UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

__X__ 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 September 3, 2005 Commission File No. 001-15141

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

Yes [X] No [__]

(2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [__]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes [X] No [__]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [__] No [X]

Common Stock Outstanding at October 5, 2005 – 69,047,727 shares

HERMAN MILLER, INC. FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 3, 2005
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HERMAN MILLER, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in Millions)

	September 3, 2005	May 28, 2005
	(Unaudited)	(Audited)
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 9)	$ 147.2	$ 154.4
Short-term investments (Note 10)	15.5	13.9
Accounts receivable, net	148.1	169.8
Inventories -		
Finished goods	23.5	21.7
Work in process	12.8	15.2
Raw materials	10.1	9.8
Total inventories	46.4	46.7
Assets held for sale (Note 19)	-	0.4
Prepaid expenses and other	50.6	49.0
Total current assets	407.8	434.2
Property and Equipment, at cost	693.4	695.6
Less - accumulated depreciation	497.7	500.2
Net property and equipment (Note 8)	195.7	195.4
Other Assets:		
Notes receivable, net	2.4	1.4
Goodwill	39.1	39.1
Intangible assets, net (Note 13)	5.4	5.7
Other noncurrent assets	30.1	29.7
Total Assets	$ 680.5	$ 705.5

	September 3, 2005	May 28, 2005
	(Unaudited)	(Audited)
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Unfunded checks	$ 6.4	$ 7.9
Current maturities of long-term debt	13.0	13.0
Accounts payable	92.0	106.6
Accrued liabilities (Note 15)	138.6	157.4
Total current liabilities	250.0	284.9
Long-term Liabilities:		
Long-term debt, less current maturities (Note 14)	181.1	181.0
Pension benefits (Note 17)	35.9	34.8
Other liabilities (Note 15)	36.3	34.2
Total Liabilities	503.3	534.9
Minority Interest	0.1	0.1
Shareholders' Equity:		
Common stock $.20 par value (Note 5)	13.9	13.9
Retained earnings	233.5	227.3
Accumulated other comprehensive loss (Note 4)	(64.1)	(64.4)
Key executive stock programs	(6.2)	(6.3)
Total Shareholders' Equity	177.1	170.5
Total Liabilities and Shareholders' Equity	$ 680.5	$ 705.5

See accompanying notes to condensed consolidated financial statements

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

	Three Months Ended	
	September 3, 2005	**August 28, 2004**
Net Sales	$ 430.9	$ 357.3
Cost of Sales	289.2	245.2
Gross Margin	141.7	112.1
Operating Expenses (Notes 6 and 15)	102.3	88.6
Restructuring Expenses (Note 8)	0.2	0.5
Operating Earnings	39.2	23.0
Other Expenses (Income):		
Interest expense (Note 14)	3.3	3.3
Other, net (Notes 3, 6, 10, and 18)	(1.3)	(1.6)
Earnings Before Income Taxes and Minority Interest	37.2	21.3
Income Tax Expense (Note 16)	12.8	7.0
Earnings Before Minority Interest	24.4	14.3
Minority Interest, net of income taxes (Note 18)	0.7	--
Net Earnings	$ 23.7	$ 14.3
Earnings Per Share - Basic (Notes 5 and 7)	$ .34	$ .20
Earnings Per Share - Diluted (Notes 5 and 7)	$ .34	$ .20
Dividends Per Share	$ .0725	$ .0725

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended	
	September 3, 2005	**August 28, 2004**
Cash Flows from Operating Activities:		
Net earnings	$ 23.7	$ 14.3
Depreciation and amortization	10.4	11.8
Restructuring (Note 8)	--	(0.5)
Gain from sales of owned dealers (Note 6)	(0.3)	--
Minority interest (Note 18)	0.7	--
Changes in current assets and liabilities	(17.7)	(0.4)
Pension benefits (Note 17)	1.0	(23.8)
Other, net	3.1	1.4
Net Cash Provided by Operating Activities	20.9	2.8
Cash Flows from Investing Activities:		
Changes in notes receivable, net	2.3	(0.4)
Short-term investment purchases	(2.6)	--
Short-term investment sales	0.9	--
Capital expenditures	(11.2)	(3.8)
Proceeds from sales of property and equipment (Note 19)	0.7	0.2
Proceeds from sales of owned dealers (Note 6)	2.1	--
Net cash paid for acquisitions (Note 6)	--	(0.7)
Other, net	(0.1)	0.3
Net Cash Used for Investing Activities	(7.9)	(4.4)
Cash Flows from Financing Activities:		
Short-term debt repayments, net (Note 18)	--	(1.5)
Dividends paid	(5.0)	(5.2)
Common stock issued (Note 5)	20.9	11.8
Common stock repurchased and retired (Note 5)	(36.3)	(37.6)
Net Cash Used for Financing Activities	(20.4)	(32.5)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	0.2	0.7
Net Decrease in Cash and Cash Equivalents	(7.2)	(33.4)
Cash and Cash Equivalents, Beginning of Period	$ 154.4	$ 189.2
Cash and Cash Equivalents, End of Period	$ 147.2	$ 155.8

See accompanying 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 so as not to make the information presented misleading. Operating results for the three-month period ended September 3, 2005, are not necessarily indicative of the results that may be expected for the year ending June 3, 2006. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the company’s Form 10-K for the year ended May 28, 2005.

2. FISCAL YEAR

The company’s fiscal year ends on the Saturday closest to May 31. Fiscal 2006, the year ending June 3, 2006, will contain 53 weeks while fiscal 2005, the year ended May 28, 2005, contained 52 weeks. The first three months of fiscal 2006 contained 14 weeks while the first three months of fiscal 2005 contained 13 weeks.

3. FOREIGN CURRENCY TRANSLATION

The functional currency for foreign subsidiaries is the local currency. The cumulative effects of translating the balance sheet accounts from the functional currency into the United States dollar at current exchange rates and revenue and expense accounts using average exchange rates for the period are included as a component of “Accumulated other comprehensive loss” in the condensed consolidated balance sheets. Net gain (loss) arising from remeasuring all foreign currency transactions into the appropriate functional currency, which were included in “Other Expenses (Income)” in the condensed consolidated statements of operations, was $0.2 million and negligible for the three months ended September 3, 2005, and August 28, 2004, respectively.

4. COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) consists of net earnings, foreign currency translation adjustments, minimum pension liability, and unrealized holding gains (losses) on “available-for-sale” securities. Comprehensive income was approximately $24.0 million and $15.5 million for the three months ended September 3, 2005, and August 28, 2004, respectively. The following presents the components of “Accumulated Other Comprehensive Loss” for the period indicated.

(In Millions)	**Foreign Currency Translation Adjustments**	**Minimum Pension Liability (net of tax)**	**Unrealized Holding Period Gains (Losses) (net of tax)**	**Total Accumulated Other Comprehensive Income (Loss)**
Balance, May 28, 2005	$ (4.0)	$ (60.5)	$ 0.1	$ (64.4)
Other comprehensive income (loss) for the three months ended September 3, 2005	0.5	(0.1)	(0.1)	0.3
Balance, September 3, 2005	$ (3.5)	$ (60.6)	$ --	$ (64.1)

5. 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	
	September 3, 2005	**August 28, 2004**
Numerators:		
Numerator for both basic and diluted EPS, net earnings (In Millions)	$ 23.7	$ 14.3
Denominators:		
Denominator for basic EPS, weighted-average common shares outstanding	69,432,007	71,182,794
Potentially dilutive shares resulting from stock plans	764,742	679,053
Denominator for diluted EPS	70,196,749	71,861,847

Dilutive EPS excludes options where the exercise price exceeded the average market price of the company's common stock, since the effect would be anti-dilutive. The number of stock options outstanding that met this criterion, thereby being excluded from the calculation of diluted EPS, and the range of exercise prices for the three months ended September 3, 2005, and August 28, 2004, were 309,547 at $31.00-$33.51 and 1,822,216 at $26.29-$32.50, respectively.

Common stock activity for the three months ended September 3, 2005, and August 28, 2004, included the repurchase of 1,142,619 shares for $36.3 million and 1,379,179 shares for $37.6 million in the respective periods. In addition, stock-based benefit program activity for the three months ended September 3, 2005, and August 28, 2004, resulted in the issuance of 869,238 shares for $20.9 million (net of $2.2 million tax effect) and 654,003 shares for $11.8 million (net of $0.8 million tax effect) in the respective periods.

6. ACQUISITIONS AND DIVESTITURES

During the first quarter of fiscal 2005, the company acquired certain assets and liabilities of Office Interiors, Inc., a contract furniture dealership primarily based in Oklahoma City, Oklahoma, for $0.7 million. This resulted in the recognition of pre-tax income of $0.4 million due to the reversal of a financial guarantee liability since the company was released from the guarantee by the third-party as result of this transaction. The gain is reflected in "Other Expenses (Income)" in the condensed consolidated statements of operations.

During the first quarter of fiscal 2006, the company completed the sale of two wholly owned contract furniture dealerships: Workplace Resource based in Cleveland, Ohio, and WB Wood based in New York City, New York. The sale of these dealerships corresponds with the company's strategy to continue pursuing opportunities to transition our owned dealerships to independent owners, as it is believed that independent ownership of contract furniture dealers is, on balance, the best model for a strong distribution network. The company ceased consolidation of the dealerships' balance sheets and results of operations since the respective dates of sale. In connection with these sale transactions, the company received total consideration of $5.7 million, of which $2.1 million represented cash proceeds, for net assets with a carrying value of $5.4 million. This resulted in a pre-tax gain on sale of $0.3 million, which was reflected as an offset to "Operating Expenses" in the condensed consolidated statement of operations.

7. STOCK-BASED COMPENSATION

The company accounts for its stock-based compensation plans under the recognition and measurement principles of Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees,” and related Interpretations. Under this method, which during the quarter continued to be acceptable under Statement of Financial Accounting Standards (SFAS) No. 148, “Accounting for Stock-Based Compensation – Transition and Disclosure – An Amendment of FASB Statement No. 123,” (SFAS 148), no compensation expense is recognized when stock options are granted to employees and directors at fair market value as of the grant date. In December 2004, the FASB issued a revision of SFAS No. 123, “Share-Based Payment” (SFAS 123(R)), which supersedes APB Opinion No. 25, “Accounting for Stock Issued to Employees”. Refer to Note 12, for further information regarding this new accounting standard and its future application to the company.

The following table illustrates the effect on net earnings and earnings per share if the company had applied the fair value recognition provisions of SFAS No. 123, “Accounting for Stock-Based Compensation,” (SFAS 123) to stock-based employee compensation during the periods indicated with the Black-Scholes pricing model used for valuation of stock options.

(In Millions, Except Per Share Data)	Three Months Ended	
	September 3, 2005	**August 28, 2004**
Net earnings, as reported	$ 23.7	$ 14.3
Less: Incremental stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(0.6)	(1.7)
Pro forma net earnings	$ 23.1	$ 12.6
Total stock-based employee compensation expense included in net earnings, as reported, net of related tax effects	$ 0.5	$ 0.2
Earnings per share:		
Basic, as reported	$ 0.34	$ 0.20
Basic, pro forma	$ 0.33	$ 0.18
Diluted, as reported	$ 0.34	$ 0.20
Diluted, pro forma	$ 0.33	$ 0.18

8. RESTRUCTURING CHARGES

The following is a summary of the restructuring activities for the three months ended September 3, 2005. It should be read in conjunction with the company’s Form 10-K for the year ended May 28, 2005, which provides a description of the specific actions taken since fiscal 2002. For purposes of this discussion, the restructuring actions taken since fiscal 2002 are referred to collectively as the “Plan.”

The following table presents the pre-tax restructuring charges, by category, recorded pursuant to the Plan.

(In Millions)	Three Months Ended	
	September 3, 2005	August 28, 2004
Pension Related	$ 0.1	$ 0.4
Facility Exit Costs & Other	0.1	0.1
Total	$ 0.2	$ 0.5

The restructuring charges recognized during the quarters ended September 3, 2005, and August 28, 2004, primarily related to the Canton consolidation. The charges resulted from building carrying costs on the Canton facility and pension-related settlements, which are recognized as terminated employees withdraw their assets from the retirement plan.

The company's Canton, Georgia, facility, which was exited in fiscal 2004, remains listed for sale. As a consequence of the Plan, during the fourth quarter of fiscal 2003, this facility was written down to its expected fair value. The carrying value of $7.5 million remained classified under the caption "Net property and equipment" on the company's condensed consolidated balance sheet as of the end of the first quarter of fiscal 2006.

The following summarizes the restructuring accrual activity since the beginning of fiscal 2006. This summary does not include restructuring activity related to the impairment of fixed assets or the effect on the company's employee retirement plans, as these items are not accounted for through the restructuring accrual on the condensed consolidated balance sheet but are included as a component of "Restructuring Expenses" on the condensed consolidated statement of operations. In addition, facility costs associated with the movement of inventory and equipment, as well as employee relocation and training related to the consolidation of production processes, are recognized as incurred and are not included in the ending restructuring accrual balance.

(In Millions)	Lease & Supplier Contract Terminations	Facility Exit Costs & Other	Total
Accrual Balance, May 28, 2005	$ 0.9	$ 0.7	$ 1.6
Restructuring Charges	--	0.1	0.1
Cash Payments	--	(0.1)	(0.1)
Accrual Balance, September 3, 2005	$ 0.9	$ 0.7	$ 1.6

9. 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 (refunds) for income taxes and interest were as follows:

(In Millions)	Three Months Ended	
	September 3, 2005	August 28, 2004
Income taxes paid (refunded), net	$ 6.2	$ (1.6)
Interest paid	$ 0.1	$ 0.2

10. SHORT-TERM INVESTMENTS

The company maintains a portfolio of short-term investments comprised of investment grade fixed-income securities. These investments are held by the company's wholly-owned insurance captive and are considered "available-for-sale" as defined in Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities." 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 4).

Net investment income recognized in the condensed consolidated statements of operations resulting from these investments totaled $0.1 million for each of the three month periods ended September 3, 2005, and August 28, 2004.

The following is a summary of the carrying and market values of the company's short-term investments as of September 3, 2005, and May 28, 2005.

(In Millions)	September 3, 2005			
	Cost	Unrealized Gain	Unrealized Loss	Market Value
U.S. Government & Agency Debt	$ 3.9	$ --	$ --	$ 3.9
Foreign Government Debt	0.5	--	--	0.5
Corporate Bonds	6.8	0.1	(0.1)	6.8
Mortgage-Backed	4.1	--	--	4.1
Other Debt	0.2	--	--	0.2
Total	$ 15.5	$ 0.1	$ (0.1)	$ 15.5

(In Millions)	May 28, 2005			
	Cost	Unrealized Gain	Unrealized Loss	Market Value
U.S. Government & Agency Debt	$ 3.7	$ 0.1	$ --	$ 3.8
Foreign Government Debt	0.5	--	--	0.5
Corporate Bonds	5.3	0.1	--	5.4
Mortgage-Backed	4.0	--	--	4.0
Other Debt	0.2	--	--	0.2
Total	$ 13.7	$ 0.2	$ --	$ 13.9

11. OPERATING SEGMENTS

In accordance with Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information," management evaluates the company as one reportable operating segment in the office furniture industry. The company is engaged worldwide in the design, manufacture, and sale of office furniture systems, products, and related services through its majority owned subsidiaries. Throughout the world the product offerings, the production processes, the methods of distribution, and the customers serviced are consistent. The company's product offerings consist primarily of office furniture systems, seating, storage solutions, freestanding furniture, and casegoods. These product offerings are marketed, distributed, and managed primarily as a group of similar products on an overall portfolio basis. The accounting policies of the operating segment are the same as those described in the summary of significant accounting and reporting policies in the company's 10-K report for the year ended May 28, 2005.

12. NEW ACCOUNTING STANDARDS

In November 2004, the FASB issued SFAS No. 151, “Inventory Costs” (SFAS 151). This Statement amends the guidance in ARB No. 43, Chapter 4, “Inventory Pricing,” to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). SFAS 151 requires that those items be recognized as current-period charges. In addition, this Statement requires that fixed production overhead expenses be allocated to inventory based on the “normal capacity” of the production facilities. The provisions of SFAS 151 are effective for inventory costs incurred in fiscal years beginning after June 15, 2005. As such, the company is required to adopt these provisions at the beginning of fiscal year 2007. The company does not expect the adoption of SFAS 151 to have a material impact on its consolidated financial statements.

In December 2004, the FASB issued a revision of SFAS No. 123, “Share-Based Payment” (SFAS 123(R)), which supersedes APB Opinion No. 25, “Accounting for Stock Issued to Employees”. This statement focuses primarily on transactions in which an entity obtains employee services in exchange for share-based payments. Under SFAS 123(R), a public entity generally is required to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award, with such cost recognized over the applicable vesting period. This new accounting treatment is also required for any share-based payments to the company’s Board of Directors. As defined within the transition provisions of SFAS 123(R), public entities are required to adopt this new method of accounting using the modified prospective method and may elect to restate prior periods using the modified retrospective method. SFAS 123(R) also requires an entity to provide certain disclosures in order to assist in understanding the nature of share-based payment transactions and the effects of those transactions on the financial statements. On April 14, 2005, the SEC announced that it would provide for phased-in implementation of SFAS 123(R). Under this provision registrants are required adopt SFAS 123(R) no later than the beginning of the fiscal year beginning after June 15, 2005. As such, the company is required to adopt the provisions of SFAS 123(R) at the beginning of fiscal 2007. While the company currently discloses the pro-forma earnings effects of its stock-based awards as provided in Note 7, it is currently evaluating the impact the implementation guidance and revisions included in SFAS 123(R) will have on its consolidated financial statements.

In December 2004, the FASB issued SFAS No. 153, “Exchanges of Nonmonetary Assets, an Amendment of APB Opinion No. 29” (SFAS 153). This Statement amends APB 29, eliminating the exception to the fair-value principle for exchanges of “similar productive assets,” which had been accounted for based on the book value of the assets surrendered with no gain recognition. The general requirement under APB 29 that nonmonetary exchanges of assets be accounted for at fair value with gain or loss recognition was left intact, as long as the exchange has commercial substance and the fair value is determinable. The provisions of SFAS 153 should be applied prospectively, effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. As such, the company is required to adopt these provisions at the beginning of the second quarter of fiscal 2006. The company does not expect the adoption of SFAS 153 to have a material impact on its consolidated financial statements.

In March 2005, the FASB issued Interpretation No. 47, “Accounting for Conditional Asset Retirement Obligations, an Interpretation of FASB Statement No. 143” (FIN 47). Under FIN 47, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. Any uncertainty about the amount and/or timing of future settlement should be factored into the measurement of the liability when sufficient information exists. FIN 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value. The provisions of FIN 47 are required to be applied no later than the end of fiscal years ending after December 15, 2005, although early adoption is encouraged. As such, the company is required to adopt FIN 47 by the end of fiscal 2006. The company is currently evaluating the impact of FIN 47 on its consolidated financial statements.

13. OTHER INTANGIBLE ASSETS

Other intangible assets are comprised of patents, trademarks, and intellectual property rights with a combined gross carrying value and accumulated amortization of $9.7 million and $4.3 million, respectively, as of September 3, 2005. As of May 28, 2005, these amounts totaled $9.7 million and $4.0 million, respectively. The company amortizes its intangible assets over periods ranging from 8 to 17 years.

Amortization expense related to intangible assets totaled approximately $0.3 million and $0.2 million for the three-month periods ended September 3, 2005, and August 28, 2004, respectively.

Estimated amortization expense for intangible assets as of September 3, 2005, for each of the succeeding fiscal years is as follows.

(In Millions)	
Remaining 2006	$0.7
2007	$1.0
2008	$0.9
2009	$0.9
2010	$0.9

14. INTEREST RATE SWAPS

In May 2002, the company entered into a fixed-to-floating interest rate swap agreement that expires March 6, 2006, which effectively converted $40 million of fixed-rate private placement debt to a floating-rate basis. The fair value of this swap instrument, which is based upon expected LIBOR rates over the remaining term of the instrument, was negligible at September 3, 2005. The floating interest rate, which is based on the 90-day LIBOR rate, set in advance of each quarterly period, was approximately 5.7% at September 3, 2005.

In November 2003, the company entered into two additional fixed-to-floating interest rate swap agreements. One agreement that expires March 15, 2011, effectively converted $50 million of fixed-rate debt securities to a floating-rate basis. The fair value of this swap instrument, which is based upon expected LIBOR rates over the remaining term of the instrument, was approximately $0.2 million at September 3, 2005, and is reflected as an addition to long-term debt and an offsetting addition to other noncurrent assets in the condensed consolidated balance sheet. The floating interest rate for this agreement is based on the six-month LIBOR rate, set in-arrears at the end of each semi-annual period, and was estimated to be approximately 6.5% at September 3, 2005. The next scheduled interest rate reset date is in September 2005.

The second agreement, which expires March 5, 2008, effectively converted $15 million of fixed-rate private placement debt to a floating-rate basis. The fair value of this swap instrument, which is based upon expected LIBOR rates over the remaining term of the instrument, was approximately $(0.1) million at September 3, 2005, and is reflected as a reduction to long-term debt and an offsetting addition to other long-term liabilities in the condensed consolidated balance sheet. The floating interest rate for this agreement is based on the six-month LIBOR rate, set in-arrears at the end of each semi-annual period, and was estimated to be approximately 7.1% at September 3, 2005. The next scheduled interest rate reset date is in September 2005.

As of September 3, 2005, a total of $69.0 million of the company’s outstanding debt was effectively converted to a variable-rate basis as a result of these interest rate swap arrangements. These swaps are fair-value hedges and qualify for hedge-accounting treatment using the “short-cut” method under the provisions of Statement of Financial Accounting Standards No. 133, “Accounting for Derivative Instruments and Hedging Activities.” Under this accounting treatment, the change in the fair value of the interest rate swap is equal to the change in value of the related hedged debt and, as a result, there is no net effect on earnings. These agreements require the company to pay floating-rate interest payments in return for receiving fixed-rate interest payments that coincide with the semi-annual payments to the debt holders at the same date.

The counterparties to these swap instruments are large financial institutions which the company believes are of high-quality creditworthiness. While the company may be exposed to potential losses due to the credit risk of non-performance by these counterparties, such losses are not anticipated. The swap arrangements resulted in the reduction to net interest expense of approximately $0.1 million and $0.4 million for the three months ended September 3, 2005, and August 28, 2004, respectively.

15. GUARANTEES, INDEMNIFICATIONS, AND CONTINGENCIES

Product Warranties

The company provides warranty coverage to the end-user for parts and labor on products sold. The standard length of warranty is 12 years; however, this varies depending on the product classification. The company does not sell or otherwise issue warranties or warranty extensions as stand-alone products. Reserves have been established for the various costs associated with the company's warranty program. General warranty reserves are based on historical claims experience and other currently available information and are periodically adjusted for business levels and other factors. Specific reserves are established once an issue is identified with the amounts for such reserves based on the estimated cost to correct the problem. Changes in the warranty reserve for the stated periods were as follows.

(In Millions)	Three Months Ended	
	September 3, 2005	**August 28, 2004**
Accrual Balance - beginning	$ 13.0	$ 14.6
Accrual for warranty matters	2.7	2.3
Settlements and adjustments	(2.3)	(3.3)
Accrual Balance - ending	$ 13.4	$ 13.6

Other Guarantees

The company has entered into separate agreements to guarantee the debt of two independent contract furniture dealerships. In accordance with the provisions of FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of the Indebtedness of Others" (FIN 45), the company initially recorded an expense equal to the estimated fair values of these guarantees. The maximum financial exposure assumed by the company as a result of these arrangements totaled $0.6 million as of September 3, 2005. The guarantees are reflected in "Other Liabilities" in the condensed consolidated balance sheet as of September 3, 2005, at $0.3 million, which approximates the original estimated fair values.

The company has entered into a standby letter of credit arrangement for purposes of guaranteeing the debt of an independent contract furniture dealership. At the point the company entered into the arrangement the estimated fair value of the guarantee, which equaled the maximum financial exposure assumed by the company, was recorded as an expense by the company in accordance with the provisions of FIN 45. The maximum financial exposure assumed by the company as a result of this arrangement totaled $0.1 million. As of September 3, 2005, this guarantee is reflected in "Other Liabilities" in the condensed consolidated balance sheet at $0.1 million, which approximates the original estimated fair value.

The company has also entered into agreements with third-party leasing companies to guarantee certain contractual lease terms, including lessee payment obligations and/or residual values of Herman Miller product. These guarantees expire at dates through March 2007. As of the end of September 3, 2005, the maximum financial exposure assumed by the company in connection with these guarantees totaled approximately $2.6 million. As of September 3, 2005, these guarantees are reflected in "Other liabilities" in the condensed consolidated balance sheet at $0.6 million, which approximates the estimated fair value.

The company is periodically required to provide performance bonds in order to do business with certain customers. These arrangements are common and generally have terms ranging between one and three years. The bonds are required to provide assurances to customers that the products and services they have purchased will be installed and/or provided properly and without damage to their facilities. The bonds are provided by various bonding agencies; the company is ultimately liable for claims that may occur against them. As of September 3, 2005, the company had a maximum financial exposure related to performance bonds totaling approximately $14.5 million. The company has had no history of claims nor is it aware of circumstances that would require it to perform under any of these arrangements and believes that the resolution of any claims that might arise in the future, either individually or in the aggregate, would not materially affect the company's financial statements. Accordingly, no liability has been recorded as of September 3, 2005.

The company periodically enters into agreements in the normal course of business, which may include indemnification clauses regarding patent/trademark infringement and service losses. Service losses represent all direct or consequential loss, liability, damages, costs and expenses incurred by the customer or others resulting from services rendered by the company, the dealer, or certain sub-contractors due to a proven negligent act. The company has had no history of claims, nor is it aware of circumstances that would require it to perform under these arrangements and believes that the resolution of any claims that might arise in the future, either individually or in the aggregate, would not materially affect the company's financial statements. Accordingly, no liability has been recorded as of September 3, 2005.

The company has entered into standby letter of credit arrangements for the purpose of protecting various insurance companies against default on the payment of certain premiums and claims. A majority of these arrangements are related to the company's wholly owned captive insurance company. As of September 3, 2005, the company had a maximum financial exposure from these insurance-related standby letters of credit totaling approximately $12.6 million. The company has had no history of claims nor is it aware of circumstances that would require it to perform under any of these arrangements and believes that the resolution of any claims that might arise in the future, either individually or in the aggregate, would not materially affect the company's financial statements. Accordingly, no liability has been recorded as of September 3, 2005.

Contingencies
As previously reported, the company has received a subpoena from the New York Attorney General's office requesting certain information relating to the minimum advertised price program maintained by the Herman Miller for the Home division. In connection with this matter, the New York Attorney General's office has taken depositions of current and former employees of the company and certain dealers. The company is cooperating with the New York Attorney General's office in this matter and there has been no material change in the status of the issue since the end of the previous quarter. As there has been no claim asserted in connection with this matter, the company has no reasonable basis on which to estimate the financial impact, if any, of this investigation.

The company leases a facility in the UK under an agreement that expires in January 2008. Under the terms of the lease, the company is required to perform the maintenance and repairs necessary to address the general dilapidation of the facility over the lease term. The ultimate cost of this provision to the company is dependent on a number of factors including, but not limited to, the future use of the facility by the lessor and whether the company chooses and is permitted to renew the lease term. The company has estimated the cost of these maintenance and repairs to be between $0 and $3 million, depending on the outcome of future plans and negotiations. Based on existing circumstances, it is estimated that these costs will most likely approximate $0.5 million. As a result, this amount has been recorded as a liability reflected in "Other liabilities" in the condensed consolidated balance sheets as of September 3, 2005, and May 28, 2005.

In May 1996, the company assigned its rights as lessee of a UK facility to a third party under an agreement that contained a provision granting the third party the right to re-assign the lease to the company after 10 years, at its election. During the first quarter of 2006, the company was notified by the third party that it is no longer using the space and intend to exercise the re-assignment option. The balance of the lease term is 9 years. Based on past experience and current market conditions, it is considered probable that the company will be able to assign or sublet the remaining lease term to another tenant at current market rates. However, the current market rates for comparable office space are lower than the rental payments owned under the lease agreement. As such, the company would remain liable to pay the difference. Based on existing circumstances, it is estimated that the present value of the future cost to the company under this arrangement will most likely approximate $0.7 million. As a result, this amount was recorded as a liability during the first quarter of fiscal 2006, with the charge reflected in "Operating Expenses" and the corresponding liability reflected in "Other liabilities" for the period ending September 3, 2005.

The company, for a number of years, has sold various products to the United States Government under General Services Administration ("GSA") multiple award schedule contracts. Under the terms of these contracts, the GSA is permitted to audit the company's compliance with the GSA contracts. The company has occasionally noted errors in complying with contract provisions. From time to time the company has notified the GSA of known instances of non-compliance (whether favorable or unfavorable to the GSA) once such circumstances are identified and investigated. The company does not believe that any of the errors brought to the GSA's attention will adversely affect its relationship with the GSA. Currently there are no GSA audits either scheduled or in process. Management does not expect resolution of potential future audits to have a material adverse effect on the company's consolidated financial statements.

The company is also involved in legal proceedings and litigation arising in the ordinary course of business. In the opinion of management, the outcome of such proceedings and litigation currently pending will not materially affect the company's consolidated financial statements.

16. INCOME TAXES

The effective tax rate for the three months ended September 3, 2005, and August 28, 2004, was 34.4% and 32.9%, respectively. The company's United States federal statutory rate is 35.0%. The current year effective tax rate was below the statutory rate primarily as a result of the manufacturing deduction under the American Job Creations Act of 2004 and higher levels of research and development credits. The prior year effective tax rate was below the statutory rate primarily due to the fact that a portion of the net gain from the VIE ownership transition, as disclosed in Note 18, was not subject to tax due to the nature of the transaction.

FSP 109-1 and FSP 109-2 became effective in December 2004. This guidance was issued in response to the American Jobs Creation Act of 2004 that was signed into law by the President on October 22, 2004. This Act includes a tax deduction up to 9 percent (when fully phased-in) of the lesser of (a) "qualified production activities income," as defined in the Act, or (b) taxable income (after the deduction for the utilization of any net operating loss carryforwards). According to FSP 109-1, this deduction should be accounted for as a special deduction, rather than a rate reduction, in accordance with Statement 109. The tax benefit of the special deduction is recognized under Statement 109 as it is earned. As such, the company began recognizing the benefit of this special deduction starting in the first quarter of fiscal year 2006, which reduced the company's effective tax rate as noted above.

The Act also provides for a special one-time tax deduction of 85 percent of certain foreign earnings that are repatriated (as defined in the Act) in either the company's last tax year that began before the enactment date or the first tax year that begins during the one-year period beginning on the date of enactment. In the case of the company, the one-year period during which qualifying distributions can be made is either fiscal year 2005 or fiscal 2006. In order to qualify for the deduction, the earnings must be reinvested in the United States pursuant to a domestic reinvestment plan established by the company's chief executive officer and approved by its board of directors. Certain other criteria in the Act must be satisfied as well. Once a decision is reached to remit foreign earnings, the impact must be recorded in the period in which the decision is made.

On May 10, 2005, the IRS and Treasury issued guidance concerning the calculation of tax on a distribution under Section 965 of the Internal Revenue Code. Based on this guidance, during the fourth quarter of fiscal 2005, the company decided to repatriate approximately $45 million of undistributed foreign earnings under the Act and recorded income tax expense accordingly of $4.4 million. During the first quarter of fiscal year 2006, the company repatriated approximately $35 million of undistributed foreign earnings under the Act. Subsequent to the end of the first quarter, the company repatriated an additional $9 million of undistributed foreign earnings. The company has the remainder of fiscal 2006 to determine what additional amounts of undistributed foreign earnings to repatriate, if any, under the Act.

17. EMPLOYEE BENEFIT PLANS

The following tables summarize the costs of the company's employee pension and post-retirement plans for the periods indicated.

(In Millions)	**Three Months Ended**			
	Pension Benefits		**Post-Retirement Benefits**	
	September 3, 2005	**August 28, 2004**	**September 3, 2005**	**August 28, 2004**
Domestic:				
Service cost	$ 2.1	$ 1.9	$ --	$ --
Interest cost	3.5	3.7	0.2	0.3
Expected return on plan assets	(5.1)	(5.7)	--	--
Net amortization (gain)/loss	0.4	(0.3)	0.2	0.1
Net periodic benefit cost (credit)	$ 0.9	$ (0.4)	$ 0.4	$ 0.4
International:				
Service cost	$ 0.4	$ 0.4		
Interest cost	0.8	0.7		
Expected return on plan assets	(0.9)	(0.9)		
Net amortization loss	0.2	0.1		
Net periodic benefit cost	$ 0.5	$ 0.3		

In addition, the company also recognized $0.1 million and $0.4 million of pension settlements associated with restructuring actions during the three months ended September 3, 2005, and August 28, 2004, respectively.

In fiscal 2005, the company made cash contributions totaling $25.6 million to its employee pension plans and $1.7 million to its post-retirement benefit plan. The company is currently determining what voluntary pension plan contributions, if any, will be made in fiscal 2006. Actual contributions will be dependent upon investment returns, changes in pension obligations, and other economic and regulatory factors.

18. VARIABLE INTEREST ENTITES

Effective May 29, 2004, the company adopted the revised version of FASB Interpretation No. 46, "Consolidation of Variable Interest Entities" (FIN 46(R)). This resulted in the consolidation of two variable interest entities (VIEs) of which the company was considered the primary beneficiary. The company's variable interests in these VIEs resulted from providing subordinated debt to and/or guarantees on behalf of two independent dealerships prior to January 31, 2003.

Due to the company's history of providing on-going subordinated financial support to these dealerships, through consolidation the company recognizes all net losses of the VIEs in excess of the equity at the dealerships. The company recognizes net earnings of these VIEs only to the extent of recouping the company's associated losses previously recognized. Earnings in excess of the company's associated losses are excluded from the company's earnings and attributed to equity owners of the dealerships by recording such earnings as minority interest on the company's financial statements.

During the first quarter of fiscal 2005, a qualifying triggering event occurred with one of the VIEs which resulted in reconsideration under FIN 46(R). Based on this reconsideration, it was determined that the company is no longer considered the primary beneficiary. As such, the company recorded the ownership transition and ceased consolidation of the independent dealership in the first quarter of fiscal 2005. This resulted in a pre-tax gain of $0.5 million which is reflected in "Other Expenses (Income)" in the condensed consolidated statement of operations. In connection with this ownership transition the company incurred a $1.5 million cash outflow in the first quarter of fiscal 2005 related to the payment of the outstanding bank debt of the VIE.

During the first quarter of fiscal 2006, a qualifying triggering event occurred with the remaining VIE which resulted in reconsideration under FIN 46(R). Based on this reconsideration, it was determined that the company is no longer considered the primary beneficiary. As such, the company ceased consolidation of the independent dealership in the first quarter of fiscal 2006. This resulted in a pre-tax loss of $0.1 million which is reflected in "Other Expenses (Income)" in the condensed consolidated statement of operations.

For the three months ended September 3, 2005, consolidation of the VIE increased net sales by $6.8 million. Net earnings for the same period were not significantly affected, excluding the loss on ceasing consolidation, as the resulting earnings were primarily attributed to and therefore offset by minority interest of $0.7 million. For the three months ended August 28, 2004, consolidation of the VIEs increased net sales by $2.5 million and net earnings by $0.1 million, excluding the gain on the ownership transition in the first quarter of fiscal 2005.

19. ASSETS HELD FOR SALE

At May 28, 2005, the company re-classified assets with a net carrying value of $0.4 million to current assets held for sale related to a warehouse/storage facility in West Michigan that the company had previously exited. During the first quarter of fiscal 2006, the sale of these assets was finalized. As a result of the sale, the company received proceeds of $0.7 million and recognized a gain on sale of $0.2 million.

20. REPORT OF MANAGEMENT

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 September 3, 2005, and the results of its operations and cash flows for the interim periods presented. Interim results are not necessarily indicative of results for a full year.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion and analysis of certain significant factors that affected the company's financial condition, earnings, and cash flow during the periods included in the accompanying condensed consolidated financial statements. References to "Notes" are to the footnote disclosures included in the Condensed Consolidated Financial Statements.

Discussion of Current Business Conditions

Our fiscal 2006 first quarter included 14 weeks of operations as opposed to a typical 13-week period. This extra week is required approximately every six years in order to re-align our fiscal reporting dates with the actual calendar months. This is a factor that should be considered when comparing our first quarter financial results to the prior year period, which included 13 weeks of operations.

We were pleased with our first quarter results in comparison to the prior year, even after adjusting for the extra week. The growth momentum that developed during fiscal 2005 carried over into our first quarter, resulting in strong net sales, orders, and improved profitability. Our international business, which was a steady highlight all of last year, again showed solid year-over-year sales and order growth. We were especially pleased this quarter to see continued momentum in our domestic operations, which has now experienced year-over-year sales growth in the double-digits for the third consecutive quarter. On a consolidated basis, strong net sales in the quarter helped drive significantly improved net earnings over the prior year. Further, new orders in the quarter outpaced net sales, resulting in growth in the backlog.

From a macro-economic perspective, the outlook for our industry continues to be generally positive. Our industry trade organization, The Business and Institutional Furniture Manufacturer's Association (BIFMA), issued its quarterly forecast in July 2005 outlining an expectation that office furniture consumption will continue to expand through calendar year 2006. While growth in corporate profits has remained relatively strong in recent months, the forecast calls for this measure to decline. The report does, however, suggest this decline in corporate profits will be countered by improving trends in employment and office vacancies. The forecast also pointed to an anticipated rebound in non-residential construction rates as a factor supporting further industry expansion.

The devastation in the Gulf Coast region caused by Hurricanes has and will likely continue to cause a ripple effect on the economy. The most immediate impact on our business has been an increase in oil and gas prices, which were already trending upward even before the impact of storm damage to refining and transportation infrastructure in the Gulf. These higher prices have increased our transportation costs as well as the cost, and perhaps availability, of key manufacturing inputs such as plastics and resins.

Last fiscal year we reported that the increasing market price for steel components had a significant negative impact on our profitability. Fortunately, during the fourth quarter of fiscal 2005, we began seeing these prices stabilize and, in fact, decline slightly. Though the price of steel in our first quarter remained higher than it was a year ago, we were pleased to see continued signs of market stability in the first three months of fiscal 2006. While there has been some speculation that steel prices may rise again in the future due to declining market supply, the trend in our first quarter was welcome news.

Rising material costs have prompted us to put in place general price increases twice since the beginning of fiscal 2005. The first of these increases became effective at the beginning of August 2004. This increase varied by product line but averaged approximately 4% of list price. While the price increase did not have a significant impact on our first quarter net sales last year, we did see an increase in order rates in the period as customers accelerated some orders to take advantage of pre-increase pricing. It wasn't until the second half of fiscal 2005 that we began to realize a significant benefit of this price increase.

On September 6, 2005, just after the end of our first quarter, a second price increase became effective. Again, the increase varied by product line but averaged approximately 3.8% of list price. Given its timing, our first quarter net sales were not affected by the increase; however, we did experience an increase in new orders which we attribute, in part, to advance purchasing. We expect to begin realizing some benefit from the price change late in the second quarter, although the majority will not be felt until the second half of fiscal 2006. Also, given the competitive nature of discounting in our industry, the price increase may not fully offset the impact of rising material costs. However, we continue to believe we can cover a large portion of these cost increases through the combination of our pricing strategy and our lean manufacturing program, the Herman Miller Production System (HMPS).

We believe that price is only one of several important factors to consider in the buying decision. With this in mind, we continue to invest in product development in order to find innovative ways of providing value to our customers. Research and development expenses, exclusive of royalty payments to independent designers, totaled $7.3 million in both the current and prior year first quarters.

During the first quarter we completed the sale of two wholly-owned contract furniture dealerships – one based in New York City, New York, and another in Cleveland, Ohio. Another first quarter development related to our distribution network involved the independently owned dealership that we began consolidating as a Variable Interest Entity (VIE) at the end of fiscal 2004. Due to its improved financial condition, the owners of this dealer were successful in obtaining outside bank financing. This allowed them to repay a large portion of their outstanding loan balance with us. As a result, we are no longer required to include this VIE in our consolidated financial statements. Since this refinancing arrangement was finalized at the end of our first quarter, we have included the VIE's results of operations in our Condensed Consolidated Statement of Operations for the three-month period ended September 3, 2005. Our Condensed Consolidated Balance Sheet as of this date, however, does not include the assets or liabilities of the VIE. More information related to these transactions can be found in Notes 6 and 18.

Analysis of First Quarter Results

The following table presents certain key highlights from the results of operations for the quarterly periods indicated.

In millions, except per share data	Three Months Ended		
	September 3, 2005	**August 28, 2004**	**Percent Change**
Net Sales	$ 430.9	$ 357.3	20.6%
Gross Margin	141.7	112.1	26.4%
Operating Expenses	102.3	88.6	15.5%
Restructuring Expenses	0.2	0.5	(60.0%)
Operating Earnings	39.2	23.0	70.4%
Net Earnings	23.7	14.3	65.7%
Earnings per share - diluted	0.34	0.20	70.0%
Orders	492.9	382.3	28.9%
Backlog	271.8	234.5	15.9%

Consolidated Sales, Orders, and Backlog

Net sales in the first quarter were $73.6 million, or 20.6% higher than the same period last year. Excluding the extra week, the year-over-year increase in net sales was approximately 12.0% or $42.8 million. We attribute a portion of this year-over-year increase to the price increase implemented in August of last year. While it is difficult to quantify with certainty, the impact of the price increase on our first quarter net sales, we believe we have been successful in capturing some of the price change, even after considering the effect of higher domestic price discounting compared to last year. On a sequential-quarter comparison, meaning fourth quarter fiscal 2005 to first quarter fiscal 2006, net sales increased $23.4 million. However, excluding the extra week in the first quarter, net sales showed a slight sequential-period decline of approximately $7.4 million or 1.8%.

New orders in the first quarter totaled $492.9 million. As previously discussed, we attribute some of the strong order activity in the period to purchasing in advance of the September price increase. Excluding the extra week, orders in the first quarter were approximately 19.7% higher than the same period last year and 8.7% higher on a sequential basis. We believe this provides a reasonable measure of year-over-year order growth since the timing and scope of the two price increases was similar between comparable periods.

The backlog of unfilled orders at the end of the first quarter, which totaled $271.8 million, was $37.3 million higher than the prior year level and represents the highest quarter-end backlog that we have had since November 2000. On a sequential-quarter basis, the backlog increased $43.2 million or approximately 18.9%.

Domestic Operations

Our domestic net sales in the first quarter totaled $351.0 million. This represents an increase of 20.1% from the same quarter last year. New orders in the quarter of $410.6 million were up 30.6% from the prior year. Excluding the extra week in the current quarter, the year-over-year growth in net sales and orders totaled approximately 11.5% and 21.3%, respectively. This year-over-year growth in sales and orders was experienced, to varying degrees, across virtually all of our domestic operations during the quarter.

BIFMA reported an estimated year-over-year increase in U.S. office furniture shipments of approximately 8.8% for the three-month period ended August 2005. For the same period, BIFMA estimates industry orders grew approximately 12.4%. We believe this data, along with our comparative performance during fiscal 2005, provides evidence that we have been successful in capturing domestic market share.

Adjusted for the extra week, domestic net sales declined approximately 2.5% and new orders grew 9.4%, on a sequential-quarter basis.

International Operations

Net sales for our international operations in the first quarter totaled $79.9 million, compared to $64.9 million last year, representing growth of 23.0%. Excluding the extra week, year-over-year net sales growth totaled approximately 14.2%. The most significant year-over-year percentage increases came from our operations in Canada, Mexico, and export sales to the Middle East, Spain, and Ireland.

International orders in the quarter totaled $82.3 million representing an increase of 21.3% from last year. When adjusted for the extra week, new orders increased approximately 12.7%. On a sequential-quarter basis, international sales and orders (adjusted for the extra week) increased approximately 1.4% and 5.5%, respectively.

The weakening of the U.S. dollar has had an inflationary effect on our international net sales compared to the prior year. We estimate the year-over-year change in exchange rates effectively increased the U.S. dollar value of our first quarter net sales by approximately $1.6 million.

Restructuring Activities

We recorded pre-tax restructuring expenses in the first quarter totaling $0.2 million compared to $0.5 million in the same quarter last year. In both periods, the charges related primarily to pension settlements, which are recognized as pension assets are withdrawn by employees terminated in connection with our previous restructuring plan.

Our Canton facility, which was exited in fiscal 2004, remains listed for sale. We have an interested buyer, but have not yet reached a point where the buyer’s commitment has become binding. Therefore, the carrying values of the Canton assets, which were previously reduced to their estimated fair market values totaling $7.5 million, remain classified as long-term under the balance sheet caption “Net property and equipment” at the end of the first quarter.

Financial Summary

The following table presents, for the periods indicated, the components of the company's Condensed Consolidated Statements of Operations as a percentage of net sales.

	Three Months Ended	
	September 3, 2005	August 28, 2004
Net Sales	100.0%	100.0%
Cost of Sales	67.1	68.6
Gross Margin	32.9	31.4
Operating Expenses	23.7	24.8
Restructuring Expenses	0.0	0.1
Operating Margin	9.1	6.4
Other Expense, net	0.5	0.5
Earnings Before Income Taxes and Minority Interest	8.6	6.0
Income Tax Expense	3.0	2.0
Minority Interest	0.2	--
Net Earnings	5.5%	4.0%

Consolidated Gross Margin

On a percent-of-sales basis, our first quarter gross margin improved 1.5 percentage points from the same quarter in fiscal 2005. A significant portion of the year-to-year improvement is attributed to the double-digit increase in net sales, which allowed us to more efficiently leverage fixed overhead expenses.

While we continue to operate in a challenging competitive pricing environment, we believe we successfully captured a portion of the price increase put in place last year in August, thereby improving our first quarter gross margin.

Despite increasing costs for plastics and resins driven by the ramp-up in oil prices, as well as higher expenses related to steel components compared to last year, direct material costs in the quarter, as a percent of net sales, improved by more than a half-point from the prior year. Much of this improvement is attributed to the additional sales captured by the price increase. While this is a significant improvement, it remains an area we are watching closely given the potential impact that continued oil price increases would likely have on some of our key manufacturing inputs and transportation costs.

Direct labor, as a percent of net sales, showed a slight improvement over the first quarter last year, whereas freight charges in the period were up significantly relative to the prior year, reflecting the increase in price of diesel fuel.

While we had a significant year-over-year decline in overhead on a percent-of-sales basis, actual dollar spending was up in comparison to the prior year. The majority of this increase was due to the higher current quarter sales volume, pension and medical benefit costs, and incentive bonus expenses, which vary based upon financial performance.

Operating Expenses and Operating Earnings

First quarter operating expenses of $102.3 million were $13.7 million or approximately 15.5% higher than the prior year. Higher sales volume in the current period drove a significant portion of the increase in expenses for variable items such as sales compensation and royalties. The extra week in the current quarter resulted in additional compensation expenses. Higher incentive bonuses, pension expense, medical benefit costs, and charitable contributions were additional factors adding to the year-over-year increase in first quarter operating expenses.

Our first quarter operating expenses also included a pre-tax charge totaling approximately $0.7 million related to a long-term lease arrangement in the United Kingdom. More information related to this lease liability can be found in Note 15.

The sale of two wholly-owned dealerships in the first quarter resulted in a net pre-tax gain of approximately $0.3 million. This gain was recorded as a credit against operating expenses in the quarter. Refer to Note 6 for further information regarding the sale of these dealerships.

Despite the dollar increase in current quarter operating expenses, these costs as a percentage of sales were down 1.1 percentage points from the same quarter last year. This reflects improved operating leverage on higher sales volume. This factor, combined with our first quarter gross margin improvement, drove year-over-year growth in operating earnings that significantly outpaced that of net sales.

Other Income/Expense, and Income Taxes

Net other expenses in the first quarter totaled $2.0 million compared to $1.7 million last year. While interest rates have increased since the first quarter of last year, interest expense was comparable year-over-year due to our lower current outstanding debt balance. These higher interest rates did, however, drive an increase in interest income as compared to last year. We also incurred a net foreign currency transaction gain in the current quarter of approximately $0.2 million. This compares to a net currency loss of less than $0.1 million in the same period last year.

During the first quarter of last year, we recorded a pre-tax gain totaling approximately $0.5 million related to the ownership transition of one of the VIE’s we initially began consolidating at the end of fiscal 2004. Also during the first quarter of last year, we acquired certain assets and liabilities of an independent contract furniture dealership. In doing so, we recognized a pre-tax gain of $0.4 million due to the reversal of a financial guarantee liability. These gains were recorded as a reduction to net other expenses in the period. Refer to Notes 18 and 6 for more information on these respective transactions in the prior year.

Our effective tax rate for the first quarter was approximately 34.4% compared to 32.9% last year. The lower rate in the prior year was primarily because a portion of the net gain from the VIE ownership transition was not subject to tax. We expect our effective tax rate for the rest of fiscal 2006 to be between 34% and 36%.

Minority Interest

Minority interest in our first quarter net earnings totaled $0.7 million. This relates to the consolidation of VIE financial statements under the accounting guidance in FIN 46(R). Refer to Note 18 for further discussion of this accounting standard as well as current quarter and prior year transactions related to VIEs.

Financial Condition, Liquidity, and Capital Resources

The table below presents certain key cash flow and capital highlights for the periods indicated.

(In Millions)

	Three Months Ended	
	September 3, 2005	August 28, 2004
Cash and cash equivalents, end of period	$ 147.2	$ 155.8
Short term investments, end of period	15.5	10.6
Cash generated from operating activities	20.9	2.8
Cash used for investing activities	(7.9)	(4.4)
Cash used for financing activities	(20.4)	(32.5)
Restructuring-related cash outflows	(0.1)	(1.0)
Capital expenditures	(11.2)	(3.8)
Stock repurchased and retired	(36.3)	(37.6)
Interest-bearing debt, end of period [(1)]	194.0	207.0
Available unsecured credit facility, end of period [(2)]	137.3	186.2

(1) Amounts shown exclude the fair market values of the company's interest rate swap arrangements. The net fair value of these arrangements totaled approximately $0.1 million and $0.6 million at September 3, 2005 and August 28, 2004, respectively.

(2) Amounts shown are net of outstanding letters of credit, which are applied against the company's unsecured credit facility.

At the end of fiscal year 2005, we reported our plan to take advantage of the one-time special tax deduction related to the repatriation of undistributed foreign earnings under the American Jobs Creation Act of 2004 (AJCA). During the first quarter, we repatriated approximately $35 million of undistributed earnings from certain of our foreign entities. Subsequent to the end of the first quarter, we repatriated an additional $9 million of undistributed foreign earnings. This cash will be used in accordance with our dividend reinvestment plan, which requires the funds to be used for capital purchases and investment in research and development.

Cash Flow –Operating Activities

Cash flows generated from operating activities in the first quarter of the fiscal 2006 were $18.1 million higher than the same period last year. In the prior year, we made a $23 million voluntary pension plan contribution which significantly decreased operating cash flows in the period.

Changes in working capital balances, particularly decreases in accrued liabilities and accounts payable, drove a $17.7 million use of cash in the current year first quarter. Much of the decrease in accrued liabilities related to the payout of incentive bonuses earned and accrued during fiscal 2005.

The decline in accounts payable from the end of fiscal 2005 seems unusual at first glance given the relatively flat inventory balance between periods. One significant contributing factor is that our fiscal 2005 year-end accounts payable balance included a relatively high proportion of purchases for non-inventory items, much of which related to preparation for our annual industry tradeshow in Chicago. Additionally, the sale of dealerships, combined with the VIE transition during the quarter, played a role in influencing the relationship between accounts payable and inventory at the end of the period.

A reduction in our net accounts receivable balance since the end of fiscal 2005 partially offset the cash flow impact driven by changes in accounts payable and accrued liabilities. This reduction was the result of lower total sales volume in August, the last month of our first quarter, as compared to sales in May 2005. Collections of accounts receivable remained strong in the first quarter, and we believe our recorded accounts receivable valuation allowances as of the end of the period are adequate to cover the risk of potential bad debts.

Changes in working capital balances in the first quarter of last fiscal year drove a $0.4 million use of cash in the period. Cash flows at that time were favorably affected by reductions in accounts receivable and income tax receivables as well as increases in accrued interest and customer deposits. These favorable changes were largely offset by the negative impact of higher inventory levels as well as reductions in accounts payable, unfunded checks, and foreign tax accruals.

As always, we strive to maintain efficiencies and cost savings by minimizing the amount of inventory on-hand under HMPS. Accordingly, production is order-driven with raw materials purchased as needed to meet order demands. The standard lead-time for the majority of our products is 10 to 20 days. As a result, the velocity of our inventory turns is high. These combined factors could cause our inventory levels to appear relatively low in relation to sales volume.

Cash Flow –Investing Activities
Capital expenditures accounted for the majority of the investing cash outflows in the first three months of the current and prior fiscal years. Higher relative capital spending in the current year first quarter reflects continued activity related to the construction of our new office and showroom facility in Chippenham, England. Construction of this facility began during the second half of fiscal 2005 and we expect to be substantially finished with the project by the end of calendar year 2005.

At the end of the first quarter, we had outstanding commitments for future capital purchases of approximately $11 million. We expect full-year capital expenditures for fiscal 2006 to total between $50 million and $55 million. By comparison, fiscal year 2005 capital expenditures totaled $34.9 million.

As previously discussed, we sold two wholly-owned contract furniture dealerships during the first quarter. Proceeds received in connection with these sales, which had the effect of increasing cash flows from investing activities in the quarter, totaled $2.1 million. The cash flow impact of these proceeds was partially offset by net short-term investment purchases.

Net cash received from the repayment of notes receivable in the first quarter totaled $2.3 million. This was driven primarily by a payment received from a contract dealership previously consolidated under FIN 46(R). As mentioned earlier in this report, this VIE was able to obtain financing with an outside bank and, therefore, was able to repay a large portion of their debt owed to us.

At the end of fiscal 2005, we re-classified assets with a net carrying value of $0.4 million to current assets held for sale. These assets related to a warehouse/storage facility in West Michigan that we had previously exited. During the first quarter of fiscal 2006, the sale of these assets was finalized. In connection with the sale, we received proceeds totaling $0.7 million and recognized a net pre-tax gain of approximately $0.2 million. This gain was recorded as a reduction to our first quarter net operating expenses.

In the first quarter of fiscal 2005, cash flows from investing activities included a payment totaling $0.7 million related to the acquisition of certain assets and liabilities of a contract furniture dealership based in Oklahoma. This acquisition is discussed in Note 6.

Cash Flow –Financing Activities
Share repurchases were the most significant factor affecting financing cash outflows in both the current and prior year first quarters. In the first three months of fiscal 2006, we repurchased 1,142,619 shares for $36.3 million or an average of $31.81 per share. By comparison, 1,379,179 shares were repurchased for $37.6 million or an average of $27.22 per share during the same period last fiscal year. At the end of the first quarter of fiscal 2006, we had approximately $22 million available for future share repurchases on the authorization previously approved by our Board of Directors.

Subsequent to the end of the first quarter, our Board of Directors approved a new share repurchase authorization of $50 million. This amount is incremental to the balance remaining on our previous share repurchase authorization as of the end of the first quarter.

Dividend payments made in the first quarter totaled $5.0 million as compared to $5.2 million last year. Partially offsetting the effects of our first quarter share repurchases and dividend payments was cash received related to stock-based benefit plans. During the first quarter, we received approximately $20.9 million, net of a $2.2 million accrued tax benefit, from the issuance of shares in connections with these plans. By comparison, we received approximately $11.8 million, net of a $0.8 million accrued tax benefit, from the issuance of shares in the same quarter of fiscal 2005.

During the first quarter of last fiscal year, we paid off a $1.5 million notes payable balance associated with one of the VIE's initially consolidated under FIN 46(R). Our next scheduled debt repayment is for $13.0 million on our private placement notes. We expect to make this payment in the fourth quarter of this fiscal year.

Interest-bearing debt at the end of the first quarter increased $0.1 million from $194.0 million at the end of fiscal 2005. The change related to a slight increase in the fair value of our interest rate swap arrangements during the quarter.

The only usage against our unsecured revolving credit facility at the end of the first quarter represented outstanding standby letters of credit totaling $12.7 million. The provisions of our private placement notes and unsecured credit facility require that we adhere to certain covenant restrictions and maintain certain performance ratios. We were in compliance with all such restrictions and performance ratios again this quarter and expect to remain in compliance in the future.

We believe cash on hand, cash generated from operations, and our borrowing capacity will provide adequate liquidity to fund near term and future business operations and capital needs.

Contractual Obligations

Contractual obligations associated with our ongoing business and financing activities will result in cash payments in future periods. A table summarizing the amounts and estimated timing of these future cash payments was provided in the company's 10-K report for the year ended May 28, 2005. During the first three months of fiscal 2006, with the exception of a liability related to a leased facility in the United Kingdom (as described in Note 15), there were no material changes outside the ordinary course of business in the company's contractual obligations or the estimated timing of the future cash payments.

Off-Balance Sheet Arrangements

Guarantees

We provide certain guarantees to third parties under various arrangements in the form of product warranties, loan guarantees, standby letters of credit, lease guarantees, performance bonds, and indemnification provisions. These arrangements are accounted for and/or disclosed in accordance with FIN 45, "Guarantor's Accounting and Disclosure Requirement for Guarantees, Including Indirect Guarantees of Indebtedness of Others" as described in Note 15.

Variable Interest Entities

On occasion, we provide financial support to certain independent dealers in the form of term loans, lines of credit, and/or loan guarantees which represent variable interests in such entities. At September 3, 2005, we were not considered the primary beneficiary of any such dealer relationships under FASB Interpretation No. 46, "Consolidation of Variable Interest Entities" (FIN 46(R)). Refer to Note 18 for further information on VIE-related transactions during our first quarter.

The risks and rewards associated with our interests in those dealerships to whom we provide financial support are primarily limited to our outstanding loans and guarantee amounts. As of September 3, 2005, our maximum exposure to potential losses related to financing provided to such entities in the form of term loans and/or lines of credit totaled $4.6 million. Information on our exposure related to outstanding loan guarantees provided to such entities is included in Note 15.

Contingencies

See Note 15 to the Condensed Consolidated Financial Statements.

Critical Accounting Policies

We strive to report our financial results clearly and understandably. We follow accounting principles generally accepted in the United States in preparing our consolidated financial statements, which require us to make certain estimates and apply judgments that affect our financial position and results of operations. We continually review our accounting policies and financial information disclosures. A summary of our more significant accounting policies that require the use of estimates and judgments in preparing the financial statements was provided in our 10-K report for the year ended May 28, 2005. During the first three months of fiscal 2006, there was no material change in the accounting policies and assumptions previously disclosed.

New Accounting Standards

See Note 12 to the Condensed Consolidated Financial Statements.

Safe Harbor Provisions

Certain statements in this filing are not historical facts but are “forward-looking statements” as defined under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act, as amended. Such statements are based on management’s belief, assumptions, current expectations, estimates and projections about the office furniture industry, the economy and the company itself. Words like “anticipates”, “believes”, “confident”, “estimates”, “expects”, “forecast”, “likely”, “plans”, “projects”, and “should”, and variations of such words and similar expressions identify forward looking statements. These statements do not guarantee future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict with regard to timing, expense, likelihood and degree of occurrence. These risks include, without limitation, employment and general economic conditions, the pace of economic recovery in the U.S. and in our international markets, the increase in white collar employment, the willingness of customers to undertake capital expenditures, the types of products purchased by customers, the possibility of order cancellations or deferrals by customers, competitive pricing pressures, the availability and pricing of raw materials, our reliance on a limited number of suppliers, currency fluctuations, the ability to increase prices to absorb the additional costs of raw materials, the financial strength of our dealers, the financial strength of our customers, the mix of our products purchased by customers, the success of the transition to our new executive management team, our ability to attract and retain key executives and other qualified employees, our ability to continue to make product innovations, the strength of the intellectual property relating to our products, the success of newly introduced products, our ability to serve all of our markets, possible acquisitions, divestitures or alliances, the outcome of pending litigation or governmental audits or investigations, and other risks identified in our filings with the Securities and Exchange Commission. Therefore actual results and outcomes may materially differ from what we express or forecast. Furthermore, Herman Miller, Inc. takes no obligation to update, amend, or clarify forward looking statements.

Item 3: Quantitative and Qualitative Disclosures About Market Risk

Direct Material Costs

The company is exposed to risks arising from market price changes for certain direct materials used in its manufacturing processes. The largest direct material costs incurred by the company are for steel, plastic/textiles, and wood particleboard components. The market price of plastic components is sensitive to the cost of oil and natural gas. In addition to the market dynamics of supply and demand, the cost of wood particleboard is sensitive to the impact of oil prices on resins and physical transportation.

Foreign Exchange Risk

During the first three months of fiscal 2006, there was no material change in the company's exposure to foreign exchange risk.

Interest Rate Risk

Interest-bearing debt as of the end of the first quarter, excluding the fair market values of our interest rate swap arrangements, totaled $194.0 million. The company is subject to interest rate variability on $69.0 million of this debt. Accordingly, the cost of servicing this variable-rate debt may increase or decrease in the future as market interest rates change.

As of September 3, 2005, the weighted-average interest rate on the company's variable-rate debt was approximately 6.5%. Based on the level of variable-rate debt outstanding as of that date, a 1 percentage-point increase in the weighted-average interest rate would increase the company's annual pre-tax interest expense by approximately $0.7 million.

Item 4: Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, the company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of September 3, 2005, and have concluded that as of that date, the company's disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There were no changes in the company's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the first quarter ended September 3, 2005, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 1: Legal Proceedings

Referred to in Note 15 of the Condensed Consolidated Financial Statements.

Item 2: Unregistered Sales of Equity Securities and Use of Proceeds

(C) Issuer Purchases of Equity Securities

The following is a summary of share repurchase activity during the first quarter ended September 3, 2005.

Period	(a) Total Number of Shares (or Units) Purchased(1)	(b) Average price Paid per Share or Unit	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet be Purchased Under the Plans or Programs
5/29/05 - 7/2/05	8,601	$ 29.26	8,601	$ 57,861,039
7/3/05 - 7/30/05	508,045	$ 31.63	508,045	$ 41,790,436
7/31/05 - 9/3/05	625,973	$ 31.98	625,973	$ 21,771,454
Total	1,142,619	$ 31.81	1,142,619	$ 21,771,454

(1) No shares were purchased outside of a publicly announced plan or program.

The company repurchases shares under a previously announced plan authorized by the Board of Directors as follows.

- Plan announced on January 25, 2005, providing share repurchase authorization of $100,000,000 with no specified expiration date.

Subsequent to the end of the first quarter, our Board of Directors approved a new share repurchase authorization totaling $50 million. This amount is incremental to the balance remaining on our previous share repurchase authorization as of the end of the first quarter.

During the period covered by this report, the company did not sell any of its equity shares that were not issued under the Securities Act of 1933. No repurchase plans expired or were terminated during the first quarter of fiscal 2006, nor do any plans exist under which the company does not intend to make further purchases.

Item 5: Other Items

During the quarter ended September 3, 2005, the company's Audit Committee of the Board of Directors pre-approved audit fees of $0.08 million, audit-related fees of $0.02 million, and tax fees of $0.01 million for services to be provided during the fiscal year by Ernst & Young LLP, the company's independent auditor.

Item 6: Exhibits

The following exhibits (listed by number corresponding to the Exhibit table as Item 601 in Regulation S-K) are filed with this Report:

10.bb Herman Miller, Inc. Amended and Restated Nonemployee Officer and Director DeferredCompensation Stock Purchase Plan *

31.1 Certificate of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certificate of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certificate of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certificate of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* denotes compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereto duly authorized.

HERMAN MILLER, INC.

October 10, 2005

/s/ Brian C. Walker

Brian C. Walker
Chief Executive Officer

October 10, 2005

/s/ Elizabeth A. Nickels

Elizabeth A. Nickels
Chief Financial Officer

EXHIBIT 10.bb

HERMAN MILLER, INC.
AMENDED AND RESTATED NONEMPLOYEE OFFICER AND DIRECTOR
DEFERRED COMPENSATION STOCK PURCHASE PLAN

HERMAN MILLER, INC. AMENDED AND RESTATED NONEMPLOYEE OFFICER AND DIRECTOR DEFERRED COMPENSATION STOCK PURCHASE PLAN (the "Plan") adopted by the Board of Directors of Herman Miller, Inc. (the "Board") the ____ day of September, 2005, with reference to the following:

A. Under Section 12, subsection (a), of the Plan, “Termination or Amendment of Plan, (a) In General,” the Board may, at any time by resolution, subject to certain conditions, amend the Plan.

B. On October 22, 2004, the American Jobs Creation Act of 2004 (P.L. 108-357) was enacted which, among other things, added Section 409A to the Internal Revenue Code of 1986, as amended (the “Code”) to govern the taxation of nonqualified deferred compensation.

C. The Board has elected to amend the Plan to comply with Section 409A of the Code with respect to amounts deferred or vested after December 31, 2004. The Board intends that this amendment and restatement does not constitute a “material modification” of the Plan as such term is used in Code Section 409A(d)(2)(B) and further described in Notice 2005-1, Q&A-18. As such, the Board intends that the provisions of Section 409A of the Code will not apply to amounts deferred and vested under the Plan prior to January 1, 2005.

NOW, THEREFORE, effective January 1, 2005, the Plan is being amended and restated in its entirety as provided below.

1. **Purposes.** The purposes of the Herman Miller, Inc. Amended and Restated Nonemployee Officer and Director Deferred Compensation Stock Purchase Plan (the “Plan”) are to:

(a) Provide nonemployee officers and directors of Herman Miller, Inc. (the “Company”) the opportunity to increase their equity interests in the Company;

(b) Attract and retain highly qualified individuals to serve as nonemployee officers and directors of the Company; and

(c) Further align their economic interests with such interests of the shareholders of the Company.

To achieve these purposes, the Plan permits each nonemployee officer and director of the Company to defer receipt of all or a portion of the total annual fees for Board, Committee chair or nonemployee officer services (collectively referred to as the “Annual Fees”) to his or her account under the Plan. A Participant’s interest in the Plan shall be expressed in Stock Units equivalent to shares of the Company’s common stock, par value $.20 per share (the “Shares”).

2. **Effective Date and Term.** The Plan was originally effective November 15, 1999 and is being amended and restated effective January 1, 2005. The Plan shall remain in effect until terminated by the Board.

3. **Administration.** The Plan shall be administered by the Nominating and Governance Committee of the Board (the “Committee”). The Committee shall have the authority to administer the Plan as set forth in subsection (c) of Section 16.

4. **Eligibility and Participation.**

Each nonemployee officer and director of the Company shall be eligible to participate in the Plan and elect to defer the payment of Annual Fees in accordance with Section 5 of the Plan.

5. **Election to Participate.**

(a) **Time and Filing**. A nonemployee officer or director becomes a Participant in the Plan by filing with the Committee an “Election to Participate Form” for each Plan Year. The Election to Participate Form must be submitted on or before December 15 for the following Plan Year. A person who first becomes eligible to participate in the Plan must submit an Election to Participate Form within 30 days after becoming a nonemployee officer or director, in order to be eligible to participate in the Plan for that Plan Year.

(b) **Form**. An Election to Participate shall be made in writing on a form prescribed by the Committee (the “Election to Participate Form”).

(c) **Content**. On the Election to Participate Form, a Participant must:

(i) Designate the dollar amount of the Annual Fees to be deferred for the Plan Year (the “Deferred Amount”);

(ii) Specify the date of payment (the “Deferred Termination Date”) which shall be at least three (3) years after the date of Deferral);

(iii) Elect whether payment will be made upon the occurrence of any of the following prior to the Deferred Termination Date:

(A) The Participant’s service as a director or a nonemployee officer of the Company terminates;

(B) The Participant's death;

(C) Disability of the Participant; and

(D) A Change in Control of the Company.

To the extent that a Participant has elected payment upon the occurrence of any of these events and such event occurs prior to the Participant's Deferred Termination Date, the date on which such event occurs shall be the Participant's "Alternative Termination Date."

(iv) Designate the type of payment in accordance with subsection (c) of Section 9; and

(v) Designate one (1) or more beneficiaries ("Beneficiaries") to receive any credits in the Participant's Stock Unit Account as of the date of his or her death.

A Participant may change the Deferred Amount from Plan Year to Plan Year but may not change the Deferred Amount for a particular Plan Year after the election is made for that Plan Year. A Participant may change the type of payment and may extend the Deferred Termination Date, but any such changes must be made at least 12 months prior to the original Deferred Termination Date. With respect to changes to the type of payment or extension of the Deferred Termination Date relating to amounts deferred or vested after December 31, 2004, no payment under a new election may be made within five (5) years after the original Deferred Termination Date on which that payment would have commenced unless the distribution occurs as a result of the Participant's Alternative Termination Date.

6. **Credits to Accounts.**

Amounts deferred pursuant to subsection (c) of Section 5 shall be credited in Stock Units to a bookkeeping reserve account maintained by the Company for each Participant ("Stock Unit Account") as of the date the Annual Fees for such Plan Year are otherwise payable. The number of Stock Units credited to a Participant's Stock Unit Account shall be the number determined by dividing 100 percent of the Deferred Amount by the Fair Market Value of a Share on the date the Annual Fees for such Plan Year are otherwise payable. Fair Market Value is determined as provided in subsection (j) of Section 15. Such calculations of Stock Units shall be carried to three (3) decimal places. The value of the Stock Units credited to the Participant's Stock Unit Account under this Section 6 and Section 7 shall constitute the Participant's entire benefit under the Plan.

7. **Additions to Stock Unit Accounts.** As of the payment date of each cash dividend payable with respect to Shares, there shall be credited to the Stock Unit Account of each Participant an additional number of Stock Units equal to the per share dividend payable on such date multiplied by the number of Stock Units held in the Stock Unit Account as of the close of business on the record date for such dividend and divided by the Fair Market Value (as defined in subsection (j) of Section 15 hereof) of a Share on such business day. For purposes of this Section 7, the term cash dividend shall include all dividends payable in cash or other property. The calculation of additional Stock Units shall be carried to three (3) decimal places.

8. **Vesting of Accounts.**

All Stock Units credited to a Participant's Stock Unit Account shall at all times be fully vested and nonforfeitable.

9. **Payment of Accounts.**

(a) **Time of Payment:** Payment of the Stock Units to a Participant shall be made or, if installment payments have been elected, shall begin within 30 days after the Deferred Termination Date specified by the Participant in his or her Election to Participate Form or, if applicable, 30 days after the Participant's Alternative Termination Date.

(b) **Form of Payment:** The total number of Stock Units in a Participant's Stock Unit Account (rounded to the nearest whole number) shall be paid to the Participant in an equal number of whole Shares. If installment payments are elected, the number of Shares to be paid shall be determined initially by dividing the number of Stock Units in the Stock Unit Account (rounded to the nearest whole number) by the number of installment payments to be paid. Each subsequent installment payment shall be determined by dividing the number of Stock Units remaining in the Stock Unit Account (rounded to the nearest whole number) by the number of installments remaining to be paid. The Company shall issue and deliver to the Participant Shares in payment of Stock Units within 30 days following the date on which the Stock Units, or any portion thereof, become payable. The issuance of Shares may be conditioned upon the effectiveness of a registration statement covering the Shares. If any fractional Stock Unit exists after the single sum or last installment, as the case may be, of Shares is paid to the Participant, such fractional Stock Unit shall be paid to the Participant in cash. The value of such fractional Stock Unit shall be determined by multiplying the fractional Stock Unit by the Fair Market Value of a Share on the business day prior to the date on which the single sum or last installment, as the case may be, of Shares is paid to the Participant.

(c) **Type of Payment:** Payments of Shares will be made from the Stock Unit Account of a Participant in whichever of the following methods the Participant elects in his or her Election to Participate Form (the "Payment Election"):

(i) A single lump sum payment within 30 days after the Deferred Termination Date; or

(ii) Payment in annual installments over a period not to exceed 10 years, as the Participant shall elect, beginning 30 days after the Deferred Termination Date and annually thereafter on each anniversary date of the first payment, until fully distributed.

If all or any portion of the Stock Unit Account is to be distributed in installments, the portion of the Participant's Stock Unit Account being held for future distribution shall continue to be credited with additional Stock Units as provided in Section 7. Notwithstanding the foregoing, if distribution occurs as a result of the Participant's Alternative Termination Date, all of the Participant's Stock Unit Account will be distributed in a single lump sum payment within 30 days of the Alternative Termination Date.

(d) **Accelerated Payment:** With respect to Stock Units credited to a Participant's Stock Unit Account prior to January 1, 2005, notwithstanding the type of payment or Deferred Termination Date designated by the Participant on an Election to Participate Form, if the service of a Participant as a nonemployee officer or director terminates for any reason prior to his or her Deferred Termination Date, or prior to full distribution of his or her Stock Unit Account held for future distribution, the Committee, in its discretion, may elect to direct the Company to pay the entire amount of the Participant's Stock Unit Account in a single lump sum payment.

10. **Shares Subject to the Plan.**

Shares that may be issued under the Plan shall be acquired by the Company in open-market transactions, consistent with all applicable rules and regulations regarding the repurchase of securities.

11. **Adjustments.**

In the event of any stock dividend, stock split, combination or exchange of Shares, merger, consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to shareholders, or any other change affecting Shares or the price of Shares, such proportionate adjustments, if any, as the Committee in its sole discretion may deem appropriate to reflect such change shall be made with respect to each Stock Unit held in the Stock Unit Accounts. Any adjustments described in the preceding sentence shall be carried to three (3) decimal places.

12. **Termination or Amendment of Plan.**

(a) **In General:** At any time, the Board may terminate, suspend or amend this Plan. If the Plan is terminated by the Board, no Deferrals may be credited after the effective date of such termination, but previously credited Stock Units shall remain in effect and be administered in accordance with the terms and conditions of the Plan.

(b) **Limitations:** No amendment may adversely affect the right of any Participant to have additional Stock Units credited to a Stock Unit Account under Section 7 or to receive payment of any Shares pursuant to the payout of such accounts, unless such Participant consents in writing to such amendment.

13. **Compliance with Laws.**

(a) The obligations of the Company to issue any Shares under this Plan shall be subject to all applicable laws, rules, regulations and restrictions, and the obtaining of all such approvals by governmental agencies or stock exchanges or markets on which the Common Stock is listed or traded, and the Company may place appropriate legends on stock certificates relating to the foregoing, as the Board may deem necessary or appropriate.

(b) Subject to the provisions of Section 12, the Board may make such changes in the design and administration of this Plan as may be necessary or appropriate to comply with the rules and regulations of any government authority.

14. **Unfunded Plan.**

Nothing contained in this Plan and no action taken pursuant to the provisions hereof shall create or be construed to create a fiduciary relationship between the Company and Participant, the Participant's designee or any other person. The Plan shall be unfunded with respect to the Company's obligation to pay any amounts due, and a Participant's rights to receive any payment with respect to any Stock Unit Account shall be not greater than the rights of an unsecured general creditor of the Company.

The Company will establish a Rabbi Trust or similar means of funding to accumulate Shares to fund all or part of the obligations of the Company pursuant to this Plan. Payment from the Rabbi Trust of amounts due under the terms of this Plan shall satisfy the obligation of the Company to make such payment. In no event shall any Participant be entitled to receive a payment of an amount from the Company which the Participant has received from the Rabbi Trust.

15. **Definitions.**

Whenever used in the Plan, the following terms shall have the meanings set forth in this Section 15.

(a) **"Alternative Termination Date"** has the meaning ascribed in subsection (c) of Section 5.

(b) **"Board of Directors" or "Board"** means the Board of Directors of Herman Miller, Inc., a Michigan corporation, at the time the term is applied.

(c) **"Change in Control"** means:

(i) The acquisition, by any one person or more than one person "acting as a group" (as described in subparagraph (D), below), of Common Stock that, together with Common Stock held by such person or group, constitutes more than 50% of the total Fair Market Value or total voting power of Common Stock.

(A) If any one person, or more than one person acting as a group, is considered to own more than 50% of the total Fair Market Value or total voting power of Common Stock, the acquisition of additional Common Stock by the same person or persons is not a Change in Control of the Company.

(B) An increase in the percentage of Common Stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires Common Stock in exchange for property will be treated as an acquisition of Common Stock for purposes of paragraph (i).

(C) Paragraph (i) applies only when there is a transfer of Common Stock (or issuance of Common Stock), and Common Stock remains outstanding after the transaction.

(D) For purposes of this subsection (c), persons will not be considered to be acting as a group solely because they purchase or own Common Stock at the same time, or as a result of the same public offering. Persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. If a person, including an entity, owns both Common Stock and stock of another corporation and the Company and such corporation enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in the Company prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

(E) For purposes of this subsection (c), Section 318 of the Internal Revenue Code of 1986, as amended applies to determine the ownership of Common Stock. Common Stock underlying a vested option is considered owned by the individual who holds the vested option, and the Common Stock underlying an unvested option is not considered owned by the individual who holds the unvested option. However, if a vested option is exercisable for Common Stock that is not “substantially vested” (as that term is defined in Section 1.83-3(b) and (j) of the Treasury Regulations), the Common Stock underlying the option is not treated as owned by the individual who holds the option.

(F) For purposes of this subsection (c), a “person” means an individual, a trust, estate, partnership, association, company, or corporation;

(ii) The acquisition, by any one person or more than one person acting as a group, or the acquisitions over a 12-month period ending on the date of the most recent acquisition by such person or persons, of Common Stock possessing 35% or more of the total voting power of the Common Stock. If any one person, or more than one person acting as a group, possesses 35% or more of the total voting power of the Common Stock, the acquisition of additional control of the Company by the same person or persons is not considered to cause a Change in Control of the Company under this paragraph (ii) or under paragraph (i). A Change in Control under this paragraph (ii) also may occur in any transaction in which either of the two corporations involved in the transaction has a Change in Control under paragraph (i) or (iv);

(iii) The replacement, during any 12-month period, of a majority of members of the Board by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. A Change in Control under this paragraph (iii) also may occur in any transaction in which either of the two corporations involved in the transaction has a Change in Control under paragraph (i) or (iv); or

(iv) The acquisition by any one person or more than one person acting as a group, or the acquisitions over a 12-month period ending on the date of the most recent acquisition by such person or persons, of assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions.

(A) For purposes of paragraph (iv), "gross fair market value" means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

(B) A transfer of assets by the Company is not treated as a Change in Control if the assets are transferred to:

(I) A shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to Common Stock;

(II) An entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company;

(III) A person, or more than one person acting as a group, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company; or

(IV) An entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in clause (III).

For purposes of this subparagraph (B), a person’s status is determined immediately after the transfer of assets.

(d) **“Committee”** means the Nominating and Governance Committee of the Board, or other Committee designated by the Board to be the administrator of the Plan, at the time the term is applied.

(e) **“Common Stock”** means the common stock of the Company, par value $.20 per share.

(f) **“Company”** means Herman Miller, Inc., a Michigan corporation.

(g) **“Deferred Amount”** means the dollar amount of a Participant’s Annual Fees which is deferred in a particular Plan Year.

(h) **“Deferred Termination Date”** has the meaning ascribed in subsection (c) of Section 5.

(i) **“Disability”** means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than 12 months.

(j) **“Fair Market Value”** of a Share means, for any particular date:

(i) For any period during which the Share shall be listed for trading on a national securities exchange or the National Association of Securities Dealers Automated Quotation System (“NASDAQ”), the closing price per Share on such exchange or the NASDAQ as of the close of such trading day; or

(ii) For any period during which the Share shall not be listed for trading on a national securities exchange or NASDAQ, the market price per Share as determined by a qualified appraiser selected by the Board.

If Fair Market Value is to be determined on a day when the markets are not open, Fair Market Value on that day shall be the Fair Market Value on the most recent preceding day when the markets were open.

(k) **“Participant”** means a nonemployee officer or director of the Company who has filed an Election to Participate Form as provided in Section 5.

(l) **“Plan Year”** means the 12-month period beginning January 1 of any year and ending December 31 of that year. For purposes of the Plan, a Plan Year is the period during which the Annual Fees are payable.

(m) **“Rabbi Trust”** means a trust established by an agreement between the Company and a trustee with such terms and conditions as the Company, in its discretion, shall determine, for the purpose set forth in Section 14.

(n) **“Share”** means a share of Common Stock.

16. **Miscellaneous.**

(a) **Assignment; Encumbrances:** The right to have amounts credited to a Stock Unit Account and the right to receive payment with respect to such Stock Unit Account under this Plan are not assignable or transferable and shall not be subject to any encumbrances, liens, pledges, or charges of the Participant or to claims of the Participant’s creditors. Any attempt to assign, transfer, hypothecate or attach any rights with respect to or derived from any Stock Unit shall be null and void and of no force and effect whatsoever.

(b) **Designation of Beneficiaries:** A Participant may designate in writing a beneficiary or beneficiaries to receive any distribution under the Plan which becomes payable after the Participant’s death. If at the time any such distribution is due, there is no designation of a beneficiary in force or if any person (other than a trustee or trustees) as to whom a beneficiary designation was in force at the time of such Participant’s death shall have died before the payment became due and the Participant has failed to designate a beneficiary to take in lieu of such deceased person, the person or persons entitled to receive such distribution (or part thereof, as the case may be) shall be the personal representative of the Participant’s estate.

(c) **Administration:** Subject to the provisions of the Plan, the Committee shall administer the Plan, including the adoption of rules or the preparation of forms to be used in its operation, and to interpret and apply the provisions hereof as well as any rules which it may adopt. In addition, the Committee may appoint other individuals, firms or organizations to act as agent of the Company carrying out administrative duties under the Plan. Except as may be provided in a Rabbi Trust, the decisions of the Committee, including, but not limited to, interpretations and determinations of amounts due under this Plan, shall be final and binding on all parties.

(d) **Withholding:** The Participant shall pay to the Company or make arrangements satisfactory to the Company to do so, regarding the payment of federal, state, local or foreign taxes of any kind required by law to be withheld with respect to any amount includable in the Participant’s gross income with respect to his or her participation in the Plan.

(e) **Governing Law:** The validity, construction and effect of the Plan and any actions taken or relating to the Plan, shall be determined in accordance with the laws of the State of Michigan without regard to its conflict of law rules, and applicable federal law.

(f) **Rights as a Shareholder:** A Participant shall have no rights as a shareholder with respect to a Stock Unit Account until the Participant actually becomes a holder of record of Shares distributed with respect thereto.

(h) **Notices:** All notices or other communications made or given pursuant to this Plan shall be in writing and shall be sufficiently made or given if hand delivered, or if mailed by certified mail, addressed to the Participant at the address contained in the records of the Company, or addressed to the Company or the Committee at the principal office of the Company, as applicable.

CERTIFICATION

I certify that the foregoing Amendment and Restatement of the Plan was adopted by the Board of Directors of Herman Miller, Inc., a Michigan Corporation, on September 26, 2005.

HERMAN MILLER, INC.

By /s/ James E. Christenson

James E. Christenson, Secretary

EXHIBIT 31.1

I, Brian C. Walker, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 3, 2005, of Herman Miller, Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrants' disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 10, 2005

/s/ Brian C. Walker

Brian C. Walker
Chief Executive Officer

EXHIBIT 31.2

I, Elizabeth A. Nickels, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 3, 2005, of Herman Miller, Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrants' disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 10, 2005

/s/ Elizabeth A. Nickels

Elizabeth A. Nickels
Chief Financial Officer

EXHIBIT 32.1

Certificate of the
Chief Executive Officer of
HERMAN MILLER, INC.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C.1350):

I, Brian C. Walker, Chief Executive Officer of Herman Miller, Inc., certify that to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) that:

(1) The quarterly report on Form 10-Q for the quarterly period ended September 3, 2005, which this statement accompanies, fully complies with requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and;

(2) The information contained in this quarterly report on Form 10-Q for the quarterly period ended September 3, 2005, fairly represents, in all material respects, the financial condition and results of operations of Herman Miller, Inc.

HERMAN MILLER, INC.

Date: October 10, 2005

By: /s/ Brian C. Walker
____
Brian C. Walker
Its: Chief Executive Officer

The signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Herman Miller, Inc. and will be retained by Herman Miller, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certificate of the
Chief Financial Officer of
HERMAN MILLER, INC.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C.1350):

I, Elizabeth A. Nickels, Chief Financial Officer of Herman Miller, Inc., certify that to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) that:

(1) The quarterly report on Form 10-Q for the quarterly period ended September 3, 2005, which this statement accompanies, fully complies with requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and;

(2) The information contained in this quarterly report on Form 10-Q for the quarterly period ended September 3, 2005, fairly represents, in all material respects, the financial condition and results of operations of Herman Miller, Inc.

HERMAN MILLER, INC.

Date: October 10, 2005

By: /s/ Elizabeth A. Nickels

Elizabeth A. Nickels
Its: Chief Financial Officer

The signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Herman Miller, Inc. and will be retained by Herman Miller, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.