309.5	300.3
Net sales	$ 1,318.4	$ 1,284.6	$ 1,233.3

(e) Net sales are attributed to geographic areas based on the location of the selling company.

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Major Customers

Sales to the Company's five largest customers totaled $508.2 million, $496.4 million and $466.4 million in the years ended December 31, 2011, 2010 and 2009, respectively. Our sales to Staples, Inc. were $175.9 million (13%), $166.8 million (13%) and $159.8 (13%) in the years ended December 31, 2011, 2010 and 2009, respectively. Our sales to Office Depot Inc. were $138.9 million (11%), $141.0 (11%) and $137.0 (11%) in the years ended December 31, 2011, 2010 and 2009, respectively. Sales to no other customer exceeded 10% of annual sales.

A significant percentage of the Company's sales is to customers engaged in the office products resale industry. Concentration of credit risk with respect to trade accounts receivable is partially mitigated because a large number of geographically diverse customers make up each operating companies' domestic and international customer base, thus spreading the credit risk. At December 31, 2011, 2010 and 2009, the Company's top five trade account receivables totaled $116.0 million, $118.9 million and $107.3 million, respectively.

16. Joint Venture Investments

Summarized below is aggregated financial information for the Company's joint ventures, Pelikan-Artline Pty Ltd and Neschen GBC Graphics Films, LLC, which are accounted for under the equity method. Accordingly, the Company has recorded its proportionate share of earnings or losses on the line entitled "Equity in earnings of joint ventures" in the consolidated statements of operations. The Company's share of the net assets of the joint ventures are included within "Other non-current assets" in the Condensed Consolidated Balance Sheets.

	Year Ended December 31,		
(in millions of dollars)	**2011**	**2010**	**2009**
Net sales	$ 165.6	$ 151.8	$ 134.9
Gross profit	94.6	85.8	71.6
Operating income	24.3	23.0	13.4
Net income	16.9	16.3	8.8

	December 31,	
	2011	**2010**
Current assets	$ 94.3	$ 89.6
Non-current assets	37.1	37.9
Current liabilities	40.0	37.6
Non-current liabilities	16.7	23.8

17. Commitments and Contingencies

Pending Litigation

The Company and its subsidiaries are defendants in various claims and legal proceedings associated with their business and operations. It is not possible to predict the outcome of the pending actions, but management believes that there are meritorious defenses to these actions and that these actions if adjudicated or settled in a manner adverse to the Company, would not have a material adverse effect upon the results of operations, cash flows or financial condition of the Company.

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Lease Commitments

(in millions of dollars)		
2012	$	19.7
2013		13.3
2014		9.6
2015		7.7
2016		6.5
Remainder		6.8
Total minimum rental payments	$	63.6

Total rental expense reported in the Company's statement of operations for all non-cancelable operating leases (reduced by minor amounts from subleases) amounted to $22.0 million, $23.2 million and $24.7 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Unconditional Purchase Commitments

Future minimum payments under unconditional purchase commitments, primarily for inventory purchase commitments at December 31, 2011 are as follows:

(in millions of dollars)		
2012	$	26.0
2013		0.3
2014		0.2
2015		0.2
2016		0.2
Thereafter		—
	$	26.9

Environmental

The Company is subject to laws and regulations relating to the protection of the environment. While it is not possible to quantify with certainty the potential impact of actions regarding environmental matters, particularly remediation and other compliance efforts that the Company's subsidiaries may undertake in the future, in the opinion of management, compliance with the present environmental protection laws, before taking into account any estimated recoveries from third parties, will not have a material adverse effect upon the results of operations, cash flows or financial condition of the Company.

18. Discontinued Operations

In June of 2011, and with effect from May 31, 2011, the Company sold its GBC-Fordigraph Business to The Neopost Group. The Australia-based business was formerly part of the ACCO Brands International segment and is included in the financial statements as discontinued operations. The GBC-Fordigraph Business represented $45.9 million in annual net sales for the year ended December 31, 2010. The Company has received final proceeds of $52.9 million inclusive of working capital adjustments and selling costs. In connection with this transaction, in 2011, the Company recorded a gain on sale of $41.9 million ($36.8 million after- tax).

Also included in discontinued operations are the results of the Company's commercial print finishing business, which was sold during the second quarter of 2009. The sale resulted in a loss recorded in the year ended

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 of $0.8 million. During the years ended December 31, 2011 and 2010, the Company recorded expenses of $0.4 million and $0.1 million, respectively, primarily related to litigation costs associated with the wind-down of the discontinued operations.

The operating results and financial position of discontinued operations are as follows:

(in millions of dollars, except per share data)	2011	2010	2009
Operating Results:			
Net sales	$ 19.9	$ 45.9	$ 68.6
Income (loss) from operations before income taxes [1]	2.5	6.6	(4.3)
Gain (loss) on sale before income tax	41.5	(0.1)	(0.8)
Provision for income taxes	5.9	1.9	2.4
Income (loss) from discontinued operations	$ 38.1	$ 4.6	$ (7.5)
Per share:			
Basic income (loss) from discontinued operations	$ 0.69	$ 0.08	$ (0.14)
Diluted income (loss) from discontinued operations	$ 0.66	$ 0.08	$ (0.14)

(1) During the fourth quarter of 2010, the Company completed the sale of a property formerly occupied by its commercial print finishing business, resulting in a gain on sale of $1.7 million. During 2009, the Company recorded an impairment charge of $3.3 million ($1.8 million after-tax) to reflect a change in the estimate of fair value less the cost to dispose of its commercial print finishing business.

(in millions of dollars)	December 31, 2011	December 31, 2010
Financial Position:		
Current assets	$ —	$ 23.7
Long-term assets	—	9.4
Total assets	$ —	$ 33.1
Current liabilities (2)	$ 1.1	$ 14.6
Long-term liabilities	—	5.3
Total liabilities	$ 1.1	$ 19.9

(2) Liabilities remaining as of December 31, 2011 consist only of litigation accruals.

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

19. Quarterly Financial Information (Unaudited)

The following is an analysis of certain items in the consolidated statements of operations by quarter for 2011 and 2010:

(in millions of dollars, except per share data)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2011				
Net sales	$ 298.4	$ 330.2	$ 339.1	$ 350.7
Gross profit	89.2	105.5	107.1	112.9
Operating income	13.3	30.6	35.4	35.9
Income (loss) from continuing operations	(9.0)	6.3	11.9	9.4
Income (loss) from discontinued operations	0.9	37.4	(0.2)	—
Net income (loss)	$ (8.1)	$ 43.7	$ 11.7	$ 9.4
Basic earnings per common share:				
Income (loss) from continuing operations	$ (0.16)	$ 0.11	$ 0.22	$ 0.17
Income (loss) from discontinued operations	0.02	0.68	—	—
Net income (loss)	(0.15)	0.79	0.21	0.17
Diluted earnings per common share:				
Income (loss) from continuing operations	$ (0.16)	$ 0.11	$ 0.21	$ 0.16
Income (loss) from discontinued operations	0.02	0.64	—	—
Net income (loss)	(0.15)	0.75	0.20	0.16
2010				
Net sales	$ 300.5	$ 305.2	$ 319.4	$ 359.5
Gross profit	91.0	94.5	97.8	113.8
Operating income	20.5	25.0	30.0	34.2
Income (loss) from continuing operations	(5.2)	4.3	4.4	4.3
Income from discontinued operations	0.5	0.6	1.0	2.5
Net income (loss)	$ (4.7)	$ 4.9	$ 5.4	$ 6.8
Basic earnings per common share:				
Income (loss) from continuing operations	$ (0.10)	$ 0.08	$ 0.08	$ 0.08
Income from discontinued operations	0.01	0.01	0.02	0.05
Net income (loss)	(0.09)	0.09	0.10	0.12
Diluted earnings per common share:				
Income (loss) from continuing operations	$ (0.10)	$ 0.08	$ 0.08	$ 0.07
Income from discontinued operations	0.01	0.01	0.02	0.04
Net income (loss)	(0.09)	0.09	0.09	0.12

20. Condensed Consolidated Financial Information

The Company's 100% owned domestic subsidiaries are required to jointly and severally, fully and unconditionally guarantee the notes issued in 2005. For further information on the guarantee see Note 3, *Long-term Debt and Short-term Borrowings*. Rather than filing separate financial statements for each guarantor subsidiary with the Securities and Exchange Commission, the Company has elected to present the following consolidating financial statements, which detail the results of operations for the years ended December 31, 2011, 2010 and 2009, cash flows for the years ended December 31, 2011, 2010 and 2009 and financial position as of December 31, 2011 and 2010 of the Company and its guarantor and non-guarantor subsidiaries (in each case carrying investments under the equity method), and the eliminations necessary to arrive at the reported amounts included in the consolidated financial statements of the Company.

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Condensed Consolidating Balance Sheets

	December 31, 2011				
(in millions of dollars)	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	$ 62.0	$ (1.2)	$ 60.4	$ —	$ 121.2
Accounts receivable, net	—	90.6	178.9	—	269.5
Inventories	—	97.5	100.2	—	197.7
Receivables from affiliates	19.7	0.8	41.2	(61.7)	—
Deferred income taxes	2.4	—	5.2	—	7.6
Other current assets	5.5	9.3	12.1	—	26.9
Total current assets	89.6	197.0	398.0	(61.7)	622.9
Property, plant and equipment, net	0.6	75.6	71.0	—	147.2
Deferred income taxes	1.0	—	15.7	—	16.7
Goodwill	—	70.5	64.5	—	135.0
Identifiable intangibles, net	57.8	50.3	22.3	—	130.4
Other non-current assets	13.7	5.2	45.6	—	64.5
Investment in, long term receivable from affiliates	727.8	722.0	200.0	(1,649.8)	—
Total assets	$ 890.5	$ 1,120.6	$ 817.1	$ (1,711.5)	$ 1,116.7
Liabilities and Stockholders' (Deficit) Equity					
Current liabilities:					
Current portion of long-term debt	$ 0.1	$ 0.1	$ —	$ —	$ 0.2
Accounts payable	—	52.6	74.5	—	127.1
Accrued compensation	1.7	9.6	12.9	—	24.2
Accrued customer programs liabilities	—	23.4	43.4	—	66.8
Accrued interest	20.2	—	—	—	20.2
Other current liabilities	3.3	21.2	42.0	—	66.5
Payables to affiliates	9.0	223.3	262.1	(494.4)	—
Liabilities of discontinued operations	—	0.1	1.0	—	1.1
Total current liabilities	34.3	330.3	435.9	(494.4)	306.1
Long-term debt	668.5	0.3	—	—	668.8
Long-term notes payable to affiliates	178.2	16.4	—	(194.6)	—
Deferred income taxes	64.1	—	21.5	—	85.6
Pension and post retirement benefit obligations	5.1	54.7	46.3	—	106.1
Other non-current liabilities	2.2	4.8	5.0	—	12.0
Total liabilities	952.4	406.5	508.7	(689.0)	1,178.6
Stockholder's (deficit) equity:					
Common stock	0.6	562.0	75.3	(637.3)	0.6
Treasury stock	(1.7)	—	—	—	(1.7)
Paid-in capital	1,407.4	696.4	341.9	(1,038.3)	1,407.4
Accumulated other comprehensive loss	(131.0)	(65.8)	(29.8)	95.6	(131.0)
Accumulated deficit	(1,337.2)	(478.5)	(79.0)	557.5	(1,337.2)
Total stockholders' (deficit) equity	(61.9)	714.1	308.4	(1,022.5)	(61.9)
Total liabilities and stockholders' (deficit) equity	$ 890.5	$ 1,120.6	$ 817.1	$ (1,711.5)	$ 1,116.7

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Condensed Consolidating Balance Sheets

	December 31, 2010				
(in millions of dollars)	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Assets					
Current assets					
Cash and cash equivalents	$ 39.5	$ (0.4)	$ 44.1	$ —	$ 83.2
Accounts receivable, net	—	87.5	187.3	—	274.8
Inventories	—	100.2	105.7	—	205.9
Receivables from affiliates	235.5	58.5	38.1	(332.1)	—
Deferred income taxes	3.0	—	6.1	—	9.1
Other current assets	2.5	11.6	9.9	—	24.0
Assets of discontinued operations	—	—	23.7	—	23.7
Total current assets	280.5	257.4	414.9	(332.1)	620.7
Property, plant and equipment, net	1.0	85.6	76.6	—	163.2
Deferred income taxes	0.9	—	9.7	—	10.6
Goodwill	—	70.5	66.4	—	136.9
Identifiable intangibles, net	57.9	53.8	25.3	—	137.0
Other non-current assets	21.6	6.3	43.9	—	71.8
Investment in, long-term receivable from, affiliates	616.9	711.4	200.0	(1,528.3)	—
Assets of discontinued operations	—	—	9.4	—	9.4
Total assets	$ 978.8	$ 1,185.0	$ 846.2	$ (1,860.4)	$ 1,149.6
Liabilities and Stockholders' (Deficit) Equity					
Current liabilities					
Current portion of long-term debt	$ 0.1	$ 0.1	$ —	$ —	$ 0.2
Accounts payable	—	60.4	49.9	—	110.3
Accrued compensation	1.6	10.0	12.3	—	23.9
Accrued customer program liabilities	—	24.6	48.2	—	72.8
Accrued interest	22.0	—	—	—	22.0
Other current liabilities	2.2	23.7	58.2	—	84.1
Payables to affiliates	60.9	427.2	277.5	(765.6)	—
Liabilities of discontinued operations	—	0.6	14.0	—	14.6
Total current liabilities	86.8	546.6	460.1	(765.6)	327.9
Long-term debt	727.1	0.3	—	—	727.4
Long-term notes payable to affiliates	178.2	16.4	1.7	(196.3)	—
Deferred income taxes	59.6	—	21.6	—	81.2
Pension and other post retirement benefit obligations	4.7	39.9	30.3	—	74.9
Other non-current liabilities	2.2	5.6	4.9	—	12.7
Liabilities of discontinued operations	—	—	5.3	—	5.3
Total liabilities	1,058.6	608.8	523.9	(961.9)	1,229.4
Stockholders' (deficit) equity					
Common stock	0.6	561.3	76.0	(637.3)	0.6
Treasury stock	(1.5)	—	—	—	(1.5)
Paid-in capital	1,401.1	632.0	336.4	(968.4)	1,401.1
Accumulated other comprehensive loss	(86.1)	(47.0)	(4.4)	51.4	(86.1)
Accumulated deficit	(1,393.9)	(570.1)	(85.7)	655.8	(1,393.9)
Total stockholders' (deficit) equity	(79.8)	576.2	322.3	(898.5)	(79.8)
Total liabilities and stockholders' (deficit) equity	$ 978.8	$ 1,185.0	$ 846.2	$ (1,860.4)	$ 1,149.6

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Consolidating Statement of Operations

	Year Ended December 31, 2011				
(in millions of dollars)	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Unaffiliated sales	$ —	$ 621.3	$ 697.1	$ —	$ 1,318.4
Affiliated sales	—	18.9	5.9	(24.8)	—
Net sales	—	640.2	703.0	(24.8)	1,318.4
Cost of products sold	—	460.8	467.7	(24.8)	903.7
Gross profit	—	179.4	235.3	—	414.7
Advertising, selling, general and administrative expenses	30.4	137.4	126.1	—	293.9
Amortization of intangibles	0.1	3.5	2.7	—	6.3
Restructuring income	—	—	(0.7)	—	(0.7)
Operating income (loss)	(30.5)	38.5	107.2	—	115.2
Interest expense (income) from affiliates	(1.1)	—	1.1	—	—
Interest expense, net	67.4	9.8	—	—	77.2
Equity in (earnings) losses of joint ventures	—	0.5	(9.0)	—	(8.5)
Other expense (income), net	3.1	(22.8)	23.3	—	3.6
Income (loss) before taxes and earnings of wholly owned subsidiaries	(99.9)	51.0	91.8	—	42.9
Income tax expense	6.0	—	18.3	—	24.3
Income (loss) from continuing operations	(105.9)	51.0	73.5	—	18.6
Income (loss) from discontinued operations, net of income taxes	—	(0.4)	38.5	—	38.1
Income (loss) before earnings of wholly owned subsidiaries	(105.9)	50.6	112.0	—	56.7
Earnings of wholly owned subsidiaries	162.6	103.3	—	(265.9)	—
Net income	$ 56.7	$ 153.9	$ 112.0	$ (265.9)	$ 56.7

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Consolidating Statement of Operations

	Year Ended December 31, 2010				
(in millions of dollars)	Parent	Guarantors	Non- Guarantors	Eliminations	Consolidated
Unaffiliated sales	$ —	$ 632.9	$ 651.7	$ —	$ 1,284.6
Affiliated sales	—	18.5	5.2	(23.7)	—
Net sales	—	651.4	656.9	(23.7)	1,284.6
Cost of products sold	—	463.2	448.0	(23.7)	887.5
Gross profit	—	188.2	208.9	—	397.1
Advertising, selling, general and administrative expenses	22.8	141.9	116.5	—	281.2
Amortization of intangibles	0.1	3.8	2.8	—	6.7
Restructuring income	—	(0.4)	(0.1)	—	(0.5)
Operating income (loss)	(22.9)	42.9	89.7	—	109.7
Interest (income) expense from affiliates	(1.2)	—	1.2	—	—
Interest expense, net	67.5	10.2	0.6	—	78.3
Equity in (earnings) losses of joint ventures	—	0.3	(8.6)	—	(8.3)
Other (income) expense, net	(0.2)	(18.1)	19.5	—	1.2
Income (loss) from continuing operations before income taxes and earnings of wholly owned subsidiaries	(89.0)	50.5	77.0	—	38.5
Income tax expense (benefit)	6.5	(0.4)	24.6	—	30.7
Income (loss) from continuing operations	(95.5)	50.9	52.4	—	7.8
Income from discontinued operations, net of income taxes	—	0.6	4.0	—	4.6
Income (loss) before earnings of wholly owned subsidiaries	(95.5)	51.5	56.4	—	12.4
Earnings of wholly owned subsidiaries	107.9	47.8	—	(155.7)	—
Net income	$ 12.4	$ 99.3	$ 56.4	$ (155.7)	$ 12.4

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Consolidated Statement of Operations

	Year Ended December 31, 2009				
(in millions of dollars)	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Unaffiliated sales	$ —	$ 619.6	$ 613.7	$ —	$ 1,233.3
Affiliated sales	—	22.7	3.4	(26.1)	—
Net sales	—	642.3	617.1	(26.1)	1,233.3
Cost of products sold	—	473.7	421.1	(26.1)	868.7
Gross profit	—	168.6	196.0	—	364.6
Advertising, selling, general and administrative expenses	18.6	131.3	113.1	—	263.0
Amortization of intangibles	0.1	4.1	2.9	—	7.1
Restructuring charges	0.1	3.7	13.6	—	17.4
Intangible asset impairment charges	—	0.8	0.9	—	1.7
Operating income (loss)	(18.8)	28.7	65.5	—	75.4
Interest (income) expense from affiliates	(0.1)	(0.5)	0.6	—	—
Interest expense, net	53.3	7.2	6.5	—	67.0
Equity in (earnings) losses of joint ventures	—	0.2	(4.6)	—	(4.4)
Other (income) expense, net	4.0	(16.0)	17.4	—	5.4
Income (loss) from continuing operations before income taxes and earnings (losses) of wholly owned subsidiaries	(76.0)	37.8	45.6	—	7.4
Income tax expense (benefit)	110.5	(2.4)	17.9	—	126.0
Income (loss) from continuing operations	(186.5)	40.2	27.7	—	(118.6)
Income (loss) from discontinued operations, net of income taxes	—	(15.1)	7.6	—	(7.5)
Income (loss) before earnings (losses) of wholly owned subsidiaries	(186.5)	25.1	35.3	—	(126.1)
Earnings (losses) of wholly owned subsidiaries	60.4	(13.3)	—	(47.1)	—
Net income (loss)	$(126.1)	$ 11.8	$ 35.3	$ (47.1)	$ (126.1)

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2011			
(in millions of dollars)	Parent	Guarantors	Non-Guarantors	Consolidated
Net cash provided (used) by operating activities	$ (95.5)	$ 66.6	$ 90.7	$ 61.8
Investing activities:				
Additions to property, plant and equipment	—	(6.6)	(6.9)	(13.5)
Assets acquired	—	(0.6)	(0.8)	(1.4)
Proceeds from the sale of discontinued operations	—	0.4	53.1	53.5
Proceeds from the disposition of assets	—	—	1.4	1.4
Net cash provided (used) by investing activities.	—	(6.8)	46.8	40.0
Financing activities:				
Intercompany financing	111.9	(97.0)	(14.9)	—
Net dividends	69.2	36.5	(105.7)	—
Proceeds from long-term borrowings	—	—	0.1	0.1
Repayments of long-term debt	(62.9)	(0.1)	—	(63.0)
Exercise of stock options and other	(0.2)	—	—	(0.2)
Net cash provided (used) by financing activities.	118.0	(60.6)	(120.5)	(63.1)
Effect of foreign exchange rate changes on cash	—	—	(0.7)	(0.7)
Net increase (decrease) in cash and cash equivalents	22.5	(0.8)	16.3	38.0
Cash and cash equivalents:				
Beginning of the period	39.5	(0.4)	44.1	83.2
End of the period	$ 62.0	$ (1.2)	$ 60.4	$ 121.2

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2010			
(in millions of dollars)	Parent	Guarantors	Non- Guarantors	Consolidated
Net cash provided (used) by operating activities:	$ (87.6)	$ 60.5	$ 82.0	$ 54.9
Investing activities:				
Additions to property, plant and equipment	—	(5.3)	(7.3)	(12.6)
Assets acquired	—	(1.1)	—	(1.1)
Proceeds (payments) from sale of discontinued operations	—	(4.1)	0.4	(3.7)
Proceeds from the disposition of assets	—	1.7	0.8	2.5
Net cash used by investing activities	—	(8.8)	(6.1)	(14.9)
Financing activities:				
Intercompany financing	110.9	(81.9)	(29.0)	—
Net dividends	1.4	31.4	(32.8)	—
Proceeds from long-term borrowings	1.5	—	—	1.5
Repayments of long-term debt	—	(0.1)	(0.1)	(0.2)
Repayments of short-term debt	—	—	(0.5)	(0.5)
Cost of debt issuance	(0.8)	—	—	(0.8)
Exercise of stock options and other	(0.1)	—	—	(0.1)
Net cash provided (used) by financing activities	112.9	(50.6)	(62.4)	(0.1)
Effect of foreign exchange rate changes on cash	—	—	(0.3)	(0.3)
Net increase in cash and cash equivalents	25.3	1.1	13.2	39.6
Cash and cash equivalents:				
Beginning of the period	14.2	(1.5)	30.9	43.6
End of the period	$ 39.5	$ (0.4)	$ 44.1	$ 83.2

ACCO Brands Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2009			
(in millions of dollars)	Parent	Guarantors	Non- Guarantors	Consolidated
Net cash provided (used) by operating activities:	$ (58.1)	$ 94.6	$ 35.0	$ 71.5
Investing activities:				
Additions to property, plant and equipment	(0.4)	(3.9)	(6.0)	(10.3)
Assets acquired	(1.9)	(0.9)	(0.6)	(3.4)
Proceeds from sale of discontinued operations	—	2.1	7.1	9.2
Proceeds from the disposition of assets	—	—	0.6	0.6
Net cash provided (used) by investing activities	(2.3)	(2.7)	1.1	(3.9)
Financing activities:				
Intercompany financing	(17.6)	(111.5)	129.1	—
Net dividends	3.2	18.9	(22.1)	—
Proceeds from long-term borrowings	463.1	—	6.2	469.3
Repayments of long-term debt	(270.1)	—	(127.8)	(397.9)
Repayments of short-term debt	(46.0)	—	(8.2)	(54.2)
Payment of Euro debt hedge	(40.8)	—	—	(40.8)
Cost of debt issuance	(17.4)	—	(3.2)	(20.6)
Exercise of stock options and other	(0.3)	—	—	(0.3)
Net cash provided (used) by financing activities	74.1	(92.6)	(26.0)	(44.5)
Effect of foreign exchange rate changes on cash	—	—	2.4	2.4
Net increase (decrease) in cash and cash equivalents	13.7	(0.7)	12.5	25.5
Cash and cash equivalents:				
Beginning of the period	0.5	(0.8)	18.4	18.1
End of the period	$ 14.2	$ (1.5)	$ 30.9	$ 43.6

ITEM 9. ***CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE***

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

As of the end of the period covered by this Annual Report on Form 10-K, the Company carried out an evaluation, under the supervision and with the participation of the Company's Disclosure Committee and the Company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective.

The report called for by Item 308(a) of Regulation S-K is incorporated herein by reference to the Report of Management on Internal Control Over Financial Reporting included in Part II, Item 8 of this report.

The attestation report called for by Item 308(b) of Regulation S-K is incorporated herein by reference to the Report of Independent Registered Public Accounting Firm, included in Part II, Item 8 of this report.

There has been no change in our internal control over financial reporting that occurred during the Company's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. ***OTHER INFORMATION***

Not applicable.

PART III

ITEM 10. ***DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE***

Information required under this Item is contained in the Company's 2012 Definitive Proxy Statement, which is to be filed with the Securities and Exchange Commission prior to April 30, 2012 and is incorporated herein by reference.

Code of Business Conduct

The Company has adopted a code of business conduct as required by the listing standards of the New York Stock Exchange and rules of the Securities and Exchange Commission. This code applies to all of the Company's directors, officers and employees. The code of business conduct is published and available at the Investor Relations Section of the Company's internet website at www.accobrands.com. The Company will post on its website any amendments to, or waivers from, our code of business conduct applicable to any of its directors or executive officers. The foregoing information will be available in print to any shareholder who requests such information from ACCO Brands Corporation, 300 Tower Parkway, Lincolnshire, IL 60069, Attn: Office of the General Counsel.

As required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual, the Company's Chief Executive Officer certified to the NYSE within 30 days after the Company's 2011 Annual Meeting of Stockholders that he was not aware of any violation by the Company of the NYSE Corporate Governance Listing Standards.

ITEM 11. ***EXECUTIVE COMPENSATION***

Information required under this Item is contained in the Company's 2012 Definitive Proxy Statement, which is to be filed with the Securities and Exchange Commission prior to April 30, 2012 and is incorporated herein by reference.

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ITEM 12. ***SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS***

Equity Compensation Plan Information

The following table gives information, as of December 31, 2011, about our common stock that may be issued upon the exercise of options, stock-settled appreciation rights ("SSARs") and other equity awards under all compensation plans under which equity securities are reserved for issuance.

Plan category	Number of securities to be Issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders(1)	6,108,456	$ 12.23	2,432,992(2)
Equity compensation plans not approved by security holders	—	—	—
Total	6,108,456	$ 12.23	2,432,992(2)

(1) This number includes 4,268,142 common shares that were subject to issuance upon the exercise of stock options/SSARs granted under the 2011 Amended and Restated Incentive Plan (the "Restated Plan"), and 1,840,314 common shares that were subject to issuance upon the exercise of stock options/SSARs pursuant to the Company's 2005 Assumed Option and Restricted Stock Unit Plan. The weighted-average exercise price in column (b) of the table reflects all such options/SSARs.

(2) These are shares available for grant as of December 31, 2011 under the Restated Plan pursuant to which the compensation committee of the Board of Directors may make various stock-based awards including grants of stock options, stock-settled appreciation rights, restricted stock, restricted stock units and performance share units. In addition to these shares, the following shares may become available for grant under the Restated Plan and, to the extent such shares have become available as of December 31, 2011, they are included in the table as available for grant: shares covered by outstanding awards under the Plan that were forfeited or otherwise terminated.

Other information required under this Item is contained in the Company's 2012 Definitive Proxy Statement, which is to be filed with the Securities and Exchange Commission prior to April 30, 2012, and is incorporated herein by reference.

ITEM 13. ***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE***

Information required under this Item is contained in the Company's 2012 Definitive Proxy Statement, which is to be filed with the Securities and Exchange Commission prior to April 30, 2012 and is incorporated herein by reference.

ITEM 14. ***PRINCIPAL ACCOUNTANT FEES AND SERVICES***

Information required under this Item is contained in the Company's 2012 Definitive Proxy Statement, which is to be filed with the Securities and Exchange Commission Prior to April 30, 2012 and is incorporated herein by reference.

PART IV

ITEM 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES*

The following Exhibits are filed herewith or are incorporated by reference to exhibits previously filed with the Commission, as indicated in the description of each. We agree to furnish to the Commission upon request a copy of any instrument with respect to long-term debt not filed herewith as to which the total amount of securities authorized there under does not exceed 10 percent of our total assets on a consolidated basis.

(a) Financial Statements, Financial Statement Schedules and Exhibits

1. All Financial Statements

The following consolidated financial statements of the Company and its subsidiaries are filed as part of this report under Item 8—Financial Statements and Supplementary Data, as part of this Report on Form 10-K:

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2. Financial Statement Schedule:

Schedule II—Valuation and Qualifying Accounts and Reserves, for each of the years ended December 31, 2011, 2010 and 2009.

The separate consolidated financial statements of Pelikan-Artline Pty Ltd, the Company's 50 percent owned joint venture as of September 30, 2011 and 2010 and for each of the years in the three-year period ended September 30, 2011 required to be included in this report pursuant to Rule 3-09 of Regulation S-X, are filed as Exhibit 99.1.

3. Exhibits:

See Index to Exhibits on page 96 of this report.

EXHIBIT INDEX

Number	Description of Exhibit
2.1	Agreement and Plan of Merger, dated November 17, 2011, by and among MeadWestvaco Corporation, Monaco SpinCo Inc., ACCO Brands Corporation and Augusta Sub, Inc. (incorporated by reference to Exhibit 2.1 to Form 8-K filed by the Registrant on November 22, 2011 (File No. 001-08454))
2.2	Share Sale Agreement dated May 25, 2011 entered into by and between GBC Australia Pty Ltd, ACCO Brands Corporation, Neopost Holding Pty Ltd and NEOPOST S.A. (incorporated by reference to Exhibit 2.1 to Form 10-Q filed by the Registrant on July 27, 2011 (File No. 001-08454))
3.1	Restated Certificate of Incorporation of ACCO Brands Corporation (incorporated by reference to Exhibit 3.1 to Form 8-K filed by the Registrant on May 19, 2008 (File No. 001-08454))
3.2	Certificate of Designation of Series A Junior Participating Preferred Stock (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed August 17, 2005)
3.3	By-laws of ACCO Brands Corporation as amended through December 19, 2008 (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Registrant on December 24, 2008 (File No. 001-08454))
4.1	Rights Agreement, dated as of August 16, 2005, between ACCO Brands Corporation and Wells Fargo Bank, National Association, as rights agent (incorporated by reference to Exhibit 4.1 to Form 8-K filed by the Registrant on August 17, 2005 (File No. 001-08454))
4.2	Indenture, dated as of August 5, 2005, between ACCO Financial, Inc. and Wachovia Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K dated August 3, 2005 and filed August 8, 2005 (File No. 001-08454))
4.3	Supplemental Indenture, dated as of August 17, 2005, among ACCO Brands Corporation, the Guarantors signatory thereto and Wachovia Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated August 17, 2005 and filed August 23, 2005 (File No. 001-08454))
4.4	Registration Rights Agreement, dated as of August 5, 2005, among ACCO Finance I, Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., Harris Nesbitt Corp., ABN AMRO Incorporated, NatCity Investments, Inc. and Piper Jaffray & Co. (incorporated by reference to Exhibit 4.4 to the Registrant's Current Report on Form 8-K dated August 3, 2005 and filed August 8, 2005 (File No. 001-08454))
4.5	Joinder Agreement, dated as of August 17, 2005, among ACCO Brands Corporation, the Guarantors signatory thereto and Citigroup Global Markets Inc. and Goldman, Sachs & Co., as representatives of the Initial Purchasers (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K dated August 17, 2005 and filed August 23, 2005 (File No. 001-08454))
4.6	Indenture, dated as of September 30, 2009, among ACCO Brands Corporation, the guarantors named therein and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Form 8-K filed by the Registrant on October 6, 2009 (File No. 001-08454))
4.7	Registration Rights Agreement, dated as of September 30, 2009, among ACCO Brands Corporation, the guarantors named therein and Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Banc of America Securities LLC, BMO Capital Markets Corp., SunTrust Robinson Humphrey, Inc., Barclays Capital Inc., CJS Securities, Inc. and Barrington Research Associates, Inc. (incorporated by reference to Exhibit 4.2 to Form 8-K filed by the Registrant on October 6, 2009 (File No. 001-08454))
4.8	Intercreditor Agreement, dated as of September 30, 2009 among ACCO Brands Corporation, the other grantors from time to time party thereto, Deutsche Bank AG New York Branch, as collateral agent under the Syndicated Facility Agreement—ABL Revolving Facility, and U.S. Bank National Association, as collateral trustee under the Senior Secured Notes Indenture (incorporated by reference to Exhibit 4.3 to Form 8-K filed by the Registrant on October 6, 2009 (File No. 001-08454))

Number	Description of Exhibit
4.9	Collateral Trust Agreement, dated as of September 30, 2009 among ACCO Brands Corporation, as issuer, the guarantors from time to time party thereto, U.S. Bank National Association, as trustee under the indenture, the other secured debt representatives from time to time party thereto and U.S. Bank National Association, as collateral trustee (incorporated by reference to Exhibit 4.4 to Form 8-K filed by the Registrant on October 6, 2009 (File No. 001-08454))
4.10	Pledge Agreement among ACCO Brands Corporation, certain other subsidiaries of ACCO Brands Corporation from time to time party thereto and U.S. Bank National Association, as collateral trustee, dated as of September 30, 2009 (incorporated by reference to Exhibit 4.5 to Form 8-K filed by the Registrant on October 6, 2009 (File No. 001-08454))
4.11	Security Agreement among ACCO Brands Corporation, certain other subsidiaries of ACCO Brands Corporation from time to time party thereto and U.S. Bank National Association, as collateral trustee, dated as of September 30, 2009 (incorporated by reference to Exhibit 4.6 to Form 8-K filed by the Registrant on October 6, 2009 (File No. 001-08454))
10.1	ACCO Brands Corporation 2005 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated August 3, 2005 and filed August 8, 2005 (File No. 001-08454))
10.2	ACCO Brands Corporation 2005 Assumed Option and Restricted Stock Unit Plan, together with Sub-Plan A thereto (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated August 3,2005 and filed August 8, 2005 (File No. 001-08454))
10.3	ACCO Brands Corporation Annual Executive Incentive Compensation Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated August 3, 2005 and filed August 8, 2005 (File No. 001-08454))
10.4	Tax Allocation Agreement, dated as of August 16, 2005, between ACCO World Corporation and Fortune Brands, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated August 12, 2005 and filed August 17, 2005 (File No. 001-08454))
10.5	Tax Allocation Agreement, dated as of August 16, 2005, between General Binding Corporation and Lane Industries, Inc. (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated August 12, 2005 and filed August 17, 2005 (File No. 001-08454))
10.6	Employee Matters Agreement, dated as of March 15, 2005, by and among Fortune Brands, Inc., ACCO World Corporation and General Binding Corporation (incorporated by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form S-4 (File No. 333-124946))
10.7	Executive Severance/Change in Control Agreement, dated as of August 26, 2000, by and between Steven Rubin and GBC (incorporated by reference to Exhibit 10.15 to General Binding Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 (File No. 001-08454))
10.8	Letter Agreement, dated as of September 5, 2003, between ACCO World Corporation and Neal Fenwick (incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-4 (File No. 333-124946))
10.9	Letter Agreement, dated November 8, 2000, as revised in January 2001, between ACCO World Corporation and Neal Fenwick (incorporated by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form S-4 (File No. 333-124946))
10.10	Letter Agreement, dated September 8, 1999, between ACCO World Corporation and Neal Fenwick (incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-4 (File No. 333-124946))

Number	Description of Exhibit
10.11	Amended and Restated ACCO Brands Corporation 2005 Incentive Plan (incorporated by reference to Annex A of the Registrant's definitive proxy statement filed April 4, 2006 (File No. 001-08454))
10.12	Amendment to the Amended and Restated ACCO Brands Corporation 2005 Incentive Plan (incorporated by reference to Exhibit 10.1 to Form 8-K filed by the Registrant on May 19, 2008 (File No. 001-08454))
10.13	ACCO Brands Corporation Executive Severance Plan (effective December 1, 2007) (incorporated by reference to Exhibit 10.1 to Form 8-K filed by the Registrant on November 29, 2007 (File No. 001-08454))
10.14	2008 Amended and Restated ACCO Brands Corporation Supplemental Retirement Plan (incorporated by reference to Exhibit 10.31 to Form 10-K filed by the Registrant on February 29, 2008 (File No. 001-08454))
10.15	Amendment to the 2008 Amended and Restated ACCO Brands Corporation Supplemental Retirement Plan (incorporated by reference to Exhibit 10.1 to Form 8-K filed by the Registrant on January 22, 2009 (File No. 001-08454))
10.16	Retirement Agreement for David D. Campbell effective as of May 1, 2008 (incorporated by reference to Exhibit 10.3 to Form 10-Q filed by the Registrant on May 7, 2008 (File No. 001-08454))
10.17	Retirement Agreement for Neal V. Fenwick effective as of May 1, 2008 (incorporated by reference to Exhibit 10.4 to Form 10-Q filed by the Registrant on May 7, 2008 (File No. 001-08454))
10.18	Letter Agreement dated November 4, 2008, between ACCO Brands Corporation and Robert J. Keller (incorporated by reference to Exhibit 10.1 to Form 8-K filed by the Registrant on November 5, 2008 (File No. 001-08454))
10.19	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to Form 8-K filed by the Registrant on December 24, 2008 (File No. 001-08454))
10.20	Form of Stock-settled Stock Appreciation Rights Agreement under the ACCO Brands Corporation Amended and Restated 2005 Long-Term Incentive Plan, as amended (incorporated by reference to Exhibit 10.46 to Form 10-K filed by the Registrant on March 2, 2009 (File No. 001-08454))
10.21	Letter agreement, dated October 11, 2007, from ACCO Brands Corporation to David A. Kaput (incorporated by reference to Exhibit 10.1 to Form 8-K filed by the Registrant on March 3, 2009 (File No. 001-08454))
10.22	Syndicated Facility Agreement-ABL Revolving Facility, dated as of September 30, 2009, among ACCO Brands Corporation, certain direct and indirect subsidiaries of ACCO Brands Corporation party thereto, Deutsche Bank AG New York Branch, as administrative agent for the secured parties and in such capacity, a co-collateral agent, Bank of America, N.A., and General Electric Capital Corporation, as co-collateral agents, and the other agents and lenders named therein (incorporated by reference to Exhibit 10.1 to Form 8-K filed by the Registrant on October 6, 2009 (File No. 001-08454))
10.23	Amended and Restated ACCO Brands Deferred Compensation Plan for Non-Employee Directors, effective December 14, 2009 (incorporated by reference to Exhibit 10.41 to Form 10-K filed by the Registrant on February 26, 2010 (File No. 001-089454))
10.24	Letter agreement, dated November 4, 2008, from ACCO Brands Corporation to Christopher M. Franey (incorporated by reference to Exhibit 10.42 to Form 10-K filed by the Registrant on February 26, 2010 (File No. 001-08454))
10.25	Letter agreement, dated March 6, 2009, from ACCO Brands Corporation to Thomas H. Shortt (incorporated by reference to Exhibit 10.43 to Form 10-K filed by the Registrant on February 26, 2010 (File No, 001-08454))

Number	Description of Exhibit
10.26	Form of 2010-2012 Cash Based Award Agreement under the ACCO Brands Corporation Amended and Restated 2005 Incentive Plan (incorporated by reference to Exhibit 10.1 to Form 10-Q filed by the Registrant on May 7, 2010 (File No. 001-08454))
10.27	Form of 2010-2012 Performance Stock Unit Award Agreement under the ACCO Brands Corporation Amended and Restated Incentive Plan (incorporated by reference to Exhibit 10.2 to Form 10-Q filed by the Registrant on May 7, 2010 (File No. 001-08454))
10.28	Description of changes to compensation arrangements for Messrs. Keller, Fenwick and Elisman (incorporated by reference to Item 5.02 of Registrant's Form 8-K filed on December 12, 2009 (File No. 001-08454))
10.29	Description of certain compensation arrangements with respect to the Registrant's named executive officer's (incorporated by reference to Item 5.02 of Registrant's Form 8-K filed on March 1, 2010 (File No. 001-08454))
10.30	Description of changes to compensation arrangements for Christopher M. Franey (incorporated by reference to Item 5.02 of Registrant's Form 8-K filed on September 21, 2010 (File No. 001-08454))
10.31	Description of changes to compensation arrangements for Boris Elisman (incorporated by reference to Item 5.02 of Registrant's Form 8-K filed on December 14, 2010 (File No. 001-08454))
10.32	Amended and Restated 2005 Incentive Plan Restricted Stock Unit Award Agreement, effective as of February 24, 2011 between Robert J. Keller and ACCO Brands Corporation (incorporated by reference to Exhibit 10.1 to Form 8-K filed by the Registrant on February 15, 2011 (File No. 001-08454)).
10.33	2011 Amended and Restated ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.1 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on May 20, 2011 (File No. 001-08454)).
10.34	Form of Directors Restricted Stock Unit Award Agreement under the 2011 Amended and Restated ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.2 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on May 20, 2011 (File No. 001-08454)).
10.35	Form of Nonqualified Stock Option Agreement under the 2011 Amended and Restated ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.3 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on May 20, 2011 (File No. 001-08454)).
10.36	Form of Restricted Stock Unit Award Agreement under the 2011 Amended and Restated ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.4 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on May 20, 2011 (File No. 001-08454)).
10.37	Form of Performance Stock Unit Award Agreement under the 2011 Amended and Restated ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.5 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on May 20, 2011 (File No. 001-08454)).
10.38	Amendment No. 1, dated as of May 27, 2011 to the Syndicated Facility Agreement—ABL Revolving Facility, dated as of September 30, 2009, among the Company, certain direct and indirect subsidiaries of the Company party thereto, the Lenders party thereto from time to time, Deutsche Bank AG New York Branch, as Administrative Agent and Collateral Agent, and Deutsche Bank AG New York Branch, Bank of America, N.A. and General Electric Capital Corporation, as Co-Collateral Agents. (incorporated by reference to Exhibit 4.1 to Form 10-Q filed by the Registrant on July 27, 2011 (File No. 001-08454))
10.39	Form of Stock-Settled Stock Appreciation Rights Award Agreement under the 2011 Amended and Restated ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.6 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on May 20, 2011 (File No. 001-08454)).

Number	Description of Exhibit
10.40	Separation Agreement, dated November 17, 2011, by and between MeadWestvaco and Monaco SpinCo Inc. (incorporated by reference to Exhibit 10.1 of Registrant's Form 8-K filed on November 22, 2011 (File No. 001-08454))
10.41	Employee Benefits Agreement, dated as of November 17, 2011, by and among MeadWestvaco Corporation, Monaco Spinco Inc. and ACCO Brands Corporation. (incorporated by reference to Exhibit 10.3 of Registrant's Form S-4/A filed on February 13, 2012 (File No. 333-178869)).
10.42	Amendment to the February 24, 2011 Restricted Stock Unit Award Agreement, made and entered into as of December 7, 2011, between Robert J. Keller and ACCO Brands Corporation (incorporated by reference to Exhibit 10.1 of Registrant's Form 8-K filed on December 12, 2011 (File No. 001-08454))
10.43	Second Amended and Restated Commitment Letter, dated January 13, 2012, by and among ACCO Brands Corporation, Barclays Capital, Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bank of Montreal and SunTrust Bank (incorporated by reference to Exhibit 10.5 of Registrant's Form S-4/A filed on February 13, 2012 (File No. 333-178869)).
10.44	Second Amended and Restated Commitment Letter, dated January 13, 2012, by and among ACCO Brands Corporation, Barclays Capital, Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bank of Montreal and SunTrust Bank (incorporated by reference to Exhibit 10.6 of Registrant's Form S-4/A filed on February 13, 2012 (File No. 333-178869)).
10.45	Second Amended and Restated Commitment Letter, dated January 13, 2012, by and among MeadWestvaco Corporation, ACCO Brands Corporation, Barclays Capital, Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bank of Montreal, SunTrust Bank and SunTrust Robinson Humphrey, Inc. (incorporated by reference to Exhibit 10.7 of Registrant's Form S-4/A filed on February 13, 2012 (File No. 333-178869)).
16.1	Letter from PricewaterhouseCoopers LLP to the Securities and Exchange Commission dated May 21, 2009 (incorporated by reference to Exhibit 16.1 to Form 8-K filed by the Registrant on May 22, 2009 (File No. 001-08454))
21.1	Subsidiaries of the registrant*
23.1	Consent of KPMG LLP*
23.2	Consent of PKF*
24.1	Power of attorney*
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
99.1	Pelikan-Artline Pty Ltd Audited Financial Statements as of September 30, 2011*
101	The following financial statements from the Company's Annual Report on Form 10-K for the year ended December 31, 2011 formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets as of December 31, 2011 and 2010, (ii) the Consolidated Statements of Operations for the years ended December 31, 2011, 2010 and 2009, (iii) the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2011, 2010 and 2009 (iv) the Consolidated Statements of Cash Flows for the years ended December 31, 2011, 2010 and 2009, (v) Consolidated Statements of Stockholders Equity (Deficit) for the years ended December 31, 2011, 2010 and 2009, and (vi) related notes to those financial statements tagged as blocks of text.+

* Filed herewith.

+ In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 shall not be deemed to be "filed" for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934, or otherwise subject to liability under those sections, and shall not be part of any registration statement or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

REGISTRANT:
ACCO BRANDS CORPORATION

By: /s/ ROBERT J. KELLER
Robert J. Keller
Chairman of the Board and Chief Executive Officer (principal executive officer)

By: /s/ NEAL V. FENWICK
Neal V. Fenwick
Executive Vice President and Chief Financial Officer (principal financial officer)

By: /s/ THOMAS P. O'NEILL, JR.
Thomas P. O'Neill, Jr.
Senior Vice President, Finance and Accounting (principal accounting officer)

February 23, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed on its behalf by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ ROBERT J. KELLER Robert J. Keller	Chairman of the Board and Chief Executive Officer (principal executive officer)	February 23, 2012
/s/ NEAL V. FENWICK Neal V. Fenwick	Executive Vice President and Chief Financial Officer (principal financial officer)	February 23, 2012
/s/ THOMAS P. O'NEILL, JR. Thomas P. O'Neill, Jr.	Senior Vice President, Finance and Accounting (principal accounting officer)	February 23, 2012
/s/ GEORGE V. BAYLY* George V. Bayly	Director	February 23, 2012
/s/ KATHLEEN S. DVORAK* Kathleen S. Dvorak	Director	February 23, 2012

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Signature	Title	Date
/s/ G. THOMAS HARGROVE* G. Thomas Hargrove	Director	February 23, 2012
/s/ ROBERT H. JENKINS* Robert H. Jenkins	Director	February 23, 2012
/s/ THOMAS KROEGER* Thomas Kroeger	Director	February 23, 2012
/s/ MICHAEL NORKUS* Michael Norkus	Director	February 23, 2012
/s/ SHEILA G. TALTON* Sheila G. Talton	Director	February 23, 2012
/s/ Norman H. Wesley* Norman H. Wesley	Director	February 23, 2012
/s/ Neal V. Fenwick * Neal V. Fenwick as Attorney-in-Fact		

ACCO Brands Corporation

VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

SCHEDULE II

Allowances for Doubtful Accounts

Changes in the allowances for doubtful accounts were as follows:

	Year Ended December 31,		
(in millions of dollars)	2011	2010	2009
Balance at beginning of year	$ 5.2	$ 6.9	$ 7.0
Additions charged to expense	1.4	3.3	3.9
Deductions—write offs	(1.3)	(5.3)	(4.2)
Foreign exchange changes	(0.2)	0.3	0.2
Balance at end of year	$ 5.1	$ 5.2	$ 6.9

Allowances for Sales Returns and Discounts

Changes in the allowances for sales returns and discounts were as follows:

	Year Ended December 31,		
(in millions of dollars)	2011	2010	2009
Balance at beginning of year	$ 9.2	$ 9.8	$ 14.7
Additions charged to expense	41.6	31.8	40.8
Deductions—returns	(43.1)	(32.1)	(46.7)
Foreign exchange changes	—	(0.3)	1.0
Balance at end of year	$ 7.7	$ 9.2	$ 9.8

Allowances for Cash Discounts

Changes in the allowances for cash discounts were as follows:

	Year Ended December 31,		
(in millions of dollars)	2010	2009	2008
Balance at beginning of year	$ 1.2	$ 1.2	$ 1.1
Additions charged to expense	11.0	11.3	11.6
Deductions—discounts taken	(11.0)	(11.1)	(11.7)
Foreign exchange changes	(0.1)	(0.2)	0.2
Balance at end of year	$ 1.1	$ 1.2	$ 1.2

ACCO Brands Corporation

VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

SCHEDULE II (Continued)

Warranty Reserves

Changes in the reserve for warranty claims were as follows:

	Year Ended December 31,		
(in millions of dollars)	2011	2010	2009
Balance at beginning of year	$ 3.1	$ 2.8	$ 3.0
Provision for warranties issued	3.0	3.2	2.5
Settlements made (in cash or in kind)	(3.4)	(2.9)	(2.7)
Balance at end of year	$ 2.7	$ 3.1	$ 2.8

Income Tax Valuation Allowance

Changes in the deferred tax valuation allowances were as follows:

	Year Ended December 31,		
(in millions of dollars)	2011	2010	2009
Balance at beginning of year	$ 193.2	$ 188.9	$ 63.8
Additions charged to expense	5.4	15.7	123.1
Other	5.7	(11.4)	2.0
Balance at end of year	$ 204.3	$ 193.2	$ 188.9

See accompanying report of independent registered public accounting firm.

Exhibit 21.1

SUBSIDIARIES

ACCO Brands Corporation, a Delaware corporation, had the domestic and international subsidiaries shown below as of December 31, 2011. Certain domestic and international subsidiaries are not named because they were not significant in the aggregate. ACCO Brands Corporation has no parent.

Name of Subsidiary	Jurisdiction of Organization
U.S. Subsidiaries:	
ACCO Brands USA LLC	Delaware
Day-Timers, Inc.	Delaware
General Binding Corporation	Delaware
GBC International, Inc.	Nevada
ACCO International Holdings, Inc.	Delaware
ACCO Brands International, Inc.	Delaware
ACCO Europe Finance Holdings, LLC	Delaware
ACCO Europe International Holdings, LLC	Delaware
International Subsidiaries:	
ACCO Brands Canada Inc.	Canada
ACCO Mexicana S.A. de C.V.	Mexico
GBC Europe AB	Sweden
ACCO Europe Finance LP	England
ACCO Brands Europe Holding LP	England
ACCO Nederland Holding B.V.	Netherlands
ACCO Brands Benelux B.V.	Netherlands
ACCO Deutschland Beteiligungsgesellschaft mbh	Germany
ACCO Brands Italia S.r.L.	Italy
ACCO Brands Europe Ltd.	England
ACCO Brands Australia Holding Pty Ltd.	Australia
ACCO Brands Australia Pty. Ltd.	Australia
ACCO Europe Ltd.	England
ACCO-Rexel Group Services Limited	England
ACCO Australia Pty. Limited	Australia
ACCO Eastlight Limited	England
ACCO-Rexel Limited	Ireland
ACCO UK Limited	England
ACCO Deutschland GmbH & Co. KG (Limited Partnership)	Germany
NOBO Group Limited	England
ACCO Brands France	France

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-127626, 333-127631, 333-127750, 333-136662 333-153157, 333-157726, and 333-176247) of ACCO Brands Corporation of our report dated February 23, 2012, with respect to the consolidated balance sheets of ACCO Brands Corporation and subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2011, the related financial statement schedule, and the effectiveness of internal control over financial reporting, which report is included in the December 31, 2011 annual report on Form 10-K of ACCO Brands Corporation.

/s/ KPMG LLP

Chicago, Illinois
February 23, 2012

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the inclusion of our audit report dated December 21, 2012 relating to our audit of the Financial Statements of Pelikan Artline Joint Venture for the year ended September 30, 2011, which is included in this Form 10-K of ACCO Brands Corporation.

/s/ PKF

Sydney, Australia
February 20, 2012

Exhibit 24.1

LIMITED POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Robert J. Keller, Neal V. Fenwick, and Thomas P. O'Neill, Jr. and each of them, as his or her true and lawful attorneys-in-fact and agents, with power to act with or without the others and with full power of substitution and re-substitution, to do any and all acts and things and to execute any and all instruments which said attorneys and agents and each of them may deem necessary or desirable to enable the registrant to comply with the U.S. Securities and Exchange Act of 1934, as amended, and any rules, regulations and requirements of the U.S. Securities and Exchange Commission thereunder in connection with the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (the "Annual Report"), including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of the registrant and the name of the undersigned, individually and in his or her capacity as a director or officer of the registrant, to the Annual Report as filed with the United States Securities and Exchange Commission, to any and all amendments thereto, and to any and all instruments or documents filed as part thereof or in connection therewith; and each of the undersigned hereby ratifies and confirms all that said attorneys and agents and each of them shall so or cause to be done by virtue hereof.

Signature	Title	Date
/s/ Robert J. Keller Robert J. Keller	Chairman of the Board and Chief Executive Officer (principal executive officer)	February 23, 2012
/s/ Neal V. Fenwick Neal V. Fenwick	Executive Vice President and Chief Financial Officer (principal financial officer)	February 23, 2012
/s/ Thomas P. O'Neill, Jr Thomas P. O'Neill, Jr.	Senior Vice President, Finance and Accounting (principal accounting officer)	February 23, 2012
/s/ George V. Bayly George V. Bayly	Director	February 23, 2012
/s/ Kathleen S. Dvorak Kathleen S. Dvorak	Director	February 23, 2012
/s/ G. Thomas Hargrove G. Thomas Hargrove	Director	February 23, 2012
/s/ Robert H. Jenkins Robert H. Jenkins	Director	February 23, 2012
/s/ Thomas Kroeger Thomas Kroeger	Director	February 23, 2012
/s/ Michael Norkus Michael Norkus	Director	February 23, 2012
/s/ Sheila G. Talton Sheila G. Talton	Director	February 23, 2012
/s/ Norman H. Wesley Norman H. Wesley	Director	February 23, 2012

Exhibit 31.1

CERTIFICATIONS

I, Robert J. Keller, certify that:

1. I have reviewed this annual report on Form 10-K of ACCO Brands Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Robert J. Keller

Robert J. Keller
Chairman of the Board and
Chief Executive Officer

Date: February 23, 2012

Exhibit 31.2

CERTIFICATIONS

I, Neal V. Fenwick, certify that:

1. I have reviewed this annual report on Form 10-K of ACCO Brands Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Neal V. Fenwick

Neal V. Fenwick
Executive Vice President and Chief Financial Officer

Date: February 23, 2012

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

As adopted pursuant to

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of ACCO Brands Corporation on Form 10-K for the period ended December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof, (the "Report"), I, Robert J. Keller, Chief Executive Officer of ACCO Brands Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of ACCO Brands Corporation.

By: /s/ ROBERT J. KELLER

Robert J. Keller
Chairman of the Board and Chief Executive Officer

February 23, 2012

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

As adopted pursuant to

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of ACCO Brands Corporation on Form 10-K for the period ended December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof, (the "Report"), I, Neal V. Fenwick, Chief Financial Officer of ACCO Brands Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of ACCO Brands Corporation.

By: /s/ NEAL V. FENWICK

Neal V. Fenwick
Executive Vice President and Chief Financial Officer

February 23, 2012

Exhibit 99.1

Financial Statements of Pelikan Artline Joint Venture and Controlled Entities

The accompanying consolidated financial statements of Pelikan Artline Joint Venture and Controlled Entities, a 50% owned joint venture investment of ACCO Brands Corporation ("ACCO"), are being provided pursuant to Rule 3-09 of the Securities and Exchange Commission's ("SEC") Regulation S-X. These financial statements are audited as of September 30, 2011 and are prepared in accordance with accounting principles generally accepted rules in Australia and as permitted by the SEC Regulations.

PELIKAN ARTLINE JOINT VENTURE
and Controlled Entities
A.B.N. 51 084 958 556

FINANCIAL REPORT - 30 SEPTEMBER 2011

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Chartered Accountants
& Business Advisers

Report of Independent Registered Public Accounting Firm

To the members of Pelikan Artline Joint Venture

We have audited the accompanying financial statements of Pelikan Artline Joint Venture (the "parent entity"), which comprises the statement of financial position as at September 30, 2011 and 2010, and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the years then ended for both the parent entity and the consolidated entity. The consolidated entity comprises the parent entity and the entities it controlled at the year's end or from time to time during the year. These financial statements are the responsibility of the parent entity's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We did not audit the parent entity's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent entity's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the parent entity and the consolidated entity at September 30, 2011 and 2010, and the results of their operations and cash flows for the years then ended in conformity with accounting principles generally accepted in Australia on the basis as described in note 1.

The financial statements for 2009 (refer to note 32) are presented for comparative purposes only. The financial statements for 2009 have not been audited by us in accordance with auditing standards generally accepted in the United States of America.

PKF
Sydney, Australia
21 December 2011

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PELIKAN ARTLINE JOINT VENTURE
and Controlled Entities

FINANCIAL REPORT - 30 SEPTEMBER 2011

DIRECTORS' DECLARATION

The directors of Pelikan Artline Pty Limited, the agent for the joint venture, declare that:

1. The financial statements, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements:
   a) comply with Australian Accounting Standards; and
   b) give a true and fair view of the financial position as at 30 September 2011 and of the performance for the year ended on that date of the joint venture and consolidated entity.
2. In the directors' opinion there are reasonable grounds to believe that the joint venture will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors and is signed for and on behalf of the directors by:

A.G. Kaldor
Director

B.R. Haynes
Director

Sydney, 21 December 2011

PELIKAN ARTLINE JOINT VENTURE
and Controlled Entities

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2011

		Consolidated		Parent	
		2011	2010	2011	2010
	Note	$	$	$	$
Revenue	2	127,910,566	131,308,301	131,452,716	135,727,057
		127,910,566	131,308,301	131,452,716	135,727,057
Expenses					
Purchases, distribution & selling		(85,681,067)	(89,466,083)	(77,792,675)	(81,829,984)
Marketing		(14,312,918)	(12,663,744)	(14,302,797)	(12,655,998)
Administration, IT & other expenses		(2,892,233)	(2,163,752)	(24,698,291)	(25,058,679)
Finance costs		(1,466,274)	(1,878,429)	(3,089,588)	(3,209,695)
		(104,352,492)	(106,172,008)	(119,883,351)	(122,754,356)
Profit before income tax		23,558,074	25,136,293	11,569,365	12,972,701
Income tax expense	1,5	(4,800,914)	(4,922,678)	—	—
Profit for the year		18,757,160	20,213,615	11,569,365	12,972,701
Other Comprehensive Income					
Available for sale financial assets		60,205	33,179	—	—
Other comprehensive income for the year, net of tax		60,205	33,179	—	—
Total comprehensive income for the year		18,817,365	20,246,794	11,569,365	12,972,701
Profit attributable to:					
Owners of the parent entity		16,791,642	18,181,165	11,569,365	12,972,701
Minority interest		1,965,518	2,032,450	—	—
		18,757,160	20,213,615	11,569,365	12,972,701
Total comprehensive income attributable to:					
Owners of the parent entity		16,839,910	18,207,766	11,569,365	12,972,701
Minority interest		1,977,455	2,039,028	—	—
		18,817,365	20,246,794	11,569,365	12,972,701

The above statement of comprehensive income should be read in conjunction with the accompanying notes

PELIKAN ARTLINE JOINT VENTURE
and Controlled Entities

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

		Consolidated		Parent	
		2011	2010	2011	2010
	Note	$	$	$	$
ASSETS					
Current Assets					
Cash and cash equivalents	6	26,162,953	27,205,691	3,119,293	2,527,774
Trade and other receivables	7	36,779,458	36,205,486	36,331,187	35,807,318
Inventories	8	22,499,902	22,503,626	22,499,902	22,503,626
Prepayments		922,226	727,708	843,002	671,674
Total current assets		86,364,539	86,642,511	62,793,384	61,510,392
Non-Current Assets					
Receivables	9	—	—	10,701,395	9,926,160
Financial assets	10	495,252	409,245	40,853,792	40,853,792
Property, plant and equipment	11	1,606,649	2,297,720	1,149,926	1,388,650
Deferred tax assets	12	683,237	897,520	n/a	n/a
Intangible assets	13	30,469,175	30,467,403	50,015	48,243
Total non-current assets		33,254,313	34,071,888	52,755,128	52,216,845
Total assets		119,618,852	120,714,399	115,548,512	113,727,237
LIABILITIES					
Current Liabilities					
Trade and other payables	14	27,781,809	30,371,498	34,176,061	34,682,832
Provisions	15	1,644,271	1,121,980	966,271	687,518
Short-term borrowings	16	4,000,000	4,000,000	4,000,000	4,000,000
Current tax liabilities		2,622,300	2,351,731	—	—
Total current liabilities		36,048,380	37,845,209	39,142,332	39,370,350
Non-Current Liabilities					
Trade and other payables	17	—	—	31,541,045	23,935,547
Long-term borrowings	18	14,000,000	19,000,000	14,000,000	19,000,000
Deferred tax liabilities	19	233,199	171,492	n/a	n/a
Provisions	20	241,307	274,786	54,307	46,247
Total non-current liabilities		14,474,506	19,446,278	45,595,352	42,981,794
Total liabilities		50,522,886	57,291,487	84,737,684	82,352,144
Net assets		69,095,966	63,422,912	30,810,828	31,375,093
EQUITY					
Capital introduced	21	1,652,804	1,652,804	1,652,804	1,652,804
Reserves	22	167,693	119,425	—	—
Retained earnings	23	57,674,759	53,016,747	29,158,024	29,722,289
Outside equity interest	24	9,600,710	8,633,936	—	—
Total equity		69,095,966	63,422,912	30,810,828	31,375,093

The above statement of financial position should be read in conjunction with the accompanying notes

PELIKAN ARTLINE JOINT VENTURE
and Controlled Entities

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2011

		Consolidated		Parent	
		2011	2010	2011	2010
	Note	$	$	$	$
Total equity at the beginning of the financial year		63,422,912	54,037,158	31,375,093	28,255,808
Total comprehensive income attributable to:					
Owners of the parent entity		16,839,910	18,207,766	11,569,365	12,972,701
Minority interest		1,977,455	2,039,028	—	—
Distribution of profit during the year		(12,133,630)	(9,853,416)	(12,133,630)	(9,853,416)
Dividends provided for or paid	4	(1,010,681)	(1,007,624)	—	—
		5,673,054	9,385,754	(564,265)	3,119,285
Total equity at the end of the financial year		69,095,966	63,422,912	30,810,828	31,375,093

The above statement of changes in equity should be read in conjunction with the accompanying notes

PELIKAN ARTLINE JOINT VENTURE
and Controlled Entities

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

		Consolidated		Parent	
		2011	2010	2011	2010
	Note	$	$	$	$
Cash Flows From Operating Activities					
Receipts from customers (inclusive of GST)		141,800,130	146,235,117	139,327,807	143,331,735
Payments to suppliers and employees (inclusive of GST)		(120,255,564)	(118,083,956)	(132,361,625)	(130,051,010)
Dividend received		4,717	4,855	—	—
Interest received		1,320,482	745,012	949,942	1,239,016
Finance costs		(1,466,274)	(1,764,260)	(2,682,366)	(4,037,190)
Income tax paid		(4,235,297)	(3,225,568)	—	—
Net cash flows from operating activities	29	17,168,194	23,911,200	5,233,758	10,482,551
Cash Flows From Investing Activities					
Purchase of property, plant and equipment		(130,575)	(440,006)	(130,575)	(440,006)
Proceeds from sale of property, plant and equipment		63,954	32,821	—	23,980
Loans to related party		—	—	(775,235)	(1,181,110)
Net cash flows from investing activities		(66,621)	(407,185)	(905,810)	(1,597,136)
Cash Flows From Financing Activities					
Repayment of borrowings		(5,000,000)	(4,000,000)	(5,000,000)	(4,000,000)
Loans from (to) related parties (net)		—	—	13,397,201	(4,663,180)
Profit distributions paid		(12,133,630)	(9,853,416)	(12,133,630)	(9,853,416)
Dividends paid		(1,010,681)	(1,007,624)	—	—
Net cash flows from financing activities		(18,144,311)	(14,861,040)	(3,736,429)	(18,516,596)
Net increase (decrease) in cash and cash and cash equivalents		(1,042,738)	8,642,975	591,519	(9,631,181)
Cash and cash equivalents at the beginning of the year		27,205,691	18,562,716	2,527,774	12,158,955
Cash and cash equivalents at the end of the year	1, 6	26,162,953	27,205,691	3,119,293	2,527,774

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report prepared in order to satisfy Pelikan Artline Joint Venture's (referred to in this report as the parent entity) financial report preparation requirements under the Joint Venture Agreement dated 24 December 1998.

The financial report covers Pelikan Artline Joint Venture as an individual parent entity and Pelikan Artline Joint Venture and controlled entities as a consolidated entity.

The financial report was authorised for issue by the directors of Pelikan Artline Pty Limited, the agent for the Joint Venture, on 21 December 2011.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations.

Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements of Pelikan Artline Joint Venture comply with Australian Accounting Standards -Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

Early adoption of standards

The parent and consolidated entities have elected to apply the following pronouncements to the annual reporting period beginning 1 October 2009:

AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*

Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Principles of Consolidation

A controlled entity is any entity controlled by Pelikan Artline Joint Venture. Control exists where Pelikan Artline Joint Venture has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Pelikan Artline Joint Venture to achieve the objectives of Pelikan Artline Joint Venture.

The financial statements of controlled entities are included from the date control commences to the date control ceases.

Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

Income Tax

The parent entity is not a legal entity subject to Australian or New Zealand income tax. Its income is taxable in the hands of the Joint Venture parties.

The controlled entities are subject to Australian or New Zealand income tax and the tax balances disclosed in this report relate to these controlled entities.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax (continued)

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or non-allowable items. It is calculated using tax rates that have been enacted or are substantively enacted by the statement of financial position date.

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited direct to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Revenue Recognition

Sale of goods revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue

Interest revenue is recognised on an accruals basis taking into account the interest rates applicable to the financial assets.

Dividend revenue

Dividend revenue is recognised when the right to receive a dividend has been established.

Promotional Expenditure

Advertising and promotional expenditure (primarily catalogue expenditure) is recognised when incurred. The expenditure is incurred when the entity enters into a binding commitment with the service provider.

Foreign Currency Transactions and Balances

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income. Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Trade and Other Current Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out or average cost basis.

Investments and Other Financial Assets

The parent entity accounts for investments in subsidiaries at cost less impairment. The consolidated entity classifies its investments as available for sale financial assets. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Available for sale financial assets, comprising marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date.

Purchases and sales of investments are recognised on trade date - the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Available for sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available for sale are recognised in equity in the available for sale financial assets revaluation reserve. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as gains and losses from investment securities.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Other Financial Assets (continued)

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available for sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of a provision account. When a trade receivable is uncollectible, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against the provision account. Changes in the carrying amount of the provision account are recognised in profit or loss.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost, less where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by the directors to ensure that it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, are depreciated on a straight line basis over their useful lives to the consolidated entity commencing from the time each asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	7.50% - 66.77%
Motor vehicles	15.00% - 20.00%

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the consolidated entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the consolidated entity will obtain ownership of the asset over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the year in which they are incurred.

Intangibles

Intangibles – Trademark Licences

Trademark licences are initially recognised at cost of acquisition. They have an indefinite useful life because they are subject to a written trademark agreement which does not limit the period over which they are expected to generate cash inflows. They are not subject to amortisation.

Trademark licences are tested for impairment annually and are subsequently carried at cost less any accumulated impairment losses. An impairment loss is recognised for the amount by which the trademark licence's carrying amount exceeds its recoverable amount.

Goodwill

Goodwill and goodwill on consolidation are initially recorded as an intangible asset at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at the date of acquisition. Goodwill has an indefinite life on the basis there is no foreseeable limit to the period over which the asset is expected to generate cash inflows. They are not subject to amortisation.

Goodwill is tested annually for impairment and carried at a cost less accumulated impairment losses.

Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition, with the exception of certain liabilities to employees that are usually paid within 12 months of the statement of financial position date.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of the loan facilities are recognised in the statement of comprehensive income when they are incurred.

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Employee Benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Retirement Benefit Obligations

Superannuation contributions are made by the consolidated entity to employee superannuation funds and are charged as expenses when incurred.

Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from or payable to the Australian Taxation Office is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the Australian Taxation Office, are presented as operating cash flow.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the economic entity commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss' in which case transaction costs are expensed to the statement of comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method;
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the consolidated entity's intention to hold these investments to maturity.
They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets. If during the period the consolidated entity sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

Comparatives

Where required by Accounting Standards and/or for improved presentation purposes comparative figures have been adjusted to conform with changes in presentation for the current year.

Critical Accounting Estimates and Assumptions

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

Key Estimates – Impairment of Goodwill and Trademark Licences

The consolidated entity tests annually whether goodwill and other intangible assets that have an indefinite useful life have suffered any impairment, in accordance with the accounting policy stated in note 1.

In assessing goodwill for impairment, sensitivity analysis was applied to key assumptions (being the growth and discount rates) used in value in use calculations. As a result of this sensitivity analysis, there were no changes in key assumptions that were considered reasonably possible, which would cause the carrying amount of goodwill to exceed its recoverable amount and therefore no impairment has been recognised in respect of goodwill amounting to $28,492,523 or trademark licences amounting to $1,976,652 for the year ended 30 September 2011.

PELIKAN ARTLINE JOINT VENTURE
and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Consolidated		Parent	
	2011	2010	2011	2010
	$	$	$	$
Note 2 Revenue				
Revenue				
Sales net of discounts and rebates allowed	126,288,905	130,163,227	126,288,905	130,309,235
Other revenue				
Dividend received	4,717	4,855	4,086,923	4,074,561
Interest received	1,415,432	1,013,514	949,942	1,216,731
Other operating revenue	201,512	126,705	126,946	126,530
	1,621,661	1,145,074	5,163,811	5,417,822
Total revenue	127,910,566	131,308,301	131,452,716	135,727,057
Note 3 Expenses				
Depreciation - property, plant & equipment	613,395	671,172	367,257	350,860
Bad and doubtful debts expense				
Bad debts	123,276	30,433	123,276	30,433
Provision for impairment	(62,499)	—	(62,499)	—
Total bad and doubtful debts	60,777	30,433	60,777	30,433
Foreign currency translation losses	73,884	21,571	—	16,286
Loss on disposal of property, plant and equipment	144,297	63,090	2,042	6,862
Rental expenses relating to operating leases	4,667,381	5,559,663	3,161,293	3,033,062
Note 4 Dividends				
Fully franked dividends - franked at tax rate of 30%	1,010,681	1,007,624	—	—
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax, franking debits arising from payment of dividends recognised as a liability at reporting date and franking credits arising from receipt of dividends recognised as receivable at reporting date.	23,175,163	20,991,213	—	—

PELIKAN ARTLINE JOINT VENTURE
and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Consolidated		Parent	
	2011	2010	2011	2010
	$	$	$	$
Note 5 - Income tax				
(a) The components of income tax expense comprise				
Current income tax	4,549,150	4,291,118	n/a	n/a
Deferred income tax - recoupment of (increase in) tax losses	(12,723)	394,083	n/a	n/a
Deferred income tax - other items	262,016	229,553	n/a	n/a
Deferred income tax - changes in tax rates	1,860	10,971	n/a	n/a
Under (over) provision in respect of prior years	611	(3,047)	n/a	n/a
Total income tax expense	4,800,914	4,922,678	n/a	n/a
Deferred income tax expense included in income tax expense				
Decrease (increase) in deferred tax assets (note 12)	213,388	532,804	n/a	n/a
Increase (decrease) in deferred tax liabilities (note 19)	35,905	90,832	n/a	n/a
	249,293	623,636	n/a	n/a
(b) Income tax reconciliation				
The prima facie tax on profit before income tax is reconciled to the income tax as follows:-				
Prima facie tax payable on profit before income tax at 30%	7,067,422	7,540,888	n/a	n/a
Add (less) tax effect of:-				
Non allowable items	(23,611)	43,317	n/a	n/a
Non assessable items	239	(680)	n/a	n/a
Change in tax rates	1,860	10,971	n/a	n/a
Over (under) provision in respect of prior years	—	(3,047)	n/a	n/a
Increase in tax losses not recognised	(263)	671	n/a	n/a
Income tax not payable by parent entity - non taxable entity	(2,244,733)	(2,669,442)	n/a	n/a
Income tax expense	4,800,914	4,922,678	n/a	n/a
The applicable weighted average effective tax rates are as follows:	20%	20%	n/a	n/a
Tax effect relating to other comprehensive income:				
Deferred tax	25,802	14,220	n/a	n/a
Note 6 Current Assets - Cash and Cash Equivalents				
Cash at bank	3,263,833	3,302,852	2,168,604	146,491
Cash on deposit	22,899,120	23,902,839	950,689	2,381,283
	26,162,953	27,205,691	3,119,293	2,527,774
Note 7 Current Assets - Trade and Other Receivables				
Trade receivables	35,510,561	35,265,481	35,510,562	35,265,481
Less provision for impairment	(37,501)	(100,000)	(37,501)	(100,000)
	35,473,060	35,165,481	35,473,061	35,165,481
Current tax assets	47,093	91,953	—	—
Other receivables	1,259,305	948,052	858,126	641,837
	36,779,458	36,205,486	36,331,187	35,807,318

	Consolidated		Parent	
	2011	2010	2011	2010
	$	$	$	$
Note 8 Current Assets - Inventories				
Stock on hand (note 1)	22,499,902	22,503,626	22,499,902	22,503,626
Note 9 Non-Current Assets - Receivables				
Loan to controlled entity - unsecured	—	—	10,701,395	9,926,160
Note 10 Non-Current Assets - Financial Assets				
Other Financial Assets				
Unlisted investments				
Shares in subsidiary companies (at cost)	—	—	40,853,792	40,853,792
Shares in unlisted corporations (at fair value)	495,252	409,245	—	—
	495,252	409,245	40,853,792	40,853,792

Parent Entity - Shares in other controlled corporations

On 29 April 2005 the joint venture acquired 80.17% of the share capital of Geoff Penney (Australia) Pty Limited, which is also the 100% holding company of Custom Xstamper Australia Pty Limited and Pelikan Artline Limited.

On 14 January 2009 the joint venture acquired 100% of the share capital of Spirax Holdings Pty Limited, which is also the 100% holding company of Spirax Industries Pty Limited, Spirax Office Products Pty Limited, Spirax Holdings NZ Limited and Spirax New Zealand Limited.

Consolidated Entity - Shares in unlisted corporations

Shares in other corporations represent an investment in Shachihata (Malaysia) Sdn. Bhd., a private company incorporated in Malaysia that manufactures certain products sold by the Consolidated Entity. The percentage owned is 2.38% and is carried at fair value.

	Consolidated		Parent	
	2011	2010	2011	2010
	$	$	$	$
Note 11 Non-Current Assets - Property, Plant and Equipment				
Plant and equipment (at cost)	10,177,139	11,557,469	2,767,337	2,811,757
Less accumulated depreciation	(8,570,490)	(9,259,749)	(1,617,411)	(1,423,107)
Total property, plant and equipment	1,606,649	2,297,720	1,149,926	1,388,650

Movements in carrying amounts *Consolidated Entity*	Plant and equipment $	Total $
At 1 October 2010		
Cost	11,557,469	11,557,469
Accumulated depreciation and impairment	(9,259,749)	(9,259,749)
Net carrying amount	2,297,720	2,297,720
Year ended 30 September 2011		
Net carrying amount at 1 October 2010	2,297,720	2,297,720
Additions	151,638	151,638
Disposals	(229,314)	(229,314)
Depreciation and amortisation charge	(613,395)	(613,395)
Net carrying amount at 30 September 2011	1,606,649	1,606,649
At 30 September 2011		
Cost	10,177,139	10,177,139
Accumulated depreciation and impairment	(8,570,490)	(8,570,490)
Net carrying amount	1,606,649	1,606,649

Parent Entity	Plant and equipment $	Total $
At 1 October 2010		
Cost	2,811,757	2,811,757
Accumulated depreciation and impairment	(1,423,107)	(1,423,107)
Net carrying amount	1,388,650	1,388,650
Year ended 30 September 2011		
Net carrying amount at 1 October 2010	1,388,650	1,388,650
Additions	151,638	151,638
Disposals	(23,105)	(23,105)
Depreciation and amortisation charge	(367,257)	(367,257)
Net carrying amount at 30 September 2011	1,149,926	1,149,926
At 30 September 2011		
Cost	2,767,337	2,767,337
Accumulated depreciation and impairment	(1,617,411)	(1,617,411)
Net carrying amount	1,149,926	1,149,926

	Consolidated		Parent	
	2011	2010	2011	2010
	$	$	$	$
Note 12 Non-Current Assets - Deferred Tax Assets				
Deferred tax assets	683,237	897,520	n/a	n/a
Deferred tax assets - movement				
Opening balance	897,520	1,446,465	n/a	n/a
Change in tax rates	(1,912)	(11,323)	n/a	n/a
Unrealised currency gains and losses	1,022	(8,414)	n/a	n/a
Provisions	60,600	(35,400)	n/a	n/a
Accruals	(8,989)	(101,411)	n/a	n/a
Property, plant and equipment	(2,988)	1,686	n/a	n/a
Tax losses	(262,016)	(394,083)	n/a	n/a
Closing balance	683,237	897,520	n/a	n/a
Deferred tax assets comprise				
Provisions	259,500	376,001	n/a	n/a
Accruals	396,662	259,503	n/a	n/a
Property, plant and equipment	27,075	—	n/a	n/a
Tax losses	—	262,016	n/a	n/a
	683,237	897,520	n/a	n/a

PELIKAN ARTLINE JOINT VENTURE
and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Consolidated		Parent	
	2011	2010	2011	2010
	$	$	$	$
Note 13 Non-Current Assets - Intangible Assets				
Trademark licence (at cost)	1,976,652	1,976,652	—	—
Goodwill (at cost)	28,492,523	28,490,751	50,015	48,243
	30,469,175	30,467,403	50,015	48,243

Movements in carrying amounts *Consolidated Entity*	Trademark licence $	Goodwill $	Total $
At 1 October 2010			
Cost	1,976,652	28,490,751	30,467,403
Accumulated amortisation and impairment	—	—	—
Net carrying amount	1,976,652	28,490,751	30,467,403
Year ended 30 September 2011			
Net carrying amount at 1 October 2010	1,976,652	28,490,751	30,467,403
Currency fluctuations	—	1,772	1,772
Net carrying amount at 30 September 2011	1,976,652	28,492,523	30,469,175
At 30 September 2011			
Cost	1,976,652	28,492,523	30,469,175
Accumulated amortisation and impairment	—	—	—
Net carrying amount	1,976,652	28,492,523	30,469,175

Parent Entity	Trademark licence $	Goodwill $	Total $
At 1 October 2010			
Cost	—	48,243	48,243
Accumulated amortisation and impairment	—	—	—
Net carrying amount	—	48,243	48,243
Year ended 30 September 2011			
Net carrying amount at 1 October 2010	—	48,243	48,243
Currency fluctuations	—	1,772	1,772
Net carrying amount at 30 September 2011	—	50,015	50,015
At 30 September 2011			
Cost	—	50,015	50,015
Accumulated amortisation and impairment	—	—	—
Net carrying amount	—	50,015	50,015

	Consolidated		Parent	
	2011	2010	2011	2010
	$	$	$	$
Note 14 Current Liabilities - Trade and Other Payables				
Trade payables	11,230,530	15,088,224	11,510,273	15,488,730
Liabilities to employees	4,116,698	4,994,504	3,121,108	4,033,258
Other payables	12,434,581	10,288,770	12,059,162	9,787,328
Loans - unsecured	—	—	7,485,518	5,373,516
	27,781,809	30,371,498	34,176,061	34,682,832
Note 15 Current Liabilities - Provisions				
Employee benefits - long service leave	1,644,271	1,121,980	966,271	687,518
Note 16 Current Liabilities - Short-term Borrowings				
Loans - Westpac (secured)	4,000,000	4,000,000	4,000,000	4,000,000
Note 17 Non-Current Liabilities - Trade and Other Payables				
Loans - unsecured	—	—	31,541,045	23,935,547
Note 18 Non-Current Liabilities - Long-term Borrowings				
Loans - Westpac (secured)	14,000,000	19,000,000	14,000,000	19,000,000
Note 19 Non-Current Liabilities - Deferred Tax Liabilities				
Deferred tax liabilities	233,199	171,492	n/a	n/a
Deferred tax liabilities - movement				
Opening balance	171,492	66,440	n/a	n/a
Receivables	28,485	91,069	n/a	n/a
Prepayments	7,420	(237)	n/a	n/a
Revaluation of available for sale financial assets charged directly to other comprehensive income	25,802	14,220	n/a	n/a
Closing balance	233,199	171,492	n/a	n/a
Deferred tax liabilities comprise				
Receivables	119,936	91,451	n/a	n/a
Prepayments	23,622	16,202	n/a	n/a
Revaluation of available for sale financial assets	89,641	63,839	n/a	n/a
	233,199	171,492	n/a	n/a
Note 20 Non-Current Liabilities - Provisions				
Employee benefits - long service leave	241,307	274,786	54,307	46,247

PELIKAN ARTLINE JOINT VENTURE
and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Consolidated		Parent	
	2011	2010	2011	2010
	$	$	$	$
Note 21 Joint Venture Equity				
Columbia Pelikan Pty Ltd				
Capital introduced	826,402	826,402	826,402	826,402
Share of joint venture profits - prior years	26,508,374	22,344,499	14,861,145	13,301,502
Share of joint venture profits - current year	8,395,821	9,090,583	5,784,683	6,486,351
Share of transfers to reserves - prior year	59,713	46,412	—	—
Share of transfers to reserves - current year	24,134	13,301	—	—
Distribution of profit	(6,066,815)	(4,926,708)	(6,066,815)	(4,926,708)
Joint venture interest at the end of the financial year	29,747,628	27,394,488	15,405,414	15,687,547
ACCO Brands Australia Pty Ltd/GBC Fordigraph Pty Ltd*				
Capital introduced	826,402	826,402	826,402	826,402
Share of joint venture profits - prior years	26,508,374	22,344,499	14,861,145	13,301,502
Share of joint venture profits - current year	8,395,821	9,090,583	5,784,683	6,486,351
Share of transfers to reserves - prior year	59,713	46,412	—	—
Share of transfers to reserves - current year	24,134	13,301	—	—
Distribution of profit	(6,066,815)	(4,926,708)	(6,066,815)	(4,926,708)
Joint venture interest at the end of the financial year	29,747,628	27,394,488	15,405,414	15,687,547
Total joint venture interests				
Capital introduced	1,652,804	1,652,804	1,652,804	1,652,804
Share of joint venture profits - prior years	53,016,747	44,688,998	29,722,289	26,603,004
Share of joint venture profits - current year	16,791,642	18,181,165	11,569,365	12,972,701
Share of transfers to reserves - prior year	119,425	92,824	—	—
Share of transfers to reserves - current year	48,268	26,601	—	—
Distribution of profit	(12,133,630)	(9,853,416)	(12,133,630)	(9,853,416)
Joint venture interest at the end of the financial year	59,495,256	54,788,976	30,810,828	31,375,093
Outside equity interests in controlled entities (note 24)	9,600,710	8,633,936	—	—
Total equity as per the statement of financial position	69,095,966	63,422,912	30,810,828	31,375,093

* Under a Deed of Transfer and Novation dated 25 May 2011 ACCO Brands Australia Pty Ltd replaced GBC Fordigraph Pty Ltd as a holder of GBC Fordigraph Pty Ltd's 50% interest in the Pelikan Artline Joint Venture and as a party to the Joint Venture Agreements.
The parties also agreed that the Joint Venture and its business as evidenced in the Joint Venture documents is a continuing partnership.

Note 22 Reserves				
Available for sale financial assets revaluation reserve				
Opening balance	119,425	92,824	—	—
Movement during the year	48,268	26,601	—	—
Closing balance	167,693	119,425	—	—

The available for sale financial assets revaluation reserve records revaluations of available for sale financial assets.

	Consolidated		Parent	
	2011	2010	2011	2010
	$	$	$	$
Note 23 Retained Earnings				
Movements in retained earnings were as follows:				
Balance at the beginning of the year	53,016,747	44,688,998	29,722,289	26,603,004
Profit attributable to owners of the parent for the year	16,791,642	18,181,165	11,569,365	12,972,701
Distribution of profit during the year	(12,133,630)	(9,853,416)	(12,133,630)	(9,853,416)
Dividends paid or provided	(1,010,681)	(1,007,624)	—	—
Dividends attributable to outside equity interest	1,010,681	1,007,624	—	—
Balance at the end of the year	57,674,759	53,016,747	29,158,024	29,722,289
Distribution to joint venture partners				
Columbia Pelikan Pty Ltd	28,837,380	26,508,374	14,579,012	14,861,145
ACCO Brands Australia Pty Ltd/GBC Fordigraph Pty Ltd	28,837,380	26,508,374	14,579,012	14,861,145
	57,674,759	53,016,747	29,158,024	29,722,289
Note 24 Outside Equity Interests in Controlled Entities				
Outside equity interest comprises:				
Share capital	141,562	141,562	—	—
Reserves	653,992	642,055	—	—
Retained earnings	8,805,156	7,850,319	—	—
	9,600,710	8,633,936	—	—
Note 25 Commitments				
(a) Operating lease commitments				
Aggregate amount contracted for but not capitalised in the financial statements and payable:				
Not later than 1 year	3,356,674	2,843,651	2,440,583	1,225,858
Later than 1 year but not later than 5 years	4,719,072	3,332,209	4,499,295	2,226,954
Greater than 5 years	156,494	377,382	156,494	377,382
	8,232,240	6,553,242	7,096,372	3,830,194
Operating lease commitments relate to:				

(i) Controlled entities lease property, equipment and motor vehicles under operating leases expiring from one to ten years. Leases generally provide controlled entities with a right of renewal at which all terms are negotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on either movements in the Consumer Price Index or operating criteria.

PELIKAN ARTLINE JOINT VENTURE
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NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated		Parent	
	2011	2010	2011	2010
	$	$	$	$
Note 26 Assets Pledged as Security				
The parent entity has a bank overdraft, letter of credit, bill facilities and bank loan which are secured by a registered mortgage by Pelikan Artline Pty Limited over all its assets and uncalled capital and over all the assets of the joint venture and the consolidated entity. The overdraft was unused at 30 September 2011 but an interest rate of 10.41% was chargeable on overdrawn balances.				
The carrying amounts of assets pledged as security for the registered mortgage debenture are:				
Cash and cash equivalents assets	26,162,953	27,205,691	3,119,293	2,527,774
Trade and other receivables	36,779,458	36,205,486	36,331,187	35,807,318
Inventories	22,499,902	22,503,626	22,499,902	22,503,626
Prepayments	922,226	727,708	843,002	671,674
Receivables	—	—	10,701,395	9,926,160
Financial assets	495,252	409,245	40,853,792	40,853,792
Property, Plant & Equipment	1,606,649	2,297,720	1,149,926	1,388,650
Deferred tax assets	683,237	897,520	n/a	n/a
Intangible assets	30,469,175	30,467,403	50,015	48,243
Total assets	119,618,852	120,714,399	115,548,512	113,727,237

Note 27 Economic Dependence

A significant portion of the consolidated entity's trading products are supplied by Shachihata, Inc., Japan.

Note 28 Events after Balance Date

Since the end of the year cash distributions of $1,164,812 in total have been made to the joint venture parties.

Apart from the matter referred to above, no matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the joint venture, the results of those operations or the state of affairs of the joint venture in future financial years.

	Consolidated		Parent	
	2011	2010	2011	2010
	$	$	$	$
Note 29 Cash Flow Information				
Reconciliation of profit after income tax to net cash inflow from operating activities:				
Profit after income tax	18,757,160	20,213,615	11,569,365	12,972,701
Adjustments for:				
Depreciation	613,395	671,172	367,257	350,860
Net loss on disposal of plant and equipment	144,297	63,090	2,042	6,862
Impairment provision - receivables	(62,499)	—	(62,499)	—
Employee benefits - provision	488,812	(71,145)	286,813	46,854
Changes in assets and liabilities				
Decrease (increase) in trade and other receivables	(556,333)	(952,963)	(461,370)	(874,686)
Decrease (increase) in current tax assets	44,860	—	—	—
Decrease (increase) in inventories	3,724	(1,653,123)	3,724	(1,653,123)
Decrease (increase) in prepayments	(194,518)	44,389	(171,328)	42,986
Decrease (increase) in deferred tax assets	214,283	548,945	—	—
Increase (decrease) in trade and other payables	(2,591,461)	3,807,102	(6,300,246)	(409,903)
Increase (decrease) in current tax liabilities	270,569	1,149,286	—	—
Increase (decrease) in deferred tax liabilities	35,905	90,832	—	—
Net cash flows from operating activities	17,168,194	23,911,200	5,233,758	10,482,551

	Consolidated		Parent	
	2011	2010	2011	2010
	$	$	$	$
Note 30 Related Party Transactions				
Parent and controlled entities				
The consolidated entity consists of the parent entity, Pelikan Artline Joint Venture and its controlled entities Spirax Holdings Pty Limited, Spirax Industries Pty Limited, Spirax Office Products Pty Limited, Spirax Holdings NZ Limited, Spirax New Zealand Limited, Geoff Penney (Australia) Pty Limited, Custom Xstamper Australia Pty Limited and Pelikan Artline Limited.				
Loans from related parties				
Aggregate amounts payable to related parties at reporting date:-				
Loans unsecured (current) - controlled entities			7,485,518	5,373,516
Loans unsecured (non-current) - controlled entities			31,541,045	23,935,548
			39,026,563	29,309,064
Loans to related parties				
Aggregate amounts receivable from related parties at reporting date:-				
Loans unsecured (non-current) - controlled entities			10,701,395	9,926,160
			10,701,395	9,926,160
Transactions with related parties				
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.				
Transactions between the parent entity and its controlled entities during the year consisted of:-				
Payment of interest on the above loans			(1,623,938)	(1,445,435)
Receipt of interest on the above loans			775,235	719,370
Receipt of dividends			4,086,923	4,074,561
Recovery of overheads			(9,701,491)	(10,081,537)
Distribution fee			(13,905,155)	(15,070,348)
Key management personnel compensation	3,975,948	2,869,670	3,975,948	2,869,670
Purchase of inventory from joint venture partner related parties			(1,450,225)	(2,051,014)
Recovery of administration and accounting services provided to a joint venture partner			60,000	60,000

	Consolidated		Parent	
	2011	2010	2011	2010
	$	$	$	$
Note 30 Related Party Transactions (continued)				
Guarantees provided to related parties				
Refer to note 26 for assets pledged as security by related parties				
Note 31 Financial Risk Management				
The consolidated entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to and from subsidiaries and leases.				
The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:				
Financial assets				
Cash and cash equivalents (refer note 6)	26,162,953	27,205,691	3,119,293	2,527,774
Trade and other receivables (refer note 7)	36,779,458	36,205,486	47,032,582	45,733,478
Other financial assets (refer note 10)	495,252	409,245	40,853,792	40,853,792
	63,437,663	63,820,422	91,005,667	89,115,044
Financial Liabilities				
Trade and other payables (refer note 14 & 17)	27,781,809	30,371,498	65,717,106	58,618,379
Other loans and borrowings (refer note 16 & 18)	18,000,000	23,000,000	18,000,000	23,000,000
	45,781,809	53,371,498	83,717,106	81,618,379

PELIKAN ARTLINE JOINT VENTURE
and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

Note 32 Additional Information - Unaudited

The following additional financial data is in accordance with the books and records of the consolidated entity which have been subjected to the auditing procedures applied by the auditors of the consolidated entity's financial report for the year ended 30 September 2009.

The audit of the financial report for the year ended 30 September 2009 did not cover all details of this additional financial data, which does not form part of the financial report. Accordingly, the auditor of the company's financial report does not express an audit opinion on such financial data and no warranty of accuracy or reliability is given.

(a) Statement of Comprehensive Income for the year ended 30 September 2009	Consolidated 2009 $	Parent 2009 $
Revenue		
Revenue		
Sales net of discounts and rebates allowed	121,870,757	118,551,554
Other revenue		
Dividend received	5,796	3,726,387
Interest received	468,900	810,037
Other operating revenue	175,536	175,536
	650,232	4,711,960
Total revenue	122,520,989	123,263,514
Expenses		
Purchases, distribution & selling	(94,171,886)	(83,834,592)
Marketing	(11,582,511)	(11,419,743)
Administration, IT & other expenses	(866,735)	(18,375,427)
Finance costs	(1,731,901)	(3,731,221)
	(108,353,033)	(117,360,983)
Profit before income tax	14,167,956	5,902,531
Income tax expense	(2,768,432)	—
Profit for the year	11,399,524	5,902,531
Other Comprehensive Income		
Available for sale financial assets	48	—
Other comprehensive income for the year, net of tax	48	—
Total comprehensive income for the year	11,399,572	5,902,531
Profit attributable to:		
Owners of the parent entity	9,976,669	5,902,531
Minority interest	1,422,855	—
	11,399,524	5,902,531
Total comprehensive income attributable to:		
Owners of the parent entity	9,976,708	5,902,531
Minority interest	1,422,864	—
	11,399,572	5,902,531

Note 32 Additional Information - Unaudited (continued)

(b) Statement of Cash Flows for the year ended 30 September 2009	Consolidated 2009 $	Parent 2009 $
Cash Flows From Operating Activities		
Receipts from customers (inclusive of GST)	138,177,055	123,011,940
Payments to suppliers and employees (inclusive of GST)	(124,435,064)	(126,021,019)
Dividend received	5,796	3,732,183
Interest received	437,342	787,752
Finance costs	(1,693,966)	(3,002,454)
Income tax paid	(5,287,633)	—
Net cash flows from operating activities (note 32(c))	7,203,530	(1,491,598)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(219,861)	(220,174)
Proceeds from sale of property, plant and equipment	7,255	7,163
Purchase of subsidiary	19,245,050	(10,500,000)
Loans to related party	—	(8,745,050)
Net cash flows from investing activities	19,032,444	(19,458,061)
Cash Flows From Financing Activities		
Proceeds from borrowings	21,000,000	21,000,000
Repayment of borrowings	(4,000,000)	(4,000,000)
Loans from related parties (net)	—	9,480,393
Profit distributions paid	(10,245,054)	(10,245,054)
Dividends paid	(921,522)	—
Net cash flows from financing activities	5,833,424	16,235,339
Net decrease in cash and cash and cash equivalents	(6,420,702)	(4,714,320)
Cash and cash equivalents at the beginning of the year	24,983,418	16,873,275
Cash and cash equivalents at the end of the year	18,562,716	12,158,955
(c) Reconciliation of profit after income tax to net cash inflow from operating activities:		
Profit after income tax	11,399,524	5,902,531
Adjustments for:		
Depreciation	729,565	329,151
Net gain on disposal of plant and equipment	82,995	11,848
Impairment provision - receivables	(253,212)	(253,212)
Employee benefits - provision	355,114	105,114
Changes in assets and liabilities		
Decrease in trade and other receivables	(161,116)	(8,584,824)
Increase in inventories	4,036,879	(415,121)
Increase in prepayments	456,498	372,980
Increase in deferred tax assets	(1,112,359)	—
Increase in trade and other payables	(6,923,516)	1,039,935
Increase in current tax liabilities	(1,417,390)	—
Decrease in deferred tax liabilities	10,548	—
Net cash flows from operating activities	7,203,530	(1,491,598)