

ARMSTRONG WORLD INDUSTRIES INC

Form 424B7

September 12, 2013

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Filed Pursuant to Rule 424(b)(7)  
Registration No. 333-179711

**CALCULATION OF REGISTRATION FEE**

	Amount	Proposed Maximum Offering Price	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
Title of Securities to be Registered	Registered to be	Per Share	Offering Price	Registration Fee(1)
Common Shares, par value \$0.01	12,057,382	\$51.75	\$623,969,518.50(2)	\$85,109.45

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

(2) The proposed maximum aggregate offering price was calculated by multiplying the total number of shares being registered by the maximum offering price per share for the shares sold to the public in this offering.

PROSPECTUS SUPPLEMENT

(To prospectus dated February 27, 2012)

**12,057,382 Shares**

**Armstrong World Industries, Inc.**

**Common Shares**

The selling shareholders are selling 12,057,382 of our common shares. We will not receive any proceeds from the sale of shares to be offered by the selling shareholders.

We have agreed to purchase from the underwriter 5,057,382 of the common shares that are subject to this offering, referred to as the share repurchase, at a price per share equal to the price paid by the underwriter to the selling shareholders in this offering. The closing of the share repurchase is contingent upon the closing of this offering, and the closing of this offering is contingent upon the closing of the share repurchase.

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Our shares trade on the New York Stock Exchange ( NYSE ) under the symbol AWI. On September 9, 2013, the last sale price of the shares as reported on the New York Stock Exchange was \$52.37 per share.

**Investing in our common shares involves risks that are described in the Risk Factors section beginning on page S-6 of this prospectus supplement and the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference herein.**

	Per Share	Total
Public offering price (1)	\$51.75	\$622,250,009
Underwriting discount (2)	\$00.34	\$2,380,000
Proceeds, before expenses, to the selling shareholders	\$51.41	\$619,870,009

- (1) The public offering price for the 7,000,000 shares sold to the public was \$51.75 per share. The price for the 5,057,382 shares being purchased by us was \$51.41 per share.
- (2) The underwriting discount for the 7,000,000 shares sold to the public was \$00.34 per share. No underwriting discount was paid in respect of the 5,057,382 shares being purchased by us.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about September 13, 2013.

## Deutsche Bank Securities

The date of this prospectus supplement is September 10, 2013.

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**Prospectus**

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We are responsible for the information contained and incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus we prepare or authorize. Neither we nor the selling shareholders have authorized anyone to give you any other information, and we take no responsibility for any other information that others may give you. This document may only be used where it is legal to sell these securities. The information contained and incorporated by reference in this prospectus supplement, the accompanying prospectus or in any related free writing prospectus we prepare or authorize may only be accurate as of the date of the applicable document.

Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the selling shareholders to subscribe for and purchase any securities and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

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### **ABOUT THIS PROSPECTUS SUPPLEMENT**

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with the documents incorporated by reference and the additional information described in the accompanying prospectus under the heading **Where You Can Find More Information**.

If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference in this prospectus supplement modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement. The information we have included in this prospectus supplement and the accompanying prospectus is accurate only as of the date of this prospectus supplement or the accompanying prospectus, and any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since such date.

In this prospectus supplement, unless otherwise specified or the context requires otherwise, we use the terms **Armstrong**, **the company**, **we**, **us** and **our** to refer to Armstrong World Industries, Inc. and its direct and indirect subsidiaries.

### **MARKET, INDUSTRY AND OTHER DATA**

We obtained the industry and market data used in this prospectus supplement, the accompanying prospectus, any free writing prospectus or any document incorporated by reference from industry publications, research, surveys and studies conducted by third parties and our own internal estimates based on our management's knowledge and experience in the markets in which we operate. We believe our estimates to be accurate as of the date of this prospectus supplement. However, this information may prove to be inaccurate because of the method by which we obtained some of the data for the estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, you should be aware that industry, market and other similar data included in this prospectus supplement, the accompanying prospectus, any free writing prospectus and any document incorporated by reference and estimates and beliefs based on such data may not be reliable.

### **INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

We are allowed to incorporate by reference the information contained in documents that we file with the Securities and Exchange Commission, or the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, and information that we file after the date of this prospectus supplement with the SEC will automatically update and supersede this information. We hereby incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, prior to the termination of this offering (other than in each case, unless otherwise indicated, documents or information that is, or is deemed to be, furnished and not filed in accordance with applicable SEC rules):

our Annual Report on Form 10-K for the fiscal year ended December 31, 2012;

our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013;

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our Current Reports on Form 8-K, as filed with the SEC on January 4, 2013, March 18, 2013 (excluding Item 7.01 and Exhibit 99.1 of Item 9.01), June 24, 2013 and September 9, 2013 (two Current Reports);

the information specifically incorporated by reference in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 from our Definitive Proxy Statement on Schedule 14A filed with the SEC on April 24, 2013; and

the description of our common shares contained in our registration statement on Form 8-A, filed with the SEC on October 10, 2006, as amended by that certain Current Report on Form 8-K filed with the SEC on September 9, 2013, and any other amendments or reports filed for the purpose of updating such description.

Any information incorporated or deemed to be incorporated by reference shall be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that the information contained in this prospectus supplement modifies or supersedes that information.

We will provide without charge to each person to whom this prospectus supplement is delivered, upon written or oral request of any such person, a copy of any or all of the information that has been or will be incorporated by reference in this prospectus supplement and the accompanying prospectus, excluding all exhibits unless an exhibit has been specifically incorporated by reference into this prospectus supplement or the accompanying prospectus. Requests for such copies should be directed to:

Armstrong World Industries, Inc.

2500 Columbia Avenue

P.O. Box 3001

Lancaster, Pennsylvania 17603

717-397-0611

Attn: Mark A. Hershey

We make these filings available through the Investor Relations section of our website at [www.armstrong.com](http://www.armstrong.com). The information on, or accessible through, our website is not part of this prospectus supplement or the accompanying prospectus and should not be relied upon in connection with making any investment decision with respect to the securities offered by this prospectus supplement and the accompanying prospectus.

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### **SUMMARY**

#### **Our Company**

##### **General**

We are a leading global producer of flooring products and ceiling systems for use primarily in the construction and renovation of residential, commercial and institutional buildings. We design, manufacture and sell flooring products (primarily resilient and wood) and ceiling systems (primarily mineral fiber, fiberglass and metal) around the world. As of August 31, 2013 we operated 35 manufacturing plants in eight countries, including 21 plants located throughout the United States.

In December 2000, we filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code in order to use the court-supervised reorganization process to achieve a resolution of our asbestos liability. In October 2006, our plan of reorganization became effective and we emerged from Chapter 11. See Note 1 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2012 for additional information about our Chapter 11 case.

##### **Our Business Segments**

We operate four business segments: Building Products, Resilient Flooring, Wood Flooring and Unallocated Corporate.

*Building Products.* The Building Products segment produces suspended mineral fiber, soft fiber and metal ceiling systems for use in commercial, institutional and residential settings. In addition, our Building Products segment sources complementary ceiling products. Our products, which are sold worldwide, are available in numerous colors, performance characteristics and designs, and offer attributes such as acoustical control, rated fire protection and aesthetic appeal. Commercial ceiling materials and accessories are sold to ceiling systems contractors and to resale distributors. Residential ceiling products are sold in North America primarily to wholesalers and retailers (including large home centers). Suspension system (grid) products manufactured by Worthington Armstrong Venture are sold by both us and Worthington Armstrong Venture.

*Resilient Flooring.* The Resilient Flooring segment produces and sources a broad range of floor coverings primarily for homes and commercial and institutional buildings. Manufactured products in this segment include vinyl sheet, vinyl tile and linoleum flooring. In addition, our Resilient Flooring segment sources and sells laminate flooring products, vinyl tile products, vinyl sheet products, adhesives, and installation and maintenance materials and accessories. Resilient Flooring products are offered in a wide variety of types, designs, and colors. We sell these products worldwide to wholesalers, large home centers, retailers, contractors and to the manufactured homes industry.

*Wood Flooring.* The Wood Flooring segment produces and sources wood flooring products for use in new residential construction and renovation, with some commercial applications in stores, restaurants and high-end offices. The product offering includes pre-finished solid and engineered wood floors in various wood species, and related accessories. Virtually all of our Wood Flooring sales are in North America. Our Wood Flooring products are generally sold to independent wholesale flooring distributors and large home centers.

*Unallocated Corporate.* The Unallocated Corporate segment includes assets, liabilities, income and expenses that have not been allocated to the business units. Balance sheet items classified as Unallocated Corporate are primarily income tax related accounts, cash and cash equivalents, the Armstrong brand name, the U.S. prepaid pension cost and long-term debt. Expenses for our corporate departments and certain benefit plans are allocated to the reportable segments based on known metrics, such as specific activity, headcount or net sales.

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The remaining items, which cannot be attributed to the reportable segments without a high degree of generalization, are reported in Unallocated Corporate.

### **Corporate Information**

Our principal executive offices are located at 2500 Columbia Avenue, P.O. Box 3001, Lancaster, Pennsylvania 17603, and our telephone number at that address is (717) 397-0611. Our website address is [www.armstrong.com](http://www.armstrong.com). The information on, or accessible through, our website is not part of this prospectus supplement or the accompanying prospectus and should not be relied upon in connection with making any investment decision with respect to the securities offered by this prospectus supplement and the accompanying prospectus.

### **Selling Shareholders**

The Armstrong World Industries, Inc. Asbestos Personal Injury Settlement Trust, or Asbestos Trust, and Armor TPG Holdings, L.P., or TPG, are the selling shareholders in this offering. Asbestos Trust was created in October 2006 in connection with our emergence from Chapter 11 to address our personal injury (including wrongful death) asbestos-related liability, and pursuant to the plan of reorganization, received more than 60% of our then-outstanding common shares. In August 2009, Asbestos Trust and TPG entered into agreements pursuant to which TPG purchased 7,000,000 common shares from Asbestos Trust and acquired an economic interest in an additional 1,039,777 common shares from Asbestos Trust. They have also entered into a shareholders' agreement pursuant to which Asbestos Trust and TPG have agreed to vote their shares together on certain matters.

During the fourth quarter of 2012, Asbestos Trust and TPG together sold 5,980,000 of their shares in a secondary public offering at a public offering price of \$51.00 per share. We did not sell any shares and did not receive any proceeds from the offering, and the total number of common shares outstanding did not change as a result of the offering.

As of August 31, 2013, Asbestos Trust and TPG together owned approximately 53.2% of our outstanding common shares and are selling a proportionate number of their shares in this offering. After the completion of this offering and the share repurchase described below, Asbestos Trust and TPG will together own approximately 35.9% of our outstanding common shares. As a result of the offering and the share repurchase, the selling shareholders will own less than 50% of the total voting power of our common shares.

### **Share Repurchase**

Subject to the completion of this offering, we have agreed to purchase from the underwriter 5,057,382 of the common shares that are subject to this offering at a price per share equal to the price paid by the underwriter to the selling shareholders in this offering. The repurchased common shares will be held in treasury (the "Treasury Stock"). We intend to fund the share repurchase with cash on hand and borrowings under our \$250 million revolving credit facility and our \$75 million trade receivables securitization facility, which we refer to together as our credit facility. The funding of the share repurchase will, if completed, increase the amount of debt on our balance sheet. The closing of the share repurchase is contingent upon the closing of this offering, and the closing of this offering is contingent upon the closing of the share repurchase.

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**The Offering**

Common shares offered by the selling shareholders	12,057,382 shares.
Common shares to be sold to the public	7,000,000 shares.
Common shares to be purchased by the Company	5,057,382 shares.
Common shares outstanding after this offering and share repurchase	54,135,215 shares.
Use of proceeds	The selling shareholders will receive all of the proceeds from this offering and we will not receive any proceeds from the sale of shares in this offering.
Company share repurchase	Subject to the completion of this offering, we have agreed to purchase from the underwriter 5,057,382 of the common shares that are subject to this offering at a price per share equal to the price paid by the underwriter to the selling shareholders in this offering. The closing of the share repurchase is contingent upon the closing of this offering, and the closing of this offering is contingent upon the closing of the share repurchase.
Selling shareholders	Asbestos Trust and TPG are our principal shareholders and the only selling shareholders in this offering. After the completion of this offering and the share repurchase, Asbestos Trust and TPG will together own approximately 35.9% of our outstanding common shares. See Selling Shareholders.
Risk factors	Investing in our common shares involves a high degree of risk. See Risk Factors included in this prospectus supplement and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in our common shares.
New York Stock Exchange Symbol	AWI
Except as otherwise noted, all information in this prospectus supplement:	

is based on 59,192,597 common shares outstanding as of August 31, 2013;

excludes 2,098,493 common shares reserved for future issuance under our equity incentive plans currently in effect as of August 31, 2013; and

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excludes 1,517,674 common shares issuable upon the exercise of options outstanding as of August 31, 2013, at a weighted average exercise price of \$26.60 per share.

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The table below sets forth our summary consolidated historical financial information for the periods indicated. The summary financial data presented below for the years ended December 31, 2012, 2011 and 2010 and as of December 31, 2012 and 2011 have been derived from our audited consolidated financial statements incorporated by reference in this prospectus supplement. The summary financial data for the six months ended June 30, 2013 and 2012 and as of June 30, 2013 have been derived from our unaudited condensed consolidated financial statements incorporated by reference in this prospectus supplement. The summary financial data reflect our previously owned Cabinets business as a discontinued operation. The unaudited consolidated financial statements have been prepared on a basis consistent with our annual financial statements and include, in the opinion of management, all adjustments of a normal recurring nature to provide a fair statement of the results for the reporting periods presented. Results for interim periods are not necessarily indicative of results that might be expected for any other interim period or for an entire year.

The summary consolidated financial information presented below should be read in conjunction with the information contained in Management's Discussion and Analysis of Financial Condition and Results of Operations and the audited consolidated financial statements and the notes thereto, all included in our Annual Report on Form 10-K for the year ended December 31, 2012, filed with the SEC on February 27, 2013, and Management's Discussion and Analysis of Financial Condition and Results of Operations and the unaudited condensed consolidated financial statements and the notes thereto, all included in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2013, filed with the SEC on July 29, 2013, which are incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Years ended December 31,			Six Months ended June 30,	
	2012	2011	2010	2013 (Unaudited)	2012
(Amounts in millions, except per share data)					
<b>Consolidated Statements of Earnings Data:</b>					
Net sales (1)	\$ 2,618.9	\$ 2,723.1	\$ 2,627.8	\$ 1,328.9	\$ 1,311.4
Cost of goods sold	1,985.7	2,075.2	2,041.7	1,020.1	1,000.8
Gross profit	633.2	647.9	586.1	308.8	310.6
Selling, general and administrative expenses	418.3	454.0	499.2	223.9	218.6
Intangible asset impairment			22.4		
Restructuring charges (reversals)	(0.4)	9.0	22.0	(0.1)	0.2
Equity (earnings) from affiliates, net	(55.9)	(54.9)	(45.0)	(29.6)	(28.5)
Operating income	271.2	239.8	87.5	114.6	120.3
Interest expense	53.7	48.5	21.2	45.0	25.6
Other non-operating expense	0.5	1.3	1.2	0.7	0.3
Other non-operating (income)	(3.5)	(3.8)	(8.0)	(2.7)	(1.5)
Earnings before income taxes	220.5	193.8	73.1	71.6	95.9
Income tax expense	76.1	81.0	58.0	37.8	34.7
Net income from continuing operations	144.4	112.8	15.1	33.8	61.2
Net (loss) from discontinued operations, net of tax benefit of (\$7.1), (\$0.2) and (\$2.3)	(12.2)	(0.4)	(4.1)		(1.2)
(Loss) on sale of discontinued operations, net of tax benefit of (\$0.6), \$0.0 and \$0.0	(0.9)			(0.9)	
(Loss) from discontinued operations	(13.1)	(0.4)	(4.1)	(0.9)	(1.2)
Net earnings	\$ 131.3	\$ 112.4	\$ 11.0	\$ 32.9	\$ 60.0



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	Years ended December 31,			Six Months ended	
	2012	2011	2010	2013	2012
	(Unaudited)				
	(Amounts in millions, except per share data)				
Earnings per share of common stock, continuing operations:					
Basic	\$ 2.43	\$ 1.92	\$ 0.26	\$ 0.57	\$ 1.04
Diluted	\$ 2.41	\$ 1.91	\$ 0.26	\$ 0.56	\$ 1.03
(Loss) per share of common stock, discontinued operations:					
Basic	\$ (0.22)	\$ (0.01)	\$ (0.07)	\$ (0.02)	\$ (0.02)
Diluted	\$ (0.22)	\$ (0.01)	\$		