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 August 29, 1998 Commission File No. 0-5813

HERMAN MILLER, INC.

A Michigan Corporation ID No. 38-0837640

855 East Main Avenue, Zeeland, MI 49464-0302 Phone (616) 654 3000

Herman Miller, Inc.

(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

Yes X No

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

Yes X No

Common Stock Outstanding at September 30, 1998--85,977,622 shares.

The Exhibit Index appears at page 16.

HERMAN MILLER, INC. FORM 10-Q
FOR THE QUARTER ENDED AUGUST 29, 1998
INDEX

HERMAN MILLER, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

ASSETS	August 29, 1998 (unaudited)	May 30, 1998 (audited)
CURRENT ASSETS:		
Cash and cash equivalents	$109,003	$115,316
Accounts receivable, net	183,522	192,384
Inventories--		
Finished goods	20,594	19,807
Work in process	8,045	8,844
Raw materials	17,123	19,006
Total inventories	45,762	47,657
Prepaid expenses and other	47,507	44,778
Total current assets	385,794	400,135
PROPERTY AND EQUIPMENT, AT COST:	614,378	595,872
Less-accumulated depreciation	317,694	305,208
Net property and equipment	296,684	290,664
OTHER ASSETS:		
Notes receivable, net	21,196	27,522
Other noncurrent assets	64,814	66,025
Total assets	$768,488	$784,346

LIABILITIES & SHAREHOLDERS' EQUITY	August 29, 1998 (unaudited)	May 30, 1998 (audited)
CURRENT LIABILITIES:		
Unfunded checks	$ 27,348	$ 35,241
Current portion of long-term debt	10,184	10,203
Notes payable	11,871	19,542
Accounts payable	84,495	92,241
Accruals	224,257	221,105
Total current liabilities	358,155	378,332
LONG-TERM DEBT, less current portion	100,960	100,910
OTHER LIABILITIES	73,505	74,102
SHAREHOLDERS' EQUITY:		
Common stock $.20 par value	17,232	17,397
Retained earnings	235,320	227,464
Cumulative translation adjustment	(9,298)	(9,360)
Key executive stock programs	(7,386)	(4,499)
Total shareholders' equity	235,868	231,002
Total liabilities and shareholders' equity	$768,488	$784,346

See accompanying notes to condensed consolidated financial statements.

HERMAN MILLER, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended	
	August 29, 1998	August 30, 1997
NET SALES	$ 447,503	$ 401,545
COST AND EXPENSES:		
Cost of goods sold	277,291	254,544
Operating expenses (1)	115,286	102,100
Interest expense	2,276	2,189
Other income, net	(3,105)	(2,345)
	391,748	356,488
INCOME BEFORE TAXES ON INCOME	55,755	45,057
PROVISION FOR TAXES ON INCOME	$ 21,750	17,250
NET INCOME (1)	$ 34,005	$ 27,807
NET INCOME PER COMMON SHARE--BASIC (1)	$ .39	$ .30
NET INCOME PER COMMON SHARE--DILUTED (1)	$ .39	$ .30
DIVIDENDS PER SHARE OF COMMON STOCK	$ .036	$ .036

(1) Fiscal 1998 amounts have been restated for the adoption of Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use."

See accompanying notes to condensed consolidated financial statements.

HERMAN MILLER, INC.
CONDENSED CONSOLIDATED STATEMENTS OF
CASH FLOWS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	Three Months Ended	
	August 29, 1998	August 30, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (1)	$ 34,005	$ 27,807
Depreciation and amortization	14,877	13,807
Changes in current assets and liabilities	(3,797)	3,801
Other, net	1,688	1,044
Net cash provided by operating activities	46,773	46,459
CASH FLOWS FROM INVESTING ACTIVITIES:		
Notes receivable repayments	127,895	165,713
Notes receivable issued	(121,554)	(150,775)
Capital expenditures (1)	(21,683)	(10,518)
Other, net	626	1,515
Net cash provided by (used for) investing activities	(14,716)	5,935
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net short-term debt repayments	(7,270)	(1,535)
Net long-term debt repayments	(52)	(49)
Dividends paid	(3,153)	(3,336)
Capital lease repayment	83	0
Net common stock issued	2,328	14,298
Common stock purchased and retired	(28,954)	(35,993)
Net cash used for financing activities	(37,018)	(26,615)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(1,352)	602
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,313)	26,381
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	115,316	106,161
CASH AND CASH EQUIVALENTS, AT END OF PERIOD	$109,003	$132,542

(1) Fiscal 1998 amounts have been restated for the adoption of Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use."

See accompanying notes to condensed consolidated financial statements.

HERMAN MILLER, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOOTNOTE DISCLOSURES

The condensed consolidated financial statements have been prepared by the company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. The company believes that the disclosures made in this document are adequate to make the information presented not misleading. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the company's Annual Report on Form 10-K for the year ended May 30, 1998.

FISCAL YEAR

The company's fiscal year ends on the Saturday closest to May 31. Accordingly, the years ended May 29, 1999, and May 30, 1998, contain 52 weeks.

NEW ACCOUNTING STANDARDS

In March 1998, the American Institute of Certified Public Accountants issued Statement of Position (SOP) 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." The company adopted this SOP during the third quarter of fiscal 1998, retroactive to the beginning of the fiscal year. The adoption of this SOP resulted in an increase in net income of $.5 million, or $.01 in diluted earnings per share(EPS) for the quarter ended August 30, 1997. The company is also in compliance with Emerging Issues Task Force (EITF) Issue 97-13, "Accounting for Costs Incurred in Connection with a Consulting Contract that Combines Business Process Reengineering and Information Technology Transformation."

In June 1997, Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," was issued. This statement requires the disclosure of comprehensive income, which, for Herman Miller, includes net income and foreign currency translation adjustments. Comprehensive income was $34.1 million for the quarter ended August 29, 1998, and $28.1 million for the quarter ended August 30, 1997.

EARNINGS PER SHARE

The following table reconciles the numerators and denominators used in the calculations of basic and diluted EPS:

	Three Months Ended	
	August 29, 1998	August 30, 1997
Numerators:		
Numerator for both basic and diluted EPS, net income	$ 34,005	$ 27,807
Denominators:		
Denominator for basic EPS, weighted-average common shares outstanding	86,478,364	92,049,028
Potentially dilutive shares resulting from stock option plans	1,429,381	1,867,314
Denominator for diluted EPS	87,907,745	93,916,342

The following exercisable stock options were not included in the computation of diluted EPS because the option prices were greater than average quarterly market prices.

	Three Months Ended	
Exercise Price	August 29, 1998	August 30, 1997
$28.41	13,000	
$29.75	1,084,249	
$31.00	7,950	
$32.50	132,368	
$35.75		64,000
	1,237,567	64,000

SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents include all highly liquid debt instruments purchased as part of the company's cash management function. Due to the short maturities of these items, the carrying amount approximates fair value.

Cash payments for income taxes and interest (in thousands) were as follows:

	Three Months Ended	
	August 29, 1998	August 30, 1997
Interest paid	$2,546	$1,316
Income taxes paid	$1,967	$7,102

CONTINGENCIES

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. The GSA is permitted to audit the company's compliance with the GSA contracts. As a result of its audits, the GSA has asserted a refund claim under the 1982 contract for approximately $2.7 million and has other contracts under audit review. Management has been notified that the GSA has referred the 1988 contract to the Justice Department for consideration of a potential civil False Claims Act case. Management disputes the audit result for the 1982 contract and does not expect resolution of that matter to have a material adverse effect on the company's consolidated financial statements. Management does not have information which would indicate a substantive basis for a civil False Claims Act under the 1988 contract.

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.

REPORT OF MANAGEMENT

In the opinion of the company, the accompanying unaudited condensed consolidated financial statements taken as a whole contain all adjustments, which are of a normal recurring nature, necessary to present fairly the financial position of the company as of August 29, 1998, and the results of its operations and cash flows for the three months then ended. Interim results are not necessarily indicative of results for a full year.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis of certain significant factors which have affected the company's financial condition and earnings during the periods included in the accompanying condensed consolidated financial statements.

A. Financial Summary

A summary of the period-to-period changes is shown below. All amounts are increases unless otherwise noted. Dollars are shown in thousands.

	Three Months	
	$	%
NET SALES	45,958	11.4%
COST OF GOODS SOLD	22,747	8.9%
OPERATING EXPENSES	13,186	12.9%
INTEREST EXPENSE	87	4.0%
OTHER INCOME NET*	760	32.4%
INCOME BEFORE TAXES ON INCOME	10,698	23.7%
PROVISION FOR TAXES ON INCOME	4,500	26.1%
NET INCOME	6,198	22.3%

*Represents an increase in other income.

B. Results of Operations

First Quarter FY 1999 versus First Quarter FY 1998

Net sales increased $46.0 million, or 11.4 percent, to $447.5 million for the three months ended August 29, 1998. The increase was primarily due to unit volume increases in our domestic and European operations.

United States net sales were up 13.5 percent for the first quarter. Excluding the impact of acquisitions, the domestic business grew 12.3 percent in the first quarter. No acquisitions were completed during the first quarter of 1999. For the two months ended July 1998, the Business and Institutional Furniture Manufacturer's Association (BIFMA) reported that the industry sales grew 10.0 percent. BIFMA's growth estimate remains at 8 percent for calendar 1998 and 5 percent for calendar 1999.

For the first quarter, Coro continues to be our fastest growing business. Excluding acquisitions, Coro's sales increased approximately 33.0 percent over the same quarter last year. The Coro network is currently made up of 9 owned dealers and 27 affiliated dealers.

From a product segment standpoint, our largest percentage growth for the three months was in the seating category. The most significant growth came from our Aeron and Ambi chairs (including the complementary Ambi side chair). Systems furniture still represents the largest area of dollar growth as it is the largest segment. The company's newest systems product line, Q Systems, has continued to grow significantly. Q Systems sales were $11.0 million in the first quarter of this year compared to $4.8 million in the first quarter of last year.

Net sales of international operations and export sales from the United States in the first quarter ended August 29, 1998, totaled $58.9 million compared with $59.1 million last year. This represented a decline of .3 percent for the quarter. Most of the decline was in Asia and Latin America where we continue to have weak demand. We are primarily an exporter to these markets. The increased value of the U.S. dollar makes our product more expensive in comparison to locally produced goods. On the positive side, our European operations, led by the U.K., continued to have solid year-over-year sales growth.

In the first quarter, our International operations earned $1.9 million compared to $2.3 million in the same period of last year. The decline is primarily due to lower gross product margins and lower sales.

New orders for the first quarter increased 8.8 percent to $443.7 million. The backlog of unfilled orders at August 29, 1998, was $225.3 million, compared with $209.3 million a year earlier, and $229.1 million at May 30, 1998.

Gross margin, as a percent of sales, increased to 38.0 percent during the first quarter of 1999, compared to a gross margin of 36.6 percent in the first quarter of 1998. The improvement reflects a favorable product mix, improved productivity, and value enhancement engineering projects. In addition, we have had a slight improvement in per unit material cost. Going forward, we expect gross margins to be in the range of 37.0 percent to 38.0 percent. We believe we can continue to improve productivity; however, these improvements may be partially offset by potential disruption costs associated with implementing our new ERP (Enterprise Resource Planning) system and continued price pressures.

Operating expenses, as a percent of net sales, were 25.8 percent compared with 25.4 percent in the first quarter of last year. Total operating expenses increased $13.2 million from $102.1 million in the first quarter of last year to $115.3 million. This increase is primarily due to the significant investments we are making in our ERP systems solution, in our electronic selling platform, and in the continued development of new and enhanced products for our customers.

Interest expense of $2.3 million was comparable to the first quarter of fiscal 1998. Total interest-bearing debt was $123.0 million at the end of the first quarter of fiscal 1999, compared with $130.7 million at May 30, 1998, and $125.7 million at August 30, 1997.

The effective tax rate for the first quarter was 39.0 percent compared with 38.3 percent in the same period of last year. We expect the tax rate to remain in the 38.0 to 39.0 percent range.

Net income increased 22.3 percent to $34.0 million in the first three months of fiscal 1999, compared to $27.8 million for the same period last year. The faster growth rate in net income compared with sales reflects our continued improvement in operating margins.

Year 2000

During fiscal year 1998, the company performed an analysis of the work necessary to assure that its existing information systems and manufacturing equipment for both domestic and international operations will be able to address the issues surrounding the advent of the year 2000. The company has a comprehensive, written plan, which is regularly updated and monitored by technical personnel and company management, and reported to the Board of Directors. The company is now in active renovation with the costs of the year 2000 modification being expensed in the period incurred. To date, the company has spent $4.5 million on year 2000 renovations. These are renovations to existing systems and are exclusive of the implementation of our new ERP system. The company expects to spend an additional $.5 - $1.5 million to complete the renovation. The renovation is expected to be completed by December 1998.

The company is also in the process of verifying year 2000 conversion plans with its vendors and independent dealers. If any significant vendors or dealers are identified which do not have appropriate or timely year 2000 conversion plans, the company will immediately begin to make contingency plans in order to minimize potential adverse affects on business operations.

Management believes that the probability of experiencing a material business disruption due to the year 2000 issue is remote based on the current status of the company's comprehensive remediation plan.

C. Financial Condition, Liquidity, and Capital Resources

First Quarter FY 1999 versus First Quarter FY 1998

1. Cash flow from operating activities was $46.8 million versus $46.5 million in the first quarter of fiscal 1998.
2. Days sales in accounts receivable plus days sales in inventory decreased to 55.9 days versus 57.9 days on August 30, 1997, and 56.2 days on May 30, 1998.
3. Total interest-bearing debt decreased to $123.0 million compared to $130.7 million at May 30, 1998. Debt-to-total capital now stands at 34.3 percent versus 36.1 percent on May 30, 1998. Going forward, we expect to be in the range of 30 to 35 percent for the debt-to-total capital ratio.
4. Capital expenditures for the first quarter of fiscal 1999 were $21.7 million versus $10.5 million for the first quarter of fiscal 1998. Much of the increase was related to the implementation of our enterprise-wide information system, continued implementation of our electronic selling platform, and new product development. We also expect to spend $20 million during fiscal 1999 for the continued development of the Coro network.
5. During the first three months of fiscal 1999, the company repurchased 1.0 million shares of common stock for $29.0 million.

Part II

Item 4: Submission of Matters to Vote of Security Holders

At the Annual Shareholders Meeting held September 29, 1998, the shareholders voted on various proposals presented in the company's 1998 definitive proxy statement. The results of the votes follow:

1. Proposal to elect four directors to serve a term of three years and one director to serve a term of two years.

   a. Terms expiring in 2001

	For	Against	Withheld	Broker Non-Vote
Dr. E. David Crockett	74,131,556	0	950,808	0
C. William Pollard	74,133,035	0	949,329	0
Dorothy A. Terrell	74,131,317	0	951,047	0
Michael A. Volkema	74,114,598	0	967,766	0

   b. Term expiring in 2000

	For	Against	Withheld	Broker Non-Vote
David L. Nelson	74,130,305	0	952,059	0

2. Proposal to amend the Company's Articles of Incorporation to increase the authorized common stock from 120,000,000 shares to 240,000,000 shares of common stock, $.20 par value

For	Against	Withheld	Broker Non-Vote
72,021,690	2,806,563	254,111	0

3. Proposal to amend the company's Long-Term Incentive Plan.

For	Against	Withheld	Broker Non-Vote
60,895,466	5,769,373	1,178,792	7,238,733

4. Proposal to approve and adopt the company's Incentive Cash Bonus Plan.

For	Against	Withheld	Broker Non-Vote
70,617,671	3,332,230	1,132,463	0

5. Proposal to ratify the appointment of Arthur Andersen LLP as the independent public accountants for the company for the fiscal year ending May 29, 1999.

For	Against	Withheld	Broker Non-Vote
73,847,178	107,277	1,127,909	0

Item 6: Exhibits and Reports on Form 8-K

1. Exhibits

   See Exhibit Index.

2. Reports on Form 8-K

   No reports on Form 8-K were filed during the three months ended August 29, 1998.

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 7, 1998	\s\ Michael A. Volkema Michael A. Volkema (President and Chief Executive Officer)
October 7, 1998	\s\ Brian C. Walker Brian C. Walker (Chief Financial Officer)

Exhibit Index

(27) Financial Data Schedule (Exhibit available upon request)

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3-MOS
MAY-29-1999
MAY-31-1998
AUG-29-1998
109003
0
198196
14674
45762
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