

A message from Gary Scitthelm / Vice President Global Sales and Marketing

10

The Next Big Thing...Realized



Wow. What a year we are having. We started out roughly a year ago realigning the entire sales organization. And now we're seeing the impact of all that work. Systems sales—up! Seating sales—up! Storage sales—up! Market share? You guessed it, up! The most exciting part of the equation is that the types of wins we are seeing are new for us...and our dealers. I just talked to a number of dealers during NeoCon East and they all agreed that they are seeing projects of a caliber they haven't seen in the past and a level of engagement from Haworth folks that is unprecedented. Atta go! Great news, but we're not done. Let's make sure that we finish the year strong. Only a couple of months left, and I know we can shatter all expectations.

Everyday we see validation of our new, strategic direction. It's coming from our customers who are seeing the full value of Haworth. It's coming from our dealers who are getting into projects early, and selling complete solutions. It's coming from you, as you continue to support the vision and direction. And, it's even coming from our competitors now as they align to provide warm shell solutions. Our recipe is simple: People, Spaces, and Tools. We have the best *people* in the industry. I know I've said that before, but I truly feel that way. We have the best spaces within the industry. Award winning showrooms in Chicago and Los Angeles, with Dallas and Washington, D.C. soon to come on line. And we cannot forget our new corporate facility in Holland. As for the tools, we work to provide you with state-of-the-art tools to enhance your selling experience. Be sure to review the latest quarterly mailing – great tools to help you position Haworth and our products with your customers.

The bottom line is this. Our most successful sales areas are those that have embraced our sales renewal process. Not only do they "talk-the-talk", they "walk-the-talk" – everyday and in every way, at all levels. Whether they are presenting 'Great Spaces' to a new client or brainstorming to take a competitive account, their actions exemplify our values.



Incentive program updates on pages 2 and 3! Where are you on the list?



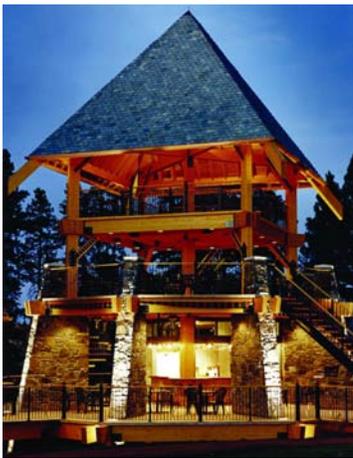
Closers Cup Update

We know we're a little late communicating where you are in the standings and apologize for the delay in communicating this leader list. That being said, where are you on the top 50 list? The top three performers as of the end of August are all BDMs: Leonardo Espinosa, Joe Montalbano, and Troy Andrews. Will that change in the next two weeks? Rumor has it that Pam Keefe and some others are closing big business fast!

Individual performance is based on three factors. (Remember we start over every quarter.)

1. The most weight (60% *) is given to your orders entered versus your quota for the quarter.
2. The second factor (weighted 20% *) is a leveler to make quotas in Saskatchewan comparable to Los Angeles.
3. BDMs and GAMs have a third factor (weighted at 20%) based on new business performance to expectations.

*Note that the weighting will be 50/50 on the first and second factors for members in AI and ADM roles. For NBD members (both GAMs and BDMs) the weighting is 100% on their new business orders to expectation.

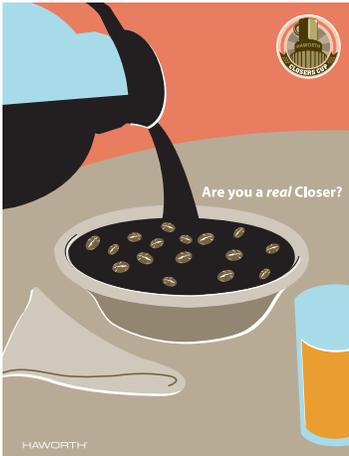


When you do make your reservation at Calgary make sure you save a spot for me. I'm looking forward to slipping into the #4 slot! We'll be able to spend all of our time strategizing the next big sale and playing Ping Pong. I can't wait!

Find out on October 14th who the third quarter winners are!

Third Quarter Individual Closer Cup Leaders, first two months:

- | | | | |
|---------------------------------|----------------|--------------------------|----------------|
| 1. Leonardo Espinosa | Mexico | 26. Katharyn Mc Laren | Phoenix |
| 2. Joseph Montalbano | New York | 27. Christopher Tornblom | Texas |
| 3. Troy Andrews | Florida | 28. Francis Gavin | Global Acct |
| 4. George Winne | Global Acct | 29. Kathryn Ebert | Minneapolis |
| 5. Wayne Aiello | Columbus | 30. Michael Milligan | Columbus |
| 6. Todd Kupferman | New York | 31. Kevin Dunn | Washington DC |
| 7. Christine Nienhuis | Detroit | 32. Thomas Blanchette | Global Acct |
| 8. Bill White | Phoenix | 33. Terri Tatton | Los Angeles |
| 9. Steven Shoemaker | Minneapolis | 34. Mary Hunter | Philadelphia |
| 10. Dennis Wadsworth | Denver | 35. Mike Conroy | Minneapolis |
| 11. Joe McCagherty | New York | 36. Barry Tereshkow | Global Acct |
| 12. Kathleen Nack | Bay Area | 37. Harry Adams | Atlanta |
| 13. Pamela Keefe | Global Acct | 38. Allyson Crose | Global Acct |
| 14. Heather Morgan | Western Canada | 39. Joseph Nielsen | Boston |
| 15. Cynthia Denham | Bay Area | 40. Joseph Fennell | Detroit |
| 16. Michael Phillips | Bay Area | 41. Lynne Whiteside | Florida |
| 17. Fred Owen | Atlanta | 42. Patricia Verburgt | Western Canada |
| 18. Robert Heath | Washington DC | 43. Karen Pellegrini | New York |
| 19. David Bongivengo | Columbus | 44. Kenneth Lorenzo | New York |
| 20. Douglas Ver Lee | Chicago | 45. Adam Kurtenbach | Seattle |
| 21. Jan Mc Cormick | Texas | 46. Lawrence Bibri | Boston |
| 22. Randal Rowe | Texas | 47. Michael Haas | Eastern Canada |
| 23. Christopher Ross | Eastern Canada | 48. Deborah Fenton | Los Angeles |
| 24. Priscilla St Jacques-Glusko | Philadelphia | 49. David Laabs | Minneapolis |
| 25. Yvan Lambert | Eastern Canada | 50. Roland Heatly | Texas |



Annual Area Award

Who gets to take the big cup home with bragging rights for the next 12 months? Minneapolis (keep it up Mark), Boston (Nick ...giddy-up!) and Western Canada (Go Richelle, eh!) are leading the pack in the August year-to-date numbers. As you can see from the leader board, sales are strong all over North America. And just out of the top ten, by hundredths of a point are Philly and Columbus. There are a lot of teams in the hunt, but only one area will take the crown.

The year-end, Area Closers Cup Award goes to the top three performing sales areas with the prize of a local celebration hosted by the Sales Leadership team. All sales and sales support members are invited along with a guest, and it will be fun!

Area performance is based on four elements. These elements all carry a different weight.

1. The most weight (50%) is your total orders vs. your goal.
2. The second element (25% weight) is your orders per member which captures how efficient the area performs.
3. The third element (15% weight) is your AI orders to goal.
4. The final element (weighted 10%) is your average discount for all your orders.

Year to date, Area Closers Cup Leaders:

1. Minneapolis	17.4
2. Boston	14.3
3. Western Canada	13.4
4. Phoenix	12.8
5. Bay Area	12.0
6. Latin America/Mexico	11.1
7. Florida	11.0
8. New York	10.6
9. Chicago	9.7
10. Eastern Canada	9.5

Lisa is tracking all this and has assigned it a point system with the most points possible being 19. There is only one person who is not bribable with chocolate and we found her in Lisa...has anyone found her weakness?



Time to Drive Again!

We've sold another \$4 million in eligible sales, so that means it's time to give away another Z4! Everyone who was entered in the first drawing (minus our first winner Diane Stone, of course!) is still eligible plus all those who have registered since. So, are you going to be the one to join Diane behind the wheel? Listen in on our next drawing, LIVE on October 14th at 2:00pm EST; number to be determined.



Getting Stronger



Samantha Ann McNabb

We continue to fill positions and get stronger and more strategic. Join me in welcoming our new members, as we again shine our spotlight on some of them.

Samantha Ann McNabb
Global Accounts Manager – Seattle

Samantha has been an Account Manager in both the carpet and furniture industry for the past eight years. She was with Haworth as the Market Manager in Seattle until the end of 2003, and she now returns as the Global Account Manager out of Seattle. She has served the Architect and Design community, as well as, large corporate accounts such as Costco, Equity Office Properties, GE Financial, Amgen, and Honeywell throughout her sales career. Samantha prides herself in building relationships with her customers, and in her attention to details on a project. She has extensive experience in working on large projects from their inception through completion.



Phyllis Rietberg

Phyllis Rietberg
Business Resource Center Consultant - Corporate

Phyllis joined Haworth as a Senior Consultant in the Business Resource Center. She has an extensive business background including time with a furniture dealer, construction company, financial firm, and deep experience in marketing, merchandising, and purchasing. Phyllis brings with her a strong passion for increasing market share and a commitment to support the Sales and Marketing Team.



Jessica Goadec

Jessica Goadec
Senior A&D Market Manager – New York

Jessica joins Haworth with over 20 years of experience in the industry promoting products through a consultative sales approach. Her emphasis will be calling on the A&D community, promoting our comprehensive package of furniture and architectural solutions. Having previously worked for both manufacturers and dealers, Jessica has an extensive understanding of the unique New York market.



Arlene Reiss

Arlene Reiss
Showroom Manager-New York

Arlene started with a degree in Education and Art History and has studied design at the New York School for Interior Design. She taught elementary school before discovering the "Contract Office Furniture Industry" some 13 years ago. She has since worked in sales for several mid-market office furniture dealerships in the New York City area and sold to end users and architects. She brings Haworth years of industry experience and knowledge, and the desire and skills to communicate the excellence and value of our products, as well as, our unique direction and extensive capabilities. She is proud to be working for Haworth and is looking forward to contributing to the growth of sales for Haworth in the North East market.

Sean Canfield
AI Specialist – New York

Sean became a Haworth Member in June as the Architectural Interiors Specialist for New Jersey and Upstate New York. He has been involved in the commercial construction industry working for a manufacturer of fire protection products for over 8-years. During that time he interacted closely with architects and end-users on the education, selection, and specification of products. Having been involved in the early stages of many commercial construction projects will be a great complement to Haworth Architectural Interiors.



Sean Canfield

Sylvia Byron
A&D Director – Central Region

Sylvia brings more than 22 years of design and sales experience to her new position. She most recently worked in sales at Corporate Concepts, Inc., and prior to that was a senior project manager at the Environments Group. She is a graduate of Harrington Institute of Design in Chicago and resides in Mount Prospect, Illinois. She will be working out of the Chicago showroom. Sylvia is looking forward to creating educational and marketing programs in partnership with architects and designers.



Sylvia Byron



Nick Pannunzio

Getting Stronger, continued

Nick Pannunzio
Senior Business Development Manager –
Washington, D.C.

This October, Nick will have 20 years of furniture experience since he started his furniture career with Haworth back in 1985. During his first tenure with Haworth he held positions from Sales Representative to Senior Federal Government Market Manager in Washington, D.C. He left in 1995 to work for Steelcase and most recently was Sales Manager at a Steelcase Baltimore/Washington dealer. Through his years of experience he has gained knowledge of all levels of commercial and government customers and will help assist our dealers Fahrenheit and Omnifics in Washington, D.C. to expand their business.

Lauren Schwartz
Senior Project Manager, New York.

Lauren brings 20 years of design and project management experience to Haworth from organizations such as Salomon Smith Barney and Goldman, Sachs & Co. She will be responsible for the overall customer satisfaction for Haworth Architectural Interiors projects in New York.



Lori Tierney

Sales Leaders at a Glance

Lori Tierney, A&D Director, West Region

Anyone who works within the West Region knows when Lori started at Haworth. She came to Haworth about the same time the LA showroom was being completed, and she has been capitalizing on that asset and her industry knowledge since. Dick must like the payback on that facility that she and her staff are providing. They've held forums, counseled on product designs and new projects with Architecture and Design firms and hosted countless customer visits.

Lori comes to Haworth with a wealth of industry experience. She was previously Seattle Area Manager for Haworth, Inc. In between, she was Vice President, Sales & Marketing, at Herman Miller Workplace Resource, and was president of BKM Total Office, Inc., both in Los Angeles. Her 28 years of experience and design degrees have enabled her to work with such prestigious clients as CB Richard Ellis, Tenet, TRW, Paramount Pictures, Sony, Warner Brothers, HBO, Union Bank, Huntington Hospital, City of Los Angeles, Nestlé, and others.



Architecture and Design Update

By: Georgianna Olivieri, Vice President, A&D



Georgianna Olivieri

I've been on the job for more than 16 months, working hard on my self-imposed deadline of having Haworth's name on the bid lists of four out of five projects across North America. It's a work in progress, and I'm proud of the work my team has done, but we still have a long road ahead.

This month I'm happy to introduce some of the design professionals who have recently joined the Haworth team. We have added members on the West coast, as well as, the East coast, as you can see from the listing to the right.

I personally want to welcome Sylvia Byron, A&D Director, Central Region. Sylvia has 22 years of industry experience in sales and design, and she's more than ready to support our relationship-building efforts from Chicago to Dallas.

Speaking of the team, everyone recently met in Chicago to share ideas, hear the most recent news on Enclose and Compose, cross-pollinate on Architectural Interior strategy, and stoke up the energy. Pat Turnball and Ken Kirk led a focused discussion on the warm shell, and the team discussed the idea of using walls in storefronts as a door opener for sales opportunities. We also talked about becoming CEU presenters ourselves to provide our clients with more CEU learning opportunities on a routine basis.

Going forward, I would ask that we all continue to collaborate. As we share our best practices, relationships, tips and information with each other, we learn more, see better results, and best of all, have more fun.

As a result of our relationship-building efforts, we've already seen payoff as we're being considered by more firms. Theresa Rea contributed to the JP Morgan Chase win with Ziegler Cooper and Celeste Altimari helped drive SKE Earthlink award with HOK. Joe Fairleigh used our European product to woo A&D firm, Staffelbach, bringing home the win for Haworth. These are just three examples of Haworth wins that illustrate how we are all winners when we work together and utilize the full resources of the new matrix organization.

A&D Teams:

WEST

Lori Tierney, Director	Los Angeles
Celeste Altimari	Los Angeles
Lynn Clasen	Denver
Robert Nordin	Los Angeles
Terri Bowman	Seattle
Victor Ortega	San Francisco

CENTRAL

Sylvia Byron, Director	Chicago
Cindy Farias	Chicago
Jennifer McCord	Chicago
Joe Fairleigh	Dallas
Theresa Rea	Houston

NORTHEAST

Denise Metzler	New York
Jessica Goedec	New York
Melanie Cohen	Philadelphia
Simon Speak	New York

EAST

Karen Bray	Washington, D.C.
Rhiannon Hayes	Boston
David May	Atlanta





Mark Your Calendars

Training is heading your way. Overall, there will be four training sessions in the field for both dealer members and Haworth members. Are you ready to learn?

September: Enclose and Compose WebEx

Intended Audience: Dealers and Haworth Design, Sales and Installation Members
Time to Devote: 75 minutes
When: Tuesday, September 27 at 1:45pm EST, Wednesday, September 28 at 9:45am EST, Friday, September 30 at 9:4am EST

October: VOICE WebEx: Mid-Market Strategies

Intended Audience: Dealers and Haworth Sales and Management Members
Time to Devote: 35 minutes
When: Thursday, October 6 at 9am EST, CST, PST

October: Masters Series Webster

Intended Audience: Dealers and Haworth Design Members
Time to Devote: 20 minutes
Where: <http://webtraining.haworth.com>

October: VOICE WebEx: Mid-Market Strategies

Intended Audience: Dealers and Haworth Design Members
Time to Devote: 35 minutes
When: Thursday, October 13 at 9am EST, CST, PST

October: 2005 Fall Training Start

• DAY 1

Intended Audience: Dealer Designers
Time to Devote: 8 hours
Where and When: 12 cities; October-January
Register: <http://webtraining.haworth.com>

• DAY 2

Intended Audience: Dealer Designers and Haworth Architectural Interior Design and Sales Members (all day); Haworth Flooring Contractors (afternoon session)
Time to devote: 4 hours am/ 4 hours pm
Where and When: 12 cities; October-January
Register: <http://webtraining.haworth.com>

October: Masters Series WebEx

Intended Audience: Dealers and Haworth Design Members
Time to devote: 30 minutes
Where and When: TBD

October: Enclose and Compose Webster

Intended Audience: Dealers and Haworth Design and Sales Members
Time to devote: 20 minutes
Where: <http://webtraining.haworth.com>

November: Enclose and Compose Pre-Launch Training

Intended Audience: Dealers and Haworth Design, Sales and Installation Members
Time to devote: 8-16 hours
Where and When: Chicago (Nov 7-10), Dallas (Nov 14-17), New York (Dec 5-8), Los Angeles (Dec 12-15)

November: Masters Series Relaunch

Intended Audience: Dealers and Haworth Design and Sales Members
Time to devote: 4 hours
Where: Los Angeles, Seattle, Denver, Washington, D.C., New York, Chicago

November: Haworth Product Strategies (HPS)

Intended Audience: Dealers and Haworth Sales Members
Time to Devote: 5 days; 7:30am–5:30pm
Where and When: Holland; Nov 7-11, Jan 30-Feb 3, or Feb 27-Mar 3

December: Zody Training

Intended Audience: Dealers and Haworth Sales Members
Time to devote: TBD
Where and When: TBD

January: Enclose and Compose Launch Training

Intended Audience: Dealers and Haworth Sales Members
Time to devote: 8-16 hours
Where and When: Atlanta (Jan 9-12), San Francisco (Jan 16-19), Washington, D.C. (Jan 23-27), Toronto (Jan 30-Feb 2), Boston (Feb 6-9), Calgary (Feb 13-16), Columbus (Feb 20-23)



Pam Wright Armstrong

Vice President of Business Development

We recently caught up with Pam to ask how her perspective may have changed after her life-changing event. We also wanted to find out if her chance to step back from the organization gave her a different perspective on things. And finally, we wanted to find out what her plans are when she returns.

Hi Pam. Thank you for taking the time out of your leave to talk to us.

Not a problem. I think about you all the time, and it's great hearing from you!

So Pam, when are you coming back?

October 6th

You've just gone through a life-changing event. Did this change your perspective in any way?

I have a lot of respect for all mothers!!! First, the delivery was harder than I thought. We tried to deliver naturally, but ended up with a C-section at the 12th hour. Liam was born July 14 at 10:56pm weighing 9.4 oz! Recovery from surgery took longer than expected. With my personality I wanted to be lifting weights by the second week. Darn, those doctors are right - nothing until six weeks! I am a big believer in family and balance (if that is possible). I have enjoyed this time with Liam and have felt it has been critical to bond with him. In addition, Jeff, my husband, who is a Professor at Hope College, could be home more than the typical person so we could spend more time together as a family. Even though I

have enjoyed this time at home, I am definitely someone that will be a better mother by having a career. I miss the people, the challenge and opportunities at work. I do think the experience has opened my eyes even more to the challenges people have balancing work and family.

What's your main focus going to be when you return?

I am looking forward to focusing in on year-end sales and reviewing and planning our 2006. We need to touch base with the field to get feedback on how the sales renewal is going at the end of 3Q and incorporate that feedback into 2006.

How do you see your team's focus playing out for 2005?

Focus at year end is always on closing those large jobs that will make or break your year. We will also want to make sure we have all the critical positions filled going into 2006.

Where are we in the sales renewal process...what are the significant contributions that this reorganization brought, and what weaknesses do we need to address for 2006?

The sales renewal was a tremendous opportunity for us to address the changes in our industry and the merging of our two separate sales teams. We did a lot of change very quickly and it was hard. As Gary said "it was like getting pulled backwards through a keyhole". However, it was exciting to see it all begin to coalesce. As we said from the beginning, change doesn't happen overnight and a

change like this is not complete in a year. We still need to continue to push the changes until they become the norm for everyone. We all need to think about AI, understand it, have passion for it and sell it. We still need to continue to train and educate people on AI. We need to continue to understand our dealers' business better and support them to be profitable. That is why we put in the position of Area Dealer Manager. Our dealers are critical to our success. We need to continue to increase our networking skills and make sure we are out in the field spreading the word. I don't know if you have ever read the book "The Tipping Point" but it talks about how change happens - and what makes an epidemic type of change. You need three things: a connector (someone who knows lots of people and can spread the word — sales, marketing, and customers), a maven (a person who is so knowledgeable on a subject that people believe him and run with the information — sales, dealers, marketing, specialists, customers), and "stickiness" (marketing and product development). "Stickiness" is an idea that people remember and it catches on and spreads. Since I can't remember any nursery songs (don't laugh), I sing the Oscar Meyer jingle to Liam. The jingle is "sticky" — easy to remember and makes Oscar Meyer's name come to the forefront when you go to the store. We need all three of these to continue to spread the growth of Haworth.

Thank you Pam. We look forward to your leadership and return...and good luck with Liam!

Thank you. I'll see you in a couple of weeks!



Liam Armstrong



Pam, Jeff, and Liam



NeoCon East—Construction



NeoCon East—Opening Party



NeoCon East—Training



NeoCon East Show



NeoCon East —Competitors





Houston Changes

While there is a tremendous amount of great things, we do have challenges. As many of you know, we lost our primary Houston dealership to Allsteel. Allsteel continues to look for good distribution and we have some of the best.

Well, we must ALL continue to help our dealers be consistently profitable. We have to help them grow their business and work with them on every step of the process. The good news is our relationships with our existing customers are looking to be strong enough to retain their business. Smart people!

Calgary Notes

Another challenge has been the issues out of Calgary. It is incumbent for sales to help out as we extend lead times:

- Make sure clean and complete orders are entered
- Verify site dimensions, appropriate drawings and final finishes BEFORE ORDER IS ENTERED
- Also, give as much advance notice as possible and continue to fill the sales funnel as we need consistent manufacturing demands

These things will help ensure that we return to better lead times as soon as possible. The good news is that we have some great wood offerings now. Let's all work to support the manufacturing team up there. They are pulling out all the stops, but this is a team effort. We need your help too.

A Note from the Rumor Mill

For years, Sales Support has played a critical role in the sales processes, and we wouldn't have achieved our current success without these key people. However, we realize you may have noticed some recent consolidations in various departments in both Holland and Calgary, which have impacted staffing levels.

There are no plans for layoffs in the Sales Support functions. We depend on these roles to satisfy our customers, deliver quality projects and manage critical training. The CSP program is still in its early stages and will take many months to complete. When it's finished, we expect our sales to have increased and thus our need for sales support. So show some love to your solution support person today!

What's on Your Mind?

One of our goals throughout the sales transformation process has been to keep the communications open and honest. We are always interested in ideas and feedback, so please email Marketingcomm@haworth.com with any ideas for topics or suggestions on the newsletter.

Staying Focused, Staying on Top

We are winning at historic win rates. We already have our first Zody and Enclose and Compose wins. Now we just need more at bats...more projects and at these win rates, we will have a lot of fun. So stay focused, stay excited, and keep selling. And finally, something we don't say enough: Thank You!