UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 15, 2017 (October 2, 2017)

GRIFFON CORPORATION
(Exact name of registrant as specified in its charter)

Commission File Number: 1-06620

Delaware	**11-1893410**
(State or other jurisdiction of incorporation)	**(IRS Employer Identification No.)**

712 Fifth Avenue, 18th Floor
New York, New York 10019
(Address of principal executive offices, including zip code)

(212) 957-5000
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company o
If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Explanatory Note

This Current Report on Form 8-K/A amends the Current Report on Form 8-K of Griffon Corporation (the "Company") filed with the Securities and Exchange Commission on October 2, 2017 (the "Original Report") related to the completion of the Company's acquisition of ClosetMaid Corporation and certain other entities and assets (collectively, the "ClosetMaid Business") from Emerson Electric Co., pursuant to an Asset and Stock Purchase Agreement dated as of September 1, 2017, as amended on September 25, 2017. In response to parts (a) and (b) of Item 9.01 of the Original Report, the Company stated that it would file the required financial statements of the ClosetMaid Business and pro forma financial information by amendment, as permitted by Items 9.01(a)(4) and 9.01(b)(2) of Form 8-K. This Form 8-K/A amends the Original Report to include the financial statements and pro forma financial information required by parts (a) and (b) of Item 9.01 of Form 8-K.

In connection with the preparation of the consolidated financial statements for the ClosetMaid Business for the fiscal year ended September 30, 2017, an immaterial adjustment was made to reclassify amounts between the "Net cash provided by operating activities" and "Effect of exchange rate changes on cash and equivalents" line items in the Combined Statements of Cash Flows for the years ended September 30, 2016 and 2015. There was no effect on the Combined Balance Sheets or Statements of Earnings, Comprehensive Income or Equity. The adjustment reduced Net cash provided by operating activities in 2015 and 2016 by $2.3 million and $4.1 million, respectively. The adjustment was to properly reflect foreign currency exchange amounts that were grossed up in accounts payable (included in cash flows from operating activities) and in the effect of exchange rate changes on cash.

Item 9.01. Financial Statements and Exhibits

(a) *Financial Statements of Businesses Acquired*

The consolidated financial statements of, and the report of independent certified public accountants on, the ClosetMaid Business as of September 30, 2016 and 2017, and for each of the years in the three-year period ended September 30, 2017 are attached hereto as Exhibit 99.1 and is incorporated herein by reference.

(b) *Pro Forma Financial Information*

The unaudited pro forma condensed combined statements of operations for the fiscal year ended September 30, 2017 and the unaudited pro forma condensed combined balance sheet as of September 30, 2017, in each case giving effect to the acquisition of the ClosetMaid Business, are attached hereto as Exhibit 99.2 and incorporated herein by reference.

The unaudited pro forma financial information is provided for informational purposes only and is not necessarily indicative of what the Company's results of operations would actually have been had the acquisition occurred on the date indicated, the Company's expected financial position or the results of the Company's operations for any future period.

(d) *Exhibits*

Exhibit Number	Description
23.1	Consent of Independent Auditors of ClosetMaid Corporation.
99.1	Consolidated financial statements of, and the report of independent certified public accountants on, the ClosetMaid Business as of September 30, 2016 and 2017, and for each of the years in the three-year period ended September 30, 2017.
99.2	Unaudited pro forma condensed combined statements of operations for the fiscal year ended September 30, 2017 and the unaudited pro forma condensed combined balance sheet as of September 30, 2017, in each case giving effect to the acquisition of the ClosetMaid Business.

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 hereunto duly authorized.

	GRIFFON CORPORATION
Date: December 15, 2017	By: /s/ Seth L. Kaplan
	Seth L. Kaplan
	Senior Vice President, General Counsel and Secretary

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference of our report dated December 14, 2017, which appears in Griffon Corporation's Form 8-K/A dated December 15, 2017, with respect to the combined balance sheets of ClosetMaid Corporation as of September 30, 2016 and 2017, and the related combined statements of earnings, comprehensive income, equity and cash flows for each of the years in the three-year period ended September 30, 2017 in the following Registration Statements of Griffon Corporation: Form S-3 (File No. 333-203776), Forms S-4 (File No. 333-211962; File No. 333-203783; and File No. 333-195647) and Forms S-8 (File No. 333-209222; File No. 33-52319; File No. 33-57683; File No. 333-21503; File No. 333-62319; File No. 333-84409; File No. 333-67760; File No. 333-88422; File No. 333-102742; File No. 333-131737; File No. 333-133833; File No. 333-149811; File No. 333-157190; File No. 333-172162; and File No. 333-193691).

/s/ KPMG LLP

Tampa, Florida
December 15, 2017
Certified Public Accountants

Exhibit 99.1

CLOSETMAID CORPORATION

A Business Unit of Emerson Electric Co.

Combined Financial Statements
for the Years Ended September 30, 2015, 2016 and 2017

INDEX TO FINANCIAL STATEMENTS

Audited Combined Financial Statements of ClosetMaid Corporation

Independent Auditors' Report

The Board of Directors
ClosetMaid Corporation:

We have audited the accompanying combined financial statements of ClosetMaid Corporation and affiliates, which comprise the combined balance sheets as of September 30, 2016 and 2017, and the related combined statements of earnings, comprehensive income, equity, and cash flows for each of the years in the three-year period ended September 30, 2017, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of ClosetMaid Corporation and affiliates as of September 30, 2016 and 2017, and the results of their operations and their cash flows for each of the years in the three-year period ended September 30, 2017 in accordance with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Tampa, Florida
December 14, 2017
Certified Public Accountants

Combined Statements of Earnings
CLOSETMAID CORPORATION

Years ended September 30
(Dollars in millions)

	2015	2016	**2017**
Net sales	$ 334.0	318.6	**298.5**
Costs and expenses			
Cost of sales	233.3	220.1	**215.0**
Selling, general and administrative expenses	72.3	69.6	**68.5**
Other deductions, net	3.3	0.8	**1.0**
Interest income, net	1.9	2.5	**3.8**
Earnings before income taxes	27.0	30.6	**17.8**
Income taxes	11.3	12.0	**6.6**
Net earnings	$ 15.7	18.6	**11.2**

See accompanying Notes to Combined Financial Statements

Combined Statements of Comprehensive Income
CLOSETMAID CORPORATION

Years ended September 30
(Dollars in millions)

	2015	2016	2017
Net earnings	$ 15.7	18.6	**11.2**
Other comprehensive income (loss), net of tax:			
Foreign currency translation	(5.7)	0.4	**1.7**
Cash flow hedges, net of income taxes of: 2015, $0.0; 2016, $0.1; 2017, $0.0	—	(0.2)	**—**
Total other comprehensive income (loss)	(5.7)	0.2	**1.7**
Comprehensive income	$ 10.0	18.8	**12.9**

See accompanying Notes to Combined Financial Statements

Combined Balance Sheets
CLOSETMAID CORPORATION

September 30
(Dollars in millions)

		2016	2017
ASSETS			
Current assets			
Cash and equivalents	$	7.8	**8.8**
Receivables, net of allowance for doubtful accounts of $0.3 and $0.3, respectively		37.2	**31.5**
Inventories		27.8	**34.9**
Deferred income taxes		3.1	**3.2**
Other current assets		7.5	**9.5**
Total current assets		83.4	**87.9**
Property, plant and equipment, net		36.1	**32.7**
Other assets			
Goodwill		140.3	**141.9**
Other intangible assets		1.2	**1.3**
Deferred income taxes		0.1	**0.2**
Other		0.2	**0.2**
Total other assets		141.8	**143.6**
Total assets	$	261.3	**264.2**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable	$	43.4	**44.7**
Accrued expenses		16.4	**13.5**
Current portion of long-term debt		1.6	**1.7**
Income taxes payable		0.7	**0.3**
Total current liabilities		62.1	**60.2**
Deferred income taxes		8.7	**8.3**
Long-term debt		5.1	**3.4**
Other long-term liabilities		2.8	**2.7**
Equity			
Net parent investment		167.6	**172.9**
Accumulated other comprehensive income		15.0	**16.7**
Total equity		182.6	**189.6**
Total liabilities and equity	$	261.3	**264.2**

See accompanying Notes to Combined Financial Statements

Combined Statements of Equity
CLOSETMAID CORPORATION

Years ended September 30
(Dollars in millions)

	2015	2016	**2017**
Net parent investment			
Beginning balance	$ 338.8	346.8	**356.8**
Net earnings	15.7	18.6	**11.2**
Dividends paid to Emerson	(7.7)	(13.0)	**(10.2)**
Capital contribution of Emerson	—	4.4	**—**
	346.8	356.8	**357.8**
Cumulative intercompany receivable due from Emerson, beginning	(171.5)	(183.0)	**(189.2)**
Net transfer to Emerson	(11.5)	(6.2)	**4.3**
Cumulative intercompany receivable due from Emerson, ending	(183.0)	(189.2)	**(184.9)**
Ending balance	163.8	167.6	**172.9**
Accumulated other comprehensive income			
Beginning balance	20.5	14.8	**15.0**
Foreign currency translation	(5.7)	0.4	**1.7**
Cash flow hedges	—	(0.2)	**—**
Ending balance	14.8	15.0	**16.7**
Total equity	$ 178.6	182.6	**189.6**

See accompanying Notes to Combined Financial Statements

Combined Statements of Cash Flows
CLOSETMAID CORPORATION

Years ended September 30
(Dollars in millions)

	2015	2016	**2017**
Operating activities			
Net earnings	$ 15.7	18.6	**11.2**
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	8.5	7.2	**6.5**
Changes in operating working capital	1.2	(2.2)	**(5.4)**
Losses on foreign currency exchange activity	0.5	0.5	**—**
Deferred income taxes	(3.2)	3.1	**(0.4)**
Other, net	1.4	0.4	**(0.2)**
Net cash provided by operating activities	24.1	27.6	**11.7**
Investing activities			
Capital expenditures	(3.8)	(6.6)	**(2.6)**
Other, net	(0.6)	(0.1)	**(0.5)**
Net cash used by investing activities	(4.4)	(6.7)	**(3.1)**
Financing activities			
Net payments to Emerson	(19.2)	(14.8)	**(5.9)**
Net increase (decrease) in short-term borrowings	0.5	(3.4)	**—**
Payments of long-term debt	(1.4)	(1.4)	**(1.7)**
Net cash used by financing activities	(20.1)	(19.6)	**(7.6)**
Effect of exchange rate changes on cash and equivalents	(1.8)	(0.9)	**0.0**
Increase (Decrease) in cash and equivalents	(2.2)	0.4	**1.0**
Beginning cash and equivalents	9.6	7.4	**7.8**
Ending cash and equivalents	$ 7.4	7.8	**8.8**
Changes in operating working capital			
Receivables	$ (7.5)	5.0	**5.8**
Inventories	(5.1)	1.9	**(7.0)**
Other current assets	1.6	(1.4)	**(2.1)**
Accounts payable	8.1	(4.3)	**1.3**
Accrued expenses	3.0	(2.6)	**(3.0)**
Income taxes payable	1.1	(0.8)	**(0.4)**
Total changes in operating working capital	$ 1.2	(2.2)	**(5.4)**

See accompanying Notes to Combined Financial Statements

Notes to Combined Financial Statements
CLOSETMAID CORPORATION

Years ended September 30
(Dollars in millions, except where noted)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

ClosetMaid Corporation (the Company) operates as a business unit of Emerson Electric Co.'s (Emerson) Commercial & Residential Solutions segment and is the worldwide leader in home storage and organization solutions. Product offerings include shelving systems, closet organizers, home office and kitchen storage, and drawer systems and containers, available primarily in wire and wood.

Basis of Presentation

The Company has historically operated as part of Emerson and not as a stand-alone entity. These financial statements present the carve-out historical financial position, results of operations, and cash flows of the Company as if it had operated on a stand-alone basis subject to Emerson's control, and include all accounts of the Company and its subsidiaries and affiliates on a combined basis. Intercompany transactions, profits and balances among ClosetMaid entities have been eliminated. These financial statements were derived from Emerson's historical financial statements and accounting records and have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Sale and purchase transactions between the Company and other Emerson affiliates are included in the financial statements. See Note 10.

Based on its management operating structure, the Company has one segment. Operations are managed and financial performance is evaluated on a Company-wide basis.

As a business unit of Emerson, ClosetMaid has been charged for costs directly related to the Company, and has been allocated a portion of Emerson's general corporate costs. All these costs are reflected in the financial statements. The Company participates in various Emerson programs which include information technology services, employee benefits, medical insurance, and other programs. Costs associated with these programs are charged to the Company based on Emerson's actual cost and the Company's relative level of usage. The Company also utilizes Emerson's global shared service centers and is charged for direct costs and its share of facilities overhead.

Emerson provides certain oversight and support services, including assistance with management strategy, logistics, marketing, finance, treasury, tax, human resources, legal and other activities. A charge for these services, including key executive stock-based compensation, has historically been allocated to the Company based principally on revenue. While management believes the methodologies and assumptions used to allocate these costs are reasonable, the financial statements do not purport to represent the financial position, or the results of operations, changes in equity, and cash flows of the Company in the future, or what they would have been had the Company operated as a stand-alone entity during the periods presented.

Emerson centrally manages substantially all its financial resources. ClosetMaid finances its operating and capital requirements through cash provided by operations and intercompany funding with Emerson. Emerson does not allocate corporate debt or the related interest costs to its business units. Therefore, these carve-out financial statements do not reflect an allocation of corporate interest expense.

Equity shown on the balance sheet constitutes Emerson's "Net parent investment" in the Company, which includes - a cumulative intercompany receivable due from Emerson. Interest income earned on this receivable due from Emerson is included in earnings. Changes in the cumulative balance are included in "Net transfer to Emerson" in the financing activities section of the combined statements of cash flows.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that could affect the reported amounts of assets, liabilities, revenue and expenses for the periods presented. Actual results could differ from those estimates.

Foreign Currency

The financial statements are presented in U.S. dollars, which is the Company's reporting currency. The functional currency for the Company's Mexico operations is U.S. dollars while other non-U.S. operations use the local currency. Adjustments resulting from translating local currency financial statements into U.S. dollars are reflected in accumulated other comprehensive income. Transactions denominated in currencies other than the functional currencies are subject to changes in exchange rates with resulting gains/losses recorded in net earnings.

Cash and Equivalents

Cash equivalents consist of highly-liquid investments with original maturities of three months or less.

Inventories

Inventories are stated at the lower of cost or market and are valued based on standard costs that approximate average costs. Cost standards are revised at the beginning of each fiscal year. The annual effect of resetting standards plus operating variances incurred during each period are allocated between inventories and cost of sales. Following are the components of inventories as of September 30:

		2016	**2017**
Raw materials	$	5.7	**7.8**
Work in process		1.1	**1.5**
Finished products		21.0	**25.6**
Total inventories	$	27.8	**34.9**

Property, Plant and Equipment

The Company records investments in land, buildings, and machinery and equipment at cost. Depreciation is computed principally using the straight-line method over estimated service lives, which for principal assets are 30 to 40 years for buildings and 10 to 12 years for machinery and equipment. Long-lived tangible assets are reviewed for impairment whenever events or changes in business circumstances indicate the carrying value of the assets may not be recoverable. Impairment losses, if any, are recognized based on estimated fair values if the sum of expected future undiscounted cash flows of the related assets is less than the carrying values. The components of property, plant and equipment as of September 30 follow:

		2016	**2017**
Land	$	3.2	**3.2**
Buildings		47.2	**48.2**
Machinery and equipment		106.6	**102.8**
Construction in progress		2.7	**0.9**
Property, plant and equipment, at cost		159.7	**155.1**
Less: Accumulated depreciation		(123.6)	**(122.4)**
Property, plant and equipment, net	$	36.1	**32.7**

Goodwill and Other Intangibles

Assets and liabilities acquired in business combinations are accounted for using the acquisition method and recorded at their respective fair values. Goodwill represents the excess of consideration paid over total fair value of the net assets acquired. The Company conducts its annual impairment test of goodwill in the fourth quarter and between annual tests if events or circumstances indicate its fair value may be less than its carrying value. If the carrying value exceeds its estimated fair value, goodwill impairment is recognized to the extent that recorded goodwill exceeds the implied fair value of goodwill. The estimated fair value of the reporting unit is a Level 3 measure, developed primarily under an income approach that discounts estimated future cash flows using risk adjusted interest rates. No goodwill impairment was recorded for any of the periods presented.

All the Company's identifiable intangible assets are subject to amortization on a straight-line basis over their estimated useful lives. Identifiable intangibles consist of intellectual property such as patented and unpatented technology and trademarks, customer relationships and capitalized software. Identifiable intangible assets are also subject to evaluation for potential impairment if events or circumstances indicate the carrying value may not be recoverable. No identifiable intangible asset impairment was recorded for any of the periods presented.

Net Parent Investment

The net parent investment balance included in the combined balance sheets represents Emerson's historical investment in the Company, the Company's accumulated net earnings after income taxes, and the net effect of transactions with Emerson.

Revenue Recognition

The Company recognizes revenue from the sale of manufactured products. The Company records revenue when products are shipped or delivered, title and risk of loss pass to the customer, and collection is reasonably assured. Management believes all the relevant criteria and conditions have been met when recognizing revenue. The Company has various advertising and volume rebate programs with its major customers, where benefits accrue monthly and are settled at various intervals through the year. Although some are cash settled, amounts due customers are typically settled via issuance of debit and credit memos between the parties. Rebates are based on a negotiated scale and are available only after customers have purchased minimum specified quantities, and totaled $9.0, $8.4 and $6.5 in 2015, 2016 and 2017, respectively. For advertising, the Company reimburses a portion of its customers' advertising spending up to a pre-set percentage of sales volume. The cost of advertising reimbursements was $16.3, $16.7 and $13.4 in 2015, 2016 and 2017, respectively. Costs related to these and other programs are deducted from gross sales in arriving at reported net sales.

The Company records amounts billed to customers for the costs of shipping and handling in sales transactions as revenue. Shipping and handling costs incurred by the Company were $25.3, $20.7 and $22.0 for 2015, 2016 and 2017, respectively, and were reported in selling, general and administrative expenses.

The Home Depot accounted for 42.6 percent, 42.1 percent and 37.7 percent of the Company's sales in 2015, 2016 and 2017, respectively. Target Stores accounted for an additional 16.8 percent, 16.0 percent and 16.1 percent of sales in those years.

Warranty

The Company warrants its products to be free of defects and replaces any defective products free of charge. Costs for defective products were $4.6, $4.8 and $4.9, respectively, or approximately 1.4 percent, 1.5 percent and 1.6 percent of net sales in 2015, 2016 and 2017.

Fair Value Measurement

Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, establishes a formal hierarchy and framework for measuring certain financial statement items at fair value, and requires disclosures about fair value measurements and the reliability of valuation inputs. Under ASC 820, measurement assumes the transaction to sell an asset or transfer a liability occurs in the principal or at least the most advantageous market for that asset or liability. Within the hierarchy, Level 1 instruments use observable market prices for the identical item in active markets and have the most reliable valuations. Level 2 instruments are valued through broker/dealer quotation or through market-observable inputs for similar items in active markets, including forward and spot prices, interest rates and volatilities. Level 3 instruments are valued using inputs not observable in an active market, such as company-developed future cash flows, and are considered the least reliable. Valuations for all the Company's financial instruments fall within Level 2. Carrying value approximates fair value for cash and equivalents, accounts receivable and accounts payable.

Derivative Instruments and Hedging Activities

In the normal course of business, the Company is exposed to changes in foreign currency exchange rates relating to transactions denominated in currencies that differ from the functional currencies of its subsidiaries, principally Canadian dollars and Mexican pesos. Foreign exchange forwards are utilized, as needed, to hedge foreign currency exposures impacting sales or cost of sales transactions, firm commitments or the fair value of assets and liabilities. All derivatives are associated with specific underlying exposures and the Company does not hold derivatives for trading or speculative purposes. The initial duration of hedge positions is less than two years.

All derivatives are accounted for under ASC 815, *Derivatives and Hedging*, and recognized at fair value. For derivatives hedging variability in future cash flows, the effective portion of any gain or loss is deferred in equity and recognized when the underlying transaction impacts earnings. To the extent that any hedge is not fully effective at offsetting changes in the underlying hedged item, there could be a net earnings impact. Gains and losses from the ineffective portion of any hedge are recognized in the combined statements of earnings immediately.

Income Taxes

The Company's operations have historically been included in Emerson's combined U.S. and non-U.S. income tax returns in most locations. Income tax expense included in the financial statements has been calculated following the separate return method, which applies ASC 740, *Income Taxes*, as if the Company was a stand-alone enterprise and a separate taxpayer for the periods presented. The calculation of income taxes on a separate return basis requires considerable judgment and the use of both estimates and allocations that affect the calculation of certain tax liabilities and the determination of the recoverability of certain deferred tax assets, which arise from temporary differences between the tax and financial statement recognition of revenue and expenses. As a result, the Company's deferred income tax rate and deferred tax balances may differ from those in Emerson's historical results.

The provision for income taxes is determined using the asset and liability approach of ASC 740. Deferred taxes represent the future tax consequences expected when the reported amounts of assets and liabilities are recovered or paid. Deferred taxes result from differences between financial statement and tax bases of the Company's assets and liabilities. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Any tax carryforwards reflected in the financial statements have also been determined using the separate return method. Tax carryforwards include net operating losses.

The complexity of tax regulations requires assessments of uncertainties in estimating taxes the Company will ultimately pay. The Company recognizes liabilities for anticipated tax audit uncertainties in the U.S. and other tax jurisdictions based on its estimate of whether, and the extent to which additional taxes would be due on a separate return basis. Tax liabilities are presented net of any related tax loss carryforwards.

The Company also provides for income taxes, net of any potentially available foreign tax credits, on earnings intended to be repatriated from foreign subsidiaries. Undistributed earnings of foreign subsidiaries were zero as of September 30, 2017. Recognition of income taxes on undistributed foreign earnings, if any, would be triggered by a decision to repatriate earnings.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) amended ASC 606, *Revenue from Contracts with Customers*, to update and consolidate revenue recognition guidance from multiple sources into a single, comprehensive standard to be applied for all contracts with customers. The fundamental principle of the revised standard is to recognize revenue based on the transfer of goods and services to customers at an amount that the Company expects to be entitled to in exchange for those goods and services. Also required are additional disclosures regarding the nature, extent, timing and uncertainty of revenues and associated cash flows. Required adoption of the new standard is effective for the Company in the first quarter of fiscal 2019. The new rules may be adopted on either a prospective or retrospective basis. The Company is in the process of evaluating the impact of the revised standard on the financial statements and determining its method of adoption.

In November 2015, the FASB issued updates to ASC 740, *Income Taxes*, requiring noncurrent presentation of all deferred tax assets and liabilities on the balance sheet. These updates are effective for the Company in the first quarter of fiscal 2018, with early adoption permitted, and may be adopted on either a prospective or retrospective basis. The Company is in the process of evaluating the impact of the revised standard on its financial statements.

In February 2016, the FASB amended ASC 842, *Leases*, to require recognition on the balance sheet of assets and liabilities related to the rights and obligations associated with all lease arrangements. Currently, obligations classified as operating leases are not recorded on the balance sheet, but must be disclosed. The amendment also adds disclosures intended to provide more information regarding the amount, timing and uncertainty of cash flows arising from lease arrangements. Adoption of the new standard is effective for the Company in the first quarter of fiscal 2020. The Company is in the process of evaluating the impact of the revised standard on the financial statements.

Immaterial Correction of an Error

The Company has adjusted the below line items in the previously issued 2015 and 2016 combined statements of cash flows to properly reflect foreign currency exchange amounts that were grossed up in accounts payable (included in cash flows from operating activities) and in the effect of exchange rate changes on cash. There was no effect from the correction of the error on the combined balance sheets or statements of earnings, comprehensive income or equity. A summary of these adjustments in the 2015 and 2016 combined statements of cash flows are presented below.

	2015 As previously reported	2015 As adjusted	2016 As previously reported	2016 As adjusted
Operating cash flows	$ 26.4	$ 24.1	$ 31.7	$ 27.6
Effect of exchange rate on changes in cash	(4.1)	(1.8)	(5.0)	(0.9)

(2) OTHER DEDUCTIONS, NET

Other deductions, net are summarized as follows:

	2015	2016	**2017**
Restructuring expense (see Note 3)	$ 2.9	0.6	**0.9**
Other, net	0.4	0.2	**0.1**
Total	$ 3.3	0.8	**1.0**

Other, net is composed of several items that are individually immaterial, including amortization of intangibles, foreign currency transaction gains or losses, gains on disposals of property, plant and equipment and other items.

(3) RESTRUCTURING

Restructuring activity reflects costs associated with the Company's efforts to continually improve operational efficiency and deploy assets to remain competitive. Shutdown costs can include severance, benefits, stay bonuses, lease and contract terminations and asset write-downs. Vacant facility costs include security, maintenance, utilities and other costs.

Restructuring expenses were $2.9, $0.6 and $0.9, respectively, for 2015, 2016 and 2017. The change in the liability for the restructuring of operations during the year ended September 30 follows:

	2015	Expense	Paid/ Utilized	2016	**Expense**	**Paid/ Utilized**	**2017**
Severance and benefits	$ 0.8		(0.8)	—	0.9	(0.9)	—
Vacant facility and other shutdown costs	0.3	0.6	(0.9)	—	—	—	—
Total	$ 1.1	0.6	(1.7)	—	0.9	(0.9)	—

The Company incurred $2.1 in shutdown costs in 2015 related to the Chino, CA manufacturing facility, primarily for asset write-downs and plant relocation costs, plus severance and benefits. In addition, the Company incurred $0.8 in costs for the manufacturing and sales force reductions in China, principally for severance. Workforce count was reduced by 46 in 2015, all related to the Chino shutdown. In 2016, restructuring activity reflected primarily vacant facilities costs, as well as limited amounts of severance, bonus and plant relocation costs related to closure of the Chino facility which was begun in 2015. U.S. workforce count was reduced by 17 in 2016 due to the Chino action, while workforce count in China was reduced by a total of 72 due to the scaling back of production (55) and the elimination of a sales office (17). In 2017, workforce count was reduced by 78, primarily salaried workforce worldwide and at the Grantsville, MD facility.

(4) GOODWILL AND OTHER INTANGIBLES

The change in the carrying value of goodwill for the years ended September 30, 2016 and 2017 is attributable to foreign currency translation. The Company has recognized no impairments of goodwill.

The gross carrying amounts and accumulated amortization of identifiable intangible assets by major class follow:

	Customer Relationships		Intellectual Property		Capitalized Software		Total	
	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**
Gross carrying amount	$ 10.7	**10.7**	3.2	**3.3**	5.6	**6.2**	19.5	**20.2**
Less: Accumulated amortization	10.7	**10.7**	2.7	**2.8**	4.9	**5.4**	18.3	**18.9**
Net carrying amount	$ —	**—**	0.5	**0.5**	0.7	**0.8**	1.2	**1.3**

Total intangible asset amortization expense for 2015, 2016 and 2017 was $0.9, $0.7 and $0.5, respectively. Based on intangible asset balances as of September 30, 2017, expected amortization expense is $0.3. $0.2 and $0.1 in 2018, 2019 and 2020, respectively, and less than $0.1 in the years thereafter.

(5) FINANCIAL INSTRUMENTS

Hedging Activities
As of September 30, 2017, all foreign currency hedge positions were settled. In 2015, 2016 and 2017 all derivatives receiving deferral accounting are cash flow hedges. Amounts included in earnings and other comprehensive income (OCI) follow:

		Gain (Loss) to Earnings			Gain (Loss) to OCI		
	Location	2015	2016	**2017**	2015	2016	**2017**
Foreign currency	Cost of sales	0.2	(0.1)	**(0.2)**	0.2	(0.4)	**—**

Fair Value Measurement
The fair value of foreign currency contracts was reported in other current assets and accrued expenses. Carrying values of derivative contract positions were assets and liabilities of $0.4 and $0.7, respectively, as of September 30, 2016.

(6) LONG-TERM DEBT

Long-term debt, including the current portion, stems from three capital leases with concurrent terms related to the Ocala, FL manufacturing, warehouse and headquarters operations. All leases expire in June 2020 and bear interest at 8.02 percent. As of September 30, 2016 and 2017 the gross carrying amount of assets under lease was $21.4, of which $21.2 was buildings and $0.2 was land; Remaining unamortized balances for building were $3.9 and $2.7, respectively, as of September 30, 2016 and 2017. The remaining unamortized balances for land were less than $0.1 as of September 30, 2016 and 2017. ClosetMaid has options to purchase the assets upon expiration for a total of $23.0 and it can also extend the lease terms. The Company has made no decision in this regard. Depreciation expense on leased assets was $1.0 in 2015, 2016 and in 2017. Interest expense was $0.7 in 2015, $0.6 in 2016, and $0.5 in 2017. Future cash lease payments, including interest, are $2.1 in 2018 and 2019 and $1.6 in 2020. There are no subleases, escalation clauses, contingencies, guarantees, restrictive covenants or capital requirements associated with the leases.

(7) RETIREMENT PLANS

Most of the Company’s employees participate in defined contribution plans, including 401(k), profit sharing, and other savings plans that provide retirement benefits. Expenses related to these plans equal cash contributions. Certain non-U.S. employees participate in statutorily required termination benefit plans, which have no associated assets or funding requirements. The liability related to these plans was $0.4 and $0.5 as of September 30, 2016 and 2017, respectively, and represents an apportionment from the total liability attributable to all Emerson affiliated employees. There are no plans specifically attributable to ClosetMaid. Additionally, certain Company employees participate in broad Emerson-sponsored defined benefit plans. Liabilities under these plans are obligations of Emerson and, accordingly, are not reflected in these financial statements. The Company accounts for the cost of these plans as a participant in a multiemployer pension plan in accordance with ASC 715, *Compensation – Retirement Benefits.* Costs charged to the Company by Emerson for participation in these plans are based on specific actuarially-determined service and interest costs for Company employees, and a proportionate allocation of actuarial loss amortization based on Emerson's benefit obligations. The primary objective for the investment of broad Emerson pension plan assets is to secure participant retirement benefits while earning a reasonable rate of return, with assets invested consistent with the principles of prudence and diversification for a long-term investment horizon.

Retirement plans expense includes the following components:

	U.S. Plans			Non-U.S. Plans		
	2015	2016	**2017**	2015	2016	**2017**
Defined benefit plans	$ 1.4	1.4	**1.4**	—	—	**—**
Defined contribution plans	0.9	1.0	**0.8**	1.1	0.9	**0.9**
Total retirement plans expense	$ 2.3	2.4	**2.2**	1.1	0.9	**0.9**

(8) INCOME TAXES

The Company's operations have historically been included in Emerson's combined U.S. and non-U.S. income tax returns in most locations. Income tax expense and deferred income tax balances are presented in the financial statements as if the Company filed its own income tax returns in each jurisdiction. See Note 1.

Earnings before income taxes consist of the following:

	2015	2016	**2017**
United States	$ 24.5	26.0	**13.4**
Non-U.S.	2.5	4.6	**4.4**
Total earnings before income taxes	$ 27.0	30.6	**17.8**

The principal components of income tax expense follow:

	2015	2016	**2017**
Current			
Federal	$ 11.7	5.6	**4.6**
State and local	1.2	1.0	**0.9**
Non-U.S.	1.6	2.3	**1.5**
Deferred			
Federal	(2.8)	2.7	**(0.3)**
State and local	(0.1)	0.3	**—**
Non-U.S.	(0.3)	0.1	**(0.1)**
Income tax expense	$ 11.3	12.0	**6.6**

Reconciliation of the U.S. statutory income tax rate to the Company's effective income tax rate follows:

	2015	2016	**2017**
U.S. federal rate	35.0%	35.0%	**35.0%**
State and local taxes, net of federal benefit	2.6	2.7	**3.2**
Impact of foreign income	3.7	1.0	**1.7**
U.S. manufacturing deduction	(1.1)	(0.9)	**(1.1)**
Unrecognized tax benefits	—	1.8	**—**
Other	1.7	(0.4)	**(1.7)**
Effective income tax rate	41.9%	39.2%	**37.1%**

Following are changes in 2017 unrecognized tax benefits before considering recoverability of cross-jurisdictional tax credits (federal, state and non-U.S.) and temporary differences. The amount of unrecognized tax benefits is not expected to change significantly within the next 12 months. There were no 2015 unrecognized tax benefits or activity.

	2016	2017
Beginning balance	—	**1.8**
Additions for current year tax positions	1.8	**—**
Ending balance	1.8	**1.8**

If none of the unrecognized tax benefits shown is ultimately paid, the tax provision and the calculation of the effective tax rate would be favorably impacted $0.6. The Company accrues interest and penalties related to income taxes in income tax expense. Insignificant interest was recognized in 2016 and 2017. No penalties were recognized in either year. Accrued interest and penalties at September 30, 2016 and 2017 were inconsequential.

The U.S. is the major jurisdiction for which the Company files income tax returns. U.S federal tax returns are closed through 2013. The status of state and non-U.S. tax examinations varies by the numerous legal entities and jurisdictions in which the Company operates.

The principal items that gave rise to deferred income tax assets and liabilities follow:

		2016	2017
Deferred tax assets			
Net operating losses	$	0.3	**0.3**
Accrued liabilities		0.3	**0.3**
Leveraged lease		1.0	**0.8**
Employee compensation and benefits		2.1	**1.9**
Other		1.2	**1.5**
Total	$	4.9	**4.8**
Valuation allowances	$	(0.4)	**(0.3)**
Deferred tax liabilities			
Intangibles		(6.7)	**(6.6)**
Property, plant & equipment		(3.1)	**(2.7)**
Other		(0.2)	**(0.1)**
Total	$	(10.0)	**(9.4)**
Net deferred income tax liability	$	(5.5)	**(4.9)**

Current deferred tax assets were $3.1 and $3.2 as of September 30, 2016 and 2017, respectively, while noncurrent deferred tax liabilities, net were $8.6 and $8.1 as of September 30, 2016 and 2017, respectively. The $0.3 net operating losses as of September 30, 2017 expire over the next five years. Total income taxes paid were $11.4 in 2015, $10.8 in 2016 and $8.9 in 2017.

(9) STOCK-BASED COMPENSATION

Certain employees of the Company participate in Emerson stock-based compensation plans, which include stock options, performance shares and restricted stock. Compensation expense is recognized based on Emerson's cost of the awards determined under ASC 718, *Compensation – Stock Compensation*. Stock-based compensation recognized by Emerson related to Company employees was $0.3, $1.2 and $0.7 for 2015, 2016 and 2017, respectively. These costs are not specifically reflected as compensation expense in ClosetMaid's financial statements. Instead, the allocation to the Company of Emerson corporate support costs is considered sufficient to ensure the Company's results include expenses approximately equivalent to actual compensation expense. See Notes 1 and 10.

Stock Options

The Emerson stock option plan permits officers and certain other Emerson employees to purchase Emerson common stock at specified prices, which are equal to the closing market price on the date of grant. Options generally vest one-third in each of the three years subsequent to grant and expire 10 years from the date of grant. Compensation expense is recognized by Emerson ratably over the vesting period based on the number of options expected to vest.

Performance Shares and Restricted Stock
Performance shares and restricted stock plans distribute the value of Emerson common stock subject to certain operating performance conditions, and service and other restrictions. Distribution is primarily in shares of Emerson common stock and cash. Compensation expense is recognized by Emerson at fair value over the service periods, based on the number of awards ultimately expected to be earned.

(10) RELATED-PARTY TRANSACTIONS

As a business unit of Emerson, the Company has been charged for costs directly attributable to ClosetMaid and allocated a portion of Emerson's general corporate costs. All these costs are reflected in the Company's financial statements. Management believes the methodologies and assumptions used to allocate costs to the Company are reasonable.

Emerson maintains a centralized information technology function that supports its business units. Services provided include application hosting, network support, network security, messaging and technology related services. Charges to the Company for these services are based on Emerson's cost and the Company's actual usage. Emerson administers a medical insurance program for its U.S. employees in which the Company participates and for which it records the cost of claims incurred each period. The Company participates in other Emerson programs including, but not limited to, workers' compensation and general and product liability insurance. Other Emerson programs are charged to the Company based on costs incurred and usage. The Company utilizes Emerson global shared service centers that host Company-dedicated resources providing customer facing support, engineering and back office financial services. Costs for these resources are charged directly to the Company, with the clear majority relating to employee compensation and benefits and the remaining portion relating to facility overhead.

Costs incurred for Emerson-managed functions for the years ended September 30:

	2015	2016	**2017**
Corporate management	$ 3.8	$ 3.7	**$ 3.7**
Information technology	$ 1.2	$ 1.2	**$ 1.1**
Insurance / other benefits	$ 5.5	$ 7.5	**$ 4.7**
Shared services	$ 2.0	$ 1.9	**$ 1.8**

The Company had sales to Emerson affiliates of $0.8, $0.8, and $0.9 in 2015, 2016 and 2017, and had no product purchases from Emerson affiliates in those years.

Related-party amounts reported in the balance sheet as of September 30:

	2016	**2017**
Accounts receivable	$ 0.1	**$ 0.1**
Accounts payable	$ 0.2	**$ 0.2**
Cash in cash pool	$ 6.2	**$ 0.6**
Accrued expenses	$ 3.4	**$ 3.1**
Cumulative intercompany receivable due from Emerson	$ 189.2	**$ 184.9**

The Company recognized interest income of $2.7, $3.2 and $4.3 in 2015, 2016 and 2017 related to the cumulative intercompany receivable due from Emerson.

(11) CONTINGENT LIABILITIES AND COMMITMENTS

The Company is a party to a number of pending legal proceedings and claims, including those involving general and product liability and other matters. The Company accrues for such liabilities when it is probable that future costs (including legal fees and expenses) will be incurred and such costs can be reasonably estimated. Accruals are based on developments to date; management's estimates of the outcomes of these matters; the Company's experience in contesting, litigating and settling similar matters; and any related insurance coverage. While the Company believes a material adverse impact is unlikely, it is not possible to predict the ultimate outcome of these matters. Given the inherent uncertainty of litigation, a remote possibility does exist that a future development could have a material adverse impact on the Company. As of September 30, 2017, there were no known contingent liabilities (including guarantees, taxes and other claims) that management believes will be material in relation to the Company's financial statements, nor were there any material commitments outside the normal course of business.

(12) ACCUMULATED OTHER COMPREHENSIVE INCOME

		2015	2016	**2017**
Foreign currency translation, beginning	$	20.5	14.8	**15.0**
Other comprehensive income (loss)		(5.7)	0.4	**1.7**
Foreign currency translation, ending		14.8	15.2	**16.7**
Cash flow hedges, beginning		—	—	**—**
Gains (losses) deferred during the period, net of income taxes of: 2015, $0.0; 2016, $0.1, 2017, $0.0		0.2	(0.3)	**(0.2)**
Reclassification of (gains) losses to sales and cost of sales, net of income taxes of: 2015, $0.0; 2016, $0.0, 2017, $0.0		(0.2)	0.1	**0.2**
Cash flow hedges, ending		—	(0.2)	**—**
Accumulated other comprehensive income	$	14.8	15.0	**16.7**

(13) GEOGRAPHIC INFORMATION

		Net Sales by Destination				Property, Plant and Equipment, net	
		2015	2016	**2017**		2016	**2017**
United States	$	302.6	292.1	**274.8**	$	30.2	**26.3**
Canada		18.1	17.0	**17.1**		—	**—**
Other		13.3	9.5	**6.6**		5.9	**6.4**
Total	$	334.0	318.6	**298.5**	$	36.1	**32.7**

Other property, plant and equipment primarily relates to manufacturing operations in Mexico.

(14) OTHER FINANCIAL DATA

Items reported in earnings during the years ended September 30 include the following:

		2015	2016	**2017**
Depreciation expense	$	7.6	6.5	**6.0**
Rent expense	$	5.8	5.0	**5.3**
Advertising expense	$	5.0	4.3	**4.2**
Research and development expense	$	1.4	1.4	**1.5**

Items reported in accrued expenses include the following as of September 30:

		2016	**2017**
Salaries and other employee compensation	$	3.1	**2.6**
Advertising	$	2.7	**1.8**
Workers' compensation	$	3.6	**2.9**
Freight	$	2.7	**3.0**
Rebates and quantity discounts	$	1.3	**1.0**

The Company leases certain office and manufacturing facilities, transportation and office equipment, and other items under operating lease agreements. Minimum annual rentals under noncancelable long-term leases, exclusive of maintenance, taxes, insurance and other operating costs, approximate $3.9 in 2018, $3.5 in 2019, $3.2 in 2020, $2.0 in 2021, $0.6 in 2022 and zero thereafter.

(15) SUBSEQUENT EVENTS

The Company has evaluated subsequent events through December 14, 2017, which is the date the financial statements were available to be issued. On October 2, 2017, Griffon Corporation acquired the Company for approximately $200.

* * *

EXHIBIT 99.2

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION
(In thousands, except per share data)

On October 2, 2017, Griffon Corporation ("Griffon") completed the acquisition of ClosetMaid, a market leader of home storage and organization products, for approximately $200,000, or $175,000 inclusive of the net present value of tax benefits under the current tax law. ClosetMaid adds to Griffon's Home and Building Products segment, complementing and diversifying Griffon's portfolio of leading consumer brands and products.

The following unaudited pro forma condensed combined financial information is based on Griffon's and Closetmaid's historical consolidated financial statements and has been prepared and adjusted to give effect to the ClosetMaid acquisition and related financing transactions.

The unaudited pro forma condensed combined statements of operations for the year ended September 30, 2017 give effect to the ClosetMaid acquisition as if it had occurred on October 1, 2016. The unaudited pro forma condensed combined balance sheet as of September 30, 2017 gives effect to the ClosetMaid acquisition as if it had occurred on September 30, 2017.

The pro forma condensed combined financial information contained herein is provided for information purposes only and does not necessarily reflect what the combined company's financial condition or results of operations would have been had the ClosetMaid acquisition occurred on the dates indicated. They also may not be useful in predicting, and are not intended to project, the future financial condition and results of operations of the combined company. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors, and do not reflect all of the costs, benefits and synergies, or any anticipated tax benefits, that may be incurred or realized as a result of the ClosetMaid acquisition.

The unaudited pro forma financial statements reflect adjustments to give effect to pro forma events that are directly attributable to the ClosetMaid acquisition, factually supportable and, with respect to the pro forma statement of operations, expected to have a continuing impact on the operating results of the combined company. The pro forma adjustments included herein are based upon currently available information and certain assumptions that we believe are reasonable under the circumstances and which are set forth and fully described in the notes below. In addition, the unaudited pro forma condensed combined balance sheet includes pro forma purchase price allocations based upon preliminary estimates of the fair value of the assets acquired and liabilities assumed in connection with the ClosetMaid acquisition. These allocations are preliminary and may be adjusted in the future upon finalization of these preliminary estimates.

The pro forma condensed combined financial statements should be read in conjunction with, and are qualified in their entirety by reference to, the following information: (i) the notes to the unaudited pro forma condensed combined financial information below; (ii) Griffon's audited financial statements as of and for the year ended September 30, 2017, which are included in our Annual Report on Form 10-K for the year then ended filed on November 20, 2017 and incorporated by reference into this filing; and, (iii) ClosetMaid's audited financial statements as of September 30, 2016 and 2017 and for each of the years in the three-year period ended September 30, 2017, which are included in this filing.

GRIFFON CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(in thousands, except per share data)

($ in thousands)	Historical: Griffon	Historical: ClosetMaid	Adjustments		Pro Forma Combined
Revenue	$ 1,524,997	$ 298,500	$ —		$ 1,823,497
Cost of goods and services	1,116,881	215,000	—		1,331,881
Gross profit	408,116	83,500	—		491,616
Selling, general and administrative expenses	339,089	68,600	1,663	a	409,352
Restructuring and other related charges	—	900	—		900
Total operating expenses	339,089	69,500	1,663		410,252
Income from operations	69,027	14,000	(1,663)		81,364
Other income (expense)					
Interest (expense) income, net	(51,449)	3,800	(18,996)	b	(66,645)
Other, net	(880)	—	—		(880)
Total other income (expense)	(52,329)	3,800	(18,996)		(67,525)
Income before taxes from continuing operations	16,698	17,800	(20,659)		13,839
Provision (benefit) for income taxes	(1,085)	6,600	(7,658)	c	(2,143)
Income from continuing operations	$ 17,783	$ 11,200	$ (13,001)		$ 15,982
Discontinued operations:					
Income from operations of discontinued businesses	22,276	—	—		22,276
Provision from income taxes	25,147	—	—		25,147
Loss from discontinued operations	$ (2,871)	$ —	$ —		$ (2,871)
Net Income	$ 14,912	$ 11,200	$ (13,001)		$ 13,111
Income from continuing operations	$ 0.43				$ 0.39
Income from discontinued operations	(0.07)				(0.07)
Basic earnings per common share	$ 0.36				$ 0.32
Weighted average shares outstanding	41,005				41,005
Income from continuing operations	$ 0.41				$ 0.37
Income from discontinued operations	(0.07)				(0.07)
Diluted earnings per common share	$ 0.35				$ 0.30
Weighted average shares outstanding	43,011				43,011

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

GRIFFON CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF SEPTEMBER 30, 2017

($ in thousands)	Historical Griffon	Historical ClosetMaid	Adjustments		Pro Forma Combined
CURRENT ASSETS					
Cash and equivalents	$ 47,681	$ 8,800	$ 63,650	d	$ 120,131
Accounts receivable, net of allowances	208,229	31,500	—		239,729
Contract costs and recognized income not yet billed, net of progress payments	131,662	—	—		131,662
Inventories, net	299,437	34,900	—		334,337
Prepaid and other current assets	40,067	12,700	(3,200)	e	49,567
Assets of discontinued operations held for sale	370,724	—	—		370,724
Assets of discontinued operations not held for sale	329	—	—		329
Total Current Assets	1,098,129	87,900	60,450		1,246,479
PROPERTY, PLANT AND EQUIPMENT, net	232,135	32,700	11,434	e	276,269
GOODWILL	319,139	141,900	(63,399)	f	397,640
INTANGIBLE ASSETS, net	205,127	1,300	71,165	e,f	277,592
OTHER ASSETS	16,051	400	3,200	e	19,651
ASSETS OF DISCONTINUED OPERATIONS NOT HELD FOR SALE	2,960	—	—		2,960
Total Assets	$ 1,873,541	$ 264,200	$ 82,850		$ 2,220,591
CURRENT LIABILITIES					
Notes payable and current portion of long-term debt	$ 11,078	$ 1,700	$ —		$ 12,778
Accounts payable	183,951	44,700	—		228,651
Accrued liabilities	83,258	13,800	1,243	g	98,301
Liabilities of discontinued operations held for sale	84,450	—	—		84,450
Liabilities of discontinued operations not held for sale	8,342	—	—		8,342
Total Current Liabilities	371,079	60,200	1,243		432,522
LONG-TERM DEBT, net of issuance costs	968,080	3,400	271,207	h	1,242,687
OTHER LIABILITIES	132,537	11,000	—		143,537
LIABILITIES OF DISCONTINUED OPERATIONS NOT HELD FOR SALE	3,037	—	—		3,037
Total Liabilities	1,474,733	74,600	272,450		1,821,783
SHAREHOLDERS’ EQUITY					
Total Shareholders’ Equity	398,808	189,600	(189,600)	i	398,808
Total Liabilities and Shareholders’ Equity	$ 1,873,541	$ 264,200	$ 82,850		$ 2,220,591

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. Description of ClosetMaid Acquisition

On October 2, 2017, Griffon completed the acquisition of ClosetMaid, a market leader of home storage and organization products, for approximately $200,000, or $175,000 inclusive of the net present value of tax benefits. ClosetMaid adds to Griffon's Home and Building Products segment, complementing and diversifying Griffon's portfolio of leading consumer brands and products.

Griffon financed the acquisition of ClosetMaid, and payment of related fees and expenses, with an add-on offering of $275,000 aggregate principal amount of 5.25% Senior Notes due 2022 (the "New Notes"). The bonds were issued at a 1% premium. Griffon will use the remaining proceeds for general corporate purposes (including, without limitation, to temporarily repay borrowings under its revolving credit facility).

Griffon's SG&A expenses included $8,055 of acquisition costs in 2017 related to the ClosetMaid acquisition.

2. Basis of Presentation

The unaudited pro forma condensed combined financial information was prepared to give effect to the completed ClosetMaid acquisition, which will be accounted for using the acquisition method of accounting. The unaudited pro forma condensed combined financial information was based on the historical financial statements of Griffon and ClosetMaid. All pro forma financial statements use Griffon's period-end date.

The acquisition method of accounting under U.S. GAAP requires, among other things, that assets acquired and liabilities assumed be recognized at their fair values at the acquisition date. Fair value is defined under U.S. GAAP as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." Market participants are assumed to be buyers and sellers in the principal (or most advantageous) market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. Fair value measurements can be highly subjective and it is possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

We have made initial, preliminary fair value estimates of the assets to be acquired and liabilities to be assumed from ClosetMaid for the purposes of presenting these unaudited pro forma condensed combined financial statements. Consequently, the recorded assets and liabilities on ClosetMaid's financial statements, along with our initial fair value estimates, were added to those of Griffon. Financial statements and reported results of operations of Griffon for periods following completion of the acquisition may reflect different values, and the related depreciation and amortization thereof, after Griffon completes the process of valuing the assets acquired and liabilities assumed. However, any adjustments will not be retroactively restated to reflect the historical financial position or results of operations of ClosetMaid for periods prior to the acquisition.

Acquisition-related transaction costs (e.g., advisory, legal, valuation, other professional fees) and certain acquisition-related restructuring charges impacting the acquired company are not included as a component of consideration transferred, but are accounted for as expenses in the periods in which the costs are incurred. The unaudited pro forma condensed combined financial statements reflect acquisition-related transaction costs incurred by Griffon, as noted above. The unaudited pro forma condensed combined financial statements reflect no restructuring and integration charges that may be incurred in connection with the acquisition.

Certain immaterial reclassifications were made to the overall presentation of ClosetMaid's financial statements to conform to Griffon's presentation.

3. Accounting Policies

Griffon has not identified any differences in accounting policies that would have a material impact on the condensed combined financial statements except as detailed below.

4. Assets Acquired and Liabilities Assumed

The estimated assets acquired and the liabilities assumed by Griffon in the acquisition of ClosetMaid, reconciled to the consideration transferred, are provided below:

		As of September 30, 2017
Allocation of purchase price to the fair value of net assets acquired:		
Accounts receivable, net	$	31,500
Inventories, net		34,900
Other current assets		9,500
Property, plant and equipment, net		44,134
Intangible assets, net		72,465
Goodwill		78,501
Other assets		3,600
Total assets acquired		274,600
Notes payable and current portion of long-term debt		1,700
Accounts payable and accrued liabilities		58,500
Long-term debt		3,400
Other liabilities		11,000
Total liabilities assumed		74,600
Total	$	200,000

The above table reflects a preliminary fair value allocation of the assets acquired and liabilities assumed and the $200,000 consideration does not consider cash acquired and working capital adjustments that the company believes will net to an immaterial amount.

Notes payable and current portion of long-term debt and Long-term debt reflect the assumption of capital leases. The above allocation is preliminary with the final allocation to be based upon the balance sheet as of the closing date of the ClosetMaid acquisition.

5. Pro Forma Adjustments

This note should be read in conjunction with *Note 1. Description of ClosetMaid acquisition; Note 2. Basis of Presentation*.

a. To adjust for the amortization attributable to the estimated fair value of identified definite-lived intangible assets as follows:

Definite-lived Intangibles		Balance	Identified Life		Annual Amortization
Technology	$	8,500	10	$	850
Patents		2,410	9		268
Non-compete agreement		658	10		66
Customer relationships		11,977	25		479
Totals	$	23,545		$	1,663

b. To eliminate interest income recorded by ClosetMaid, consisting of interest income on intercompany receivable from Emerson, and to recognize the net cost of debt incurred by Griffon in connection with the acquisition of ClosetMaid as follows at an assumed rate of interest which would be higher if we are required to draw down on the Bridge Facility to pay for all or any portion of the ClosetMaid acquisition:

		Fiscal Year 2017
Interest expense on New Notes	$	14,438
Amortization of debt issuance costs		1,308
Elimination of ClosetMaid interest income		3,800
Amortization of bond premium		(550)
Totals	$	18,996

c. Griffon has estimated an incremental 37% tax rate in assessing the tax impact of ClosetMaid's results of operations and the related effect of the pro forma adjustments. The effective tax rate and tax accounts in the balance sheet of the combined company could be significantly different (either higher or lower) depending on post-acquisition activities, including tax planning opportunities, cash repatriation decisions and geographic mix of income.

d. Adjustment to cash consists of the following:

		September 30, 2017
Total change in debt, Note (h)	$	271,207
Purchase of ClosetMaid		(200,000)
Removal of ClosetMaid cash		(8,800)
Accrued interest received at closing, Note (g)		1,243
Total change in cash	$	63,650

e. The pro forma balance sheet adjustments included reclassifications of certain balances to conform to Griffon's balance sheet presentation. ClosetMaid's current deferred taxes of $3,200 were reclassified from prepaid and other current assets to other assets as Griffon has already adopted Financial Accounting Standard Board ASU 2015-17 "Balance Sheet Classification of Deferred Taxes". ClosetMaid's capitalized software of $700 was reclassified from intangible assets, net, to property, plant and equipment, net, to be consistent with Griffon's balance sheet presentation. A summary of the adjustment to property, plant and equipment, net, which also includes a preliminary fair value adjustment of $10,734, follows:

	Fixed Assets
Preliminary fair value adjustment	$ 10,734
Reclassification of capitalized software	700
Totals	$ 11,434

f. Goodwill and intangible assets, net includes amounts to reflect the ClosetMaid acquisition as well as the reclassification of capitalized software discussed in note (e) above as follows:

	Goodwill	Acquired Intangible Assets, Net
Remove ClosetMaid goodwill	$ (141,900)	$ —
Goodwill from ClosetMaid acquisition	78,501	—
Indefinite-lived Intangibles from ClosetMaid acquisition	—	48,920
Definite-lived Intangibles from ClosetMaid acquisition	—	23,545
Reclassification of capitalized software	—	(700)
Remove ClosetMaid intellectual property		(600)
Totals	$ (63,399)	$ 71,165

g. Bondholders of the New Notes paid Griffon interest expense upon closing. This amount reflects accrued interest from what would have been the previous semi-annual interest payment through the date of closing of the New Notes. Griffon will return this balance to the bondholders on the next scheduled semi-annual interest payment date.

h. To record the principal and premium received related to the issuance of the New Notes less estimated financing costs as follows:

	September 30, 2017
Proceeds from New Notes	$ 275,000
Premium received on issuance of New Notes	2,750
Debt issuance costs	(6,543)
Total change in debt	$ 271,207

i. To eliminate ClosetMaid's historical equity.