SHERWIN WILLIAMS CO
Form 10-Q
October 27, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
FORM 10-Q

(Mark One)

þ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**
For the Period Ended September 30, 2009

or

o **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**
For the transition period from __________ to __________

Commission file number 1-04851
THE SHERWIN-WILLIAMS COMPANY
(Exact name of registrant as specified in its charter)

OHIO	34-0526850
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
101 West Prospect Avenue, Cleveland, Ohio	44115-1075
(Address of principal executive offices)	(Zip Code)

(216) 566-2000

(Registrant s telephone number including area code)

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one:)

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No þ

Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practical date.

Common Stock, $1.00 Par Value 113,340,736 shares as of September 30, 2009.

TABLE OF CONTENTS

Table of Contents

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements
THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED INCOME (UNAUDITED)
Thousands of dollars, except per share data

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	**2009**	2008
Net sales	**$ 1,996,909**	$ 2,268,658	**$ 5,495,413**	$ 6,279,885
Cost of goods sold	**1,067,926**	1,308,169	**2,990,482**	3,565,985
Gross profit	**928,983**	960,489	**2,504,931**	2,713,900
Percent to net sales	***46.5%***	*42.3%*	***45.6%***	*43.2%*
Selling, general and administrative expenses	**654,246**	681,352	**1,916,095**	2,010,043
Percent to net sales	***32.8%***	*30.0%*	***34.9%***	*32.0%*
Other general expense (income) net	**6,869**	(1,470)	**20,325**	(75)
Impairment of trademarks and goodwill				23,912
Interest expense	**8,471**	15,200	**31,029**	51,006
Interest and net investment income	**(518)**	(929)	**(1,813)**	(2,323)
Other expense (income) net	**1,267**	194	**(2,369)**	(4,006)
Income before income taxes	**258,648**	266,142	**541,664**	635,343
Income taxes	**83,440**	89,061	**171,154**	208,633
Net income	**$ 175,208**	$ 177,081	**$ 370,510**	$ 426,710
Net income per common share:				
Basic	**$ 1.54**	$ 1.53	**$ 3.23**	**$** 3.64
Diluted	**$ 1.51**	$ 1.50	**$ 3.17**	**$** 3.57
Average shares outstanding basic	**113,447,570**	115,828,466	**114,863,697**	117,182,407
Average shares and equivalents outstanding diluted	**115,697,528**	118,183,353	**116,787,896**	119,662,014

See notes to condensed consolidated financial statements.

Table of Contents

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
Thousands of dollars

	September 30, 2009	December 31, 2008	September 30, 2008
Assets			
Current assets:			
Cash and cash equivalents	**$ 32,770**	$ 26,212	$ 40,927
Accounts receivable, less allowance	**901,199**	769,985	1,072,964
Inventories:			
Finished goods	**641,527**	749,405	745,316
Work in process and raw materials	**84,966**	114,795	118,143
	726,493	864,200	863,459
Deferred income taxes	**99,389**	97,568	103,725
Other current assets	**162,863**	151,240	195,816
Total current assets	**1,922,714**	1,909,205	2,276,891
Goodwill	**1,011,015**	1,006,712	1,002,802
Intangible assets	**298,430**	299,963	337,354
Deferred pension assets	**215,525**	215,637	412,537
Other assets	**169,153**	124,117	154,655
Property, plant and equipment:			
Land	**84,802**	85,485	86,531
Buildings	**596,634**	580,216	580,965
Machinery and equipment	**1,526,214**	1,564,221	1,566,085
Construction in progress	**22,123**	26,560	44,011
	2,229,773	2,256,482	2,277,592
Less allowances for depreciation	**1,397,160**	1,396,357	1,392,675
	832,613	860,125	884,917
Total Assets	**$ 4,449,450**	$ 4,415,759	$ 5,069,156
Liabilities and Shareholders Equity			
Current liabilities:			
Short-term borrowings	**$ 410,994**	$ 516,438	$ 715,953
Accounts payable	**728,420**	738,093	882,313
Compensation and taxes withheld	**180,833**	194,787	183,775
Accrued taxes	**140,053**	58,510	204,719
Current portion of long-term debt	**10,564**	13,570	13,459
Other accruals	**415,252**	415,338	410,640

Total current liabilities	**1,886,116**	1,936,736	2,410,859
Long-term debt	**289,421**	303,727	297,391
Postretirement benefits other than pensions	**250,795**	248,603	265,218
Other long-term liabilities	**320,266**	321,045	357,402
Shareholders equity:			
Common stock $1.00 par value: 113,340,736, 117,035,117 and 116,902,299 shares outstanding at September 30, 2009, December 31, 2008 and September 30, 2008, respectively	**228,421**	227,147	226,761
Preferred stock convertible, no par value: 216,753, 216,753 and 216,753 shares outstanding at September 30, 2009, December 31, 2008 and September 30, 2008, respectively	**216,753**	216,753	216,753
Unearned ESOP compensation	**(216,753)**	(216,753)	(216,753)
Other capital	**1,069,582**	1,016,362	956,533
Retained earnings	**4,492,042**	4,245,141	4,235,925
Treasury stock, at cost	**(3,753,043)**	(3,472,384)	(3,459,452)
Cumulative other comprehensive loss	**(334,150)**	(410,618)	(221,481)
Total shareholders equity	**1,702,852**	1,605,648	1,738,286
Total Liabilities and Shareholders Equity	**$ 4,449,450**	$ 4,415,759	$ 5,069,156

See notes to condendsed consolidated financial statements.

Table of Contents

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS (UNAUDITED)
Thousands of dollars

	Nine months ended September 30,	
	2009	2008
OPERATING ACTIVITIES		
Net income	**$ 370,510**	$ 426,710
Adjustments to reconcile net income to net operating cash:		
Depreciation	**109,611**	107,330
Amortization of intangible assets	**18,819**	16,887
Impairment of trademarks and goodwill		23,912
Stock-based compensation expense	**20,151**	27,064
Provisions for qualified exit costs	**15,339**	
Provisions for environmental-related matters	**18,534**	1,757
Defined benefit pension plans net cost (credit)	**24,776**	(6,164)
Net increase in postretirement liability	**1,900**	2,182
Other	**7,484**	(4,348)
Change in working capital accounts net	**72,930**	26,140
Costs incurred for environmental - related matters	**(26,706)**	(12,605)
Costs incurred for qualified exit costs	**(6,414)**	(3,835)
Other	**(11,293)**	(12,445)
Net operating cash	**615,641**	592,585
INVESTING ACTIVITIES		
Capital expenditures	**(63,556)**	(91,799)
Acquisitions of businesses, net of cash acquired	**(14,093)**	(48,465)
Proceeds from sale of assets	**1,751**	8,772
Increase in other investments	**(30,297)**	(24,137)
Net investing cash	**(106,195)**	(155,629)
FINANCING ACTIVITIES		
Net (decrease) increase in short-term borrowings	**(106,777)**	60,166
Net (decrease) increase in long-term debt	**(22,248)**	678
Payments of cash dividends	**(124,634)**	(124,162)
Proceeds from stock options exercised	**27,329**	25,744
Income tax effect of stock-based compensation exercises and vesting	**6,868**	8,002
Treasury stock purchased	**(276,222)**	(379,941)
Other	**(4,240)**	(5,819)
Net financing cash	**(499,924)**	(415,332)

Effect of exchange rate changes on cash		**(2,964)**		(8,022)
Net increase in cash and cash equivalents		**6,558**		13,602
Cash and cash equivalents at beginning of year		**26,212**		27,325
Cash and cash equivalents at end of period	**$**	**32,770**	$	40,927
Income taxes paid	**$**	**69,264**	$	45,336
Interest paid		**37,921**		20,678

See notes to condensed consolidated financial statements.

- 4 -

Table of Contents

THE SHERWIN-WILLIAMS COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Periods ended September 30, 2009 and 2008

Note A BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information and the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

There have been no significant changes in critical accounting policies since December 31, 2008. Accounting estimates were revised as necessary during the first nine months of 2009 based on new information and changes in facts and circumstances.

The Company uses the last-in, first-out (LIFO) method of valuing inventory. An actual valuation of inventory under the LIFO method can be made only at the end of each year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations are based on management s estimates of expected year-end inventory levels and costs are subject to the final year-end LIFO inventory valuation. In addition, interim inventory levels include management s estimates of annual inventory losses due to shrinkage and other factors. The final year-end valuation of inventory is based on an annual physical inventory count performed during the fourth quarter. For further information on inventory valuations and other matters, refer to the consolidated financial statements and footnotes thereto included in the Company s Form 10-K for the year ended December 31, 2008.

The consolidated results for the three and nine months ended September 30, 2009 are not necessarily indicative of the results to be expected for the year ending December 31, 2009.

The Company has evaluated events and transactions occurring subsequent to September 30, 2009 through October 27, 2009, the date of the issuance of the financial statements, in accordance with the Subsequent Events Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). During this period, there were no recognized subsequent events requiring recognition in the financial statements, and no non-recognized subsequent events requiring disclosure.

Note B IMPACT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2009, the FASB issued Financial Accounting Standards (FAS) No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles. The statement makes the ASC the single source of authoritative U.S. accounting and reporting standards, but it does not change U.S. GAAP. The Company adopted the statement as of September 30, 2009. Accordingly, the financial statements for the interim period ending September 30, 2009, and the financial statements for future interim and annual periods will reflect, the Codification references. The statement has no impact on the Company s results of operations, financial condition or liquidity. The guidance in FAS No. 168 is included in the General Principles Topic of FASB ASC.

In June 2009, the FASB issued FAS No. 166, Accounting for Transfers of Financial Assets and FAS No. 167, Amendments to FASB Interpretation (FIN) No. 46(R). FAS No. 166 removes the concept of a qualifying special-purpose entity (SPE) from FAS No. 140 and eliminates the exception for qualifying SPEs from the consolidation guidance of FIN No. 46(R). FAS No. 167 changes the analysis that must be performed to determine the primary beneficiary of a variable interest entity (VIE), amends certain guidance in FIN No. 46(R) for determining whether an entity is a VIE and requires enhanced disclosures about involvement with VIEs. Both statements are effective for periods beginning on or after January 1, 2010. The Company is currently evaluating the impact the statements will have on its results of operations, financial condition, liquidity, or disclosures. The impact or additional disclosure is not expected to be significant. The guidance in FAS No. 167 is included in the Consolidation Topic of FASB ASC; FAS No. 166 is not yet integrated into FASB ASC.

In May 2009, the FASB issued FAS No. 165, Subsequent Events. FAS No. 165 defines subsequent events as events or transactions that occur after the balance sheet date, but before the financial statements are issued. It defines two types of subsequent events: recognized subsequent events, which provide additional evidence about conditions that existed at the balance sheet date, and non-recognized subsequent events, which provide evidence about conditions that did not exist at the balance sheet date, but arose before the financial statements were issued. Recognized subsequent events are required to be recognized in the financial statements, and non-recognized subsequent events are required to be disclosed. The statement requires entities to disclose the date through which subsequent events have been evaluated, and the basis for that date. FAS No. 165 is consistent with current practice and does not have any impact on the Company s results of operations, financial condition or liquidity. See Note A for the required disclosure. The guidance in FAS No. 165 is included in the Subsequent Events Topic of FASB ASC.

In April 2009, the FASB issued three fair value-related FASB Staff Positions (FSP): (i) FSP FAS No. 115-2 and FAS 124-2, Recognition and Presentation of Other-Than-Temporary Impairments (FSP FAS No. 115-2), (ii) FSP FAS No. 157-4, Determining Fair Value When the Volume and Level of Activity for the Asset and Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly (FSP FAS No. 157-4) and (iii) FSP FAS No. 107-1 and Accounting Principles Board Opinion (APB) No. 28-1, Interim Disclosures about Fair Value of Financial Instruments (FSP FAS No. 107-1), which are effective for interim and annual reporting periods ending after June 15, 2009. FSP FAS No. 115-2 amends the existing accounting requirements for other-than-temporary impairment for debt securities by modifying the requirement for recognizing other-than-temporary impairments, changing the terminology used to assess the probability of cash flows and requiring additional disclosures. FSP FAS No. 157-4 amends FAS No. 157, Fair Value Measurements to provide additional guidance on estimating fair value when the volume and level of transaction activity for an asset or liability have significantly decreased in relation to normal activity for the asset or liability. FSP FAS No. 107-1 extends the disclosure requirements of FAS No. 107, Disclosures About Fair Value of

Table of Contents

Financial Instruments to interim financial statements. The Company adopted the FSPs as of June 30, 2009. They do not have a significant impact on the Company s results of operations, financial condition or liquidity. The guidance in FSP FAS No. 115-2, FSP FAS No. 157-4 and FSP FAS No. 107-1 is included in the Investments and Fair Value Measurements and Disclosures Topics of FASB ASC.

In December 2008, the FASB issued FSP FAS No. 132(R)-1, Employers Disclosures about Postretirement Benefit Plan Assets. This FSP amends FAS No. 132, Employers Disclosures about Pensions and Other Postretirement Benefits, to provide guidance on disclosures about plan assets of defined benefit pension and other postretirement benefit plans. The FSP requires disclosures about how investment allocation decisions are made, the major categories of plan assets, the inputs and valuation techniques used to measure the fair value of plan assets, the effect of fair value measurements using significant unobservable inputs and significant concentrations of risk within plan assets. The FSP is effective for fiscal years ending after December 15, 2009, and the provisions are not required for earlier periods presented for comparative purposes. The FSP will not have any impact on the Company s results of operations, financial condition or liquidity. The guidance in FSP FAS No. 132(R)-1 is included in the Defined Benefit Plans Subtopic of the Compensation Retirement Benefits Topic of FASB ASC.

In June 2008, the FASB issued FSP Emerging Issues Task Force (EITF) No. 03-6-1, Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities, which clarifies EITF No. 03-6, Participating Securities and the Two-Class Method Under FAS No. 128. Under the FSP, unvested share-based payment awards that contain rights to receive non-forfeitable dividends (whether paid or unpaid) are considered participating securities, and the two-class method of computing earnings per share is required for all periods presented. The Company adopted EITF No. 03-6-1 as of January 1, 2009, however, because the use of the two-class method does not have a significant impact on the basic and diluted earnings per share calculations for the three and nine months ended September 30, 2009, the treasury stock method continues to be disclosed. See Note L. The guidance in EITF No. 03-6-1 is included in the Earnings Per Share Topic of FASB ASC.

Effective January 1, 2009, the Company adopted FSP FAS No. 142-3, which amends the factors that must be considered in developing renewal or extension assumptions used to determine the useful life over which to amortize the cost of a recognized intangible asset under FAS No. 142, Goodwill and Other Intangible Assets. The FSP requires an entity to consider its own assumptions about renewal or extension of the term of the arrangement, consistent with its expected use of the asset, and is an attempt to improve consistency between the useful life of a recognized intangible asset under FAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under FAS No. 141, Business Combinations. The FSP does not have a significant impact on the Company s results of operations, financial condition or liquidity. The guidance in FSP FAS No. 142-3 is included in the Goodwill and Other Intangibles Topic of FASB ASC.

Effective January 1, 2009, the Company adopted FAS No. 161, Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133 Accounting

Table of Contents

for Derivative Instruments and Hedging Activities. FAS No. 161 requires entities to provide greater transparency about how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under FAS No. 133, and how derivative instruments and related hedged items affect an entity s financial position, results of operations, and cash flows. The statement does not have an impact on the Company s results of operations, financial condition or liquidity. The guidance in FAS No. 161 is included in the Derivatives and Hedging Topic of FASB ASC.

Effective January 1, 2009, the Company adopted FAS No. 141(R), Applying the Acquisition Method. FAS No. 141(R) provides guidance for the recognition of the fair values of the assets acquired upon initially obtaining control, including the elimination of the step acquisition model. The standard does not have a significant impact on the Company s results of operations, financial condition or liquidity. The guidance in FAS No. 141(R) is included in the Business Combinations Topic of FASB ASC.

Effective January 1, 2009, the Company adopted FAS No. 160, Accounting for Noncontrolling Interests. FAS No. 160 clarifies the classification of noncontrolling interests in consolidated statements of financial position and the accounting for and reporting of transactions between the reporting entity and holders of such noncontrolling interests. Under the standard, noncontrolling interests are considered equity and should be reported as an element of consolidated equity, and net income will encompass the total income of all consolidated subsidiaries and there will be separate disclosure on the face of the income statement of the attribution of that income between the controlling and noncontrolling interests. FAS No. 160 does not have a significant impact on the Company s results of operations, financial condition or liquidity. The guidance in FAS No. 160 is included in the Consolidation Topic of FASB ASC.

In September 2006, the FASB issued FAS No. 157, Fair Value Measurements. FAS No. 157 provides guidance for using fair value to measure assets and liabilities and only applies when other standards require or permit the fair value measurement of assets and liabilities. It does not expand the use of fair value measurements. In accordance with FSP FAS No. 157-2, Effective Date of FASB Statement No. 157, the Company adopted FAS No. 157 for its financial assets and liabilities as of January 1, 2008, and for its non-financial assets and liabilities as of January 1, 2009. FAS No. 157 does not have a significant impact on the Company s results of operations, financial condition or liquidity. See Note O. The guidance in FAS No. 157 is included in the Fair Value Measurements and Disclosures Topic of FASB ASC.

Note C DIVIDENDS

Dividends paid on common stock during each of the first three quarters of 2009 and 2008 were $.355 per common share and $.35 per common share, respectively.

Table of Contents

Note D COMPREHENSIVE INCOME

Comprehensive income is summarized as follows:

	Three months ended September 30,		Nine months ended September 30,	
(Thousands of dollars)	**2009**	2008	**2009**	2008
Net income	**$ 175,208**	$ 177,081	**$ 370,510**	$ 426,710
Foreign currency translation adjustments	**29,003**	(39,173)	**62,327**	(23,509)
Amortization of net prior service costs and net actuarial losses, net of taxes (1)	**4,684**	(69)	**13,999**	1,966
Adjustments of marketable equity securities and derivative instruments used in cash flow hedges, net of taxes (2)	**230**	639	**142**	(1,334)
Comprehensive income	**$ 209,125**	$ 138,478	**$ 446,978**	$ 403,833

(1) The tax effect of amortization of net prior service costs and net actuarial losses was $(2,905) and $(8,695), respectively, for the three and nine months ended September 30, 2009, and $43 and $(1,228), respectively, for the three and nine months ended September 30, 2008.

(2) The tax effect of adjustments of marketable equity securities and derivative instruments used in cash flow hedges was $(125) and $(91), respectively, for

the three and nine months ended September 30, 2009, and $83 and $853, respectively, for the three and nine months ended September 30, 2008.

Note E PRODUCT WARRANTIES

Changes in the Company s accrual for product warranty claims during the first nine months of 2009 and 2008, including customer satisfaction settlements, were as follows:

(Thousands of dollars)	**2009**	2008
Balance at January 1	**$ 18,029**	$ 19,596
Charges to expense	**16,339**	20,031
Settlements	**(17,805)**	(22,373)
Balance at September 30	**$ 16,563**	$ 17,254

For further details on the Company s accrual for product warranty claims, see Note 1 to the Consolidated Financial Statements in the Company s Annual Report on Form 10-K for the year ended December 31, 2008.

Table of Contents

Note F EXIT OR DISPOSAL ACTIVITIES

Liabilities associated with exit or disposal activities are recognized as incurred in accordance with the Exit or Disposal Cost Obligations Topic of FASB ASC. Qualified exit costs primarily include post-closure rent expenses, incremental post-closure costs and costs of employee terminations. Adjustments may be made to liabilities accrued for qualified exit costs if information becomes available upon which more accurate amounts can be reasonably estimated. Concurrently, property, plant and equipment is tested for impairment in accordance with FASB ASC Topic No. 360-10-35 (formerly FAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets), and if impairment exists, the carrying value of the related assets is reduced to estimated fair value. Additional impairment may be recorded for subsequent revisions in estimated fair value.

In the first nine months of 2009, 28 stores in the Paint Stores Group, 3 manufacturing facilities in the Consumer Group, and 1 manufacturing facility and 19 branches in the Global Finishes Group were closed due to lower demand or redundancy. Provisions of $10.9 million for qualified exit costs resulting from the closure of these facilities were recorded in Cost of goods sold and Selling, general and administrative expenses in the first nine months. Provisions of $1.1 million, $5.6 million and $4.2 million were charged to the Paint Stores Group, Consumer Group and Global Finishes Group, respectively. In addition, there were adjustments to prior provisions related to manufacturing facilities, distribution facilities, stores and branches closed in 2008. Adjustments to prior provisions of $4.5 million were recorded in Cost of goods sold, Selling, general and administrative expense or Other general expense-net in the first nine months of 2009. Adjustments of $4.4 million, $(0.1) million and $0.2 million were charged to the Paint Stores Group, Consumer Group and Global Finishes Group, respectively.

During 2008, four manufacturing and three distribution facilities, five administrative offices and 92 stores and branches were closed. The closure and disposal of two manufacturing facilities and two administrative offices in the Paint Stores Group were planned at the time of acquisition. The total qualified exit costs for the acquired facilities, included as part of the purchase price allocations in accordance with FAS No. 141, were $1.7 million. One additional manufacturing and two distribution facilities and 79 stores in the Paint Stores Group, one manufacturing and one distribution facility in the Consumer Group, and three administrative offices and 14 branches in the Global Finishes Group were closed due to excess capacity or redundancy. Provisions of $7.1 million for qualified exit costs resulting from the closure of these facilities were recorded in Cost of goods sold or Selling, general and administrative expenses in 2008. Of the total provisions, $5.5 million was charged to the Paint Stores Group, $0.9 million was charged to the Consumer Group and $0.7 million was charged to the Global Finishes Group.

The following table summarizes the activity and remaining liabilities associated with qualified exit costs at September 30, 2009 and for the nine-month period then ended:

(Thousands of dollars) Exit Plan	Balance at December 31, 2008	Provisions in Cost of goods sold or SG&A	Actual expenditures charged to accrual	Adjustments to prior provisions in Other general expense - net	Balance at September 30, 2009
Paint Stores Group stores shutdown in 2009:					
Other qualified exit costs		**$ 1,071**	**$ (461)**		**$ 610**
Consumer Group manufacturing facilities shutdown in 2009:					
Severance and related costs		**5,130**	**(471)**		**4,659**
Other qualified exit costs		**503**	**(68)**		**435**
Global Finishes Group manufacturing facility and branches shutdown in 2009:					
Severance and related costs		**524**	**(289)**		**235**
Other qualified exit costs		**3,659**	**(589)**		**3,070**
Paint Stores Group manufacturing and distribution facilities, administrative offices and stores shutdown in 2008:					
Severance and related costs	**$ 324**	**868**	**(871)**		**321**
Other qualified exit costs	**4,450**	**142**	**(1,944)**	**$ 3,375**	**6,023**
Consumer Group manufacturing and distribution facilities shutdown in 2008:					
Severance and related costs	**449**	**82**	**(33)**	**(187)**	**311**
Other qualified exit costs	**150**		**(59)**		**91**
Global Finishes Group administrative offices and branches shutdown in 2008:					
Severance and related costs	**397**		**(397)**		**0**
Other qualified exit costs	**240**	**156**	**(223)**	**16**	**189**