



Armstrong World Industries, Inc.


AWI NYSE

Construction - Supplies / Fixtures

Market Capitalization USD:

\$2,010.58 mm

CONCERN LEVEL: LOW

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Matthew J. Espe

Age: 53

CEO Since: 2010

	2009	2010	2011
Base Salary	\$980,000	\$415,758	\$980,000
Discretionary Bonus	\$0	\$3,867,758	\$0
Annual Cash Incentive	\$1,543,500	\$266,042	\$989,800
Benefits and Perquisites	\$178,848	\$0	\$66,670
TOTAL ANNUAL COMPENSATION	\$2,702,348	\$4,549,558	\$2,036,470
Increase in Post-Retirement Benefits	\$1,048,505	\$0	\$0
Stock Option Awards	\$1,047,583	\$3,500,000	\$1,800,312
Stock Awards	\$4,339,872	\$2,600,000	\$1,200,017
TOTAL COMPENSATION	\$9,138,308	\$10,649,558	\$5,036,799
Median of Other Named Executive Officers Total Compensation	\$1,541,264	\$4,937,448	\$2,077,200
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$11,782,935	\$0	\$343,408
TOTAL REALIZED EQUITY COMPENSATION	\$11,782,935	\$0	\$343,408

Proxy Date: 25 Apr 2012

Annual Meeting Date: 22 Jun 2012

Equity Reserves: 8.76%

Stock Option Run Rate: 0.86%

Armstrong World Industries, Inc.

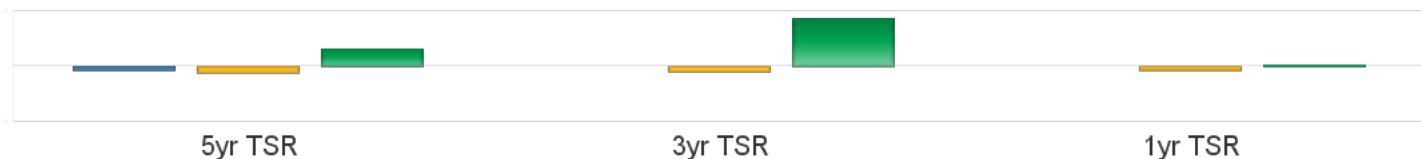
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Performance Comparison

■ S&P500 ■ Industry ■ AWI



Peer Comparisons (TRBC) =Construction - Supplies / Fixtures

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
AWI	Armstrong World Industries, Inc.	\$9,138,308	\$10,649,558	\$5,036,799	\$2,010,575,067
OC	Owens Corning	\$7,631,594	\$9,729,956	\$9,278,252	\$2,675,948,850
MAS	Masco Corporation	\$11,342,878	\$10,058,599	\$8,103,140	\$2,548,248,000
VMI	Valmont Industries, Inc.	\$5,483,760	\$3,452,287	\$5,993,563	\$2,059,851,163
AYI	Acuity Brands, Inc.	\$4,290,490	\$5,782,581	\$5,521,873	\$1,561,937,163
SSD	Simpson Manufacturing Co., Inc.	\$757,407	\$1,616,470	\$2,158,200	\$1,249,209,217
BECN	Beacon Roofing Supply, Inc.	\$1,578,979	\$948,380	\$2,029,361	\$737,473,846

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps.

Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Acuity Brands, Inc., Masco Corporation, Sherwin-Williams Company, W. R. Grace & Company, Herman Miller, Incorporated, Steelcase, Incorporated, Leggett & Platt, Inc., Mohawk Industries, Inc., Universal Forest Products, Inc., Lennox International Inc., Nortek, Inc., USG Corporation, Louisiana-Pacific Corporation, Owens Corning, Vulcan Materials Company, Martin Marietta Materials.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Stanley A. Askren	Chairman	51	Male	4	Outside
James J. Gaffnev	Member	71	Male	6	Outside
Larry S. McWilliams	Member	59	Male	2	Outside