

ACCO BRANDS INVESTOR CALL
11.17.11

Merger of MeadWestvaco's Consumer & Office Products Division with ACCO Brands

Jennifer Rice, Vice President, Investor Relations:

Good morning. We are pleased to welcome you to this conference call to discuss a very exciting growth opportunity for ACCO Brands. Joining us today are Bob Keller, chairman and chief executive officer of ACCO Brands, and Neal Fenwick, executive vice president and chief financial officer. We have posted slides that accompany this call to our website.

Before we begin, let me remind you that in connection with the proposed merger transaction we are about to discuss, ACCO Brands intends to file a proxy statement and prospectus, as well as other relevant materials, with the Securities and Exchange Commission. Investors and bondholders are urged to read this filing when it becomes available because it will contain important information regarding the proposed transaction. Investors and bondholders may obtain free copies of these documents and other documents filed with the SEC when they become available at the SEC's website, www.SEC.gov, which can be accessed at the investor relations section of accobrand.com, or by requesting them in writing to the company. Our mailing address is also available on our website.

Our remarks this morning contain forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements involve risk and uncertainties which may cause actual results to differ materially from those projected in the forward-looking statements. ACCO Brands undertakes no obligation to publicly update any forward-looking statement whether as a result of new information, future events, or otherwise. Forward-looking statements in these remarks should be evaluated together with the many uncertainties that affect ACCO Brands' business, particularly those mentioned in the cautionary statements and ACCO Brands report on Form 10-Q for the third quarter of 2011, our periodic reports on Form 8-K, and press release we issued this morning which the company incorporates by reference.

This call will also be available via webcast for one month from today by going to the investor relations section of our website.

It's now my pleasure to turn the call over to Bob Keller. Bob?

Robert Keller, Chairman and CEO, ACCO Brands Corporation:

Thank you, Jennifer, and good morning everyone. As you know, earlier this morning our company and MeadWestvaco announced that we've signed a definitive agreement to merge MeadWestvaco's Consumer and Office Products business into ACCO Brands in a transaction valued at approximately \$860 million. When the transaction is complete,

MeadWestvaco's shareholders will own 50.5% of the combined company, which will be called ACCO Brands Corporation.

This is a transforming event for ACCO Brands. The merger will greatly expand our presence in important consumer channels and faster-growing geographies and supports our brand leadership strategy. We are excited to add MeadWestvaco's well-known brands and talented people to the ACCO Brands family. Like ACCO Brands, MeadWestvaco has a rich heritage in the office products industry, and its brands are generally the number-one products in their categories. MeadWestvaco has made significant investments in category management, consumer-focused marketing, forecasting and supply-chain analytics, and we will be able to apply their best practices across all of our business.

With the addition of this business, we will improve our scale and strengthen our position as an industry leader in school and office products.

Just as important, this is a financially compelling transaction. Even before realizing expected synergies of \$20 million on an annualized basis by 2014, we expect the acquisition will be significantly accretive to EPS. The margin profile of the combined company is also expected to be compelling – gross profit, operating income and EBITDA margins for the new ACCO Brands should all expand significantly. The transaction improves our leverage ratio – to 3.6x from 3.9x on a standalone basis – and we expect leverage to decline below 3x by the end of 2013 as the strong cash flow of the combined company should allow us to de-leverage quickly—having a major positive impact on our balance sheet.

For the last year, I've been sharing with you our vision for the future of our company, which is focused on the ongoing creation of shareholder value. Our strategy is to be the leading branded supplier within the categories we serve, and to grow into logical adjacent categories where we can be the supplier of number-one brands. We want to compete effectively in all relevant channels, and to expand our global presence in order to achieve greater scale, take better advantage of the cost-efficient operating platform we've built over the last several years and to participate more fully in faster-growing economies. We have said that we would only pursue acquisition targets that would be immediately accretive to our current earnings, would be either deleveraging or leverage-neutral, give us access to new markets, improve our access within relevant channels, and would strengthen our portfolio of number-one brands. Today's announcement meets all of these criteria.

Specifically, we will gain access to Brazil for the first time through a \$200 million, market-leading business with the extensive range and reach of MeadWestvaco's Tilibra and Grafons brands. We will double our size in Canada with the Hilroy brand of office products and more than quadruple our presence in the mass and drug channels, giving us additional consumer touch-points and greater cost leverage. The new ACCO Brands will be a brand leader in a broad range of product categories, including binding, laminating, boards and easels, stapling and punching, notebooks, planning products, presentation and

storage products, and laptop physical security. Our intent is to be the number-one brand in every category in which we compete.

Finally, this transaction is consistent with our belief, in the near future, there will be room for only one branded provider in each of our categories, and we intend to be that provider. One important way we can accomplish this will be to take advantage of both organizations' experienced sales and marketing personnel to market a broader range of leading brands in new channels.

Our organizations are a great fit. Both of our management teams have delivered solid results in a very challenging economy for the last three years. We built that track record of strong operating performance through brand-building initiatives and by achieving productivity gains. We both believe in a culture of honesty, ethical behavior and accountability – to our people, our shareowners, our customers and our communities. I am looking forward to joining forces with the talented, accomplished team of MeadWestvaco's Consumer and Office Products group. Together, I am certain we will accomplish great things.

Now I will ask Neal to outline the mechanics of this transaction more specifically. Neal?

Neal Fenwick, EVP and Chief Financial Officer, ACCO Brands Corporation:

Thank you, Bob, and good morning. First, let me say that I share Bob's enthusiasm for the strength of this combination, both from a strategic and a shareholder value perspective.

The acquisition is structured as a Reverse Morris Trust spin-merge that is tax efficient to MeadWestvaco shareholders. MeadWestvaco shareholders will receive approximately 57 million ACCO shares and own 50.5% of the combined company at the time of the merger. Current ACCO Brands shareholders will own the remaining 49.5% of the combined company, which is approximately 56 million shares.

In addition, MeadWestvaco will receive a dividend of \$460 million which ACCO Brands will assume as debt. We project our net leverage at closing to be approximately 3.4x. We expect to close the transaction in the first half of 2012. Conditions to closing include approval by ACCO Brands shareholders, MeadWestvaco's receipt of a favorable tax ruling from the IRS and required regulatory approvals.

The transaction entity that will hold MeadWestvaco's Consumer & Office Products business has commitments for financing that will enable it to pay the dividend to MeadWestvaco. ACCO Brands has commitments for financing that will enable it to refinance its existing secured debt.

The total transaction value is approximately \$860 million. We believe the merger provides significant financial benefits for ACCO Brands and will be accretive to earnings in the first year.

On a pro forma basis, assuming MeadWestvaco's Consumer and Office Products business was owned for all of the trailing twelve months through September 2011, net sales would have been around \$2.1 billion with a resulting EBITDA of \$320 million. This would have resulted in an EBITDA margin of 15.4%, about 310 basis points higher than ACCO Brands' stand-alone performance.

This is before \$20 million in synergies.

We expect to incur transaction-related costs of approximately \$135 million, of which \$120 million are cash. These costs include costs associated with calling and refinancing our secured bonds and our ABL facility, legal and advisory fees, as well as costs associated with obtaining our synergies. Additionally, we will enter into a transition services agreement with MeadWestvaco for up to 18 months in order to facilitate an orderly separation and integration of the Consumer and Office Products business.

In addition, this transaction adds to our U.S. profitability and will enable us to start to utilize some of our significant NOL's. ACCO Brands has \$110 million of U.S. tax NOLs. Utilization of the NOLs while restricted will permit a lower level of cash taxes to be paid for an extended period of time; cash taxes for the combined company are estimated at \$45 million for 2012. Our combined effective GAAP tax rate will also change and we should be able to reverse the \$110 million of valuation allowances previously made against our U.S. NOLs. In addition to the one-off gains, the ability to return to a normal deferred tax calculation will bring our reported effective tax rate into the high 20s-to-low 30% range.

ACCO Brands' cash flow generation is expected to significantly improve with the merger and facilitate accelerated de-leveraging of our balance sheet. We anticipate our pro forma adjusted leverage ratio to be approximately 3.4x at closing and dropping to below 3.0x at the end of fiscal 2013. We expect greatly enhanced cash flow as combined EBITDA less CAPEX was \$291 million for the LTM period. We expect to use excess cash flow to reduce our debt and our new financing will include a significant amount of repayable debt.

ACCO Brands traditionally issues full-year earnings guidance on our fourth-quarter call in February, and we will continue to follow that practice.

That concludes our prepared remarks. Now Bob and I will be happy to take your questions... Operator?

(END OF PREPARED REMARKS)