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## Armstrong World Industries

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**Analysts' Meeting, NYC**

*September 29, 2008*



This presentation contains “forward-looking statements” related to Armstrong World Industries, Inc.’s future financial performance. Our results could differ materially from the results discussed in these forward-looking statements due to known and unknown risks and uncertainties. A more detailed discussion of the risks and uncertainties that may affect our ability to achieve the projected performance is included in the “Risk Factors” and “Management’s Discussion and Analysis” sections of our recent reports on Forms 10-K and 10-Q filed with the SEC. We undertake no obligation to update any forward-looking statement.

In addition, we will be referring to non-GAAP financial measures within the meaning of SEC Regulation G. A reconciliation of the differences between these measures with the most directly comparable financial measures calculated in accordance with GAAP is available on the Investor Relations page of our website at [www.armstrong.com](http://www.armstrong.com).



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## Company Overview

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**Mike Lockhart**

*Chairman & Chief Executive Officer*



**Leading global manufacturer of floors and ceilings for use in renovation and new construction. Significant U.S. cabinets business.**

- \$3.5 billion in sales
- Serving global customers from 10 countries
- 40 manufacturing locations
- Approximately 12,700 employees

- \$2 billion market capitalization
- 57 million diluted shares outstanding
  - 250k average daily trading volume
  - 66% owned by Armstrong Asbestos Trust
- 'AWI' on the NYSE
  - Since October 2006 emergence from asbestos-related bankruptcy

In 1998:  
Residential sales  
65% of total

By 2008:  
Residential sales  
40% of total



1900-1997



Thomas Armstrong's cork-making business evolves into linoleum flooring, **acoustic ceiling tiles**, then **vinyl flooring**

1998



Significant geographic and product line expansion with the purchase of Triangle Pacific (**Hardwood floors & Cabinets**) and DLW (**European flooring**)

2001-2006



Asbestos-related bankruptcy  
Manufacturing and overhead **restructuring**  
Significant growth in **Commercial** products

2007



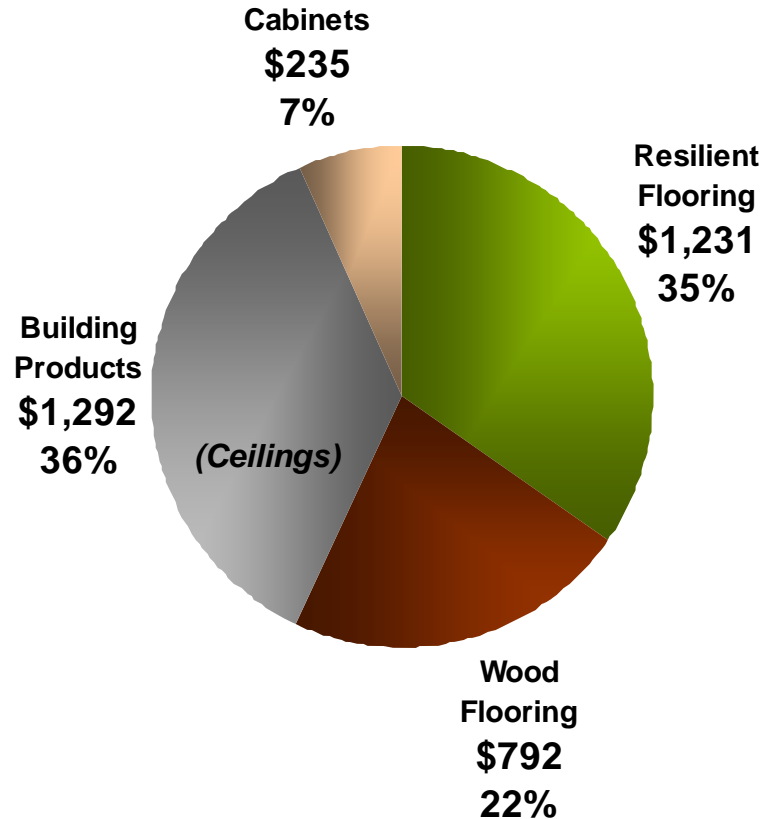
Strategic review process, Commercial volume growth, improved **product mix** and **manufacturing productivity** contribute to **earnings growth** despite difficult domestic residential markets

2008

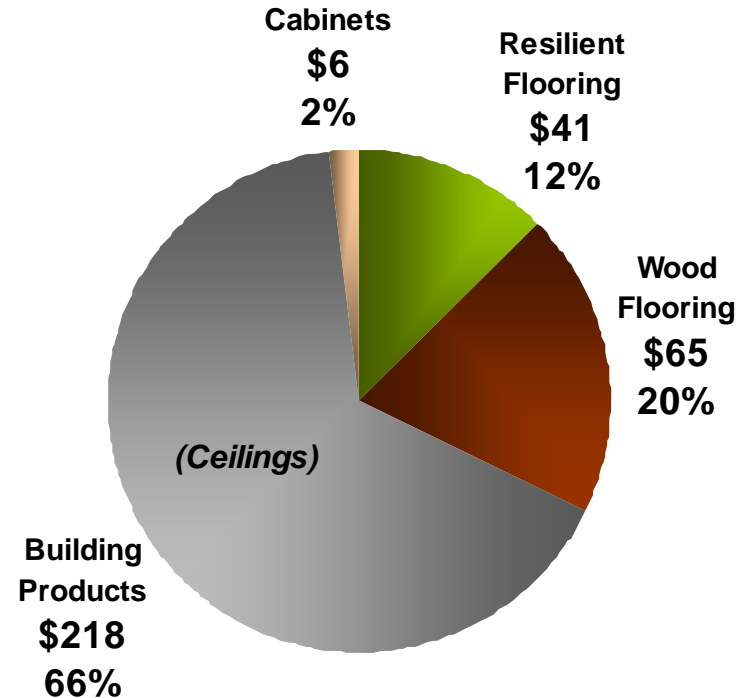


**Strategic focus** on profitable growth and managing the domestic market downturn

## 2007 Sales



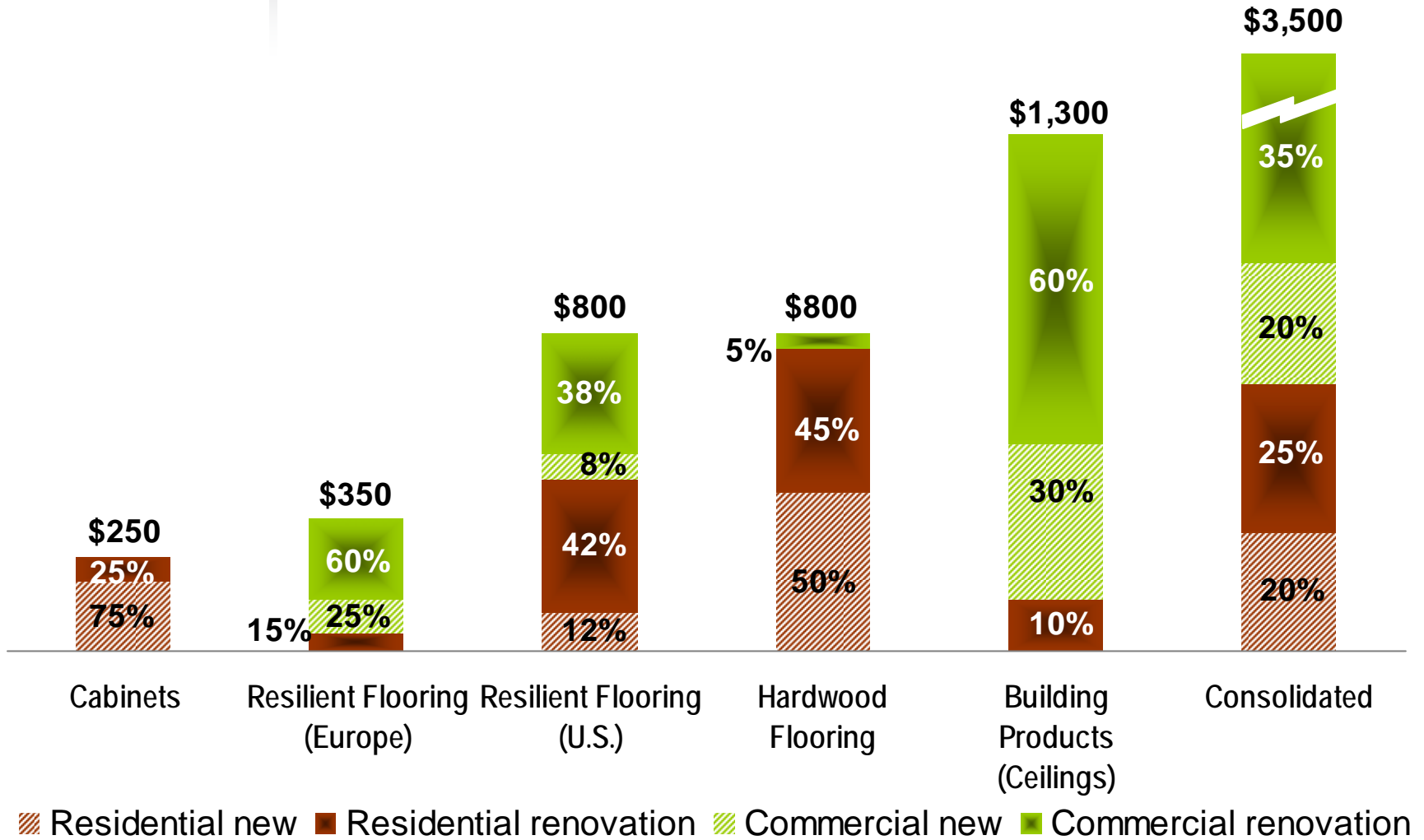
## 2007 Operating Income Adjusted – see website for reconciliation



– Excludes unallocated corporate expense

**#1 in businesses representing 80% of sales**

# Business Segment and End-Use Profile: 2007 Sales



**Diversified End Markets Reduce Impact of Cycles**

# Industry Structure/Competitive Position

	U.S. Resilient	European Resilient	Hardwood	Building Products	Cabinets
<b>Market Leadership</b>	Favorable	Unfavorable	Favorable	Favorable	Unfavorable
<b>Competitor Concentration</b>	Favorable	Neutral	Neutral	Favorable	Neutral
<b>Barriers to Entry</b>	Favorable	Favorable	Favorable	Favorable	Neutral
<b>Industry Capacity Utilization</b>	Unfavorable	Unfavorable	Neutral	Favorable	Neutral
<b>AWI is Low-Cost Manufacturer</b>	Favorable	Unfavorable	Favorable	Favorable	Neutral

**Key**  Favorable  Neutral  Unfavorable

**Armstrong is positioned to capitalize on positive AND negative competitive dynamics**



- Market Leadership: #1 in businesses representing 80% of sales
- Diversified end markets, product portfolios and geographies
- Sales and margin growth potential
- Well-positioned for recoveries in domestic markets
- Low-cost manufacturing and advantageous footprint
- Strong cash flow sufficient to capture all expected opportunities