

MILLER HERMAN INC
Form 10-Q
October 06, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

- QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended August 28, 2010

Commission File No. 001-15141F

HERMAN MILLER, INC.

A Michigan Corporation

ID No. 38-0837640

855 East Main Avenue, Zeeland, MI 49464-0302

Phone (616) 654 3000

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, 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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" 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 Exchange Act).

Yes No

Common Stock Outstanding at October 1, 2010 - 57,090,876 shares

HERMAN MILLER, INC. FORM 10-Q
 FOR THE QUARTER ENDED AUGUST 28, 2010
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HERMAN MILLER, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Dollars in Millions Except Share Data)
 (Unaudited)

	August 28, 2010	May 29, 2010
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 138.8	\$ 134.8
Marketable securities	11.0	12.1
Accounts receivable, net	163.0	144.7
Inventories:		
Finished goods	40.4	32.9
Work in process	10.2	8.9
Raw materials	16.7	16.1
Total inventories	67.3	57.9
Prepaid expenses and other	47.5	45.2
Total current assets	427.6	394.7
Property and equipment, at cost	730.6	724.1
Less — accumulated depreciation	(558.2	) (548.9
Net property and equipment	172.4	175.2
Other Assets:		
Goodwill and indefinite-lived intangibles	133.2	132.6
Other amortizable intangibles, net	25.0	25.0
Other noncurrent assets	43.3	43.1
Total other assets	201.5	200.7
Total Assets	\$801.5	\$770.6
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Unfunded checks	\$6.4	\$4.3
Current maturities of long-term debt	100.0	100.0
Accounts payable	104.4	96.3
Accrued compensation and benefits	42.3	41.1
Unearned revenue	12.6	10.1
Accrued income tax and other taxes	9.9	6.5
Other accrued liabilities	65.2	54.7
Total current liabilities	340.8	313.0
Long-term Liabilities:		
Long-term debt, less current maturities	201.0	201.2
Pension and post-retirement benefits	127.5	124.2
Other liabilities	34.0	52.1
Total long-term liabilities	362.5	377.5
Total Liabilities	703.3	690.5
Shareholders' Equity:		
Preferred stock, no par value (10,000,000 shares authorized, none issued)	—	—
Common stock, \$0.20 par value (240,000,000 shares authorized)	11.4	11.4

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Additional paid-in capital	56.4		55.9	
Retained earnings	167.3		152.4	
Accumulated other comprehensive loss	(133.5)	(136.2)
Key executive deferred compensation plans	(3.4	)	(3.4)
Total Shareholders' Equity	98.2		80.1	
Total Liabilities and Shareholders' Equity	\$801.5		\$770.6	
See accompanying notes to condensed consolidated financial statements				

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HERMAN MILLER, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (Dollars in Millions, Except Per Share Data)
 (Unaudited)

	Three Months Ended	
	August 28, 2010	August 29, 2009
Net Sales	\$380.7	\$324.0
Cost of Sales	257.1	216.5
Gross Margin	123.6	107.5
Operating Expenses	93.5	90.8
Restructuring and Other Related Expenses	0.9	2.6
Operating Earnings	29.2	14.1
Other Expenses (Income):		
Interest expense	5.0	5.9
Other, net	1.0	(0.1)
Earnings Before Income Taxes	23.2	8.3
Income Tax Expense (Credit)	7.1	(0.1)
Net Earnings	\$16.1	\$8.4
Earnings Per Share — Basic	\$0.28	\$0.15
Earnings Per Share — Diluted	\$0.22	\$0.14
Dividends Declared, Per Share	\$0.0220	\$0.0220

See accompanying notes to condensed consolidated financial statements

HERMAN MILLER, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF
 CASH FLOWS
 (Dollars in Millions)
 (Unaudited)

	Three Months Ended	
	August 28, 2010	August 29, 2009
Cash Flows from Operating Activities:		
Net earnings	\$16.1	\$8.4
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	9.9	10.8
Stock-based compensation	0.8	1.2
Pension expense	3.3	3.2
Restructuring and other related expenses	0.9	2.6
Contingent consideration adjustment	(5.3)	(1.2)
Excess tax benefit due to stock options	0.3	0.4
Other, net	0.6	(2.4)
(Increase) Decrease in current assets	(30.7)	36.4
Increase (Decrease) in current liabilities	14.2	(32.6)
Increase (Decrease) in non-current liabilities	(0.1)	0.4
Net Cash Provided by Operating Activities	10.0	27.2
Cash Flows from Investing Activities:		
Notes receivable, net	—	(6.7)
Marketable security sales	1.3	—
Capital expenditures	(5.8)	(5.8)
Acquisitions, net of cash	—	(30.4)
Other, net	(1.2)	(0.5)
Net Cash Used for Investing Activities	(5.7)	(43.4)
Cash Flows from Financing Activities:		
Net long-term debt repayments	—	(75.0)
Dividends paid	(1.2)	(1.2)
Excess tax benefit due to stock options	(0.3)	(0.4)
Common stock issued	0.5	0.6
Common stock repurchased and retired	(0.6)	(0.7)
Net Cash Used for Financing Activities	(1.6)	(76.7)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1.3	0.3
Net Increase (Decrease) in Cash and Cash Equivalents	4.0	(92.6)
Cash and Cash Equivalents, Beginning of Period	134.8	192.9
Cash and Cash Equivalents, End of Period	\$138.8	\$100.3
See accompanying notes to condensed consolidated financial statements		

HERMAN MILLER, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The condensed consolidated financial statements have been prepared by Herman Miller, Inc. (“the company”), without audit, in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. Management believes the disclosures made in this document are adequate with respect to interim reporting requirements.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements, taken as a whole, contain all adjustments which are of a normal recurring nature necessary to present fairly the financial position of the company as of August 28, 2010, and the results of its operations and cash flows for the interim periods presented. Operating results for the three-month period ended August 28, 2010, are not necessarily indicative of the results that may be expected for the year ending May 28, 2011. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the company's Form 10-K filing for the year ended May 29, 2010. Certain prior year information has been reclassified to conform to the current year presentation.

2. NEW ACCOUNTING STANDARDS

In April 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update(ASU) No. 2010-13, Compensation-Stock Compensation (Topic 718)-Effect of Denominating the Exercise Price of a Share-Based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades - a consensus of the FASB Emerging Issues Task Force. The amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. Earlier application is permitted. The company does not expect the provisions of ASU 2010-13 to have a material effect on the financial position, results of operations or cash flows of the company.

In December 2009, the FASB issued ASU 2009-16, Transfers and Servicing (Topic 860)-Accounting for Transfers of Financial Assets. ASU 2009-16 revises previous authoritative guidance related to accounting for transfers of financial assets, and requires more disclosures about transfers of financial assets, including securitization transactions, and where entities have continuing exposure to the risks related to transferred financial assets. The company adopted the disclosure requirements of ASU 2009-16 in the first quarter of fiscal 2011.

In December 2009, the FASB issued ASU No. 2009-17, Consolidations (Topic 810)-Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities. ASU 2009-17 changes how a reporting entity determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. ASU 2009-17 also requires a reporting entity to provide additional disclosures about its involvement with variable interest entities including the effect on financial statements and any significant changes in risk exposure due to that involvement. The company adopted the disclosure requirements of ASU 2009-17 in the first quarter of fiscal 2011.

3. FISCAL YEAR

The company's fiscal year ends on the Saturday closest to May 31. Fiscal 2011, the year ending May 28, 2011, and fiscal 2010, the year ending May 29, 2010, each contain 52 weeks. The first three months of fiscal 2011 and fiscal 2010 each contained 13 weeks.

4. FOREIGN CURRENCY TRANSLATION

The functional currency for significant foreign subsidiaries is the local currency. The cumulative effect of translating the balance sheet accounts from the functional currency into the United States dollar using period-end exchange rates and translating revenue and expense accounts using average exchange rates for the period is reflected as a component of “Accumulated other comprehensive loss” in the Condensed

Consolidated Balance Sheets. The financial statement impact resulting from remeasuring all foreign currency transactions into the appropriate functional currency, which was included in "Other Expenses (Income)" in the Condensed Consolidated Statements of Operations, was a net loss of \$0.9 million for the three month period ended August 28, 2010. For the three month period ending August 29, 2009, the financial statement impact was a net loss of \$0.1 million.

5. COMPREHENSIVE INCOME

Comprehensive income consists of net earnings, foreign currency translation adjustments, pension and post-retirement liability adjustments and unrealized holding gain (loss) on "available-for-sale" securities. Comprehensive income was \$18.8 million and \$9.3 million for the three months ended August 28, 2010, and August 29, 2009, respectively. The following table presents the components of "Accumulated other comprehensive loss" for the period indicated.

(In millions)	Foreign Currency Translation Adjustments	Pension and Post-Retirement Liability Adjustments (net of tax)	Unrealized Holding Period Gain (Loss) (net of tax)	Total Accumulated Other Comprehensive Loss
Balance, May 29, 2010	\$ (12.3	) \$ (123.8	) \$ (0.1	) \$ (136.2
Other comprehensive income for the three months ended August 28, 2010	2.6	—	0.1	2.7
Balance, August 28, 2010	\$ (9.7	) \$ (123.8	) \$ —	) \$ (133.5

6. COMMON STOCK AND EARNINGS PER SHARE

The following table reconciles the numerators and denominators used in the calculations of basic and diluted earnings per share (EPS).

	Three Months Ended	
	August 28, 2010	August 29, 2009
Numerators:		
Numerator for basic EPS, net earnings (In millions)	\$ 16.1	\$ 8.4
Income from adjustments to contingent consideration that can be settled in common stock at the company's option, net of tax (In millions)	(3.3	) (0.7
Numerator for diluted EPS, net earnings (In millions)	\$ 12.8	\$ 7.7
Denominators:		
Denominator for basic EPS, weighted-average common shares outstanding	56,976,466	55,164,729
Potentially dilutive shares resulting from stock plans and contingent consideration issued for acquisition	888,555	1,684,900
Denominator for diluted EPS	57,865,021	56,849,629

Options to purchase 2,702,551 and 2,768,468 shares of common stock for the three months ended August 28, 2010 and August 29, 2009, respectively, have not been included in the denominator for the computation of diluted earnings per share because they were anti-dilutive.

The company grants restricted stock and restricted stock units to certain key employees which are included in the denominator for diluted EPS. Each restricted stock unit represents one equivalent share of the company's common stock to be awarded, free of restrictions, after the vesting period. However, these shares do not entitle participants to the rights of shareholders of common stock, such as voting rights, and they are forfeitable at all times prior to the vesting date. Dividend-equivalent awards are credited and accumulate quarterly and are forfeitable at all times until vested.

On June 24, 2009 the company acquired Nemschoff Chairs, LLC (Nemschoff) and established liabilities for contingent consideration related to the acquisition. This contingent consideration may be settled in cash or stock at the discretion of the company and, therefore, any income or loss associated with adjustments to these liabilities is excluded from the numerator when computing diluted earnings per share. The number of shares required to settle the contingent consideration are included in the denominator of potentially dilutive shares.

7. STOCK-BASED COMPENSATION

The company accounts for stock-based compensation in accordance with the fair value recognition provisions of FASB ASC Topic 718, Compensation-Stock Compensation ("ASC Topic 718"). Compensation costs related to the company's stock-based compensation plans resulted in an expense of \$0.8 million and \$1.2 million for the three month periods ending August 28, 2010 and August 29, 2009, respectively. The related excess income tax benefit was \$0.3 million and \$0.4 million for the respective three-month periods.

Stock-based compensation expense recognized in the Condensed Consolidated Statements of Operations for the three months ended August 28, 2010 and August 29, 2009 has been reduced for estimated forfeitures, as it is based on awards ultimately expected to vest. ASC Topic 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures are estimated based on historical experience.

Stock Option Plans

The company has stock option plans under which options to purchase the company's stock are granted to employees and non-employee directors and officers at a price not less than the market price of the company's common stock on the date of grant. Under the current award program, all options become exercisable between one year and three years from date of grant and expire two to ten years from date of grant. The options are subject to graded vesting with the related compensation expense recognized on a straight-line basis over the requisite service period.

The company estimated the fair value of employee stock options on the date of grant using the Black-Scholes model. In determining these values, the following weighted-average assumptions were used for the periods indicated.

	Three Months Ended		
	August 28, 2010	August 29, 2009	
Risk-free interest rates ⁽¹⁾	2.03	% 2.84	%
Expected term of options ⁽²⁾	5.5 years	5.5 years	
Expected volatility ⁽³⁾	42	% 41	%
Dividend yield ⁽⁴⁾	0.51	% 0.56	%
Weighted-average grant-date fair value of stock options:			
Granted with exercise prices equal to the fair market value of the stock on the date of grant	\$6.787	\$6.236	

(1) Represents the U.S. Treasury yield over the same period as the expected option term.

(2) Represents the period of time that options granted are expected to be outstanding. Based on analysis of historical option

exercise activity, the company has determined that all employee groups typically exhibit similar exercise and post-vesting termination behavior.

(3) Amount is determined based on analysis of historical price volatility of the company's common stock over a period equal to the expected term of the options. The company also utilizes a market-based or "implied volatility" measure, on exchange-traded options in the company's common stock, as a reference in determining this assumption.

(4) Represents the company's estimated cash dividend yield over the expected term of options.

Restricted Stock Grants

The company periodically grants restricted common stock to certain key employees. Shares are granted in the name of the employee, who has all the rights of a shareholder, subject to certain restrictions on transferability and risk of forfeiture. The grants are subject to either cliff-based or graded vesting over a period not to exceed five years, and are subject to forfeiture if the employee ceases to be employed by the company for certain reasons. After the vesting period, the risk of forfeiture and restrictions on transferability lapse. The company recognizes the related compensation expense on a straight-line basis over the requisite service period.

Restricted Stock Units

The company grants restricted stock units to certain key employees. This program provides that the actual number of restricted stock units awarded is based on the value of a portion of the participants long-term incentives compensation divided by the fair market value of the company stock on the date of grant. In some years the awards have been partially tied to the company's financial performance for the year in which the grant was based. The awards generally cliff-vest after a three-year service period, with prorated vesting under certain circumstances and continued vesting into retirement. Each restricted stock unit represents one equivalent share of the company's common stock to be awarded, free of restrictions, after the vesting period. Compensation expense related to these awards is recognized over the requisite service period, which includes any applicable performance period. Dividend equivalent awards are granted quarterly. The units do not entitle participants the rights of shareholders of common stock, such as voting rights until shares are issued after the vesting period.

Performance Share Units

The company has previously granted performance share units to certain key employees, none of which were granted prior to fiscal 2008. The number of units initially awarded was based on the value of a portion of the participant's long-term incentive compensation, divided by the fair value of the company's common stock on the date of grant. Each unit represents one equivalent share of the company's common stock. The number of common shares ultimately issued in connection with these performance share units is determined based on the company's financial performance over the related three-year service period. Compensation expense is determined based on the grant-date fair value and the number of common shares projected to be issued, and is recognized over the requisite service period.

Employee Stock Purchase Program

Under the terms of the company's Employee Stock Purchase Plan, four million shares of authorized common stock were reserved for purchase by plan participants at 85.0 percent of the market price. The company recognizes pre-tax compensation expense related to the market value discount.

8. SUPPLEMENTAL CASH FLOW INFORMATION

The company holds cash equivalents as part of its cash management function. Cash equivalents include money market funds, time deposit investments and treasury bills with original maturities of less than three months. All cash equivalents are high-credit quality financial instruments and the amount of credit exposure to any one financial institution or instrument is limited.

Cash payments for income taxes and interest were as follows.

(In millions)	Three Months Ended	
	August 28, 2010	August 29, 2009
Income taxes paid (refunded), net	\$0.6	\$(3.7)
Interest paid	\$6.3	\$6.3

9. FAIR VALUE MEASUREMENTS

The company follows the provisions of ASC Topic 820, Fair Value Measurements and Disclosures, for financial assets and liabilities, and for its non-financial assets and liabilities. In the first quarter of fiscal 2009, neither had a material impact on the company's consolidated financial statements. ASC Topic 820 provides a comprehensive framework for measuring the fair value of assets and liabilities and related disclosures about fair value measurements. Specifically, this Topic sets forth a definition of fair value, and establishes a hierarchy prioritizing the use of inputs in valuation techniques. This Topic defines levels within the hierarchy as follows:

- Level 1— Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2 — Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. Financial instrument values are determined using prices for recently traded financial instruments with similar underlying terms and direct or indirect observable inputs, such as interest rates and yield curves at commonly quoted intervals.
- Level 3 — Financial instruments not actively traded on a market exchange and there is little, if any, market activity. Values are determined using significant unobservable inputs or valuation techniques.

The following describes the methods the company uses to estimate the fair value of financial assets and liabilities, to which there have been no significant changes in the current period:

Available-for-sale securities — The company's Level 2 available-for-sale marketable securities primarily include asset-backed debt securities and corporate debt securities and are valued using quoted prices for similar securities.

Interest rate swap agreements and foreign currency forward contracts — The company's Level 2 interest rate swap agreements and foreign currency forward contracts values are determined using a market approach based on rates obtained from active markets.

Foreign currency exchange contracts — The company's Level 2 foreign currency exchange contracts are valued using an approach based on foreign currency exchange rates obtained from active markets. The estimated fair value of forward currency exchange contracts is based on month-end spot rates as adjusted by market-based current activity.

The following tables set forth financial assets and liabilities measured at fair value in the Condensed Consolidated Balance Sheets and the respective pricing levels to which the fair value measurements are

classified within the fair value hierarchy as of August 28, 2010 and May 29, 2010.

(In millions)	Fair Value Measurements as of August 28, 2010 Quoted Prices With Other Observable Inputs (Level 2)
Financial Assets	
Available-for-sale marketable securities:	
Asset-backed securities	\$0.8
Corporate securities	4.3
Government obligations	5.3
Mortgage-backed securities	0.6
Interest rate swap agreements	1.0
Foreign currency forward contracts	0.1
Deferred compensation plan	2.0
Total	\$14.1

(In millions)	Fair Value Measurements as of May 29, 2010 Quoted Prices With Other Observable Inputs (Level 2)
Financial Assets	
Available-for-sale marketable securities:	
Asset-backed securities	\$0.8
Corporate securities	5.1
Government obligations	5.3
Mortgage-backed securities	0.9
Interest rate swap agreements	1.2
Deferred compensation plan	1.9
Total	\$15.2

The following is a summary of the carrying and market values of the company's marketable securities as of the respective dates.

(In millions)	August 28, 2010			
	Cost	Unrealized Gain	Unrealized Loss	Market Value
Asset-backed securities	\$0.8	\$—	\$—	\$0.8
Corporate securities	4.2	0.1	—	4.3
Government obligations	5.3	—	—	5.3
Mortgage-backed securities	0.7	—	(0.1	) 0.6
Total	\$11.0	\$0.1	\$(0.1	) \$11.0

(In millions)	May 29, 2010			
	Cost	Unrealized Gain	Unrealized Loss	Market Value
Asset-backed securities	\$0.8	\$—	\$—	\$0.8
Corporate securities	5.1	—	—	5.1
Government obligations	5.3	—	—	5.3
Mortgage-backed securities	1.0	0.1	(0.2	) 0.9
Total	\$12.2	\$0.1	\$(0.2	) \$12.1

The company's portfolio of marketable securities is primarily comprised of investment grade fixed-income securities and market-indexed equity based mutual funds. These investments are held by the company's wholly-owned insurance captive and are considered "available-for-sale" as defined in ASC Topic 320, Investments-Debt and Equity Securities ("ASC Topic 320"). Accordingly, they have been recorded at fair market value based on quoted market prices, with the resulting net unrealized holding gains or losses reflected, net of tax, as a component of "Accumulated other comprehensive loss" in the Condensed Consolidated Balance Sheets (see Note 5).

Net investment income recognized in the Condensed Consolidated Statements of Operations resulting from these investments was negligible and \$0.1 million for the periods ending August 28, 2010 and August 29, 2009, respectively.

Topic 320 provides guidance on determining when an investment is other-than-temporarily impaired. The company reviews its fixed income and equity investment portfolio for any unrealized losses that would be deemed other-than-temporary and require the recognition of an impairment loss in income. If the cost of an investment exceeds its fair value, the company evaluates, among other factors, general market conditions, the duration and extent to which the fair value is less than its cost, the company's intent to hold the investments, and whether it is more likely than not that the company will be required to sell the investments before recovery of their amortized cost basis. The company also considers the type of security, related industry and sector performance, as well as published investment ratings and analyst reports, to evaluate its portfolio. Once a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded and a new cost basis in the investment is established. If conditions within individual markets, industry segments, or macro-economic environments deteriorate, the company could incur future impairments. In the fourth quarter of fiscal 2009, the company determined that equity investment losses of \$0.6 million represented an other-than-temporary impairment and, accordingly, these losses were recognized in the Consolidated Statement of Operations. In the second quarter of fiscal 2010, the company determined that certain debt securities had other-than-temporarily impaired assets in the amount of \$0.8

million. Of these losses, \$0.4 million were determined to be credit-related and were, therefore, recognized in the Consolidated Statement of Operations, "Other Expenses (Income): Other, net" line item. The remainder of the impairment is recognized as a component of accumulated other comprehensive loss.

The following is a summary of the credit loss component of the company's debt securities that have been written down for other-than-temporary-impairment (OTTI) with the credit loss component recognized in earnings and the remaining impairment loss related to all other factors recognized in accumulated other comprehensive loss:

(In millions)		
Balance, May 29, 2010		\$0.2
Additions:		
Credit losses for which OTTI was not previously recognized		—
Additional increases to the amount related to credit loss for which OTTI was previously recognized		—
Subtractions:		
Realized gains recorded previously as credit losses		(0.2)
Balance, August 28, 2010		\$—

Maturities of debt securities included in marketable securities as of August 28, 2010, are as follows.

(In millions)	Cost	Market Value
Due within one year	\$2.0	\$2.0
Due after one year through five years	8.8	8.9
Due after five years through ten years	0.2	0.1
Due after ten years	—	—
Total	\$11.0	\$11.0

Investments that are in unrealized loss positions as of August 28, 2010 are as follows:

(In millions)	Aggregate Unrealized Loss
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