

THE VALSPAR CORPORATION
COMPARATIVE CONSOLIDATED EARNINGS
For the Quarters Ended October 31, 2008 and October 26, 2007

	Fourth Quarter		Year-To-Date	
	(Unaudited)		(Unaudited)	
	2008	2007	2008	2007
<small>(Dollars in thousands, except per share amounts)</small>				
Net Sales	\$ 923,192	\$ 852,795	\$ 3,482,378	\$ 3,249,287
Cost of Sales	675,189	605,485	2,504,947	2,277,490
Operating Expenses	173,055	171,620	684,056	662,224
Income From Operations	74,948	75,690	293,375	309,573
Interest Expense	14,286	14,700	57,745	61,662
Other (Income) Expense, Net	1,062	(15,205)	6,933	(11,860)
Income Before Income Taxes	59,600	76,195	228,697	259,771
Income Taxes	20,685	27,411	77,931	87,656
Net Income	\$ 38,915	\$ 48,784	\$ 150,766	\$ 172,115
Huarun Redeemable Stock Accrual (1)	(3,317)	(3,418)	(12,195)	(18,619)
Net Income Available to Common Shareholders	\$ 35,598	\$ 45,366	\$ 138,571	\$ 153,496
Average Number of Shares O/S - basic	99,613,298	100,312,608	99,650,574	100,938,940
Average Number of Shares O/S - diluted	100,351,918	101,776,581	100,326,249	102,617,178
Net Income per Common Share - basic	\$ 0.36	\$ 0.45	\$ 1.39	\$ 1.52
Net Income per Common Share - diluted	\$ 0.35	\$ 0.45	\$ 1.38	\$ 1.50

(1) HUARUN REDEEMABLE STOCK ACCRUAL REDUCED BASIC AND DILUTED NET INCOME PER SHARE \$0.03 IN THE FOURTH QUARTER OF 2008, \$0.12 YEAR TO DATE IN 2008 AND \$0.03 IN THE FOURTH QUARTER OF 2007 AND \$0.18 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 Huarun Redeemable Stock in connection with the Company's acquisition of the remaining minority interest shares of Huarun Paints Holding Company Limited, restructuring charges, and gains on the sale of assets in 2008 and 2007. 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, effect of the restructuring charges in 2008, gains on sale of assets in 2008 and 2007.

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:

	Fourth Quarter		Year-To-Date	
	2008	2007	2008	2007
Net Income per Common Share - diluted	\$ 0.35	\$ 0.45	\$ 1.38	\$ 1.50
Huarun Redeemable Stock Accrual	\$ 0.03	\$ 0.03	\$ 0.12	\$ 0.18
Restructuring Charges	\$ 0.13	\$ -	\$ 0.16	\$ -
Gain on Sale of Assets	(0.09)	(0.10)	(0.09)	(0.10)
Adjusted Net Income per Common Share - diluted	\$ 0.42	\$ 0.38	\$ 1.57	\$ 1.58

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

	Full Year 2009
Forecasted Net Income per Common Share - diluted	\$1.39 - \$1.47
Huarun Redeemable Stock Accrual	\$0.09
Restructuring Charges	\$0.07 - \$0.09
Full Year Guidance for Adjusted Net Income per Common Share - diluted	\$1.55 - \$1.65

	October 31, 2008	October 26, 2007
<small>(Dollars in thousands)</small>		
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 90,073	\$ 84,948
Accounts Receivable, Net	565,237	537,890
Inventories	271,423	291,688
Other	120,287	115,116
Total Current Assets	1,047,020	1,029,642
Goodwill	1,352,813	1,298,951
Other Assets, Net	630,493	609,292
Property, Plant & Equipment, Net	489,716	514,396
Total Assets	\$ 3,520,042	\$ 3,452,281
Liabilities and Stockholders' Equity		
Current Liabilities:		
Notes Payable and Commercial Paper	\$ 159,526	\$ 367,521
Trade Accounts Payable	400,763	371,437
Income Taxes	29,156	19,316
Accrued Liabilities	290,898	270,873
Total Current Liabilities	880,343	1,029,147
Long Term Debt	763,129	648,988
Deferred Liabilities	390,125	356,007
Huarun Redeemable Stock	33,577	37,342
Stockholders' Equity	1,452,868	1,380,797
Total Liabilities and Stockholders' Equity	\$ 3,520,042	\$ 3,452,281