

THE VALSPAR CORPORATION
COMPARATIVE CONSOLIDATED EARNINGS
For the Quarters Ended April 25, 2008 and April 27, 2007

(Dollars in thousands, except per share amounts)	Second Quarter		Year-To-Date	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2008	2007	2008	2007
Net Sales	\$ 836,379	\$ 808,471	\$ 1,601,503	\$ 1,502,994
Cost of Sales	592,118	561,590	1,146,777	1,057,029
Operating Expenses	167,157	168,662	322,641	316,527
Income From Operations	77,104	78,219	132,085	129,438
Interest Expense	13,914	16,238	29,597	30,929
Other (Income) Expense, Net	1,309	(382)	3,943	2,044
Income Before Income Taxes	61,881	62,363	98,545	96,465
Income Taxes	21,034	20,847	33,683	31,351
Net Income	\$ 40,847	\$ 41,516	\$ 64,862	\$ 65,114
Mandatorily Redeemable Stock Accrual (1)	(2,915)	(5,067)	(5,829)	(10,134)
Net Income Available to Common Shareholders	37,932	36,449	59,033	54,980
Average Number of Shares O/S - basic	99,617,232	101,672,432	99,855,456	101,717,101
Average Number of Shares O/S - diluted	100,180,834	103,371,264	100,556,774	103,453,373
Net Income per Common Share - basic	\$ 0.38	\$ 0.36	\$ 0.59	\$ 0.54
Net Income per Common Share - diluted	\$ 0.38	\$ 0.35	\$ 0.59	\$ 0.53

(1) MANDATORILY REDEEMABLE STOCK ACCRUAL REDUCED BASIC AND DILUTED NET INCOME PER SHARE \$0.03 IN THE SECOND QUARTER OF 2008, \$0.06 YEAR TO DATE IN 2008 AND \$0.05 IN THE SECOND QUARTER OF 2007 AND \$0.10 YEAR TO DATE IN 2007.

NON-GAAP FINANCIAL MEASURES

In the accompanying press release, management has reported non-GAAP financial measures - "Adjusted Net Income per Common Share - diluted" and "Full Year Guidance for Adjusted Net Income per Common Share - diluted" - which exclude a non-cash accrual relating to Mandatorily Redeemable Stock in connection with the Company's acquisition of the remaining minority interest shares of Huarun Paints Holding Company Limited. Management discloses these measures because it believes these measures may assist investors in comparing the Company's results of operations in the respective periods without regard to the effect on the results in the 2008 and 2007 periods of the non-cash accrual relating to the Huarun acquisition.

NON-GAAP RECONCILIATION

The following is a reconciliation of "Net Income Per Common Share - diluted" to "Adjusted Net Income Per Common Share - diluted" for the periods presented:

	Second Quarter		Year-To-Date	
	2008	2007	2008	2007
Net Income per Common Share - diluted	\$ 0.38	\$ 0.35	\$ 0.59	\$ 0.53
Mandatorily Redeemable Stock Accrual	\$ 0.03	\$ 0.05	\$ 0.06	\$ 0.10
Adjusted Net Income per Common Share - diluted	\$ 0.41	\$ 0.40	\$ 0.65	\$ 0.63

The following is a reconciliation of "Forecasted Net Income per Common Share - Diluted" to our "Full Year Guidance" for the period presented.

	Full Year 2008
Forecasted Net Income per Common Share - diluted	\$1.43 - \$1.53
Mandatorily Redeemable Stock Accrual	\$0.12
Full Year Guidance for Adjusted Net Income per Common Share - diluted	<u>\$1.55 - \$1.65</u>

(Dollars in thousands)	April 25, 2008	October 26, 2007	April 27, 2007
	(Unaudited)	(Unaudited)	(Unaudited)
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 77,917	\$ 84,948	\$ 61,424
Accounts Receivable, Net	578,612	537,890	549,434
Inventories	320,254	291,688	289,919
Other	121,341	115,116	129,127
Total Current Assets	1,098,124	1,029,642	1,029,904
Goodwill, Net	1,374,422	1,298,951	1,423,307
Other Assets, Net	622,272	609,292	430,250
Property, Plant & Equipment, Net	516,717	514,396	480,486
Total Assets	\$ 3,611,535	\$ 3,452,281	\$ 3,363,947
Liabilities and Stockholders' Equity			
Current Liabilities:			
Notes Payable and Commercial Paper	\$ 304,854	\$ 367,521	\$ 485,569
Trade Accounts Payable	385,546	371,437	342,024
Income Taxes	2,951	19,316	36,077
Accrued Liabilities	243,814	270,873	239,633
Total Current Liabilities	937,165	1,029,147	1,103,303
Long Term Debt	807,900	648,988	620,862
Deferred Liabilities	398,522	356,007	361,545
Mandatorily Redeemable Stock	43,170	37,342	28,857
Stockholders' Equity	1,424,778	1,380,797	1,249,380
Total Liabilities and Stockholders' Equity	\$ 3,611,535	\$ 3,452,281	\$ 3,363,947