

# FurnitureBrands

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## INFORMATION

### FOR IMMEDIATE RELEASE

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## **FURNITURE BRANDS TRANSITIONS TO OPERATING COMPANY MODEL, MOVES TO NEW WORLD HEADQUARTERS**

### *Company to Consolidate Shared Services Functions*

St. Louis, Missouri, July 10, 2008 – Furniture Brands International (NYSE: FBN) today announced that the company is furthering its transition to an operating company model with the upcoming move of its St. Louis corporate headquarters to a new, nearby location that will house approximately 150 additional employees. With this move, the Furniture Brands corporate organization will total approximately 225 employees providing a full range of corporate functions for organization. While structured as a holding company, Furniture Brands had employed more than double the number of employees to provide the same level of corporate support. Complementing the company's new world headquarters in St. Louis is the recent opening in Dongguan, China of FBN Asia's headquarters.

The new world headquarters at 1 North Brentwood in the St. Louis suburb of Clayton provides 40 percent more space at a lease cost comparable to the former site. The additional space will house those human resources, accounting, credit, and information technologies functions that are common across the company's operations and that had previously been performed at the brand headquarters. Brand-specific support functions will continue to be performed at company offices in North Carolina and Mississippi. Concurrent with the launch of the shared services organization, the company will begin the transition of the common shared services functions to St. Louis. The costs and savings associated with the shared services implementation are incorporated in the company's 2008 earnings guidance. "A centralized, shared services model will not only generate cost savings but, more importantly, promote the collaborative culture that is essential to Furniture Brands' future success," said Chairman and Chief Executive Ralph P. Scozzafava.

The job creation element of the move to an operating company will also enable Furniture Brands to receive state and county tax incentives that total approximately \$4 million over five years. "Furniture Brands traces its St. Louis roots back nearly a century, and we're pleased to be able to help this important company grow in our region," said St. Louis County Executive Charlie A. Dooley.

Gregory A. Steinhoff, director of the state's Department of Economic Development, added, "The State of Missouri was pleased to be able to offer the Missouri Quality Jobs Program to Furniture Brands in order to secure the retention and expansion of their headquarters facility in Clayton. The Missouri Department of Economic Development worked closely with our local partners, the

St. Louis County Economic Council, in order to facilitate the expansion of Furniture Brands operations in the region."

### **About Furniture Brands**

Furniture Brands International (NYSE: FBN) is a vertically integrated operating company that is one of the nation's leading designers, manufacturers, and retailers of home furnishings. It markets through a wide range of retail channels, from mass merchant stores to single-brand and independent dealers to specialized interior designers. Furniture Brands serves its customers through some of the best known and most respected brands in the furniture industry, including *Broyhill, Lane, Thomasville, Drexel Heritage, Henredon, Pearson, Hickory Chair, Laneventure, and Maitland-Smith.*